



Town of Paradise

Town Council Meeting Agenda

6:00 PM – January 13, 2026

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

Mayor, Steve Crowder
Vice Mayor, Steve "Woody" Cullen
Council Member, Greg Bolin
Council Member, Heidi Lange
Council Member, Ronald Lassonde

Interim Town Manager, Michael O'Brien
Town Attorney, Scott E. Huber
Town Clerk/Elections Official, Melanie Elvis
CDD, Planning & Onsite, Susan Hartman
CDD, Building & Code Enforcement, Tony Lindsey
Finance Director/Town Treasurer, Aimee Beleu
Public Works Director/Town Engineer, Marc Mattox
Division Chief, CAL FIRE/Paradise Fire, Jason Finney
Chief of Police, Eric Reinbold
Recovery & Economic Development Director, Colette Curtis
Human Resources & Risk Management Director, Crystal Peters
Information Systems Director, Luis Marquez

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
 - 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.
 - B. If you wish to address Council regarding an item not on the agenda, you may do so under Item 4, "Public Communication." Again, please fill out a card and give it to the Town Clerk before the meeting. State Law prohibits Council action on items not listed on a public agenda.

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 business days 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. p6 Camp Fire Recovery Updates - Written reports are included in the agenda packet.

Colette Curtis, Recovery and Economic Development Director - recovery projects, advocacy, economic recovery and development, communications, emergency operations and Housing updates.

Marc Mattox, Assistant Town Manager -infrastructure and sewer updates.

- 1f. p15 Paradise Sewer Project Update by Assistant Town Manager Marc Mattox.

- 1g. Quarterly investment report presentation by Meeder Investment's Jim McCourt.

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. p17 Approve minutes of the December 9, 2025 Special and Regular Town Council meetings. (**Melanie Elvis/Town Clerk**)

- 2b. p29 Approve December 2025 Cash Disbursements in the amount of \$10,189,845.38. (**Finance Director/Aimee Beleu**)

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 HEARINGS

For items that require a published legal notice and/or a mailed notice.

Public Hearing Procedure:

- A. Staff Report
- B. Mayor opens the hearing for public comment in the following order:
 - i. Ask Town Clerk if there are any cards submitted
 - ii. Ask if there is anyone else wishing to comment
- C. Mayor closes the hearing
- D. Council discussion and vote

5a. p37 Conduct a duly noticed and published public hearing to solicit comments and/or suggestions regarding the 2026-2027 Annual Action Plan funding priorities. (**Colette Curtis/Recovery & Economic Development Director**)

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. p40 1. Provide direction relating to the conditional CDBG-DR allocation of \$13.5M for the Paradise Sewer Project or Oliver Curve Project; and, 2. Approve the Paradise Community Development Block Grant Disaster Recovery – Infrastructure Action Plan Amendment 4; and, 3. Adopt Resolution 2026-__ “A Resolution of the Town Council of the Town of Paradise Canceling the Evacuation Route Permanent Changeable Message Sign Project Standard Agreement and Redirecting Allocated Funds to Storm Drain Resiliency Project Phase 1”; or, 4. Provide alternate direction. (ROLL CALL VOTE) (**Marc Mattox/Assistant Town Manager**)

6b. p68 1. Consider concurring with staff’s recommendation to accept the amended and re-stated (formerly PDB contract) Professional Services Agreement with Carollo Engineers to complete design of the Paradise Sewer Project Collection System with a not to exceed amount of \$4.5M; and, 2. Delegate authority to the Town Manager to approve individual task orders under the new Professional Services Agreement so long as they stay under authorized NTE; and, 3. Adopt Resolution No. 2026-__ “A Resolution of the Town Council of the Town of Paradise to Concur with the Paradise Sewer Project Ad Hoc Committee’s Recommendation to Keep Carollo Engineers as the Designer for the Phase One Reduced Collection System and Enter into a Contract with them for the Remaining Design Work Related to this Scope of Work.” (ROLL CALL VOTE) (**Marc Mattox/Assistant Town Manager**)

6c. p74 1. Consider concurring with staff’s recommendation to increase the overall amount of the HDR Master Services Agreement (MSA) from \$5M to \$9.5M for Owner’s Agent services through the start of construction of the Paradise Sewer Project and extend the expiration date of the MSA to December 31, 2029; and, 2. Delegate authority to the Town Manager to approve individual task orders under the Master Services Agreement as long as they stay under the total dollar amount of the MSA and with concurrence of the Paradise Sewer Project Ad Hoc Committee; and, 3. Adopt Resolution No. 2026-__ “A Resolution of the Town Council of the Town of Paradise to Concur with the Paradise Sewer Project Ad Hoc Committee’s Recommendation to Approve an Amendment to the Existing Master Services Agreement with HDR that Includes a \$4.5M Increase to the Existing Not-To-Exceed Amount and a Time Extension to December 31, 2029.” (ROLL CALL VOTE) (**Marc Mattox/Assistant Town Manager**)

6d. p78 1. Consider concurring with staff’s recommendation to select Arbor Pros to enter into a one (1) year agreement with up to two (2) one (1) year extensions not to exceed three years to provide vegetation management

and hazardous fuels reduction services within the Town of Paradise right-of-way; and, 2. Direct staff to enter negotiations with Arbor Pros to reach and execute a funding-compliant agreement approved and executed by the Town Manager and Town Attorney; and, 3. Adopt Resolution 2026-__ "A Resolution of the Town Council of the Town of Paradise, Designating Authority to the Paradise Town Manager To Execute The Agreement for Professional Services and Individual Task Orders Under the Resultant Master Agreement for RFQ 7315 Hazardous Fuels Reduction Services, up to the Maximum Contract Aggregate Amount of \$1.219M." (ROLL CALL VOTE) (**Marc Mattox/Assistant Town Manager**)

- 6e. p82 1. Consider approving the Corrective Action Plan for the 2025 Building Division Audit with planned future updates quarterly; or, 2. Provide alternate direction. (ROLL CALL VOTE) (**Marc Mattox/Assistant Town Manager**)
- 6f. p103 1. Consider waiving the second reading of the entire Town Ordinance No. 653 and approve reading by title only; and, 2. Adopt Town Ordinance No. 653, "An Ordinance Amending Text Regulations within Paradise Municipal Code Title 17 of the Paradise Municipal Code Relative to the Keeping of Backyard Chickens and Rabbits" (ROLL CALL VOTE) (**Susan Hartman/Community Development Director**)
- 6g. p106 1. Consider approving a Request for Proposals (RFP) to procure a contract with a compliance consultant to support project partners with compliance and reimbursement requirements of Department of Housing and Community Development (HCD) grant program; and, 2. Approve an updated MOU with project partners. (ROLL CALL VOTE) (**Colette Curtis/Recovery & Economic Development Director**)
- 6h. p135 Give direction to staff on disposition of original art from phase 1 of the Utility Box Mural Project. (ROLL CALL VOTE) (**Colette Curtis/Recovery & Economic Development Director**)
- 6i. p136 Adopt Resolution No. 2026-__, "A Resolution of the Town Council of the Town of Paradise, California, Reporting Unexpended Development Impact Fees in Accordance with Government Code Section 66006." (ROLL CALL VOTE) (**Aimee Beleu/Finance Director**)
- 6i. p149 Following the Town Council's review of the Fiscal Year 2023/24 financial statement audit report, file the report, as submitted. (ROLL CALL VOTE) (**Aimee Beleu/Finance Director**)

7. COUNCIL INITIATED ITEMS AND REPORTS

- 7a. Council initiated agenda items
- 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:	
<hr/>	
TOWN/ASSISTANT TOWN CLERK SIGNATURE	



Town of Paradise

Council Agenda Summary

Agenda Item: 1(e)

Date: January 13, 2026

ORIGINATED BY:

Colette Curtis, Recovery and Economic Development Director

REVIEWED BY:

Mike O'Brien, Interim Town Manager

SUBJECT:

Monthly Recovery Update

LONG TERM RECOVERY PLAN:

Yes

COUNCIL ACTION REQUESTED:

1. None

Background:

This report continues the Monthly Updates provided to keep the Town Council apprised of important developments related to the recovery of the Town of Paradise from the Camp Fire. Included in this update are items related to recovery projects, advocacy economic recovery and development, communications and emergency operations.

Analysis:

ECONOMIC DEVELOPMENT

CDBG-DR Economic Development

- The Town of Paradise submitted an application for a Workforce Training Center, located on the Paradise High School campus.
- The project is a partnership between the Town of Paradise, Butte College, PUSD, Valley Contractors Workforce Foundation, and Alliance for Workforce Development.
- At the December meeting, Council gave direction to move forward with the project with an amended scope.
- An update on this project is on the agenda tonight for Council consideration and direction.

Healthcare

- The Town of Paradise and Adventist Health Feather River Foundation are working together to create a Strategic Healthcare Recovery Plan to assess current inventory, exiting gaps, projections, and a strategic plan for filling the gaps.
- The draft plan was presented to council at the October meeting.
- Based on Council feedback, staff worked with the consultants to provide an updated draft.
- The Healthcare Committee met to review the draft and the next step will be a meeting with medical professionals to review the draft for further input.
- It is anticipated that a draft will come back to Council for review at the March 2026 meeting.

Utility Box Mural Program

- 6 Utility boxes were wrapped with local artwork on Thursday July 31st. The locations are:
 - Skyway/Neal (artist Libby Sofer)
 - Oliver (artist Emily Wycoff)
 - Pearson (artist Jenn Ponci)
 - Elliot (artist Patti Lloyd)
 - Maxwell (artist Shelley Miller)
 - Black Olive (artist Steve Ferchaud)
- Another call to artists was issued in October, with installation expected in Spring 2025.

Downtown Strategy Phase 3

- Council approved moving forward on Phase 3 of the downtown strategy at the March 2025 meeting.
- The working group has met several times, and has also visited several example sites such as Meriam Park, Mitote Food Park, The Barlow, and Oxbow Market.
- More example site visits are planned over the next month both in person and virtually.
- A roundtable discussion with developers was held this month. The discussion was helpful, and action items identified included
 - The developers agreed to put together a document outlining needs or other things they would look for from the Town to consider investing.
 - The Town will put together an overview of allowable actions with regard to investing in a public/private partnership for development.

RECOVERY

Community Development Block Grant Disaster Recovery Mitigation Planning Public Services (CDBG DR MIT PPS)

- Long Term Community Recovery Plan Update
 - Council approved selection of UDA to conduct the update and draft the plan.
 - Public outreach will begin after the first of the year.
- In Home Siren Units
 - The Standard Agreement for funding for additional in-home siren units has been received, this will extend the number of units made available to residents with another 2,800 units available.
 - Residents have begun registering for the units, which will be shipped directly to them.
 - Town staff is advertising more widely now that additional units have been secured.
- Public Services
 - The Standard Agreement for funding for a public services grant has been received. This will allow the Town to grant funding to local groups for hazard mitigation work within the community.

Office of Land Use and Climate Innovation Grant

- Town was awarded \$739,680 through the Extreme Heat and Community Resilience Program
- Funding will be used to create a Climate Resilience Plan which will identify prospective resiliency projects such as
 - Community Evacuation/Cooling/Heating Centers
 - Shade Tree Planting
 - Fuels Reduction Projects
 - Green space projects
- The Town is partnered with RCAC to do public outreach and complete the plan by December 2026.

- Identified projects may be eligible for future implementation funds through the same grant source.
- The partnership agreement has been signed with partners RCAC, Paradise Recreation and Park District, and Campfire Collaborative.
- A Core Project team has been formed which includes the partners listed above in addition to Fire Safe Council, Cal Fire, Chico State, and local tribes.
- A Public Input process will begin in February 2026.

Overall Hazard Mitigation Project Update

Years of efforts are complete on the pre-award work on all our projects. **All projects are fully approved and funded.**

Category 4 Tree Removal Program

- Project implementation is complete.
- As of October, approximately 9,000 trees have been removed from 350+ parcels. 7-10 different tree removal crews are working across town in an efficient and effective partnership with property owners, local agencies, tribes, and contractors.
- Final wrap up and closeout is ongoing and a full report on the project will be provided to Council when complete.

Emergency Warning System

- All 21 Towers are standing and operational.
- 21 of the 21 Towers are now fully complete.
- All active construction is complete.
- Pre-registration for in home Safe Units is no longer required. Units are available and being shipped directly from our contractor on a first come first serve basis. Units are available here: <https://hgesystems.com/safe-paradise/>
- Additional funding has been secured if we need more than 900 units.

Residential Ignition Resistant Retrofit Program

- Project is fully funded and moving forward.
- All properties have been approved by FEMA to move forward to construction
- **63 Properties have selected their contractors and have had their "Notice to Proceed" Letters issued.**
- **36 Properties have been fully completed.**

Hazardous Fuels Reduction Program

- Project is fully funded and moving forward.
- Town staff are working with involved monitoring tribes on a plan and timeline for implementation.

Defensible Space Code Enforcement

- The Defensible Space Code Enforcement project was fully approved and obligated in November 2023 by FEMA and CalOES.
- Town Council approved implementation plan in January 2024.

- Grant funded staff have been hired and are in place and working in the community.
- In May a Notice of Intent was submitted to Cal OES to request an additional 3 years of funding for this program.
- Our NOI was accepted and a full application was submitted in September.
- In August additional grant funds are being investigated to assist property owners with yearly defensible space compliance costs. If approved, grant sources would be targeted to low-moderate income elderly and disabled property owners.

EMERGENCY MANAGEMENT

- CodeRed is experiencing a nation-wide outage. As a result, the County is moving to CodeRAVE for emergency notification services. The Town is working through the process of establishing this service.
- Implementation for VEOCI, our online EOC software, is ongoing.

Financial Impact:

None.



Town of Paradise

Council Agenda Summary

Agenda Item: 1(e)

Date: January 13, 2026

ORIGINATED BY: Nadia Alekseev, Housing Program Manager

REVIEWED BY: Michael O'Brien, Interim Town Manager

SUBJECT: Housing Recovery Update

**LONG TERM
RECOVERY PLAN:** No

COUNCIL ACTION REQUESTED:

1. None.

Background:

This report provides the Town Council with an update of Housing Activities.

Analysis:

We have **41.99%** of our pre-disaster housing stock to-date (1,720 surviving units + **3,778** new CofOs [an increase of **101** since last month] to-date = **5,498** habitable dwellings / 13,091 housing units before the Camp Fire). Our total number of habitable dwellings does not include the number of mobile homes replaced in mobile home parks because those permits are issued by HCD instead of the Building Dept., but mobile homes in parks are included in the total number of pre-fire housing units. An estimate from tax data shows 144 mobile homes in parks, or **5,642** housing units in Paradise.

Town of Paradise Owner-Occupied Rehabilitation/Reconstruction Program (\$12.5 million)

This program helps homeowners rehabilitate or reconstruct their home. The CalHome-Disaster Assistance grant was set to expire at the end of 2025, but the Housing Department was given verbal approval to extend the deadline to finish homes under construction. New applications to rebuild homes lost in the Camp Fire are no longer being accepted because it's not feasible to complete a project before the expiration of the grant. Applications for essential home repairs on existing homes will continue to be accepted, funds for this activity are limited but do not have an expiration deadline.

- **69** homes completed
- **9** homes in construction
- **1** application in process

Town of Paradise First-Time Homebuyer Program (\$11 million)

Helping to make homeownership more affordable. Due to the anticipated deadline extension, the Housing Department will continue to approve disaster-affected households earning up to **120%** AMI. Other CalHome funding remains available to assist non-disaster affected households earning no more than 80% AMI.

- **92** households assisted
- **9** applications in process

CDBG-DR Multifamily Rental Housing Program (\$84.7 million)

Affordable rental housing. Seven (7) projects are eligible for funding; a total of 292 units.

- **CHIP project**- scattered site (4 units)
 - Leased up in Spring of 2024
- **Eaglepointe**- 5975 Maxwell Dr (43 units)
 - Leased up in Spring of 2025
- **Mayer Commons**- 1561 Kay Ct (12 units)
 - Construction completed. Units are being actively leased. For leasing information contact RSC Associates Property Management Inc.
- **Northwind Senior**- 6983 Pentz Rd (21 units)
 - Leased up in Fall of 2025
- **Cypress Family**- 1633 Cypress Ln (70 units)
 - Construction completed and Certificates of Occupancy were issued in December. Units are being actively leased. For leasing information contact CHIP.
- **Clark Rd**- 6480 Clark Rd (72 units)
 - Notice to Proceed was issued by HCD. Loan closing was extended to March of 2026. Construction to begin shortly after.
- **Cypress Senior (phase II)**- 1633 Cypress Ln (70 units)
 - Loan escrow closed on December 9th, and construction is scheduled to begin in early 2026, weather permitting.

CDBG (2024 Annual Allocation=\$47,069; unspent funds=\$140,214.13)

CDBG entitlement grants are on a 5-year plan cycle called the Consolidated Plan, and this year is the 5th year in the current plan. The final draft was submitted to HUD in July and is currently under review. The Town received an “untimely” designation due to an accumulation of funds greater than 1.5x the current year grant allocation. **The substantial amendment was submitted for HUD approval to reallocate \$70,000 to an energy efficiency improvement program to spend this fiscal year. Planning for next fiscal year’s funding will begin in January.**

HOME Infill New Construction (\$700,000)

Create affordable housing for first-time homebuyers. The grant award letter was finally received from HCD in April of 2025. Program guidelines are complete and were adopted by Council. Staff is continuing to work-out funding logistics with HCD.

Permanent Local Housing Allocation (PLHA) (\$540,905)

Allocates matching funds to North Valley Housing Trust to administer for affordable housing projects.

- A predevelopment loan of \$400,000 has been made for the Cape Cod multi-family project (\$200,000 of PLHA funds). Construction is expected to begin in early 2026.
- \$75,000 of PLHA funds was loaned to build a small, single-family home, which was finished and sold to a low-income Camp Fire survivor. Housing staff is working with North Valley Housing Trust on another similar project.
- PLHA operates on a 5-year funding cycle similar to CDBG. The NOFA for the next cycle is expected in the first quarter of 2026. PLHA allocates grant funds to CDBG entitlement cities, which the Housing staff will apply for, but will not have to compete with other communities to receive.

Financial Impact:

None.



**TOWN OF PARADISE
Council Agenda Summary
Date: January 13, 2026**

Agenda No. 1(e)

ORIGINATED BY: Marc Mattox, Public Works Director / Town Engineer

REVIEWED BY: Mike O'Brien, Interim Town Manager

SUBJECT: Camp Fire Recovery Updates - Infrastructure

COUNCIL ACTION REQUESTED:

1. None, written monthly update only.

Background:

This report continues the Monthly Disaster Recovery Updates provided to keep the Town Council apprised of important developments related to the recovery of the Town of Paradise from the Camp Fire. *Changes from the prior month's reports are shown in red underline italics.*

Analysis:

Road Rehabilitation

The Town of Paradise is endeavoring to pave every public road mile by the end of 2026. These projects are funded through Camp Fire Recovery Projects and are sequenced behind undergrounding of utilities and water service later replacements.

As of December 2025, the following paving progress can be reported:

<u>Status</u>	<u>Miles</u>
<u>Completed</u>	<u>46.56</u>
<u>Awarded/In-Progress</u>	<u>27.86</u>
<u>Planned 2026</u>	<u>15.30</u>
<u>Planned Future</u>	<u>6.48</u>
<u>Total</u>	<u>96.19</u>

Paradise Town Council has awarded three contracts for 2025 paving efforts, listed below with brief updates:

- *Clark Road (Pearson to Wagstaff) – Knife River Construction*
 - o *Final paving has been completed with punch list and quality control items of work remaining. Striping has been completed with one safety issue along the northbound #2 lane corrected temporarily and permanent correction planned in early 2026.*
- *On-System Road Rehabilitation – All American Asphalt*
 - o *Contract work is nearly complete with most work remaining consisting of punchlist or corrective adjustments*

- Off-System Road Rehabilitation – DeSilva Gates Construction
 - o Punchlist items of work are underway with final completion expected in January

Engineering Division staff has successfully advertised the 2026 On- and Off-System Road Rehabilitation Projects. Bids will be collected in January 2026 with anticipated award consideration by Town Council in February 2026.

A map of all paving efforts completed and planned can be found on the Town's website at www.townofparadise.com by visiting "News and Announcements" from the homepage.

Capital Project Updates

The Public Works Department, in an effort to provide additional communications on various projects, has launched a new website under its ParadiseWORKS banner. ParadiseWORKS Engineering Resiliency now hosts individual project pages for current information, project descriptions and schedules. The website can be viewed here:

<https://www.townofparadise.com/pwe/page/paradiseworks-engineering-resiliency>

Below is an abbreviated Project List intended to show the current status of each project. More information on each project's scope and schedule can be found at. Typical project progressions and timeframes are as follows:

- (1) Environmental, 6-24 months
- (2) Design, 12 months
- (3) Right of Way, 6-12 months
- (4) Construction, 6-24 months

Project ID	Project Title	Project Phase	Anticipated Construction Completion Year
7303	On-System Road Rehabilitation	Construction	2026
7307	Neal Road Rehabilitation	Design	2028
8404	Camp Fire Hydrant Repairs	Design	2025
8407	Off-System Road Rehabilitation	Construction	2026
9389	Pentz Pathway Project Phase II	Design	2028
9390	Paradise ATP Gateway Project (Neal Road Class I)	Environmental	2028
9391	Oliver Curve Pathway Phase I (Design Only)	Design	-
9394	Paradise Sewer Project	Design	-
9424	Skyway Link ATP (Bille to Wagstaff)	Environmental	2027
9425	Upper Skyway Widening (Bille to Wagstaff)	Environmental	2027
9426	Skyway/Pentz Intersection Improvements	Environmental	2028
9427	Pentz Road Widening	Environmental	2028
9428	Roe Road Phase 1 (Pentz to S. Libby)	Environmental	2028
9430	Pearson-Hilltop Guard Rail	Design	2026
9433	Animal Shelter Expansion	Construction	2025
9434	Roe Road Phase 2 (S. Libby to Clark)	Environmental	2028
9437	Evacuation Route CMS	Environmental	2028

9438	Private Road Identification Safety Project	Environmental	2028
9439	Storm Drain Resiliency Project Phase 1	Environmental	2028
9440	Storm Drain Resiliency Project Phase 2	Environmental	2028

Funding Pursuits

Below is a listing of active funding pursuits related to infrastructure recovery and status updates:

Program	Project Title	Amount Requested	Anticipated Award Notification	Notes
US Army Corps of Engineers	Paradise Sewer Project	\$2,000,000 of \$50,000,000 authorization	TBD	Town has started early coordination for 2027 potential appropriations
State Water Board Septic to Sewer CWSRF	Paradise Sewer Project	\$27,000,000	TBD	Work to revise the project application package is resuming with new project direction selected.



TOWN OF PARADISE
Council Agenda Summary
Date: January 13, 2026

Agenda No. 1(f)

ORIGINATED BY: Marc Mattox, Assistant Town Manager

REVIEWED BY: Mike O'Brien, Interim Town Manager

SUBJECT: Paradise Sewer Project Update

COUNCIL ACTION REQUESTED:

1. None, written monthly update only.

Background:

This report is a monthly effort to provide additional opportunity for public engagement on the status and next steps of the Paradise Sewer Project.

Analysis:

Since its incorporation in 1979, the Town of Paradise has sought a centralized wastewater system to address failing septic systems that impact public health, groundwater quality, and economic development. The need for sewer service became even more urgent following the 2018 Camp Fire, when the lack of modern wastewater infrastructure emerged as a major barrier to rebuilding businesses, housing, and community resiliency.

In 2022, the Town secured \$30 million in CDBG-DR funds to begin pre-construction work, including environmental review, design, and permitting. To provide technical expertise, HDR was retained as Owner's Agent, and a progressive design-build team was selected to develop a Basis of Design Report. That effort confirmed that a locally managed, phased sewer project was necessary to achieve both affordability and long-term community needs.

In January 2025, the Town Council formed a Sewer Project Ad Hoc Committee to evaluate local treatment and collection alternatives, with strong emphasis on public engagement and cost feasibility. The Committee, working alongside staff, HDR, and the Paradise Irrigation District, conducted community meetings, stakeholder workshops, site tours of other wastewater systems, and a technical alternatives analysis.

In August 2025, the Town Council unanimously voted to concur with the Paradise Sewer Project Ad Hoc Committee's recommendation to direct a revised project description to include hybrid gravity/low pressure collection system, aerated lagoon wastewater treatment, and percolation/evaporation pond effluent discharge.

Main Accomplishments

- Completed right-of-entry agreements for environmental surveys at potential WWTF sites.
- Completed environmental surveys at potential WWTF sites.
- Updated project website
- Ongoing contract agreement for Collection System and WWTF design with Carollo.
- Ongoing Collection System and WWTF design contract negotiations with Carollo.

Key Activities (One Month Look-Ahead)

- Complete contract agreement for Collection System and WWTF design with Carollo.
- Complete Collection System and WWTF design contract negotiations with Carollo.
- Ongoing preparation of Administrative Draft SEIR.



MINUTES
PARADISE TOWN COUNCIL
SPECIAL MEETING – 5:30 PM – December 9, 2025

1. OPENING

The Special meeting of the Paradise Town Council was called to order by Mayor Crowder at 5:31 p.m. in the Council Chambers 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" Cullen, Heidi Lange, Ronald Lassonde, and Steve Crowder, Mayor.

COUNCIL MEMBERS ABSENT: None

STAFF PRESENT: Interim Town Manager Michael O'Brien, Town Attorney Scott E. Huber, Town Clerk/Elections Official Melanie Elvis, Town Engineer Marc Mattox, and Information Systems Technician Travis Thompson.

At 5:32 p.m. Mayor Crowder announced that the Town Council would adjourn to Closed Session for the following items:

2. CLOSED SESSION

- 2a. REAL PROPERTY. Pursuant to Gov. Code section 54956.8 the Council will meet with Real Property Negotiators, Town Manager and Town Attorney, regarding the following properties: APN 066-430-003, 066-430-002, 066-460-008, 066-460-022, 066-460-003, 066-460-014. The negotiators for the property owner(s) are unknown at this time.

- 2b. REAL PROPERTY. Pursuant to Gov. Code section 54956.8 the Council will meet with Real Property Negotiators, Town Manager and Town Attorney, regarding the following properties: APN 054-182-049-000, 054-182-053-000, 054-182-054-000, 054-182-059-000, 054-192-003-000, 054-192-006-000, 054-192-031-000, 054-192-033-000, 054-192-038-000, 054-192-039-000, 054-192-044-000, 054-192-049-000, 054-192-056-000, 054-192-064-000, 054-192-072-000, 054-192-081-000, 054-192-082-000, 054-192-087-000, 054-192-088-000, 054-192-098-000, 054-192-100-000, 054-192-103-000, 054-192-105-000, 054-192-106-000, 054-192-108-000, 054-192-113-000, 054-192-115-000, 054-192-121-000, 054-201-026-000, 054-201-047-000, 054-201-051-000, 055-201-003-000, 055-201-029-000, 055-201-069-000, 055-201-070-000, 055-212-046-000, 055-212-052-000, 055-212-053-000, 055-212-054-000, 055-212-057-000, 054-182-032-000, 054-182-048-000, 054-182-060-000, 054-192-005-000, 054-192-042-000, 054-192-045-000, 054-192-057-000, 054-192-075-000, 054-192-078-000, 054-

192-089-000, 054-192-107-000, 054-192-109-000, 054-192-120-000, 054-201-019-000, 054-201-025-000, 055-212-004-000, 055-212-005-000, 055-212-007-000, 054-182-049-000, 054-182-053-000, 054-182-054-000, 054-182-059-000, 054-192-003-000, 054-192-006-000, 054-192-031-000, 054-192-033-000, 054-192-038-000, 054-192-039-000, 054-192-044-000, 054-192-049-000, 054-192-056-000, 054-192-064-000, 054-192-072-000, 054-192-081-000, 054-192-082-000, 054-192-087-000, 054-192-088-000, 054-192-098-000, 054-192-103-000, 054-192-106-000, 054-192-108-000, 054-192-113-000, 054-192-115-000, 054-201-026-000, 054-201-047-000, 054-201-051-000, 055-201-003-000, 055-201-029-000, 055-201-069-000, 055-201-070-000, 055-212-046-000, 055-212-052-000, 055-212-054-000, 055-212-057-000, 054-182-032-000, 054-182-048-000, 054-182-060-000, 054-192-005-000, 054-192-042-000, 054-192-045-000, 054-192-057-000, 054-192-075-000, 054-192-078-000, 054-192-089-000, 054-192-100-000, 054-192-105-000, 054-192-107-000, 054-192-109-000, 054-192-120-000, 054-192-121-000, 054-201-019-000, 054-201-025-000, 055-212-004-000, 055-212-005-000, 055-212-007-000, 055-212-053-000, 054-182-055-000, 054-182-073-000, 054-182-086-000, 054-182-087-000, 054-192-041-000, 054-192-065-000, 054-192-090-000, 054-192-095-000, 054-192-119-000, 054-201-017-000, 054-201-018-000, 054-201-028-000, 054-201-031-000, 054-201-032-000, 054-201-036-000, 054-201-037-000, 054-201-041-000, 054-202-006-000, 054-202-007-000, 054-202-029-000, 055-202-022-000, 055-211-080-000, 055-211-082-000, 055-212-058-000, 054-171-056-000, 054-181-054-000, 054-182-074-000, 054-192-036-000, 054-192-097-000, 054-192-110-000, 054-192-111-000, 054-201-027-000, 054-201-038-000, 054-182-055-000, 054-182-073-000, 054-182-086-000, 054-182-087-000, 054-192-041-000, 054-192-090-000, 054-192-095-000, 054-192-119-000, 054-201-017-000, 054-201-018-000, 054-201-028-000, 054-201-031-000, 054-201-032-000, 054-201-037-000, 054-201-041-000, 054-202-006-000, 054-202-007-000, 054-202-029-000, 055-202-022-000, 055-211-080-000, 055-211-082-000, 055-212-058-000, 054-171-056-000, 054-181-054-000, 054-182-074-000, 054-192-036-000, 054-192-065-000, 054-192-097-000, 054-192-110-000, 054-192-111-000, 054-201-027-000, 054-201-036-000, 054-201-038-000, 054-080-033-000, 054-120-013-000, 054-120-030-000, 054-120-031-000, 055-180-020-000, 055-180-056-000, 055-180-058-000, 055-180-081-000, 055-211-033-000, 055-211-035-000, 055-211-039-000, 055-211-044-000, 055-211-054-000, 055-211-074-000, 054-080-031-000, 055-180-057-000, 055-211-026-000, 055-211-030-000, 055-211-031-000, 055-211-055-000, 055-220-010-000, 054-120-021-000, 054-080-033-000, 054-120-013-000, 054-120-030-000, 054-120-031-000, 055-180-020-000, 055-

180-056-000, 055-180-058-000, 055-211-033-000, 055-211-035-000, 055-211-074-000, 054-080-031-000, 055-180-057-000, 055-180-081-000, 055-211-026-000, 055-211-030-000, 055-211-031-000, 055-211-039-000, 055-211-044-000, 055-211-054-000, 055-211-055-000, 055-220-010-000, 054-120-021-000, 054-080-062-000, 054-120-033-000, 054-120-056-000, 054-120-071-000, 055-180-037-000, 055-180-040-000, 055-180-061-000, 055-180-062-000, 055-180-091-000, 055-180-103-000, 055-211-045-000, 055-212-059-000, 055-220-002-000, 055-220-009-000, 055-220-019-000, 055-220-020-000, 055-220-031-000, 055-220-034-000, 055-320-001-000, 055-320-004-000, 054-080-061-000, 054-080-063-000, 054-120-057-000, 055-180-041-000, 055-180-102-000, 055-220-005-000, 055-220-023-000, 055-220-032-000, 055-220-041-000, 055-220-042-000, 055-320-002-000, 055-320-003-000, 054-080-062-000, 054-120-056-000, 054-120-071-000, 055-180-037-000, 055-180-061-000, 055-180-062-000, 055-180-091-000, 055-180-103-000, 055-212-059-000, 055-220-002-000, 055-220-009-000, 055-220-019-000, 055-220-020-000, 055-220-031-000, 055-220-034-000, 055-320-001-000, 055-320-004-000, 054-080-061-000, 054-080-063-000, 054-120-033-000, 054-120-057-000, 055-180-040-000, 055-180-041-000, 055-180-102-000, 055-211-045-000, 055-220-005-000, 055-220-023-000, 055-220-032-000, 055-220-041-000, 055-220-042-000, 055-320-002-000, 055-320-003-000. The negotiators for the property owner(s) are unknown at this time.

2c. REAL PROPERTY. Pursuant to Gov. Code section 54956.8 the Council will meet with Real Property Negotiators, Town Manager and Town Attorney, regarding the following properties: APN 054-220-005, 054-220-006, 050-171-034, 050-140-171, 054-210-026, 054-210-058, 054-230-034, 050-052-083, 050-013-059, 050-040-132, 050-013-058, 053-250-081, 050-040-105, 050-013-018, 050-040-114, 050-082-061, 050-040-023, 050-052-051, 050-082-079, 050-013-011, 050-040-106, 050-013-050, 050-013-057, 050-052-078, 050-040-112, 050-040-126, 050-082-017, 050-082-018, 050-013-046, 050-013-063, 050-013-051, 066-460-024, 050-040-145, 050-013-049, 066-460-025, 050-013-012, 050-082-088, 050-171-037, 050-450-008, 050-171-012, 050-171-017, 050-171-038, 050-140-163, 050-140-080, 050-082-091, 050-171-032, 050-052-073, 050-171-013, 050-171-033, 050-450-023, 050-450-001, 053-240-040, 050-171-019, 053-240-029, 053-250-093, 053-250-092, 053-250-070, 053-340-102, 053-240-039, 053-250-058, 053-250-038, 053-250-127, 053-240-030, 053-250-056. The negotiators for the property owner(s) are unknown at this time.

After reconvening from Closed Session at 6:00 p.m., Mayor Crowder announced direction was given, no reportable action was taken.

3. ADJOURNMENT

Mayor Crowder adjourned the Council meeting at 6:00 p.m.

Date approved:

By:

Steve Crowder, Mayor

Attest:

Melanie Elvis, Town Clerk



TOWN COUNCIL Meeting Minutes

6:00 PM – December 09, 2025

1. OPENING

The Regular meeting of the Paradise Town Council was called to order by Mayor Crowder at 6:01 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 Council Member Lassonde.

COUNCIL MEMBERS PRESENT: Greg Bolin, Steve “Woody” Culleton, Heidi Lange, Ronald Lassonde and Steve Crowder, Mayor

COUNCIL MEMBERS ABSENT: None

STAFF PRESENT: Interim Town Manager Michael O’Brien, Town Attorney Scott E. Huber, Town Clerk/Elections Official Melanie Elvis, Community Development Director Susan Hartman, Community Development Director Tony Lindsey, Public Works Director/Town Engineer Marc Mattox, Recovery and Economic Development Director Colette Curtis, Finance Director Aimee Beleu, Project Manager Brian Solecki, Police Chief Eric Reinbold, and Information Systems Technician Travis Thompson.

- 1a. Council Member Lassonde presented a Certificate of Recognition to Tim Umenhofer. (180-30-027)
- 1b. Mayor Steve Crowder presented The Year in Review. (180-30-027)
- 1c. Town Clerk Melanie Elvis, as temporary Chair, opened the nominations for Mayor for a one-year term beginning December 9, 2025 through December 8, 2026.

Council Member Lassonde nominated Steve Crowder.

MOTION by Lassonde, seconded by Culleton, closed the nominations for the position of Mayor. Roll call vote was unanimous with Council Member Bolin abstaining.

Roll call vote to appoint Steve Crowder as Mayor was unanimous with Council Member Bolin abstaining. (580-30-001)

Town Clerk Melanie Elvis turned the meeting over to Mayor Crowder who opened nominations for the position of Vice Mayor for a one-year term beginning December 9, 2025 through December 8, 2026.

Council Member Crowder nominated Steve “Woody” Culleton.

MOTION by Culleton, seconded by Crowder, closed the nominations for the position of Vice Mayor. Roll call vote was unanimous

Roll call vote to elect Steve "Woody" Culleton as Vice Mayor was unanimous. (580-30-001)

- 1d. Camp Fire Recovery Updates - Written reports are included in the agenda packet. (110-60-061)

Colette Curtis, Recovery and Economic Development Director - recovery projects, advocacy, economic recovery and development, communications, emergency operations and Housing updates.

Marc Mattox, Public Works Director/Town Engineer -infrastructure and sewer updates.

- 1e. Town Engineer Marc Mattox provided an update on the Paradise Sewer Project. (960-70-009)

2. CONSENT CALENDAR

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

- 2a. Approved minutes of the November 12, 2025 Special and Regular Town Council meetings.
- 2b. Approved November 2025 Cash Disbursements in the amount of \$14,621,453.03. (310-10-035)
- 2c. 1. Authorized the Town Manager to execute an agreement with the California Department of Forestry and Fire Protection (CAL FIRE) for acceptance of the USDA 2024 Volunteer Fire Capacity Grant award to purchase new structural and wildland personal protective equipment (PPE); and, 2. Adopted Resolution No. 2025-78 "A Resolution of the Town Council of the Town of Paradise Approving the Department of Forestry and Fire Protection (CAL FIRE) Agreement #7GF25084 Accepting a Grant Award Under the Volunteer Fire Capacity (VFC) Program of the Cooperative Fire Assistance Act of 1978 in the Amount of \$11,962.50." (440-91-004) (510-20-362)
- 2d. 1. Waived the second reading of the Town Ordinance No. 651, and read by title only and, 2. Adopted Town Ordinance No. 651 "An Ordinance of the Town Council of the Town of Paradise Amending Portions of Chapter 2.45 of the Paradise Municipal Code Relating to the Town's Purchasing System". (540-16-220)
- 2e. 1. Waived the second reading of the entire Town Ordinance No. 652 and read by title only; and, 2. Adopted Ordinance No. 652, "An Ordinance of the Town Of Paradise Repealing Paradise Municipal Code Chapters 15.01, 15.02, 15.03, 15.04, 15.05, 15.06, 15.07, 15.08, 15.09, 15.10, 15.11, 15.12, 15.13 and Adopting New Chapters 15.01, 15.02, 15.03, 15.04, 15.05, 15.06,

15.07, 15.08, 15.09, 15.10, 15.11, 15.12, 15.13, 15.14, 15.15 And 15.16 and Making Findings of Fact Relating To Local Climatic, Geological, and Topographic Conditions, All Relating to the Amendments and Adoption of the 2025 California Building Standards Code, Including the 2025 California Wildland-Urban Interface Code (Title 24, Part 7)". (540-16-221)

2f. Reviewed and filed the 1st Quarter Investment Report for the Fiscal Year Ending June 30, 2026. (360-30-006)

3. ITEMS REMOVED FROM CONSENT CALENDAR - None

4. PUBLIC COMMUNICATION - None

5. PUBLIC HEARINGS

Council Member Lange left the dais for this item.

5a. Community Development Director Susan Hartman presented a history of the backyard chicken keeping ordinance, comparable jurisdictions' regulations, and the constraints and considerations regarding the proposed standards.

Mayor Crowder opened the public hearing at 6:43 p.m.

1. Hal Thurston spoke in favor of an 80' setback siting odor issues.
2. Serra Blaine asked Council to consider allowing up to 12 chickens and rabbits each.
3. Kristen Holman asked that Council explore the top limit for backyard chickens in California, rather than just the 10 closest neighboring jurisdictions.

Mayor Crowder closed the public hearing at 6:50 p.m.

MOTION by Crowder, seconded by Culleton, 1. Concurred with the project "CEQA determination" finding presented and considered by the Planning Commission on October 21, 2025, and embodied within Planning Commission Resolution No 2025-08; and, 2. Waived the first reading of Town Ordinance No. 653 and read by title only; and, 3. Introduced Town Ordinance No. 653 , "An Ordinance Amending Text Regulations within Paradise Municipal Code Title 17 of the Paradise Municipal Code Relative to the Keeping of Backyard Chickens and Rabbits". AYES: Bolin, Culleton, Crowder; NOES: Lassonde; ABSENT: Lange; ABSTAIN: None. Motion Passes. (540-16-222)

6. COUNCIL CONSIDERATION

6a. **MOTION by Lange, seconded by Culleton**, appointed Council representatives and alternates to represent the Town of Paradise on various local and regional boards, committees, and commissions (committee assignments attached) with the addition and creation of a standing

Economic Development Committee. Roll call vote was unanimous. (120-10-010)

6b. Town Clerk Melanie Elvis presented the Measure V Oversight Committee Interview Panel's recommendation to appoint Bruce Yerman to the Measure V Oversight Committee.

MOTION by Lange, seconded by Culleton, concurred with the recommendation of the Measure V Citizen Oversight Committee interview panel to appoint Bruce Yerman to the Oversight Committee, effective immediately. Roll call vote was unanimous. (395-70-019)

6c. Town Clerk Melanie Elvis provided an overview of the proposed updates to the Measure V Citizen Oversight Committee bylaws.

MOTION by Lange, seconded by Culleton, adopted Resolution No. 2025-79 "A Resolution of the Town Council of the Town of Paradise Rescinding Resolution No. 21-12 and Adopting Amended Bylaws for the Governance of the Measure V Citizen Oversight Committee." Roll call vote was unanimous. (395-70-019)

6d. Recovery and Economic Development Director Colette Curtis provided an update on the financial status of the CDBG-DR Workforce Development Project and the need for the Town to cash flow the project.

1. Bill Sharrett shared that the School District fully supports the project.
2. Melissa Crick spoke of the importance of an accurate representation of the project's progression.

MOTION by Bolin, seconded by Culleton, directed staff to continue the Workforce Development project with an amended scope and budget authorizing the Town to cash flow the project. Roll call vote was unanimous. (710-10-104)

6e. Interim Town Manager Michael O'Brien provided an overview of the proposed reclassification of the Public Works Director/Town Engineer to Assistant Town Manager/Public Works Director/Town Engineer.

MOTION by Culleton, seconded by Bolin 1. Approved the reclassification of the Public Works Director/Town Engineer to Assistant Town Manager/Public Works Director/Town Engineer and the correlating budget adjustment; and, 2. Adopted Resolution No. 2025-80 "A Resolution of the Town Council of the Town of Paradise Approving Job Classification Descriptions" and, 3. Adopted Resolution No. 2025-81 "A Resolution of the Town Council of the Town of Paradise, California, Amending the Salary Pay Plan to Include Assistant Town Manager/Public Works Director/Town Engineer for the Fiscal Year 2025-2026" and, 4. Adopted Resolution No. 2025-82 "A Resolution of the Town Council of The Town of Paradise Repealing and Replacing Resolution No. 2023-11 to Establish an Updated Order of Succession in the Event of the Absence or Disability of

the Town Manager.” Roll call vote was unanimous.
(610-10-015) (610-10-018) (610-10-020)

6f. Public Works Director/Town Engineer Marc Mattox presented the proposed Special Conditions for Maintenance of Temporary Surfacing and Striping.

MOTION by Bolin, seconded by Lassonde, adopted the updated Special Conditions for Maintenance of Temporary Surfacing and Striping for use in all applicable encroachment permits and utility construction activities. Roll call vote was unanimous. (950-15-005)

6g. Public Works Director/Town Engineer Marc Mattox presented the proposed plans, specifications and estimate for the On-System Road Rehabilitation – 2026 Misc / HSIP Systemic Intersection Safety Improvement Project.

MOTION by Lassonde, seconded by Culleton, adopted Resolution No. 2025-83, “A Resolution of the Town Council of the Town of Paradise Approving the Plans, Specifications and Estimate for the On-System Road Rehabilitation – 2026 Misc / HSIP Systemic Intersection Safety Improvement Project and Authorizing Advertisement for Bids on the Project”. Roll call vote was unanimous. (950-40-077)

6h. Public Works Director/Town Engineer Marc Mattox presented the proposed plans, specifications and estimate for the Off-System Road Rehabilitation – 2026 Project.

MOTION by Lassonde, seconded by Culleton, adopted Resolution No. 2025-84, “A Resolution of the Town Council of the Town of Paradise Approving the Plans, Specifications and Estimate for the Off-System Road Rehabilitation Project – 2026 and Authorizing Advertisement for Bids on the Project”. Roll call vote was unanimous. (950-40-078)

7. COUNCIL INITIATED ITEMS AND REPORTS

7a. Council initiated agenda items:

7a1. Council discussed the CDBG-MIT-RIP allocation for Evacuation Route Permanent Changeable Message Sign Project and provided direction to staff to explore reallocating the funds toward the Storm Drain Resiliency Project (Phase I). (710-10-106)

7b. Council reports on committee representations:

Council Member Bolin attended a Solid Waste Committee meeting.

Council Member Lange attended a Consortium of Care meeting, a Downtown Working Group meeting, and several Sewer Ad Hoc Committee meetings.

Council Member Lassonde attended a Healthcare Committee meeting and served on the Measure V Committee interview panel.

Mayor Crowder attended several ribbon cuttings, the Healthcare Committee meeting and several Sewer Ad Hoc Committee meetings.

7c. Future Agenda Items - None

8. STAFF COMMUNICATION - None

9. CLOSED SESSION - None

10. ADJOURNMENT

Mayor Crowder adjourned the meeting at 8:46 p.m.

Date approved:

By:

Attest:

Steve Crowder, Mayor

Melanie Elvis, Town Clerk



**2026 TOWN COUNCIL
REPRESENTATION**

**BUTTE COUNTY
COMMITTEES/COMMISSIONS**

BUTTE COUNTY		Bolin	Crowder	Culleton	Lassonde	Lange
1.	Air Quality Management District		A		R	
2.	Association of Governments		A		R	
3.	City Selection Committee (Mayor)		R			
4.	Disaster Council (Mayor)		R			
5.	Local Area Formation Commission (LAFCo) (Bolin was appointed through 5/2027 – Appointed by City Selection Committee)	R				
6.	Mosquito and Vector Control Board (Schuster was appointed through 1/2027 – Rep to serve a 4-year term)			Melissa Schuster		
7.	Waste Mgt Local Task Force	R		R		
8.	City/County Ad Hoc Committee			R		
9.	Tourism Business Improvement District (TBID)			Colette Curtis	R	
10.	Continuum of Care			A		R
11.	Butte County Fire Safe Council			A		R

LOCAL COMMITTEES/COMMISSIONS

PARADISE		Bolin	Crowder	Culleton	Lassonde	Lange
1.	Paradise Community Village	R				
2.	Paradise Irrigation District Liaison	R			R	
3.	Paradise Rec. & Park District Liaison		R	R		
4.	Paradise Unified School District Liaison	R				R
5.	Paradise Solid Waste Committee	R		R		
6.	Onsite Ad Hoc Committee	R	R			
7.	Finance Committee (Mayor & Vice Mayor)		R	R		
8.	Butte County Oversight Board		R			
9.	Paradise Sewer Ad Hoc Committee		R			R
10.	Legislative Ad Hoc Committee (Mayor & Vice Mayor)		R			R
11.	Healthcare Ad Hoc Committee		R		R	A
12.	Facilities Ad Hoc Committee	R		R		
13.	Exceptions Committee (Ord. 624)		R	R		

14.	Working Group Downtown Phase 3				R	R
15.	Economic Development Committee		R			R

TOWN OF PARADISE

CASH DISBURSEMENTS REPORT

FOR THE PERIOD OF
December 1, 2025 - December 31, 2025



CASH DISBURSEMENTS REPORT
December 1, 2025 - December 31, 2025

Check Date	Pay Period End	Description	Amount	Total
12/5/2025	11/30/2025	Net Payroll - Direct Deposits and Checks	\$ 288,630.43	
12/19/2025	12/14/2025	Net Payroll - Direct Deposits and Checks	\$ 285,959.97	\$ 574,590.40

Accounts Payable

Payroll Vendors: Taxes, PERS, Dues, Insurance, Etc.	\$ 492,193.37
Operations Vendors: Supplies, Contracts, Utilities, Etc.	<u>\$ 9,123,061.61</u>
TOTAL CASH DISBURSEMENTS ACCOUNTS PAYABLE	<u>\$ 9,615,254.98</u>
GRAND TOTAL CASH DISBURSEMENTS	<u>\$ 10,189,845.38</u>

APPROVED BY:

Aimee Beleu - Finance Director/Town Treasurer

APPROVED BY:

Michael O'Brien - Interim Town Manager

TOWN OF PARADISE

Payment Register

From Payment Date: 12/1/2025 - To Payment Date: 12/31/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
AP TCB - General Checking									
Check									
90578	12/04/2025	Open			Accounts Payable	First American Title Company	\$96,540.00		
90579	12/08/2025	Open			Accounts Payable	ICMA 457 - MissionSquare	\$3,498.44		
90580	12/08/2025	Open			Accounts Payable	STATE DISBURSEMENT UNIT	\$656.29		
90581	12/10/2025	Open			Accounts Payable	ADVANCED DOCUMENT CONCEPTS	\$4.21		
90582	12/10/2025	Open			Accounts Payable	AIRGAS SAFETY, INC.	\$1,337.62		
90583	12/10/2025	Open			Accounts Payable	ALHAMBRA	\$44.96		
90584	12/10/2025	Open			Accounts Payable	Anderson Builders Corporation	\$50,000.00		
90585	12/10/2025	Open			Accounts Payable	ANIMAL HOSPITAL/VETMOBILE	\$108.30		
90586	12/10/2025	Open			Accounts Payable	AT&T & CALNET3 - CIRCUIT LINES	\$102.81		
90587	12/10/2025	Open			Accounts Payable	AT&T/CALNET3 - REPEATER LINES	\$196.86		
90588	12/10/2025	Open			Accounts Payable	AT&T/CALNET3 - COMMUNITY PARK	\$30.88		
90589	12/10/2025	Open			Accounts Payable	AT&T/CALNET3 - Summary	\$30.99		
90590	12/10/2025	Open			Accounts Payable	AT&T/CALNET3 - Summary	\$2,919.00		
90591	12/10/2025	Open			Accounts Payable	AT&T/CALNET3 - TH/FDPD FIBER LINES	\$1,056.72		
90592	12/10/2025	Open			Accounts Payable	Berk, Garrett	\$272.00		
90593	12/10/2025	Open			Accounts Payable	Biometrics4ALL, Inc	\$18.75		
90594	12/10/2025	Open			Accounts Payable	BorderLAN Cybersecurity	\$972.00		
90595	12/10/2025	Open			Accounts Payable	Bureau Veritas North America, Inc	\$23,946.07		
90596	12/10/2025	Open			Accounts Payable	BUTTE CO RECORDER	\$227.50		
90597	12/10/2025	Open			Accounts Payable	BUTTE REGIONAL TRANSIT	\$100.00		
90598	12/10/2025	Open			Accounts Payable	Caltronics Business Systems/J.J. R Ent Inc	\$1,568.52		
90599	12/10/2025	Open			Accounts Payable	Cathcart, Sylace	\$272.00		
90600	12/10/2025	Open			Accounts Payable	Cole Huber LLP	\$108,725.26		
90601	12/10/2025	Open			Accounts Payable	Console Clearning Specialists	\$1,350.00		
90602	12/10/2025	Open			Accounts Payable	COPWARE, INC.	\$705.00		
90603	12/10/2025	Open			Accounts Payable	De Lage Landen Public Finance LLC	\$781.25		
90604	12/10/2025	Open			Accounts Payable	Desilva Gates Construction LLC	\$230,110.40		
90605	12/10/2025	Open			Accounts Payable	Dewberry Engineers Inc.	\$27,334.43		
90606	12/10/2025	Open			Accounts Payable	Fleming Construction	\$6,500.00		
90607	12/10/2025	Open			Accounts Payable	GREAT AMERICA LEASING CORP.	\$146.82		
90608	12/10/2025	Open			Accounts Payable	GREEN RIDGE LANDSCAPING	\$6,765.00		
90609	12/10/2025	Open			Accounts Payable	Hawkins Delafield & Wood LLP	\$25,687.50		
90610	12/10/2025	Open			Accounts Payable	HDR Engineering, Inc	\$162,759.84		
90611	12/10/2025	Open			Accounts Payable	HLP, INC / CHAMELEON SOFTWARE PRODUCTS	\$3.85		
90612	12/10/2025	Open			Accounts Payable	Howe Construction Tiger	\$30,800.00		
90613	12/10/2025	Open			Accounts Payable	James or Lavenia Riotto	\$125.00		
90614	12/10/2025	Open			Accounts Payable	Jennifer Arbuckle	\$4,875.00		
90615	12/10/2025	Open			Accounts Payable	JOHNNY ON THE SPOT PORTABLES	\$380.25		
90616	12/10/2025	Open			Accounts Payable	KNIFE RIVER CONSTRUCTION	\$495.57		
90617	12/10/2025	Open			Accounts Payable	KNIFE RIVER CONSTRUCTION	\$1,730,034.83		
90618	12/10/2025	Open			Accounts Payable	KP Research Services, Inc.	\$1,250.00		
90619	12/10/2025	Open			Accounts Payable	L.N. CURTIS & SONS	\$8,695.56		

TOWN OF PARADISE

Payment Register

From Payment Date: 12/1/2025 - To Payment Date: 12/31/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
90620	12/10/2025	Open			Accounts Payable	LEAF Capital Funding LLC	\$130.50		
90621	12/10/2025	Open			Accounts Payable	LIFE ASSIST INC	\$419.99		
90622	12/10/2025	Open			Accounts Payable	Look Ahead Veterinary Services	\$2,552.24		
90623	12/10/2025	Open			Accounts Payable	Meeks Lumber & Hardware	\$1,050.00		
90624	12/10/2025	Open			Accounts Payable	Meyers Police K-9 Training, LLC	\$1,200.00		
90625	12/10/2025	Open			Accounts Payable	MID VALLEY TITLE & ESCROW	\$250.00		
90626	12/10/2025	Open			Accounts Payable	MID VALLEY TITLE & ESCROW	\$250.00		
90627	12/10/2025	Open			Accounts Payable	MID VALLEY TITLE & ESCROW	\$250.00		
90628	12/10/2025	Open			Accounts Payable	MID VALLEY TITLE & ESCROW	\$250.00		
90629	12/10/2025	Open			Accounts Payable	MID VALLEY TITLE & ESCROW	\$250.00		
90630	12/10/2025	Open			Accounts Payable	MID VALLEY TITLE & ESCROW	\$100,000.00		
90631	12/10/2025	Open			Accounts Payable	Mountain G Enterprises Inc	\$15,474.93		
90632	12/10/2025	Open			Accounts Payable	Mountain G Enterprises Inc	\$23,639.96		
90633	12/10/2025	Open			Accounts Payable	NAPA Auto Parts	\$32.33		
90634	12/10/2025	Open			Accounts Payable	Newsom, John	\$272.00		
90635	12/10/2025	Open			Accounts Payable	NORTHERN RECYCLING & WASTE SERVICES, INC.	\$2,018.40		
90636	12/10/2025	Open			Accounts Payable	NORTHSTAR	\$910.00		
90637	12/10/2025	Open			Accounts Payable	NORTHSTATE AGGREGATE, INC.	\$532.88		
90638	12/10/2025	Open			Accounts Payable	O'REILLY AUTO PARTS	\$199.41		
90639	12/10/2025	Open			Accounts Payable	OFFICE DEPOT ACCT#36233169	\$557.90		
90640	12/10/2025	Open			Accounts Payable	OROVILLE FORD	\$307.99		
90641	12/10/2025	Open			Accounts Payable	PARADISE IRRIGATION DIST	\$2,285.22		
90642	12/10/2025	Open			Accounts Payable	PARADISE POST	\$93.76		
90643	12/10/2025	Open			Accounts Payable	Psomas	\$104,507.18		
90644	12/10/2025	Voided	Duplicate Payment	12/17/2025	Accounts Payable	Revamp Solar Energy LLC	\$3,604.00		
90645	12/10/2025	Open			Accounts Payable	Rolls Anderson & Rolls Civil Engineers	\$596.00		
90646	12/10/2025	Open			Accounts Payable	Shelby's Pest Control, Inc.	\$80.00		
90647	12/10/2025	Open			Accounts Payable	Spherion Staffing	\$3,609.80		
90648	12/10/2025	Open			Accounts Payable	T and S DVBE Inc.	\$2,442.69		
90649	12/10/2025	Open			Accounts Payable	Tahoe Pure Water Co.	\$71.20		
90650	12/10/2025	Open			Accounts Payable	The Ferguson Group	\$5,000.00		
90651	12/10/2025	Open			Accounts Payable	THOMAS ACE HARDWARE	\$214.07		
90652	12/10/2025	Open			Accounts Payable	THOMAS ACE HARDWARE - ENG. DEPT.	\$122.03		
90653	12/10/2025	Open			Accounts Payable	THOMAS ACE HARDWARE - FIRE DEPT.	\$228.88		
90654	12/10/2025	Open			Accounts Payable	TOM'S TREE SERVICE	\$1,250.00		
90655	12/10/2025	Open			Accounts Payable	Top Notch Commercial Cleaning Inc.	\$3,200.00		
90656	12/10/2025	Open			Accounts Payable	Tri Counties Bank	\$13,126.46		
90657	12/10/2025	Open			Accounts Payable	Tri Flame Propane	\$207.93		
90658	12/10/2025	Open			Accounts Payable	Trilogy Construction, Inc.	\$68,611.50		
90659	12/10/2025	Open			Accounts Payable	Warner Enterprises Inc	\$57,525.30		
90660	12/10/2025	Open			Accounts Payable	Warner Enterprises Inc	\$51,576.00		
90661	12/10/2025	Open			Accounts Payable	Warner Enterprises Inc	\$6,391.70		
90662	12/10/2025	Open			Accounts Payable	Wood Rodgers, Inc.	\$20,080.35		
90663	12/10/2025	Open			Accounts Payable	Amick, Scott	\$15.00		
90664	12/10/2025	Open			Accounts Payable	Dildeep Singh Kaile	\$109.35		
90665	12/10/2025	Open			Accounts Payable	Kellems, Gabriel	\$15.00		

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Payment Register

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
90666	12/10/2025	Open			Accounts Payable	Sandez-Rivera, Denise	\$15.00		
90667	12/10/2025	Open			Accounts Payable	Shearer, Jacqueline	\$117.84		
90668	12/10/2025	Open			Accounts Payable	Vizcarra, Hector	\$509.66		
90669	12/10/2025	Open			Accounts Payable	Aflac	\$57.98		
90670	12/10/2025	Open			Accounts Payable	Met Life	\$13,002.80		
90671	12/10/2025	Open			Accounts Payable	OPERATING ENGINEERS	\$1,400.00		
90672	12/10/2025	Open			Accounts Payable	PARADISE POLICE OFFICERS ASSOCIATION	\$2,589.76		
90673	12/10/2025	Open			Accounts Payable	SUN LIFE INSURANCE	\$8,409.87		
90674	12/10/2025	Open			Accounts Payable	SUPERIOR VISION SVC INC	\$900.12		
90675	12/10/2025	Open			Accounts Payable	TOP CONFIDENTIAL MID MGMT ASSOCIATION	\$130.00		
90677	12/11/2025	Open			Accounts Payable	PARADISE IRRIGATION DIST	\$48.97		
90678	12/11/2025	Open			Accounts Payable	PACIFIC GAS & ELECTRIC	\$2,920.08		
90679	12/11/2025	Open			Accounts Payable	PACIFIC GAS & ELECTRIC	\$5.89		
90680	12/22/2025	Open			Accounts Payable	ACCESS INFORMATION PROTECTED	\$104.58		
90681	12/22/2025	Open			Accounts Payable	Anderson Builders Corporation	\$12,500.00		
90682	12/22/2025	Open			Accounts Payable	AT&T & CALNET3 - CIRCUIT LINES	\$135.94		
90683	12/22/2025	Open			Accounts Payable	AT&T & CALNET3 - CIRCUIT LINES	\$271.87		
90684	12/22/2025	Open			Accounts Payable	AT&T & CALNET3 - CIRCUIT LINES	\$763.35		
90685	12/22/2025	Open			Accounts Payable	Banks Construction	\$57,765.00		
90686	12/22/2025	Open			Accounts Payable	Bear Electrical Systems, Inc	\$1,520.00		
90687	12/22/2025	Open			Accounts Payable	Broad & Gusman	\$4,000.00		
90688	12/22/2025	Open			Accounts Payable	Broad & Gusman	\$4,000.00		
90689	12/22/2025	Open			Accounts Payable	Bug Smart	\$116.00		
90690	12/22/2025	Open			Accounts Payable	BUTTE COUNTY FIRE SAFE COUNCIL	\$54,413.28		
90691	12/22/2025	Open			Accounts Payable	BUTTE COUNTY FIRE SAFE COUNCIL	\$168,929.48		
90692	12/22/2025	Open			Accounts Payable	CALIFORNIA STATE DEPARTMENT OF JUSTICE	\$792.00		
90693	12/22/2025	Open			Accounts Payable	Coastland	\$20,828.54		
90694	12/22/2025	Open			Accounts Payable	Cole Huber LLP	\$234.00		
90695	12/22/2025	Open			Accounts Payable	Consultants Plus	\$850.00		
90696	12/22/2025	Open			Accounts Payable	CONTINENTAL BATTERY COMPANY	\$1,622.32		
90697	12/22/2025	Open			Accounts Payable	Dewberry Engineers Inc.	\$5,338.99		
90698	12/22/2025	Open			Accounts Payable	Dodini, Frank	\$20.95		
90699	12/22/2025	Open			Accounts Payable	Dokken Engineering, Inc.	\$276,900.45		
90700	12/22/2025	Open			Accounts Payable	FEDERAL EXPRESS	\$32.03		
90701	12/22/2025	Open			Accounts Payable	Fleming Construction	\$14,000.00		
90702	12/22/2025	Open			Accounts Payable	GovWell Technologies Inc.	\$73,000.00		
90703	12/22/2025	Open			Accounts Payable	GREEN RIDGE LANDSCAPING	\$450.00		
90704	12/22/2025	Open			Accounts Payable	HLP, INC / CHAMELEON SOFTWARE PRODUCTS	\$3,840.00		
90705	12/22/2025	Open			Accounts Payable	Howe Construction Tiger	\$32,200.00		
90706	12/22/2025	Open			Accounts Payable	Howe Construction Tiger	\$42,869.40		
90707	12/22/2025	Open			Accounts Payable	KOEFRAN INDUSTRIES	\$1,200.00		
90708	12/22/2025	Open			Accounts Payable	Kozak, Ginny	\$380.00		
90709	12/22/2025	Open			Accounts Payable	L.N. CURTIS & SONS	\$511.13		
90710	12/22/2025	Open			Accounts Payable	LEAF Capital Funding LLC	\$106.95		

TOWN OF PARADISE
Payment Register

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
90711	12/22/2025	Open			Accounts Payable	LIFE ASSIST INC	\$506.35		
90712	12/22/2025	Open			Accounts Payable	Look Ahead Veterinary Services	\$1,032.03		
90713	12/22/2025	Open			Accounts Payable	Mark Thomas & Company Inc	\$1,635.10		
90714	12/22/2025	Open			Accounts Payable	Meyers Police K-9 Training, LLC	\$600.00		
90715	12/22/2025	Open			Accounts Payable	MID VALLEY TITLE & ESCROW	\$100,000.00		
90716	12/22/2025	Open			Accounts Payable	MOTOROLA SOLUTIONS, INC.	\$94.40		
90717	12/22/2025	Open			Accounts Payable	MOTOROLA SOLUTIONS, INC.	\$10,455.04		
90718	12/22/2025	Open			Accounts Payable	MUNIMETRIX SYSTEMS CORP	\$79.98		
90719	12/22/2025	Open			Accounts Payable	North State Tire Co. Inc.	\$1,085.69		
90720	12/22/2025	Open			Accounts Payable	Northern California Glove & Safety	\$262.95		
90721	12/22/2025	Open			Accounts Payable	NORTHGATE PETROLEUM CO	\$7,148.85		
90722	12/22/2025	Open			Accounts Payable	O'REILLY AUTO PARTS	\$1,755.81		
90723	12/22/2025	Open			Accounts Payable	OFFICE DEPOT ACCT#36233169	\$315.09		
90724	12/22/2025	Open			Accounts Payable	OROVILLE FORD	\$114.78		
90725	12/22/2025	Voided	Printer Error	12/22/2025	Accounts Payable	PACIFIC GAS & ELECTRIC	\$1,667.57		
90726	12/22/2025	Open			Accounts Payable	PARADISE POST	\$722.87		
90727	12/22/2025	Open			Accounts Payable	PlaceWorks Inc	\$80,004.91		
90728	12/22/2025	Open			Accounts Payable	R B SPENCER INC	\$3,747.45		
90729	12/22/2025	Open			Accounts Payable	Rackley Company	\$3,228.63		
90730	12/22/2025	Open			Accounts Payable	Rose , Karen	\$75.00		
90731	12/22/2025	Open			Accounts Payable	Sigler Pest Control	\$50.00		
90732	12/22/2025	Open			Accounts Payable	Stratti	\$4,323.00		
90733	12/22/2025	Open			Accounts Payable	Stratton Appraisals	\$400.00		
90734	12/22/2025	Open			Accounts Payable	Tahoe Pure Water Co.	\$66.80		
90735	12/22/2025	Open			Accounts Payable	Target Solutions Learning	\$213.00		
90736	12/22/2025	Open			Accounts Payable	The Pape' Group INC	\$83.60		
90737	12/22/2025	Open			Accounts Payable	THOMAS ACE HARDWARE	\$354.49		
90738	12/22/2025	Open			Accounts Payable	THOMAS ACE HARDWARE - ENG. DEPT.	\$242.12		
90739	12/22/2025	Open			Accounts Payable	THOMAS ACE HARDWARE - FIRE DEPT.	\$85.55		
90740	12/22/2025	Open			Accounts Payable	Top Notch Commercial Cleaning Inc.	\$2,200.00		
90741	12/22/2025	Open			Accounts Payable	TransUnion Risk and Alternative Data Solutions Inc	\$690.00		
90742	12/22/2025	Open			Accounts Payable	Tri Counties Bank	\$14,802.77		
90743	12/22/2025	Open			Accounts Payable	Tri Flame Propane	\$485.07		
90744	12/22/2025	Open			Accounts Payable	TURNBOW, DAVID LYNN	\$20.00		
90745	12/22/2025	Open			Accounts Payable	TURNBOW, DEBBIE	\$40.00		
90746	12/22/2025	Open			Accounts Payable	Urban Design Associates. LTD	\$3,504.00		
90747	12/22/2025	Open			Accounts Payable	Urban Design Associates. LTD	\$1,640.00		
90748	12/22/2025	Voided	Printer Error	12/22/2025	Accounts Payable	VERIZON WIRELESS	\$570.15		
90749	12/22/2025	Voided	Printer Error	12/22/2025	Accounts Payable	VERIZON WIRELESS	\$75.00		
90750	12/22/2025	Voided	Printer Error	12/22/2025	Accounts Payable	VERIZON WIRELESS	\$282.45		
90751	12/22/2025	Open			Accounts Payable	Williams Scotsman, Inc. (Mobile Mini)	\$199.08		
90752	12/22/2025	Open			Accounts Payable	Wood Rodgers, Inc.	\$4,949.71		
90753	12/22/2025	Open			Accounts Payable	VERIZON WIRELESS	\$75.00		
90754	12/22/2025	Open			Accounts Payable	ICMA 457 - MissionSquare	\$3,420.27		
90755	12/22/2025	Open			Accounts Payable	STATE DISBURSEMENT UNIT	\$656.29		
Type Check Totals:									
177 Transactions									
\$4,090,706.51									

TOWN OF PARADISE
Payment Register

From Payment Date: 12/1/2025 - To Payment Date: 12/31/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
EFT									
359	12/02/2025	Open			Accounts Payable	COMCAST CABLE	\$875.23		
360	12/02/2025	Open			Accounts Payable	PACIFIC GAS & ELECTRIC	\$932.97		
362	12/08/2025	Open			Accounts Payable	CALPERS - RETIREMENT	\$70,592.82		
363	12/08/2025	Open			Accounts Payable	EMPLOYMENT DEVELOPMENT DEPARTMENT	\$16,082.94		
364	12/08/2025	Open			Accounts Payable	ING LIFE INS & ANNUITY COMPANY	\$8,595.60		
365	12/08/2025	Open			Accounts Payable	INTERNAL REVENUE SERVICE	\$51,356.97		
366	12/10/2025	Open			Accounts Payable	Amazon Capital Services	\$3,031.62		
367	12/10/2025	Open			Accounts Payable	COMCAST CABLE	\$14.82		
368	12/10/2025	Open			Accounts Payable	COMCAST CABLE	\$184.30		
369	12/10/2025	Open			Accounts Payable	I.M.P.A.C. PAYMENTS IMPAC GOV SVCS/US BANCORP	\$1,590.00		
370	12/10/2025	Voided	Printer Error	12/11/2025	Accounts Payable	PACIFIC GAS & ELECTRIC	\$17,725.18		
371	12/10/2025	Open			Accounts Payable	T MOBILE USA, INC.	\$2,043.21		
372	12/10/2025	Open			Accounts Payable	CALPERS	\$167,461.77		
373	12/11/2025	Voided	Printer Error	12/11/2025	Accounts Payable	PACIFIC GAS & ELECTRIC	\$17,676.21		
374	12/11/2025	Open			Accounts Payable	PACIFIC GAS & ELECTRIC	\$14,750.24		
375	12/22/2025	Open			Accounts Payable	Amazon Capital Services	\$1,348.17		
376	12/22/2025	Open			Accounts Payable	AT&T MOBILITY	\$107.00		
377	12/22/2025	Open			Accounts Payable	COMCAST CABLE	\$219.25		
378	12/22/2025	Open			Accounts Payable	COMCAST CABLE	\$429.25		
379	12/22/2025	Open			Accounts Payable	I.M.P.A.C. PAYMENTS IMPAC GOV SVCS/US BANCORP	\$877.90		
380	12/22/2025	Open			Accounts Payable	PACIFIC GAS & ELECTRIC	\$1,667.57		
381	12/22/2025	Open			Accounts Payable	VERIZON WIRELESS	\$570.15		
382	12/22/2025	Open			Accounts Payable	VERIZON WIRELESS	\$282.45		
383	12/22/2025	Open			Accounts Payable	VERIZON WIRELESS	\$2,751.40		
384	12/22/2025	Open			Accounts Payable	CALPERS - RETIREMENT	\$69,943.45		
385	12/22/2025	Open			Accounts Payable	EMPLOYMENT DEVELOPMENT DEPARTMENT	\$15,491.71		
386	12/22/2025	Open			Accounts Payable	ING LIFE INS & ANNUITY COMPANY	\$8,593.10		
387	12/22/2025	Open			Accounts Payable	INTERNAL REVENUE SERVICE	\$49,353.19		
Type EFT Totals:									
AP TCB - General Checking Totals									

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	172	\$4,084,507.34	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	5	\$6,199.17	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	177	\$4,090,706.51	\$0.00
EFTs	Status	Count	Transaction Amount	Reconciled Amount
	Open	26	\$489,147.08	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	2	\$35,401.39	\$0.00
	Total	28	\$524,548.47	\$0.00
All	Status	Count	Transaction Amount	Reconciled Amount
	Open	198	\$4,573,654.42	\$0.00

TOWN OF PARADISE
Payment Register

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
					Reconciled	0	\$0.00	\$0.00	
					Voided	7	\$41,600.56	\$0.00	
					Stopped	0	\$0.00	\$0.00	
					Total	205	\$4,615,254.98	\$0.00	
AP - US Bank TOP AP Checking									
Check									
85628	12/22/2025	Open			Accounts Payable	Town of Paradise	\$5,000,000.00		
Type Check Totals:									
AP - US Bank TOP AP Checking Totals									



Town of Paradise

Council Agenda Summary

Agenda Item: 5(a)

Date: January 13, 2026

ORIGINATED BY:

Sarah Richter, Housing Program Coordinator

REVIEWED BY:

Colette Curtis, Recovery and Economic Development Director

SUBJECT:

Public Hearing for the Community Development Block Grant Program (CDBG) 2026-2027 Annual Action Plan

**LONG TERM
RECOVERY PLAN:**

No

COUNCIL ACTION REQUESTED:

1. Conduct a duly noticed and published public hearing to solicit comments and/or suggestions regarding the 2026-2027 Annual Action Plan funding priorities.

Background:

The Town of Paradise has been a U.S. Department of Housing and Development (HUD) entitlement city since 1994. HUD awards grants to entitlement community grantees to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services.

Entitlement communities develop their own programs and funding priorities. However, grantees must give maximum feasible priority to activities which benefit low-income persons. Additionally, grantees may fund activities when the grantee certifies that the activities meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. CDBG funds may not be used for activities which do not meet a HUD defined National Objectives.

HUD determines the amount of each entitlement grant by a statutory dual formula which uses several objective measures of community needs, including the extent of poverty, population, housing overcrowding, age of housing and population growth lag in relationship to other metropolitan areas.

Annual Plan Overview:

The Town has not received its funding allocation for the program year, but is estimating that HUD will allocate approximately \$50,000 to the Town of Paradise for programs and projects that directly benefit the town's low-income residents. When funding is received, the Annual Action Plan funding amounts will be adjusted proportionally. Funding priorities identified in the 5-year Consolidated Plan include:

- Improve public infrastructure
- Economic development
- Increase affordable housing

- Non-housing community development

Annual Action Plan and Public Meetings:

Over the next several weeks, staff will prepare a Draft Annual Action Plan. The Plan will be available for public viewing and comment prior to its adoption by Council and prior to submission to the U.S. Department of Housing and Urban Development. The dates of the comment period and public hearings are as follows:

- **Public Hearing No. 2:** Tuesday, March 10th at 6:00 p.m., or as soon thereafter as possible, in the Town Hall Council Chambers at 5555 Skyway, Paradise, California. This public hearing is to solicit comments from the public regarding the draft 2026-2027 CDBG Annual Action Plan. The public is encouraged to submit written comments of the CDBG funding to Sarah Richter, 5555 Skyway, and Paradise, CA 95969. If no public comments are received during the public comment period, the Council will consider adopting the final 2026-2027 Annual Action Plan.
- **The Draft Annual Plan** will be available to the public on March 11, 2026. The plan will be available on the Town's website (www.townofparadise.com); Town Hall, the Building Resiliency Center, the Butte County Public Library, and the Paradise Chamber of Commerce. The public comment period is from March 11th – April 10th, 2026. Written comments should be addressed to Sarah Richter, 5555 Skyway, Paradise, CA 95969.

Analysis:

Although the Town has some discretion on how the funds are used, there are many restrictions, conditions, and objectives that must be met. Community Development Block Grant funds can be used for activities that further community and economic development; provide improved community facilities and services; and provide affordable housing opportunities to low and disadvantaged residents. Each activity except planning and administrative activities, must meet one of the CDBG program's three broad National Objectives:

1. Benefit low and moderate income persons,
2. Aid in the prevention or elimination of slums or blight, or
3. Meet community development needs having a particular urgency.

The types of activities that meet the national objective will encompass the following basic qualifiers:

Area benefit activities: An activity can be area-wide meaning that the benefits are available to all the residents of a particular area where at least 51 percent of the residents are low and moderate income persons. The service area must be primarily residential, and the activity must meet the identified needs of low-and-moderate income persons.

Limited clientele activities: An activity can be “limited clientele,” which means that the activity benefits a certain, limited clientele that is presumed to be at least 51 percent low income. An example of this would be programs limited to seniors or disabled residents.

Housing activities: An activity carried out for the purpose of providing or improving permanent residential structures, which upon completion, will be principally occupied by low-income households.

Job creation or retention activities: An activity designed to create or retain permanent jobs where at least 51% of that, computed on a full-time equivalent (FTE) basis, involves the employment of low-income persons.

Slum Blight Removal: Activities under this category must meet ALL of the following criteria: (1) The area delineated by the grantee must meet a definition of a slum, blighted, deteriorated or deteriorating area under state or local law; (2) there must be a substantial number of deteriorated buildings through the area; and (3) the activity must address one or more conditions that contributed to the deterioration of the area. Boundaries, designations, inspections and detailed rehabilitation records must be kept.

In addition to the above qualifiers, there is a list of basic eligible activities and ineligible activities that can be carried out using CDBG funds. (Government Code Section 570.201.) <https://www.ecfr.gov/current/title-24 subtitle-B/chapter-V/subchapter-C/part-570/subpart-C/section-570.201>

Basic Eligible Activities include: Acquisition/disposition of real property; public facilities acquisition, construction and rehabilitation; public services funding; payment of costs in support of activities eligible for funding under the HOME program; housing assistance for low/mod income families; and micro-enterprise assistance.

Financial Impact:

The impact of this agenda item and subsequent actions related to the CDBG Program will result in the award of approximately \$50,000 in federal funds as we estimate the Town may receive approximately the same amount of funding as last year.

While the Town of Paradise is the smallest grantee in the country, continued designation as a CDBG entitlement community allows the Town to qualify for other grant funding opportunities.



Town of Paradise

Council Agenda Summary

Agenda Item: 6(a)

Date: January 13, 2026

ORIGINATED BY:

Marc Mattox, Assistant Town Manager

REVIEWED BY:

Mike O'Brien, Interim Town Manager

SUBJECT:

Paradise CDBG-DR Infrastructure Action Plan Amendment No. 4

LONG TERM

Yes - Various

RECOVERY PLAN:

COUNCIL ACTION REQUESTED:

1. Provide direction relating to the conditional CDBG-DR allocation of \$13.5M for the Paradise Sewer Project or Oliver Curve Project; and,
2. Approve the Paradise Community Development Block Grant Disaster Recovery – Infrastructure Action Plan Amendment 4; and,
3. Adopt Resolution 2026-__ “A Resolution of the Town Council of the Town of Paradise Canceling the Evacuation Route Permanent Changeable Message Sign Project Standard Agreement and Redirecting Allocated Funds to Storm Drain Resiliency Project Phase 1”; or,
4. Provide alternate direction. (ROLL CALL VOTE)

Background:

On January 27, 2020, the United States Department of Housing and Urban Development (HUD) published Federal Register Notice 85 FR 4681 allocating \$1.017 billion in Community Development Block Grant – Disaster Recovery (CDBG-DR) funding related to the 2018 federally declared disasters, including FEMA Major Disaster Declarations DR-4382 and DR-4407. The California Department of Housing and Community Development (HCD) serves as the State grantee responsible for administering these funds.

Of the total allocation, HCD dedicated \$317,428,488 to the CDBG-DR Infrastructure Program to address unmet disaster recovery infrastructure needs across impacted jurisdictions. On August 19, 2022, HCD announced that the Town of Paradise was awarded \$199,592,735.75 under this program. In addition, through a subsequent Action Plan Amendment, the Town received \$30 million specifically for design of the Paradise Sewer Project, bringing the Town's total CDBG-DR Infrastructure allocation to \$229,592,735.75.

On September 15, 2022, the Paradise Town Council adopted the original CDBG-DR Infrastructure Action Plan to establish a framework for prioritizing, funding, and implementing eligible recovery infrastructure projects. Since that time, the Town has adopted multiple Action Plan Amendments to reflect updated cost estimates, refined scopes, and new funding opportunities, including Amendment No. 3 adopted in April 2025.

Analysis:

Action Plan Amendment No. 4 represents the next evolution of the Town's long-term recovery

strategy and incorporates several significant developments since adoption of Amendment No. 3. Specifically, Amendment No. 4:

- Incorporates newly awarded CDBG-DR Mitigation – Resilient Infrastructure Program (MIT-RIP) funding, including projects focused on storm drain resiliency, private road identification safety, and evacuation-related infrastructure;
- Documents Council-directed reallocation of MIT-RIP funds to prioritize stormwater infrastructure based on observed post-fire hydrologic impacts and updated risk assessments;
- Updates the Project Grant List, funding allocations, and project sequencing to reflect refined scopes, updated engineer's estimates, and alignment between recovery and mitigation investments; and
- Includes a new section documenting a potential supplemental CDBG-DR Infrastructure allocation of approximately \$13.5 million, subject to HUD approval, which the Town intends to program toward either the Paradise Sewer Project or the Oliver Curve Pathway Project to further support housing recovery, evacuation safety, and long-term community resiliency.

Sewer Project Emphasis

A central feature of Amendment No. 4 is the increased emphasis on the Paradise Sewer Project as a foundational recovery investment. Sewer infrastructure remains one of the Town's most critical unmet needs following the 2018 Camp Fire and is essential to restoring housing, enabling higher-density and affordable residential development, and supporting public health and environmental objectives. Amendment No. 4 increases the recommended CDBG-DR allocation toward sewer construction and positions the Town to incorporate future supplemental funding, should it be approved by HUD.

Mitigation Integration

Amendment No. 4 also formally integrates the Town's CDBG-DR Mitigation (MIT-RIP) awards into the Action Plan. These mitigation investments complement recovery infrastructure by reducing long-term risks to life and property, particularly related to wildfire, flooding, and stormwater impacts. Together, the CDBG-DR Infrastructure and MIT-RIP programs support a coordinated approach to rebuilding Paradise as a safer, more resilient community.

CDBG-DR Compliance Issue – Oliver Curve Pathway Project

During recent coordination with the California Department of Housing and Community Development (HCD), staff was advised of a compliance issue related to the Oliver Curve Pathway Project as currently presented in the Action Plan.

Under Action Plan Amendment No. 4, the Oliver Curve Project is allocated approximately \$1.25 million in CDBG-DR funds to complete environmental clearance, design, and right-of-way activities, with the intent of positioning the project to compete for future leveraging grants. While this phased approach aligns with typical local capital planning practices, HCD has clarified that CDBG-DR funds are required to be programmed toward fully deliverable projects that independently meet a HUD National Objective and are not contingent on speculative or unsecured future funding sources.

As a result, HCD has indicated that the Town must resolve whether the Oliver Curve Project will be:

- Fully funded and deliverable within the CDBG-DR Action Plan; or
- Deferred until a viable full-funding strategy is secured outside of CDBG-DR.

This issue was not previously identified during earlier Action Plan amendments and has emerged as a result of HCD's detailed review of the Amendment No. 4 project configuration.

Financial Impact:

Adoption of Action Plan Amendment No. 4 does not commit new General Fund resources. All projects and allocations described in the Amendment rely on previously awarded or anticipated state and federal grant funding. Any future obligation of supplemental CDBG-DR funds will be subject to HUD approval, completion of environmental review, and subsequent Council authorization.

Council Direction Required

To address this compliance issue and maintain consistency with CDBG-DR program requirements, staff is requesting Council direction on how the conditional \$13.5 million supplemental CDBG-DR Infrastructure allocation should be programmed, if approved by HUD. Council direction is requested to pursue one of the following options:

Option A – Oliver Curve Pathway Project

Direct staff to program the potential supplemental CDBG-DR Infrastructure funds toward the Oliver Curve Pathway Project in order to advance the project to a fully funded, stand-alone, and deliverable status consistent with CDBG-DR requirements.

Option B – Paradise Sewer Project (Staff Recommendation)

Direct staff to program the potential supplemental CDBG-DR Infrastructure funds toward the Paradise Sewer Project to address anticipated cost escalation and siting complexities associated with treatment facility location, subject to environmental review and site selection. This option prioritizes a project that is foundational to housing recovery, public health, and long-term community resiliency and eliminates compliance risk associated with partially funded projects. Under this option, the previously planned \$1.25 million CDBG-DR allocation for the Oliver Curve Pathway Project would also be reprogrammed to the Paradise Sewer Project.

Council direction at this stage is policy-level and conditional, and does not obligate funds unless and until the supplemental allocation is approved by HUD and subsequent project-specific approvals are brought back to Council.

Attachments:

- CDBG-DR Action Plan Action Plan Amendment 4 (draft)

TOWN OF PARADISE
RESOLUTION NO. 2026-_____

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN
OF PARADISE CANCELING THE EVACUATION ROUTE
PERMANENT CHANGEABLE MESSAGE SIGN PROJECT
STANDARD AGREEMENT AND REDIRECTING
ALLOCATED FUNDS TO STORM DRAIN RESILIENCY
PROJECT PHASE 1**

WHEREAS, the Department of Housing and Community Development (HCD) awarded the Town of Paradise \$5,400,000 through the Community Development Block Grant Mitigation (CDBG-DR) Resilient Infrastructure Program (MIT-RIP) for the Evacuation Route Permanent Changeable Message Sign Project; and

WHEREAS, the Standard Agreement was signed on May 22, 2025 by the Town of Paradise; and

WHEREAS, the Town expressed their desire to redirect the allocation of funds from the Evacuation Route Permanent Changeable Message Sign Project to the Storm Drain Resiliency Project Phase 1; and

WHEREAS, the reallocation of funds will result in the improvement of seven different storm drain facilities compared to the two facilities in the original Storm Drain Resiliency Project Phase 1; and

WHEREAS, the improvements include better capacity, reduced water velocity, and more drain inlets.

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

1. Cancel the Evacuation Route Permanent Changeable Message Sign Project Standard Agreement.
2. The allocated funds from the Evacuation Route Permanent Changeable Message Sign Project will be redirected to the Storm Drain Resiliency Project Phase 1.

PASSED AND ADOPTED by the Town Council of the Town of Paradise on this 13th day of January 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____

Steve Crowder, Mayor

ATTEST:

Melanie Elvis, Town Clerk

APPROVED AS TO FORM:

Scott E. Huber, Town Attorney



Town of Paradise
Community Development Block Grant Disaster Recovery
Infrastructure and Mitigation Resiliency Improvement Program
Amendment 4

Planned for Review by Town Council on January 13, 2026

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Project Fact Sheets and Maps

1. Amendment 4 Summary

The Town of Paradise is issuing Action Plan Amendment 4 to incorporate newly awarded and anticipated funding, updated project priorities, and refinements to the Town's overall Community Development Block Grant Disaster Recovery (CDBG-DR) Infrastructure and Mitigation portfolio. This Amendment reflects continued evolution of the Town's recovery program as projects advance into later phases of design and construction, mitigation needs are further refined, and additional funding opportunities become available.

Key elements of Amendment 4 include:

- Incorporation of CDBG-DR Mitigation – Resilient Infrastructure Program (MIT-RIP) awards supporting storm drain resiliency, evacuation safety, and emergency response improvements;
- Reallocation of previously approved MIT-RIP funding to better align with the Town's highest mitigation priorities, specifically enhanced stormwater resiliency informed by post-fire hydrologic conditions;
- Updates to the Project Grant List, funding allocations, and cost assumptions to reflect refined scopes, updated engineer's estimates, and integration of mitigation investments alongside recovery infrastructure; and
- Inclusion of a supplemental CDBG-DR Infrastructure allocation of approximately \$13.5 million, subject to HUD approval, intended to further support and enhance the benefits of the first phase of the Paradise Sewer Project.

Collectively, Amendment 4 reinforces the Town's strategy to pair disaster recovery with long-term resilience, ensuring that critical infrastructure investments—particularly those supporting housing restoration, evacuation capacity, and public health—are both deliverable and durable. More detailed descriptions of the changes incorporated through this Amendment are provided in Sections 10 through 15 of this document.

2. Purpose

The Town of Paradise CDBG-DR Infrastructure Action Plan aims to document the context, approach and overview of potential use of allocated funds. Future revised Action Plans will be presented:

- Annually during budget processing, and
- As needed when critical issues develop requiring Council action such as changes to the Recommended Project List

3. CDBG-DR Infrastructure General

On January 27, 2020, United States Department of Housing and Urban Development (HUD) published Federal Register Notice 85 FR 4681 allocating \$1,017,399,000 in CDBG-DR funding, related to the Federal Emergency Management Agency (FEMA) Major Disaster Declarations DR-4382 from July to September 2018 and DR-4407 in November 2018. The California Department of Housing and Community Development (HCD) is the grantee responsible for administering the CDBG-DR funds allocated to the State of California. CDBG-DR supports the State of California's unmet recovery needs related to the Federal Emergency Management Agency (FEMA) Major Disaster Declarations DR- 4382 from July to September 2018 and DR-4407 in November 2018.

Recognizing unmet infrastructure recovery needs, related to DR-4382 from July to September 2018 and DR-4407 in November 2018, HCD allocated \$317,428,488 of the CDBG-DR funding to the Disaster Recovery Infrastructure Program (DR-Infrastructure). DR-Infrastructure projects are funded to assist with meeting the

unmet infrastructure needs of local communities. This program provides funding for FEMA Public Assistance (PA) match projects, FEMA Hazard Mitigation Grant Program (HMGP) match projects, other non-FEMA match projects, and stand-alone projects identified by local communities impacted by DR-4382 or DR-4407. HUD requires that 70% of the total grant-wide funds are spent on activities that meet the low- and moderate-income (LMI) national objective and 80% of grant funds are expended in the HUD-identified most impacted and distressed (MID) areas. The MID areas for the 2018 CDBG-DR Infrastructure Program include the entire counties of Butte, Shasta, Los Angeles and Lake; the Town of Paradise is MID eligible within Butte County.

4. CDBG-DR Infrastructure Program Activities

The CDBG-DR Infrastructure Program utilizes CDBG-DR funds to address two needs of Eligible Applicants: 1.) providing support to disaster-impacted units of local government and other eligible entities with payment of their non-federal local cost share (FEMA Public Assistance (PA) Match, FEMA HMGP Match, and other federal grants) requirement so that they can access other disaster recovery resources without incurring an unexpected financial burden to address recovery needs; and 2.) providing funds to units of local government to develop “Stand- Alone” infrastructure projects, which can be funded with up to 100% CDBG-DR funding, that are necessary to address unmet disaster recovery needs from impacts tied to DR- 4382 or DR-4407. To address the needs of Eligible Applicants described in this paragraph, the CDBG-DR Infrastructure Program funds are used for the following project types:

- The non-federal local cost share match on disaster-related federal grants (FEMA and other federal grants); and
- Non-match, Stand-Alone Infrastructure projects that address identified unmet 2018 disaster recovery needs and increase the resilience of cities and counties.

a. FEMA PA Match

The FEMA Public Assistance (PA) Grant Program supports communities’ recovery from major disasters by providing them with grant assistance for debris removal, life-saving emergency protective measures, and restoring public infrastructure. FEMA provides grants to the State and its sub-applicants (cities, counties, school districts, etc.) to address the long-term rebuilding, recovery, and resiliency needs of the communities. Projects that are approved for FEMA PA Match in certain FEMA Categories are eligible for non- federal share, local match funding under the CDBG-DR Infrastructure Program. See Section 2.4 for a full description of eligible FEMA PA Match projects, activities, and compliance.

b. FEMA HMGP Match

FEMA Hazard Mitigation Grant Program (HMGP) activities are designed to help communities implement hazard mitigation measures following a Presidential Major Disaster Declaration in the areas of the state, tribe, or territory requested by the Governor or Tribal Executive. The key purpose of HMGP is to enact mitigation measures that reduce the risk of loss of life and property from future disasters. Projects that are approved for FEMA HMGP Match are eligible for non-federal, local match funding under DR-Infrastructure. See Section 2.5 for a full description of eligible FEMA HMGP Match projects, activities, and compliance.

c. Other Non-Federal Match

HCD may fund the local portion of the non-federal share for other federally grant- funded infrastructure projects with a tie-back to the DR-4382 or DR-4407 disaster events. Grants include, but are not limited to, projects funded by the Federal Highway Administration (FHWA) and the United States Department of Agriculture (USDA).

d. Stand-Alone Infrastructure

Non-match, Stand-Alone CDBG-DR eligible infrastructure projects with a tie-back to the 2018 disasters that can be funded with up to 100 percent of CDBG-DR funding are eligible for the CDBG-DR Infrastructure Program. These non-match, Stand-Alone Infrastructure projects are critical to address identified unmet disaster recovery needs and increase the resilience of cities and counties that are not funded by other federal recovery programs. All Stand-Alone Infrastructure projects require an environmental review be completed by the Subrecipient. See Section 2.6 for a full description of eligible Stand-Alone Infrastructure projects, activities, and compliance.

5. CDBG-DR Infrastructure Program Requirements

a. Tie-back to the Disasters

All projects funded through the DR Infrastructure Program must in some way respond to a direct impact from the following federally declared disasters:

- DR-4382 California Wildfires and High Winds (July 23, 2018 – September 19, 2018)
- DR-4407 California Wildfires (November 08, 2018 – November 25, 2018)

The FEMA PA program requires clear documentation showing a direct disaster related impact as a prerequisite for entry into the program. Only after an impact threshold has been met does FEMA consider making disaster funds available to applicants. It is assumed that if the potential applicant received funding and support through the FEMA PA program, the project has a tie to one of the declared disasters. For FEMA PA Match projects, the tie to the 2018 disasters is documented by FEMA's approval of the Project Worksheet.

For Stand-Alone projects, HMGP Match projects, and other Federal match projects, the tie to the 2018 disasters is documented as part of the Notice of Intent (NOI) and application processes and stored in the program file of Grants Network. Documentation that shows a tie to the disaster can include, but is not limited to, a damage estimate prepared by city/county staff or contractor, reconstruction estimates for physical losses by engineers or other similar professionals, insurance claims, or photographic evidence of the physical impact of the disaster on the project with clear dates and timeline.

Eligible Applicants may submit indirect tie backs to the disaster that are a result of population shifts due to DR-4382 and DR-4407. For such indirect tie backs, Eligible Applicants are required to use one of two options. Option one is to use publicly available data from a government entity or research center acceptable to HCD to determine whether the jurisdiction experienced a sustained population increase, of at least 24 months, reasonably attributable to an influx of 2018 disaster survivors. Option two is for Eligible Applicants to provide alternative data documenting a sustained population increase, of at least 24 months, reasonably attributable to an influx of 2018 disaster survivors, using a survey methodology acceptable to HCD (i.e., reasonably designed to produce an accurate estimate).

For all projects, HCD reviews how each project supports the overall housing recovery from DR-4382 or DR-4407. Projects that support overall housing recovery are infrastructure projects that enable the recovery of residential areas by meeting transportation needs, restoring essential utilities, and addressing other public infrastructure and facility needs. Examples of infrastructure projects that support overall housing recovery include, but are not limited to public roads, school facilities, stormwater drainage improvements, potable water, sanitary sewer, electric and gas utilities, wastewater treatment facilities, parks, and other public facilities that are important publicly owned assets.

b. Meeting a National Objective

In accordance with 24 CFR 570.208, all CDBG-DR funded activities must meet a national objective as required under 24 CFR 570.200(a)(2). Under section 101(c) of the authorizing Act (42 U.S.C. 5301) the CDBG program must ensure that the funded activity meets one of the named national objectives. The two qualifying national objectives are:

- Benefiting low- and moderate-income (LMI) persons; and
- Meeting an urgent need.

National Objective Category	Subcategory	Required Documentation
LMI Benefit	LMI Area Benefit	Boundaries of service area of activity/project Census data including the persons and percentage LMI Evidence area is primarily residential Survey documentation (if applicable)
LMI Benefit	LMI Limited Clientele	Documentation that the beneficiaries are or are presumed to be LMI by category (e.g. senior housing, homeless shelters, etc.).
LMI Benefit	LMI Housing	If applicable, income document for all household members 18 years of age and older.
Urgent Need	Urgent Need	Resolution from Subrecipient's city council, county board, or similar governing body stating that no other funds are available for the proposed project.

The CDBG-DR Infrastructure Program must demonstrate that funded activities meet one of the two National Objectives. The types of records to be maintained for each CDBG-DR funded project depends on the National Objective category for which it qualifies. For all CDBG-DR Infrastructure Program projects, the final determination of the National Objective is completed during the application process based on HUD guidance. Eligible Applicants also need to provide preliminary National Objective documentation as part of the NOI process to support the Priority Level of the project.

Determining the service area of an activity involves consideration of the nature, location, and accessibility of each activity, and the information contained within the project's description and scope of work (contained in the Project Worksheet for FEMA PA projects). Service areas are based on the beneficiaries of recovery activities and/or types of facilities (e.g. work on roads and bridges, repair/replacement of public utilities, etc.); geographic features (e.g. locations of highway, rivers, hillsides, etc.); and local population characteristics (e.g. population size and density). Wherever possible, HCD leverages pre-defined service areas mapped by a government agency or utility service providers.

HCD anticipates that projects that qualify under the Low- and Moderate-Income (LMI) National Objective are primarily using the Low- and Moderate-Income Area Benefit (LMA) category. Once a project's service area is identified, HUD Low- and Moderate-Income Summary Data is used to determine if least 51 percent of the residents are low- and moderate-income persons.

The Urgent Need National Objective requires that the project is designed to meet community development needs having a particular urgency. In the absence of substantial evidence to the contrary, a project is considered to address this National Objective if the design of the project is certified to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community which are of recent origin or which recently became urgent, that the Subrecipient is unable to finance the activity on its

own, and that other sources of funding are not available. A condition is generally considered to be of recent origin if it developed or became critical within 18 months preceding the certification by the Subrecipient.

c. Eligible Applicants

The eligible applicants for Infrastructure Recovery Program funds are municipal and county governments that received FEMA Public Assistance funds for permanent infrastructure projects (Categories C through G) related to the DR-4382 or DR-4407 disaster events and/or are listed as a subrecipient jurisdiction under the 2018 CDBG Disaster Recovery Multifamily Housing Program.

Eligible Applicants

- Butte County
- Lake County
- Los Angeles County
- Shasta County
- Ventura County
- City of Agoura Hills
- City of Anderson
- City of Calabasas
- City of Chico
- City of Gridley
- City of Lakeport
- City of Los Angeles
- City of Malibu
- City of Oroville
- City of Redding
- City of Shasta Lake
- City of Thousand Oaks
- City of Westlake Village
- Town of Paradise

Eligible Applicants may submit projects located anywhere within the unit of local government's jurisdiction in accordance with the eligibility requirements outlined in Sections 2.4, 2.5, 2.6, and 2.7 below. As needed, Eligible Applicants may collaborate with other eligible entities, units of local government, or special districts in the implementation of the CDBG-DR Infrastructure Program.

Subrecipients may submit applications on behalf of another jurisdiction or special district. If the application is approved by HCD, the Subrecipient may enter into an agreement with another jurisdiction or special district for implementing the project. Prior to HCD issuing a Notice to Proceed (NTP) for the project, the Subrecipient must submit a monitoring plan for the unit of local government or special district working under the agreement. The monitoring plan shall demonstrate that the Subrecipient has the capacity to oversee work of the local government or special district.

Agreements with other units of local government, special districts, and other eligible entities are limited to program implementation support and the Subrecipient cannot allocate project funding directly to other government entities unless the Subrecipient, during the Due Diligence process, notifies HCD of its intent to make a unit of local government or special district a subrecipient for a potential project. In such instances, the following two (2) conditions must be special conditions in the MSA that the Subrecipient needs to clear prior to HCD issuing a Notice to Proceed for the specific potential project(s):

- 1.) HCD approves the Subrecipient's monitoring plan of the unit of local government or special district for the proposed project. The monitoring plan must demonstrate that the Subrecipient has sufficient understanding of the program requirements, the applicable federal and state regulations, and the capacity to monitor the work of its subrecipients.
- 2.) Subrecipient agreements must be approved by HCD. If a Subrecipient is a CDBG entitlement community and has a subrecipient agreement in place, they may use the agreement as a template or an amended agreement, if approved by HCD.

If the preceding two (2) conditions are met, the Subrecipient can make the units of local government or special districts subrecipients and can directly allocate funds from the Subrecipient's DR-Infrastructure allocation for individual projects approved by HCD during the Project Application process and for which

HCD issues a Notice to Proceed. For all cases in accordance with 83 FR 5844 Section 51(k), HCD must also assess the Subrecipient's capacity to execute and monitor the proposed project(s) as a factor in the project review. Additionally, for CDBG-DR funds to be used as the non-federal cost share local match, the project must be a HUD eligible activity and must meet a HUD national objective, per CDBG-DR rules and regulations. Similarly, the project must fully comply with all applicable federal rules and regulations, to include Davis Bacon and related acts, Section 3, Section 504, procurement, environmental review and all other CDBG-DR, cross-cutting, state and local applicable statutes, rules and regulations.

Special note, Paradise Irrigation District is an eligible applicant under the Town of Paradise and will be subject to the subrecipient requirements

6. CDBG-DR Infrastructure Program Policies and Procedures

Full CDBG-DR Infrastructure Program Policies and Procedures can be found here:

<https://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr/cdbg-dr-2018/docs/18DRINF18MITRIPoliciesandProceduresv2.pdf>

7. Town of Paradise Notices of Intent Round 1 & Round 2

Through the development of the Town's Community Long Term Recovery Plan and Transportation Master Plan, the Town of Paradise prepared a list of eligible projects to be considered in the CDBG-DR Infrastructure Notice of Intent phase for both Round 1 (LMI-eligible projects) and Round 2 (all other non-LMI projects). Action taken by Paradise Town Council on February 8, 2022 included the adoption of Resolution No. 2022-12, A Resolution of the Town Council of the Town of Paradise Declaring Certain Projects Critical to Camp Fire Recovery with Unfunded Needs for Consideration in the CDBG-DR Infrastructure Program. A copy of the project list adopted by Council and submitted for consideration is provided below:

Project Title	National Objective	Overall Priority	LMI Priority	Urgent Need Priority	Long Term Recovery Plan Tier and Project Category	Total Cost	Total Unmet Need
Paradise Sewer Project	Urgent Need	1	N/A	1	1 - Sewer System	\$184,675,000	\$182,275,000
On-System Road Rehabilitation	Urgent Need-Match	2	N/A	2	1 - Evacuation Routes	\$55,439,200	\$13,859,800
Off-System Road Rehabilitation	Urgent Need-Match	3	N/A	3	1 - Evacuation Routes	\$45,043,700	\$11,260,925
Roe Road Extension Phase 1 (S Libby to Pentz)	LMI	4	1	N/A	1 - Missing Road Segment	\$60,400,000	\$60,400,000
Roe Road Phase 2 (SR-191 to S Libby)	LMI	5	2	N/A	1 - Missing Road Segment	\$42,622,089	\$42,622,089
Roe Road Phase 3 (Scottwood to SR-191)	LMI	6	3	N/A	1 - Missing Road Segment	\$11,105,512	\$11,105,512
Pentz Road Widening (Town Limits to Skyway)	Urgent Need	7	N/A	4	1 - Evacuation Routes	\$88,865,680	\$88,865,680
Early Warning System	Urgent Need-Match	8	N/A	5	1 - Emergency Notification	\$3,207,400	\$3,200,000
Elliott Road Extension (End to Pentz Road)	Urgent Need	9	N/A	6	1 - Missing Road Segment	\$7,050,742	\$7,050,742

Neal Road Rehabilitation	Urgent Need-Match	10	N/A	7	1 - Evacuation Routes	\$1,588,300	\$397,075
Off-System Culvert Repair	Urgent Need-Match	11	N/A	8	1 - Evacuation Routes	\$750,000	\$187,500
Buschmann Extension between Clark & Libby	LMI	12	4	N/A	1 - Missing Road Segment	\$24,043,221	\$24,043,221
Sawmill Extension south to Roe Road Extension	LMI	13	5	N/A	1 - Long Dead-End Streets	\$3,337,373	\$3,337,373
Roe Road Phase 4 (Skyway to Neal)	Urgent Need	14	N/A	9	1 - Missing Road Segment	\$20,380,141	\$20,380,141
Roe Road Phase 5 (Neal to Scottwood)	Urgent Need	15	N/A	10	1 - Evacuation Routes	\$21,049,870	\$21,049,870
Upper Skyway Widening (Bille to Pentz)	Urgent Need	16	N/A	11	1 - Evacuation Routes	\$49,067,998	\$49,067,998
Neal Road Widening (Town Limits to Skyway)	Urgent Need	17	N/A	12	1 - Evacuation Routes	\$25,308,880	\$25,308,880
On-System Culvert Replacement	Urgent Need-Match	18	N/A	13	1 - Evacuation Routes	\$811,000	\$202,750
Upper Clark Widening (Wagstaff to Skyway)	Urgent Need	19	N/A	14	1 - Evacuation Routes	\$25,007,475	\$25,007,475
Elliott Road Extension (west of Skyway)	Urgent Need	20	N/A	15	1 - Missing Road Segment	\$850,011	\$850,011
Category 4 Tree Removal	Urgent Need-Match	21	N/A	16	1 - Standing Burnt Tree Removal	\$11,747,100	\$2,936,782
Category 4 Tree Removal Additional Assistance	Urgent Need-Match	22	N/A	17	1 - Standing Burnt Tree Removal	\$10,000,000	\$2,500,000
General Plan Update	Urgent Need	23	N/A	18	1 - Planning and Zoning	\$1,200,000	\$1,200,000
Sewer Service Area Specific Plan	Urgent Need	24	N/A	19	1 - Sewer System	\$800,000	\$800,000
Defensible Space Code Enforcement	Urgent Need-Match	25	N/A	20	1 - Updated codes/standards	\$691,460	\$172,865
On-System Hardscape Replacement	Urgent Need-Match	26	N/A	21	1 - Walkable Downtown	\$767,100	\$191,775
Storm Drain Master Plan (HMGP)	Urgent Need-Match	27	N/A	22	2 - Sustainable Stormwater	\$513,774	\$128,444
Residential Ignition Resistant Program	Urgent Need-Match	28	N/A	23	2 - Education Program	\$8,465,986	\$2,116,497
ATP 1 - Skyway Connectivity Project	Urgent Need	29	N/A	24	1 - Interconnect Path System	\$4,461,689	\$4,461,689
ATP 3 - Pentz Pathway Project Phase II	Urgent Need	30	N/A	25	1 - Interconnect Path System	\$27,164,964	\$26,464,964
ATP 2 - Paradise ATP Gateway Project	Urgent Need	31	N/A	26	1 - Interconnect Path System	\$10,066,526	\$9,516,526
ATP 4 - Oliver Curve Pathway Project Phase I	Urgent Need	32	N/A	27	1 - Interconnect Path System	\$4,906,900	\$5,073,547
Foster/Black Olive Intersection Improvements	Urgent Need	33	N/A	28	1 - Evacuation Routes	\$5,000,000	\$5,000,000
Buschmann Extension West of Foster Road	Urgent Need	34	N/A	29	1 - Missing Road Segment	\$3,290,571	\$3,290,571
Intersection Improvements Skyway/Pentz	Urgent Need	35	N/A	30	1 - Evacuation Routes	\$4,500,000	\$4,500,000
Moore Road (Public, pave)	Urgent Need	36	N/A	31	1 - Missing Road Segment	\$1,436,639	\$1,436,639
Pentz/Pearson Intersection Improvements	Urgent Need	37	N/A	32	1 - Evacuation Routes	\$4,500,000	\$4,500,000
Clark Class I (Skyway to Pearson)	Urgent Need	38	N/A	33	1 - Interconnect Path System	\$21,554,691	\$21,554,691
Pearson Class I (Clark to Pentz)	Urgent Need	39	N/A	34	1 - Interconnect Path System	\$13,554,857	\$13,554,857
Elliott Class I (Skyway to Sawmill)	Urgent Need	40	N/A	35	1 - Interconnect Path System	\$12,718,561	\$12,718,561

Wagstaff Class I (North side Oliver to Clark)	Urgent Need	41	N/A	36	1 - Interconnect Path System	\$12,638,530	\$12,638,530
Libby Road Extension between Pearson & Elliott	Urgent Need	42	N/A	37	1 - Missing Road Segment	\$5,898,678	\$5,898,678
Changeable Message Sign Network	Urgent Need	43	N/A	38	1 - Emergency Notification	\$130,000	\$130,000
Forest Service Road	Urgent Need	44	N/A	39	1 - Missing Road Segment	\$1,706,351	\$1,706,351
Toyon Lane Improvements (Foster to Roe)	Urgent Need	45	N/A	40	1 - Missing Road Segment	\$3,880,420	\$3,880,420
On-System Sign Replacement	Urgent Need-Match	46	N/A	41	1 - Evacuation Routes	\$285,200	\$71,300
Traffic Management Center	Urgent Need	47	N/A	42	1 - Evacuation Routes	\$3,500,000	\$3,500,000
Traffic Signal Interconnect (Town of Paradise)	Urgent Need	48	N/A	43	1 - Evacuation Routes	\$10,500,000	\$10,500,000
Honey Run Road Improvements	Urgent Need	49	N/A	44	1 - Evacuation Routes	\$80,000	\$80,000
Reseeding Program	Urgent Need-Match	50	N/A	45	1 - Fuels Management Plan	\$53,600	\$13,400
Hazardous Fuel Reduction Program	Urgent Need-Match	51	N/A	46	1 - Fuels Management Plan	\$8,465,986	\$2,116,497
Bille Road Class I (Bille Park to Pentz Road)	Urgent Need	52	N/A	47	1 - Interconnect Path System	\$17,865,526	\$17,865,526
Sawmill Class I (Bille to Pearson)	Urgent Need	53	N/A	48	1 - Interconnect Path System	\$9,129,765	\$9,129,765
Valley View Class I (Valley Ridge Dr West to Oliver)	Urgent Need	54	N/A	49	1 - Interconnect Path System	\$8,973,865	\$8,973,865
Oliver Curve Pathway Project Phase II (Bille to Wagstaff)	Urgent Need	55	N/A	50	1 - Interconnect Path System	\$3,787,009	\$3,787,009
Skyway Class I (YKHT to Oliver Road)	Urgent Need	56	N/A	51	1 - Interconnect Path System	\$3,371,677	\$3,371,677
Pearson Roadway Reconfiguration (Skyway to Almond)	Urgent Need	57	N/A	52	1 - Evacuation Routes	\$600,000	\$600,000
Shay Lane Extension (to Center Pine Drive)	Urgent Need	58	N/A	53	1 - Long Dead-End Streets	\$849,633	\$849,633
Bille Road Extension east of Pentz	Urgent Need	59	N/A	54	1 - Missing Road Segment	\$2,598,810	\$2,598,810
Clark (spot widening b/t Wagstaff & Bille)	Urgent Need	60	N/A	55	1 - Evacuation Routes	\$1,684,300	\$1,684,300

A map of most infrastructure projects planned as a result of the development of the Town's Transportation Master Plan is found below.

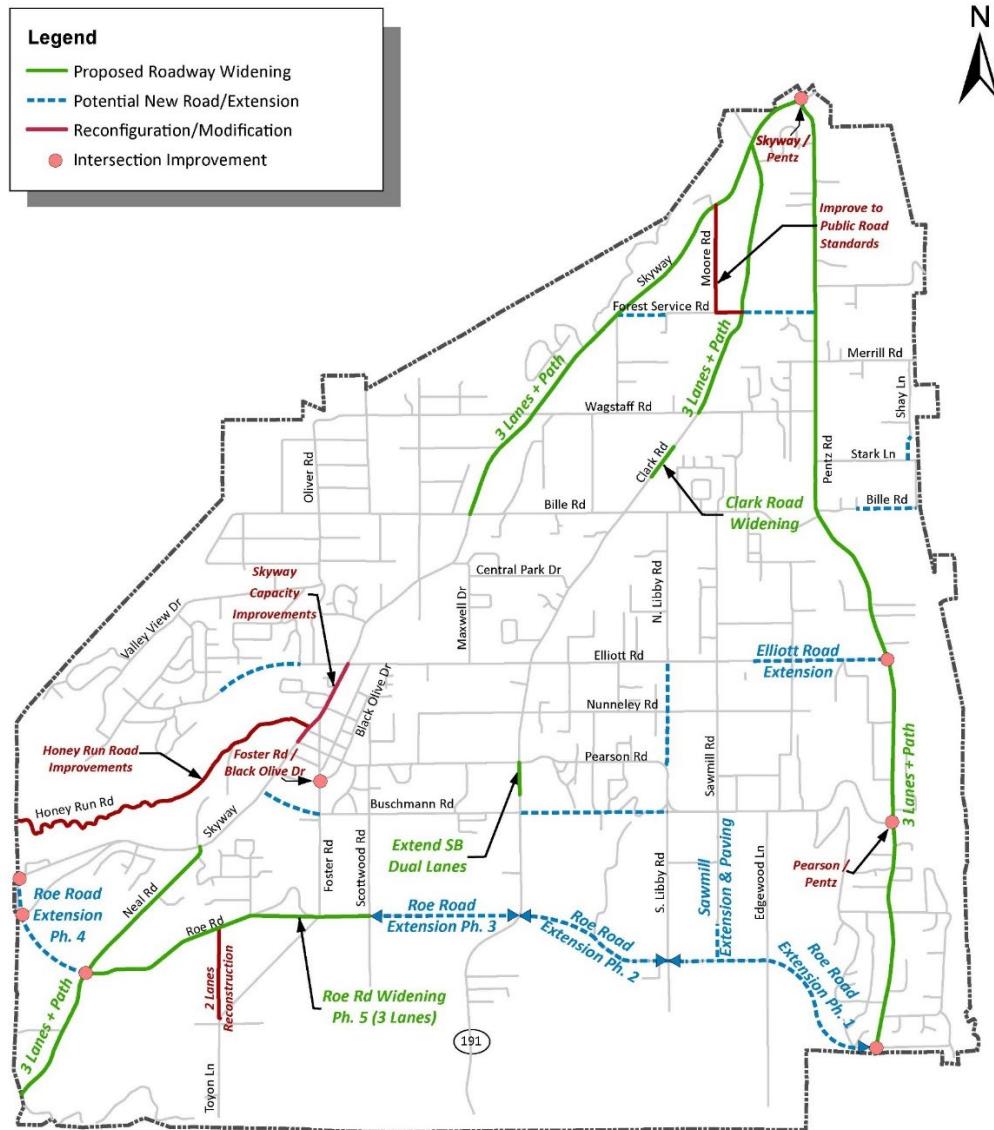


Figure 1 - Paradise TMP Evacuation Projects Map

8. HCD Funding Allocation Announcement

On August 19, 2022, Governor Gavin Newsom announced federal grants totaling more than \$317 million to assist seven jurisdictions that continue to recover and rebuild after the 2018 federally declared disasters, when wildfires burned more than 1.6 million acres and destroyed hundreds of homes and businesses, particularly in the Town of Paradise, in Butte County.

The Community Development Block Grant-Disaster Recovery (CDBG-DR) funds announced are for foundational infrastructure projects that must be completed as communities work to build and rebuild needed housing, especially housing for low- and moderate-income Californians, and ensure that every household that was displaced in these disasters has the opportunity to return home.

A press release issued by the Governor's office stated:

Communities were awarded funding based on their unmet infrastructure needs and have the flexibility to use the grants to support projects based on their priorities to rebuild in a safe, sustainable, and resilient way. The Town of Paradise has been awarded nearly \$200 million, which will be used to construct critical projects that will accelerate their capacity to rebuild higher density and more affordable housing, business corridors, and critical evacuation routes in the event they face future disasters.

The following is a full list of awards announced across the entire CDBG-DR Infrastructure Program:

<u>Local Jurisdiction</u>	<u>Total Awarded</u>
Butte County	\$72,722,679.61
City of Chico	\$12,388,409.65
City of Malibu	\$47,276.93
City of Redding	\$22,563,043.51
City of Shasta Lake	\$6,326,184.69
Los Angeles County	\$3,788,157.86
<u>Town of Paradise</u>	<u>\$199,592,735.75</u>
Total	\$317,428,488.00

9. Town of Paradise CDBG-DR Infrastructure Allocation

The Town of Paradise was allocated \$199,592,735.75. This determination was made after a review of the Town's eligible projects in respect to other jurisdictions eligible projects and available funding. As a result, the Town of Paradise was awarded 27% its overall eligible unmet need. The Town's allocation is also inclusive of Paradise Irrigation District's four eligible projects. The Town of Paradise plans to administer CDBG-DR Program Guidelines for subrecipients and follow the HCD formulate to distribute 27% of Paradise Irrigation District's eligible projects. Paradise Irrigation District submitted \$13,030,000 in eligible CDBG-DR Infrastructure projects. Apportioned at 27%, \$3,518,100 would be the Town's subrecipient allocation to Paradise Irrigation District, reducing the Town's available funding to \$196,074,635.75. Paradise Irrigation District has requested their allocation be absorbed into the Town's original budget for water infrastructure relocation costs associated with Town CDBG-DR projects. As a result, Town and PID staff will continue to partner with HCD to formulate a Memorandum of Understanding which could govern this request.

Separate from the CDBG-DR Infrastructure total of \$317M available, Action Plan Amendment 2 was issued by HCD which identified an additional \$30M to be allocated to the Town of Paradise for the Paradise Sewer Project design phase.

Combined, the Town is tasked with administering a total \$229,592,735.75 (inclusive of the Paradise Sewer Project Design phase funding), in a long-term partnership with California Housing & Community Development to create generational change in a stronger, more resilient Paradise.

10. CDBG-DR Resilient Infrastructure Program (MIT-RIP)

In parallel to the CDBG-DR Infrastructure Program, the U.S. Department of Housing and Urban Development (HUD) allocated Community Development Block Grant – Mitigation (CDBG-MIT) funds to the State of California to address current and future risks in areas impacted by the 2018 federally declared disasters (DR-4382 and DR-4407). In response, the California Department of Housing and Community Development (HCD) established the Mitigation – Resilience Infrastructure Program (MIT-RIP) to support projects that reduce risks to life and property, strengthen the resilience of public infrastructure, and lessen the impacts of future natural disasters.

The MIT-RIP program is intended to complement and expand upon CDBG-DR investments by funding infrastructure improvements and mitigation strategies that address long-term vulnerabilities, with particular emphasis on high-risk wildfire communities such as the Town of Paradise. Eligible projects must demonstrate a clear mitigation nexus, reduce community-wide hazard risk, and support continued housing recovery and future development by making critical facilities and systems more resilient.

As a Most Impacted and Distressed (MID) community and a jurisdiction with significant documented wildfire risk, the Town of Paradise is eligible for a substantial portion of statewide MIT-RIP resources. MIT-RIP funds must meet all federal CDBG-MIT requirements, including the advancement of mitigation measures, compliance with HUD national objectives for mitigation, and adherence to environmental, procurement, labor, accessibility, and cross-cutting federal requirements.

11. CDBG-DR MIT-RIP Program Activities

The MIT-RIP Program funds infrastructure projects that directly reduce risks to residents, property, and essential community functions. The program is focused on mitigating future hazards—particularly wildfire, flooding, and infrastructure system failures—through long-term, forward-looking investments. MIT-RIP supports the following categories of eligible activities:

1. Mitigation Infrastructure Improvements

Projects that harden or upgrade public infrastructure to withstand future disasters, including but not limited to:

- Roadway and evacuation improvements that reduce bottlenecks and increase evacuation capacity.
- Fire-resistant or ignition-resistant infrastructure components.
- Undergrading or hardening of utilities serving residential areas.
- Stormwater or drainage improvements that mitigate flooding or erosion risk.
- Redundancy and resiliency upgrades to critical lifeline systems.

2. Multi-Benefit Community Mitigation Investments

- Activities that protect public facilities and residential areas by reducing hazard exposure through multi-benefit approaches such as:
- Wildfire risk reduction in public rights-of-way and critical access corridors.
- Fuel modification and vegetation management that increase defensible space along evacuation routes.
- Construction of safe, accessible pathways that provide emergency ingress/egress and reduce conflicts during evacuation events.

3. Planning, Engineering, and Pre-Construction Activities

MIT-RIP funds may be used for activities necessary to advance a mitigation project to

construction, such as:

- Environmental review
- Geotechnical studies
- Engineering design
- Right-of-way acquisitions
- Permitting, hydrologic studies, and project development

4. Stand-Alone Mitigation Projects

MIT-RIP supports standalone mitigation projects that do not rely on federal match requirements. These projects must:

- Demonstrate strong mitigation outcomes;
- Reduce specific, identified community hazards;
- Support long-term housing recovery in Paradise; and
- Provide measurable, durable risk reduction.

12. Town of Paradise CDBG-DR MIT-RIP Allocation

The Town of Paradise has been awarded \$10,273,223.87 in CDBG-DR MIT-RIP funding to support long-term wildfire and hazard-mitigation infrastructure improvements. This allocation was determined following HCD's assessment of the Town's mitigation needs, project readiness, documented wildfire risk, and alignment with the State's approved CDBG-MIT Action Plan.

MIT-RIP funding represents a critical complement to the Town's existing CDBG-DR Infrastructure allocation. While CDBG-DR funds address unmet recovery needs tied to the 2018 disasters, MIT-RIP funds focus on preventing or reducing the scale of future disaster impacts. Together, these funding streams support a holistic approach to rebuilding Paradise as a safer, more resilient community.

In March of 2024, Paradise Town Council adopted a resolution in support of submission of three CDBG-DR MIT-RIP Projects to be delivered, summarized below:

1. Evacuation Route Permanent Changeable Message Signs

Amount: \$5,400,000

Description: This project would install roadside message signs (smaller scale versions of State highway signs) which could be activated in the event of an emergency. A primary objective would be the installation of two signs per evacuation route (Skyway, Neal, Clark and Pentz). These signs could read "ONE-WAY EVACUATION ACTIVE, USE ALL LANES" for outgoing traffic, while at the same time reading "ROAD CLOSED AHEAD, EVACUATION TRAFFIC ONLY" for the ending control point along the same routes.

2. Private Road Identification Safety Project

Amount: \$963,953

Description: This project would inventory and standardize private road street name signs which intersect public roads. The intent would be to increase uniformity for daily emergency first responders.

3. Storm Drain Resiliency Project Phase 1

Amount: \$3,909,270

Description: This grouping of projects includes the implementation of recommendations from the Town's 2022 Storm Drain Master Plan. Projects include new storm drain systems and upsizing of existing storm drain infrastructure to meet the new demands and increased flows observed.

In November 2025, HCD Announced that the Town's Storm Drain Resiliency Project Phase 2 was preliminarily awarded, listed below:

4. Storm Drain Resiliency Project Phase 2

Amount: \$8,668,086.50

Description: This second grouping of projects includes the implementation of recommendations from the Town's 2022 Storm Drain Master Plan. Projects include new storm drain systems and upsizing of existing storm drain infrastructure to meet the new demands and increased flows observed.

In December 2025, Paradise Town Council directed the reallocation of all MIT-RIP funds originally assigned to the Evacuation Route Permanent Changeable Message Sign Project to the Storm Drain Resiliency Project Phase 1. This action reflects the Town's adaptive mitigation strategy and recognition that post-fire stormwater impacts pose an immediate and escalating risk to public safety, roadway integrity, and housing recovery. This reallocation is consistent with HCD guidance allowing jurisdictions to adjust project priorities through Action Plan amendments when supported by documented community need and governing body action. Below is a proposed final summary of the Town's intended use of CDBG-DR MIT-RIP Funds:

1. Private Road Identification Safety Project - \$963,953
2. Storm Drain Resiliency Project Phase 1 - \$9,309,271
3. Storm Drain Resiliency Project Phase 2 - \$8,668,086.50

13. Supplemental CDBG-DR Infrastructure Allocation

In December 2025, HCD issued a Notice of Intent indicating that the State intends to amend the 2018 CDBG-DR Action Plan to include a supplemental allocation to the CDBG-DR Infrastructure Program. As part of this amendment, approximately \$13.5 million in additional CDBG-DR Infrastructure funding is anticipated to be made available to the Town of Paradise through a subsequent application and amendment process, subject to approval by HUD.

The proposed supplemental allocation reflects the State's ongoing evaluation of unmet disaster recovery needs, cost escalation experienced by local jurisdictions, and the Town of Paradise's demonstrated capacity to administer large-scale infrastructure recovery projects tied to the 2018 Camp Fire. If approved by HUD, the additional funding would be incorporated into the Town's existing Master Standard Agreement for the 2018 CDBG-DR Infrastructure Program through a formal amendment and would require Town Council approval of an updated authorizing resolution, budget, and scope of work.

The Town intends to program any approved supplemental CDBG-DR Infrastructure funding toward the Paradise Sewer Project, a foundational recovery investment that directly supports the restoration of housing, enables higher-density and affordable residential development, and advances long-term public health and environmental objectives. Expansion of sewer infrastructure remains one of the most critical unmet recovery needs stemming from the 2018 Camp Fire and is central to both the Town's and HCD's shared objectives of accelerating housing recovery, improving community resiliency, and ensuring that displaced residents have the opportunity to return and rebuild. Allocation of the supplemental funds to the Paradise Sewer Project would further strengthen the Town's capacity to deliver a generational infrastructure investment with broad community-wide benefits.

Inclusion of this supplemental allocation within Action Plan Amendment 4 is intended to provide transparency regarding potential future funding availability and to position the Town to expeditiously advance eligible infrastructure projects upon final State and HUD approval. Programming of these supplemental funds will be subject to completion of all applicable environmental review, eligibility determinations, and HUD authorization prior to obligation or expenditure.

14. Town of Paradise Project Grant List

Critically, the Town will define the budget allocations to implement specific projects which meet the objectives and priorities of the CDBG-DR programs and community by:

- Stabilizing the Town's Fiscal Sustainability Plan through the allocation of eligible Disaster Recovery and Mitigation projects with previously unfunded match requirements.
- Implement a diverse array of infrastructure projects identified through the extensive planning of the 2019 Community Long-Term Recovery Plan, 2020 Transportation Master Plan, and 2022 Storm Drain Master Plan.

The Long Term Recovery Plan, Transportation Master Plan, and Storm Drain Master Plan priorities have been incorporated into a CDBG-DR Project Grant List which fully utilizes the Town's allocations. The Project Priorities, Titles, Types, National Objectives, Total Costs and CDBG-DR Grant Amounts are provided on the following page:

CDBG-DR Project Grant List 26-0113

Priority	Project Title	Project Type	National Objective	Total Project Cost	CDBG-DR INFRA Grant Amount (APA4)	CDBG-DR MIT-RIP Grant Amount (APA4)
INFRA 1	Paradise Sewer Project - Phase 1 (Construction)*	New Infrastructure Project	UN	\$144,500,000	\$85,200,000	\$0
INFRA 1	Paradise Sewer Project (Design APA-2)	New Infrastructure Project	UN	\$30,000,000	\$30,000,000	\$0
INFRA 2	Roe Road Phase 1A (Edgewood to S Libby)	New Infrastructure Project	LMI	\$9,297,900	\$7,497,900	\$0
INFRA 2	Roe Road Phase 2 (S Libby to Clark)	New Infrastructure Project	LMI	\$61,000,000	\$28,000,000	\$0
INFRA 3	Pentz Road Widening (Pearson to Skyway)	New Infrastructure Project	UN	\$28,518,100	\$28,518,100	\$0
INFRA 3	Skyway/Pentz Intersection Improvements	New Infrastructure Project	UN	\$5,000,000	\$5,000,000	\$0
INFRA 3	Pentz Pathway Project Phase II (Pearson to Skyway)	New Infrastructure Project	UN	\$25,000,000	\$2,191,000	\$0
INFRA 4	Upper Skyway Widening (Bille to Wagstaff)	New Infrastructure Project	UN	\$17,500,000	\$17,500,000	\$0
INFRA 4	Skyway Connectivity Project (Bille to Wagstaff)	New Infrastructure Project	UN	\$13,500,000	\$6,796,000	\$0
INFRA 5	Paradise ATP Gateway Project (Neal Road Class I)	New Infrastructure Project	UN	\$18,398,000	\$5,500,000	\$0
INFRA 6	Oliver Curve Pathway (Skyway to Valley View)	New Infrastructure Project	UN	\$14,000,000	\$1,250,000	\$0
Match 1	On-System Road Rehabilitation	Match - FHWA ER	UN/LMI*	\$56,517,998	\$13,800,000	\$0
Match 2	Off-System Road Rehabilitation	Match - FEMA PA	UN/LMI*	\$45,927,099	\$10,030,224	\$0
Match 3	Early Warning System	Match - FEMA HMGP	UN/LMI*	\$3,026,875	\$756,719	\$0
Match 4	Hazardous Fuel Reduction Program	Match - FEMA HMGP	UN	\$1,706,460	\$406,468	\$0
Match 5	Neal Road Rehabilitation	Match - FHWA ER	UN	\$1,838,223	\$549,190	\$0
Match 6	On-System Culvert Replacement	Match - FHWA ER	UN	\$931,273	\$26,705	\$0
Match 7	On-System Hardscape Replacement	Match - FHWA ER	UN	\$783,326	\$22,461	\$0
Match 8	Off-System Culvert Repair	Match - FEMA PA	UN	\$664,643	\$41,540	\$0
Match 9	On-System Sign Replacement	Match - FHWA ER	UN	\$224,158	\$6,428	\$0
MIT 1	Private Road Identification Safety Project	New Infrastructure Project	UN	\$963,953	\$0	\$963,953
MIT 2	Storm Drain Resiliency Project	New Infrastructure Project	UN	\$9,309,271	\$0	\$9,309,271
MIT 3	Storm Drain Resiliency Project Phase 2	New Infrastructure Project	UN	\$8,668,086	\$0	\$8,668,086
				\$497,275,365	\$243,092,735	\$18,941,310

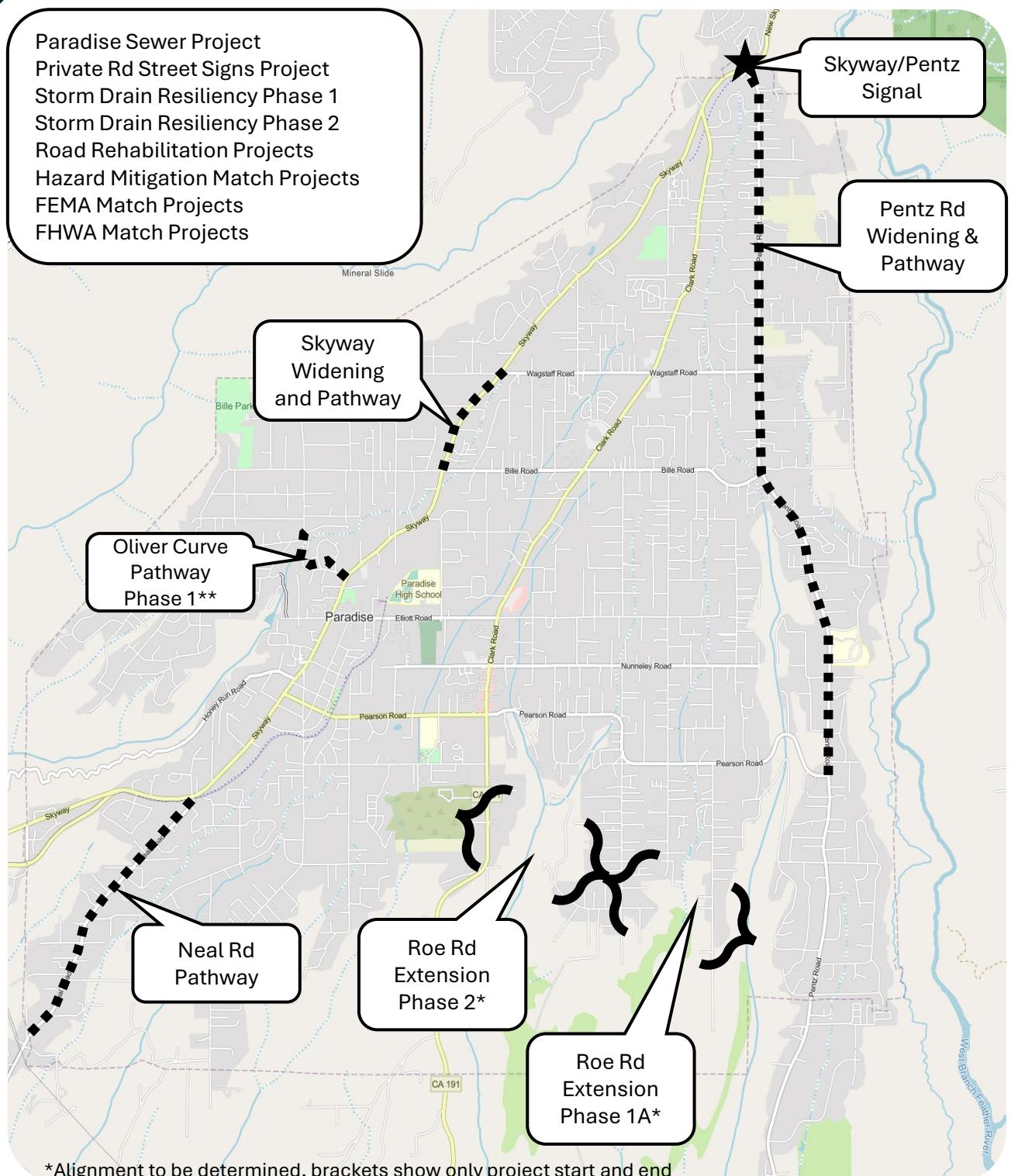
Key components and statistics of the proposed use of the overall allocation are specified below:

- **Previously Unfunded Match Requirements:** \$25,639,735 in funding dedicated to fulfilling existing match requirements, including road rehabilitation and early warning system.
- **New Standalone Infrastructure Projects:** \$231,253,000 in funding dedicated to constructing new, standalone infrastructure projects.
- **National Objective, Low Moderate Income:** \$35,497,900 in funding qualifies towards Low Moderate Income eligible projects.
- **National Objective, Urgent Need:** \$214,249,202 in funding qualifies towards Urgent Need eligible projects.
- **National Objective, Urgent Need/Low Moderate Income*:** \$24,586,943 in funding is dedicated to projects which have town-wide service areas, including areas which qualify as Low Moderate Income.
- **Paradise Long Term Recovery Plan Project Statistics:** Below is a breakdown of the overall allocation's use divided by the Town's Long Term Recovery Plan Categories
 - Evacuation Routes: \$ 71,954,087
 - Sewer System: \$ 65,000,000
 - Missing Road Segments: \$ 72,950,000
 - Interconnected Path System: \$ 14,987,000
 - Emergency Notification System: \$ 756,719
 - Fuels Management: \$ 406,468
 - Walkable Downtown: \$ 22,461
 - Mitigation: \$18,941,310
- **Paradise Sewer Project:** \$115,200,000 in dedicated funding. HCD allocation of \$30,000,000 for the design phase of the project and an additional \$85,200,000 is recommended from the overall Town allocation to be used towards the construction of the project.
- **Overall Allocation Leverage:** The Town of Paradise's total \$262,034,045 is proposed to leverage a total of \$497,275,365 combined from at least seven separate funding sources.

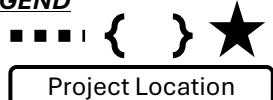
An overall Project Location Map can be found on the next page.

The recommended projects represent the highest and best use of the CDBG-DR investment while establishing a critical network of projects, when taken globally, will transform Paradise for the next 100 years and more.

Paradise Sewer Project
 Private Rd Street Signs Project
 Storm Drain Resiliency Phase 1
 Storm Drain Resiliency Phase 2
 Road Rehabilitation Projects
 Hazard Mitigation Match Projects
 FEMA Match Projects
 FHWA Match Projects



LEGEND



CDBG-DR Action Plan
Existing Projects
INFRA & MIT-RIP

** Oliver Curve Project is not fully funded.

A summary table of changes between Action Plan Amendment 3 and Action Plan Amendment 4 is shown below:

CDBG-DR Project Grant Amount Changes

Priority	Project Title	APA-3 CDBG-DR INFRA/MIT Amount	APA-4 CDBG-DR INFRA/MIT Amount	Net Change APA-3 to APA-4	Notes
INFRA 1	Paradise Sewer Project (Design)	\$30,000,000	\$30,000,000	\$0	No Change
INFRA 1	Paradise Sewer Project (Construction)	\$35,000,000	\$85,200,000	+\$50,200,000	Increased Budget Allocation
INFRA 2	Roe Road Phase 1A (Edgewood to S Libby)	\$20,200,000	\$7,497,900	-\$12,702,100	Scope Change
INFRA 2	Roe Road Phase 2	\$52,000,000	\$28,000,000	-\$24,000,000	Scope Change
INFRA 3	Pentz Road Widening (Pearson to Skyway)	\$26,000,000	\$28,518,100	+\$2,518,000	Added PID Suballocation
INFRA 3	Skyway/Pentz Intersection Improvements	\$5,000,000	\$5,000,000	\$0	No Change
INFRA 3	Pentz Pathway Project Phase II	\$2,191,000	\$2,191,000	\$0	No Change
INFRA 4	Upper Skyway Widening (Bille to Wagstaff)	\$16,500,000	\$17,500,000	+\$1,000,000	Added PID Suballocation
INFRA 4	Skyway Connectivity Project (Bille to Wagstaff)	\$6,796,000	\$6,796,000	\$0	No Change
INFRA 5	Paradise ATP Gateway Project (Neal Road Class I)	\$5,500,000	\$5,500,000	\$0	No Change
INFRA 6	Oliver Curve Pathway (Skyway to Valley View)	\$1,250,000	\$1,250,000	\$0	No Change
Match 1	On-System Road Rehabilitation	\$13,800,000	\$13,800,000	\$0	No Change
Match 2	Off-System Road Rehabilitation	\$10,030,224	\$10,030,224	\$0	No Change
Match 3	Early Warning System	\$756,719	\$756,719	\$0	No Change
Match 4	Hazardous Fuel Reduction Program	\$406,468	\$406,468	\$0	No Change
Match 5	Neal Road Rehabilitation	\$549,190	\$549,190	\$0	No Change
Match 6	On-System Culvert Replacement	\$26,705	\$26,705	\$0	No Change
Match 7	On-System Hardscape Replacement	\$22,461	\$22,461	\$0	No Change
Match 8	Off-System Culvert Repair	\$41,540	\$41,540	\$0	No Change
Match 9	On-System Sign Replacement	\$6,428	\$6,428	\$0	No Change
MIT 1	Private Road Identification Safety Project	\$0	\$963,953	+\$963,953	New Award/Allocation
MIT 2	Storm Drain Resiliency Project	\$0	\$9,309,271	+\$9,309,271	New Award/Allocation
MIT 3	Storm Drain Resiliency Project Phase 2	\$0	\$8,668,086	+\$8,668,086	New Award/Allocation

15. Project Schedule Forecast

For the Recommended Project List, staff created a potential schedule of implementation and delivery, forecasting work to continue through 2029 on major efforts, with some projects minor projects reaching closeout in 2025. The Project Schedule Forecast is shown on the next page.

CDBG-DR Project Grant List 26-0113 Schedule

Priority	Project Title	Estimated Environmental Review Completion	Estimated Design & ROW Completion	Estimated Construction Completion
INFRA 1	Paradise Sewer Project - Phase 1 (Construction)*	2026	2027	2029
INFRA 1	Paradise Sewer Project (Design APA-2)	2026	2026	N/A
INFRA 2	Roe Road Phase 1A (Edgewood to S Libby)	2026	2027	2029
INFRA 2	Roe Road Phase 2 (S Libby to Clark)	2026	2027	2029
INFRA 3	Pentz Road Widening (Pearson to Skyway)	2026	2026	2028
INFRA 3	Skyway/Pentz Intersection Improvements	2026	2026	2026
INFRA 3	Pentz Pathway Project Phase II (Pearson to Skyway)	Complete	2026	2027
INFRA 4	Upper Skyway Widening (Bille to Wagstaff)	N/A	N/A	2027
INFRA 4	Skyway Connectivity Project (Bille to Wagstaff)	2026	2026	2027
INFRA 5	Paradise ATP Gateway Project (Neal Road Class I)	2026	2026	2027
INFRA 6	Oliver Curve Pathway (Skyway to Valley View)	2026	2026	2028
Match 1	On-System Road Rehabilitation	Complete	Complete	2027
Match 2	Off-System Road Rehabilitation	Complete	Complete	2027
Match 3	Early Warning System	Complete	Complete	2025
Match 4	Hazardous Fuel Reduction Program	Complete	2024	2027
Match 5	Neal Road Rehabilitation	Complete	Complete	2027
Match 6	On-System Culvert Replacement	Complete	Complete	Complete
Match 7	On-System Hardscape Replacement	Complete	Complete	Complete
Match 8	Off-System Culvert Repair	Complete	Complete	Complete
Match 9	On-System Sign Replacement	Complete	Complete	Complete
MIT 1	Private Road Identification Safety Project	2026	2026	2027
MIT 2	Storm Drain Resiliency Project	2027	2028	2029
MIT 3	Storm Drain Resiliency Project Phase 2	2027	2028	2029

16. Issues to Watch

a. Oliver Curve Pathway

Through the process of developing Action Plan Amendment 3, Paradise Town Council made recommendations to fully fund a revised priority list of projects which accounts for increased costs observed and estimated through 2028 and beyond. Council expressed a desire to advance a phased version of the Oliver Curve Pathway Project with a reduced scope of Skyway to Valley View Drive (area of highest safety concern). The limited funding for the Oliver Curve project will extend to completing pre-construction development work including environmental, design and right of way as possible. In the time the Oliver Curve Project is advancing forward, fully funded projects will also develop further and allow for a broader review of revised corresponding Engineer's Estimates. In the best case, the Oliver Curve Project will be able to move to fully funded in a future Action Plan Amendment if current estimates are higher than needed and leave available budget for transfer. At a minimum however, the Oliver Curve Project will move forward through design and allow for the Town to increase its ability to secure grant funds through other sources.



Town of Paradise

Council Agenda Summary

Agenda Item: 6(b)

Date: January 13, 2026

ORIGINATED BY:

Colin Nelson, Capital Projects Manager

REVIEWED BY:

Marc Mattox, Director of Public Works

SUBJECT:

Paradise Sewer Project: Collection System Design Contract

LONG TERM

Yes – Tier 1, Sewer

RECOVERY PLAN:

COUNCIL ACTION REQUESTED:

1. Consider Concurring with Staff's recommendation to accept the amended and re-stated (formerly PDB contract) Professional Services Agreement with Carollo Engineers to complete design of the Paradise Sewer Project Collection System with a not to exceed amount of \$4.5M.
2. Delegate authority to the Town Manager to approve individual task orders under the new Professional Services Agreement so long as they stay under authorized NTE; and,
3. Adopt Resolution No. 2026-____ "A Resolution of the Town Council of the Town of Paradise to Concur with the Paradise Sewer Project Ad Hoc Committee's Recommendation to Keep Carollo Engineers as the Designer for the Phase One Reduced Collection System and Enter into a Contract with them for the Remaining Design Work Related to this Scope of Work." (ROLL CALL VOTE)

Background:

Since its incorporation in 1979, the Town has sought a formal wastewater treatment solution for the community, with service for commercial and densely populated residential areas being a priority. Failed and failing septic systems create public health and environmental concerns and have limited economic growth. The Town has prepared numerous studies to address its need for a centralized wastewater treatment solution – focusing on areas of highest risk to environmental degradation associated with commercial and multi-family housing. The most recent proposed sewer service area included about 1,500 parcels, mostly along the Town's commercial and evacuation corridors, shown in dark orange (right).



Since the 2018 Camp Fire, which destroyed nearly 19,000 structures and displaced most of the Town's population, Paradise has faced the monumental task of rebuilding a safer, more resilient community. A key barrier to recovery has been the lack of a centralized sewer system, limiting the return of businesses and multi-family housing in key areas. The Paradise Sewer Project is now seen as essential infrastructure, not only to meet modern environmental standards and

protect groundwater, but also to unlock long-term housing and economic recovery for the entire community.

To this end in 2022, the Town of Paradise secured \$30 million for pre-construction phases of work (environmental, design, right of way, and permitting) through Community Development Block Grant Disaster Recovery Planning funds to facilitate the design phase of the Paradise Sewer Project. To augment staff capacity and bring necessary technical expertise, the Town of Paradise hired HDR to serve as their Owner's Agent in the pursuit of a full project delivery team for design and construction. The intent of this work was to continue delivery of the regional approach to the project, constructing a full collection system for 1,500 parcels in Paradise and exporting the wastewater to the City of Chico's Water Pollution Control Plant.

On December 10, 2024, staff provided an update to the Town Council which shared a brief project and project cost history. Due to the complexities associated with building a ground-up utility in the lens of a recovering population base amongst historical cost increases, a revised project approach needed to be taken. Council and community feedback informed staff that the project remained critical to our recovery from the 2018 Camp Fire and that many businesses and residents are relying on its imminent completion.

On January 21, 2025, Paradise Town Council provided staff direction on project next steps to commence efforts to modify the Project Description for the Paradise Sewer Project from a regional connection to the City of Chico to a potential local treatment plant option. Further direction was provided to analyze potential alternatives for a phased project approach to reach the full intended Sewer Service Area.

Staff provided a presentation at a Special Town Council Meeting on July 24, 2025, and reviewed a list of sewer system alternatives with preliminary evaluation results. A second Special Meeting was held on August 14, 2025, where the alternative listed below was selected, and direction was given to begin work on procurement of a design team for the new Paradise Wastewater Treatment Facility.

Alternative 1: Hybrid gravity/low-pressure collection system, aerated lagoon wastewater treatment, and percolation/evaporation pond effluent discharge.

- A hybrid gravity and low-pressure (STEP) sewer collections system would include gravity trunk mains following primary conveyance corridors and low-elevation areas or properties connected to the primary gravity trunk mains via low-pressure service
- Wastewater treatment using a series of aerated lagoons followed by a nitrification/denitrification process unit
- Treated effluent discharged to percolation/evaporation pond(s) for land discharge, regulated by a Waste Discharge Regulation (WDR) permit

At the September 9, 2025, Town Council Meeting, staff brought forth a recommendation for the Town of Paradise to take assignment of the Carollo sub-contract and convert the project to a traditional design-bid-build delivery model while maintaining Carollo as the project designer for the reduced collection system. Using a traditional design-bid-build framework provides the best balance of continuity, efficiency, and transparency. This approach ensures public bidding for the reduced Phase 1 project while preserving the technical expertise already gained by the design team. A recommendation was also made to delegate authority to the Town Attorney and Interim

Town Manager to take assignment of the Carollo sub-contract and approve any task orders or amendments going forward.

Direction was then given by Council to terminate the existing Progressive Design Build Contract (PDB) that included Mountain Cascade Inc (Contractor) and Carollo Engineers (Designer), and for The Town of Paradise to assume the design sub-contract with Carollo Engineers per section 12.6(A) and section 12.7(A) of the PDB Contract.

Section 12.6(A): Convenience Termination Right and Payment. The Town shall have the right at any time following the Contract Date, exercisable in its discretion for any reason (including the failure to agree to a GMP Amendment) upon 30 days' written notice to the Design-Builder, to terminate this Design-Build Contract.

Section 12.7(A): Upon any termination of the Design-Builder's right to perform this Design-Build Contract, the Design-Builder shall, as applicable and subject to any written directions provided by the Town: . . . (11) [a]ssign to the Town any Subcontract for the design and engineering of the Project that the Town elects in writing, in its discretion, to have assigned to it, with the Town assuming, and the Design-Builder being relieved of, all obligations under the Subcontract from the date of the assignment.

On September 11th 2025, a 30-day notice was given to Mountain Cascade Inc (MCI) that the Town was terminating the existing Progressive Design Build contract and requesting re-assignment of the Carollo Engineers design sub-contract to the Town of Paradise. Since then, town Staff and its Owners Agent have worked with Carollo to establish a scope, schedule and cost to complete design of the reduced collection system and tie into a local wastewater treatment plant.

Analysis:

Due to the changes in project scope that have been made to align the project with available funding and public input, Staff feels it is more logical for the project to proceed with a design- bid-build delivery method. This will allow local contractors to bid on the construction work and give the Town more direct control over the design process. At the time that direction was given to terminate the PDB contract, we did not yet have a scope, schedule and fee for the remaining work that needed to take place in order finish the collection system design, but staff made a commitment to Town Council to return once these terms had been agreed to. In the time since MCI was removed from the project, town staff and it's Owners Agent (HDR) have been working with Carollo Engineers to determine a scope of work that includes incorporating the changes brought forth in the alternative's analysis as well as the remaining work required to finish the reduced collection system design and tie into a new local Wastewater Treatment Facility. This new scope of work is contained within the Professional Services Agreement for On-Call Engineering Services-Paradise Sewer Project (collection system) which is an amended and re-stated version of the original PDB Contract.

Financial Impact:

The Town of Paradise is currently utilizing a \$30M planning grant through State of California Housing and Community Development via the CDBG-DR Program. A breakdown of overall project funding and pursuits is provided below:

Design Budget

HDR- Owners Agent MSA	\$ 5,000,000
HDR- Amendment to Current MSA (Owners Agent)	\$ 4,500,000
Carollo- New Wastewater Treatment Facility Design Contract	\$ 3,400,000
Carollo- Re-Assigned Collection System Design Contract	\$ 4,500,000
Mountain Cascade Inc- PDB Contract	\$ 3,821,770
Hawkins Delafield and Wood- Legal Council	\$ 620,000
Staff Time	\$ 687,699
Total	\$ 22,529,469

Secured Funding

- (1) CDBG-DR APA-2 Design \$30,000,000 (active for pre-construction)
- (2) CDBG-DR Town Allocation \$85,200,000 (secured for construction)
- (3) EPA Community Grant \$1,750,000 (pending)

Clean Water SRF Funding Opportunities

- (4) Clean Water SRF (Grant) \$28,097,669
- (5) Clean Water SRF (Grant) \$TBD Future

TOWN OF PARADISE
RESOLUTION NO. 2026-__

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PARADISE TO
CONCUR WITH THE PARADISE SEWER PROJECT AD HOC COMMITTEE'S
RECOMMENDATION TO KEEP CAROLLO ENGINEERS AS THE DESIGNER FOR
THE PHASE ONE REDUCED COLLECTION SYSTEM AND ENTER INTO A
CONTRACT WITH THEM FOR THE REMAINING DESIGN WORK RELATED TO THIS
SCOPE OF WORK.**

WHEREAS, the 2018 Camp Fire caused unprecedented damage to the Town of Paradise and has necessitated a variety of recovery projects which are further guided by Paradise Community Long-Term Recovery Plan; and,

WHEREAS, the Paradise Sewer Project is by far the largest project in scale, cost and overall benefit to the community; and,

WHEREAS, a Paradise Sewer Project Ad Hoc Committee was established to conduct an analysis of project alternatives and recommend a revised project description which is fundable, permittable, scalable and supported by the community; and,

WHEREAS, three project alternatives were recommended for further analysis and a singular option was selected as the new whole project alternative; and,

WHEREAS, the selected option is :

Alternative 1:

1. Hybrid Gravity/Low-Pressure Collection System, Aerated Lagoon Wastewater Treatment, and Percolation/Evaporation Pond Effluent Discharge.
2. A hybrid gravity and low-pressure (STEP) sewer collections system would include gravity trunk mains following primary conveyance corridors and low-elevation areas or properties connected to the primary gravity truck mains via low-pressure service.
3. Wastewater treatment using a series of aerated lagoons followed by a nitrification/denitrification process unit.
4. Treated effluent discharged to percolation/evaporation pond(s) for land discharge, regulated by a waste discharge regulation (WDR) permit.

WHEREAS, On September 9th 2025, Town Council gave staff direction to off-ramp the Progressive Design Build contractor and amend the (PDB) contract so that the Collection System Design sub-contract with Carollo Engineers can be managed directly by Town Staff and convert the project to a Design-Bid-Build delivery model; and,

WHEREAS, The original Progressive Design Build Contract has been amended and Re-Statement and approved by all parties, to allow for the Town of Paradise to manage Carollo Engineers directly; and,

WHEREAS, The amended and restated contract has a not to exceed amount of \$4.5M, and expires December 31, 2029, and covers Design Services for the phase 1 reduced collection system up until start of construction.

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

Section 1. Approve the Collection System Design Contract with Carollo Engineers which is an amended and re-stated version of the original Progressive Design Build Contract, for the total aggregate amount of \$4.5M and;

Section 2. delegate authority to the Interim Town Manager and Town Attorney to approve any resultant task orders and amendments as long as they do not exceed the total amount of \$4.5M.

PASSED AND ADOPTED by the Town Council of the Town of Paradise on this 13th day of January, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Steve Crowder, Mayor

ATTEST:

Melanie Elvis, Town Clerk

APPROVED AS TO FORM:

Scott E. Huber, Town Attorney



Town of Paradise

Council Agenda Summary

Agenda Item: 6(c)

Date: January 13, 2026

ORIGINATED BY:

Colin Nelson, Capital Projects Manager

REVIEWED BY:

Marc Mattox, Public Works Director/Town Engineer

SUBJECT:

Paradise Sewer Project: Amendment to HDR Master Services Agreement.

LONG TERM RECOVERY PLAN:

Yes – Tier 1, Sewer

COUNCIL ACTION REQUESTED:

1. Consider Concurring with staff's recommendation to increase the overall amount of the HDR Master Services Agreement from \$5M to \$9.5M for Owner's Agent services through the start of construction of the Paradise Sewer Project and extend the expiration date of the MSA to December 31, 2029; and,
2. Delegate authority to the Town Manager to approve individual task orders under the Master Services Agreement as long as they stay under the total dollar amount of the MSA and with concurrence of the Paradise Sewer Project Ad Hoc Committee; and,
3. Adopt Resolution No. 2026-____ "A Resolution of the Town Council of the Town of Paradise to Concur with the Paradise Sewer Project Ad Hoc Committee's Recommendation to Approve an Amendment to the Existing Master Services Agreement with HDR that Includes a \$4.5M Increase to the Existing Not-To-Exceed Amount and a Time Extension to December 31, 2029." (ROLL CALL VOTE)

Background:

Since its incorporation in 1979, the Town has sought a formal wastewater treatment solution for the community, with service for commercial and densely populated residential areas being a priority. Failed and failing septic systems create public health and environmental concerns and have limited economic growth. The Town has prepared numerous studies to address its need for a centralized wastewater treatment solution – focusing on areas of highest risk to environmental degradation associated with commercial and multi-family housing. The most recent proposed sewer service area included about 1,500 parcels, mostly along the Town's commercial and evacuation corridors, shown in dark orange (right).



Since the 2018 Camp Fire, which destroyed nearly 19,000 structures and displaced most of the Town's population, Paradise has faced the monumental task of rebuilding a safer, more resilient community. A key barrier to recovery has been the lack of a centralized sewer system, limiting the return of businesses and multi-family housing in key areas. The Paradise Sewer Project is

now seen as essential infrastructure, not only to meet modern environmental standards and protect groundwater, but also to unlock long-term housing and economic recovery for the entire community.

To this end in 2022, the Town of Paradise secured \$30 million for pre-construction phases of work (environmental, design, right of way, and permitting) through Community Development Block Grant Disaster Recovery Planning funds to facilitate the design phase of the Paradise Sewer Project. To augment staff capacity and bring necessary technical expertise, the Town of Paradise hired HDR to serve as their Owner's Agent in the pursuit of a full project delivery team for design and construction. The intent of this work was to continue delivery of the regional approach to the project, constructing a full collection system for 1,500 parcels in Paradise and exporting the wastewater to the City of Chico's Water Pollution Control Plant.

On December 10, 2024, staff provided an update to the Town Council which shared a brief project and project cost history. Due to the complexities associated with building a ground-up utility in the lens of a recovering population base amongst historical cost increases, a revised project approach needed to be taken. Council and community feedback informed staff that the project remained critical to our recovery from the 2018 Camp Fire and that many businesses and residents are relying on its imminent completion.

On January 21, 2025, Paradise Town Council provided staff direction on project next steps to commence efforts to modify the Project Description for the Paradise Sewer Project from a regional connection to the City of Chico to a potential local treatment plant option. Further direction was provided to analyze potential alternatives for a phased project approach to reach the full intended Sewer Service Area.

Staff provided a presentation at a Special Town Council Meeting on July 24, 2025, and reviewed a list of sewer system alternatives with preliminary evaluation results. A second Special Meeting was held on August 14, 2025, where the alternative listed below was selected, and direction was given to begin work on procurement of a design team for the new Paradise Wastewater Treatment Facility.

Alternative 1: Hybrid gravity/low-pressure collection system, aerated lagoon wastewater treatment, and percolation/evaporation pond effluent discharge.

- A hybrid gravity and low-pressure (STEP) sewer collections system would include gravity trunk mains following primary conveyance corridors and low-elevation areas or properties connected to the primary gravity trunk mains via low-pressure service
- Wastewater treatment using a series of aerated lagoons followed by a nitrification/denitrification process unit
- Treated effluent discharged to percolation/evaporation pond(s) for land discharge, regulated by a Waste Discharge Regulation (WDR) permit

At the November 11, 2025, Town Council meeting, staff brought forth a recommendation to select Carollo Engineers to be the design engineer of the new Westwater Treatment Facility. Carollo Engineers will also continue as the design engineer for the collection system.

In addition to Carollo Engineers who will be designing the WWTF and the sewer collection system, HDR is continuing as the Town's Owners' Agent for the Paradise Sewer Project. For HDR to provide services up until start of construction, an amendment to their existing Master Services

Agreement is required since the existing MSA is set to expire December 31, 2025, and the initial \$5M Not to Exceed has been exhausted.

Analysis:

The existing Owners Agent (Master Services Agreement) contract with HDR was contemplated for a 2.5-year period and an initial Not to Exceed amount of \$5M. The MSA currently has two active task orders, one for Design Phase Support and one for Environmental Permitting Services. Due to the changes in the project, and the transition to a local treatment option, the project scope and schedule have changed significantly since 2023 when the original Master Services Agreement was approved. This includes filing a Subsequent Environmental Impact Report and the additional support services required to design and implement our own local Wastewater Treatment Facility. The additional time and work involved with the Alternative's Analysis has depleted the budget in the existing HDR MSA, which expires December 31, 2025. Based on the new project description and the new schedule, HDR has proposed an amendment to the original MSA to cover HDR's services up until the start of construction. The proposed amendment includes an overall cost increase and a schedule extension to accommodate the new version of the project. The combined increase is \$4.5M. Staff recommends approving this budget increase and extending the MSA to expire in December 2029.

Financial Impact:

[The Town of Paradise is currently utilizing a \$30M planning grant through State of California Housing and Community Development via the CDBG-DR program. A breakdown of overall project funding and pursuits is provided below:

Design Budget

HDR- Owners Agent MSA	\$ 5,000,000
HDR- Amendment to Current MSA (Owners Agent)	\$ 4,500,000
Carollo- New Wastewater Treatment Facility Design Contract	\$ 3,400,000
Carollo- Re-Assigned Collection System Design Contract	\$ 4,500,000
Mountain Cascade Inc- PDB Contract	\$ 3,821,770
Hawkins Delafield and Wood- Legal Council	\$ 620,000
Staff Time	\$ 687,699
Total	\$ 22,529,469

The cost of the amendment to the HDR Master Services Agreement will fit within the current \$30M Design Grant allocation through the Department of Housing and Community Development.

Secured Funding

(1) CDBG-DR APA-2 Design	\$30,000,000 (active for pre-construction)
(2) CDBG-DR Town Allocation	\$85,200,000 (secured for construction)
(3) EPA Community Grant	\$1,750,000 (pending)

Clean Water SRF Funding Opportunities

(4) Clean Water SRF (Grant)	\$28,097,669
(5) Clean Water SRF (Grant)	\$TBD Future



Town of Paradise

Council Agenda Summary

Agenda Item: 6(d)

Date: January 13, 2026

ORIGINATED BY:

Colin Nelson, Capital Projects Manager

REVIEWED BY:

Louis Johnson, Supervising Capital Projects Manager

SUBJECT:

Hazardous Fuels Reduction Program: Contract Award

LONG TERM

Yes – Tier 1

RECOVERY PLAN:

COUNCIL ACTION REQUESTED:

1. Consider concurring with staff's recommendation to select Arbor Pros to enter into a one (1) year agreement with up to two (2) one (1) year extensions not to exceed three years to provide vegetation management and hazardous fuels reduction services within the Town of Paradise right-of-way; and:
2. Direct staff to enter negotiations with Arbor Pros to reach and execute a funding-compliant agreement approved and executed by the Town Manager and Town Attorney; and
3. Adopt Resolution 2026-____ "A Resolution of the Town Council of the Town of Paradise, Designating Authority to the Paradise Town Manager To Execute The Agreement for Professional Services and Individual Task Orders Under the Resultant Master Agreement for RFQ 7315 Hazardous Fuels Reduction Services, up to the Maximum Contract Aggregate Amount of \$1.219M" (ROLL CALL VOTE)

Background:

Since the 2018 Camp Fire, the town of Paradise has made an increased effort to control vegetation growth in and along the public rights-of-way throughout town. Due to the increased duties of existing Public Works staff and an increased population of residents, The Town of Paradise is requesting the services of a vegetation and tree management firm that specializes in providing hazardous fuels reduction in public rights-of-way. The average width of right-of-way varies from less than 1.0 feet from back of walk to 11.5 feet from edge of existing pavement within in the Town of Paradise. The Town plans to reduce hazardous fuels along both sides of the 98.48-mile public roads. The total area of treatment is estimated to be 274.55 acres. The Hazardous Fuels Reduction Project (HMGP-4407-255-060) will involve the reduction of hazardous fuels along 99 miles of public roads within the Town limits. Treatment methods will consist of mulching and chipping grasses, bushes, and small trees (less than 6 inches in diameter at chest height) using hand tools and mechanical equipment, followed by the application of herbicides. Root balls will not be removed, and subsurface disturbance is not anticipated. Any retained vegetation will be cut to a minimum height above grade so that near bare soil conditions are achieved. Mechanical equipment may include rubber-tired masticators mounted on excavators, chippers, and mulchers. Access to public right-of-way will be from Town roads, and no new or temporary access routes are needed. On-site staging and stockpiling may occur along road shoulders where vegetation has been cleared. A limited amount of vegetative material may be chipped and broadcast in place. Material that is not broadcast can be taken to the Green Waste Yard operated by Northern Recycling and Waste Services and fees associated

with disposal shall be included in items of work mentioned in the Fee Schedule. This project is consistent with previous hazardous tree removal efforts conducted within the Town limits under the FEMA Public Assistance Program.

A Storm Water Pollution Prevention Plan will be prepared by the Contractor and implemented for the project that meets the requirements listed in Appendix E of the RFQ. The Hazardous Fuels Reduction Services contract will be for an initial one (1) year period with up to two (2) one-year extensions at the Town's discretion. Proposals were evaluated and ranked by staff. Based upon the rankings, the Town of Paradise will enter into a contract with the highest ranked Contractor.

Analysis:

On December 11, 2025, a total of 6 Statement of Qualifications (SOQ) packages were submitted to the Town. To evaluate the SOQs, an Evaluation Committee was formed. The Committee was comprised of:

Brian Solecki, Project Manager, Recovery and Economic Development
Mike Houdek, Public Works Manager
Colin Nelson, Capital Projects Manager

Aggregate ranking amongst the five Committee members is shown below:

Firm Name	Total Score	Overall Rank
Core Tree	226	4
Northfork Enterprises	248	2
Arbor Pros	288	1
Evergreen Enterprises	162	5
Freedom Forest Management	125	6
CTL	247	3

Following a debrief, the unanimous recommendation was to select Arbor Pros as the highest ranked firm for Council consideration to award.

Staff recommends approving the selection of Arbor Pros to be the Contractor for the Hazardous Fuels Reduction Program and giving direction to begin negotiating a Master Services Agreement with an NTE of \$1.219M to perform hazardous fuels reduction services along 99 Miles of Public Rights Of Way in the Town of Paradise. If awarded, staff would immediately commence negotiations with the selected consultant and report progress to the Town Council on a bi-annual basis. In the event, negotiations are not successful within the initial NTE budget, staff would return to Council for further direction.

Financial Impact:

The funding for this project is secured through a combination of FEMA and CDBG-DR grants.

**TOWN OF PARADISE
RESOLUTION NO. 2026-__**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PARADISE,
DESIGNATING AUTHORITY TO THE PARADISE TOWN MANAGER TO EXECUTE
THE AGREEMENT FOR PROFESSIONAL SERVICES AND INDIVIDUAL TASK
ORDERS UNDER THE RESULTANT MASTER AGREEMENT FOR RFQ 7315
HAZARDOUS FUELS REDUCTION SERVICES, UP TO THE MAXIMUM CONTRACT
AGGREGATE AMOUNT OF \$1.219M**

WHEREAS, the 2018 Camp Fire caused unprecedented damage to the Town of Paradise and has necessitated a variety of recovery projects which are further guided by Paradise Long-Term Recovery Plan;

WHEREAS, the Hazardous Fuels Reduction Plan is a priority for increasing wildfire preparedness along 99 miles public right of way in the Town of Paradise

WHEREAS, RFQ 7315 was designed for a base term of one year, with the possibility of two, one-year extensions at the sole discretion of the Town Manager for a maximum term of three years ;

WHEREAS, RFQ 7315 was designed for a not-to-exceed aggregate contract amount of \$1.219M to be issued as individual task orders;

WHEREAS, RFQ 7315 was prepared and reviewed under the most stringent of procurement standards, meeting Paradise Municipal Code, State and Federal requirements;

WHEREAS, RFQ 7315 was advertised on November 20, 2025 for work relating to the Town of Paradise Hazardous Fuels Reduction Program that includes:

- The reduction of hazardous fuels along 99 miles of public roads within town limits
- Treatment methods consist of mulching and chipping grasses, bushes and small trees less than 6 inches in diameter at chest height.
- Followed by an application of herbicides
- No subsurface disturbance is assumed
- Retained vegetation will be cut to a minimum height above grade so that near bare soil conditions are achieved.
- Access to public right-of-way would be from town roads so that no new or temporary access routes are needed
- A limited amount of vegetation may be chipped and broadcast in place, any excess material will be hauled and disposed of and taken to the Green Waste Yard operated by Northern Recycling and Waste Services.
- A Storm Water Pollution Prevention Plan will need to be prepared and implemented for the project.

WHEREAS, 6 proposals were received by December 11, 2025, and following subsequent evaluation and interview, Arbor Pros was recommended for the Master Agreement based on the scoring shown below:

Firm Name	Total Score	Overall Rank
Core Tree	226	4
Northfork Enterprises	248	2
Arbor Pros	288	1
Evergreen Enterprises	162	5
Freedom Forest Management	125	6
CTL	247	3

WHEREAS, by designating the Town Manager authority to execute all task orders and amendments associated with RFQ 7315, full benefits of this robust procurement process will be realized.

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

Section 1. The Paradise Town Manager is authorized to execute a master agreement with the above-recommended Contractor and to execute amendments and individual task orders under the master agreements for RFQ 7315 Hazardous Fuels Reduction Services not to exceed the maximum contract aggregate amount of (\$1,219,000) to reduce hazardous fuels in the public right-of-way.

PASSED AND ADOPTED by the Town Council of the Town of Paradise on this 13th day of January, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____

Steve Crowder, Town Mayor

ATTEST:

Melanie Elvis, Town Clerk

APPROVED AS TO FORM:

Scott Huber, Town Attorney



Town of Paradise

Council Agenda Summary

Agenda Item: 6(e)

Date: January 13, 2026

ORIGINATED BY:

Marc Mattox, Assistant Town Manager

REVIEWED BY:

Mike O'Brien, Interim Town Manager

SUBJECT:

Review of 2025 Building Division Audit Corrective Action Plan (CAP)

**LONG TERM
RECOVERY PLAN:**

Yes – Building Codes and Standards

COUNCIL ACTION REQUESTED:

1. Consider approving the Corrective Action Plan for the 2025 Building Division Audit with planned future updates quarterly; or,
2. Provide alternate direction.

Background:

In November 2025, the Town released the results of an independent audit of the Building Division focused on permitting and inspection practices during the post-Camp Fire rebuilding period. While the audit did not identify illegal wrongdoing, it identified deficiencies related to training, oversight, documentation, permit intake procedures, and inspection consistency, and recommended a series of organizational and operational improvements.

Given the heightened public attention surrounding the audit and the critical role the Building Division plays in life safety, housing recovery, and public confidence, Town staff prepared the attached 2025 Building Division Audit Corrective Action Plan (CAP) to provide a structured, transparent, and accountable response to the audit findings.

The CAP is intended to serve as a living document and implementation framework that translates audit recommendations into discrete, trackable corrective actions with assigned responsibility, timelines, and reporting mechanisms. It is designed for use by the Town Council, staff, and the public, and to support both immediate stabilization and long-term institutional reform.

Analysis:

The CAP is organized to provide Council and the public with clear context, accountability, and visibility into how the Town is responding to the audit. Key components include:

- Contextual Framework:
The CAP places the audit findings within the broader scale and complexity of Paradise's post-fire rebuilding environment, which has included thousands of residential permits, inspections, and Certificates of Occupancy issued since 2020. The document acknowledges both the challenges identified by the audit and the significant volume of work successfully completed during this unprecedented recovery period.
- Corrective Action Matrix:

The core of the CAP is a detailed matrix that converts each audit recommendation into a unique, trackable corrective action. Actions are organized by functional area, including Community Development administration, permit counter operations, inspection processes, public support and complaint resolution, and supplemental internal improvements. Each item identifies current status and the Town's response, including actions already taken, actions underway, or documented rationale where recommendations were considered and declined.

- **Expanded Data and Performance Review Commitment:**
Recognizing the audit's limited sample size, the CAP commits the Town to a broader, data-driven evaluation of permitting, inspection, and complaint activity. This expanded analysis is intended to establish statistically meaningful metrics, distinguish isolated issues from systemic concerns, and provide clearer context for public understanding.
- **Public Interface and Transparency Measures:**
The CAP establishes an ombudsman-style function, enhanced public guidance regarding complaint pathways, and recurring public reporting. Quarterly CAP updates, performance dashboards, and published procedures are intended to restore and maintain public trust through ongoing transparency rather than a one-time report.
- **Phased Implementation Timeline:**
A multi-phase timeline is included to reflect realistic sequencing of stabilization actions, training and procedural reforms, public interface improvements, and long-term quality assurance integration.

This Council review represents the first formal policy-level discussion of the CAP. Council input at this stage will help guide prioritization, reporting expectations, and any adjustments prior to full implementation and ongoing updates.

Financial Impact:

Implementation of the CAP will primarily be supported through existing Building Division resources, reallocated staff time, and previously authorized consulting and training services. Some corrective actions—such as third-party training, field training officers, quality assurance functions, and development of performance dashboards—are already underway or anticipated within recent supplemental budget modifications.

At this time, no immediate General Fund appropriation is requested as part of this review. Any future funding needs associated with long-term staffing changes, expanded quality assurance functions, or additional system investments will be brought forward to the Town Council as part of future budget actions or separate Council agenda items, as appropriate.



2025 Building Division Audit Corrective Action Plan

*RESTORING COMMUNITY CONFIDENCE THROUGH IMPLEMENTATION
FOR TOWN COUNCIL REVIEW JANUARY 13, 2026*

Prepared by:

Marc Mattox
Assistant Town Manager

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1. Purpose and Intended Use of This Document

This Corrective Action Plan (CAP) is a foundational accountability document developed in response to the 2025 independent audit of the Building Division. It is intended to establish a clear, traceable, durable framework for documenting steps the Town has taken—and will continue to take—to address organizational, procedural, and operational findings identified in the audit. The CAP serves as a roadmap and reporting instrument that reinforces the Town's commitment to responsible governance and continuous improvement. It is designed for use by the Town Council, staff, and the public we serve. The CAP is a living document and will be updated regularly as progress occurs.

2. Background and Context

2.1 Overview of the Audit and Its Release

In late summer 2025, the Town initiated an independent audit to evaluate concerns regarding Building Division permitting and inspection practices during the post-Camp Fire rebuilding period. The audit was conducted over two weeks and included interviews, document review, and assessment of internal procedures. The findings, released on November 12, 2025, identified deficiencies in structural design, permit intake processes, inspector training, oversight, and documentation protocols. While the audit did not identify illegal wrongdoing, it noted the need for systemic improvements to ensure accuracy, transparency, and consistent application of building codes.

2.2 Public Concerns

The audit and related administrative leave actions received significant attention, highlighting community concerns regarding building safety, permit processing, and inspection reliability. Coverage by regional media outlets emphasized the importance of transparency and the Town's responsibility to correct deficiencies. This heightened public attention underscores the need for a clearly documented Corrective Action Plan that demonstrates meaningful and measurable improvements.

3. Post-Fire Recovery Context and 2025 Audit Sample Size

3.1 Scale and Complexity of the Rebuild Environment

The 2025 Building Division Audit provides a helpful snapshot of issues requiring correction; however, it represents a limited view of a far larger operational environment. Since the Camp Fire in 2018, the Town of Paradise has undertaken one of the most extensive residential rebuilding efforts in California. Since the rebuild began in earnest in early 2020, the Building Division has processed 3,666 single-family residential building permit applications, resulting in 3,016 Certificates of Occupancy issued. In addition, 1,022 multi-family unit applications have been processed, with 683 Certificates of Occupancy issued to date. The rebuilding effort has created a surge of work unmatched in the Town's history, requiring constant adaptation to high-volume demand, evolving regulatory expectations, and community pressures for rapid permitting and inspection timelines.

3.2 Recognizing the Contributions and Challenges of Staff

Throughout this period of accelerated rebuilding activity, Building Division staff have:

- Successfully processed thousands of permits and inspection requests,
- Supported residents rebuilding under difficult personal and economic circumstances,
- Adapted to new materials and code requirements with limited precedent or training resources,
- Maintained service availability despite staffing fluctuations, procedural changes, and an unusually high volume of work.

The CAP aims to build upon these contributions, address identified process gaps and ensure the Building Division is equipped to operate effectively within a modern, resilient building environment.

3.3 Introduction of Fire-Resilient and Innovative Construction Methods

A unique aspect of the Town's post-fire recovery is the substantial introduction of innovative construction technologies and fire-resilient building systems—many of which had not been widely used, or used at all, in Paradise prior to 2018. These include:

- Enhanced wildland–urban interface (WUI) compliance requirements,
- Nontraditional roofing, siding, and venting assemblies,
- Advanced ember-resistant construction methods,
- New insulation and energy-performance products,
- More complex structural and foundation systems related to fire-damaged soils,
- Emerging materials promoted superior fire resistance or environmental performance.

Because these systems were new to many contractors, designers, and staff, the Building Division has had to:

- Learn and interpret new product listings, installation standards, and manufacturer specifications,
- Update internal procedures to align with continuously evolving state and national codes,
- Assess building methods not previously encountered in the Town's traditional residential portfolio,
- Balance life-safety and compliance while supporting homeowners who wish to adopt innovative, resilient solutions.

This environment created a steep learning curve for the entire rebuild community—builders, design professionals, inspectors, and permitting staff alike. The Town recognizes this complexity and is committed to using the CAP not only to correct identified gaps but also to strengthen the institutional capacity necessary to support a more advanced, resilient, and fire-hardened building environment.

3.4 Limitations of the 2025 Audit Sample

While the audit identified important issues requiring corrective action, it is necessary to contextualize its methodology, scope, and relationship to the overall scale of Building Division activity during the post-fire rebuild period.

The audit was initiated to promptly review and assess a defined set of escalated concerns that had been raised regarding Building Division permitting and inspection practices. Its primary purpose was to identify potential process gaps, training needs, and organizational improvements that could be addressed in the near term. It was not intended to serve as a statistically comprehensive evaluation of all Building Division activity following the Camp Fire.

Since 2019, the Building Division has processed hundreds of building permit applications and Certificates of Occupancy annually and conducted thousands of inspections across multiple disciplines in support of residential and commercial rebuilding. Within this broader operational context, the audit relied on a limited subset of complaints and associated records available at the time of review. While those matters warrant attention and corrective action, they represent a small fraction of total permitting and inspection activity conducted during the rebuild period.

The audit did not attempt to evaluate the totality of inspection volume, permitting throughput, or inspection outcomes across all project types, inspectors, or time periods. Nor was it designed to quantify system-wide error rates, compare inspection performance across categories of construction, or assess outcomes relative to the increased complexity associated with post-fire rebuilding conditions and fire-resilient construction technologies.

Accordingly, the cases reviewed do not constitute a statistically representative cross-section of all Building Division activity. The Town accepts the audit's findings and recommendations and is committed to implementing corrective actions where identified. At the same time, the Town recognizes that the overall performance of the Building Division must be evaluated within the context of the full scale of work performed, including the substantial number of projects successfully permitted, inspected, and approved for occupancy.

For this reason, the Town will undertake broader, data-driven analysis as described in Section 4 of this CAP. That analysis is intended to establish statistically meaningful metrics, evaluate trends across permit and inspection categories, and provide the community with a more complete understanding of both the successes achieved and the areas requiring continued improvement.

4. Commitment to Expanded Analysis and Data-Driven Evaluation

4.1 Need for Statistically Meaningful Metrics

To provide the public, Town Council, regional partners, and oversight bodies with a full understanding of the Building Division's performance, the Town will conduct broader and more systematic analysis beyond the scope of the original audit. This analysis is necessary to:

- Understand trends and volumes across all permit types,
- Identify meaningful indicators of inspection quality,
- Differentiate isolated issues from systemic gaps,
- Enhance transparency into the Town's ongoing rebuilding efforts.

The expanded analysis will focus on establishing datasets that reflect the accurate scale of work performed and will ultimately help the community contextualize how individual concerns compare to statistically relevant performance metrics.

4.2 Types of Data the Town Will Compile

The Town will compile, analyze, and publish available data sets, including, but not limited to:

- Permitting Data
- Inspection Data
- Certificate of Occupancy Data
- Contractor-Related Data

4.3 How the Expanded Analysis Supports Public Confidence

By establishing statistically relevant datasets, the Town can:

- Distinguish between isolated incidents and patterns of concern,
- Provide clearer context for the rate of inspection errors (if any) relative to total volume,
- Demonstrate when inspection performance is consistent with industry norms,
- Identify new areas where process improvements are warranted,
- Help homeowners understand the most appropriate pathways for their individual concerns.

This approach ensures that public understanding is grounded in empirical facts rather than small samples or anecdotal reports.

4.4 Defining Appropriate Pathways for Homeowners with Concerns

The expanded analysis will also support the creation of a homeowner resolution framework. This framework recognizes that not all concerns identified by homeowners fall within municipal jurisdiction.

Based on statistical context and inspection records, some homeowners may be better served through:

- Contractor warranties,
- Bond claims,
- California Contractors State License Board (CSLB) actions,
- Private home inspections,
- Industry-standard defect resolution processes, or

- Ombudsman-guided navigation, as recommended in the audit.

The Town will provide clear guidance to help residents understand:

1. Whether their issue is likely related to inspection oversight,
2. Whether the issue is a workmanship or contractor performance matter,
3. What type of recourse is available under California law,
4. How to pursue resolution with the appropriate party.

This structured pathway will help ensure that homeowners receive clear, accurate information and that Building Division staff focus on matters within municipal scope.

4.5 Commitment to Publishing Findings and Updating Metrics

The Town will publish periodic reports summarizing:

- Key datasets and trends,
- Findings from expanded analysis,
- Updated metrics and evaluation tools,
- Improvement initiatives resulting from performance review.

These findings will be incorporated into future CAP updates and may inform additional corrective actions or operational reforms.

5. Corrective Action Framework

The CAP framework provides the methodology through which the Town will convert audit recommendations into actionable, trackable items. Each recommendation is assigned a unique Corrective Action ID number to facilitate consistent reference across departments, Council briefings, and public reporting. The framework ensures that each recommendation is evaluated for feasibility, assigned to responsible parties, developed into actionable steps, executed with documented milestones, and validated prior to closure. Where alternative approaches are chosen, the CAP requires a written justification to maintain transparency.

5.1 Structure of the Corrective Action Process

The corrective action process is organized by functional categories: administration, permit processing, inspections, public support, and supplemental internal improvements. This structure aligns with the audit's focal areas and supports targeted management oversight.

5.2 Recommendation-to-Action Flow

The CAP follows a standardized flow from recommendation identification to implementation: receipt of the recommendation; internal assessment; assignment to a responsible division; development of required actions; execution and milestone tracking; and final verification of completion.

5.3 Tracking and Accountability Methodology

Progress is documented using status indicators, action logs, attachments such as revised procedures or training records, and performance metrics such as permit turnaround times or inspection compliance rates. Each CAP update will reflect changes and progress in a version-controlled manner.

5.4 Integration with Long-Term Reform

The CAP is designed not only to correct past deficiencies but to embed improvements into long-term organizational culture. Enhancements to documentation, staff training, management accountability, and customer service will support a more resilient, transparent, and professional Community Development structure beyond the immediate audit response.

6. Corrective Action Matrix

The following Corrective Action Matrix serves as the central implementation and accountability tool for this Corrective Action Plan. It translates the findings and recommendations of the 2025 Building Division Audit into discrete, trackable action items and provides a standardized format for documenting the Town's response over time.

Each recommendation identified in the audit has been assigned a unique Corrective Action ID and organized by functional category, including department administration, permit intake, inspections, public support, and supplemental internal improvements. This structure allows Town leadership, staff, the public, and oversight bodies to consistently reference specific items, monitor progress, and understand the status of each corrective action.

For each entry, the matrix documents:

- the audit-based or internally derived recommendation,
- the status of implementation, and
- the Town's response, which may include actions already taken, actions planned, or an explanation of alternate approaches where appropriate.

The matrix is intentionally designed to be dynamic. As corrective actions advance, entries will be updated to reflect implementation milestones, policy changes, training completion, organizational adjustments, or other relevant outcomes. In instances where a recommendation is modified, deferred, or addressed through an alternative strategy, the rationale will be documented to ensure transparency and institutional clarity.

The Corrective Action Matrix should be read in conjunction with the broader narrative sections of this CAP, including the post-fire recovery context and the Town's commitment to expanded, data-driven analysis. Together, these components provide a comprehensive view of both the immediate corrective steps being taken in response to the audit and the longer-term efforts underway to strengthen Building Division operations, restore community confidence, and support a resilient and effective rebuilding environment.

Table A: Community Development Administration

ID#	Recommendation	Status	Response
A-1	Hire a dedicated Community Development Director. <i>(Audit: Community Development Dept. Administration, p.1-2)</i>	Ongoing	The Town of Paradise has retained the services of temporary consultant staff while assigning the restructured Assistant Town Manager to prepare and oversee the implementation of the CAP. Supplemental staff and administrative oversight will continue as long as necessary to achieve meaningful programmatic improvements.
A-2	Consider the use of an interim CD Director via a consulting firm. <i>(Audit p.1-2)</i>	Complete	The services of Ron Beehler of BPR Consulting Group have been retained to function as an interim Community Development Director. This assignment has been carried forward through the appointment of the Assistant Town Manager to prepare and oversee the CAP. In the short term, Mr. Beehler will continue to perform advisory services to summarize experiences and inform/measure corrective actions.
A-3	Consider moving Code Enforcement under the Planning Division. <i>(Audit p.2)</i>	Complete	Considered and declined. The current staffing model and functional scope of Code Enforcement are better aligned with Building and Fire Prevention than the Planning Division.
A-4	Consider reclassifying the Director of Building & Code Enforcement to Building Official / Fire Marshal. <i>(Audit p.2)</i>	Complete	Considered and declined. Current staffing model and oversight by the Community Development Director remain sufficient. With additional oversight by the Assistant Town Manager and implementation actions through the CAP, no adjustments to this position are necessary.

Table B: Permit Counter Process Improvements

ID#	Recommendation	Status	Response
B-1	Provide in-person training for permit staff on ethics, best practices, and legal requirements. <i>(Audit p.2)</i>	Ongoing	Effective December 1, 2025 the services of Jessie Oswald of Bureau Veritas were engaged to provide in-person oversight of all aspects of the building permitting process. Services are scheduled to continue through the end of January 2026.
B-2	Assign two dedicated permit technicians for permit intake and issuance. <i>(Audit p.2)</i>	Complete	Effective December 1, 2025 two dedicated Permit Technicians were assigned to handle permit intake and issuance. This approach improves efficiency, ensures consistency in application processing, reduces turnaround times, and allows other staff to focus on plan review, inspections, and customer support functions.
B-3	Provide classroom training for permit technicians and supervisors. <i>(Audit p.2)</i>	Ongoing	The services of Steve Burger of Bureau Veritas have been retained to provide two full days of onsite classroom training covering all aspects of the building permitting process. These trainings are scheduled for February 10-11, 2026.
B-4	Provide two weeks of embedded trainer support at the permit counter. <i>(Audit p.2)</i>	Ongoing	Effective December 1, 2025, the services of Jessie Oswald of Bureau Veritas were retained to provide in-person oversight of all aspects of the building permitting process. Services are scheduled to continue through the end of January 2026.
B-5	Revise the permit procedures manual. <i>(Audit p.2)</i>	Ongoing	Starting December 1, 2025, the services of Jessie Oswald of Bureau Veritas were engaged to revise and update procedural guidelines. Target completion date of January 31, 2026.
B-6	Require ICC Permit Technician Certification for classification. <i>(Audit p.2)</i>	Ongoing	Any changes to the minimum qualification requirements for employees in the Permit Technician classification trigger meet-and-confer obligations between the Town and Union representatives. Human Resources & Risk Management Director will be

		coordinating this process and more information will be included in future updates to the CAP.
B-7	Provide updated public informational materials. <i>(Audit p.2)</i>	Ongoing Starting December 1, 2025, the services of Jessie Oswald of Bureau Veritas were engaged to revise and update all public informational materials. Target completion date of January 31, 2026.

Table C: Building Inspection Process Reforms

ID#	Recommendation	Status	Response
C-1	Provide in-person, in lieu of existing online-only, ethics training for inspectors. <i>(Audit p.3)</i>	Ongoing	Town staff is obtaining quotes and working to schedule in person trainings to supplement existing online-only classes.
C-2	Provide classroom training for inspection of residential buildings, plan reading, and calculation interpretation. <i>(Audit p.3)</i>	Ongoing	Building Inspection staff will attend the 2026 Sacramento Valley Building Officials Education Week and the California Association of Building Officials Education Week. Staff will also seek opportunities to further their ongoing professional development continuously.
C-3	Employ a Field Training Officer (FTO) for at least six months. <i>(Audit p.3)</i>	Ongoing	Starting October 27, 2025, the services of Mike Genna of BPR Consulting were retained as a Field Training Officer. The Town plans to rotate in a new FTO starting February 1, 2026 to ensure staff receives the benefit of multiple perspectives in this effort. The Town will also augment this effort with subject-matter experts to provide a well-rounded approach to the fundamentals of building inspections.
C-4	Provide off-site professional training for inspectors. <i>(Audit p.3)</i>	Ongoing	Building Inspection staff have attended a four-hour webinar on the 2025 Significant Changes to the California Residential Code. Staff will also be attending the monthly Shasta Cascade Chapter of the International Code Council meetings, which include an educational component. The California Energy Commission will be presenting on significant changes to the 2025 Building Code at January's Building Stakeholders meeting. In addition, staff will attend the Sacramento Valley Building Officials Education Week and the California Association of Building Officials Education Week to further support ongoing professional development.

C-5

Require Building Inspector II to obtain a second certification within 90 days of return. *(Audit p.3)*

Ongoing In progress.

Table D: Public Support & Complaint Resolution

ID#	Recommendation	Status	Response
D-1	Establish an ombudsman role to support homeowners navigating construction concerns. <i>(Audit p.3 – Additional)</i>	Ongoing	<p>The ombudsman recommendation will be performed by the Assistant Town Manager, through which information relating to concerns will be received and researched. Property owners may rely on this role to receive information from the Town regarding their concern and potential next steps. Notably, this ombudsman role is intended to facilitate information-sharing and navigation, not adjudication or enforcement. Matters that may fall within the scope of potential remedy or formal action will be referred to the Town Manager, Town Council and Town Attorney, as appropriate.</p>
D-2	Improve transparency regarding complaint pathways and available resources. <i>(Audit p.3 – Additional)</i>	Ongoing	<p>In coordination with the ombudsman function described in D-1, the Town will publish clear, publicly accessible information describing how building-related concerns may be raised, reviewed, and routed. This information will outline the respective roles of Town staff, contractors, and external regulatory entities, as well as the types of issues that fall within municipal oversight versus those more appropriately addressed through contractor warranties, licensing authorities, or other consumer protection mechanisms.</p> <p>Transparency materials will be posted to the Town's a dedicated page on the Town's website and updated periodically to reflect procedural changes, available resources, and lessons learned through implementation of the CAP. The goal of this effort is to ensure that property owners understand both how to engage with the Town and what pathways are available for resolution, while maintaining clarity regarding municipal authority and limitations.</p>

Table E: Supplemental Internal Recommendations

ID#	Recommendation	Status	Response
E-1	Establish a quality assurance function for inspection oversight.	Ongoing	Starting February 1, 2026, Bureau Veritas will be engaged to provide a quality assurance function for inspection oversight. This effort is being developed to promote consistency, accuracy, and accountability across inspections. This function will include standardized inspection checklists, supervisory review, mentoring, and periodic audits to ensure inspections are conducted in accordance with adopted codes and best practices. Target completion date of April 30, 2026.
E-2	Implement uniform inspection checklists and photo documentation.	Ongoing	Photographic inspection procedures have been implemented, and uniform inspection checklists are currently under development with Bureau Veritas.
E-3	Develop a performance dashboard for permits, inspections, and complaints.	Ongoing	The performance dashboard development is underway. The dashboard will augment weekly rebuild updates to include monthly comprehensive performance metrics. Updates will include total customer interactions and inspection data. Target roll-out date of February 1, 2026.

7. Proposed CAP Timeline

The following timeline provides a high-level sequencing framework for implementation of the corrective actions identified in this Corrective Action Plan. It is intended to communicate the Town's anticipated approach to prioritization, coordination, and phased execution rather than to establish rigid deadlines for individual actions.

The timeline reflects the reality that corrective actions vary in complexity, resource requirements, and dependency on external factors such as recruitment, training availability, contractual services, and policy adoption. Accordingly, the phases identified below represent logical groupings of work designed to stabilize operations, strengthen institutional capacity, and integrate long-term improvements in a deliberate and sustainable manner.

The proposed phases allow the Town to:

- address immediate operational and oversight needs,
- implement training, procedural, and organizational reforms,
- improve public-facing support and transparency mechanisms, and
- establish quality assurance and performance monitoring tools to sustain improvements over time.

As corrective actions progress, timelines may be refined to reflect actual implementation conditions, evolving priorities, or additional findings from expanded analysis. Any such adjustments will be documented in subsequent CAP updates to maintain transparency and accountability.

The Proposed CAP Timeline should be read in conjunction with the Corrective Action Matrix and the public reporting commitments described in Section 8, which together provide a comprehensive picture of how corrective actions will be implemented, monitored, and communicated.

Phase	Period	Primary Activities
Phase 1: Stabilization	0–60 days	Staff reinstatement; FTO engagement, continued supplemental staffing, initiation of training; organizational restructuring decisions; Corrective Action Plan adoption and initial implementation.
Phase 2: Infrastructure Build-Out	60–120 days	Development of revised procedures; permit and inspection procedure rollouts; adoption of new manuals; implementation of certification requirements; expanded statistical analysis of inspections, themes and programmatic needs.
Phase 3: Public Interface Improvements	60–180 days	Ombudsman role implemented through the Assistant Town Manager; expanded public guidance; transparency reporting.
Phase 4: Quality Assurance Integration	180–365 days	Long-term QA/oversight; system improvements; metrics reporting; close-out of corrective items.

8. Public Reporting and Transparency Measures

Transparency and accountability are foundational to the Town's response to the 2025 Building Division Audit and to the broader rebuilding and recovery effort following the Camp Fire. The public reporting and transparency measures outlined in this section are intended to ensure that the community, Town Council, and oversight bodies have ongoing visibility into corrective action progress, operational improvements, and performance outcomes.

These measures are designed to provide clear, accessible information regarding:

- the status of corrective actions identified in this CAP,
- procedural and organizational changes implemented within the Building Division, and
- measurable indicators of performance and service delivery over time.

The Town recognizes that restoring and maintaining public confidence requires more than the publication of a single report. Accordingly, transparency will be treated as a continuing obligation, supported by regular updates, publicly available documentation, and clear communication regarding both progress and challenges encountered during implementation.

Public reporting will be structured to balance openness with accuracy, ensuring that information shared reflects verified data, appropriate context, and a clear explanation of municipal roles and limitations.

Where applicable, reporting will also incorporate findings from expanded data analysis and performance metrics to provide a comprehensive and factual basis for public understanding.

Together with the Corrective Action Matrix and Proposed CAP Timeline, the transparency measures described below establish a framework for sustained accountability and meaningful engagement as the Town implements corrective actions, evaluates outcomes, and strengthens Building Division operations over the long term.

8.1 Public Reporting Commitments

The Town will publish and maintain the following reporting mechanisms:

- Quarterly CAP Progress Reports summarizing implementation status of corrective actions, including updates to the Corrective Action Matrix. First report planned for January 2026.
- Updated procedures and public guidance posted on the Town's website as revisions are adopted.
- Training and certification progress summaries for Building Division personnel, as applicable.
- Performance metrics related to permitting activity, inspection volume, and complaint handling, presented with appropriate context.

These materials will be made available through established Town communication channels and updated as new information becomes available.

8.2 Ongoing Review and Adjustment

The Town will periodically review the effectiveness of its reporting and transparency measures to ensure they remain responsive to public needs and oversight expectations. Adjustments may be made to reporting frequency, format, or content as implementation progresses or as additional findings emerge from expanded data analysis.



Town of Paradise

Council Agenda Summary

Agenda Item: 6(f)

Date: January 13, 2026

ORIGINATED BY:

Susan Hartman, Community Development Director –

Planning & Wastewater

REVIEWED BY:

Michael O'Brien, Acting Town Manager

Scott Huber, Town Attorney

SUBJECT:

Adoption of Ordinance No. 653

LONG-TERM

No

RECOVERY PLAN:

COUNCIL ACTION REQUESTED:

1. Consider waiving the second reading of the entire Town Ordinance No. 653 and approve reading by title only; and,
2. Adopt Town Ordinance No. 653, "An Ordinance Amending Text Regulations within Paradise Municipal Code Title 17 of the Paradise Municipal Code Relative to the Keeping of Backyard Chickens and Rabbits" (ROLL CALL VOTE)

Background:

On December 9, 2025, the Town Council introduced the above-noted Town ordinance for purposes of eventual adoption. If adopted, the proposed ordinance intends to amend the backyard chickens and rabbits regulations to: 1) allow up to 12 hens or rabbits (any combination of the two with a limit of 12 total), 2) reduce the chicken/rabbit enclosure from 75' to 50' from any occupiable structure, and 3) require a 100' setback from the chicken/rabbit enclosure to any water well in accordance with State law.

Analysis:

Town staff recommends the Town Council waive the second reading of this entire ordinance; read it by title only and formally adopt Town Ordinance No. 653 [copy attached]. Once adopted, the provisions of this ordinance will be effective thirty (30) days thereafter.

Financial Impact:

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

**TOWN OF PARADISE
ORDINANCE NO. 653**

**AN ORDINANCE AMENDING TEXT REGULATIONS WITHIN
PARADISE MUNICIPAL CODE TITLE 17 OF THE PARADISE MUNICIPAL CODE
RELATIVE TO THE KEEPING OF BACKYARD CHICKENS AND RABBITS**

SECTION 1. The definition for "Backyard chickens and rabbits" shall be amended in Section 17.04.500 "C" [General definitions] of the Paradise Municipal Code to be worded as follows:

"Backyard chickens and rabbits" means the long-term keeping and raising of chickens (excluding roosters) and rabbits, not to exceed a combined total of twelve chickens and rabbits, as a permitted ACCESSORY USE on the same SITE as an ESTABLISHED residential land USE as household pets and in accordance with Section 17.35.250.

SECTION 2. Section 17.35.250 [Backyard chickens and rabbits] of Chapter 17.35 [Animal Regulations] of the Paradise Municipal Code shall be amended to be worded as follows:

17.35.250 Backyard Chickens and Rabbits. Notwithstanding the requirements of Section 17.35.200, the long-term keeping and raising of chickens and rabbits shall be considered a permitted accessory land use to an established residential land use in residential zoning districts when conducted in accordance with the following standards:

- A. Chickens and rabbits, not to exceed a combined total of twelve chickens and rabbits, may be kept and raised upon residentially-zoned properties.
- B. Chickens kept and raised as permitted residential accessory land uses shall under no circumstances include roosters.
- C. Chickens and rabbits shall at all times be confined within pens, coops and other enclosed or fenced areas maintained a minimum distance of fifty lineal feet from any occupiable structure and shall be established in compliance with all applicable yard setback requirements.
- D. Pens, coops and other areas used to contain and/or confine chickens and rabbits shall be maintained in a clean and sanitary condition via frequent cleaning and removal of animal waste from the site and shall at no time become a source of offensive odors transmitted to adjacent properties.
- E. Nothing in this section shall be construed to reduce or waive minimum setback requirements from water wells or other facilities as required by the California Department of Water Resources or County Public Health Department standards.

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 13th day of January, 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Steve Crowder, Mayor

ATTEST:

Melanie Elvis, Town Clerk/Elections Official

APPROVED AS TO FORM:

Scott E. Huber, Town Attorney



Town of Paradise

Council Agenda Summary

Agenda Item: 6(g)

Date: January 13, 2026

ORIGINATED BY:

Colette Curtis, Recovery and Economic Development Director

REVIEWED BY:

Mike O'Brien, Interim Town Manager

SUBJECT:

Community Development Block Grant Disaster Recovery, Workforce Development Project Update

**LONG TERM
RECOVERY PLAN:**

Yes

COUNCIL ACTION REQUESTED:

1. Consider approving a Request for Proposals (RFP) to procure a contract with a compliance consultant to support project partners with compliance and reimbursement requirements of Department of Housing and Community Development (HCD) grant program; and,
2. Approve an updated MOU with project partners. (ROLL CALL VOTE)

Background:

After the 2018 Camp Fire, funding was appropriated by Congress through the Community Development Block Grant Disaster Recovery (CDBG DR) Program to provide recovery funding for disaster affected communities, including Butte County, and the Town of Paradise. CDBG DR funding was allocated for the 2017/2018 disasters in four areas:

1. Housing
2. Infrastructure
3. Workforce Development
4. Mitigation

Butte County was allocated \$18,700,000. To utilize these funds, the Town submitted an application for \$17,868,376.00 for a project to construct a workforce training center on the Paradise High School Property and other regional locations which would focus on resilient building and forestry technologies, as well as companion training, and be a resiliency hub for training in the region. The funds would be utilized to pay for the rehab of two existing buildings on the Paradise High School campus, and for the various training programs which would be run by our local training partners with the goal of providing workforce development training and job placement for up to 500 local residents.

Analysis:

Following the Town Council's consensus on December 12th to move the project forward with program adaptations, Town staff have continued to actively coordinate with project partners to move program forward. During this period, project budgets have been updated, and partner roles have been confirmed. Individual partner meetings are occurring on a weekly basis, with all partners meeting collectively on a monthly schedule that will increase to twice per month in the

spring. The Town continues to meet regularly with HCD staff to support the project.

In order to move forward with next steps, partners have requested updates to the Memorandum of Understanding (MOU) to reflect the current status of the project and to provide additional clarification regarding reimbursement and compliance processes. In addition, Town staff are seeking approval to proceed with the Request for Proposals (RFP) process to secure a compliance consulting firm to assist all partners in meeting project compliance and reimbursement requirements.

1. Approve Request for Proposal (RFP) to Procure a Compliance Consultant

Town staff recommends approval of the attached Request for Proposals (RFP) to procure a professional compliance consultant to support project partners with compliance, reporting, and reimbursement requirements associated with funding from the California Department of Housing and Community Development (HCD).

The consultant will assist in ensuring that all project activities, documentation, and reimbursement requests meet HCD program requirements, timelines, and audit standards. This support is intended to reduce administrative burden on project partners, improve compliance accuracy, and mitigate the risk of delayed or denied reimbursements.

Approval of this item will authorize Town staff to move forward with issuing the attached RFP and conducting the procurement process in accordance with applicable Town and funding agency requirements.

2. Approve Updated Memorandum of Understanding (MOU) with Project Partners

Town staff recommends approval of the attached and updated Memorandum of Understanding (MOU) with project partners. The proposed MOU includes minor revisions from the version previously approved by the Town Council. These updates are primarily intended to reflect the current status of the project and include the following:

- Updated language to reflect changes in project scope, implementation approach, and timeline.
- Updated budget figures to reflect the current status of the project. The overall project remains below the originally approved budget and is expected to decrease further as specific Paradise Unified School District (PUSD) improvements are identified.
- Inclusion of budget capacity to allow for the addition of future program partners, should they be identified. Any additional partners would require separate approval by the Town Council prior to being added to the MOU.
- Addition of Exhibit B that outlines the expected reimbursement process for partners.
- Addition of Exhibit C that will be the updated Standard Agreement between the Town and HCD. This document will be attached if this MOU update is approved and after being sent to HCD to be added to the Standard Agreement.

Approval of the updated MOU will ensure that project agreements remain current, accurate, clear and aligned with ongoing project implementation.

Financial Impact:

The Town applied for and was awarded \$17,868,367.00 for the workforce development center project discussed above.

The requested actions do not result in any impact to the Town's General Fund or other Town financial resources. All project-related expenditures are funded through grant revenues and are 100 percent reimbursable.

Approval of the Request for Proposals (RFP) to procure a compliance consultant authorizes Town staff to move forward with project implementation. Consultant costs will be included within the approved Town project budget and do not represent an increase in overall project expenses.

Approval of the updated Memorandum of Understanding (MOU) does not increase the overall program budget. The total project budget remains consistent with previously approved amounts, even with the inclusion of updated expense estimates by partners and the reservation of funds to accommodate potential future project partners.



REQUEST FOR PROPOSALS

TOWN OF PARADISE

RECOVERY AND ECONOMIC DEVELOPMENT DEPARTMENT

CDBG-DR Disaster Recovery Workforce Development (DR-Workforce) - Compliance Services

RFP #TOPWFD-2026

REQUEST FOR PROPOSALS PUBLICATION DATE: JANUARY 13, 2026

PROPOSAL SUBMISSION DEADLINE DATE: FEBRUARY 11, 2026

ISSUED BY

TOWN OF PARADISE

5555 SKYWAY

PARADISE, CALIFORNIA 95969

BRIAN SOLECKI

P. (530) 872-6291x165

BSOLECKI@TOWNOFPARADISE.COM

1) RESPONDENT ADMONISHMENT

Respondents are reminded that it is their responsibility to:

- ✓ Read carefully all of the content of this entire document and address all requirements and follow all procedures of this Request for Proposal (RFP).
- ✓ Ask for clarification before final due date of questions.
- ✓ Immediately inform the Town of any problems with this Solicitation.
- ✓ Be complete in response.
- ✓ Submit all responses by the required dates and times.

2) INTRODUCTION

The Town of Paradise seeks qualified compliance services to assist the Town and its project partners in ensuring ongoing compliance with all applicable federal, state, and local requirements tied to its HCD Standard Agreement and HCD DR-Workforce Policies & Procedures. The selected firm will act as the Town's compliance resource to support accurate documentation, reporting, reimbursement, and oversight throughout the project performance period.

The Town of Paradise intends to award a contract to a firm that will meet our qualification criteria and has successfully performed services on similar projects in the past. The successful firm will be required to enter into a contract with the Town for the services requested in this Request for Proposals (RFP) within a reasonable time after award. A firm submitting a proposal must be prepared to use the Town's standard contract form. The contract will include terms appropriate for this project. Generally, the terms of the contract will include, but are not limited to: (1) completion of the project within the timeframe provided; (2) no additional work authorized without prior written approval; (3) no payment without prior written approval; (4) funding availability; (5) termination of contract under certain conditions; (6) indemnification of the Town; (7) approval by the Town of any subcontractors; and (8) minimum appropriate insurance requirements.

3) BACKGROUND

The Town of Paradise experienced unprecedented devastation in the 2018 Camp Fire, which destroyed over 18,000 structures and claimed 85 lives. After the 2018 Camp Fire, funding was appropriated by Congress through the Community Development Block Grant Disaster Recovery (CDBG DR) Program to provide recovery funding for disaster affected communities, including Butte County, and the Town of Paradise. CDBG DR funding was allocated for the 2017/2018 disasters in four areas:

1. Housing
2. Infrastructure
3. Workforce Development
4. Mitigation

Butte County was allocated \$18,700,000. To utilize these funds, the Town submitted an application for \$17,868,376.00 for a project to develop a workforce training center on the Paradise High School Property and other regional locations which would focus on resilient building and forestry technologies, as well as companion training, and be a resiliency hub for training in the region. The funds would be utilized to pay for the rehab of two existing buildings on the Paradise High School campus, and for the various training programs which would be run by our local training partners with the goal of providing workforce development training and job placement for up to 500 local residents.

TIMELINE:

It is anticipated that project expenditures will begin to slowly ramp up in Q2 2026 and closeout of the project will be complete by Q3 of 2028.

Current Project Partners and Budgets:

Alliance for Workforce Development and Nortec	\$3,096,250.00
Town of Paradise	\$2,600,000.00
Valley Contractor Workforce Foundation	\$946,222.00
Paradise Unified School District Program	\$730,000.00
Butte College Program	\$3,444,971.89
Paradise Unified School District Improvements	\$5,948,378.00
Future Partners	\$1,000,000.00
Total	\$17,765,821.89

3) SCOPE OF WORK

3.1 General Compliance Monitoring & Technical Assistance

The firm will provide ongoing, proactive compliance support including but not limited to:

- a. Compliance Advisory Services
 - Advise the Town and partners on the interpretation and application of the HCD Standard Agreement and HCD DR-Workforce Policies & Procedures Manual. Cal HCD
 - Provide guidance on applicable *Cross-Cutting Federal Requirements*, including:
 - National Objective documentation,
 - Duplication of Benefits,
 - Section 3 compliance,
 - Cost reasonableness,
 - Procurement policies, and
 - Recordkeeping standards.
- b. Policy Integration

- Assist staff and partners in integrating HCD compliance requirements into project management systems and workflows.
- Recommend tools or processes to improve documentation and file quality.

3.2 Reimbursement Documentation Support

The consultant will assist in *tracking, compiling, reviewing, and submitting* reimbursement packets to the Town for submission to HCD:

- Review reimbursement requests for compliance with HCD standards, allowable costs, and documentation completeness.
- Coordinate with project partners to obtain necessary supporting evidence (timesheets, invoices, contracts, training logs, participant files, etc.).
- Ensure reimbursement submissions meet requirements for timeliness and accuracy.
- Respond to Town questions or requests for clarification on reimbursement documentation and discrepancies.

3.3 Compliance Reviews & Audits Support

- Conduct periodic compliance reviews of partner files, reimbursement submittals, and project reporting.
- Prepare internal compliance checklists and recommend corrective actions.
- Support Town's response to HCD monitoring visits or inquiries.
- Assist with audit preparation, including Single Audit considerations where applicable.

3.4 Reporting & Documentation

Provide or coordinate the following as needed:

- Monthly or quarterly compliance summaries to the Town.
- Compliance risk assessments for partners.
- Document templates, checklists, and guidance materials tailored to DR-Workforce compliance.
- Updates on changes to HCD requirements, policies, or reporting expectations.

3.5 Training & Capacity Building

Develop and deliver training for Town staff and partners on compliance requirements:

- Workshops on documentation best practices.
- Webinars or in-person sessions on reimbursement procedures.
- Customized training for new compliance issues or updates from HCD.

Deliverables:

Deliverable	Frequency/Timing
Compliance advisory support / on-call	Throughout project term
Reimbursement documentation review reports	With each reimbursement cycle
Internal compliance review reports	Quarterly or as defined
Training sessions & materials	Bi-annual or as needed
Compliance toolkits/checklists	Initial and updated versions

Deliverable	Frequency/Timing
Compliance summary reports	Monthly/Quarterly

Budget

- Funding for this project is through the Community Development Block Grant – Disaster Recovery – Mitigation – Planning and Public Services (CDBG DR MIT PPS), which is a congressional appropriation awarded by the Department of Housing and Urban Development (HUD) at the Federal level, and administered through the California Department of Housing and Community Development (HCD).

Responding firms shall submit a **detailed cost proposal** based on **hourly rates for services actually performed**, with an **overall Not-to-Exceed (NTE) amount** for the full term of the contract.

Hourly Rate Structure

Proposals shall include:

- A schedule of **hourly billing rates** by labor category (e.g., Project Manager, Compliance Specialist, Senior Reviewer, Administrative Support).
- Identification of which staff classifications will perform specific tasks described in the Scope of Work.
- Confirmation that rates include **all direct and indirect costs**, including overhead, administrative expenses, travel (if applicable), and profit.

Estimated Level of Effort

Firms shall provide:

- An **estimated level of effort** (hours) by task and labor category.
- An estimated **total contract cost**, calculated using the proposed hourly rates.
- A clearly stated **Not-to-Exceed (NTE) amount**, which shall not be exceeded without prior written authorization from the Town of Paradise.

Billing & Payment

- Compensation shall be based on **actual hours worked** at the approved hourly rates, up to the NTE amount.
- Invoices shall itemize hours worked by task, staff member, and billing rate and must be supported by sufficient documentation to meet HCD reimbursement and recordkeeping requirements.

Budget Flexibility

The Town anticipates that compliance support needs may vary over the course of the project. The selected firm must demonstrate the ability to:

- Adjust staffing levels and effort in response to project demands, and
- Provide compliance services efficiently while remaining within the approved NTE amount.

Cost Reasonableness

All proposed costs must be **reasonable, necessary, and allowable** in accordance with:

- The HCD Standard Agreement,
- The HCD DR-Workforce Policies & Procedures Manual, and
- Applicable federal and state grant requirements.

4) FORMAT FOR PROPOSALS

Responses to the Request for Proposals must be made according to the requirements set forth in this section, both for content and for sequence. Failure to adhere to these requirements, or inclusion of conditions, limitations or misrepresentations in a response may be cause for rejection of the submittal. Use 8-1/2" x 11" sheets (fold outs are acceptable for charts, etc.). Type size must be large enough to be easily legible, but shall not be smaller than 10 point. The Town shall receive all Submissions no later than Wednesday February 11 by 5pm.

a) The response shall include a cover letter, a table of contents and all items listed below and shall be in the following format:

- Submit an electronic copy directed only to Brian Solecki at bsolecki@townofparadise.com. Vendors are encouraged to keep their submittals to less than 10MB in size to ensure delivery.
- The Town shall receive all submissions no later than 5:00PM, February 11, 2026
- Submissions shall be in the order noted below.
- Submissions may also include color and fold out charts and graphs.

Mandatory Content and Sequence of Submittal:

- i) Cover Letter shall be a maximum two-page Cover Letter and introduction, and shall include the name and address of the respondent submitting the proposal, together with the name, address and telephone number of the contact person who will be authorized to make representations for the respondent, the respondent's federal tax ID number and a list of subcontractors, if any.
- ii) Table of Contents shall be a detailed Table of Contents and shall include an outline of submittal, identified by sequential page number and by section reference number and section title as described therein.
- iii) Respondent's Experience Summary shall be a maximum of eight pages (not including

resumes) in length and shall describe the respondent's experience in writing similar strategic plans or studies. A resume(s) should be included for any key personnel to be assigned to this project. The proposal shall also include the timeline for completing all required tasks. Describe related past projects completed along with a discussion comparing similarities with this proposed project.

This section shall also contain a comprehensive list of references preferably including municipalities or government agencies wherein similar services were performed. At a minimum, the following information must be included for each client reference:

- Client name, address, contact person name, telephone number, fax number and email address.
- Detailed description of services provided similar to the services outlined in the Draft Scope of Work.

iv) Firm Capabilities shall be a maximum of six pages entitled "Firm Capabilities", and shall include a description of the proposing Respondent's resources for successfully developing and completing this project. (Resources can include firm's stability, staffing, support services, product quality/availability, method of delivery, etc.)

v) Cost shall detail the cost portion of the proposal. Respondent shall provide pricing based on the expected services provided. Respondent shall provide an itemized breakdown by tasks and deliverables. Prices quoted shall be valid for at least ninety (90) days following the proposal submission deadline and if a contract is entered into as a result of this RFP, shall become fixed for the term of the contract.

If an hourly rate is quoted, the anticipated total number of hours should be included along with a not-to-exceed price for the project.

vi) Draft Scope of Work shall be identified as "Attachment III – Scope of Work" for incorporation in the Model Contract as the final contract to be awarded to the successful respondent. This is the document in which the proposing respondents are requested to describe the work they will perform to complete this project. Should there be any tasks that are expected to be performed by the Town, these should also be clearly described as Town tasks in the Draft Scope of Work. If the proposing respondent included a not-to-exceed price in the proposal, proposed billing rate for all reimbursable expenses should be included in the Draft Scope of Work.

5) SELECTION PROCESS

A selection team comprised of Town Staff will evaluate the proposals and make a recommendation to Paradise Town Council for award. The criteria for selecting the firm is provided below:

- 1) Reputation and Experience. Does the contractor have a reputation of being reliable, delivering on schedule, and performing tasks to the satisfaction of its clients? Does the contractor have sufficient experience in the work required? This will primarily be based on references and the background section of Contractor Capabilities, unique

qualifications you present in Firm's Experience Summary, but may also be based upon any information the Town may have first-hand or from a reliable source.

(2) Capability and Availability of Staff. Does the designated firm have the qualified and experienced staff needed to perform this job within the timeline provided? This will primarily be based upon the staff presented, their qualifications, experience, resumes and personal references, but may also be based upon any information the Town may have first-hand or from a reliable source.

(3) Understanding Project Deliverables. Does the firm understand the issues and has it developed a relevant and effective approach? This will primarily be based upon the work plan you submit. It may also be based upon references and how they describe your approach, product, work style and ethics.

(5) Cost. Is the cost reasonable for the proposed task, and is the cost within the budget for this project?

(6) Previous Works Excerpts. Does the firm's demonstrated experience exhibit a professional quality? This will primarily be based upon the example work cited, your website and any other representation of your firm in terms of professional caliber.

(7) Overall Impression. This category will be a composite of each Panel member's comprehensive assessment and opinion of the entire presentation by your firm.

6) SUBMITTAL EVALUATION

Overall criteria used to evaluate responses may include:

Criteria	Weight
Reputation & Experience	25%
Capability & Availability of Staff	20%
Understanding Project Deliverables	20%
Cost	15%
Previous Work Excerpts	15%
Overall Impression	5%
Total:	100%

Selection may consist of two levels of review. Level I will consist of evaluating the proposals for the purpose of establishing the most qualified respondents. The selection team may choose to interview the top scoring proposals to make a final decision. The interview may be conducted virtually.

The Town may discuss the proposals and negotiate modifications of the proposal, draft scope of work, terms and conditions and pricing with the prospective firms as a part of the selection process.

7) RULES OF PROCUREMENT

Anticipated Time-Line

Event	Anticipated Date/Time (Subject to Change)
Solicitation Publication	January 15, 2026
Final Date to Submit Questions and Requests for Clarification	January 29, 2026, at 5:00pm
Questions Answered via Addendum(s)	February 3, 2026
RFP Submittals Due	February 11, 2026, at 5:00pm
Preliminary Evaluation Completed	February 20, 2026
Presentation/Demonstration (if desired)	February 23-25, 2026
Evaluation Completion	February 27, 2026
Award of Contract	March 11, 2026

Town Contact Information

Any and all communication regarding this Solicitation shall be in email and directed to:

Brian Solecki
Recovery and Economic Development Project Manager
Town of Paradise
5555 Skyway
Paradise, CA 95969
530.872.6291 x 165
bsolecki@townofparadise.com

This person will serve as the Town's contact person for this project who will also respond directly for questions and inquiries during the solicitation. **Do not** contact other Town personnel or selection committee members regarding this project or the selection procedures.

Firms interested in participating in this solicitation are encouraged to register at the Public Purchase website: www.publicpurchase.com.

Questions:

Questions and requests for clarification may only be submitted by e-mail. Verbal and phone inquiries will not be answered. All questions and requests for clarification shall be submitted no later than **01/29/26 at 5:00 pm**. The Town will provide answers and clarifications via

public purchase by 02/3/26 at 5pm.

8) **TOWN NOTICES**

All proposing firms responding to this RFP should note the following:

- a) All work performed for Town of Paradise, including all documents associated with the project, shall become the exclusive property of Town of Paradise.
- 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 Town of Paradise.
- 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 Town of Paradise. 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) Firms that submitted a proposal in response to an 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 Brian Solecki at bsolecki@townofparadise.com
- n) Firms that 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 Town Clerk, 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) The withdrawal of any submittal 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.

9) DISCLOSURE OF INFORMATION

All information and materials submitted to the Town in response to this RFP may be reproduced by the Town for the purpose of providing copies to authorized Town personnel involved in the evaluation of the proposals, but shall be exempt from public inspection under the California Public Records Act until such time as a Contract is executed. Bid awards are a matter of public record. Once a Contract is executed, proposals submitted in response to this RFP are subject to public disclosure as required by law. Your submission of a proposal is considered your consent to the Town's disclosure of the proposal. The Town shall not be liable for disclosure of any information or records related to this procurement.

Exhibit A

INSURANCE REQUIREMENTS FOR PROFESSIONAL SERVICES

Insurance Requirements

The Contractor, in advance of performing activities on the work under the Agreement between the Town and the Contractor, shall, at no expense to the Town, obtain the following insurance policies:

The Contractor shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor or Contractor's agents, representatives, employees or subcontractors.

If applicable to Contractor, coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office 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 or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering Code 1 (any auto), with limits no less than **\$2,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation:** Insurance as required by the State of California, with Statutory Limits, and Employers' Liability insurance with a limit of no less than **\$1,000,000** per accident for bodily injury or disease.
4. **Error and Omission Insurance:** **\$1,000,000** in coverage.

Any deductibles or self-insured retention must be declared to and approved by the Town. At the option of the Town, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Town, its officers, officials, employees and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the Town guaranteeing payment of losses and related investigations, claim administration and defense expenses.

The general liability and automobile liability policies shall contain, or be endorsed to contain, the following provisions:

1. The Town, its officers, officials, employees, and volunteers shall be covered as additional insured with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the contractor; and with respect to liability arising out of project work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such project work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance, or as a separate owner's policy.
2. For any claims related to this work, the Contractor's insurance coverage 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 the Contractor's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Town.

Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A:VII.

Contractor shall furnish the Town with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the Town or on other than the Town's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the Town before work commences. The Town reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

Contractor shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to all the requirements stated herein.

All liability insurance policies shall be maintained for the duration of work construction and for 3 years after completion of the work.

Contractor hereby agrees to waive rights of subrogation that any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement 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 Town for all work performed by the Contractor, its employees, agents, and subcontractors.

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE TOWN OF PARADISE, BUTTE COLLEGE,
NORTHERN RURAL TRAINING AND EMPLOYMENT CONSORTIUM,
PARADISE UNIFIED SCHOOL DISTRICT, ALLIANCE FOR WORKFORCE
DEVELOPMENT INC,
VALLEY CONTRACTOR WORKFORCE FOUNDATION, AND ANY FUTURE
ADDED PROJECT PARTNERS**

This Memorandum of Understanding (“MOU” or “Agreement”) between the Town of Paradise (“Town”) Butte College (“Butte College”), Paradise Unified School District (“PUSD”), Northern Rural Training and Employment Consortium (“NoRTEC”), Alliance for Workforce Development (AFWD) and Valley Contractor Workforce Foundation (“VCWF”) is made regarding the establishment of a workforce training program to be placed at the Paradise High School campus and/or other Butte County locations to focus on resilient and other related workforce needs, drawing from the region’s unique experiences in rebuilding after the 2018 Camp Fire. The parties to this agreement are sometimes referred to herein as a “Party” or collectively as “Parties.” This Agreement is made on [REDACTED], 2026 (“Effective Date”).

WHEREAS, the Town of Paradise has applied for and been awarded funding through CDBG-DR Workforce Development to pay for the costs associated with the establishment of a workforce training center entitled Paradise Resilient Infrastructure and Sustainable Education Center (“Paradise RISE Center”) to serve high school students and adults; and

WHEREAS, the Paradise RISE Center would be located on the Paradise High School campus as well as other necessary Butte County locations and would include training programs and support services provided through VCWF, AFWD, Butte College, PUSD and other relevant partners identified as beneficial, as well as supportive services and career assistance through NoRTEC and Alliance for Workforce Development; and

WHEREAS, the Parties share a mutual interest in collaborating to ensure that there are sufficient educational opportunities for high school students and adults in the Paradise community to provide workforce training and education in areas of unique significance to the Paradise community; and

WHEREAS, the Parties agree to work together in a collaborative effort for the success of the Paradise RISE Center.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

Section 1. The recitals above are true and correct and are incorporated as material terms of this Agreement as if fully set forth herein.

Section 2. The Town has applied for and been awarded a grant through the Community Development Block Grant – Disaster Recovery (“CDBG-DR”) program to fund the Paradise RISE Center, as outlined above.

Section 3. Subject to the already approved and authorized CDBG-DR grant funding, Butte College, PUSD, NoRTEC, AFWD and VCWF agree to provide the programs and services as outlined in Exhibit A to meet the timelines, milestones, and goals as outlined therein.

Section 4. Upon providing the programs and services as outlined in Exhibit A, the Parties will apply to the Town for reimbursement from the CDBG-DR grant funds received by the Town, subject to any limitations imposed by the terms and conditions of the grant standard agreement (Exhibit C) from which such funding originates. The Parties agree to provide any documentation required by the Town and/or the CDBG-DR grant. Reimbursement process shall be followed as outlined in Exhibit B.

Section 5. The Town shall not be responsible for any reimbursements to the Parties beyond the CDBG-DR funding received through the grant. In the event that the grant funds are exhausted, the Town will notify the Parties as soon as practicable.

Section 6. Each party shall indemnify, defend, protect, hold harmless, and release the others, their officers, agents, and employees, from and against any and all claims, loss, proceedings, damages, causes of action, liability, costs, or expense (including attorneys' fees and witness costs) arising from or in connection with, or caused by any act, omission, or negligence of such indemnifying party or its agents, employees, contractors, subcontractors, or invitees.

Section 7. This agreement may not be assigned by any Party to any third party without the express written consent of the other Parties.

Section 8. This Agreement may be terminated at any time by any Party with thirty (30) days' advance notice provided to the other Parties.

Notices to the Town shall be provided to:

Town Manager
Town of Paradise
5555 Skyway
Paradise, CA 95969

Notices to Butte College shall be provided to:

Jessica A. Snelling, MBA, Vice President for Administrative Services &
Linda Zorn, Executive Director, Economic and Workforce Development
Butte-Glenn Community College District
2480 Notre Dame Blvd.
Chico, CA 95928

Notices to Northern Rural Training and Employment Consortium shall be provided to:

Wendy Zanotelli, Executive Director
NoRTEC Workforce Development Board
11 Ilahie Ln.
Chico, CA 95973

Notices to Paradise Unified School District shall be provided to:

Betsy Amis, Superintendent
Paradise Unified School District
6696 Clark Rd.
Paradise, CA 95969

Notices to Valley Contractor Workforce Foundation shall be provided to:

Melissa Crick, Executive Director
Valley Contractors Workforce Foundation
951 E. 8th St.
Chico, CA 95928

Notices to Alliance for Workforce Development Inc, shall be provided to:

Kristina Zuazua, Executive Director
PO BOX 3750
Quincy, CA 95971

Section 9. This Agreement is the entire agreement between the parties, there are no oral agreements. No amendment to this Agreement shall be valid unless in a writing signed by all Parties.

Section 10. If any provision of this agreement that is deemed by a court of competent jurisdiction to be illegal, invalid, void or unenforceable, the remaining portions shall remain in full force and effect.

SO AGREED.

For the Town:

Date:

By: _____
Town Manager
Town of Paradise

For Butte College:

Date:

By: _____
Jessica A Snelling, VP for Administrative Services
Butte College

For Paradise Unified School District:

For Valley Contractor Workforce Foundation:

Date:

By: _____
Betsy Amis, Superintendent
Paradise Unified School District

Date:

By: _____
Melissa Crick, Executive Director
Valley Contractor Workforce Foundation

For Northern Rural Training and Employment Consortium:

Date:

By: _____
Michael Cross, Executive Director
Northern Rural Training and Employment Consortium

For Alliance for Workforce Development Inc:

Date:

By: _____
Kristina Zuazua, Executive Director
Alliance for Workforce Development Inc

Exhibit A – Budget

Overall Budget Update:

Below you will find the updated program budget. Numbers have been updated to reflect current program conditions after the delay in the planned launch of the program. It is expected that the facilities improvements budget will decrease significantly as actual improvements are identified in early 2026.

	Previous	New	Change
AFWD & Nortec	\$5,400,000.00	\$3,096,250.00	-\$2,303,750.00
TOP	\$2,600,000.00	\$2,600,000.00	\$0.00
VCWF	\$842,222.00	\$946,222.00	\$104,000.00
PUSD Programming	\$585,000.00	\$730,000.00	\$145,000.00
Butte College	\$2,492,775.00	\$3,444,971.89	\$952,196.89
PUSD Improvements	\$5,948,378.00	\$5,948,378.00	\$0.00
Future Partners	\$0.00	\$1,000,000.00	\$1,000,000.00
Total	\$17,868,375.00	\$17,765,821.89	-\$102,553.11

Training Program:

Training programs within the facility will be administered by several local partners, including Paradise Unified School District, Butte College, and the Valley Contractor's Exchange. NoRTEC and the Alliance for Workforce Development will provide supportive services for outreach, enrollment and job placement assistance. Additional training partners could be identified later in the project.

Paradise Unified School District:

Public Facility Improvements:

The project aims to update an existing building on Paradise High School campus located at 5911 Maxwell Drive in Paradise. The building is 10,100 square feet, and currently consists of CTE training space with some equipment, as well as classroom space. The interior of the space would be rehabilitated to current training standards for the training programs intended to occupy the space. The scope of work for the facility improvements would update the facility with for current equipment used in welding, sheet metal work, plumbing, electrical, and construction/wood working training. This budget is expected to decrease significantly as actual improvements are identified.

PUSD Site Improvements Auto Shop/Welding Rehab	\$2,687,639.00
PUSD Site Improvements Construction Tech Rehab	\$1,683,182.00
PUSD Site Improvements Shop/Classroom Rehab	\$1,577,557.00
Total Estimated Partner Cost	\$5,948,378.00

Currently PUSD offers training for students in the trades fields. The training takes place in Construction and Agriculture Programs. At this time PUSD employs one full time teacher and only students from Paradise High School are eligible to enroll in these training programs. It is the intention of PUSD to hire an additional staff member, and purchase equipment to allow for the expansion of their existing program for High School students, and provide the necessary facility space for other programs that will utilize the facility for adult learners. offered to Paradise High School students are free, with Paradise High School students documenting the LMI status of enrollees. These programs would be offered at no cost to income eligible adult students who demonstrate LMI eligibility.

PUSD Staffing (Additions)	\$150,000.00
PUSD Administrative Staffing	\$180,000.00
PUSD Training Equipment	\$400,000.00
Total Estimated Partner Cost	\$730,000.00

Butte College:

The intent of these programs is to harness Paradise High School students into local programs and jobs, to introduce them to pathways into higher education at Butte College, and to provide opportunities for other area adult learners on evenings, weekends, and summers.

Butte College CNA	\$101,492.00
Butte College ITEC-55	\$254,858.00
Butte College Utility Line Clearance/Arborist Training	\$1,270,572.00
Butte College Utility Vegetation Management Pre-Inspector Class	\$548,819.00
Butte College Heavy Equipment Class	\$909,985.00
Project Management	\$359,245.89
Total Estimated Partner Cost	\$3,444,971.89

Valley Contractor Workforce Foundation (VCWF):

Will offer program courses that provide hands-on-tools construction training and mentorship to engage, and employ them to build homes, businesses and communities. Coursework will:

- Provide a local training option in industry-required safety trainings such as Title 8, OSHA and Cal-OSHA.
- Support and upskill the existing construction workforce in underrepresented specialty trades to meet the increased demand for construction industry workers.
- Ensure the next generation construction workforce has the skills to secure a career with a living wage salary.

VCWF Administrative Salaries	\$96,000.00
VCWF Instructor Salaries	\$216,000.00
VCWF Carpentry, Electrical, Plumbing Training Equipment	\$322,222.00
VCWF Staffing and Administrative Costs	\$312,000.00
Total Estimated Partner Cost	\$946,222.00

Staffing needs: The program would require a full-time instructor as well as an administrator for program oversite. Additionally, we would bring in Industry professionals to aid in hands on training.

Alliance for Workforce Development (AFWD) & NorTEC (Northern Rural Training and Employment Consortium)

Alliance for Workforce Development, Inc. (AFWD), in partnership with NoRTEC, will implement a comprehensive workforce development project serving approximately 500 eligible participants over a 24-month project period using Community Development Block Grant – Disaster Recovery (CDBG-DR) funds administered by the Town of Paradise and overseen by the California Department of Housing and Community Development (HCD).

The project is designed to support workforce recovery efforts in disaster-impacted and underserved areas of Butte County by reducing barriers to training and employment, improving access to services, and facilitating placement into unsubsidized employment. Services will include participant intake and eligibility verification, individualized case management, supportive services, training coordination, and employment placement through On-the-Job Training (OJT) and Work Experience (WEX) opportunities.

To ensure strict compliance with HCD CDBG-DR administrative, reporting, monitoring, and outreach requirements, NoRTEC will serve as a subcontractor responsible for grant-specific administrative oversight, reporting to the Town, compliance monitoring, and all required public outreach activities. This structure establishes clear separation of duties between program implementation and grant compliance.

Personnel – Direct Program (AFWD)	\$275,000.00
Personnel – Support / Administrative (AFWD)	\$100,000.00
Fringe Benefits (35%)	\$131,250.00
Software (MyOneFlow – 2 years)	\$60,000.00
Supportive Services	\$600,000.00
Training Support Services	\$200,000.00
OJT / WEX Placements	\$1,125,000.00
Mobile Workforce Services Unit	\$450,000.00
Operating & Supplies	\$75,000.00
NoRTEC Subcontract	\$80,000.00
Total Estimated Partner Cost	\$3,096,250.00

Town of Paradise Administration: \$2,600,000

The Town of Paradise will be responsible for all grant administration. These tasks will be performed by Town Staff and consultants procured to partner with the Town and partners.

Future Partners: \$1,000,000

Due to current budget changes, it may be possible to add future training partners to the program. Future partners beneficial to the goals of the program would be identified by Town staff and current partners. New program providers would only be added to the MOU and program schedule after being approved by the Town Council at a future meeting.

Exhibit B – Reimbursement & Monitoring

I. Purpose

The intent of this Exhibit B is to ensure the effective, efficient, and compliant implementation of the CDBG-DR Town of Paradise Workforce Development Project. This exhibit establishes responsibilities and procedures for financial and programmatic management, reimbursement, documentation, and oversight. All parties agree to maintain compliance with all applicable federal, state, and local statutes, regulations, and policies as outlined in Exhibit C – Paradise Rise Center Standard Agreement

II. Authority

This overall MOU is entered into pursuant to the statutory and regulatory authority of the Community Development Block Grant – Disaster Recovery (CDBG-DR) Program, as administered by HUD and the California Department of Housing and Community Development (HCD). The terms of this MOU are subject to all applicable federal and state laws, including procurement standards, cost allowability, labor standards, civil rights requirements, and record retention rules.

III. Reimbursement Roles and Responsibilities

A. Town of Paradise

The Town shall:

1. Administer the reimbursements of the project in accordance with all applicable laws, regulations, and program requirements.
2. Provide technical assistance through a program compliance consultant available to the Partner regarding compliance, documentation, and eligible activities.
3. Provide a Project Compliance Consultant to work with any partner to review reimbursement requests for completeness, accuracy, eligibility, and compliance with CDBG-DR cost principles.
4. Accept all reimbursement requests complete and ready for submission.
5. Disburse funds to the Partner within thirty (30) business days of receiving complete reimbursement request.
6. Notify the Partner promptly of deficiencies, required corrections, or disallowed costs identified by the Town, HCD, HUD, or their auditors.
7. Maintain oversight and monitoring of Project implementation, including both financial and programmatic compliance.
8. Submit expenses to HCD for reimbursement to the Town.
9. Report to HCD on Partner progress, expenditures, and outcomes as required.

B. Partner Agency

The Partner shall:

1. Carry out all Project activities in compliance with applicable federal, state, and local requirements, including procurement, financial management, and labor standards (Davis-Bacon, if applicable).
2. Ensure that all expenditures are necessary, reasonable, allocable, and adequately supported per 2 CFR Part 200.
3. Work with Town Compliance Consultant for any needed support to maintain accurate and complete records, including but not limited to: invoices, receipts, time and effort certifications, payroll and fringe documentation, procurement solicitations and contracts, participant eligibility data, and performance outcomes.
4. Submit reimbursement requests to the Town no less than monthly (unless otherwise approved in writing), with all required supporting documentation.
5. Respond to Town requests for corrections or additional information within ten (10) business days.
6. Retain all financial and programmatic records for at least five (5) years after grant closeout, or longer if required by federal/state law.
7. Ensure subrecipients, contractors, or consultants engaged by the Partner also comply with CDBG-DR requirements.
8. Repay any funds determined to be unsupported, ineligible, or disallowed within thirty (30) days of written notice from the Town.
9. Immediately report any suspected fraud, waste, abuse, or conflict of interest to the Town.

IV. Reimbursement Process and Timelines

1. Reimbursements shall be made strictly on a cost-incurred basis; no advance payments are permitted.
2. All reimbursement requests must include:
 - o A summary cover sheet of costs;
 - o Detailed expenditure reports;
 - o Copies of invoices/receipts;
 - o Proof of payment (e.g., cancelled checks, ACH confirmations);
 - o Applicable payroll records and time certifications; and
 - o Documentation of procurement compliance, if applicable.
 - o Any other documents identified by Compliance Consultant through technical assistance to partners.
3. The Partner acknowledges that reimbursement is contingent upon:
 - o Submission of a complete, compliant request;
 - o Approval by the Town Financial Team;
4. The Town shall not be liable for reimbursement delays outside its control.
5. Ineligible or disallowed costs identified by HCD, HUD, or audit shall be the sole responsibility of the Partner.

V. Monitoring, Audits, and Compliance

1. Both parties agree to fully cooperate with monitoring, audits, inspections, or reviews conducted by the Town, HCD, HUD, HUD OIG, the U.S. Government Accountability Office (GAO), or any other authorized entity.
2. The Partner shall make all records, staff, and facilities available for review upon request.
3. Findings of non-compliance may result in corrective actions, suspension of reimbursements, or repayment obligations.
4. The Partner is subject to the federal Single Audit Act if annual expenditures of federal funds exceed \$750,000. A copy of the Partner's annual audit shall be submitted to the Town within 30 days of issuance.
5. Both parties agree to maintain adequate internal controls to prevent misuse of funds and to ensure compliance with all applicable requirements.

**Exhibit C – Project Standard Agreement between the Department of
Housing and Community Development and the Town of Paradise.**

If approved, this updated MOU document will be sent to HCD and the standard agreement will be updated with the language contained in this document. The updated standard agreement will be attached before final approval of this MOU by partners.



Town of Paradise

Council Agenda Summary

Agenda Item: 6(h)

Date: January 13, 2026

ORIGINATED BY:

Colette Curtis, Recovery and Economic Development Director

REVIEWED BY:

Mike O'Brient, Interim Town Manager

SUBJECT:

Utility Box Mural Project Art Use

**LONG TERM
RECOVERY PLAN:**

Yes

COUNCIL ACTION REQUESTED:

1. Give direction to staff on disposition of original art from phase 1 of the Utility Box Mural Project. (ROLL CALL VOTE)

Background:

In August 2025, 6 pieces of artwork were selected for phase 1 of the Paradise Utility Box Mural Project and were installed on 6 utility boxes in Town. The goal of this project was to increase public art in Paradise and showcase local artists. Phase 2 of this project, which will install artwork on the remaining 9 utility boxes, is underway now. The guidelines for this project state that all original artwork selected for installation is owned by the Town of Paradise.

Analysis:

With Phase 1 complete, the original artwork from the 6 installations is in the Town's possession. There are several options for the disposition of this artwork:

1. Frame and display the artwork at Town buildings, such as Town Hall, the BRC, Animal Shelter, Police Station, Fire Stations, etc.
2. Donate the artwork to a local organization such as the Paradise Art Center, Gold Nugget Museum, or other group.

Council may also direct staff on an alternative disposition.

Financial Impact:

Option 1, framing the artwork, would require approximately \$2,500 to frame the pieces. There is no cost associated with donating the pieces to local organizations.



Town of Paradise

Council Agenda Summary

Agenda Item: 6(i)

Date: January 13, 2026

ORIGINATED BY:

Aimee Beleu, Finance Director/Town Treasurer

REVIEWED BY:

Michael O'Brien, Town Manager

SUBJECT:

Development Impact Fees Report for the Town of Paradise
for Fiscal Year Ended June 30, 2025

COUNCIL ACTION REQUESTED:

1. Adopt Resolution No. 2026-___, "A Resolution of the Town Council of the Town of Paradise, California, Reporting Unexpended Development Impact Fees in Accordance with Government Code Section 66006." (ROLL CALL VOTE)

Background:

In April 1995, the Town of Paradise adopted a Development Impact Fee Program to address the cost of facilities and capital needs generated by residential and commercial new development. The purpose was to ensure that new growth paid its own way and didn't burden existing revenue sources. In January 2001, the program and associated fees were revised and updated. The program has five basic elements:

- Fire Facilities, Training and Equipment
- Law Enforcement Facilities, Training and Equipment
- Traffic Control Facilities
- Streets and Thoroughfares
- Drainage Facilities

In accordance with Section 66006 of the Government Code, the Town is required to prepare an annual report related to development impact fees. This report must contain the following information and be available to the public 15 days prior to review at a public meeting:

1. A brief description of the type of fee in the fund.
2. The amount of the fee.
3. The beginning and ending amount of each fund.
4. The amount of the fees collected, and interest earned.
5. An identification of each public improvement on which fees were expended and the percent of the public improvement funded with the fees.
6. An identification of approximate dates by which the construction of the public improvements will commence if the Town determines that sufficient funds have been collected to complete the project.
7. A description of each interfund transfer or loan made from the fund (if any).
8. The amount of refunds made of fees collected (if any).

Analysis:

Staff has completed a resolution with attached addendum, which includes the required legal information for review and adoption. It reports on development impact fees for the fiscal year ended June 30, 2025. Staff continues to monitor each impact fee account balance and look for funding opportunities for the projects identified in the 2001 study.

Financial Impact:

There is no financial impact to the Town of preparing and presenting these development impact fee reports.

TOWN OF PARADISE
RESOLUTION NO. 2026-_____

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PARADISE, CALIFORNIA,
REPORTING UNEXPENDED DEVELOPMENT IMPACT FEES IN ACCORDANCE WITH
GOVERNMENT CODE SECTION 66006**

WHEREAS, Government Code section 66006 requires the Town to annually disclose to the public information concerning development impact fees it has received in connection with the approval of development projects; and

WHEREAS, pursuant to Government Code Section 66006, the Town made the information pertaining to the funds and improvements relating to development impact fees available to the public on **December 30, 2025** after mailing notice thereof to any interested party who has filed a written request with the Town Clerk for such information.

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

Section 1. Pursuant to Government Code section 66006, the Town Council made available to the public all required information for fiscal year ended June 30, 2025 as stated in the reports attached to this resolution.

Section 2. After considering the available information and all written and oral evidence provided to it, the Council hereby finds that impact fees collected by the Town of Paradise are proper and allocated in a manner that maximizes economic growth. Further, the Council finds that the development impact fees in all material respects are collected, allocated and accounted for in compliance with the requirements of the Government Code.

PASSED AND ADOPTED by the Town Council of the Town of **Paradise this 13th day of January 2026** by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Steve Crowder, Mayor

ATTEST:

By: _____
Melanie Elvis, CMC, Town Clerk

APPROVED AS TO FORM:

By: _____
Scott E. Huber, Town Attorney

Town of Paradise**Statement of Revenues, Expenditures, and Change in Fund Balances****Streets and Thoroughfares (Fund 2510)****For Fiscal Year Ended June 30, 2025**

Streets and Thoroughfares Impact Fees are necessary and imposed on new development in order to mitigate the impact of increased traffic on the Town's roadways. The originally adopted Management Services Institute Development Impact Fee Report indicates that street shoulder widening, street widening, road extension and connections will be necessary to keep traffic moving smoothly throughout Town as development continues. In January 2001 the schedule of development impact fees projects were updated and revised.

July 1, 2024 -**June 30, 2025**

Beginning Balance	729,707.28
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Revenues:

Impact Fees Collected: * 12,142.47

Interest and Other Earnings: -

Total Revenues:	12,142.47
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Expenditures:

Total Expenditures:	-
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Ending Fund Balance	741,849.75
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* Fees Calculated and Collected According to Resolution No. 01-04

EXHIBIT A - SCHEDULE 4.2

TOWN OF PARADISE
DEVELOPER FEES DETAIL
STREETS AND THOROUGHFAVES (Revised 1/24/00)

LINE #	DESCRIPTION	LINEAR FEET	ESTIMATED COST	CONSTRUCTION NEEDS RESULTING FROM NEW DEVELOPMENT			APPORTIONED DOLLAR COST		
				% NEED	APPORTIONED DOLLAR COST	% NEED	LOCAL IMPACT	TOWN-WIDE IMPACT	OUTSIDE TOWN
STREET SHOULDER WIDENING									
ST-01	SOUTH LIBBY ROAD FROM BENNETT TO PEARSON	4,224	\$ 462,625	60	\$ 277,575	40	\$ 185,050	0	0
ST-02	SAW MILL ROAD FROM PEARSON TO MAGADON	2,570	318,467	60	191,080	40	127,387	0	0
ST-03	EDGEGOOD ROAD FROM PEARSON TO SIO MARSTON	5,400	548,729	60	329,237	40	219,492	0	0
ST-04	PENTZ ROAD FROM PEARSON TO SOUTH TOWN LIMITS	5,228	548,069	10	54,807	90	0	\$ 383,648	\$ 164,421
ST-05	PENTZ ROAD FROM BILLE TO PEARSON	8,800	884,197	15	132,630	85	0	751,567	0
ST-06	ROE ROAD FROM NEAL TO EAST TERMINUS	10,000	1,163,406	70	814,384	30	349,022	0	0
ST-07	NEAL ROAD FROM SKYWAY TO SOUTH TOWN LIMITS	9,900	915,320	40	366,128	60	274,596	274,596	0
ST-08	SCOTTWOOD FROM BUSCHIMANN TO KINSEY	5,050	467,803	30	140,341	70	280,682	46,780	0
ST-09	OLIVER ROAD FROM BILLE TO VALLEY VIEW	1,900	196,175	15	29,426	85	166,749	0	0
STREET WIDENING (FROM 2 TO 4 LANES)									
ST-10	SKYWAY FROM NORTH OF BILLE TO PENITZ	15,600	2,875,780	16	431,367	85	0	287,578	\$ 2,156,835
ST-11	CLARK ROAD FROM NORTH OF WAGSTAFF TO SKYWAY	7,560	1,219,316	15	182,897	85	0	121,932	914,487
STREET EXTENSIONS & CONNECTIONS									
ST-12	BUSCHIMANN FROM FOSTER TO SKYWAY	1,900	248,400	15	37,260	85	0	211,140	0
ST-13	ELLIOTT, FROM NIELSEN TO KIBLER	1,000	153,497	15	23,025	85	0	130,472	0
ST-14	FOREST SERVICE ROAD FROM SKYWAY TO CLARK	3,200	455,362	15	68,304	85	387,058	0	0
ST-15	KELLER FROM SAWMILL TO SOUTH LIBBY	1,400	236,583	50	118,292	50	118,291	0	0
ST-16	BENNETT FROM SOUTH LIBBY TO EDGEWOOD	2,750	405,711	60	243,427	40	162,284	0	0
Miscellaneous Projects									
ST-17	MISC. IMPROVEMENTS - WESTSIDE AREA	...	\$ 789,227	0	0	100	\$ 789,227	0	0
ST-18	MISC. IMPROVEMENTS - SOUTHSIDE AREA	...	492,200	0	0	100	492,200	0	0
TOTAL ESTIMATED PROJECT COSTS				\$ 12,380,867	\$ 3,440,180		\$ 3,552,038	\$ 2,207,713	\$ 2,335,743

Town of Paradise**Statement of Revenues, Expenditures, and Change in Fund Balances****Traffic Control Facilities (Fund 2520)****For Fiscal Year Ended June 30, 2025**

The Town's growth will impact the level of congestion on all of the Town's roadways which is the reason Traffic Control Facilities Impact Fees are necessary and imposed on new development. The originally adopted Management Services Institute Development Impact Fee Report further explains that construction of new signals will be needed to avoid congestion in the future. In January 2001 the schedule of development impact fees projects were updated and revised.

**July 1, 2024 -
June 30, 2025**

Beginning Balance	82,960.61
Revenues:	
Impact Fees Collected: *	964.46
Interest and Other Earnings:	
Total Revenues:	964.46
Expenditures:	-
Total Expenditures:	-
Ending Fund Balance	83,925.07

* Fees Calculated and Collected According to Resolution No. 01-04

EXHIBIT A - SCHEDULE 5.2

TOWN OF PARADISE
DEVELOPER FEES DETAIL
TRAFFIC CONTROL FACILITIES (Revised 1/24/00)

LINE #	DESCRIPTION	ESTIMATED COST	% NEED	APPORTIONED DOLLAR COST	CONSTRUCTION NEEDS RESULTING FROM NEW DEVELOPMENT	
					TOWN-WIDE IMPACT	OUTSIDE TOWN
TC-01	NEW TRAFFIC SIGNAL - SKYWAY & BUSCHIMANN	\$150,000	15%	\$22,500	85%	\$127,500
TC-02	NEW TRAFFIC SIGNAL - PEARSON CHURCHILL <i>Rec</i>	150,000	15%	22,500	85%	127,500
TC-03	NEW TRAFFIC SIGNAL - CLARK & BUSCHIMANN	190,000	15%	28,500	85%	161,500
TOTAL ESTIMATED PROJECT COSTS		\$ 490,000	15%	\$ 73,500	85%	\$ 416,500

Town of Paradise**Statement of Revenues, Expenditures, and Change in Fund Balances****Law Enforcement Facilities, Training and Equipment (Fund 2540)****For Fiscal Year Ended June 30, 2025**

Law Enforcement Facilities Impact Fees are necessary and imposed on new development because future development will impact the Town's Police Department by requiring additional police officers and support staff, new equipment and vehicles and additional building space in order to maintain the same level of service. The originally adopted Management Services Institute Development Impact Fee Report supports this need.

Additional equipment and facilities are necessary to accommodate the increased public safety demands of development. In January 2001 the schedule of development impact fees projects were updated and revised.

July 1, 2024 -**June 30, 2025**

Beginning Balance	31,529.35
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Revenues:

Impact Fees Collected: * 1,694.49

Interest and Other Earnings: -

Total Revenues:	1,694.49
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Expenditures:

Total Expenditures:	-
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Ending Fund Balance	33,223.84
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* Fees Calculated and Collected According to Resolution No. 01-04

EXHIBIT A - SCHEDULE 6.2
 (Revised 1/24/00)

**TOWN OF PARADISE
 DEVELOPER FEES DETAIL
 LAW ENFORCEMENT FACILITIES, EQUIPMENT & TRAINING**

LINE #	DESCRIPTION	ESTIMATED COST	CONSTRUCTION NEEDS RESULTING FROM EXISTING POPULATION		CONSTRUCTION NEEDS RESULTING FROM NEW DEVELOPMENT	
			% NEED	APPORTIONED DOLLAR COST	% NEED	APPORTIONED DOLLAR COST
PD-01	Police facility expansion					
PD-01	A. Construction costs (3,500 sq. ft.)	\$ 437,500	50%	\$ 218,750	50%	\$ 218,750
PD-01	B. Design, engineering and contract admin. (15% of building construction)	\$ 65,625	50%	\$ 32,813	50%	\$ 32,812
PD-01	C. Contingence (10% of above costs)	\$ 43,750	50%	\$ 21,875	50%	\$ 21,875
PD-02	Vehicles (four vehicles at \$30,000; 3 @ \$20,000)	\$ 180,000	50%	\$ 90,000	50%	\$ 90,000
PD-03	Training costs (see schedule 6.4)	\$ 317,196	0%	\$	100%	\$ 317,196
	TOTAL ESTIMATED PROJECT COSTS	\$1,044,071	34.8%	\$ 363,438	65.2%	\$ 680,633

Town of Paradise**Statement of Revenues, Expenditures, and Change in Fund Balances****Fire Facilities, Training and Equipment (Fund 2550)****For Fiscal Year Ended June 30, 2025**

Fire Facilities Impact Fees were imposed on new development because new development increases the demand on public safety facilities and fire equipment through increased calls for services as shown in the originally adopted Management Services Institute Development Impact Fee Report. Additional equipment and facilities are necessary to accommodate the increased public safety demands of development. In January 2001 the schedule of development impact fees projects were updated and revised.

**July 1, 2024 -
June 30, 2025**

Beginning Balance	44,383.61
 Revenues:	
Impact Fees Collected: *	1,398.28
Interest and Other Earnings:	-
Total Revenues:	1,398.28
 Expenditures:	
Total Expenditures:	-
Ending Fund Balance	45,781.89

* Fees Calculated and Collected According to Resolution No. 01-04

EXHIBIT A – SCHEDULE 7.2
 (Revised 1/24/00)

**TOWN OF PARADISE
 DEVELOPER FEES DETAIL
 FIRE FACILITIES, EQUIPMENT & TRAINING**

LINE #	DESCRIPTION	CONSTRUCTION NEEDS RESULTING FROM EXISTING POPULATION		CONSTRUCTION NEEDS RESULTING FROM NEW DEVELOPMENT	
		% NEED	APPORTIONED DOLLAR COST	% NEED	APPORTIONED DOLLAR COST
FD-01	ACQUISITION OF COMMAND VEHICLE	85%	\$29,750.	15%	\$5,250.
FD-02	ACQUISITION OF BRUSH TRUCK (STATION #1)	85%	\$153,000.	15%	\$27,000.
FD-03	FUEL TANK EXPANSION (STATION #2)	50%	\$32,500.	50%	\$32,500.
FD-04	REPLACEMENT OF RADIO EQUIPMENT	50%	\$20,000.	50%	\$20,000.
FD-05	REPLACEMENT OF BREATHING APPARATUS (32 UNITS) + AIR BOTTLES (32 UNITS)	85%	\$40,800.	15%	\$7,200.
FD-06	RETROFIT ENGINE CAB TO FULLY ENCLOSED	67%	\$25,460.	33%	\$12,540.
FD-07	REPLACEMENT OF AIR COMPRESSOR	85%	\$20,400.	15%	\$3,600.
FD-08	TRAINING COSTS (SEE SCHEDULE 6.4)	0%	0	100%	\$32,000.
FD-09	REPLACEMENT OF LADDER TRUCK	45%	\$157,500	55%	\$192,500.
	TOTAL ESTIMATED PROJECT COSTS	59%	\$479,410	41%	\$332,500.

Town of Paradise**Statement of Revenues, Expenditures, and Change in Fund Balances****Drainage Facilities (Fund 2551)****For Fiscal Year Ended June 30, 2025**

The Construction of flood control and storm drainage facilities is essential to the preservation of private property, public streets, curbs and other facilities. Drainage Facilities Impact fees are necessary and imposed on new development in order to build such facilities. The originally adopted Management Services Institute Development Impact Fee Report indicates that development will require the installation of additional storm drain lines and detention basins to handle increased runoff from developing areas. In January 2001 the schedule of development impact fees projects were updated and revised.

**July 1, 2024 -
June 30, 2025**

Beginning Balance	538,069.52
Revenues:	
Impact Fees Collected: *	28,665.87
Interest and Other Earnings:	-
Total Revenues:	28,665.87
Expenditures:	206,797.70
Total Expenditures:	206,797.70
Ending Fund Balance	359,937.69

* Fees Calculated and Collected According to Resolution No. 01-04

The expenditures for this period cover drainage work related to Disaster Recovery Road Rehabilitation and maintenance culvert replacements.

EXHIBIT A - SCHEDULE 9.2
(Revised 1/24/00)

SCHEDULE 9.2
TOWN OF PARADISE
STORM DRAINAGE FACILITIES

PROJECT NO.	DESCRIPTION	ORIGINAL ESTIMATED COST.	CURRENT ESTIMATED COST...	CONSTRUCTION NEEDS RESULTING FROM EXISTING POPULATION		CONSTRUCTION NEEDS RESULTING FROM NEW DEVELOPMENT	
				% NEED	APPORTIONED DOLLAR COST	% NEED	APPORTIONED DOLLAR COST
STORM DRAINAGE IMPROVEMENTS							
SD-01	WAGETAFF BASIN	\$ 140,053	\$ 164,018	0.00		100.00	\$ 164,018
SD-02	VALLEY VIEW BASIN	101,050	119,050	0.00		100.00	119,050
SD-03	NORTH END OF HONEY RUN BASIN	404,052	567,584	0.00		100.00	567,584
SD-04	HONEY RUN 6 BASIN	300,302	358,715	0.00		100.00	358,715
SD-05	LOWER SKYWAY BASIN	227,106	266,061	0.00		100.00	266,061
SD-06	NOTE 1 BASIN	470,007	551,205	0.00		100.00	551,205
SD-07	NOTE 2 BASIN	140,392	173,784	0.00		100.00	173,784
SD-08	PEARSON 5 BASIN	301,077	446,900	0.00		100.00	446,900
SD-09	PEARSON 6A BASIN	65,535	77,921	0.00		100.00	77,921
SD-10	PEARSON 1 BASIN	2,093,200	3,154,048	42.73	\$1,347,724	57.27	1,806,323
SD-11	CLARK 1 BASIN	401,127	563,456	37.20	209,606	62.00	353,850
SD-12	CLARK 2 BASIN	664,193	777,846	43.74	340,230	56.26	437,616
SD-13	SAWMILL 1 BASIN	343,159	401,879	0.00		100.00	401,879
SD-14	SAWMILL 4 BASIN	83,000	97,202	0.00		100.00	97,202
SD-15	PENTZ 1 BASIN	1,079,737	1,264,496	0.00		100.00	1,264,496
SD-16	PENTZ 5 BASIN	204,000	238,907	0.00		100.00	238,907
SD-17	WEST BRANCH BASIN	251,502	294,632	0.00		100.00	294,632
SD-18	COUNTRY CLUB BASIN	53,000	62,070	0.00		100.00	62,070
SD-19	INDUSTRIAL PARK BASIN	14,003	52,563	0.00		100.00	52,563
T O T A L		\$0,226,001	\$9,632,425	19.70	\$1,897,561	80.30	\$ 7,734,864

ORIGINAL PROJECT COSTS MSI STUDY, OCTOBER 1991
CURRENT PROJECT COSTS, BASED UPON ESTIMATE FROM NEW CONSTRUCTION COSTS

X

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Town of Paradise

Council Agenda Summary

Agenda Item: 6(j)

Date: January 13, 2026

ORIGINATED BY:

Aimee Beleu, Finance Director / Town Treasurer

REVIEWED BY:

Mike O'Brien, Interim Town Manager

SUBJECT:

Fiscal Year 2023/24 Financial Statement Audit

COUNCIL ACTION REQUESTED:

Following the Town Council's review of the Fiscal Year 2023/24 financial statement audit report, file the report, as submitted. (ROLL CALL VOTE)

Background:

Richardson & Company, LLP has completed the annual audit for Fiscal Year 2023/24. Richardson & Company 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, 2025.

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 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 4 through 9. 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, the Town's net position increased to \$282 million as compared to the prior year at \$245 million. The Town's unrestricted and restricted cash and investments increased to \$213 million, primarily as a result of the Town's change in investments, and inflow of reimbursements. Prior to extraordinary items, accounts and interest receivables, prepaid items, and the advance to the Successor Agency decreased to \$1.4 million from \$1.69 million in the prior year, which resulted primarily from a reduction in accounts receivable activity during the prior fiscal year. The Town's rebuilding efforts and capital projects resulted in increased total capital assets to \$76 million compared to \$62 million in the prior year.

The Town reports \$20.4 million of pension liability and pension related net deferred use of resources to its activities as compared to \$19.3 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 approximately a 25-year period.

Accounts payable increased to \$6.4 million from \$5.5 million in the prior fiscal year due to the increase in infrastructure construction for the rebuilding of the Town. Unearned revenues increased to \$11.7 million from \$6.7 million in the prior fiscal year. Unearned revenue sources include insurance claim advances, advances on grant funds awarded, retentions on grant reimbursements, and housing program insurance funds held for the 2018 Camp Fire. The Town's long-term liabilities due in more than one year increased to \$50 million from \$47.9 million in the prior year due primarily to investment losses on CalPERS plan assets and changes in staffing levels.

Table 1
GOVERNMENTAL ACTIVITIES NET POSITION AT JUNE 30, 2024

	AFS 2024	PY 2023
<u>ASSETS</u>		
Current and other assets	\$ 264,832,947	\$ 234,469,381
Capital assets, net	75,765,264	62,480,689
TOTAL ASSETS	340,598,211	296,950,070
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	15,499,519	15,155,061
<u>LIABILITIES</u>		
Current and other liabilities	19,913,152	14,553,984
Long-term liabilities	50,817,805	47,921,701
TOTAL LIABILITIES	70,730,957	62,475,685
<u>DEFERRED INFLOWS OF RESOURCES</u>	3,228,463	4,552,367
<u>NET POSITION</u>		
Net investment in capital assets	75,204,510	59,280,800
Restricted	29,355,607	26,654,435
Unrestricted	177,518,193	159,141,844
TOTAL NET POSITION	\$282,078,310	\$245,077,079

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 extraordinary items, the Town's General Fund revenues increased by \$7.2 million compared to the prior fiscal year. The primary drivers of this growth were higher interest earnings and unrealized gains on investments. Taxes and assessments continue to make up roughly half of all revenues and increased by \$1.3 million. As the community enters the rebuilding phase of its regrowth, tax revenues are beginning to reflect both the rising population and the expanding property tax base.

Overall expenses were flat year over year, with notable increases in Public Safety and General Government. Capital Outlays declined this year as the Town has substantially completed the replenishment of assets lost in the 2018 Camp Fire.

The General Fund reported an ending balance of \$205.9 million as of June 30, 2024, an increase of \$1.9 million. Notably, the Town's reserves have reached a level that no longer requires annual cash-flow borrowing to support operations. This marks a substantial improvement from seven years prior, when unassigned reserves were not available.

Capital Assets

Major capital asset additions for the year totaled \$13.3 million, including \$15.1 million in construction in progress, with a depreciation adjustment of \$1.86 million. Significant infrastructure investments include substantial additions to both on- and off-system road projects, as well as continued pre-construction development for the Paradise Sewer Project.

Table 3 below shows the \$75.77 million total capital assets, net of depreciation.

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

	AFS 2024	PY 2023
Land	\$ 1,845,010	\$ 1,845,010
Construction in Progress	38,117,815	38,071,755
Buildings and Improvements	3,077,070	2,057,965
Infrastructure	28,838,352	17,440,335
Machinery and Equipment	1,374,247	750,908
Vehicles	2,512,770	2,314,716
Total	\$ 75,765,264	\$ 62,480,689

Debt Outstanding

Bonds payable and capital leases continued to be reduced compared to the prior year as payments were made according to the applicable amortization schedules. The Town's OPEB obligation increased from the prior year based upon assumption rates and increases in staffing. Although the Town contributed towards the net pension liability as dictated by CalPERS, the net pension liability increased 5.9% based upon assumption rate changes. 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.

Table 4
OUTSTANDING DEBT AT JUNE 30, 2024

	AFS 2024	PY 2023
Bonds Payable: accrued interest	\$ 6,872,537	\$ 7,633,747
Capital Leases	30,196	49,366
OPEB	13,124,624	11,791,874
Net pension liability	30,790,448	29,081,689
CDF retiree health vesting		-
Compensated absences	615,001	528,776
Total Liabilities	\$ 51,432,806	\$ 49,085,452

Findings

On pages 6-9 of Compliance Reports are finding for the FY23-24.

1. The auditors identified weaknesses in the timing and completeness of year-end reconciliations and financial reporting processes.
2. Capital asset and construction-in-progress records were not fully reconciled to the general ledger on a timely basis.
3. Federal reporting, including the Schedule of Expenditures of Federal Awards, and the Single Audit were not completed and submitted within required timeframes.

During the FY 2023-24, the Finance Department experienced complete staff turnover, which impacted the timing and continuity of certain internal control processes. In response, management has implemented and is continuing to implement corrective actions to strengthen internal controls and reporting functions.

Corrective actions include the formalization of year-end close and reconciliation procedures, improvements to capital asset and construction-in-progress (CIP) tracking and reconciliation, and enhancements to processes supporting timely and accurate federal reporting. Management has engaged external technical support, clarified roles and responsibilities, and established oversight mechanisms to support full remediation. These actions are underway and are expected to be fully incorporated into regular operations during the current and upcoming fiscal years.

Financial Impact:

The action to receive and file the Fiscal Year 2023/24 audited financial statements does not result in a direct cost to the Town of Paradise. Implementation of certain recommendations may require additional staff resources and external professional services to support financial reporting, capital accounting, and compliance activities. Any associated costs will be managed within existing budget authority or brought forward for Council consideration as appropriate.

TOWN OF PARADISE

Audited Financial Statements and Supplemental Information

June 30, 2024

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TOWN OF PARADISE

Audited Financial Statements and Supplemental Information

June 30, 2024

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TOWN OF PARADISE
Audited Financial Statements and Supplemental Information

June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Town Council
Paradise, California

Report on the Audit of the Financial Statements

Opinions

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, California (the Town) as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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 as of June 30, 2024, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Town Council
Paradise, California

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison for the General Fund and major Special Revenue Funds, Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions, Schedule of Changes in Net OPEB Liability and Related Ratios and Schedule of Contributions to OPEB Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

To the Town Council
Paradise, California

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are 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 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 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 December 2, 2025 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Richardson & Company, LLP

December 2, 2025

TOWN OF PARADISE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024. 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. 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 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 custodian for the benefit of those outside the government.

REPORTING THE TOWN AS A WHOLE

In the current year, the Town's net position increased to \$282 million as compared to the prior year at \$245 million. The Town's unrestricted and restricted cash and investments increased to \$213 million, primarily as a result of the Town's change in investments, and inflow of reimbursements. Prior to extraordinary items, accounts and interest receivables, prepaid items, and the advance to the Successor Agency decreased to \$1.4 million from \$1.69 million in the prior year, which resulted primarily from a reduction in accounts receivable activity during the prior fiscal year. The Town's rebuilding efforts and capital projects resulted in increased total capital assets to \$76 million compared to \$62 million in the prior year.

The Town reports \$20.4 million of pension liability and pension related net deferred use of resources to its activities as compared to \$19.3 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 approximately a 25-year period.

Accounts payable increased to \$6.4 million from \$5.5 million in the prior fiscal year due to the increase in infrastructure construction for the rebuilding of the Town. Unearned revenues increased to \$11.7 million from \$6.7 million in the prior fiscal year. Unearned revenue sources include insurance claim advances, advances on grant funds awarded, retentions on grant reimbursements, and housing program insurance funds held for the 2018 Camp Fire. The Town's long-term liabilities due in more than one year increased to \$50 million from \$47.9 million in the prior year due primarily to investment losses on CalPERS plan assets and changes in staffing levels.

TOWN OF PARADISE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

Table 1
GOVERNMENTAL ACTIVITIES NET POSITION AT JUNE 30, 2024

	AFS 2024	PY 2023
<u>ASSETS</u>		
Current and other assets	\$ 264,832,947	\$ 234,469,381
Capital assets, net	<u>75,765,264</u>	<u>62,480,689</u>
TOTAL ASSETS	340,598,211	296,950,070
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	15,499,519	15,155,061
<u>LIABILITIES</u>		
Current and other liabilities	19,913,152	14,553,984
Long-term liabilities	<u>50,817,805</u>	<u>47,921,701</u>
TOTAL LIABILITIES	70,730,957	62,475,685
<u>DEFERRED INFLOWS OF RESOURCES</u>	3,228,463	4,552,367
<u>NET POSITION</u>		
Net investment in capital assets	75,204,510	59,280,800
Restricted	29,355,607	26,654,435
Unrestricted	<u>177,518,193</u>	<u>159,141,844</u>
TOTAL NET POSITION	\$282,078,310	\$245,077,079

Table 2 highlights the Town's change in net position for the fiscal years 2024 and 2023. Total revenues for 2024 increased significantly to \$82.0 million, up from \$44.7 million in 2023. This growth reflects substantial increases in both program and general revenues. Program revenues rose to \$60.9 million, largely driven by capital contributions and grants of \$31.2 million, while charges for services and operating contributions and grants also increased. General revenues totaled \$21.2 million, up from \$11.5 million, reflecting higher property taxes, motor vehicle in-lieu payments, and other general revenues, which were boosted by unrealized gains on investments and a transfer from Paradise Recovery and Operations funds.

Total program expenses increased to \$45.0 million, compared to \$27.6 million in 2023. The primary drivers of this increase were Community Development \$21.0 million, Public Safety \$14.0 million, and Streets \$3.2 million, supporting ongoing rebuilding, infrastructure improvements, and asset replacements throughout the Town.

TOWN OF PARADISE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

As a result, the Town's net position increased by \$37 million in 2024, compared to an increase of \$19.9 million in the prior year. The prior year included \$2.7 million in extraordinary items, which were absent in 2024, emphasizing the underlying growth in net position from operational and capital activities.

Table 2
CHANGE IN GOVERNMENTAL ACTIVITIES NET POSITION

	AFS 2024	PY 2023
<u>REVENUES</u>		
Program revenues		
Charges for services	\$21,236,491	\$ 8,124,296
Operating contributions & grants	8,467,723	7,119,406
Capital contributions & grants	<u>31,152,225</u>	<u>17,967,187</u>
Total program revenues	<u>60,856,439</u>	<u>33,210,889</u>
General revenues		
Property Taxes	4,471,390	3,274,019
Other Taxes	3,949,917	4,043,732
Motor Vehicle In-lieu	1,642,149	1,327,485
Other General Revenues	<u>11,121,279</u>	<u>2,889,279</u>
Total general revenues	<u>21,184,735</u>	<u>11,534,515</u>
TOTAL REVENUES	<u>82,041,174</u>	<u>44,745,404</u>
Program expenses		
General Government	4,701,414	4,181,209
Community Development	20,998,241	9,966,093
Public Safety	13,974,123	8,823,382
Public Works	1,451,741	1,149,644
Parks & Recreation	273,831	248,706
Streets	3,206,803	2,709,160
Interest on Long Term Debt	<u>433,790</u>	<u>478,220</u>
TOTAL EXPENSES	<u>45,039,943</u>	<u>27,556,414</u>
Excess (deficiency) before extraordinary items	37,001,231	17,188,990
Extraordinary items (Note 16)	<u>-</u>	<u>2,745,970</u>
INCREASE/(DECREASE) IN NET POSITION	<u>\$37,001,231</u>	<u>\$19,934,960</u>

TOWN OF PARADISE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

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 \$213 million. Over 93% of this fund balance is assigned to the Long-Term Sustainability Plan and represents settlement proceeds paid to the Town by Pacific Gas & Electric Company for damages resulting from the 2018 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 extraordinary items, the Town's General Fund revenues increased by \$7.2 million compared to the prior fiscal year. The primary drivers of this growth were higher interest earnings and unrealized gains on investments. Taxes and assessments continue to make up roughly half of all revenues and increased by \$1.3 million. As the community enters the rebuilding phase of its regrowth, tax revenues are beginning to reflect both the rising population and the expanding property tax base.

Overall expenses were flat year over year, with notable increases in Public Safety and General Government. Capital Outlays declined this year as the Town has substantially completed the replenishment of assets lost in the 2018 Camp Fire.

The General Fund reported an ending balance of \$205.9 million as of June 30, 2024, an increase of \$1.9 million. Notably, the Town's reserves have reached a level that no longer requires annual cash-flow borrowing to support operations. This marks a substantial improvement from seven years prior, when unassigned reserves were not available.

Other Major Governmental Funds

The Cal Home DA fund is a State Grant funding source to allow the Town to provide income-eligible community members loans for housing purposes. The Town provides low interest and interest-forgivable loans to owner-occupied rehabilitation/reconstruction as well as first time home buyers. The Town can also provide loans and grants for housing rehabilitation projects. The Town has provided funding for multi-family housing projects through this fund as well.

The Camp Fire 2018 Fund and Disaster Recovery Project Fund accounts for monies collected for the Camp Fire relief program. Revenues primarily consist of grant funding for recovery efforts and insurance claim reimbursements. Expenses consist of charges for continued support for rebuilding efforts of Town infrastructure and the overall community throughout the fiscal year. Some of the major projects for the year were, Off-System Road Rehabilitation and Camp Fire Hydrant Repairs.

The Community Development Block Grant funds, totaling \$17.9 million, were invested to support the rebuilding of the Town of Paradise through a range of critical infrastructure and community development projects. These funds contributed to road rehabilitation, road improvements, and major road extensions and widenings that enhance safety and mobility throughout the community. Additionally, Community Development Block Grant resources supported the Paradise Sewer Project, a key component of long-term recovery and future development, and helped advance the construction of multi-family homes, expanding much-needed housing options as the Town continues to rebuild.

TOWN OF PARADISE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

CAPITAL ASSETS

Major capital asset additions for the year totaled \$13.3 million, including \$15.1 million in construction in progress, with a depreciation adjustment of \$1.86 million. Significant infrastructure investments include substantial additions to both on- and off-system road projects, as well as continued pre-construction development for the Paradise Sewer Project.

Table 3 below shows the \$75.77 million total capital assets, net of depreciation.

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

	AFS 2024	PY 2023
Land	\$ 1,845,010	\$ 1,845,010
Construction in Progress	38,117,815	38,071,755
Buildings and Improvements	3,077,070	2,057,965
Infrastructure	28,838,352	17,440,335
Machinery and Equipment	1,374,247	750,908
Vehicles	2,512,770	2,314,716
Total	<u>\$ 75,765,264</u>	<u>\$ 62,480,689</u>

DEBT

Bonds payable and capital leases continued to be reduced compared to the prior year as payments were made according to the applicable amortization schedules. The Town's OPEB obligation increased from the prior year based upon assumption rates and increases in staffing. Although the Town contributed towards the net pension liability as dictated by CalPERS, the net pension liability increased 5.9% based upon assumption rate changes. 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.

Table 4
OUTSTANDING DEBT AT JUNE 30, 2024

	AFS 2024	PY 2023
Bonds Payable: accrued interest	\$ 6,872,537	\$ 7,633,747
Capital Leases	30,196	49,366
OPEB	13,124,624	11,791,874
Net pension liability	30,790,448	29,081,689
CDF retiree health vesting	-	-
Compensated absences	615,001	528,776
Total Liabilities	<u>\$ 51,432,806</u>	<u>\$ 49,085,452</u>

**TOWN OF PARADISE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

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 the Statement of Changes in Fiduciary Net Position. 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 \$6.45 million as of June 30, 2024.

NEXT YEAR'S BUDGET AND ASSUMPTIONS

The Camp Fire on November 8, 2018, was the most destructive wildfire in California's history. While rebuilding the 10,000 structures destroyed is underway, it is expected to take over a decade for the Town of Paradise to be fully restored. Through a community visioning process, residents reached a consensus to rebuild a more resilient, fire-resistant town. With the support of federal, state, and local partners, the Town has continued implementing long-term recovery planning and projects.

The Town plans to restore the facilities and equipment lost or damaged during the fire through a combination of insurance claims, FEMA assistance, CDBG programs, CalTrans funding, and other funding sources. FEMA, along with the California Governor's Office of Emergency Services, will support the Town's infrastructure restoration efforts through public assistance and hazard mitigation grants. CalTrans funding is being used to support the repair and reconstruction of roads and transportation infrastructure, while CDBG programs help fund rebuilding projects that benefit the broader community, including housing, public facilities, and critical infrastructure.

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.

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BASIC FINANCIAL STATEMENTS

TOWN OF PARADISE
STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities
ASSETS	
Cash and investments	\$ 213,092,108
Restricted cash and investments	102,768
Accounts receivable	109,839
Due from other governments	18,254,142
Interest receivable	12,109
Other receivable	1,000
Prepaid items	5,737
Advance to the Successor agency	1,275,519
Loans receivable	31,979,725
Capital assets:	
Non-depreciable:	
Land and construction in progress	39,962,825
Depreciable:	
Infrastructure, buildings, vehicles and equipment	61,125,863
Accumulated depreciation	<u>(25,323,424)</u>
Total capital assets	<u>75,765,264</u>
Total Assets	<u>340,598,211</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to net pension liability	11,769,660
Related to net OPEB liability	<u>3,729,859</u>
Total Deferred Outflows of Resources	<u>15,499,519</u>
LIABILITIES	
Accounts payable	6,387,198
Retentions payable	560,754
Accrued wages	637,352
Deposits payable	44,211
Unearned revenue	11,668,636
Compensated absences, due in more than one year	615,001
Long-term debt:	
Due within one year	1,204,135
Due in more than one year	5,698,598
Net pension liability	30,790,448
Other post employment benefits	<u>13,124,624</u>
Total Liabilities	<u>70,730,957</u>
DEFERRED INFLOWS OF RESOURCES	
Related to net pension liability	1,342,300
Related to net OPEB liability	<u>1,946,163</u>
Total Deferred Inflows of Resources	<u>3,288,463</u>
NET POSITION	
Net investment in capital assets	75,204,510
Restricted for:	
Community development	16,539,607
Public safety	269,125
Streets and roads	7,377,175
Wastewater and drainage	5,169,700
Unrestricted	<u>177,518,193</u>
Total Net Position	<u>\$ 282,078,310</u>

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

TOWN OF PARADISE

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$ 4,701,414	\$ 593,133			\$ (4,108,281)
Community development	20,998,241	19,838,301	\$ 710,851	\$ 11,768,637	11,319,548
Public safety	13,974,123	200,930	291,151	1,172,195	(12,309,847)
Public works	1,451,741	604,127	7,397,532	16,734,729	23,284,647
Parks and recreation	273,831		330		(273,501)
Streets	3,206,803		67,859	1,476,664	(1,662,280)
Interest on long-term debt	433,790				(433,790)
Total governmental activities	\$ 45,039,943	\$ 21,236,491	\$ 8,467,723	\$ 31,152,225	15,816,496
General revenues:					
Taxes:					
Secured and unsecured property taxes					4,471,390
Sales and use taxes					2,645,804
Transient lodging tax					155,051
Franchise fees					227,924
Real property transfer taxes					92,220
Gas tax					713,071
Other taxes					115,847
Motor vehicle in-lieu, restricted					1,642,149
Homeowners property tax relief, unrestricted					30,667
Investment income					9,658,775
Other					1,431,837
Total General Revenues					21,184,735
Changes in Net Position					37,001,231
Net position, beginning of year					245,077,079
Net position, end of year					\$ 282,078,310

TOWN OF PARADISE

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2024

	Major Funds			
	General Fund	Camp Fire 2018 Fund	Loan Funds	CalHome Grants
ASSETS				
Cash and investments	\$ 181,783,467		\$ 4,504,301	\$ 40,409
Restricted cash and investments	100,413	\$ 2,355		
Accounts receivable	73,626			
Interest receivable	3,406			2,023
Other receivable				
Prepaid expenses	5,737			
Due from other governments	1,222,249	7,087,808		3,405,346
Due from other funds	23,231,029			
Advance to the Successor Agency	1,275,519			
Loans receivable			9,488,442	9,981,697
TOTAL ASSETS	<u>\$ 207,695,446</u>	<u>\$ 7,090,163</u>	<u>\$ 13,994,766</u>	<u>\$ 13,427,470</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 603,592	\$ 1,705,709	\$ 3,285	\$ 17,464
Retentions payable		322,832		
Accrued wages	504,144	5,525	869	8,253
Deposits payable				
Due to other funds		4,746,143		3,392,497
Unearned revenue	665,182	2,692,941	409,780	
Total liabilities	<u>1,772,918</u>	<u>9,473,150</u>	<u>413,934</u>	<u>3,418,214</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues			9,488,442	9,981,697
TOTAL DEFERRED INFLOWS OF RESOURCES			<u>9,488,442</u>	<u>9,981,697</u>
Fund balances:				
Nonspendable	1,281,256			
Restricted	100,413		4,092,390	27,559
Assigned	198,566,862			
Unassigned	5,973,997	(2,382,987)		
TOTAL FUND BALANCE	<u>205,922,528</u>	<u>(2,382,987)</u>	<u>4,092,390</u>	<u>27,559</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 207,695,446</u>	<u>\$ 7,090,163</u>	<u>\$ 13,994,766</u>	<u>\$ 13,427,470</u>

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

Major Funds		
CDBG Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 8,389,490	\$ 18,374,441	\$ 213,092,108
		102,768
	36,213	109,839
11	6,651	12,109
	1,000	1,000
		5,737
2,346,266	4,192,473	18,254,142
		23,231,029
		1,275,519
<u>12,509,586</u>	<u>407,955</u>	<u>31,979,725</u>
<u>\$ 23,245,353</u>	<u>\$ 22,610,778</u>	<u>\$ 288,063,976</u>

\$ 3,786,174	\$ 270,974	\$ 6,387,198
21,523	216,399	560,754
13,214	105,347	637,352
	44,211	44,211
10,322,013	4,770,376	23,231,029
40,387	7,860,346	11,668,636
<u>14,183,311</u>	<u>13,267,653</u>	<u>42,529,180</u>

<u>12,509,586</u>	<u>407,955</u>	<u>32,387,680</u>
<u>12,509,586</u>	<u>407,955</u>	<u>32,387,680</u>

		1,281,256
	12,658,940	16,879,302
		198,566,862
(3,447,544)	(3,723,770)	(3,580,304)
<u>(3,447,544)</u>	<u>8,935,170</u>	<u>213,147,116</u>
<u>\$ 23,245,353</u>	<u>\$ 22,610,778</u>	<u>\$ 288,063,976</u>

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TOWN OF PARADISE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2024

Total Governmental Fund Balances	\$ 213,147,116
Amounts reported for governmental activities in the statement of net position are different 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 \$25,323,424	75,765,264
Certain notes, loans, claims, 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.	32,387,680
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Bonds payable	(2,622,128)
Accreted interest payable	(4,250,409)
Note payable	(30,196)
Net pension liability	(30,790,448)
Net OPEB liability	(13,124,624)
Compensated absences	(615,001)
Deferred outflows of resources related to changes in the net pension liability are not reported in the governmental funds.	11,769,660
Deferred outflows of resources related to 2022 pension contributions made subsequent to the measurement date.	
Deferred outflows of resources related to changes in the net OPEB liability are not reported in the governmental funds.	3,729,859
Deferred inflows of resources related to changes in the net pension liability are not applicable to the current period.	(1,342,300)
Deferred inflows of resources related to changes in the net OPEB liability are not applicable to the current period.	<u>(1,946,163)</u>
Net Position of Governmental Activities	<u>\$ 282,078,310</u>

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

TOWN OF PARADISE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2024

	Major Funds			
	General Fund	Camp Fire 2018 Fund	Loan Funds	Cal Home Grants
REVENUES				
Taxes and assessments	\$ 9,379,058			
Licenses, permits and impact fees	344,692			
Fines and forfeitures	153,886			
Intergovernmental revenues	270,895	\$ 8,096,370		\$ 6,541,620
Use of money and property	9,630,544		\$ 7,385	65
Reimbursements	81,138	2,630		
Charges for services	582,237			
Program income			807,212	
Other revenues	651,396			
TOTAL REVENUES	21,093,846	8,099,000	814,597	6,541,685
EXPENDITURES				
Current:				
General government	3,881,173	408,179		
Community development	1,320,869		242,749	3,925,371
Public safety	12,219,553			
Public works	824,221			
Parks and recreation	96,524			
Streets				
Capital outlay	874,693	6,721,846		
Debt service:				
Principal	470,100			
Interest and fiscal charges	735,762			
TOTAL EXPENDITURES	20,422,895	7,130,025	242,749	3,925,371
Excess of revenues over (under) expenditures	670,951	968,975	571,848	2,616,314
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	21,811			
Transfers in	1,189,541	2,540		
Transfers out	(12,051)		(108,052)	-
TOTAL OTHER FINANCING SOURCES (USES)	1,199,301	2,540	(108,052)	-
Net Change in Fund Balances	1,870,252	971,515	463,796	2,616,314
Fund Balances (deficits), beginning of year	204,052,276	(3,354,502)	3,628,594	(2,588,755)
Fund Balances (deficits), end of year	\$ 205,922,528	\$ (2,382,987)	\$ 4,092,390	\$ 27,559

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

Major Funds

	CDBG Grants	Nonmajor Governmental Funds	Total Governmental Funds
		\$ 1,633,672	\$ 11,012,730
		894,436	1,239,128
		26,000	179,886
\$ 17,560,984		5,735,428	38,205,297
40		21,505	9,659,539
		170,624	254,392
		2,091,640	2,673,877
			807,212
		676,328	1,327,724
	<u>17,561,024</u>	<u>11,249,633</u>	<u>65,359,785</u>

		18,978	4,308,330
11,813,391		3,547,524	20,849,904
		194,310	12,413,863
21,708		192,371	1,038,300
			96,524
		1,327,825	1,327,825
6,112,736		2,630,521	16,339,796
		8,309	478,409
			735,762
<u>17,947,835</u>		<u>7,919,838</u>	<u>57,588,713</u>
	(386,811)	3,329,795	7,771,072

		21,811
10,177		250,682
-		(1,332,837)
<u>10,177</u>		<u>(1,082,155)</u>
	(376,634)	2,247,640
		7,792,883
<u>(3,070,910)</u>		<u>6,687,530</u>
<u>\$ (3,447,544)</u>	<u>\$ 8,935,170</u>	<u>\$ 213,147,116</u>

TOWN OF PARADISE

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ 7,792,883
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	16,339,796
Depreciation expense	(3,055,221)

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.

Loans made during the year	16,802,433
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Some receivables are deferred in the governmental funds because the amounts do not represent current financial resources that are recognized under the accrual basis in the statement of activities. Deferred receivables in the governmental funds are recognized once received in the subsequent period, but will not be accrued again in the statement of activities.

Deferred revenue recognized	(139,669)
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Government-wide Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These are the amounts by which proceeds exceeded repayments.

Principal repayments	478,409
Interest payments	301,972

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	(86,225)
Pension expense related to liabilities, deferred outflows and inflows of resources	(1,019,367)
OPEB expense related to liabilities, deferred outflows and inflows of resources	<u>(413,780)</u>

Change in Net Position of Governmental Activities	<u><u>\$37,001,231</u></u>
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The accompanying notes are an integral part of these financial statements.

TOWN OF PARADISE

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

June 30, 2024

	Successor Agency Funds	Custodial Funds
ASSETS		
Cash and investments	\$ 226,407	\$ 8,676
Restricted cash and investments with fiscal agents	85,458	
Accounts receivable		
	311,865	8,676
TOTAL ASSETS		
LIABILITIES		
Accounts payable	4,000	(2,109)
Interest payable	22,211	
Due to other governments	102,452	
Long-term debt:		
Due within one year	6,630,519	
	6,759,182	(2,109)
TOTAL LIABILITIES		
NET POSITION		
Held in trust	(6,447,317)	
Restricted for organizations, individuals, and other governments		10,784
	\$ (6,447,317)	\$ 10,784
TOTAL FIDUCIARY NET POSITION		

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

TOWN OF PARADISE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

June 30, 2024

	Successor Agency Funds	Custodial Funds
ADDITIONS		
Taxes and assessments	\$ 23,240	
Investment revenue	4,384	
Other revenue	<u> </u>	<u> </u>
TOTAL ADDITIONS	27,624	23
DEDUCTIONS		
Program and administrative expenses	(184,370)	
Interest expense	(145,768)	
TOTAL DEDUCTIONS	(330,138)	-
CHANGE IN NET POSITION	357,762	23
Net position, beginning of year	<u> </u>	<u> </u>
	(6,805,079)	10,761
Net position, end of year	<u> </u>	<u> </u>
	<u>\$ (6,447,317)</u>	<u>\$ 10,784</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

TOWN OF PARADISE

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Paradise (the Town) was incorporated in 1979 and is nestled in the foothills of California's Sierra Nevada Mountains. The Paradise Town Council is the chief policy-making body for the Town and is comprised of five members elected at large by the community to four-year staggered terms.

The Town operates under a Town Manager-Council form of government and provides the following services: public safety (Police and Fire), highways and streets, culture-recreation, public improvements, planning and zoning, and general administration. The voters of the Town of Paradise, California, give authority and responsibility for operations to the Town Council. The Town Council has the authority to employ administrative and support personnel to carry out its directives. The primary method used to monitor the performance of the Town's management is the financial budget, which is adopted annually by the Town Council.

The financial statements of the Town have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. In addition, the Town applies all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued after November 30, 1989, unless they conflict with or contradict GASB pronouncements related to its proprietary operations. The more significant of these accounting policies are described below.

Reporting Entity: The Town operates as a self-governing local government unit within the State. It has limited authority to levy taxes and has the authority to determine user fees for the services that it provides. The Town's main funding sources include property taxes, sales taxes, other intergovernmental revenue from state and federal sources, user fees, and federal and state financial assistance.

The financial reporting entity consists of (a) the primary government, the Town, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (a) the Town has the ability to impose its will on the organization or (b) there is a potential for the organization to provide a financial benefit to or impose a financial burden on the Town.

These basic financial statements present the financial status of the Town and its component units, which are included in the Town's reporting entity because of the significance of their operational or financial relationship with the Town. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The Town's reporting entity includes the following component units:

Redevelopment Successor Agency Private-Purpose Trust Fund: The Town of Paradise Redevelopment Agency (the Agency) was formed as a separate legal entity under the Community Redevelopment Law. 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. The Town Council elected to become Successor Agency for the redevelopment agency in accordance with the bill. Based upon the nature of the successor agency's custodial role, it is reported as a fiduciary fund private-purpose trust fund.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation — Government-wide Financial Statements: The government-wide financial statements (i.e. the statement of net position and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties. The Town has no business-type activities.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs are included in the program expenses of most business-type activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Sales taxes are recognized when the underlying sales transaction takes place. Grants and similar items are recognized as revenues when all eligibility requirements are met.

Basis of Presentation — Fund Financial Statements: The accounts of the Town are organized on the basis of funds. A fund is a separate self-balancing set of accounts. Each fund was established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions or limitations. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 to 365 days of the end of the current fiscal period, depending on the revenue source. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Town reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Town and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

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.

Loan Fund – This fund accounts for grants to provide housing loans to qualified homebuyers.

CalHome Grants Fund – This fund accounts for housing rehabilitation made with CalHome grant monies.

CDBG Grants Fund – This fund accounts for development activities made with CDBG grant monies.

Additionally, the Town reports the following fund types:

GOVERNMENTAL FUNDS

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The Town has no debt service funds.

Capital Projects Fund – The Capital Project Funds are used to account for financial resources used for the acquisition or construction of major capital facilities.

FIDUCIARY FUNDS

Private-Purpose Trust – Private Purpose Trust funds are used to account for trust arrangements where the principal and income benefit individuals, private organizations, or other governments. Examples include successor agencies for redevelopment agencies.

Custodial Funds – Custodial Funds account for assets held by the Town in a purely custodial capacity. Custodial Funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Cash and Cash Equivalents: The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including the Town's investment in California Local Agency Investment Fund (LAIF). Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost.

Receivables and Payables: Sales, use, and utility user taxes related to the current fiscal year are accrued as revenue and receivables and considered available if received within 90 days of year-end. Property taxes related to the current fiscal year are accrued as revenue and receivables and considered available if

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

received within 60 days of year-end. Federal and State grants are considered receivable and accrued as revenue when reimbursable costs are incurred under the accrual basis of accounting in the government-wide statement of net position. The amount recognized as revenue under the modified accrual basis of accounting is limited to the amount that is deemed measurable and collectible if received within 365 days of year-end.

Transactions between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year 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 non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Property Taxes: The County of Butte (the County) is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The Town recognizes property taxes when the individual installments are due, provided they are collected within 60 days after year end. Secured property taxes are levied on or before July 1 of each year. They become a lien on real property on March 1 preceding the fiscal year for which taxes are levied. These taxes are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, costs, and interest when paid.

The term “unsecured” refers to taxes on personal property other than land and buildings. Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty days after fiscal year-end. The County apportions secured property tax revenue in accordance with the alternate methods of distribution, the “Teeter Plan,” as prescribed by Section 4717 of the California Revenue and Taxation code. Therefore, the Town receives 100% of the secured property tax levies to which it is entitled, whether or not collected. Unsecured delinquent taxes are considered fully collectible.

These taxes are accrued as intergovernmental receivables only if they are received from the County within 60 days after year-end for the governmental funds and are accrued when earned for government-wide presentation regardless of the timing of the related cash flows.

Capital Assets: Capital assets for governmental fund types of the Town are not capitalized in the funds used to acquire or construct them. Capital acquisitions are reflected as expenditures in the governmental fund, and the related assets are reported in the government-wide financial statements at historical cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at their estimated fair market value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not included in the current year’s additions to governmental capital assets. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	5 to 25 years
Infrastructure	20 years
Machinery, equipment and vehicles	5 to 10 years

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

It is the policy of the Town to capitalize all land, building, improvements, equipment, and eventually infrastructure assets, except assets costing less than \$5,000. Costs of assets sold or retired and the resulting gain or loss is included in the operating statement of the related proprietary fund. In governmental funds, the sale of general capital assets is included in the statement of revenues, expenditures and changes in fund balances as proceeds from sale. The proceeds reported in the governmental fund are eliminated and the gain or loss on sale is reported in the government-wide presentation.

Compensated Absences: It is the Town's policy to permit employees to accumulate earned but unused vacation and compensatory time off. Vacation is accrued when incurred in the government-wide presentation and reported as a liability. Amounts that are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations or retirements that are currently payable, are reported as expenditures and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources represent a reconciling item between the fund and government-wide presentation. No expenditure is reported in the governmental fund financial statements for these amounts.

Sick leave is not payable upon termination, but may be converted to service credits under the Town's defined benefit pension plan. One group of employees is entitled to sick leave payout. If the employee was hired before November 12, 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.

Long-term Obligations: Long-term debt of governmental funds are reported at face value in the government-wide financial statements and represent a reconciling item between the fund and government-wide presentation. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the government-wide financial statements and represent a reconciling item between the fund and government-wide presentation.

For governmental fund types, proceeds from borrowing are reported as another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Deferred Outflows and Inflows of Resources: In addition to liabilities, the statement of financial position reports a separate section for deferred outflows and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net assets by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net assets that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expenditure/expense) or an inflow of resources (revenue) until the earnings process is complete. The governmental funds report unavailable revenues for grants and other revenues when the amounts meet the asset recognition criteria and were accrued as receivables, but the amounts were not received in the availability period. Deferred outflows and inflows of resources include amounts deferred related to the Town's pension and OPEB plans as described in Notes H and I.

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 Commission's California Public Employee's Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are

TOWN OF PARADISE

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Other Postemployment Benefits (OPEB) Plan: For 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.

Fund Balance: In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned and unassigned balances.

Nonspendable Funds – Fund balance should be reported as nonspendable when the amounts cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Nonspendable balances are not expected to be converted to cash within the next operating cycle, which comprise prepaid items and long-term receivables.

Restricted Funds – Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed Funds – Fund balance should be reported as committed when the amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Town Council. These amounts cannot be used for any other purpose unless the Town Council modifies or removes the fund balance commitment.

Assigned Funds – Fund balance should be reported as assigned when the amounts are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed.

Unassigned Funds – Unassigned fund balance is the residual classification of the Town's funds and includes all spendable amounts that have not been restricted, committed, or assigned to specific purposes.

Net Position: The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets (net of related debt), restricted and unrestricted.

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position of the Town not restricted for any project or other purpose.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Town Council establishes, modifies or rescinds fund balance commitments and assignments by passage of a resolution. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted, committed, assigned and unassigned resources as they are needed. The Town's committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Use of Estimates: The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgetary Information: The Town Council annually adopts the budget resolution for all operating funds of the Town. Budgetary control is legally maintained at the fund level. Department heads submit budget requests to the Town Administrator. The Administrator prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the Town Council and is adopted by resolution by the Town Council on or before June 30.

All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions of the annual budgets during the year. Appropriations, except open project appropriations, and unexpended grant appropriations, lapse at the end of each fiscal year. Amounts shown in the financial statements represent the original budgeted amounts and all supplemental appropriations. The supplemental appropriations were immaterial. The budgetary data is prepared on the modified accrual basis consistent with the related "actual" amounts, except as indicated below. The Town does not use encumbrance accounting.

Excess Expenditures Over Appropriations: The following funds had excess expenditures over appropriations.

Fund	Appropriations	Total Expenditures and Transfers Out	Excess Expenditures
Nonmajor Special Revenue Funds:			
Public Safety Grants	\$ 205,803	\$ 259,367	\$ (53,564)
Other Grants	259,225	521,959	(262,734)
Impact Fees	100,000	164,347	(64,347)

The Funds are over budget due to increased funding available in those funds.

Fund Deficits: At June 30, 2024, the following governmental funds had a fund balance deficit:

Fund	Deficit
Camp Fire 2018 Fund	\$ 2,382,987
CDBG Grants Fund	3,447,544
Disaster Recovery Projects	2,776,831
Capital Projects Fund	473,186
FEMA Grants Fund	8,560
Home Grant Fund	465,193

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

New Pronouncements: In June 2022, the GASB issued Statement No. 101, Compensated Absences. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. This Statement requires that a liability for certain types of compensated absences, including parental leave, military leave and jury duty leave, not be recognized until the leave commences. Certain salary related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement are effective for years beginning after December 15, 2023.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The provisions of this Statement are effective for year ended June 30, 2025.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement will implement changes to the financial reporting model including the Management's Discussion and Analysis, Unusual or Infrequent Items, presentation of the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position, Major Component Unit Information, and Budgetary Comparison Information. The provisions of this Statement are effective for year ended June 30, 2026.

In October 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, that requires certain types of assets to be disclosed separately in the note disclosures and establishes requirements for capital assets held for sale. This Statement is effective for the year ended June 30, 2026.

The Town is currently analyzing the impact of the required implementation of these new statements.

NOTE B – CASH AND INVESTMENTS

The Town follows the practice of pooling cash and investments of all funds. Cash represents cash on hand, demand deposits in the bank and amounts invested in the State of California Local Agency Investment Fund (LAIF). Cash and investments at June 30, 2024 are classified in the accompanying financial statements as follows:

	Governmental Activities	Fiduciary Funds	Total
Cash and cash equivalents	\$ 213,092,108	\$ 235,083	\$ 213,327,191
Restricted cash	<u>102,768</u>	<u>85,458</u>	<u>188,226</u>
	<u><u>\$ 213,194,876</u></u>	<u><u>\$ 320,541</u></u>	<u><u>\$ 213,515,417</u></u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE B – CASH AND INVESTMENTS (Continued)

As of June 30, 2024, the Town's cash and investments consisted of the following:

Cash on hand	\$ 8,725
Deposits in financial institutions	17,590,271
Investments:	
California CLASS prime fund	16,326,855
Local Agency Investment Fund	1,122,522
Commercial paper	1,496,380
Money market mutual funds	13,904
U.S. treasury	38,509,500
U.S. government agency	51,469,803
Corporate bonds	20,804,896
Supranational	14,758,541
Municipal notes/bonds	48,639,932
Negotiable certificates of deposit	1,444,537
Mortgage-backed security	1,229,138
Held by fiscal agent	
Money market fund	100,413
Total investments	<u>195,916,421</u>
Total cash and investments	<u><u>\$ 213,515,417</u></u>

Investment policy: California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs. 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) that address interest rate risk, credit risk, and concentration of credit risk.

	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
Asset backed securities	5 years	20%	None
Banker acceptances	180 days	40%	30%
Collateralized bank deposits	5 years	Unlimited	None
Commercial paper	270 days	25%	10%
Local agency investment funds	5 years	Unlimited	\$50 million
Medium term notes	5 years	30%	None
Mutual funds	5 years	20%	10%
Certificate of deposits	5 years	30%	None
Repurchase agreements	1 years	20%	None
Subranational: IBRD, IFC, IADB	5 years	30%	None
Treasury bills and notes	5 years	Unlimited	None
US Government, state(s) and agency securities	5 years	Unlimited	None

The Town complied with the provisions of California Government Code pertaining to the types of investments held, institutions in which deposits were made and security requirements. The Town will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE B – CASH AND INVESTMENTS (Continued)

Investments Authorized by Debt Agreements: Investment of debt proceeds held by the 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 Pension Obligation Bond debt agreement contains certain provisions that address interest rate risk, credit risk, and concentration of credit risk.

	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. government agency obligations	5 years	None	None
Municipal obligations	None	None	None
Bankers acceptances	1 year	None	None
Commercial paper	None	None	None
Certificates of deposit	None	None	None
Money market funds	N/A	None	None
Local Agency Investment Fund	None	None	None
Investment contracts	None	None	None

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 the Town manages its exposure to interest rate risk 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 the bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the Town's investments by maturity:

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE B – CASH AND INVESTMENTS (Continued)

	Remaining Maturity (in months)			
	Total	12 Months or Less	13 to 24 Months	25 to 60 Months
California CLASS Prime Fund	\$ 16,326,855	\$ 16,326,855		
Local Agency Investment Fund (LAIF)	1,122,522	1,122,522		
Money market mutual fund	13,904	13,904		
Commercial paper	1,496,380	1,496,380		
U.S. Treasury	38,509,500			\$ 38,509,500
U.S. government agency	51,469,803	12,432,958	\$ 24,453,904	14,582,941
Corporate bonds	20,804,896	891,036	6,633,050	13,280,810
Supranational	14,758,541	3,053,137	8,441,810	3,263,594
Municipal notes/bonds	48,639,932	24,371,581	22,743,264	1,525,087
Negotiable certificates of deposit	1,444,537	740,015	245,706	458,816
Mortgage-backed securities	1,229,138		1,229,138	
Held by fiscal agent				
Money market fund	<u>100,413</u>	<u>100,413</u>		
Total	<u>\$ 195,916,421</u>	<u>\$ 44,221,946</u>	<u>\$ 63,746,872</u>	<u>\$ 71,620,748</u>

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. The following are credit ratings issued by Moody's and Standard and Poor's as of June 30, 2024:

Investment Type	AAA	AA+/AA/AA-	A+/A	A-1	Total
California CLASS Prime Fund	\$ 16,326,855				\$ 16,326,855
Money Market Mutual Funds	13,904				13,904
Commercial paper				\$ 1,496,380	1,496,380
U.S. Treasuries	\$ 38,509,500				38,509,500
U.S. government agencies	48,198,423				48,198,423
Corporate bonds	10,519,130	\$ 10,285,766			20,804,896
Supranational	14,758,541				14,758,541
Municipal notes/bonds	9,287,346	39,352,586			48,639,932
Mortgage-backed securities		1,229,138			1,229,138
Held by fiscal agent:					
Money market fund	<u>100,413</u>				<u>100,413</u>
	<u><u>\$ 9,401,663</u></u>	<u><u>\$ 152,567,318</u></u>	<u><u>\$ 10,285,766</u></u>	<u><u>\$ 1,496,380</u></u>	
Not rated:					
LAIF					1,122,522
Exempt from credit rating disclosure:					
U.S. government agencies					3,271,380
Negotiable certificates of deposit					<u><u>1,444,537</u></u>
Total investments					<u><u>\$ 195,916,421</u></u>

TOWN OF PARADISE

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE B – CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk: The investment policy of the Town contains no limitations on the amount that can be invested with any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer represent more than 5% of the total investments (other than mutual funds and external investment pools) are as follows as of June 30, 2024.

Issuer	Investment Type	Amount	%
Federal Farm Credit Bank	U.S. Agency security	\$ 11,476,400	5.86%
Federal Home Loan Mortgage Corporation	U.S. Agency security	10,273,603	5.24%
Federal National Mortgage Association	U.S. Agency security	16,464,668	8.40%

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 California Government Code and the Town's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Governmental 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 governmental 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 public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2024, the carrying amount of the Town's deposits was \$17,590,271 and the balance in financial institutions was \$18,140,549. Of the balance in financial institutions, \$500,000 was covered by federal depository insurance and \$17,640,549 was covered by the pledging financial institution with assets held in a common pool for the Town and other governmental agencies.

Investment in LAIF: LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The total fair value amount invested by all public agencies in LAIF is \$179,046,993,600 managed by the State Treasurer. Of that amount, 3% is invested in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. 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 LAIF 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. At June 30, 2024, these investments matured in an average of 217 days.

Investment in the California Cooperative Liquid Assets Securities System: The Town is a voluntary participant in the California Cooperative Liquid Assets Securities System (California CLASS). California CLASS is a joint exercise of powers entity authorized under section 6509.7, California Government Code. California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. The fair value of the Town's investment in this pool is reported in the accompanying financial statements.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE B – CASH AND INVESTMENTS (Continued)

Fair Value Measurement: The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. 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. All of the Town's investments are considered to be value based on Level 2 inputs.

NOTE C – INTERFUND TRANSACTIONS

Interfund balances at June 30, 2024 were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Major Governmental Funds:	
	General Fund	
	Camp Fire 2018	\$ 4,746,143
	CalHOME Grants	3,392,497
	CDBG Grants	10,322,013
	Nonmajor Governmental Funds:	
	Disaster Recovery Projects	2,572,035
	Capital Project	461,583
	Highway Grants	113,055
	Community Development	264,523
	FEMA Grants	796,113
	Public Safety Grants	45,057
	Other Grants	88,094
	HOME Grants	<u>429,916</u>
		<u><u>\$ 23,231,029</u></u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE C – INTERFUND TRANSACTIONS (Continued)

Transfers during the year ended June 30, 2024 were as follows:

Fund Making Transfer	Fund Receiving Transfers	Amount Transferred
General Fund	Camp Fire 2018	\$ 2,540
	Gas Tax	2,113
	Highway Grants	63
	FEMA Grants	6,883
	CDBG Grants	452
Major Governmental Funds:		
Loan Funds	HOME Grants	108,052
Nonmajor Governmental Funds:		
Building Safety and Wastewater Services	General Fund	301,727
	Community Development	425
	Debt Service	3,186
Local Transportation	General Fund	9,322
	Gas Tax	93
Highway Grants	General Fund	1
	Gas Tax	3,638
	CDBG Grants	9,725
Gas Tax	General Fund	252,818
Community Development	Disaster Recovery Projects	118,229
FEMA Grants	General Fund	525,611
Other Grants	Local Transportation	459
	Highway Grants	7,541
HOME Grants	General Fund	100,062
		<hr/> <u>\$ 1,452,940</u>

NOTE D – LOANS RECEIVABLE

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, 2024 was \$31,979,725, which included loans to homeowners totaling \$13,089,468, loans to the developer (Paradise Community Village) totaling \$6,380,671, and loans to Community Housing Improvement Program totaling \$12,509,586. As of June 30, 2024 loans receivable balances of \$9,488,442, \$9,981,697 and \$12,509,586 are recorded in the Town's Loan Fund, Cal Home Grants Fund and CDBG Fund, 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, 2024.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE E – CAPITAL ASSETS

Governmental capital assets activity for the year ended June 30, 2024 was as follows:

	Balance at June 30, 2023	Additions	Retirements	Transfers	Balance at June 30, 2024
Capital assets, not being depreciated:					
Land	\$ 1,845,010				\$ 1,845,010
Construction in progress	<u>38,071,755</u>	<u>\$ 15,147,810</u>		<u>\$ (15,101,750)</u>	<u>38,117,815</u>
Total capital assets, not being depreciated	<u>39,916,765</u>	<u>15,147,810</u>	<u>-</u>	<u>(15,101,750)</u>	<u>39,962,825</u>
Capital assets, being depreciated:					
Infrastructure	32,550,959			13,247,384	45,798,343
Buildings	3,980,947	98,839		1,076,390	5,156,176
Machinery and equipment	2,671,351	229,743		777,976	3,679,070
Vehicles	<u>5,828,771</u>	<u>863,404</u>	<u>\$ (199,901)</u>		<u>6,492,274</u>
Total capital assets, being depreciated	<u>45,032,028</u>	<u>1,191,986</u>	<u>(199,901)</u>	<u>15,101,750</u>	<u>61,125,863</u>
Less accumulated depreciation for:					
Infrastructure	(15,110,624)	(1,849,367)			(16,959,991)
Buildings	(1,922,982)	(156,124)			(2,079,106)
Machinery and equipment	(1,920,443)	(384,380)			(2,304,823)
Vehicles	<u>(3,514,055)</u>	<u>(665,350)</u>	<u>199,901</u>		<u>(3,979,504)</u>
Total accumulated depreciation	<u>(22,468,104)</u>	<u>(3,055,221)</u>	<u>199,901</u>	<u>-</u>	<u>(25,323,424)</u>
Capital assets being depreciated, net	<u>22,563,924</u>	<u>(1,863,235)</u>	<u>-</u>	<u>15,101,750</u>	<u>35,802,439</u>
GOVERNMENTAL ACTIVITIES					
CAPITAL ASSETS, NET	<u>\$ 62,480,689</u>	<u>\$ 13,284,575</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,765,264</u>

Depreciation expense for governmental capital assets was charged to functions as follows:

General government	\$ 234,503
Public safety	819,212
Streets and public works	1,824,199
Parks and recreation	<u>177,307</u>
Total governmental activities depreciation expense	<u>\$ 3,055,221</u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE F – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2024 was as follows:

	Balance June 30, 2023	Additions	Payments	Balance June 30, 2024	Due Within One Year
Governmental Activities:					
Bonds payable	\$ 3,081,366		\$ (459,239)	\$ 2,622,127	\$ 448,824
Accrued interest payable	4,552,381		(301,971)	4,250,410	735,762
Finance purchase agreements	49,366		(19,170)	30,196	19,549
Total debt	<u>7,683,113</u>	<u>-</u>	<u>(780,380)</u>	<u>6,902,733</u>	<u>1,204,135</u>
Compensated absences	528,776	\$ 86,225		615,001	
Net pension liability	29,081,689	1,708,759		30,790,448	
OPEB liability	<u>11,791,874</u>	<u>1,332,750</u>		<u>13,124,624</u>	
Governmental activities long-term liabilities	<u>\$ 49,085,452</u>	<u>\$ 3,127,734</u>	<u>\$ (780,380)</u>	<u>\$ 51,432,806</u>	<u>\$ 1,204,135</u>

Note: The change in the compensated absences liability is presented as a net change.

Long-term debt of the Town's governmental activities consists of the following as of June 30, 2024:

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 costs 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 payment 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, 2024 was \$2,622,127. The accrued interest on the capital appreciation bonds balance as of June 30, 2024 was \$4,250,410.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE F – LONG-TERM LIABILITIES (Continued)

Principal interest payments on bonds are due as follows:

Year Ending June 30:	Principal	Interest*	Total
2025	\$ 448,824	\$ 786,176	\$ 1,235,000
2026	439,091	840,909	1,280,000
2027	428,182	891,818	1,320,000
2028	416,296	943,704	1,360,000
2029	406,621	998,379	1,405,000
2030-31	<u>483,113</u>	<u>1,336,887</u>	<u>1,820,000</u>
Totals	<u><u>\$ 2,622,127</u></u>	<u><u>\$ 5,797,873</u></u>	<u><u>\$ 8,420,000</u></u>

* The amount includes accrued interest.

Finance purchase agreement: The Town has entered into various finance purchase agreements for financing the acquisition of capital assets. Finance purchase agreements include the following:

Axon Enterprises – During the fiscal year 2020-2021, the Town entered into an agreement to lease tasers and related hardware and accessories. The total amount of the lease is \$52,485, with an implicit interest rate of 4.50%. The lease will be paid in four installments of \$10,861 through December 1, 2024.

De Lage Landen Public Finance – During the fiscal year 2020-2021, the Town entered into an agreement to lease 8 printers. The total amount of the lease is \$41,937, with an implicit interest rate of 4.50%. The lease will be paid by 60 monthly payments of \$781.25.

Principal interest payments on the finance purchase agreements are due as follows:

Year Ending June 30:	Principal	Interest	Total
2025	\$ 19,549	\$ 687	\$ 20,236
2026	9,084	291	9,375
2027	<u>1,563</u>	<u>9</u>	<u>1,572</u>
Totals	<u><u>\$ 30,196</u></u>	<u><u>\$ 987</u></u>	<u><u>\$ 31,183</u></u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE G – FUND BALANCE

The following are the components of the Governmental Funds fund balances:

	General Fund	Camp Fire 2018 Fund	Loan Funds	CalHome Grants Fund	CDBG Grants	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:							
Nonspendable:							
Prepaid expenses	\$ 5,737						\$ 5,737
Advance to successor agency	1,275,519						1,275,519
Total Nonspendable	<u>1,281,256</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,281,256</u>
Restricted for:							
Debt service	100,413						100,413
Community development		\$ 4,092,390		\$ 27,559		\$ 562,543	4,682,492
Public safety						269,125	269,125
Streets and roads						6,657,572	6,657,572
Wastewater and drainage						5,169,700	5,169,700
Total Restricted	<u>100,413</u>	<u>-</u>	<u>4,092,390</u>	<u>27,559</u>	<u>-</u>	<u>12,658,940</u>	<u>16,879,302</u>
Assigned for:							
PG&E subsequent funds	197,048,762						197,048,762
Measure V	1,368,100						1,368,100
Property abatement	150,000						150,000
Total assigned	<u>198,566,862</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>198,566,862</u>
Unassigned/Unrestricted	5,973,997	<u>\$ (2,382,987)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ (3,447,544)</u>	<u>(3,723,770)</u>
Total Unassigned	<u>5,973,997</u>	<u>(2,382,987)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,447,544)</u>	<u>(3,723,770)</u>
Total fund balances	<u>\$ 205,922,528</u>	<u>\$ (2,382,987)</u>	<u>\$ 4,092,390</u>	<u>\$ 27,559</u>	<u>\$ (3,447,544)</u>	<u>\$ 8,935,170</u>	<u>\$ 213,147,116</u>

NOTE H – PENSION PLANS

Plan Descriptions: All qualified permanent and probationary employees are eligible to participate in the Town's cost-sharing multiple-employer defined benefit pension plan (the Plan or PERC C) administered by the California Public Employees' Retirement System (CalPERS). PERC C consists of a miscellaneous risk pool and a safety risk pool and the following rate plans:

- Town Miscellaneous Plan Classic Tier 1
- Town Miscellaneous Plan Classic Tier 2
- Town Miscellaneous PEPRA
- Safety Plan Classic Tier 1
- Safety Plan Classic Tier 2
- Safety Plan PEPRA

Although one pension plan exists, CalPERS provides the information separately for the Miscellaneous and Safety Risk Pools and the information is presented separately where available. Benefit provisions under the Plan is established by State statute and Town resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

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 (57 for PEPRA Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE H – PENSION PLANS (Continued)

service. The death benefit is the Optional Settlement 2 Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2024, are summarized as follows:

	City Miscellaneous Classic Tier 1	City Miscellaneous Classic Tier 2	City Miscellaneous PEPRA
	Prior to January 1, 1982	On or after January 1, 1982	On or after January 1, 2013
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Final average compensation period	One Year	Three Year	Three Year
Retirement age	50 - 63	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.00%	7.00%	6.75%
Required employer contribution rates	12.47%	10.10%	7.68%
	Safety Classic Tier 1	Safety Classic Tier 2	Safety PEPRA
	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013
Benefit formula (at full retirement)	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Final average compensation period	Three Year	Three Year	Three Year
Retirement age	50	50 - 57	50 - 55
Monthly benefits, as a % of eligible compensation	3.00%	2.0% to 2.7%	2.0% to 2.7%
Required employee contribution rates	9.00%	9.00%	13.00%
Required employer contribution rates	27.11%	22.83%	13.54%

The Miscellaneous Plan & Safety is closed to new participants that were not CalPERS participants prior to January 1, 2013 under the Public Employees' Pension Reform Act of 2013 (PEPRA). Any new participants that were not previously CalPERS participants would be required to join the PEPRA Miscellaneous Plan.

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.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE H – PENSION PLANS (Continued)

For the year ended June 30, 2024, the employer contributions made to the Plan were \$3,015,733.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:
As of June 30, 2024, the Town reported a net pension liability for its proportionate share of the net pension liability as follows:

	<u>Proportionate Share of Net Pension Liability/Asset</u>
City Miscellaneous Risk Pool	\$ 8,528,344
Safety Risk Pool	<u>22,262,104</u>
 Total Net Pension Liability	 <u>\$ 30,790,448</u>

The Town's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 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 plans 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, 2024 and 2023 was as follows:

	Miscellaneous Plan	Safety Plan
Proportion - June 30, 2023	0.16950%	0.30779%
Proportion - June 30, 2024	0.17055%	0.29782%
Change - Increase (Decrease)	0.00105%	-0.00997%

For the year ended June 30, 2024, the Town recognized a pension expense of \$1,323,764 for the Miscellaneous Plan and \$2,711,336 for its Safety Plan. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to the Plan combined from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City Miscellaneous Risk Pool		
Pension contributions subsequent to measurement date	\$ 1,071,992	
Net differences between projected and actual earnings on plan investments	1,380,816	
Difference between employer's and proportionate share of contributions	69,339	\$ (128,312)
Difference between expected and actual experience	435,674	(67,584)
Change in employer's proportion	43,086	(131,043)
Changes of assumptions	<u>514,895</u>	
 Total	 <u>\$ 3,515,802</u>	 <u>\$ (326,939)</u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE H – PENSION PLANS (Continued)

Safety Risk Pool	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,943,741	
Net differences between projected and actual earnings on plan investments	3,046,563	
Difference between employer's and proportionate share of contributions	202,751	\$ (644,600)
Difference between expected and actual experience	1,634,449	(139,926)
Change in Employer's Proportion	127,108	(230,835)
Changes of assumptions	<u>1,299,246</u>	
 Total	 <u>\$ 8,253,858</u>	 <u>\$ (1,015,361)</u>
 Total - all risk pools	 <u>\$ 11,769,660</u>	 <u>\$ (1,342,300)</u>

The \$3,015,733 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 subsequent fiscal year. Other amounts reported as net deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30	City		
	Miscellaneous Risk Pool	Safety Risk Pool	Total
2025	\$ 580,111	\$ 1,584,766	\$ 2,164,877
2026	422,402	1,174,279	1,596,681
2027	1,074,737	2,450,676	3,525,413
2028	<u>39,621</u>	<u>85,035</u>	<u>124,656</u>
	<u>\$ 2,116,871</u>	<u>\$ 5,294,756</u>	<u>\$ 7,411,627</u>

Actuarial Assumptions: The total pension liabilities in the actuarial valuations for the Plan were determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by entry age and service
Mortality	Derived using CalPERS Membership Data for all Funds

The mortality table used was developed based on CalPERS-specific data. The rate incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details on this table, please refer to the December 2021 experience

TOWN OF PARADISE

June 30, 2024

NOTE H – PENSION PLANS (Continued)

study report (based on CalPERS demographic data from 1997 to 2019) that can be found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 6.90% for the Plan, which remained the same as the prior year rate of 6.90%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)
Global Equity - cap-weighted	30.0%	4.54%
Global Equity - non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.0%	

(a) An expected inflation of 2.30% used for this period.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE H – PENSION PLANS (Continued)

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 Plans, calculated using the discount rate for the Plans, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	City			
	Miscellaneous	Safety	Total	
	Risk Pool	Risk Pool		
1% Decrease				
Net Pension Liability	\$ 12,564,001	\$ 30,946,855	\$ 43,510,856	
Current Discount Rate				
Net Pension Liability	\$ 8,528,344	\$ 22,262,104	\$ 30,790,448	
1% Increase				
Net Pension Liability	\$ 5,206,652	\$ 15,161,701	\$ 20,368,353	

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

NOTE I – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description: 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, 2023 actuarial valuation, the following current and former employees were covered by the benefit terms under the Health Plan:

Inactive employees or beneficiaries currently receiving benefit payments	80
Active employees	83
Total	<u><u>163</u></u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE I – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Contributions: The Town funds the Plan on a pay-as-you-go basis. For the year ended June 30, 2024, the Town paid \$706,148 on behalf of retirees, and made implicit subsidy payments of \$91,886. The Town did not contribute to the trust.

Net OPEB Liability: The Town's net OPEB liability (NOL) was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023 based on the following actuarial methods and assumptions:

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	3.89%
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 future years
General Inflation Rate	2.30% per annum
Payroll Growth	2.80%
Mortality Improvement	Based on CalPERS rates
Healthcare Trend Rate	Based on medical long-term trends from Society of Actuaries "Long Term Healthcare Cost Trends 2023 using baseline assumptions applied to both claims and premiums through 2023 followed by 7.40% (Pre-Medicare) / 4.20% (Medicare) in 2023, decreasing gradually to an ultimate rate of 4.14%

Discount Rate: The discount rate used to measure the total OPEB liability was 3.89%. The discount rate used is up to the expected long-term rate of return on the assets in the Trust set aside pay benefits, of the plan sponsor makes regular contributions to the Trust such that the assets are not depleted at any point in the future. If the Plan's actuary determines that contributions are not sufficient to keep the Trust funded, a blend of the long-term rate of return and the yield or index rate for 20-year, tax exempt municipal bonds will be used for the periods when the Trust funds are not sufficient to cover benefit payments. Based on this requirement, and with approval of the plan sponsor.

Changes in Actuarial Assumptions: The discount rate decreased from 4.27% to 3.89%. Payroll growth, mortality and retirement rates have been updated. Health care trend rates were updated to actual premium increases from 2022 to 2023 followed by 7.40% (non-Medicare) and 4.20% (Medicare), decreasing gradually to 4.14% in 2075. In addition, the Town signed a Memorandum of Understanding in June 2022 that increases the Town's maximum employee subsidy from non-safety employees to the same level as safety employees.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE I – OTHER POST EMPLOYMENT BENEFITS (OPEB) (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 - beginning of year	\$ 12,046,535	\$ 254,661	\$ 11,791,874
Service cost	325,798		325,798
Interest cost	511,261		511,261
Investment income		26,982	(26,982)
Difference between expected and actual experience	1,501,673		1,501,673
Changes in assumptions	(180,966)		(180,966)
Employer contributions		798,034	(798,034)
Benefit payments	(798,034)	(798,034)	
Administrative expenses			-
Net changes	<u>1,359,732</u>	<u>26,982</u>	<u>1,332,750</u>
Balance - end of year	<u><u>\$ 13,406,267</u></u>	<u><u>\$ 281,643</u></u>	<u><u>\$ 13,124,624</u></u>

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, 2023:

	1% Decrease 2.89%	Discount Rate 3.89%	1% Increase 4.89%
Net OPEB liability	\$ 14,518,817	\$ 13,124,624	\$ 11,934,855

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 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, 2023:

	Current Healthcare Cost		
	1% Decrease 6.40%	Trend Rates 7.40%	1% Increase 8.40%
Net OPEB liability	\$ 12,843,012	\$ 13,124,624	\$ 13,422,355

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE I – OTHER POST EMPLOYMENT BENEFITS (OPEB) (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 are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amount are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expenses.

The recognition period differs depending on the source of the gain or loss. The net difference between projected and actual earnings on OPEB plan investments is recognized over 5 years. All other amounts are recognized over the expected average remaining service lifetime (EARSL), which was 6.4 years at June 30, 2024.

OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB: For the fiscal year ended June 30, 2024, the Town recognized OPEB expense of \$1,281,707. As of fiscal year ended June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Outflows of Resources	Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 822,432	
Differences between actual and expected experience	1,312,932	\$ (232,890)
Changes in assumptions	1,592,657	(1,713,273)
Net differences between projected and actual earnings on OPEB plan investments	<u>1,838</u>	
 Total	 <u>\$ 3,729,859</u>	 <u>\$ (1,946,163)</u>

The \$822,432 reported as deferred outflows of resources related to contributions subsequent to the measurement 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:

<u>Year Ending June 30:</u>	
2025	\$ 476,393
2026	534,670
2027	(164,569)
2028	(174,132)
2029	206,361
Thereafter	<u>82,541</u>
	 <u><u>\$ 961,264</u></u>

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE J – INSURANCE

The Town is a member of the Northern California Cities Self Insurance Fund (NCCSIF) along with twenty other northern California cities. The NCCSIF is a joint powers authority (JPA) organized in accordance with Article I, Chapter 5, Division 7, Title I 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 of Paradise 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. The NCCSIF is empowered to make supplemental assessments as needed to eliminate deficit positions of member cities. If the JPA becomes insolvent, the Town is responsible only to the extent of any deficiency in its equity balance.

Coverage	Coverage	Excess	Banking Layer/ Deductible
Liability	\$ 500,000	\$ -	\$ 50,000
Property	1,000,000,000	-	10,000
Boiler and machinery	100,000,000	-	2,500
Wildfire deductible	-	-	2,500,000
Mobile equipment	5,445,635	-	5,000
Workers Compensation liability	500,000	4,500,000	100,000
Cyber Excess	2,000,000	25,000,000	50,000
Crime	3,000,000	-	5,000
Deadly Weapon Response Program	500,000	-	50,000

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 reported. 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.

Settlements have not exceeded the insurance coverage for the past three fiscal years. There have not been any significant reductions in insurance coverage over the prior year. The audited financial statements of the JPA are available at the NCCSIF's office.

NOTE K – COMMITMENTS AND CONTINGENCIES

The Town participates in various federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors. The audits by the grantors for the year ended June 30, 2024, have not yet been conducted. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE K – COMMITMENTS AND CONTINGENCIES (Continued)

The Town has the following contract commitments at June 30, 2023:

Sewer Project Design	\$ 2,713,125
2024 On System Road Rehabilitation	4,961,787
2024 Off System Road Rehabilitation	5,756,809
Early Warning System	817,365
Disaster Recovery	1,045,256
Communication Strategy and Support Services	<u>240,922</u>
	<u><u>\$ 15,535,264</u></u>

On March 9, 2021, the Town Council of the Town of Paradise approved the CAL FIRE contract for services from July 1, 2021 through June 30, 2025 for a maximum amended amount not to exceed \$18,994,417. As of June 30, 2024, \$5,273,422 was committed for fiscal year 2024/2025.

NOTE L – SUCCESSOR AGENCY TRUST FOR FORMER PARADISE REDEVELOPMENT AGENCY

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, as amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolved redevelopment agencies on January 31, 2012.

Under the provisions of AB 1484, the Town elected to become the Successor Agency and the Redevelopment Agency's remaining assets were distributed to and liabilities were assumed by the Successor Agency. ABx1 26 requires the establishment of an Oversight board to oversee the activities of the Successor Agency and one was established in April 2012. The activities of the Successor Agency are subject to review and approval of the Oversight Board, which is comprised of seven members, including one member of the Town Council, one former Redevelopment Agency employee appointed by the Mayor and the remaining members are appointed by external agencies with an interest in Successor Agency assets. Pursuant to Senate Bill 107, on July 1, 2018, a single consolidated County Oversight Board was established for the four Town Oversight Boards.

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The Town provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency, including paying debt service payments of existing Redevelopment Agency debt agreements.

The following disclosures of the Successor Agency as of June 30, 2024 are required by debt continuing disclosure requirements.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE L – SUCCESSOR AGENCY TRUST FOR FORMER PARADISE REDEVELOPMENT AGENCY (Continued)

Long-term Liabilities

The following is a summary of changes in the Successor Agency's long-term liabilities for the year ended June 30, 2024:

	Balance July 01, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
Advance Payable	\$ 1,275,519			\$ 1,275,519	\$ 1,275,519
Bonds payable - 2009	3,975,000			3,975,000	3,975,000
Bonds payable - 2016	1,380,000			1,380,000	1,380,000
	<u>\$ 6,630,519</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,630,519</u>	<u>\$ 6,630,519</u>

The long-term liabilities consisted of the following components for the fiscal year ended June 30, 2024:

Advance payable consisted of advances totaling \$1,275,519 from the General Fund to the Town to assist the Successor Agency with administrative, operation, and program costs. The interest rate on this advance rate is 4.50%. These loans were approved by the Oversight Board as enforceable obligations. No payments have been made since fiscal year 2018/19.

Bonds payable consisted of the following as of June 30, 2024:

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 transferring from the Town. The principal balance outstanding, as of June 30, 2024 was \$3,975,000.

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.

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE L – SUCCESSOR AGENCY TRUST FOR FORMER PARADISE REDEVELOPMENT AGENCY (Continued)

The Refunding Bonds will be subject to option 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.

Default on Bonds: As outlined in the 2022 Annual Continuing Disclosure Information Statement for the 2009 Bonds and the 2016 Bonds, tax revenues for fiscal years 2022-23 and thereafter are projected to be insufficient to pay debt service on the 2009 Bonds and the 2016 Bonds due to the destruction of properties located in the Project Area by the Camp Fire in 2018. As a result, the amount on deposit in the reserve fund for the 2009 Bonds will be insufficient to pay the full amount of the principal and interest coming due and payable on the 2009 Bonds starting on June 1, 2023, and the amount on deposit in the reserve fund for 2016 Bonds will be insufficient to pay the full amount of the principal and interest coming due and payable on the 2016 Bonds starting on June 1, 2023. The Agency began making payments on the 2009 Bonds during fiscal year 2024/25 and must complete all payments on the 2009 Bonds before making payments on the 2016 bonds. As a result, the bonds are reported as currently due and payable. It is important to note that these financial obligations are solely those of the Paradise Redevelopment Agency and are not obligations of the Town of Paradise.

Scheduled future debt service for Successor Agency at June 30, 2024 is as follows:

2009 Tax Allocation Refunding Bonds

Fiscal Year ended June 30:	Principal	Interest	Total
2025	\$ 110,000	\$ 230,638	\$ 340,638
2026	110,000	224,313	334,313
2027	120,000	217,988	337,988
2028	125,000	211,088	336,088
2029	135,000	203,900	338,900
2030-2034	805,000	890,938	1,695,938
2035-2039	1,055,000	621,900	1,676,900
2040-2044	1,515,000	500,388	2,015,388
Totals	\$ 3,975,000	\$ 3,101,153	\$ 7,076,153

TOWN OF PARADISE
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE L – SUCCESSOR AGENCY TRUST FOR FORMER PARADISE REDEVELOPMENT AGENCY (Continued)

2016 Tax Allocation Refunding Bonds

Fiscal Year ended June 30:	Principal	Interest	Total
2025	\$ 20,000	\$ 54,389	\$ 74,389
2026	20,000	53,629	73,629
2027	25,000	52,869	77,869
2028	25,000	51,919	76,919
2029	25,000	50,969	75,969
2030-2034	135,000	240,419	375,419
2035-2039	165,000	212,694	377,694
2040-2044	200,000	177,581	377,581
2045-2049	245,000	134,119	379,119
2050-2054	295,000	79,818	374,818
2055-2057	225,000	72,267	297,267
Totals	<u>\$ 1,380,000</u>	<u>\$ 1,180,673</u>	<u>\$ 2,560,673</u>

State Approval of Enforceable Obligations: The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semiannually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time. The Town expects such amounts, if any, to be immaterial.

NOTE M – EXTRAORDINARY ITEMS – CAMP FIRE

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 will provide short-term lost revenue backfills. The following account balances and transactions were recorded as a result of the Camp Fire.

In fiscal years 2020 and 2019, the State of California advanced \$8.5 million towards a FEMA public assistance claim. The remaining balance of the grant, \$2,692,941 is recorded as unearned revenue in the Camp Fire Fund.

NOTE N – SUBSEQUENT EVENTS

Subsequent to June 30, 2024, the Town awarded agreement for professional services with Placeworks for a not to exceed amount of \$2.2 million.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF PARADISE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and assessments	\$ 6,690,500	\$ 7,815,514	\$ 9,379,058	\$ 1,563,544
Licenses, permits and impact fees	326,718	326,718	344,692	17,974
Fines and forfeitures	25,100	25,100	153,886	128,786
Intergovernmental revenues	103,050	43,050	270,895	227,845
Use of money and property	2,016,805	2,016,805	9,630,544	7,613,739
Reimbursements	5,400	5,400	81,138	75,738
Charges for services	377,425	377,425	582,237	204,812
Other revenues	293,575	293,575	651,396	357,821
TOTAL REVENUES	9,838,573	10,903,587	21,093,846	10,190,259
EXPENDITURES				
Current:				
General government	3,814,335	4,020,289	3,881,173	139,116
Community development	768,773	1,781,136	1,320,869	460,267
Public safety	12,315,533	12,450,286	12,219,553	230,733
Public works	943,516	962,816	824,221	138,595
Parks and recreation	119,010	119,010	96,524	22,486
Capital outlay	1,521,472	1,769,505	874,693	894,812
Debt Service:				
Principal	470,100	470,100	470,100	-
Interest and fiscal charges	735,762	735,762	735,762	-
TOTAL EXPENDITURES	20,688,501	22,308,904	20,422,895	1,886,009
Excess of revenues over (under) expenditures	(10,849,928)	(11,405,317)	670,951	12,076,268
OTHER FINANCING SOURCES (USES)				
Transfers in	1,736,485	936,485	1,189,541	253,056
Transfers out	(2,963,870)	(1,230,907)	(12,051)	1,218,856
Total other financing sources	(1,227,385)	(294,422)	1,199,301	1,493,723
Net change in fund balance	(12,077,313)	(11,699,739)	1,870,252	13,569,991
Fund balance, beginning of year	204,052,276	204,052,276	204,052,276	
Fund balances, end of year	\$ 191,974,963	\$ 192,352,537	\$ 205,922,528	\$ 13,569,991

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

TOWN OF PARADISE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - CAMP FIRE 2018 FUND

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 8,050,226	\$ 8,050,226	\$ 8,096,370	\$ 46,144
Reimbursements	-	-	2,630	2,630
Other revenues	-	-	-	-
TOTAL REVENUES	8,050,226	8,050,226	8,099,000	48,774
EXPENDITURES				
Current:				
General government	60,000	60,000	408,179	(348,179)
Public works	8,613,574	8,613,574		8,613,574
Capital outlay	-	-	6,721,846	(6,721,846)
TOTAL EXPENDITURES	8,673,574	8,673,574	7,130,025	1,543,549
Excess of revenues over (under) expenditures	(623,348)	(623,348)	968,975	1,592,323
OTHER FINANCING SOURCES (USES)				
Transfers in	844,422	844,422	2,540	(841,882)
Transfers out	(7,530)	(7,530)	-	7,530
Total other financing sources	<u>836,892</u>	<u>836,892</u>	<u>2,540</u>	<u>(834,352)</u>
Net change in fund balance	213,544	213,544	971,515	757,971
Fund balance, beginning of year	<u>(3,354,502)</u>	<u>(3,354,502)</u>	<u>(3,354,502)</u>	
Fund balances, end of year	<u>\$ (3,140,958)</u>	<u>\$ (3,140,958)</u>	<u>\$ (2,382,987)</u>	<u>\$ 757,971</u>

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

TOWN OF PARADISE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - LOAN FUNDS

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property				
Program income	\$ 270,000	\$ 270,000	\$ 7,385	\$ 7,385
TOTAL REVENUES	270,000	270,000	814,597	544,597
EXPENDITURES				
Current:				
Community development	1,310,000	1,310,000	242,749	1,067,251
TOTAL EXPENDITURES	1,310,000	1,310,000	242,749	1,067,251
Excess of revenues over (under) expenditures	(1,040,000)	(1,040,000)	571,848	(522,654)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,500	2,500		(2,500)
Transfers out	(267,100)	(267,100)	(108,052)	159,048
Total other financing sources	(264,600)	(264,600)	(108,052)	156,548
Net change in fund balance	(1,304,600)	(1,304,600)	463,796	(366,106)
Fund balance, beginning of year	3,628,594	3,628,594	3,628,594	
Fund balances, end of year	\$ 2,323,994	\$ 2,323,994	\$ 4,092,390	\$ (366,106)

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

TOWN OF PARADISE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - CalHOME GRANTS

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 6,720,000	\$ 6,720,000	\$ 6,541,620	\$ (178,380)
Use of money and property			65	65
TOTAL REVENUES	6,720,000	6,720,000	6,541,685	(178,315)
EXPENDITURES				
Current:				
Community development	5,700,000	5,700,000	3,925,371	1,774,629
TOTAL EXPENDITURES	5,700,000	5,700,000	3,925,371	1,774,629
Excess of revenues over (under) expenditures	1,020,000	1,020,000	2,616,314	1,596,314
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,020,000)	(1,020,000)	-	1,020,000
Total other financing sources	(1,020,000)	(1,020,000)	-	1,020,000
Net change in fund balance	-	-	2,616,314	2,616,314
Fund balance, beginning of year	(2,588,755)	(2,588,755)	(2,588,755)	
Fund balances, end of year	\$ (2,588,755)	\$ (2,588,755)	\$ 27,559	\$ 2,616,314

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

TOWN OF PARADISE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - CDBG GRANTS FUND

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 73,026,598	\$ 73,026,598	\$ 17,560,984	\$(55,465,614)
Use of money and property			40	40
TOTAL REVENUES	<u>73,026,598</u>	<u>73,026,598</u>	<u>17,561,024</u>	<u>(55,465,574)</u>
EXPENDITURES				
Current:				
Community development	12,365,190	12,365,190	11,813,391	551,799
Public safety			21,708	(21,708)
Capital outlay			6,112,736	(6,112,736)
TOTAL EXPENDITURES	<u>12,365,190</u>	<u>12,365,190</u>	<u>17,947,835</u>	<u>(5,582,645)</u>
Excess of revenues over (under) expenditures	60,661,408	60,661,408	(386,811)	(61,048,219)
OTHER FINANCING SOURCES (USES)				
Transfers in			10,177	10,177
Transfers out	<u>(60,501,012)</u>	<u>(60,501,012)</u>		<u>60,501,012</u>
Total other financing sources	<u>(60,501,012)</u>	<u>(60,501,012)</u>	<u>10,177</u>	<u>60,511,189</u>
Net change in fund balance	160,396	160,396	(376,634)	(537,030)
Fund balance, beginning of year	<u>(3,070,910)</u>	<u>(3,070,910)</u>	<u>(3,070,910)</u>	
Fund balances, end of year	<u>\$ (2,910,514)</u>	<u>\$ (2,910,514)</u>	<u>\$ (3,447,544)</u>	<u>\$ (537,030)</u>

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

TOWN OF PARADISE

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2024

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - MISCELLANEOUS AND SAFETY PLAN (UNAUDITED)**
Last 10 Years

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.24681%	0.25177%	0.31455%	0.23328%	0.22936%	0.22659%	0.21895%	0.21960%	0.21454%	0.20733%
Proportionate share of the net pension liability	\$ 30,790,448	\$ 29,081,689	\$ 17,011,738	\$ 25,381,614	\$ 23,502,428	\$ 21,834,378	\$ 21,713,980	\$ 19,003,356	\$ 14,725,536	\$ 12,901,028
Covered payroll - measurement period	\$ 6,435,817	\$ 5,416,012	\$ 4,792,559	\$ 3,834,730	\$ 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	478.42%	536.96%	354.96%	661.89%	610.50%	580.05%	573.02%	541.14%	423.80%	402.06%
Plan fiduciary net position as a percentage of the total pension liability	71.42%	71.88%	84.89%	75.10%	75.30%	75.30%	73.30%	74.06%	78.40%	79.82%

Notes to Schedule:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions: The discount rate was changed from 7.15 to 6.90% in the 2021 valuation

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS AND SAFETY PLAN (UNAUDITED)

Last 10 Years

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	\$ 3,015,733	\$ 2,890,885	\$ 2,545,505	\$ 2,261,174	\$ 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>(3,015,733)</u>	<u>(2,890,885)</u>	<u>(2,545,505)</u>	<u>(2,261,174)</u>	<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><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (464,212)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 58,795</u></u>	<u><u>\$ (441,279)</u></u>	<u><u>\$ -</u></u>
Covered payroll - fiscal year:	\$ 7,484,964	\$ 6,435,817	\$ 5,416,012	\$ 4,792,559	\$ 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	40.29%	44.92%	47.00%	47.18%	50.61%	41.83%	-36.85%	31.39%	30.48%	15.84%
Valuation date:	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Methods and assumptions used to determine contribution rates										
Actuarial cost method										
Amortized method										
Remaining amortization period										
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	15-year smoothed market				
Inflation	2.30%	2.50%	2.50%	2.50%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases										
Payroll growth	2.80%	2.75%	2.75%	2.75%	2.875%	3.00%	3.00%	3.00%	3.00%	3.00%
Investment rate of return	6.80% ⁽¹⁾	7.00% ⁽¹⁾	7.00% ⁽¹⁾	7.00% ⁽¹⁾	7.25% ⁽¹⁾	7.375% ⁽¹⁾	7.50% ⁽¹⁾	7.50% ⁽¹⁾	7.50% ⁽¹⁾	7.50% ⁽¹⁾
Mortality	(5)	(4)	(4)	(4)	(3)	(3)	(3)	(2)	(2)	(2)
Notes to Schedule:										
⁽¹⁾ Net of administrative expenses, includes inflation.										
⁽²⁾ Probabilities of retirement and mortality are based on CalPERS' 2010 Experience Study for the period from 1997 to 2007.										
⁽³⁾ Probabilities of retirement and mortality are based on CalPERS' 2014 Experience Study for the period from 1997 to 2011.										
⁽⁴⁾ Probabilities of retirement and mortality are based on CalPERS' 2017 Experience Study for the period from 1997 to 2015.										
⁽⁵⁾ Probabilities of retirement and mortality are based on CalPERS' 2021 Experience Study for the period from 1997 to 2019.										

Omitted years: The year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, the information prior to this date were not presented.

TOWN OF PARADISE

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2024

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY
AND RELATED RATIOS (UNAUDITED)**
Last 10 Years

Reporting Date - Based on Measurement Period	2023	2022	2021	2020	2019	2018	2017
TOTAL OPEB LIABILITY							
Service Cost	\$ 325,798	\$ 402,152	\$ 110,454	\$ 107,237	\$ 153,868	\$ 149,386	\$ 145,035
Interest	511,261	357,063	643,913	637,764	663,993	661,804	661,041
Changes in benefit terms		609,318					
Difference Between Expected and Actual Experience	1,501,673	72,957	(436,000)		(424,055)		
Changes of Assumptions	(180,966)	(2,336,582)	3,981,641		(19,451)		
Benefit Payments	(798,034)	(773,894)	(748,993)	(784,503)	(771,250)	(783,788)	(792,419)
Net Change in Total OPEB Liability	1,359,732	(1,668,986)	3,551,015	(39,502)	(396,895)	27,402	13,657
Total OPEB Liability - Beginning	12,046,535	13,715,521	10,164,506	10,204,008	10,600,903	10,573,501	10,559,844
Total OPEB Liability - Ending (a)	\$ 13,406,267	\$ 12,046,535	\$ 13,715,521	\$ 10,164,506	\$ 10,204,008	\$ 10,600,903	\$ 10,573,501
PLAN FIDUCIARY NET POSITION							
Contributions - Employer	\$ 798,034	\$ 773,890	\$ 748,993	\$ 784,503	\$ 771,250	\$ 852,682	\$ 817,419
Net Investment Income	26,982	(26,800)	63,661	(227)	12,915	11,096	11,016
Benefit Payments	(798,034)	(773,894)	(748,993)	(784,503)	(771,250)	(783,788)	(792,419)
Administrative expenses	4	(572)	(487)	(323)	(323)	(198)	
Net Change in Fiduciary Net Position	26,986	(27,376)	63,174	(550)	12,592	79,792	36,016
Plan Fiduciary Net Position - Beginning	254,657	282,033	218,859	219,409	206,817	127,025	91,009
Plan Fiduciary Net Position - Ending (b)	\$ 281,643	\$ 254,657	\$ 282,033	\$ 218,859	\$ 219,409	\$ 206,817	\$ 127,025
Plan Net OPEB Liability/(Asset) - Ending (a) - (b)	\$ 13,124,624	\$ 11,791,878	\$ 13,433,488	\$ 9,945,647	\$ 9,984,599	\$ 45,061,840	\$ 10,446,476
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	2.10%	2.11%	2.06%	2.15%	2.15%	1.95%	1.20%
Covered-employee payroll - measurement period	\$ 6,756,552	\$ 5,128,559	\$ 4,579,309	\$ 3,834,730	\$ 3,849,529	\$ 4,290,581	\$ 3,854,764
Net OPEB liability as percentage of covered-employee payroll	194.25%	229.93%	293.35%	259.36%	259.37%	1050.25%	271.00%

TOWN OF PARADISE
REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2024

SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN (UNAUDITED)
Last 10 Years

	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution - employer fiscal year	\$ 994,136	\$ 878,029	\$ 863,005	\$ 676,317	\$ 709,387	\$ 701,420	\$ 1,165,684
Contribution in relation to the actuarially determined contributions	(822,432)	(749,022)	(766,353)	(748,993)	(781,580)	(701,420)	(779,349)
Contribution deficiency (excess)	<u>\$ 171,704</u>	<u>\$ 129,007</u>	<u>\$ 96,652</u>	<u>\$ (72,676)</u>	<u>\$ (72,193)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll - employer fiscal year	\$ 6,945,735	\$ 6,435,817	\$ 5,128,559	\$ 4,579,309	\$ 3,849,529	\$ 4,290,581	\$ 3,854,764
Contributions as a percentage of covered-employee payroll	11.84%	11.64%	14.94%	16.36%	20.30%	16.35%	20.22%
Notes to Schedule							
Valuation date	June 30, 2023	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Methods and assumptions used to determine contribution rates:							
Actuarial cost method						Entry Age Normal Cost Method	
Amortization method						Level percentage of payroll, closed	
Amortization period						30 years	
Asset valuation method						Market value of assets	
Inflation	2.30%	2.30%	2.50%	2.50%	2.50%	2.26%	2.26%
Salary increases						Varies by entry age and service	
Discount rate	3.89%	4.27%	2.60%	6.50%	6.50%	7.28%	7.28%
Investment rate of return	6.50%	6.50%	6.50%	6.50%	6.50%	7.28%	7.28%
Healthcare cost-trend rate, initial	7.40%	5.50%	5.75%	6.40%	6.40%	7.85%	7.85%
Healthcare trending down to	4.14%	4.04%	4.04%	4.00%	4.00%	5.00%	5.00%
Retirement age						Most recent CalPERS Experience Study	
Mortality						Most recent CalPERS Experience Study	

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COMBINING STATEMENTS AND INDIVIDUAL FUND STATEMENTS

TOWN OF PARADISE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2024

	Special Revenue				
	Building Safety and Wastewater Services	Disaster Recovery Projects	Capital Projects	Local Transportation	Highway Grants
ASSETS					
Cash and investments	\$ 4,767,572			\$ 42,529	\$ 3,019,433
Accounts receivable	5,466			709	
Interest receivable	2,045			2	
Other receivable	1,000				
Due from other governments				407,955	2,105,563
Loans receivable					
TOTAL ASSETS	<u>\$ 4,776,083</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 451,195</u>	<u>\$ 5,124,996</u>
LIABILITIES					
Accounts payable	\$ 87,994			\$ 480	\$ 68,656
Retentions payable	\$ 204,796	\$ 11,603			
Accrued wages	56,458			714	4,657
Deposits					
Due to other funds	2,572,035	461,583			113,055
Unearned revenue				5	55,056
TOTAL LIABILITIES	<u>144,452</u>	<u>2,776,831</u>	<u>473,186</u>	<u>1,199</u>	<u>241,424</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue				407,955	
TOTAL DEFERRED INFLOWS OF RESOURCES				<u>407,955</u>	
FUND BALANCES (DEFICITS)					
Restricted	4,631,631			42,041	4,883,572
Unassigned		(2,776,831)	(473,186)		
TOTAL FUND BALANCES (DEFICITS)	<u>4,631,631</u>	<u>(2,776,831)</u>	<u>(473,186)</u>	<u>42,041</u>	<u>4,883,572</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 4,776,083</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 451,195</u>	<u>\$ 5,124,996</u>

Special Revenue

<u>Gas Tax</u>	<u>Community Development</u>	<u>FEMA Grants</u>	<u>Public Safety Grants</u>	<u>Other Grants</u>	<u>Impact Fees</u>	<u>Home Grant Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 8,360,646	\$ 19,265	\$ 3,034	\$ 190,188	\$ 515,635 (14,942)	\$ 1,446,979 44,980 210 634	\$ 9,160	\$ 18,374,441 36,213 6,651 1,000
3,667	2		87			4	
90,927	551,586	798,477	48,195	189,511		259	4,192,473
<u>\$ 8,455,240</u>	<u>\$ 570,853</u>	<u>\$ 801,511</u>	<u>\$ 238,470</u>	<u>\$ 690,414</u>	<u>\$ 1,492,593</u>	<u>\$ 9,423</u>	<u>\$ 22,610,778</u>
\$ 37,342	\$ 213	\$ 2,364	\$ 200	\$ 14,080	59,588	\$ 57	\$ 270,974 216,399
32,007		8,584		2,495		432	105,347
	264,523	796,113	45,057	88,094		44,211	44,211
<u>7,472,956</u>	<u>3,010</u>	<u>329,319</u>			<u>429,916</u>	<u>4,770,376</u>	<u>7,860,346</u>
<u>7,542,305</u>	<u>264,736</u>	<u>810,071</u>	<u>45,257</u>	<u>433,988</u>	<u>59,588</u>	<u>474,616</u>	<u>13,267,653</u>
							407,955
							407,955
912,935	306,117	(8,560)	193,213	256,426	1,433,005	(465,193)	12,658,940 (3,723,770)
912,935	306,117	(8,560)	193,213	256,426	1,433,005	(465,193)	8,935,170
<u>\$ 8,455,240</u>	<u>\$ 570,853</u>	<u>\$ 801,511</u>	<u>\$ 238,470</u>	<u>\$ 690,414</u>	<u>\$ 1,492,593</u>	<u>\$ 9,423</u>	<u>\$ 22,610,778</u>

TOWN OF PARADISE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2024

	Special Revenue				
	Building Safety and Wastewater Services	Disaster Recovery Projects	Capital Projects	Local Transportation	Highway Grants
REVENUES					
Taxes and assessments					
Licenses, permits and impact fees	\$ 819,952				
Fines and forfeitures	26,000				
Intergovernmental revenues	(3,319)			\$ 555,313	\$ 3,651,282
Use of money and property	7,463			7	
Reimbursement	27,695			12,391	
Charges for services	2,089,760				
Other revenues	5,705			1,272	486,900
TOTAL REVENUES	2,973,256	=====	=====	568,983	4,138,182
EXPENDITURES					
Current:					
General government	15,233				462
Community development	2,844,093	\$ 121,129			
Public safety					
Public works		\$ 61,819			31,680
Streets			39,737		
Capital outlay			280,842		1,139,707
Debt Service:					
Principal	8,309				
TOTAL EXPENDITURES	2,867,635	121,129	61,819	320,579	1,171,849
EXCESS OF REVENUES (OVER) (UNDER) EXPENDITURES	105,621	(121,129)	(61,819)	248,404	2,966,333
OTHER FINANCING SOURCES (USES)					
Transfers in		118,229		459	7,604
Transfers out	(305,338)			(9,415)	(13,364)
TOTAL OTHER FINANCING SOURCES (USES)	(305,338)	118,229	-	(8,956)	(5,760)
NET CHANGE IN FUND BALANCES	(199,717)	(2,900)	(61,819)	239,448	2,960,573
Fund balances, beginning of year	4,831,348	(2,773,931)	(411,367)	(197,407)	1,922,999
Fund balances, end of year	\$ 4,631,631	\$(2,776,831)	\$ (473,186)	\$ 42,041	\$ 4,883,572

Special Revenue							Debt Service	Total Nonmajor Governmental Funds
Gas Tax	Community Development	FEMA Grants	Public Safety Grants	Other Grants	Impact Fees	Home Grant Fund	Debt Service	
\$ 1,633,672					\$ 74,484			\$ 1,633,672
								894,436
								26,000
13,383	\$ 448,645	\$ 508,144	\$ 243,141	\$ 332,222				5,735,428
67,859	9	(2,802)	347	766	2,317	\$ 15		21,505
				62,679				170,624
	1,880							2,091,640
1,714,914	<u>450,534</u>	<u>505,342</u>	<u>271,130</u>	<u>549,876</u>	<u>76,801</u>	<u>600</u>	<u>615</u>	<u>676,328</u>
								11,249,633
2,370								18,978
	3,508	157,030	757	156				3,547,524
			194,310	323,658				194,310
					98,872			192,371
1,288,088								1,327,825
209,490	314,005	366,557	64,300	190,145	65,475			2,630,521
1,499,948	<u>317,513</u>	<u>523,587</u>	<u>259,367</u>	<u>513,959</u>	<u>164,347</u>	<u>94,920</u>	<u>3,186</u>	<u>8,309</u>
								7,919,838
214,966	<u>133,021</u>	<u>(18,245)</u>	<u>11,763</u>	<u>35,917</u>	<u>(87,546)</u>	<u>(94,305)</u>	<u>(3,186)</u>	<u>3,329,795</u>
5,844	425	6,883						250,682
(252,818)	<u>(118,229)</u>	<u>(525,611)</u>						<u>(1,332,837)</u>
(246,974)	<u>(117,804)</u>	<u>(518,728)</u>	<u>-</u>	<u>(8,000)</u>	<u>-</u>	<u>7,990</u>	<u>3,186</u>	<u>(1,082,155)</u>
(32,008)	15,217	(536,973)	11,763	27,917	(87,546)	(86,315)	-	2,247,640
944,943	<u>290,900</u>	<u>528,413</u>	<u>181,450</u>	<u>228,509</u>	<u>1,520,551</u>	<u>(378,878)</u>		<u>6,687,530</u>
\$ 912,935	<u>\$ 306,117</u>	<u>\$ (8,560)</u>	<u>\$ 193,213</u>	<u>\$ 256,426</u>	<u>\$ 1,433,005</u>	<u>\$ (465,193)</u>	<u>\$ -</u>	<u>\$ 8,935,170</u>

TOWN OF PARADISE
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 CUSTODIAL FUNDS

June 30, 2024

	Employee Bank	PD Found Money	Total
ASSETS			
Cash and investments	\$ 1,708	\$ 6,968	\$ 8,676
Accounts receivable		<u>2,108</u>	<u>2,108</u>
TOTAL ASSETS	<u>\$ 1,708</u>	<u>\$ 9,076</u>	<u>\$ 10,784</u>
NET POSITION			
Restricted for organizations, individuals and other governments	\$ 1,708	\$ 9,076	\$ 10,784
TOTAL FIDUCIARY NET POSITION	<u>\$ 1,708</u>	<u>\$ 9,076</u>	<u>\$ 10,784</u>

TOWN OF PARADISE
 STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 CUSTODIAL FUNDS

June 30, 2024

	Employee Bank	PD Found Money	Total
ADDITIONS			
Other revenue	\$ 2	\$ 21	\$ 23
TOTAL ADDITIONS	2	21	23
CHANGE IN NET POSITION			
Net position, beginning of year	1,706	9,055	10,761
Net position, end of year	<u>\$ 1,708</u>	<u>\$ 9,076</u>	<u>\$ 10,784</u>

GOVERNANCE LETTER

To the Town Council
Town of Paradise
Paradise, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Paradise, California (the Town), for the year ended June 30, 2024, and have issued our report thereon dated December 2, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 13, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards* and *Uniform Guidance*

As stated in our engagement letter dated May 13, 2022, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we consider the Town's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with the Uniform Guidance, we will examine, on a test basis, evidence about the Town's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the Town's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the Town's compliance with those requirements.

Planned Scope, Timing of the Audit, Significant Risks, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involves judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Internal control matters noted during our audit are discussed in a separate report.

We are required by the audit standards to identify potential risks of material misstatement during the audit process. We have identified the following significant risk of material misstatement as part of our audit planning: Management override of controls and revenue recognition. These are the areas that the audit standards require at a minimum to be identified as a significant risk. However, no such items were noted during our audit.

We performed the audit according to the planned scope previously communicated to you in our engagement letter date May 13, 2022.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statement prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Town's financial statements were determining the depreciable lives and methods used for capital assets, the collectability of receivables, qualifying expenses claimed under grants and the accrual of the unfunded pension and other postemployment benefit (OPEB) liabilities. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The accrual for the unfunded pension liabilities was determined by an actuarial valuation performed by CalPERS. The accrual for postemployment benefits was determined by an actuarial valuation, which is required to be performed every two years.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the following:

Pension Liability: Information on the Town's pension plans, including the Town's share of the unfunded pension liability, is shown in Note H. The Town's share of the unfunded pension liability at June 30, 2023, the most recent measurement date, was \$30,790,448, which is reflected as a liability in the Town's financial statements as of June 30, 2024. The pension liability increased by \$1,708,759 due to a decrease in investment earnings on the CalPERS plan assets and change in assumptions as of the June 30, 2023 valuation.

Other Postemployment Benefits Liability: The other postemployment benefits (OPEB) liability disclosure in Note I shows the Town's OPEB liability had increased to \$13,124,624 as of June 30, 2024 due to the actuaries decreasing the discount rate used to calculate the liability.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit. However, the audit was delayed due to delays in the Town completing certain account analysis and delays in receiving requested information to complete the audit, mostly due to a shortage of qualified staff.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Adjustments included 75 closing entries and audit adjustments needed to correct balances of the accounts and transactions. A list of these adjustments was provided to management. The large number of adjustments indicates the Town does not have adequate procedure in place to ensure accurate financial reporting. Refer to the schedule of findings for more information.

The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 2, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to required supplementary information (RSI) as reported in the table of contents of the financial statements that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining statements, which accompany the financial statements but are not Required Supplementary Information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Town Council and management of the Town and is not intended to be, and should not be, used by anyone other than these specified parties.

Richardson & Company, LLP

December 2, 2025

TOWN OF PARADISE
SUMMARY OF UNADJUSTED DIFFERENCES - GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2024

Description (Nature) of Audit Difference	Financial Statements Effect - Amount of Overstatement (Understatement) of:						Change In Net Position
	Total Assets	Total Deferred Outflows	Total Liabilities	Total Deferred Inflows	Total Net Position		
Retentions payable not being trued up for FY2024	\$ -	\$ -	\$ (7,090)	\$ -	\$ 7,090	\$ 7,090	
Building permits not earned as of June 30 , 2024			- (25,174)		25,174	25,174	
Net Unadjusted Audit Differences- This Year	-	-	(32,264)	-	32,264	32,264	
Financial Statement Caption Totals	\$ 340,598,211	\$ 15,499,519	\$ 70,730,957	\$ 3,288,463	\$ 282,078,310	\$ 37,001,231	
Net Audit Differences as % of F/S Captions	0.00%	0.00%	(0.05%)	0.00%	0.01%	0.09%	

TOWN OF PARADISE, CALIFORNIA

COMPLIANCE REPORTS

June 30, 2024

TOWN OF PARADISE, CALIFORNIA

COMPLIANCE REPORTS

June 30, 2024

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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
Paradise, California

We have audited, 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Paradise, California (the Town) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 2, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies. We identified certain deficiencies, described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002, 2024-003 and 2024-004 that we consider to be material weaknesses.

To the Town Council
Town of Paradise, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of 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 four instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of finding and questioned costs as item 2024-003 and 2024-004.

Town of Paradise's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Paradise's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Town of Paradise's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

December 2, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM, INTERNAL CONTROL OVER
COMPLIANCE AND SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Town Council
Town of Paradise, California
Paradise, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Paradise, California's (the Town) 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's major federal programs for the year ended June 30, 2024. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town 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, 2024.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town's federal programs.

To the Board of Directors
Town of Paradise, California

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-003 and 2024-004. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditors to perform limited procedures on the Town's response to the noncompliance finding identified in our compliance audit and described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant

To the Board of Directors
Town of Paradise, California

deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-003 and 2024-004 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated December 2, 2025, 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 Town's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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.

Richardson & Company, LLP

December 2, 2025

TOWN OF PARADISE, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1. Type of auditor's report issued:	Unmodified
2. Internal control over financial reporting: a. Material weaknesses identified?	Yes
b. Significant deficiencies identified not considered to be material weaknesses?	None noted
3. Noncompliance material to financial statements noted?	No

Federal Awards

1. Internal control over major programs: a. Material weaknesses identified?	Yes
b. Significant deficiencies identified not considered to be material weaknesses?	None noted
2. Type of auditor's report issued on compliance for major programs:	Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR, Section 200.516(a)?	Yes

4. Identification of major programs:

<u>AL Number</u>	<u>Name of Federal Program</u>	
14.228	Community Development Block Grants/State Program and Non-Entitlement Grants in Hawaii	
5. Dollar Threshold used to distinguish between Type A and Type B programs?		\$750,000
6. Auditee qualified as a low-risk auditee under 2 CFR, Section 200.516(a)?		No

B. CURRENT YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

INTERNAL CONTROL OVER FINANCIAL REPORTING FINDINGS

Finding 2024-001 – Material Weakness

Condition: There were 72 audit adjustments and closing entries posted during the audit to report the Town's financial statements in accordance with Generally Accepted Accounting Principles (GAAP). The large number of adjustments identified during the course of the audit indicates that the Town does not have internal controls in place to prevent or detect misstatements on a timely basis. Areas where accounts and transactions were not adequately reconciled and evaluated for proper recording prior to the start of the audit fieldwork and areas that require improvement included in the following:

- Procedures to ensure beginning fund balance/net position roll-forward to prior year audited financial statements.

TOWN OF PARADISE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

For the Year Ended June 30, 2024

- Procedures for ensuring revenue received in advance of qualifying expenditures are properly deferred.
- Procedures to ensure retentions payable are properly accrued.
- Procedures to ensure accounts payable are properly accrued.
- Procedures to ensure compensated absences and payroll accruals are prepared accurately and on a timely basis.
- Procedures to ensure that pension and other post-retirement entries are calculated and prepared accurately.
- Procedures for tracking grant expenditures to ensure revenue is accrued to the extent of reimbursable expenditures incurred and evaluation of proper accounting treatment of transactions as earned, unearned, or unavailable revenue.
- Procedures to ensure capital outlay is properly reconciled to capital asset additions.
- Procedures to ensure all loans issued by the Town are properly recorded in the general ledger.
- Procedures for evaluating when entries should be posted to fund balance and whether fund balance/net position/restrictions and investment in capital assets are properly reflected.
- Procedures to ensure that Town Council approved assigned fund balance are properly recorded in the general ledger and that prior assigned fund balances are properly removed from the general ledger.
- Procedures to ensure interfund transactions resulting from short-term interfund borrowings and interfund transfers, excluding those with agency funds, are in balance and properly reconciled, recorded and a supporting schedule is accurately prepared.
- Procedures to ensure that all grant billings are properly reconciled and are accurately reflected in the general ledger.

Criteria: Internal controls over financial reporting should exist to ensure the financial statements are prepared in accordance with GAAP and limit the opportunity for errors and fraud occurring.

Cause: The Town's Finance Department did not have procedures in place to fully close the Town's books before the start of the audit.

Effect: The adjustments and closing entries were required to report the financial statements in accordance with GAAP.

Recommendation: We recommend that management ensure all balance sheet accounts are reviewed for proper cut-off and income statement accounts are reviewed for proper classification during the closing process, including reviewing accounts receivable, grants receivable, loans receivable, accounts payable and related assets, fund balance and net position, government-wide revenue and expense adjustments and the classification of revenues and expenditures.

Views of Responsible Officials and Planned Corrective Action: We agree with the finding and are actively seeking additional consultants to support staff training, provide technical guidance, and assist with strengthening financial reporting procedures.

TOWN OF PARADISE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

For the Year Ended June 30, 2024

Finding 2024-002 – Material Weakness

Condition: During the audit of capital assets, it was noted that the Town did not establish a complete reconciliation process between (1) governmental fund capital outlay postings, (2) government-wide fixed-asset adjustments, and (3) the detailed construction in progress and capital assets tracking schedules.

- Prior-year audit adjustments related to capital assets were not fully recorded in the Town's books, which caused beginning balances and current-year additions not to agree to prior audited amounts.
- Several governmental fund and government-wide adjustments were required during the current audit to correct these variances, including entries to recognize completed projects, true up construction in progress and capital asset balances, correct capital asset classifications and record depreciation expense.
- Finance Department does not reconcile capital outlay expenditures to project tracking information from other departments and the amounts recorded as construction in progress on the capital assets schedule. The Town did not complete the capital asset reconciliation to the general ledger until fourteen months after the fiscal year-end.

Criteria: U.S. generally accepted accounting principles (GAAP) require that capital assets be recorded when acquired or constructed and depreciated once placed into service. Internal controls should ensure that additions, disposals, and depreciation are accurately captured in the general ledger and that detailed capital asset records reconcile to financial statement balances. Government-wide and fund-level reporting should be supported by timely and complete reconciliations between the general ledger, construction-in-progress schedules, and fixed-asset tracking reports maintained by departments.

Cause: The Town lacks a documented and coordinated reconciliation process between the fixed asset system and the general ledger. Current internal control structure does not require periodic reconciliation to ensure that construction in progress and capital assets schedules agree and capital assets adjustments are incorporated into current-year balances.

Effect: The absence of an effective reconciliation and monitoring process resulted in material misstatements of capital asset and construction in progress balances that required audit-proposed adjustments to conform to GAAP. This weakness increases the risk that capital assets, accumulated depreciation, and related expenses may be misstated in future financial statements without detection.

Recommendation: We recommend that the Town implement formal policies and procedures requiring regular (at least quarterly) reconciliations between the general ledger and the detailed fixed-asset tracking schedules. Project information maintained by the Public Works Department should be used to ensure construction in progress expenditures are properly recorded in the general ledger. Management should ensure that prior-year audit adjustments are reviewed and incorporated at the start of each fiscal year and that all completed projects are timely transferred from construction in progress to capital assets in service.

Views of Responsible Officials and Planned Corrective Action: We agree with the finding and will implement a formalized, multi-layer reconciliation process that ensures capital activity is consistently captured, reviewed, and aligned across all reporting levels.

TOWN OF PARADISE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

For the Year Ended June 30, 2024

C. CURRENT YEAR FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM

Finding 2024-003 – Material Weakness

Federal Grantor: Various

Passed-through: Various

Pass-through Grantor's No.: Various

Compliance Requirement: Reporting

Condition: The Town submitted its Audited Financial Statements and Single Audit Report to the federal clearinghouse in December 2025, nine months after it was due, mostly the result of delays in reconciling grant activity to revenue recorded.

Criteria: The Town was required to submit its Audited Financial Statements and Single Audit Report to the federal audit clearinghouse no later than March 31, 2025, nine months after the fiscal year-end (2 Code of Federal Regulations §200.512).

Effect: Federal awarding agencies may deny future federal awards or subject the Town to additional cash monitoring requirements.

Cause: The Town did not prepare its Audited Financial Statements and Schedule of Expenditures of Federal Awards in a timely manner.

Context: The Town lacks a documented and reconciliation process to accurately prepare the Schedule of Expenditures of Federal Awards in a timely manner.

Recommendation: The Town should consider contracting with an external accounting firm so that it can close its books and submit its audited financial statements and single audit to the federal audit clearinghouse no later than the statutory reporting deadline.

Views of Responsible Officials and Planned Corrective Action: We agree with the finding and the Town is implementing a comprehensive corrective action plan focused on stabilizing Finance staffing, improving processes, and strengthening internal controls to ensure the Town can prepare accurate financial statements and the SEFA in a timely manner and meet all federal reporting deadlines going forward.

Finding 2024-004 – Material Weakness

Award No.: Various

Federal Grantor: Various

Compliance Requirement: Other compliance requirements.

Condition: The Schedule of Expenditures of Federal Awards (SEFA) was not complete, and expenditures reported on the SEFA were revised during the single audit.

TOWN OF PARADISE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

For the Year Ended June 30, 2024

Criteria: 2 CFR Part 200, Subpart F (Uniform Guidance) Section 200.502 states, “The auditee should prepare a Schedule of Expenditures of Federal Awards for the period covered by the auditee’s financial statements.” Internal controls over the SEFA should be in place to ensure accrual basis expenses incurred under the federal program are properly reported as expenses on the SEFA and are properly reported as revenue in the financial statements prior to the start of the single audit.

Cause: The SEFA was not fully reconciled and finalized until after the single audit began.

Effect: The expenses included on the SEFA were revised during the single audit, which could have resulted in the auditor not selecting the correct major program or expenses for testing and could have resulted in the single audit not satisfying the requirements of the Uniform Guidance.

Recommendation: We recommend additional review procedures be implemented to ensure the SEFA is complete and accurate when the single audit begins and that the schedule is reconciled to the revenue recorded in the general ledger.

Views of Responsible Officials and Planned Corrective Action: We agree with the finding and the Town is implementing a comprehensive corrective action plan focused on stabilizing Finance staffing, improving processes, and strengthening internal controls to ensure the Town can prepare accurate financial statements and the SEFA in a timely manner and meet all federal reporting deadlines going forward.

D. PRIOR YEAR FINDINGS

INTERNAL CONTROL OVER FINANCIAL REPORTING FINDINGS

Finding 2023-001 – Material Weakness

Condition: There were 42 audit adjustments and closing entries posted during the audit to report the Town’s financial statements in accordance with Generally Accepted Accounting Principles (GAAP). The large number of adjustments identified during the course of the audit indicates that the Town does not have internal controls in place to prevent or detect misstatements on a timely basis. Areas where accounts and transactions were not adequately reconciled and evaluated for proper recording prior to the start of the audit fieldwork and areas that require improvement included in the following:

- Procedures to ensure beginning fund balance/net position roll-forward to prior year audited financial statements.
- Procedures for ensuring revenue received in advance of qualifying expenditures are properly deferred.
- Procedures to ensure retentions payable is properly accrued.
- Procedures for tracking grant expenditures to ensure revenue is accrued to the extent of reimbursable expenditures incurred and evaluation of proper accounting treatment of transactions as earned, unearned, or unavailable revenue.
- Procedures to ensure capital outlay is properly reconciled to capital asset additions.
- Procedures to ensure that building permit fees not earned are properly accounted for as unearned revenue.
- Procedures to ensure all loans issued by the Town are properly recorded in the general ledger.

TOWN OF PARADISE, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

For the Year Ended June 30, 2024

- Procedures for evaluating when entries should be posted to fund balance and whether fund balance/net position/restrictions and investment in capital assets are properly reflected.
- Procedures to ensure interfund transactions, including due to and from other funds, advances to and from other funds and transfer in and out, excluding those with agency funds, are in balance.

Criteria: Internal controls over financial reporting should exist to ensure the financial statements are prepared in accordance with GAAP and limit the opportunity for errors and fraud occurring.

Cause: The Town's staff did not have enough time to fully close the Town's books before the start of the audit, including reconciling grant billings to the general ledger.

Effect: The adjustments and closing entries were required to report the financial statements in accordance with GAAP.

Recommendation: We recommend that management ensure all balance sheet accounts are reviewed for proper cut-off and income statement accounts are reviewed for proper classification during the closing process, including reviewing accounts receivable, grants receivable, loans receivable, accounts payable and related assets, fund balance and net position, government-wide revenue and expense adjustments and the classification of revenues and expenditures.

Current Status: This finding is not considered resolved. See Finding 2024-001 under CURRENT YEAR FINDINGS – FINANCIAL STATEMENT AUDIT for the continuation of this finding.

PRIOR YEAR FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM

Finding 2023-002 – Material Weakness

Federal Grantor: Various

Passed-through: Various

Pass-through Grantor's No.: Various

Compliance Requirement: Reporting

Condition: The Town submitted its Audited Financial Statements and Single Audit Report to the federal clearinghouse in September 2024, six months after it was due, mostly the result of delays in reconciling grant activity to revenue recorded.

Criteria: The Town was required to submit its Audited Financial Statements and Single Audit Report to the federal audit clearinghouse no later than March 31, 2024, nine months after the fiscal year-end (2 Code of Federal Regulations §200.512).

Effect: Federal awarding agencies may deny future federal awards or subject the Town to additional cash monitoring requirements.

Cause: The Town did not prepare its Audited Financial Statements and Schedule of Expenditures of Federal Awards in a timely manner due to the number of federal awards tested in the current year

TOWN OF PARADISE, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended June 30, 2024

compared to prior years. In addition, the Town lost its finance director during the financial and single audit process.

Context: The Town has had complete turnover of finance department personnel and has found difficulty in replacing key personnel for its finance department.

Recommendation: The Town should consider contracting with an external accounting firm so that it can close its books and submit its audited financial statements and single audit to the federal audit clearinghouse no later than the statutory reporting deadline.

Current Status: This finding is not considered resolved. See Finding 2024-003 under CURRENT YEAR FINDINGS – FINANCIAL STATEMENT AUDIT for the continuation of this finding.

Finding 2023-003 – Material Weakness

Award No.: Various

Federal Grantor: Various

Compliance Requirement: Other compliance requirements.

Condition: The Schedule of Expenditures of Federal Awards (SEFA) was not complete, and expenditures reported on the SEFA were revised during the single audit.

Criteria: 2 CFR Part 200, Subpart F (Uniform Guidance) Section 200.502 states, “The auditee should prepare a Schedule of Expenditures of Federal Awards for the period covered by the auditee’s financial statements.” Internal controls over the SEFA should be in place to ensure accrual basis expenses incurred under the federal program are properly reported as expenses on the SEFA and are properly reported as revenue in the financial statements prior to the start of the single audit.

Cause: The SEFA was not fully reconciled and finalized until after the single audit began.

Effect: The expenses included on the SEFA were revised during the single audit, which could have resulted in the auditor not selecting the correct major program or expenses for testing and could have resulted in the single audit not satisfying the requirements of the Uniform Guidance.

Recommendation: We recommend additional review procedures be implemented to ensure the SEFA is complete and accurate when the single audit begins.

Current Status: This finding is not considered resolved. See Finding 2024-004 under CURRENT YEAR FINDINGS – FINANCIAL STATEMENT AUDIT for the continuation of this finding.

Finding 2023-004 – Significant Deficiency

Award No.: 16.710

Federal Grantor: U.S. Department of Justice

Compliance Requirement: Reporting

TOWN OF PARADISE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

For the Year Ended June 30, 2024

Condition: The Federal Financial Reports (SF-425) final report for the reporting period and date of December 31, 2022 was submitted on September 19, 2023. Quarterly federal financial report for the period of January 1, 2023 to March 31, 2023 was submitted on May 8, 2023.

Criteria: According to 2 CFR Part 200.303, the Town is required to establish and maintain effective internal controls over Federal awards that provides reasonable assurance that the Town is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Police Safety Partnership and Community Policing Grant program resolutions require the Town to file financial reports throughout the year. Federal Financial Report (SF-425) final report shall be submitted no later than 120 days after the project or grant period end date. Also, quarterly federal financial reports shall be submitted no later than 30 days after the end of each reporting period.

Cause: The Town experienced turnover and vacancies in key positions responsible for reporting during fiscal year 2022-23.

Effect: The Town was not fully in compliance with reporting requirements.

Recommendation: The Town needs to ensure that reports are complete by the due date.

Current Status: We noted federal grant reports were filed timely during fiscal year 2024.

Findings 2023-005 – Significant Deficiency

Award No.: All

Federal Grantor: All

Compliance Requirement: Reporting

Condition: The expenditure information provided to report the amounts of the SEFA contained totals representing transfers from other funds instead of individual expenditure amounts.

Criteria: Section 202.302 states in part, "... the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award."

Cause: The Town does not have a process in place to ensure separate identification of federal expenditures in the accounting system.

Effect: By not maintaining a separate accounting of individual expenditures of federal funds, it is difficult to determine that funds have been used according to Federal regulations.

Recommendation: The Town should ensure individual expenditure detail for federal award expenditures is prepared in the general ledger, or in supplemental listings.

Current Status: This finding is considered resolved. Expenditures were charged directly to the fund where grant award is located.

TOWN OF PARADISE, CALIFORNIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2024

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal Assistance Listing (AL) Number</u>	<u>Pass-Through Grantors' Number</u>	<u>Expenditures</u>
MAJOR PROGRAMS			
<u>U.S. Department of Housing and Urban Development:</u>			
Direct programs:			
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	18-DRINFRA-18009	\$ 4,416,861
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	18-DRINFRA-18006	1,237,028
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	21-DRMHP-21004	<u>11,808,006</u>
Total Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii			<u>17,461,894</u>
TOTAL MAJOR PROGRAMS			<u>17,461,894</u>
NON-MAJOR PROGRAMS			
<u>U.S. Department of Transportation:</u>			
Passed through California Department of Transportation			
Highway Planning and Construction	20.205	ER-38YO-013/FHWA	1,202
Highway Planning and Construction	20.205	CML-5425 (038)	147,605
Highway Planning and Construction	20.205	ER-38YO-025/FHWA	6,954
Highway Planning and Construction	20.205	CML-5425 (044)	22,462
Highway Planning and Construction	20.205	HSIPL-5425 (041)	23,927
Highway Planning and Construction	20.205	ER-38YO-012/FHWA	3,354,946
Highway Planning and Construction	20.205	CML-5425 (043)	215,776
Highway Planning and Construction	20.205	ATP6-03-006S	<u>41,154</u>
Total U.S. Department of Transportation			<u>3,814,026</u>
<u>U.S. Department of the Treasury</u>			
Direct programs:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	ARPA	<u>153,658</u>
Total U.S. Department of the Treasury			<u>153,658</u>
<u>U.S. Economic Development Administration</u>			
Passed through California Department of Transportation			
Economic Adjustment Assistance	11.307	07-79-07567	<u>74,033</u>
Total U.S. Economic Development Administration			<u>74,033</u>

TOWN OF PARADISE, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

For the Year Ended June 30, 2024

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal Assistance Listing (AL) Number</u>	<u>Pass-Through Grantors' Number</u>	<u>Expenditures</u>
<u>U.S. Department of Homeland Security, Federal Emergency Management Agency (FEMA):</u>			
Direct programs:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA PJ0359-130763	\$ 40,645
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA PJ0363-132422	5,334,476
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA PJ0363-132422	1,069,136
Hazard Mitigation Grant	97.039	HMGP #4407-157-046R	366,200
Hazard Mitigation Grant	97.039	PJ0305/HMGP	75,121
Hazard Mitigation Grant	97.039	HMPG #4407 0511	13,757
Hazard Mitigation Grant	97.039	PJ0189/HMGP	56,100
Total U.S. Department of Homeland Security			<u>6,955,435</u>
<u>U.S. Department of Agriculture</u>			
Direct programs:			
Community Facilities Loans and Grants	10.766	USDA	175,670
Community Facilities Loans and Grants	10.766	USDA	60,000
Community Facilities Loans and Grants	10.766	USDA	4,303
Total U.S. Department of Agriculture			<u>239,973</u>
<u>U.S. Department of Housing and Urban Development:</u>			
Direct programs:			
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.218	B-20-MC-06-051	94
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.218	B-21-MC-06-051	24,815
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.218	B-23-MC-06-051	40,633
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.218	B-20-MW-06-051	4,728
Total Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii			<u>70,270</u>
TOTAL NON-MAJOR PROGRAMS			<u>11,307,396</u>
TOTAL FEDERAL AWARDS			<u>\$ 28,769,290</u>

See accompanying notes to schedule of expenditures of federal awards.

TOWN OF PARADISE, CALIFORNIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2024

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the Town of Paradise, California (the Town) under programs of the federal government for year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the Town's operations, it is not intended to be and does not present the financial position, changes in financial position, or cash flows of the Town.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenses reported on the Schedule are reported on the modified accrual basis of accounting. Such expenses/expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenses are not allowable or are limited as to reimbursement.

NOTE C – PROGRAM COSTS/MATCHING CONTRIBUTIONS

The amounts shown as current year expenses represent only the federal grant portion of the program costs. Entire program costs, including the Town's portion, may be more than shown.

NOTE D – INDIRECT COST ALLOCATION PLAN

The Town elected to use the 10% de minimis indirect cost rate during the year ended June 30, 2024.

NOTE E – LOAN PROGRAMS

The outstanding balances of loan programs were as follows:

Federal Program	Federal AL Number	Outstanding Loan Balances
Community Development Block Grants/Entitlement Grants	14.228	\$ 12,509,586

NOTE F – SUBRECIPIENTS

There were no subrecipients of the Town's federal programs during the year ended June 30, 2024.

NOTE G – CLUSTERS OF PROGRAMS

There were no clusters of the Town's federal programs during the year ended June 30, 2024.

TOWN OF PARADISE, CALIFORNIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

For the Year Ended June 30, 2024

NOTE H – PRIOR YEAR EXPENSES INCLUDED ON 2024 SEFA

The 2024 SEFA includes the following prior year expenses obligated during the year ended June 30, 2024.

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal Assistance List Number</u>	<u>Pass-Through Grantors' Number</u>	<u>Expenses</u>
U.S Department of Homeland Security, Federal Emergency Management Agency	FEMA PJ0363-132422	97.036	<u>\$ 1,069,136</u>
Total Prior Year Expenses on SEFA			<u>\$ 1,069,136</u>



Town of Paradise
Finance Department
5555 Skyway
Paradise, CA 95969
(530) 872-6291

December 2, 2025

Town of Paradise
State Single Audit Corrective Action Plan
For the Fiscal Year Ended 2024

AUDIT FINDINGS

Finding Reference Number: **2024-001**

Description of Finding: There were 72 audit adjustments and closing entries posted during the audit to report the Town's financial statements in accordance with Generally Accepted Accounting Principles (GAAP). The large number of adjustments identified during the course of the audit indicates that the Town does not have internal controls in place to prevent or detect misstatements on a timely basis. Areas where accounts and transactions were not adequately reconciled and evaluated for proper recording prior to the start of the audit fieldwork and areas that require improvement included in the following:

- Procedures to ensure beginning fund balance/net position roll-forward to prior year audited financial statements.
- Procedures for ensuring revenue received in advance of qualifying expenditures are properly deferred.
- Procedures to ensure retentions payable are properly accrued.
- Procedures to ensure accounts payable are properly accrued.
- Procedures to ensure compensated absences and payroll accruals are prepared accurately and on a timely basis.
- Procedures to ensure that pension and other post-retirement entries are calculated and prepared accurately.
- Procedures for tracking grant expenditures to ensure revenue is accrued to the extent of reimbursable expenditures incurred and evaluation of proper accounting treatment of transactions as earned, unearned, or unavailable revenue.
- Procedures to ensure capital outlay is properly reconciled to capital asset additions.
- Procedures to ensure all loans issued by the Town are properly recorded in the general ledger.

Corrective Action:

The audit period occurred during a significant organizational transition. Much of the Finance team was newly hired, and the department was operating without full historical knowledge of certain complex, multi-year projects. During this same period, the Town was implementing a new account structure and adapting to revised financial coding practices, changes that naturally created temporary gaps in continuity and processing.



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These combined circumstances contributed to delays in reconciliations, and a higher number of audit adjustments. As staff continue to gain experience, workflows are stabilizing, and historical project information is aligning within the new structure, we expect these issues to diminish significantly.

To accelerate this progress, the Town is actively seeking additional consultants to support staff training, provide technical guidance, and assist with strengthening financial reporting procedures. This investment will help ensure internal controls are reinforced and future financial statements are prepared accurately and timely, with fewer adjustments required during the audit process.

Name of Contact Person: Aimee Beleu, Finance Director, (530) 872-6291,
abeleu@townofparadise.com

Projected Completion Date: March 1, 2026



Town of Paradise
Finance Department
5555 Skyway
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(530) 872-6291

Finding Reference Number: **2024-002**

Description of Finding: During the audit of capital assets, it was noted that the Town did not establish a complete reconciliation process between (1) governmental fund capital outlay postings, (2) government-wide fixed-asset adjustments, and (3) the detailed construction in progress and capital assets tracking schedules.

Statement of Concurrence or Nonconcurrence:

Capital Assets had adjustments.

Corrective Action:

The audit period occurred during a significant organizational transition. Much of the Finance team was newly hired, and the department was operating without full historical knowledge of several complex, multi-year capital projects. At the same time, the Town was implementing a new account structure and adapting to revised financial coding practices. These overlapping changes created temporary gaps in continuity, processing, and reconciliation workflows as staff worked to integrate new systems while learning inherited project histories.

The Town will implement a formalized, multi-layer reconciliation process that ensures capital activity is consistently captured, reviewed, and aligned across all reporting levels. Actions include:

- Establishing standardized quarterly and year-end reconciliation procedures linking capital outlay expenditures, fixed-asset journal entries, and construction-in-progress schedules.
- Updating internal workflows to ensure all capital project costs are reviewed, reconciled, and recorded in the asset management system in a timely manner.
- Developing crosswalk worksheets that map fund-level postings to government-wide adjustments and detailed project schedules.
- Reconciling Finance's capital activity and CIP summaries with Public Works' project-tracking reports as a required secondary review to validate accuracy, confirm project status, and ensure costs are aligned across departments.
- Providing additional training to staff responsible for capital asset accounting to strengthen understanding of GASB reporting requirements and reconciliation expectations.
- Engaging outside consultants, as needed, to assist with initial setup, staff training, and quality-assurance reviews during the transition.

Name of Contact Person: Aimee Beleu, Finance Director, (530) 872-6291,
abeleu@townofparadise.com

Projected Completion Date: March 1, 2026



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5555 Skyway
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Finding Reference Number: **2024-003**

Description of Finding: The Town submitted its Audited Financial Statements and Single Audit Report to the federal clearinghouse in November 2025, eight months after it was due, mostly the result of delays in reconciling grant activity to revenue recorded.

Statement of Concurrence or Nonconcurrence:

The audit was not submitted on time.

Corrective Action:

The delay in submitting the Town's Audited Financial Statements and Single Audit Report was primarily caused by significant organizational transitions within the Finance Department during the audit period. Much of the team, including senior staff was newly hired, resulting in limited historical knowledge of several complex, multi-year capital projects and grant activities. At the same time, the Town was implementing a new account structure and adapting to revised financial coding practices. These overlapping system, staffing, and project-knowledge challenges created temporary gaps in continuity, processing, and reconciliation workflows, particularly in reconciling grant activity to revenue recorded, which ultimately contributed to the eight-month delay in submitting required federal reports.

To prevent future delays, the Town is implementing a comprehensive corrective action plan focused on stabilizing Finance staffing, improving processes, and strengthening internal controls. Actions include establishing consistent grant billing and reconciliation cycles; developing documented procedures for grant tracking, revenue recognition, SEFA preparation, and year-end close; and enhancing financial coding accuracy under the new account structure. Ongoing staff training will build institutional knowledge, while external support may be utilized as needed for complex reconciliations and transitional needs. These measures will ensure the Town can prepare accurate financial statements and the SEFA in a timely manner and meet all federal reporting deadlines going forward.

Name of Contact Person: Aimee Beleu, Finance Director, (530) 872-6291,
abeleu@townofparadise.com

Projected Completion Date: March 1, 2026



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Finance Department
5555 Skyway
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(530) 872-6291

Finding Reference Number: **2024-004**

Description of Finding: The Schedule of Expenditures of Federal Awards (SEFA) was not complete, and expenditures reported on the SEFA were revised during the single audit.

Statement of Concurrence or Nonconcurrence:

The SEFA required adjustments.

Corrective Action:

The Schedule of Expenditures of Federal Awards (SEFA) was not complete, and expenditures reported on the SEFA required revision during the single audit due to significant organizational transitions within the Finance Department during the audit period. Much of the team including senior staff was newly hired, resulting in limited historical knowledge of several complex, multi-year capital projects and grant activities. At the same time, the Town was implementing a new account structure and adapting to revised financial coding practices. These overlapping changes created temporary gaps in continuity, processing, and reconciliation workflows, which affected the Town's ability to accurately reconcile grant activity to the general ledger and compile a complete and accurate SEFA prior to the start of the single audit.

To address these issues and ensure accurate SEFA reporting going forward, the Town is implementing a comprehensive corrective action plan focused on stabilizing Finance staffing, improving reconciliation processes, and strengthening internal controls. Key actions include establishing consistent grant billing and reconciliation cycles; developing documented procedures for grant tracking, revenue recognition, and SEFA preparation; and improving financial coding accuracy under the new account structure. Ongoing staff training will reinforce institutional knowledge, and external support may be used as needed for complex reconciliations or project-specific cleanup. These measures will ensure the Town can prepare a complete and accurate SEFA on a timely basis and fully meet federal reporting requirements.

Name of Contact Person: Aimee Beleu, Finance Director, (530) 872-6291,
abeleu@townofparadise.com

Projected Completion Date: 10/1/25

Any questions regarding this Plan, please call Aimee Beleu at (530) 872-6291.

Sincerely yours,

Aimee Beleu
Finance Director/ Town Treasurer

INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES
APPLIED TO APPROPRIATIONS LIMIT TESTING

To the Town Council
Town of Paradise, California

We have performed the procedures enumerated below to the accompanying calculation of the Appropriations Limit of the Town of Paradise (the Town) for the year ended June 30, 2024. The Town's management is responsible for complying with the Appropriations Limit Calculation. The Town and the League of California Cities (as presented in the publication entitled Agreed-Upon Procedures applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution) have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to assist the Town in meeting the requirements of Section 1.5 of Article XIIIIB of the California Constitution. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. We obtained the Town's calculation of the 2023/2024 appropriations limit and compared the limit and annual adjustment factors included in the calculation to the limit and annual adjustment factors that were adopted by resolution of the Town Council.

Finding: No exceptions were noted as a result of our procedures.

2. We compared the methodology used to determine the cost of living adjustment component to Article XIIIIB which states that the Town may annually adjust the component for either the change in California per capita personal income or, the percentage change in the Town's assessed valuation which is attributable to non-residential new construction. We recalculated the factor based on the above information.

Finding: No exceptions were noted as a result of our procedures.

3. We compared the methodology used to determine the population adjustment component to Article XIIIIB which states that the Town may annually choose to adjust the component for either the change in population in the County in which the Town is located, or the change in population within the unincorporated area of the County in which the Town is located. We recalculated the factor based on the above information.

Finding: No exceptions were noted as a result of our procedures.

4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Calculation to the prior year appropriations limit adopted by the Town Council for the prior year.

Finding: The prior year appropriation limit used in the calculation did not match the amount adopted by the Town Council in the prior year.

5. We recalculated the 2023/2024 appropriation limit by multiplying the product of the two above factors by the 2022/2023 appropriation limit.

Finding: We were able to recalculate the appropriation limit; however, because of the issue identified in item 4, the amount of the appropriation limit was incorrect.

6. We compared the Town's actual revenues to the computed appropriation limit for fiscal year 2023/2024.

Finding: For the 2023/2024 fiscal year, the Town's actual revenues subject to the appropriations limit properly did not exceed the appropriation limit adopted by resolution of the Town Council, after revisions were made to use the correct amounts subject to appropriation.

We were engaged by the Town to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on accompanying calculation of the Appropriation Limit. Accordingly, we do not express such an opinion or conclusion. No procedures have been performed with respect to the determination of the Appropriations Limit for the base year, as defined by *Article XIII-B* of the California Constitution.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the use of the Town Council and management of the Town and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Richardson & Company, LLP

December 2, 2025

APPENDIX A

TOWN OF PARADISE APPROPRIATION LIMIT CALCULATION Year Ended June 30, 2024

APPROPRIATION LIMIT ADOPTED BY TOWN:

Recorded in Final 2023/2024 Budget	\$ 21,718,780
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APPROPRIATION LIMIT COMPUTATION PER REVIEW:

2022/2023 Appropriation Limit	\$ 21,373,397
Cost of living factor:	
Change in California per capita income	1.0444
Population Adjustment Factor:	
Population change in County of Butte	<u>0.9952</u>
Auditor computed limitation	<u>22,215,228</u>
Variance	<u>\$ (496,448)</u>