



CITY COUNCIL REGULAR MEETING

Monday, December 05, 2022 at 5:00 PM

94 N. Washington Street, Sonora, CA 95370

(209) 532-4541

AGENDA

NOTICE IS HEREBY GIVEN that the Sonora City Council will have their regular meeting on Monday, December 5, 2022 at 5:00 PM in the City of Sonora Council Chambers located at 94 N. Washington Street Sonora, CA 95370.

NOTICE: THIS MEETING WILL BE HELD IN ACCORDANCE WITH GOVERNMENT CODE SECTION 52953(E) AND THE CITY OF SONORA CITY COUNCIL RESOLUTION NO. 05-16-2022-A.

THIS MEETING IS PHYSICALLY OPEN TO THE PUBLIC OR MEMBERS OF THE PUBLIC MAY PARTICIPATE IN THE MEETING VIA VIDEO CONFERENCING AT:

Zoom Meeting Link:

<https://us06web.zoom.us/j/87460555933?pwd=UFBFZ0EyR3pjXNXZWtXVIZLQTJoQT09>

Dial: (669) 900-6833

Meeting ID: 874 6055 5933

Passcode: 7dY809

MEMBERS OF THE PUBLIC WILL BE GIVEN THE OPPORTUNITY TO PROVIDE PUBLIC COMMENT.

THIS MEETING WILL BE OPEN TO THE PUBLIC AND WILL BE AVAILABLE VIA ZOOM. IT WILL ALSO BE LIVE STREAMED ON THE CITY'S WEBSITE AT www.sonoraca.com.

Written comments can be submitted to be included as part of the administrative record, they will not be read during the meeting. All comments must be received by 3:00 pm on the day of the noticed meeting and can be submitted to the City Clerk at 94 N. Washington Street Sonora, CA 95370 or via email to tskelly@sonoraca.org.

CLOSED SESSION - 4:00 PM

CALL TO ORDER

ROLL CALL

PUBLIC COMMENTS

ADJOURN INTO CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL - Anticipated Litigation - Significant exposure to litigation pursuant to Gov. Code § 54956.9(d)(2): Two (2) Potential Cases; Melissa Eads, City Administrator, Doug White, City Attorney

RECONVENE INTO OPEN SESSION [City Council Chambers]

OPEN SESSION - 5:00 PM

REPORT OUT OF CLOSED SESSION

PLEDGE OF ALLEGIANCE

ROLL CALL

CITY CLERK'S REPORT ON AGENDA POSTING

APPROVAL OF THE AGENDA

PRESENTATIONS

2. Receive an update from Tuolumne County District 1 Supervisor David Goldemberg.

PUBLIC COMMENT (NON-AGENDA ITEMS)

*The public may address the Council on any item of public interest not otherwise on the agenda that is within the jurisdiction of the City. No action may be taken. Matters to be addressed may be referred to City Staff or placed on a subsequent meeting Agenda. Speakers are limited to a three (3) minute presentation. If participating via Zoom, please raise your hand using the Raise Your Hand feature or dial *9 (*6 to unmute).*

CONSENT CALENDAR

Items on the Consent Calendar are considered routine and will be voted on in one motion unless a Council member or member of the public has a question or wishes to discuss an item. In that case, the item will be removed from the Consent Calendar and considered separately.

3. Presentation of the City of Sonora's Traffic Impact Mitigation Fund Report as presented for the fiscal year ended June 20, 2022 for public review; Christopher Gorsky, Administrative Services Director.
4. Consider adoption of Resolution 12-05-2022-C declaring the results of the Consolidated Special Municipal Election held on November 8, 2022; Tracy Skelly, City Clerk.
5. Consider approval of Amendment No. 1 to the MuniServices, LLC. contract which extends our existing contract for Sales and Use Tax Audit Services (SUTA) and Sales Tax Analysis and Reporting (STARS) for the City's Bradley Burns and existing Special District Tax (Measure I) and adds the language for auditing services for Measure Y, as required by the California Department of Tax and Fee Administration and authorize the City Administrator to execute the contract amendment; Christopher Gorsky, Administrative Services Director.

6. Consider approval of the Preparatory and Administrative Agreements and Associated Resolutions to allow the California Department of Tax and Fee Administration (CDTFA) to administer the City's Essential Services Transaction and Use Tax Ordinance and authorize the City Administrator to execute the agreements; Chris Gorsky, Administrative Services Director.

COMMUNICATIONS

7. Receive communications from Sierra Mac River Trips, Inc. regarding Tuolumne County Transient Occupancy Tax (TOT) proposed funding cut to Visit Tuolumne County.
8. Receive communications regarding Tuolumne County Evacuation Needs Assessment Community Meetings.

COUNCIL MEMBER/DEPARTMENT HEAD REPORTS

ADJOURNMENT

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Administrator at City Hall (209) 532-4541, meads@sonoraca.com. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II).

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Administrator's Office at 94 N. Washington Street, Sonora, CA 95370 during normal business hours (8:00 am - 4:00 pm, Monday through Friday, excluding holidays). The agenda and supporting public documents are also available on our City website www.sonoraca.com listed under the agenda/minutes link on the Government page.



CITY COUNCIL AGENDA REPORT

MEETING DATE: December 5, 2022
TO: City Council Members
FROM: Melissa Eads, City Administrator
SUBJECT: Supervisor David Goldemberg County Update

RECOMMENDATION

Receive an update from Tuolumne County District 1 Supervisor David Goldemberg.

DISCUSSION

District 1 Supervisor Goldemberg will present an update on County-wide issues to the City Council the first meeting of each month.

FISCAL IMPACT

No fiscal impact to the General Fund.



CITY COUNCIL AGENDA REPORT

MEETING DATE: December 5, 2022

TO: City Council Members

FROM: Gerard J. Fuccillo, City Engineer
Chris Gorsky, Administrative Services Director

SUBJECT: Fiscal Year 2022 Traffic Impact Mitigation Report

RECOMMENDATION

City Staff recommends the release of the City of Sonora's Traffic Impact Mitigation Fund Report as presented for the fiscal year ended June 30, 2022 for public review.

DISCUSSION

California Government Code Title 7. Division 1. Chapter 5. Section 66006. requires that a local agency requiring the payment of a fee in connection with the approval of a development project make available to the public certain information for each fund or separate account established by the collection of such fees within 180 days after the last day of each fiscal year.

The information available to the public shall include:

A brief description of the type of fee in the account or fund.

1. The amount of the fee.
2. The beginning and ending balance of the account or fund.
3. The amount of fees collected, and the interest earned.
4. An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.
5. An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement and the public improvement remains incomplete.
6. A description of each interfund transfer or loan made from the account or fund.
7. The amount of refunds made.

The local agency shall review the information made available to the public at the next regularly scheduled public meeting not less than 15 days after this information is made available to the public.

The Fiscal Year 2022 Traffic Impact Mitigation Fund Report is set forth in Attachment A. Project information related to the Traffic Impact Mitigation Fund is listed in Attachment B. This report was made available to the public on November 18, 2022. A complete copy of the report is available for review at City Hall Administration located at 94 N. Washington Street Monday through Friday between the hours of 8:00 AM and 4:00 PM and on the City's website.

ATTACHMENTS

- Attachment "A" - FY2022 Traffic Impact Mitigation Fund Report
- Attachment "B" - Project Information Related to Traffic Impact Mitigation Fund
- Resolution 11-16-98-A

Attachment A

CITY OF SONORA ANNUAL REPORT ON TRAFFIC IMPACT MITIGATION FUND FISCAL YEAR 2022

Beginning Cash Balance July 1, 2021	1,216,114.74
Fees Collected	15,920.00
Interest Received	3,677.00
Transfer for Greenley Road Extension Project Analysis	(175,000.00)
Ending Cash Balance June 30, 2022	<u>1,060,711.74</u>
Less encumbered amount (Signalization Sanguinette/Old Wards Ferry)	(353,650.00)
Net Funds Availbale for Projects	<u><u>707,061.74</u></u>

Traffic Impact Mitigation Fees are collected pursuant to Chapter 3.50 of the Sonora Municipal Code established in 1991 and City Council Resolution 11-16-98-A which adopted Traffic Impact Mitigation Fees based on an Updated Study of County Wide Circulation Improvement Needs.

Traffic Impact Mitigation Fees for individual development projects are determined by the Community Development Director from Exhibit B (Fee Schedule) of Resolution 11-16-98-A. The number of new trips per day for the development project is determined from the Fee Schedule and multiplied by the escalated fee per trip at the time of the Building Permit application in accordance with Resolution 11-16-98-A.

There were no loans made from the Traffic Impact Mitigation Fund during Fiscal Year 2022.

There were no refunds made from the Traffic Impact Mitigation Fund during Fiscal Year 2022.

ATTACHMENT B**Fiscal Year 2021-2022 Traffic Impact Mitigation Fund Report**

This attachment addresses items 5) and 6) of the main report on the subject matter, and project expenditures listed on Attachment A

5) An identification of each public improvement on which fees were expended, and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

1. NONE

6) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, and the public improvement remains incomplete. Projects listed under the County-wide Traffic Impact Mitigation Fee Program which are within the County are programmed by the County, and those projects which are within the City are programmed by the City, all based upon available funding. For those incomplete projects on the list of improvements which are within the City, the following projects are scheduled based upon available funding, environmental, and anticipated property acquisition:

2. Other signalization projects and projects listed in the Traffic Impact Mitigation Fee program will be scheduled as traffic warrants are met and funding is available.

RESOLUTION NO. 11-16-98-A

A RESOLUTION OF THE SONORA CITY COUNCIL ESTABLISHING TRAFFIC IMPACT FEES BASED UPON AN UPDATED STUDY OF COUNTY WIDE CIRCULATION IMPROVEMENT NEEDS

WHEREAS, Ordinance No 669 adding Chapter 3.50 to the City of Sonora Ordinance Code has been adopted to establish traffic impact mitigation fees for development projects; and whereas a public hearing has been held on April 11, 1991, with notice having been provided pursuant to Government Code Section 6062; and

WHEREAS, a detailed study of the costs of providing traffic circulation facilities to future development projects and a projection of traffic facility needs throughout the next fifteen years has been prepared titled "Study of County-Wide Circulation Improvement Needs, " as supplemented by City and County Staff, in the document titled "County-wide Road Maintenance, Circulation and Financial Program" which was reviewed and approved by the Sonora City Council on February 21, 1991; and

WHEREAS, an update study known as the County-wide Traffic Circulation System Model, Transportation Improvement Program, and Funding Strategy, by TJKM Transportation Consultants was conducted in 1996; and

WHEREAS, said updated study was considered at a public hearing held jointly by the Sonora City Council and the Tuolumne County Board of Supervisors and the Tuolumne County and Cities Area Planning Council on July 22, 1997 and September 23, 1997; and

WHEREAS, on September 23, 1997, the Sonora City Council adopted, along with the Board of Supervisors and the Tuolumne County and Cities Area Planning Council, a "Tier I" Road Capacity Improvement Program Project List pursuant to said updated study, and deferred the adoption of a financial program to a future date; and

WHEREAS, after numerous public hearings and meetings of the Tuolumne County Board of Supervisors, on August 18, 1998, said Board adopted Tuolumne County Ordinance No. 2254 and Board Resolution No. 187-98, providing for updated traffic mitigation fees, elimination of a fee waiver program, amendment of a traffic impact fee exemption program , and adoption of a County-wide Circulation Program; and

WHEREAS, it is necessary and desirable that the City of Sonora as a member of the Tuolumne County and Cities Area Planning Council adopt the same program and traffic

mitigation fees as was adopted by the Tuolumne County Board of Supervisors; and

WHEREAS, notice and supporting data were made available to the public at least ten (10) days prior to the public hearing on the action herein.

THEREFORE, BE IT RESOLVED, the City Council of the City of Sonora determines as follows:

1. This resolution sets fee amounts for the purpose of funding traffic circulation facilities necessary to provide services to the population increases expected County-wide including the City through the year 2015. The payment of these fees is also necessary to comply with policies of the General Plan;
2. The fees will be used to finance Regional traffic circulation facilities identified in the aforementioned study;
3. Based on the updated study, and the public testimony at the hearings, future development in the City will generate additional demands for Regional traffic circulation facilities;
4. There is a reasonable relationship between the fee's use and the development projects on which the fee is imposed because the fee will be expended solely on Regional traffic circulation facilities that will provide services to the residents and employees occupying that development;
5. Continued growth and development without mitigating the cumulative impacts and providing for adequate roads is contrary to the expressed policies of the City of Sonora General Plan;
6. Continued growth and development without mitigation of impacts and without providing for adequate roads is also contrary to the general welfare of the citizens of the City of Sonora;
7. The County-wide Traffic Circulation System Model, Transportation Improvement Program, and Funding Strategy indicates that improvements are needed to the City's circulation system on a Regional basis. This study also demonstrates that a fair share of the funding for those improvements will have to come from fees charged to new development;
8. A reasonable relationship exists between the need for traffic facilities and the impacts caused by the type of development projects on which fees are imposed given that : a) trip generation tables sensitive to the variation in the amount of traffic generated by different types of developments were used in projecting

future year traffic loads on the road system; b) such traffic projections were used to determine circulation deficiencies; and c) the study's list of Regional traffic facility improvements was developed to mitigate identified circulation deficiencies;

9. A reasonable relationship exists between the amount of the fee and the cost of the Regional traffic facility improvements attributable to the development on which the fee is imposed, given that: a) the total cost of said improvements attributable solely to the new development was determined; b) said total cost was then divided by the projected increase in vehicle trips determined by the updated study to arrive at a cost per vehicle trip; c) the trip rates utilized to set the fee for the various uses and types of new development have been adjusted to consider pass by trips, diverted trips, trip length, peak hour impacts and other factors consistent with the computation of the projected increase in vehicle trips determined by the updated study.
10. The fee amount imposed on each project has a fair and reasonable relationship to that project's expected burden on, and benefit from, the Regional traffic circulation facilities to be funded by the fee;
11. The fees will be collected and deposited into a City Regional Road Fund from which funds may annually be appropriated to advance work towards the delivery of traffic facilities listed herein;
12. The City Council hereby adopts the list of Regional Traffic Facilities Improvements identified as Table 1 "County-wide Traffic Circulation Improvement Program", attached hereto as Exhibit A, as the list of projects eligible for the appropriation of traffic impact mitigation fee collected pursuant to this Resolution.

BE IT FURTHER RESOLVED that the amount of fees imposed on each type of project shall be the applicable sum computed by the Planning and Building Department based on the schedule attached hereto as Exhibit B and administered as follows:

1. THE FEE; the fee shall be applied to all structures, and in addition to such other improvements with the potential to generate traffic as determined by the Planning and Building Department. Where more than one use is included within any one building or on any single parcel, the fee shall be the sum total of the requirements for the various uses; provided, however, where the operation of these different uses is such that the operation of uses complement each other insofar as traffic generation is concerned, the Community Development Director may authorize a reduction in these fees.

2. **CREDIT FOR CERTAIN IMPROVEMENTS:** A credit against payment of the fee shall be granted based on the value of (1) transportation improvements, or (2) donation or dedication of land or facilities, which improvements, land or facilities are included in the County-wide Traffic Circulation Improvement Program, or directly reduce the costs of any improvement identified in that program. Transportation improvements are any improvements associated with a roadway widening, roadway extension, capacity improvement or traffic signal installation on the County-wide Traffic Circulation Improvement Program, and includes, grading, paving, curb and gutter, sidewalks, transit stops, median islands, channelization, interchanges, relocation of utilities, over crossings, sound walls, bridges, lighting, landscaping, right of way and mitigation of environmental impacts. The eligibility for and amount of credit shall be determined by the Community Development Director.
3. **ALTERNATIVE TO REQUIRED FEES:** No fee shall be imposed on a development project if (1) a traffic study, approved by the City Engineer and the Community Development Director has been completed which identifies and addresses the project's direct and cumulative impacts on traffic, and (2) all measures (including any improvements and monetary payments), identified in the study as necessary to mitigate traffic impacts, are implemented. The scope, form and content of said traffic study shall be pre-approved by the City Engineer and the Community Development Director.
4. **AUTOMATIC ADJUSTMENT OF FEES:** On July 1, of each year, the fee shall be automatically increased or decreased by the percentage increase or decrease in the San Francisco Consumer Price Index, All Items, all Urban Consumers, published by the U. S. Department of Labor, for the preceding 12 month period.
5. **STATEMENT OF FEES:** The Planning and Building Department shall issue or cause to be issued to the project applicant a written notice at the time of final approval which shall state the fee amount (including the automatic adjustment factor) and notification of the commencement of the protect period as required by Government Code 66020 (d) (1).
6. **ADMINISTRATIVE FEE:** An additional amount of 1% of the traffic mitigation fee is established for administration of the fee program. Said additional 1% shall be deposited in the City's General Fund account.
7. **EXEMPTIONS TO TRAFFIC MITIGATION FEE:** The following projects are exempt from a fee:
 - A. Accessory buildings to residential development.

- B. A facility owned by a "Public Agency" and built with public funds, or a facility leased to and occupied by a "Public Agency". This exemption does not apply to a project constructed on county owned or leased land unless it qualifies as provided herein.
- C. Crisis Center providing free temporary services to individuals or families to assist them in responding to a physical, emotional, or family emergency.
- D. State or Federal facilities exempt from local fees by law.
- E. Homeless Shelter providing free temporary housing and ancillary services for one or more individuals or families who are otherwise homeless.
- F. Medical clinic providing exclusively out patient medical services, and which is constructed exclusively with government funding.
- G. Museum for the procurement, care or study of objects of historical or other lasting interest which also exhibits the objects for public viewing.
- H. Nursing Home or Convalescent Home providing medical and ancillary care services for ill or injured persons who are unable to care for themselves, and which is constructed exclusively with government funding.
- I. Park or recreational facility owned by Tuolumne County, or City, or a Special District which district is located within the City.
- J. Public library where literary, musical, artistic or educational materials are maintained for public use, but not for sale.
- K. Religious facility designed, constructed, intended and used primarily for conducting organized religious activities.
- L. School providing one or more courses of study in any branch of knowledge, that is operated on a non-profit basis.
- M. Youth recreational facility providing recreational opportunities for minors that is operated on a non-profit basis.
- N. The substantially equivalent reconstruction, on the same parcel, of any development that was unintentionally damaged or destroyed; provided, and reconstruction which is not substantially equivalent (within the meaning of Government Code 66011), other than a single family

residential development project, shall be deemed to be a new development project and subject to the applicable fee for the excess portion.

- O. The replacement, on the same parcel, of an existing development unless the development replaced had been unoccupied for 18 months or more.
 - P. The relocation on a different parcel, of any development without a net increase in size (except single family residential), provided the existing development, on the parcel from which the relocation occurs, is demolished within six months of the date of project commencement, or the ownership or possession of which has been transferred to the federal, state, county or city government.
 - Q. Buildings, structures, growing areas, and open space related to the production, raising, or storage of agricultural products and which do not include retail sales or an agricultural manufacturing or processing facility.
8. **APPEALS:** Any discretionary determinations of the Planning and Building Department as described above may be appealed to the Sonora City Council within ten (10) days of the Department's decision. Such appeal shall set forth in writing the reasons for the appeal and shall be submitted to the City Clerk. A copy of the appeal shall be sent to the Planning and Building Department and the City Administrator. The City Clerk shall schedule the matter for a public meeting before the City Council within thirty (30) days and send a notice to the appealing person at least ten (10) days before the meeting. Within, forty five (45) days of receipt of the appeal, the City Council shall approve, conditionally approve or deny the appeal.

IT IS FURTHER RESOLVED that the impact fee computed by the Planning and Building Department shall be paid to the Planning and Building Department by the applicant for a development project prior to the issuance of a building permit or other entitlement to construct a development, unless otherwise specified in a contract in accordance with Sonora Municipal Code 3.50.050 (B);

IT IS FURTHER RESOLVED that the payment of these fees does not exempt a development project from payment of additional fees or from additional exactions necessary to mitigate impacts not provided for by payment of the fees set forth herein;

IT IS FURTHER RESOLVED that the fee amount shall be reviewed on a yearly basis. The City Finance Director shall, sixty (60) days before the review date, provide to the Community Development Director a report of the traffic facilities paid for. The

Community Development Director shall report to the Council on these matters, whether a modification of the fee amount is recommended and if so what costs, traffic facility needs, or inflation factors support the proposed modification. If such a recommendation is made, the Community Development Director shall notify the City Clerk who shall set the matter on a public hearing and provide the notice set forth above. After a public hearing, the City Council may modify the fee amount.

IT IS FURTHER RESOLVED that for each separate account or fund established for these fees, the City Finance Director shall, within forty five (45) days of the close of each fiscal year, make available to the Community Development Director and to the public upon request, a report on the beginning and ending balances for the fiscal year and the fee, interest, and other income and the amount of each expenditure by traffic facility and the amount of refunds (if any) made during the fiscal year. The Community Development Director shall schedule this matter for review by the City Council within fifteen (15) days of the availability of this information.

Passed and adopted as a resolution of the Sonora City Council at a regular meeting held on the 16th day of November, 1998 by the following vote:

AYES: Mayor Ronald Stearn, Mayor Pro-Tem Elizabeth Bass, and

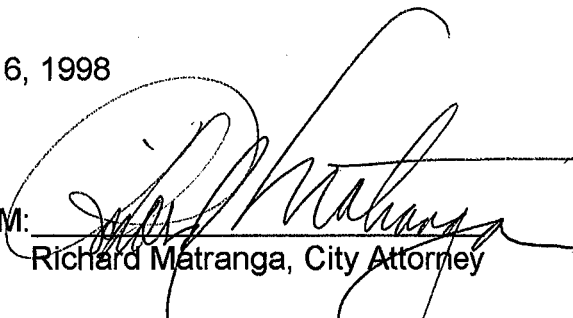
Councilmembers Claude Addison and Marlee Powell

NOES: None

ABSENT: Councilmember John Rucker

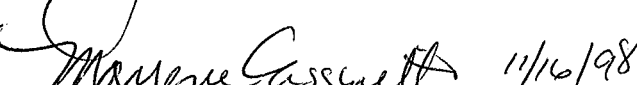
Dated: November 16, 1998

APPROVED AS TO FORM:


Richard Matranga, City Attorney


Ron Stearn, Mayor

Date


Marijane Cassinetta, City Clerk

Date



CITY COUNCIL AGENDA REPORT

MEETING DATE: December 5, 2022

TO: City Council Members

FROM: Tracy Skelly, City Clerk

SUBJECT: Declaring the Results of the Consolidated Special Municipal Election held November 8, 2022

RECOMMENDATION

Adopt the Resolution 12-05-2022-C declaring the results of the Consolidated Special Municipal Election held on November 8, 2022.

DISCUSSION

On Tuesday November 8th, 2022, a Consolidated Special Municipal Election was held in the City of Sonora for the purpose of voting on the following ballot measure.

- Measure Y, the “Essential Services Transaction and Use Tax,” asked City Voters for Authorization to add a 1% Transaction and Use Tax for general city revenues

The City’s election was consolidated with the Statewide General Election conducted by the Tuolumne County Clerk-Election’s Office which was responsible for conducting the canvass of all votes cast and certifying the election results.

FISCAL IMPACT

There is no fiscal impact with the Council adopting the resolution declaring election results. The Tuolumne County Clerk-Election’s Office will invoice the City for our share of election costs for conducting a consolidated election which was included in this year’s operating budget.

ATTACHMENT

- Resolution 12-05-2022-C
- Exhibit “A” Certified Election Results

RESOLUTION No. 12-05-2022-C
A RESOLUTION OF THE SONORA CITY COUNCIL RECITING THE FACTS OF THE
CONSOLIDATED SPECIAL MUNICIPAL ELECTION HELD ON TUESDAY
NOVEMBER 8, 2022. DECLARING THE RESULTS AND OTHER MATTERS
REQUIRED BY LAW

WHEREAS, on November 8, 2022, a special municipal election (the “Election”) was held and conducted in the City of Sonora, California (the “City”) as required by law, and:

WHEREAS, the Election was consolidated with the statewide general election and was conducted by the County of Tuolumne (the “County”); and

WHEREAS, the notice of the Election was given in time, form and manner provided by law; the voting precincts were properly established; the election officers were properly appointed; and that in all respects the Election was held and conducted, and the votes were cast, received and canvassed and the returns made and declared in time, form and manner as required by provisions of laws of the State of California relating to general law cities; and

WHEREAS, the Tuolumne County Registrar of Voters canvassed the returns of the Election and has certified the results to the City Council; and

WHEREAS, the City Elections Official declared and certified to the City Council the official results received, which are attached hereto and incorporated herein as **Exhibit “A”** (the “Certified Statement of the Vote”)

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Sonora does hereby Resolve, Declare, Determine and Order as follows:

Section 1: The whole number of ballots cast in the City at the Election was one thousand seven hundred sixty-one (1,761).

Section 2: The number of votes given at each precinct and the number of votes given in the City for and against each measure are attached as **Exhibit “A.”**

Section 3: The following measure was submitted to the voters of the City (“Measure Y”):

“The City of Sonora Essential Services Measure: Shall the measure to maintain the City of Sonora essential services such as Police, Fire, Street and Pothole Repair, and other core services by establishing a 1% sales and use tax (“Sales Tax”), providing the City of Sonora approximately \$3.9 million dollars annually until ended by City voters, be adopted?”

Section 4: The City Council does declare and determine that, as a result of the Election, a majority of voters voting on Measure Y did vote in favor, and therefore, Measure Y passed.

Section 5: The City Clerk, or designee, shall enter into the records of the City Council, a statement of the results of the Election, showing:

- (1) The whole number of ballots cast in the City;
- (2) The measure voted upon;
- (3) The number of votes given at each precinct for and against each measure; and
- (4) The total number of votes given for and against the measure.

Section 6: The City Clerk, or designee, shall certify the passage and adoption of this Resolution and enter it into the book or original resolutions.

PASSED, APPROVED AND ADOPTED as a Resolution by the Sonora City Council at a meeting held by the City Council on the 5th day of December 2022, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Mark Plummer, Mayor

ATTEST: _____
Tracy Skelly, City Clerk, City of Sonora

**CERTIFICATION OF
COUNTY CLERK/REGISTRAR OF VOTERS OF THE
RESULTS OF THE CANVASS
OF THE NOVEMBER 8, 2022, GENERAL ELECTION**

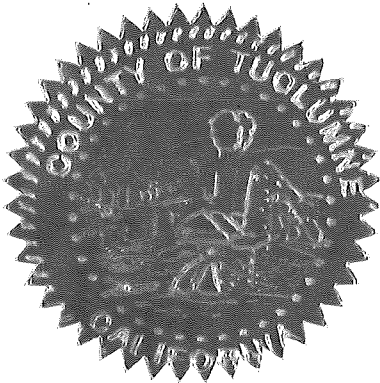
STATE OF CALIFORNIA

COUNTY OF Tuolumne

} ss.

I, Deborah Bautista, County Clerk/Registrar of Voters of County of Tuolumne, do hereby certify that, in pursuance of the provisions of Elections Code section 15300, et seq., I did canvass the results of the votes cast in the General Election held in said County on November 8, 2022, for measures and contests that were submitted to the vote of the voters, and that the Statement of Votes Cast, to which this certificate is attached is full, true, and correct.

I hereby set my hand and official seal this 28 day of November, 2022, at the County of Tuolumne



County Clerk/Registrar of Voters
County of Tuolumne
State of California

Canvass Certification of Elections Official
(11/2022)

HELP AMERICA VOTE ACT OF 2002

CERTIFICATION OF ELECTIONS OFFICIAL

STATE OF CALIFORNIA

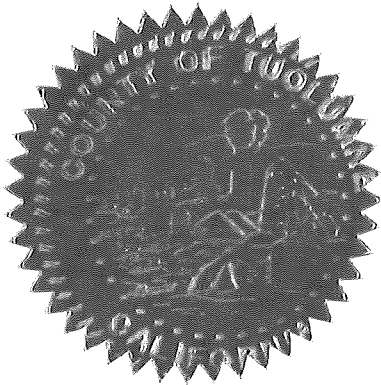
COUNTY OF Tuolumne

} ss.

Pursuant to the statewide voter registration list requirements set forth in the Help America Vote Act of 2002 (HAVA) 52 U.S.C. § 21083),

I, Deborah Bautista, County Clerk/Registrar of Voters for the County of Tuolumne, State of California, hereby certify that I complied with all provisions of Chapter 2 of Division 7 of Title 2 of the California Code of Regulations for the Federal election held on the 8th day of November 2022, in the County of Tuolumne, State of California and all elections consolidated therewith.

I hereby set my hand and official seal this 28 day of November, 2022, at the County of Tuolumne



County Clerk/Registrar of Voters
County of Tuolumne
State of California

HAVA Certification of Elections Official
(11/2022)

Notice of Time and Place of Selection of Precincts and/or Batches, and Manual Tally of
the One Percent in Connection with The
November 8, 2022, California Statewide General Election

NOTICE IS HEREBY GIVEN that, pursuant to Elections Code §15360, the elections official is required to conduct a public manual tally of the ballots tabulated by voting system devices, including vote by mail voters' ballots, in one percent of the precincts or batches chosen at random by the elections official. In addition to the one percent manual tally, the elections official shall, for each race not included in the initial group of precincts or batches selected at random, count one additional precinct or batch, and the additional precinct(s) shall apply only to the race(s) not previously counted.

NOTICE IS ALSO HEREBY GIVEN that the elections official shall provide at least a five-day public notice of the time and place of the selection of the precincts to be tallied and time and place of the manual tally prior to conducting the selection and tally. Selection of the precincts or batches to be tallied shall occur on Thursday, November 17, 2022 at 8:30 am. at the Tuolumne County Elections Office, located at 2 South Green Street, Sonora, CA 95370. The manual tally of the precincts selected shall commence no earlier than Thursday, November 17, 2022 at 10 am. at the Tuolumne County Elections Office, located at 2 South Green Street, Sonora, CA 95370.

Dated: 09/23/2022

s:/Deborah Bautista, County Clerk

**COUNTY OF TUOLUMNE**

Elections Department

November 17, 2022

We, the undersigned, hereby certify that we have canvassed the votes cast for the November 8, 2022 Primary Election, and find the results to be in accordance with the attached Certification of Election Results.

A handwritten signature in cursive script, reading "Deborah Bautista", written over a horizontal line.

Deborah Bautista

County Clerk/Auditor-Controller

A handwritten signature in cursive script, reading "Mary Bolles", written over a horizontal line.

Mary Bolles

A handwritten signature in cursive script, reading "Jane Braga", written over a horizontal line.

Jane Braga

A handwritten signature in cursive script, reading "Leonides Russell", written over a horizontal line.

Leonides Russell

A handwritten signature in cursive script, reading "Johnna Baumann", written over a horizontal line.

Johnna Baumann

A handwritten signature in cursive script, reading "Kristine L. Childres", written over a horizontal line.

Kristine L. Childres

A handwritten signature in cursive script, reading "Linda Monroe", written over a horizontal line.

Linda Monroe



DEBORAH BAUTISTA
TUOLUMNE COUNTY CLERK/AUDITOR-CONTROLLER

2 South Green Street, Sonora, CA 95370
(209) 533-5570 Fax (209) 694-8931

County Website: www.tuolumnecounty.ca.gov ♦ Department Email elections@tuolumnecounty.ca.gov

November 28, 2022

One Percent Post Election Manual Tall Report

November 8, 2022 Gubernatorial General Election

The Tuolumne County 1% Post Election Manual Tall identified one discrepancy between the machine count and the manual tally, Election code 15360(e). It was determined that the vote was not caught in adjudication due to the lightness of the vote. The candidate's count was increased by 1.

Ballots in the vote by mail batches A1 were counted. All federal, state, and local measures were count. This batch included 182 ballots and all races except for Lake Don Pedro Community District.

Ballots in drop off box B5 were counted. All federal, state, and local measures were count. This batch included 140 ballots and all races except for Twain Harte Community Service District.

All races were manually counted between the two batches.

A handwritten signature in cursive script, reading "Debi Bautista", is written over a horizontal line.

Deborah Bautista

County Clerk & Auditor-Controller

REPORT OF 1% MANUAL TALLY

[Elections Code section 15360]

County: Tuolumne

Election: November 8, 2022 General

Manual tally method used: ☐ One Part [section 15360(a)(1)]

☒ Two Part [section 15360(a)(2)]

Date and time notice provided (attach copy of the notice):

Notice Published 09/28/2022, Union Democrat

Internet website where additional information about the manual tally is posted, if applicable:

N/A

Date and time the manual tally commenced, beginning with the random selection of precincts and batches (must be after the close of the polls on Election Day):

Random selection, 11/17/2022 at 8:30 am / Tally 11/17/2022 at 10 am

Date and time the manual tally finished:

Finished 11/17/2022 4:45 pm

Estimated number of members of the public who observed the process:

3 2 from Grand Jury 1 from Republican Committee

Total number of ballots counted in this election (official canvass numbers):

Polling place / vote center ballots (including provisionals)	890
Vote-by-mail ballots	22,592

Total number of ballots manually tallied:

Polling place / vote center ballots (including provisionals)	0
Vote-by-mail ballots	322

Precincts in the county for this election (attach list describing all precincts with the number of ballots in each, indicating whether ballots are polling place / vote center, vote-by-mail, or provisional):

Total number of precincts in the election	N/A
Total number of precincts selected for the manual tally	N/A

Batches of vote-by-mail or provisional ballots (attach list describing each batch with the number of ballots in each, indicating whether ballots are polling place / vote center, vote-by-mail, or provisional):

Total number of batches in the election	120
Total number of batches selected for the manual tally	2

Method used to choose precincts and batch of ballots to manually tally (include description of random selection method):

Random lot. Each number was placed in a container and chosen at random.

attach additional pages if necessary

Description of any discrepancies noted (include details about each discrepancy and how each was resolved; also include anything unusual observed during the manual tally process or anything that may improve the manual tally process):

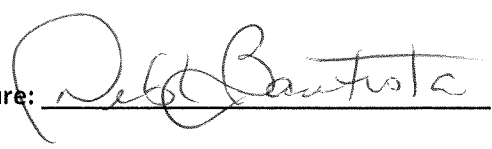
One found- determine that was not caught in adjudication due to the lightness of the vote. The candidates count was increased by 1

attach additional pages if necessary

This report is submitted pursuant to Elections Code section 15360(f).

Submitted on this date: November 28, 2022 by:

Elections Official Name: Deborah Bautista

Signature: 



Voting Technology Incident Reporting Form

Use the following form to report any voting technology incident that occurred during use. Voting technology incidents include, but are not limited to, issues such as paper jams, printing errors, or any defect, fault or failure pursuant to Election Code sections 19215 and 19290, and California Code of Regulations section 20161.

A. Election Official:

☒ No Incidents to Report

Jurisdiction

Tuolumne

Name

Deborah Bautista

Title

Registrar of Voters

Phone Number

209 533 5552

Email

dbautista@co.tuolumne.ca.us

Reported to Vendor

Yes

☐

No

☐

B. Product Description:

Vendor Name

Type of Voting Technology

☐

Ballot Marking Device

☐

Ballot on Demand

☐

Central Scanner/Tabulator

☐

Precinct Tabulator

☐

RAVBM

☐

ePollbook

☐

Other

System Model

Hardware & Software Versions

Unit Serial Numbers

C. Description of Incident(s):

Date of Occurrence

Voting Location

Election Name

Gubernatorial General Election

Date of Election

11/8/2022

Description of Each Incident. Attach Additional Sheets if Necessary.



Remote Accessible Vote by Mail (RAVBM) Reporting Form

Print For **Item 4.**

For any election that a California jurisdiction uses a remote accessible vote by mail system, the jurisdiction shall provide a report to the Secretary of State, within 30 calendar days of certifying the election results, listing the number of voters that used the system and all technical issues reported (if any), along with any mitigations.

A. Election Official:

Jurisdiction

Tuolumne

Name

Deborah Bautista

Title

Registrar of Voters

Contact Phone Number

209 533 5552

Contact Email

dbautista@co.tuolumne.ca.us

B. Product Description:

RAVBM URL or Online Address

<https://ravbm.uocava.com/tuolumne/SelectLanguage>

Type of RAVBM

☐

Democracy Live

☐

LA County VSAP ISB

☒

Dominion

☐

Five Cedars Group

RAVBM Technical Assistance Telephone Number

1-866-654-8683

Number of Voters that Registered to use RAVBM

106

Number of Voters that Voted using the RAVBM

11

C. Description of RAVBM Usage:

Election Name

Gubernatorial General Election

Dates RAVBM was Available

10-07-2022

Date of Election

November 8, 2022

Description of Technical Issues and Mitigations if Any.
Attach Additional Sheets if Necessary.

No known issues

Election Summary Report

General Election

COUNTY OF TUOLUMNE

November 08, 2022

Summary for: All Contests, All Districts, All Tabulators, All Counting Groups

Final Election Summary Report

Elector Group	Counting Group	Voters Cast	Registered Voters	Turnout
Total	Election Day	890		2.52%
	Vote by Mail	22,592		63.90%
	Provisional	0		0.00%
	Total	23,482	35,355	66.42%

Precincts Reported: 65 of 65 (100.00%)

Voters Cast: 23,482 of 35,355 (66.42%)

GOVERNOR (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

	Total	
Times Cast	23,482 / 35,355	66.42%
Undervotes	250	
Overvotes	2	
Candidate	Party	Total
BRIAN DAHLE	REP	14,759 63.53%
GAVIN NEWSOM	DEM	8,471 36.47%
Total Votes		23,230

LIEUTENANT GOVERNOR (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

	Total	
Times Cast	23,482 / 35,355	66.42%
Undervotes	497	
Overvotes	2	
Candidate	Party	Total
ANGELA E. UNDERWOOD JACOBS	REP	14,148 61.56%
ELENI KOUNALAKIS	DEM	8,835 38.44%
Total Votes		22,983

SECRETARY OF STATE (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

		Total	
Times Cast		23,482 / 35,355	66.42%
Undervotes		579	
Overvotes		1	
Candidate	Party	Total	
ROB BERNOSKY	REP	14,060	61.39%
SHIRLEY N. WEBER	DEM	8,842	38.61%
Total Votes		22,902	

CONTROLLER (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

		Total	
Times Cast		23,482 / 35,355	66.42%
Undervotes		583	
Overvotes		2	
Candidate	Party	Total	
LANHEE J. CHEN	REP	14,738	64.37%
MALIA M. COHEN	DEM	8,159	35.63%
Total Votes		22,897	

TREASURER (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

		Total	
Times Cast		23,482 / 35,355	66.42%
Undervotes		591	
Overvotes		2	
Candidate	Party	Total	
JACK M. GUERRERO	REP	14,187	61.98%
FIONA MA	DEM	8,702	38.02%
Total Votes		22,889	

ATTORNEY GENERAL (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

		Total	
Times Cast		23,482 / 35,355	66.42%
Undervotes		569	
Overvotes		1	
Candidate	Party	Total	
NATHAN HOCHMAN	REP	14,255	62.22%
ROB BONTA	DEM	8,657	37.78%
Total Votes		22,912	

INSURANCE COMMISSIONER (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

		Total	
Times Cast		23,482 / 35,355	66.42%
Undervotes		675	
Overvotes		1	
Candidate	Party	Total	
ROBERT HOWELL	REP	14,032	61.53%
RICARDO LARA	DEM	8,774	38.47%
Total Votes		22,806	

MEMBER STATE BOARD OF EQUALIZATION, DISTRICT 1 (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

		Total	
Times Cast		23,482 / 35,355	66.42%
Undervotes		783	
Overvotes		3	
Candidate	Party	Total	
TED GAINES	REP	14,664	64.61%
JOSE S. ALTAMIRANO	DEM	8,032	35.39%
Total Votes		22,696	

UNITED STATES SENATOR Full Term (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

		Total	
Times Cast		23,482 / 35,355	66.42%
Undervotes		527	
Overvotes		7	
Candidate	Party	Total	
MARK P. MEUSER	REP	14,016	61.08%
ALEX PADILLA	DEM	8,932	38.92%
Total Votes		22,948	

UNITED STATES SENATOR Partial/Unexpired Term (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

		Total	
Times Cast		23,482 / 35,355	66.42%
Undervotes		624	
Overvotes		3	
Candidate	Party	Total	
MARK P. MEUSER	REP	13,971	61.13%
ALEX PADILLA	DEM	8,884	38.87%
Total Votes		22,855	

UNITED STATES REPRESENTATIVE, DISTRICT 5 (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

	Total	
Times Cast	23,482 / 35,355	66.42%
Undervotes	414	
Overvotes	2	
Candidate	Party	Total
TOM MCCLINTOCK	REP	14,160 61.39%
MICHAEL J. "MIKE" BARKLEY	DEM	8,906 38.61%
Total Votes	23,066	

STATE SENATOR, DISTRICT 4 (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

	Total	
Times Cast	23,482 / 35,355	66.42%
Undervotes	5,967	
Overvotes	24	
Candidate	Party	Total
MARIE ALVARADO-GIL	DEM	9,250 52.88%
TIM ROBERTSON	DEM	8,241 47.12%
Total Votes	17,491	

STATE ASSEMBLY MEMBER, DISTRICT 8 (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

	Total	
Times Cast	23,482 / 35,355	66.42%
Undervotes	2,687	
Overvotes	2	
Candidate	Party	Total
JIM PATTERSON	REP	14,320 68.87%
THOMAS EDWARD NICHOLS	LIB	6,473 31.13%
Total Votes	20,793	

CHIEF JUSTICE OF CALIFORNIA PATRICIA GUERRERO (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

	Total	
Times Cast	23,482 / 35,355	66.42%
Undervotes	4,519	
Overvotes	6	
Candidate	Party	Total
YES		9,935 52.41%
NO		9,022 47.59%
Total Votes	18,957	

ASSOCIATE JUSTICE OF THE SUPREME COURT GOODWIN LIU (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

	Total	
Times Cast	23,482 / 35,355	66.42%
Undervotes	4,833	
Overvotes	7	
Candidate	Party	Total
YES		9,785 52.49%
NO		8,857 47.51%
Total Votes		18,642

ASSOCIATE JUSTICE OF THE SUPREME COURT MARTIN J. JENKINS (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

	Total	
Times Cast	23,482 / 35,355	66.42%
Undervotes	5,151	
Overvotes	8	
Candidate	Party	Total
YES		9,690 52.88%
NO		8,633 47.12%
Total Votes		18,323

ASSOCIATE JUSTICE OF THE SUPREME COURT JOSHUA P. GROBAN (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

	Total	
Times Cast	23,482 / 35,355	66.42%
Undervotes	5,157	
Overvotes	8	
Candidate	Party	Total
YES		9,638 52.62%
NO		8,679 47.38%
Total Votes		18,317

**ADMINISTRATIVE PRESIDING JUSTICE COURT OF APPEALS 5TH DISTRICT
BRAD R. HILL (Vote for 1)**

Precincts Reported: 65 of 65 (100.00%)

	Total	
Times Cast	23,482 / 35,355	66.42%
Undervotes	5,535	
Overvotes	8	
Candidate	Party	Total
YES		11,709 65.27%
NO		6,230 34.73%
Total Votes		17,939

ASSOCIATE JUSTICE COURT OF APPEALS 5TH DISTRICT JENNIFER DELOACH (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

		Total	
Times Cast		23,482 / 35,355	66.42%
Undervotes		5,478	
Overvotes		13	
Candidate	Party	Total	
YES		11,667	64.85%
NO		6,324	35.15%
Total Votes		17,991	

ASSOCIATE JUSTICE COURT OF APPEALS 5TH DISTRICT BERT LEVY (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

		Total	
Times Cast		23,482 / 35,355	66.42%
Undervotes		5,558	
Overvotes		5	
Candidate	Party	Total	
YES		11,419	63.73%
NO		6,500	36.27%
Total Votes		17,919	

SUPERINTENDENT PUBLIC INSTRUCTION (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

		Total	
Times Cast		23,482 / 35,355	66.42%
Undervotes		5,222	
Overvotes		11	
Candidate	Party	Total	
TONY K. THURMOND		9,790	53.65%
LANCE RAY CHRISTENSEN		8,459	46.35%
Total Votes		18,249	

YOSEMITE COMMUNITY COLLEGE DISTRICT TA #1 (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

		Total	
Times Cast		23,482 / 35,355	66.42%
Undervotes		6,665	
Overvotes		9	
Candidate	Party	Total	
DON DAVIS		12,297	73.16%
TYLER JACKSON		4,511	26.84%
Total Votes		16,808	

SONORA UNION HIGH SCHOOL TA #1 (Vote for 1)

Precincts Reported: 16 of 16 (100.00%)

		Total	
Times Cast		6,045 / 9,379	64.45%
Undervotes		1,435	
Overvotes		0	
Candidate	Party	Total	
NANCY SCOTT		2,500	54.23%
JOANNE CATHERINE MCCULLOUGH		2,110	45.77%
Total Votes		4,610	

SONORA UNION HIGH SCHOOL TA 1-2 YEAR TERM (Vote for 1)

Precincts Reported: 16 of 16 (100.00%)

		Total	
Times Cast		6,045 / 9,379	64.45%
Undervotes		1,461	
Overvotes		2	
Candidate	Party	Total	
DAVID WHEELER		2,456	53.60%
KURT BRYANT		2,126	46.40%
Total Votes		4,582	

SONORA UNION HIGH SCHOOL TA #2 (Vote for 2)

Precincts Reported: 31 of 31 (100.00%)

		Total	
Times Cast		10,414 / 15,528	67.07%
Undervotes		7,258	
Overvotes		52	
Candidate	Party	Total	
MIKE HOLLAND		4,501	33.30%
KEITH ARNETT		3,288	24.32%
TRISTAN J. KAISER		3,060	22.64%
JEN TORRES		2,669	19.74%
Total Votes		13,518	

SUMMERVILLE HIGH SCHOOL Board Member (Vote for 3)

Precincts Reported: 13 of 13 (100.00%)

		Total	
Times Cast		4,421 / 6,684	66.14%
Undervotes		6,470	
Overvotes		3	
Candidate	Party	Total	
JAKE HURST		2,235	32.92%
RANDY RICHTER		2,056	30.28%
ANDREA RANSOM		1,437	21.16%
DARREN DAILY		1,062	15.64%
Total Votes		6,790	

CURTIS CREEK ELEM SCHOOL Board Member (Vote for 3)

Precincts Reported: 9 of 9 (100.00%)

		Total	
Times Cast		4,422 / 6,455	68.51%
Undervotes		6,098	
Overvotes		3	
Candidate	Party	Total	
COURTNEY CASTLE		2,162	30.17%
NIKKI HIEMSTRA		2,032	28.36%
ZACHARY LEVEY		1,564	21.83%
MAREN PARIS		1,407	19.64%
Total Votes		7,165	

SOULSBYVILLE ELEM SCHOOL Board Member (Vote for 3)

Precincts Reported: 9 of 9 (100.00%)

		Total	
Times Cast		2,273 / 3,384	67.17%
Undervotes		2,302	
Overvotes		3	
Candidate	Party	Total	
CHRISTOPHER R. LOCKHART		1,100	24.37%
DENA CANADAY		1,036	22.95%
SARAH GARCIA		955	21.16%
NADIJA SOLO		882	19.54%
JOSH MILBOURN		541	11.98%
Total Votes		4,514	

SUMMERVILLE ELEM SCHOOL Board Member (Vote for 3)

Precincts Reported: 6 of 6 (100.00%)

		Total	
Times Cast		1,823 / 2,903	62.80%
Undervotes		2,083	
Overvotes		0	
Candidate	Party	Total	
BRADY DAY		1,042	30.77%
KURT BAYERS		889	26.26%
MICHAEL E. BRENNAN		838	24.75%
MARTA MANTZOURANIS		617	18.22%
Total Votes		3,386	

COLUMBIA FIRE PROTECTION Board Member (Vote for 1)

Precincts Reported: 2 of 2 (100.00%)

		Total	
Times Cast		322 / 496	64.92%
Undervotes		28	
Overvotes		1	
Candidate	Party	Total	
BARRY RUDOLPH		204	69.62%
STAN STEINER		89	30.38%
Total Votes		293	

TUOLUMNE PARK AND RECREATION DIST Board Member (Vote for 3)

Precincts Reported: 3 of 3 (100.00%)

		Total	
Times Cast		1,799 / 2,875	62.57%
Undervotes		2,256	
Overvotes		0	
Candidate	Party	Total	
MARK D. FERREIRA		1,007	32.06%
GRETCHEN SULLIVAN		795	25.31%
MARTY ANDERSON		690	21.97%
ALEXANDER HAROLD HORAT		649	20.66%
Total Votes		3,141	

TWAIN HARTE CSD Board Member (Vote for 2)

Precincts Reported: 1 of 1 (100.00%)

		Total	
Times Cast		630 / 938	67.16%
Undervotes		421	
Overvotes		0	
Candidate	Party	Total	
M CHARLOTTE BOHLMAN		301	35.88%
EILEEN MANNIX		290	34.56%
JAY CANAVAN		248	29.56%
Total Votes		839	

LAKE DON PEDRO CSD Board Member (Vote for 2)

Precincts Reported: 1 of 1 (100.00%)

		Total	
Times Cast		397 / 633	62.72%
Undervotes		276	
Overvotes		0	
Candidate	Party	Total	
RUSS WARREN		218	42.08%
MARY C. SMITH		184	35.52%
DENNIS KLUDING		116	22.39%
Total Votes		518	

TUOLUMNE UTILITIES #1 Board Member (Vote for 1)

Precincts Reported: 11 of 11 (100.00%)

		Total	
Times Cast		4,482 / 6,649	67.41%
Undervotes		817	
Overvotes		3	
Candidate	Party	Total	
RON W. RINGEN		2,019	55.13%
BRIAN KIETH SHRIGLEY		1,643	44.87%
Total Votes		3,662	

TUOLUMNE UTILITIES #4 Board Member (Vote for 1)

Precincts Reported: 13 of 13 (100.00%)

	Total	
Times Cast	4,189 / 6,369	65.77%
Undervotes	581	
Overvotes	3	
Candidate	Party	Total
JEFF KERNS		2,428 67.35%
ALEXANDER HAROLD HORAT		1,177 32.65%
Total Votes		3,605

PROPOSITION 1 (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

	Total	
Times Cast	23,482 / 35,355	66.42%
Undervotes	885	
Overvotes	8	
Candidate	Party	Total
YES		11,554 51.15%
NO		11,035 48.85%
Total Votes		22,589

PROPOSITION 26 (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

	Total	
Times Cast	23,482 / 35,355	66.42%
Undervotes	841	
Overvotes	10	
Candidate	Party	Total
NO		17,215 76.07%
YES		5,416 23.93%
Total Votes		22,631

PROPOSITION 27 (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

		Total	
Times Cast		23,482 / 35,355	66.42%
Undervotes		579	
Overvotes		7	
Candidate	Party	Total	
NO		20,171	88.10%
YES		2,725	11.90%
Total Votes		22,896	

PROPOSITION 28 (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

		Total	
Times Cast		23,482 / 35,355	66.42%
Undervotes		842	
Overvotes		4	
Candidate	Party	Total	
YES		12,327	54.46%
NO		10,309	45.54%
Total Votes		22,636	

PROPOSITION 29 (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

		Total	
Times Cast		23,482 / 35,355	66.42%
Undervotes		851	
Overvotes		11	
Candidate	Party	Total	
NO		17,874	79.02%
YES		4,746	20.98%
Total Votes		22,620	

PROPOSITION 30 (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

		Total	
Times Cast		23,482 / 35,355	66.42%
Undervotes		625	
Overvotes		11	
Candidate	Party	Total	
NO		14,978	65.56%
YES		7,868	34.44%
Total Votes		22,846	

PROPOSITION 31 (Vote for 1)

Precincts Reported: 65 of 65 (100.00%)

		Total	
Times Cast		23,482 / 35,355	66.42%
Undervotes		732	
Overvotes		11	
Candidate	Party	Total	
YES		12,862	56.56%
NO		9,877	43.44%
Total Votes		22,739	

UNICORPORATED AREA MEASURE X (Vote for 1)

Precincts Reported: 63 of 63 (100.00%)

		Total	
Times Cast		21,721 / 32,410	67.02%
Undervotes		862	
Overvotes		6	
Candidate	Party	Total	
NO		10,835	51.96%
YES		10,018	48.04%
Total Votes		20,853	

CITY OF SONORA MEASURE Y (Vote for 1)

Precincts Reported: 2 of 2 (100.00%)

		Total	
Times Cast		1,761 / 2,945	59.80%
Undervotes		38	
Overvotes		0	
Candidate	Party	Total	
YES		998	57.92%
NO		725	42.08%
Total Votes		1,723	



CITY COUNCIL AGENDA REPORT

MEETING DATE: December 5, 2022

TO: City Council Members

FROM: Chris Gorsky, Administrative Services Director

SUBJECT: Amendment No. 1 to the MuniServices, LLC. contract to Incorporate Measure Y Services

RECOMMENDATION

Consider approval of the amendment to the MuniServices, LLC. contract which extends our existing contract for Sales and Use Tax Audit Services (SUTA) and Sales Tax Analysis and Reporting (STARS) for the City's Bradley Burns and existing Special District Tax (Measure I) and adds the language for auditing services for Measure Y, as required by the California Department of Tax and Fee Administration and authorize the City Administrator to execute the contract amendment.

DISCUSSION

On July 18, 2022, the City Council approved Ordinance No. 890 authorizing Measure Y, a 1% "Essential Services Transaction and Use Tax" to be placed on the ballot. Voters of the City of Sonora approved the new district tax on November 8th, 2022. As part of the implementation of Measure Y, staff recommends the City Council extend the existing contract for Bradley Burns and Measure I Sales Tax Auditing and Reporting Services and add those services for the City's new district tax, Measure Y. MuniServices, LLC. has been providing these services to the City since 2008.

MuniServices provides audit services to more than 60 public agencies in California, representing approximately 70% of all sales tax revenues in the State. With over 40 years' experience, MuniServices has developed extensive data management resources that facilitate finding new revenue sources for clients. MuniServices also offers a dedicated Government Relations team to provide policy, regulatory and legislative consulting support. Over the past 15 years MuniServices has gained extensive organizational knowledge of the City and consistently demonstrates a high level of professionalism and competence in this specialized field.

FISCAL IMPACT

The cost of these services will come from existing FY2022-23 budget. The budgeted expenditures for the SUTA services for FY22-23 is \$5,000. The STARS service has a FY22-23 budget of \$4,500. A full year's expenditures will be budgeted during the FY2023-24 Budget process.

**AMENDMENT 1 TO CONTRACT BETWEEN
CITY OF SONORA AND MUNISERVICES, LLC**

THIS CONTRACT AMENDMENT No. 1 (“Amendment No. 1”) is entered into between City of Sonora, a municipal corporation of the State of California (“City”) and MuniServices, LLC, a Delaware limited liability company (“MuniServices”), (collectively the “Parties”).

The City and MuniServices agree as follows:

WHEREAS, the City and MuniServices, entered into a Consultant Services Agreement on March 3, 2008, (hereinafter “Agreement”) to perform, among other things, Sales and Use Tax Audit Services, Sales/Use Tax Analysis and Reporting Services, and Local District Tax Audit Services (“Services”);

WHEREAS, the Term of the Agreement was for a period of three (3) years, with three (3) successive one (1) year automatic renewal periods;

WHEREAS, the Term of the Agreement expired on or about March 3, 2014;

WHEREAS, upon the expiration of the Term, MuniServices continued to perform the Services for the City and, in consideration for the Services performed, the City continued to pay MuniServices the rates set forth in each applicable Addendum to the Agreement;

WHEREAS, the Parties seek to amend the Agreement to backdate the Term of the Agreement to memorialize the MuniServices’ continued performance of the Services set forth in each applicable Addendum to the Agreement and the City’s continued payment for said Services at the rates set forth in each applicable Addendum to the Agreement from March 3, 2014 to the Effective Date of this Amendment No. 1;

WHEREAS, the Parties seek to further amend and extend the Term of Agreement from the Effective Date of this Amendment No. 1 for an additional one (1) year period and thereafter, the Agreement shall automatically renew for successive one (1) year periods unless terminated pursuant to the Agreement;

WHEREAS, on or about August 2004, the **Measure I Special Sales and Use Tax District** was passed by the City, which became effective on or about January 1, 2005 (“District Tax”);

WHEREAS, on or about November 2022, the **Measure Y Essential Services Transaction and Use Tax** was passed by the City, which shall become effective on or about April 1, 2023;

WHEREAS, the California Department of Tax and Fee Administration (collectively, or in the alternative, the “Agency” formerly known as, the State Board of Equalization) has taken the position that general references to “sales and use tax” in an agreement that authorizes access to tax records held by the Authority are insufficient to allow access to information relating the collection of the District Tax by the Agency;

WHEREAS, the City and MuniServices, without conceding the correctness of the

Agency's interpretation, deem it prudent to comply with the interpretation by amending the Agreement to specifically refer to the District Tax; and

WHEREAS, section 7056 of the California Revenue and Taxation Code imposes conditions on the access to information related to the collection of sales, transaction, and use tax by the Agency;

WHEREAS, the Parties further seek to amend Section 8.10 Notices of the Agreement to update where notices shall be sent to MuniServices;

WHEREAS, the Parties further seek to amend the SUTA Compensation section of the Sales and Use Tax (SUTA) Addendum to the Agreement to reduce the contingency fee rate of the compensation for the Sales and Use Tax Audit Service from a twenty-five percent (25%) contingency fee to a fifteen percent (15%) contingency fee; and

WHEREAS, the Parties further seek to amend the District Tax Compensation section of the Local District Tax Audit Addendum to the Agreement to reduce the contingency fee rate of the compensation for the Sales and Use Tax Audit Service from a twenty-five percent (25%) contingency fee to a fifteen percent (15%) contingency fee.

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein and to satisfy the requirements of section 7056, the Parties hereby agree to amend the Agreement as follows:

1. This Amendment No. 1 is effective as of November 1, 2022 ("Effective Date of Amendment No. 1").
2. The Term of the Agreement is backdated from March 3, 2014 to the Effective Date of this Amendment No. 1 to memorialize MuniServices' continued performance of the Services set forth in each applicable Addendum to the Agreement and the City's continued payment for said Services at the rates set forth in each applicable Addendum to the Agreement.
3. The Amended Term of Agreement will become effective on the Effective Date of this Amendment No. 1 and shall continue for a one (1) year period and thereafter, the Amended Term of the Agreement shall automatically renew for successive one (1) year periods ("Amended Renewal Terms") unless terminated pursuant to the Agreement;
4. Section 4 CONFIDENTIALITY of the Agreement is hereby amended to comply with state California Department of Tax and Fee Administration requirements to include the following:

Access to Transactions Tax, Sales Tax, and Use Tax Records

"MuniServices qualifies under Section 7056 of the Revenue and Taxation Code to review (Bradley-Burns) confidential taxpayer information and documentation before the State Board of Equalization ("BOE") or its successor agency, the Department of Tax and Fee Administration (collectively, or in the alternative, the "Agency"). MuniServices is hereby authorized by this Agreement to examine transactions tax, sales tax and use tax records of the Agency, including but not limited to the transactions and use tax that becomes effective on or about January

1, 2004, known as **Measure I Special Sales and Use Tax District** and the sales or transaction and use tax that shall become effective on or about April 1, 2023, known as **Measure Y Essential Services Transaction and Use Tax** pertaining to the ascertainment of those sales or transactions and use taxes to be collected for the City.

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

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

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

5. The City and MuniServices agree that although the scope of work generically refers to “sales and use tax” those references are meant to include “sales, transactions, and use tax” as part of the scope of work, including but not limited to any transactions and use taxes adopted after the effective date of the Agreement.
6. The Parties agree that the Agreement is applicable to all Sales, Transactions and Use Tax Ordinances currently enacted in the City and which may become enacted while the Agreement is in effect.
7. The Parties agree that an updated resolution in substantially the same form as the template provided as Exhibit A to this Amendment No. 1 will be presented to the City Council for consideration.
8. Section 8.10 Notices of the Agreement is hereby amended as follows:

If to Muniservices:
MuniServices, LLC
7335 N. Palm Bluffs Ave.
Fresno, CA 93711
Attn: Contracts Department
Email: contracts@avenuinsights.com

9. The first sentence of the SUTA Compensation section of the Sales and Use Tax (SUTA) Addendum to the Agreement shall be deleted and replaced with the following:

MuniServices’ compensation for the Sales and Use Tax Audit Service is a fifteen percent (15%) contingency fee.”

10. The first sentence of the District Tax Compensation section of the Local District Tax Audit Addendum to the Agreement shall be deleted and replaced with the following:

"MuniServices' compensation for the City District Tax Audit Services is a fifteen percent (15%) fee."

11. Except as herein modified, all other provisions of the Agreement, including any exhibits and subsequent amendments thereto, shall remain in full force and effect.
12. In case of a conflict between the terms of this Amendment No. 1 and the terms of the Contract, the terms of this Amendment shall strictly prevail.

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 1 to be executed by their duly authorized representatives as of the date set forth below.

DATED: _____, 2022

CITY OF SONORA

MUNISERVICES, LLC

By: _____

By: _____

Name: _____

Carl Kumpf
CHIEF FINANCIAL OFFICER

Title: _____

APPROVED AS TO FORM

Office of the City Attorney

CONSULTANT SERVICES AGREEMENT

This Consultant Services Agreement (hereinafter "Agreement") is made as of March 3, 2008, between MuniServices, LLC, a Delaware limited liability company with an office at 7335 N. Palm Bluffs Ave, Fresno, CA 93711 (hereinafter "MuniServices"), and the City of Sonora, a municipal corporation of the State of California (hereinafter "City").

1. SERVICES

Subject to the terms and conditions set forth herein, MuniServices shall provide to City those services set forth in Addenda attached hereto in exchange for the fees set forth in the Addenda. Upon mutual agreement, MuniServices and City may add services to be performed by MuniServices for City under this Agreement by executing additional Addenda. Such additional Addenda shall contain, at a minimum, a description of the services to be performed, the anticipated compensation for such services, and any additional terms required to give effect to the request for services (collectively "Services"). Such additional Addenda shall be signed by representatives of City and MuniServices having authority to so bind the parties. MuniServices shall provide the Services in the manner specified in each applicable Addendum. MuniServices shall not be required to perform, nor City be required to pay for, services not contained in an applicable Addendum.

2. INDEPENDENT CONTRACTOR STATUS

MuniServices is an independent contractor, and not an employee of City, who will be engaged in providing consulting services for City. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between City and MuniServices or between City and any employee or agent of MuniServices. Both parties acknowledge that MuniServices is not an employee for state or federal tax purposes. MuniServices shall retain the right to perform services for others during the term of this Agreement. Nothing in this Agreement shall be construed as creating a partnership, joint venture, or designating MuniServices as an agent of City. MuniServices shall have no authority to bind, contract, or obligate City, financially or otherwise. City shall not have any right to control the means by which MuniServices performs the Services including the facilities used, the employees, contractors, or agents assigned by MuniServices. MuniServices shall be responsible for any subcontracts entered into in the course of performance of the Services for City and MuniServices shall be solely responsible for payment to the subcontractors.

3. COMPENSATION

- 3.1 In consideration for the Services to be performed by MuniServices, City agrees to pay MuniServices the rates set forth in each applicable Addendum.
- 3.2 MuniServices shall submit timely invoices for all services rendered in accordance with each applicable Addendum. Payment will be made to MuniServices within thirty-days (30) of receipt of MuniServices' invoice therefore. Any amounts which remain unpaid after thirty-days (30) shall accrue interest at the rate of one and one-half percent (1.5%) per month, or the maximum amount permitted by law.
- 3.3 MuniServices shall be responsible for all costs and expenses incident to the performance of Services for City, including but not limited to, all costs of equipment provided by MuniServices, all fees, fines, licenses, bonds or taxes required of or imposed against MuniServices and all other of MuniServices' costs of doing business. City shall not be responsible for expenses incurred by MuniServices in performing Services for City, except as noted in an applicable Addendum, or such expenses that receive prior written approval from City.

4. CONFIDENTIALITY

- 4.1 During the term of this Agreement, each party may have access to certain confidential information of the other including such party's products, services, technical data, trade secrets, inventions, processes, and constituent information. All such information shall be deemed "Confidential Information" whether or not identified as such. Each party shall use the Confidential Information of the other solely for performance of this Agreement, and all Confidential Information shall remain the sole property of the respective parties. With regard to Confidential Information, each party shall use the same care as it uses to maintain the confidentiality of its own confidential information, which shall be no less than reasonable care, and shall not make disclosure of the Confidential Information to any third party without the written consent of the Disclosing Party, except to employees, consultants or agents to whom disclosure is necessary to the performance of this Agreement and who are bound by a duty of confidentiality. Information shall not be deemed confidential if it (a) is rightfully known to the receiving party prior to receipt from the disclosing party as reasonably evidenced by such party; (b) becomes known to the receiving party from a source other than one who is under an obligation of confidentiality to the disclosing party; or (c) becomes publicly known or otherwise ceases to be confidential other than by an unauthorized act. At all times, in accordance with Graham-Leach Bliley and other applicable State and Federal regulations, taxpayer information containing Personally Identifiable Information, as defined in applicable regulations, shall be held in the strictest confidence by MuniServices.
- 4.2 If a subpoena or other legal process in any way concerning Confidential Information is served upon a party to which Confidential Information has been disclosed ("Recipient"), the Recipient shall promptly notify the Disclosing Party and shall cooperate with the Disclosing Party, at the latter's expense, in any lawful effort to contest the validity of such subpoena or other legal process.
- 4.3 The parties agree that a breach of the terms of Section 4.1 or 4.2 would result in irreparable injury to the non-breaching party for which a remedy in damages would be inadequate. The parties agree that in the event of such breach or threatened breach, the non-breaching party shall be entitled to, in addition to any other remedies available at law or in equity, seek an injunction to prevent the breach or threatened breach.
- 4.4 The obligation of confidentiality as set forth in Section 4.1 shall continue for a period of three-years (3) from the date of disclosure of the information, provided, however, that for any information which constitutes a Trade Secret (as defined by applicable law), the obligation of confidentiality shall continue during the entire term of this Agreement and shall survive the termination of this Agreement indefinitely. This obligation of confidentiality shall not extend to any information required to be disclosed pursuant to the California Public Records Act, the United States Freedom Of Information Act, or other public disclosure acts of the United States or a state or territory thereof.

5. TERM AND TERMINATION

- 5.1 Term. This Agreement shall be effective as of the date of the last signature hereto and shall continue in full force and effect for a period of three-years. Thereafter, this Agreement shall automatically renew for three successive one-year periods. Notwithstanding this section (5.1), if the term set forth in any Addendum attached to this Agreement differs from the term of this Agreement, the term of the Addendum is governed by the language in the Addendum. If any Addendum attached to this Agreement is silent about the term of the Addendum then the provisions of this section (5.1) govern the term of the Addendum.

- 5.2 Termination of Agreement. Unless terminated as per section 5.4 below, during the initial three-year term this Agreement may only be terminated upon the expiration of the initial three-year term. If, during the renewal periods either party desires to terminate this Agreement, the terminating party may terminate this Agreement upon sixty-days prior written notice to the other party.
- 5.3 Termination of Addenda. Any Addendum attached to this Agreement may be terminated as follows:
- If the Addendum sets forth a method for terminating the Addendum, that Addendum may only be terminated according to that method; or
 - If the Addendum is silent about the method for terminating the Addendum, that Addendum may be terminated by either party at any time and for any reason or no reason effective on no less than sixty-days (60) days notice; or
 - As per section 5.4 below.
- 5.4 Event of Default. Any of the following shall constitute an event of default ("Event of Default") under this Agreement or any applicable Addendum: (a) City fails to pay any amount when due hereunder (after ten-days (10) prior written notice of such failure to pay), or (b) a material breach by either party of this Agreement or applicable Addendum. If an Event of Default occurs, the non-breaching party shall notify the breaching party of the Event of Default and provide the breaching party thirty-days (30) to cure (except in the case of non-payment for which the cure period shall be ten (10) days) or such amount of time as is reasonable given the circumstances. If the breaching party fails to effect cure within the time allowed, then the non-breaching party may, at its option, terminate this Agreement or applicable Addendum effective immediately upon notice.
- 5.5 Effect of Termination. Notwithstanding non-renewal or termination of this Agreement or any attached Addendum pursuant to Sections 5.1, 5.2, 5.3 or 5.4 above, City shall be obligated to pay MuniServices for services performed through the effective date of termination for which MuniServices has not been previously paid. In addition, because the services performed by MuniServices prior to termination or non-renewal of this Agreement or attached Addendum may result in City's receipt of revenue after termination which are subject to MuniServices' fee in accordance with each applicable Addendum, City shall remain obligated after termination or non-renewal to provide to MuniServices such information as is necessary for MuniServices to calculate the compensation due as a result of this receipt of revenue by City and City shall remain obligated to pay MuniServices' invoices therefore in accordance with the terms of this Agreement.

6. EQUAL EMPLOYMENT OPPORTUNITY

During performance of this Agreement, MuniServices, for itself, its assignees and successors in interest, agrees as follows:

- 6.1 Compliance With Regulations: MuniServices shall comply with Executive Order 11246, "Equal Employment Opportunity" and labor regulations (41 C.F.R. Part 60), hereinafter referred to as the "Regulations."
- 6.2 Nondiscrimination: MuniServices, with regard to any work performed pursuant to this Agreement, shall not discriminate on the ground of race, color, religion, sex, national origin, or veteran status in the selection and retention of employees, subcontractors, the procurements of materials or leases of equipment.

- 6.3 performed under any subcontract, including procurements of materials or equipment, such potential subcontractor or supplier shall be notified by MuniServices of MuniServices' obligation under this Agreement and the Regulations relative to nondiscrimination on the ground of race, color, religion, sex, national origin, or veteran status.
- 6.4 Information and Reports: MuniServices shall provide all information and reports required by the Regulations, or orders and instructions issued pursuant thereto, and will permit access to its books, records, accounts, other sources of information and its facilities as may be determined by City to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of MuniServices is in the exclusive possession of another who fails or refuses to furnish this information, MuniServices shall so certify to City and shall set forth what efforts it has made to obtain the information.
- 6.5 Incorporation of Provisions: MuniServices shall include the provisions of paragraphs 6.1 through 6.4 in every subcontract issued pursuant to this Agreement. MuniServices shall take such action with respect to any Regulations, order or instructions issued pursuant thereto. MuniServices shall take such action with respect to any subcontract or procurement as City may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event MuniServices becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, MuniServices may request City to enter such litigation to protect the interests of City.

7. WARRANTIES, REPRESENTATIONS AND INDEMNIFICATION

- 7.1 By MuniServices. MuniServices represents that all Services shall be performed by persons with the skills and abilities necessary and consistent with the standards of professionalism prevalent in the industry. The Services and deliverables shall be provided free and clear of the proprietary claims of third parties. All Services shall be provided in accordance with applicable state and federal regulations, including, without limitation, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, and applicable state regulations.

Subsection 7.1 is the full and complete warranty statement of MuniServices under this Agreement.

- 7.2 By CITY. City represents that the information provided to MuniServices in the performance of Services by MuniServices hereunder shall be provided free and clear of the claims of third parties. City represents that City has the right to provide said information to MuniServices and that said information shall not be obscene, defamatory, or otherwise expose MuniServices to liability to third parties. City represents that it shall use reasonable and diligent efforts in the collection of moneys identified by MuniServices. City represents that in the event City elects not to proceed with diligent efforts in collection, that City shall remain liable to MuniServices in accordance with applicable Addendum as if City had proceeded with diligent efforts in collection.
- 7.3 Indemnification. The parties hereto agree to defend, indemnify, and hold harmless the other, its directors, officers, employees and affiliates, from any and all claims, suits, demands, losses, damages, liabilities, costs and expenses, including reasonable attorney's fees (collectively "Losses") arising from or related to a claim of injury to person or property or death arising from or caused by the negligent acts or omissions of employees, agents, or representatives of the indemnifying party which acts or omissions arise from the indemnifying party's performance (or non-performance) under this Agreement. City shall defend, indemnify, and hold MuniServices

harmless from any Losses arising from or related to a claim that information provided by City to MuniServices contains any false, misleading, or defamatory information regarding a third party. MuniServices shall defend, indemnify, and hold City harmless from any claim that

7.4 LIMITATION OF LIABILITY. To the maximum extent permitted by law, in no event shall MuniServices, its employees, contractors or agents be liable for any indirect, incidental, special, punitive or consequential damages, lost data or cost of procurement of substitute goods or services arising from or related to the services whether for, among other things, breach of warranty or any obligation arising therefrom, and whether liability is asserted in contract or tort (including but not limited to negligence and strict product liability) whether or not MuniServices has been advised of the possibility of any such loss or damage. MuniServices' liability hereunder shall in no event exceed an amount equal to the fees paid by city for the affected service to which the claim pertains. The foregoing sets forth City's exclusive remedy for claims arising from or out of this Agreement. The provisions of this section allocate the risks between MuniServices and City and MuniServices' pricing reflects the allocation of risk and limitation of liability specified herein.

MuniServices negligently or intentionally falsified any information provided to City pursuant to this Agreement.

8. GENERAL PROVISIONS

- 8.1 Personnel.** At any time, City may request removal or replacement of personnel assigned by MuniServices and MuniServices shall promptly replace such personnel. The time for any deliverables required or any increase in costs shall be adjusted to reflect any adverse impact resulting from the change in personnel.
- 8.2 Gratuities, Gifts, Conflict of Interest.** MuniServices shall, at all times, comply with any City policies regarding gifts, gratuities, or conflicts of interest. At no time shall MuniServices, an employee, agent, director, or contractor offer or accept any gift or gratuity from a third party who may be subject to findings resulting from Services, to or from any City official, employee, contractor, or agent, or from any other party where such gift or gratuity could be construed as a conflict of interest. MuniServices, its officers, directors, employees, agents, and contractors shall avoid all conflicts of interest, financial or otherwise, or the appearance thereof, in the performance of this Agreement or the applicable Services.
- 8.3 Dispute Resolution.** Any dispute relating to this Agreement shall be submitted for binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association and judgment on any award entered therein may be entered in any court of competent jurisdiction. The arbitrator's decision shall be final and binding on the parties. Such arbitration shall be held in the State of California. In all cases, the prevailing party to such dispute shall be entitled to recover costs and expenses, including reasonable attorney's fees, as the arbitrator deems appropriate.
- 8.4 Ownership of Work Product.** MuniServices shall retain all right, title, and interest in and to the processes, procedures, models, inventions, software, ideas, know-how, and any and all other patentable or copyrightable material used, developed, or reduced to practice in the performance of this Agreement. Upon payment therefore, City shall be granted all right, title, and interest in and to the reports, charts, graphs, and other deliverables produced by MuniServices in the performance of this Agreement.

- 8.5 Assignment. Neither Party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Any assignment without such prior written consent shall be void. Notwithstanding the foregoing, the Parties hereto may assign all or part of this Agreement immediately, without the prior written consent of the non-assigning Party (a) to any successor in interest to the assigning Party who expressly assumes responsibility for the assigning Party's obligations hereunder; or (b) if necessary to satisfy the rules, regulations and/or orders of any federal or state governmental agency or body. Any violation of the provisions of this Section shall render this Agreement voidable at the option of the non-assigning Party.
- 8.6 Insurance.
- a. Public Liability. During the term of this Agreement, MuniServices shall maintain in full force and effect a policy of public liability insurance with minimum coverage's in accordance with the requirements provided by City to MuniServices. MuniServices shall cause City, its officials and employees to be named on all liability policies described above as insured as respects activities undertaken pursuant to the parties' respective obligations pursuant to this Agreement.
 - b. Workers' Compensation. During the term of this Agreement, MuniServices shall fully comply with the terms of the law of California concerning workers' compensation. Said compliance shall include, but not be limited to, maintaining in full force and effect one or more policies of insurance insuring against any liability MuniServices may have for workers' compensation.
- 8.7 Severability. In the event that any portion of this Agreement is held to be unenforceable, the unenforceable portion shall be construed as nearly as possible to reflect the original intent of the parties and the remainder of the provisions shall remain in full force and effect.
- 8.8 Waiver. Either Party's failure to insist upon strict performance of any provision of this Agreement shall not be construed as a waiver of that or any other of its rights hereunder at any later date or time.
- 8.9 Force Majeure. Neither party shall be liable for failing to perform its obligations hereunder (other than payment obligations) where delayed or hindered by war, riots, embargoes, strikes or acts of its vendors or suppliers, accidents, acts of God, or any other event beyond its reasonable control.
- 8.10 Notices. All notices, including notices of address changes, provided hereunder shall be deemed received on the third day after mailing if sent by mail, or immediately if sent by facsimile. Notices shall be sent to the following:
- | | |
|---|---|
| <p>If to MuniServices:
 MuniServices, LLC
 7335 N. Palm Bluffs Ave.
 Fresno, CA 93711
 Attn: Legal Department
 Email: legal@muniservices.com</p> | <p>If to City:
 City of Sonora
 94 N. Washington Street
 Sonora, CA 95370
 Attn:
 Email:</p> |
|---|---|
- 8.11 Copies. This agreement may be executed in separate counterparts including facsimile copies, each of which shall be deemed an original, and all of which shall be deemed one and the same instrument and legally binding upon the parties.
- 8.12 Entire Agreement. This Agreement, including the Addenda attached hereto and made part hereof, constitutes the entire Agreement between MuniServices and City with respect to the

Services provided. This Agreement supercedes and replaces any and all prior agreements, of whatever kind or nature, with respect to the Services provided hereunder and with respect to any Addendum to be added hereto at a later date. Any prior agreements, discussions, or representations not expressly set forth herein are of no force or effect.

- 8.13 No Oral Modification. No modification of this Agreement shall be effective unless set forth in writing and executed with the same formality as this Agreement. No waiver of the requirements of this Section shall be effective unless in writing and signed by the CEO for MuniServices.
- 8.14 Construction. This Agreement shall be construed in accordance with the laws of the State of California without regard to its conflict of laws principals.
- 8.15 Headings. The section headings herein are for convenience and reference purposes only and shall not serve as a basis for construction or interpretation.
- 8.16 Order of Precedence. In the event of any conflict between the terms of this Agreement and the terms of any Addenda, the terms of this Agreement shall prevail. No additional terms, PO Terms and Conditions, or oral or written representations of any kind shall be of any force and effect unless in writing and executed with the same formality as this Agreement.
- 8.17 Partial Payment. No receipt by MuniServices of an amount less than City's full amount due will be deemed to be other than payment "on account", nor will any endorsement or statement on any check or any accompanying letter effect or evidence an accord and satisfaction. MuniServices may accept such check or partial payment without prejudice to MuniServices' right to recover the balance or pursue any right of MuniServices.

Remainder of page intentionally left blank.

The Parties are signing this Agreement as stated in the introductory clause.

MuniServices, LLC

City of Sonora
a municipal corporation

By: 
Marc Herman
Title: President and CEO

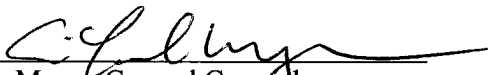
By: 
Title: City Administrator

By: 
Kevin Cerutti
Title: Chief Financial Officer

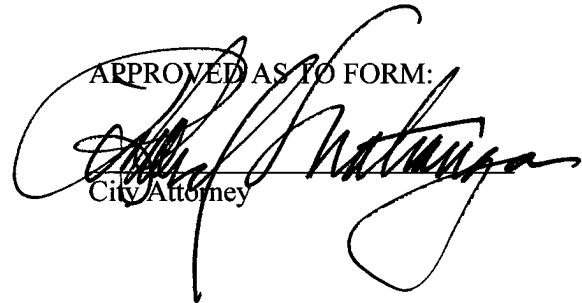
ATTEST:


City Clerk

APPROVED AS TO FORM:


Eric Myers, General Counsel

APPROVED AS TO FORM:


City Attorney

SALES AND USE TAX AUDIT (SUTA) ADDENDUM

OBJECTIVES AND METHODS

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

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

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

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

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

TAXABLE NEXUS FIELD AUDITS

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

PERMITIZATION AUDITS

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

DEFICIENCY ASSESSMENT AUDITS

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

ACCOUNTS PAYABLE AUDITS

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

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

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

QUARTERLY DISTRIBUTION REPORT AUDITS

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

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

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

SUTA DETECTION AND DOCUMENTATION

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

- ☐ Review applicable provisions of the City's municipal code and ordinance adopted by the City to determine applicability.

- ☐ Procure a computer tape of sales/use tax permit records from the SBE.
- ☐ Analyze sales tax distribution reports provided by the SBE for five or more of the most recent consecutive quarters.
- ☐ Physically canvas commercial/industrial area within the City's borders.
- ☐ Develop a target list of potential point of sale/use reporting errors/omissions based on:
 - 1) An analysis of each potentially misallocated account based on proprietary guidelines established by MuniServices.
- ☐ Meet with designated City official(s) to review service objectives and scope, MuniServices workplan schedule, public relations and logistical matters.
- ☐ Contact personnel in sales, operations and/or tax accounting at each target business to determine whether a point-of-sale/use reporting error exists. (Note: this is accomplished with the highest regard to discretion and professional conduct. MuniServices's allocation audits are predicated on a non-controversial, constructive public relations approach which emphasizes the importance of each business to the City and the mutual benefits of correcting reporting errors.)
- ☐ Provide to the City and SBE reports addressing each taxpayer reporting error individually, including the business name, address, telephone number, California sales tax permit number, individuals contacted, date(s) of contact, nature of business, reason(s) for error, recommended corrective procedure and, if available, estimated sales/use tax revenue which should be forthcoming to the City.
- ☐ MuniServices may also provide suggested language for letters to be sent to the taxpayers and/or SBE from the City (or from MuniServices on behalf of the City) urging cooperation in promptly correcting the distribution error.
- ☐ Respond to negative findings by SBE with timely reconfirmation documentation in order to preserve the City's original dates of knowledge.
- ☐ Receive and process registration control record information monthly.
- ☐ Receive and process sales tax distribution reports quarterly.
- ☐ Coordinate with the taxpayer and SBE to make the necessary corrections and collect eligible back quarters amounts.
- ☐ Monitor and analyze the quarterly distribution reports with an audit focus on the following:
 - 1) Accounts with previously reported point-of-sale/use distribution errors to ensure that the corrections are made for current quarters and all eligible back quarters.
 - 2) Major accounts comprising 90% or more of the City's total sales tax revenue to identify any irregularities or unusual deviations from the normal pattern (e.g. negative fund transfers, significant decreases, unusual increases, etc.) and ensure that the City is not receiving less revenue than it is entitled to.
 - 3) Those accounts receiving deficiency assessments to ensure that the City receives its local allocation
- ☐ Identify opportunities for the City to recover local allocation on purchase transactions subject to use tax. Prepare the necessary documentation to facilitate recovery, including assistance in preparing and filing the returns.

SUTA DETECTION TIMING CONSIDERATIONS

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

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

TIMING

MuniServices shall commence auditing the sales/use tax and preparing the sales tax Query System within 10 working days of receipt of a fully executed contract and Confidentiality Resolution designating MuniServices as the authorized City Consultant to examine sales and use tax records.

CONFIDENTIALITY PROVISIONS

MuniServices is authorized by this Agreement to examine district tax, sales tax and use tax records of the SBE provided to City pursuant to contract under the Bradley-Burns Uniform Sales and Use Tax Law and California Revenue & Taxation Code applicable to transactions and use taxes.

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

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

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

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

SUTA COMPENSATION

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

taxpayer's reporting. For QDR Misallocations detected and corrected, MuniServices's compensation shall only include the quarters in which the misallocation actually occurred.

ADDITIONAL CONSULTING

City may request that MuniServices provide additional consulting services at any time during term of the Agreement to which this addendum is attached. If MuniServices and City agree on the scope of the additional consulting services requested, then MuniServices shall provide the additional consulting services on a Time and Materials basis. Depending on the personnel assigned to perform the work, MuniServices's standard hourly rates range from \$75 per hour to \$300 per hour. Additional consulting services will be invoiced at least monthly based on actual time and expenses incurred.

CITY RESPONSIBILITIES

MuniServices's services performed hereunder may result in corrections of misallocations after cessation of services by MuniServices for City. Therefore, City agrees that with regards to misallocations identified to the SBE whose Date of Knowledge occurred during MuniServices's performance of services for City, that City's obligation to pay MuniServices in accordance with the above compensation language shall survive expiration or termination of this Agreement for any reason.

In the event that City identifies, documents, and notifies the SBE of a reporting error or misallocation as those terms are used herein, City agrees to notify MuniServices of City's discovery no later than ten (10) days after the Date of Knowledge. If City fails to so notify MuniServices and MuniServices later detects, documents, and reports the misallocation or reporting error to the SBE, or if MuniServices has established a Date of Knowledge with the SBE prior to notification to the Board by City, then MuniServices is entitled to compensation for the affected account in accordance with this Addendum.

COMPLETION OF SERVICES

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

Each party is signing this Addendum on the date below that party's signature.

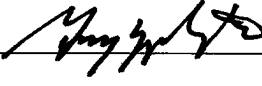
MuniServices, LLC

By: 

Title: President and CEO

Date: 3-13-08

City of Sonora
a municipal corporation

By: 

Title: City Administrator

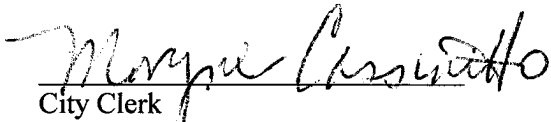
Date: 3/13/08

By: 

Title: Chief Financial Officer

Date: 3-13-08

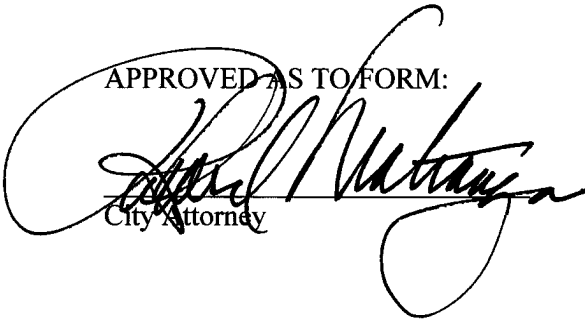
ATTEST:


City Clerk

APPROVED AS TO FORM:


Eric Myers, General Counsel

APPROVED AS TO FORM:


City Attorney

SALES/USE TAX ANALYSIS & REPORTING SERVICE (STARS) ADDENDUM

OBJECTIVES AND METHODS

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

TIMING & REPORTS

MuniServices shall:

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

QUARTERLY STARS DIGEST

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

- ☐ **Allocation Summary** - Reconciles SBE advances, cleanup payments and pool allocations with budget projections to assist the City with revenue forecasting and receipt monitoring.
- ☐ **Cash Analysis** - Quarterly aberrations due to SBE audits, fund transfers, and other causes are also identified and analyzed for budget planning and revenue forecasting purposes.
- ☐ **Top 100 Five-Year** - Historical performance of the top 100 accounts comparing current benchmark year ranking and sales tax produced with that of prior years.
- ☐ **Top 100 Detail** - Sales tax performance of the City's top 100 sales tax accounts is shown in order of sales tax produced with the results for the most recent five quarters prominently displayed. The proportion of City sales tax produced is also shown by each account.
- ☐ **Economic Category Performance** - An analysis of the changes that occurred by economic category and segment with the specific businesses responsible for the significant changes delineated.
- ☐ **Significant Change Analysis** - A report reflecting magnitude of change, indicating which key businesses grew or declined, measured in absolute dollars and percentages.

- ❑ **Business Code Classification** - This report shows the various business codes assigned by the SBE and the accounts assigned those codes in order of sales tax produced. Five quarters of sales tax data are shown for each significant account.
- ❑ **Historical Economic Composition** - Data are summarized by economic category and segment by quarters and benchmark years. Percentage of total sales tax generated by category and segment is also shown to indicate trends in sales tax composition and performance.
- ❑ **Geo-Area Reports** - Tracks sales tax performance within designated areas of the City (e.g., key shopping centers, business parks, and downtown /business districts,). Charts and printed reports are included for each geo-area.
- ❑ **Cross-Reference Reports** - Allow the user to look up any account shown in the STARS Digest by name, address or account number.

STARS QUERY SYSTEM

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

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

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

COMPENSATION

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

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

LICENSE AGREEMENT

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

Each party is signing this Addendum on the date below that party's signature.

MuniServices, LLC

By: 

Marc Herman

Title: President and CEO

Date: 3-13-08

City of Sonora
a municipal corporation

By: 

Title: City Administrator

Date: 3/13/08

By: 

Kevin Cerutti

Title: Chief Financial Officer

Date: 3-13-08

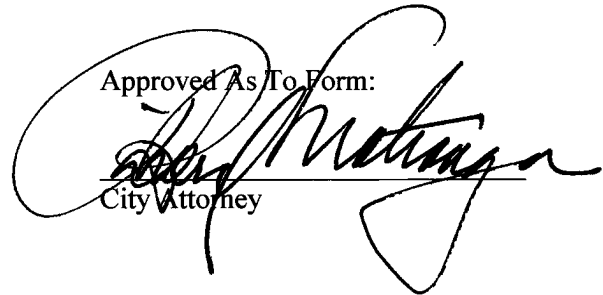
ATTEST:


City Clerk

Approved As To Form:


Eric Myers, General Counsel

Approved As To Form:


City Attorney

End-user notice and license agreement from MuniServices, LLC for STARS Software

Carefully read the following legal agreement ("License").

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

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

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

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

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

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

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

limitations or exclusions may not apply to You. This warranty gives You specific legal rights and you may also have other rights which vary from jurisdiction to jurisdiction.

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

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

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

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

LOCAL DISTRICT TAX AUDIT ADDENDUM

OBJECTIVES AND METHODS

Many California special taxing jurisdictions are not receiving the transactions and use tax revenue to which they are entitled due to point of use and other types of taxpayer reporting errors. District taxes are collected on a destination basis (where the tangible personal property will be used or is delivered to) as opposed to Bradley-Burns tax, which is collected at the point of sale. When businesses fail to properly report their transactions tax, it is distributed in error to other jurisdictions or not collected at all. Almost all district tax error discoveries involve companies that are correctly collecting and allocating the local Bradley-Burns tax. Accordingly, MuniServices initial and ongoing audit service will assist in the detection and correction of taxpayer reporting errors and generate new transactions and use tax revenue that would not otherwise have been realized by the City. MuniServices has vast experience in auditing district tax. District taxes and local Bradley-Burns taxes do not necessarily result in equivalent tax dollars for an equal measure of tax rate, because they have different rules of application.

DISTRICT TAX DETECTION AND DOCUMENTATION

MuniServices shall represent the City of purposes of examining State Board of Equalization (SBE) records pertaining to district tax to identify errors and omissions. The procedures for detecting and documenting misallocations are as follows:

- ☐ Meet with designated CITY official(s) to review service objectives and scope, MuniServices work plan schedule, public relations and logistical matters.
- ☐ Procure a computer tape of district tax permit records from the State Board of Equalization (SBE).
- ☐ Develop a target list of potential point-of-sale/delivery/use taxpayer reporting errors of transactions and use tax generating businesses located in the City's jurisdiction. These businesses are to be analyzed based on proprietary guidelines established by MuniServices, formulated through expert knowledge of corporate mergers and acquisitions, transactions versus use tax, businesses marking organization and methods, commercial/industrial transactions and use tax reporting practices, and other conditions contributing to reporting errors.
- ☐ Contact personnel in sales, operations and/ or tax accounting at each target business to determine whether a destination based reporting error exists. (Note: this is accomplished with the highest regard to discretion and professional conduct. MuniServices' allocation audits are predicated on a non-controversial, constructive public relations approach which emphasizes the importance of each business to the City and the mutual benefits of correcting reporting errors.)
- ☐ Provide to the City and SBE reports addressing each taxpayer reporting error individually, including the business name, address, telephone number, California sales tax permit number, individuals contracted, date(s) of contract, nature of business, reason(s) for error, and estimated district tax revenue which should be forthcoming to the City.
- ☐ MuniServices may also provide suggested language for letters to be sent to the taxpayers and/ or SBE from the City (or from MuniServices on behalf of the City) urging cooperation in promptly correcting the distribution error.
- ☐ Respond to negative findings by SBE with timely reconfirmation documentation in order to preserve the City's original dates of knowledge.

- ☐ Receive and process registration control record information monthly.
- ☐ Receive and process transaction tax distribution reports quarterly.
- ☐ Coordinate with the taxpayer and SBE to make the necessary corrections and collect eligible back quarters amounts.
- ☐ Monitor and analyze the quarterly distribution reports with an audit focus on the following:
 1. Accounts with previously reported destination based distribution errors to ensure that the corrections are made for current quarters and all eligible back quarters.
 2. Major accounts comprising 90% or more of the City's total transaction, sales and use tax revenue to identify any irregularities or deviations from the normal pattern (e.g. negative fund transfers, significant decreases, unusual increases, etc.) and ensure that the City is not receiving less revenue that it is entitled to.
 3. Those accounts receiving deficiency assessments to ensure that the City receives its local allocation.

DISTRICT TAX CORRECTION OF MISALLOCATIONS/UNDERREPORTING

For each misallocated or underreporting account detected, MuniServices will coordinate with the taxpayer and SBE to make the necessary corrections plus retroactive adjustments for transactions and use tax amounts improperly distributed or uncollected in prior quarters. This task is simply stated, but enormously complex and time-consuming to administer.

When MuniServices detects taxpayer-reporting errors, together with the reasons therefore, less than half of MuniServices' audit work is accomplished. Most of MuniServices' audit work is devoted to facilitating corrective action. This is largely due to the preponderance, of reporting errors by out-of-state headquartered distributors, contractors, processors, manufacturers and lessors engaged in business-to-business sales in California. These companies account for more than 90% of misallocation dollars.

For these companies, there is confusion due to the complexities posed by California's transactions and use tax regulations. The reporting problems are further compounded when the regulations are applied to multiple California locations, with each having a product/customer mix of business-to-business sales, while some of the transactions are subject to transactions tax, and others are subject to use tax and some are exempt.

DISTRICT TAX DETECTION TIMING CONSIDERATIONS

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

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

TIMING

MuniServices shall commence auditing the district tax and within 10 working days of receipt of a fully executed contract and Confidentiality Resolution designating MuniServices as the authorized City Consultant to examine district tax records.

CONFIDENTIALITY PROVISIONS

MuniServices is authorized by this Agreement to examine district tax, sales tax and use tax records of the State Board of Equalization provided to City pursuant to contract under the Bradley-Burns Uniform Sales and Use Tax Law and California Revenue & Taxation Code applicable to transactions and use taxes.

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

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

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

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

DISTRICT TAX COMPENSATION

MuniServices' compensation for the City District Tax Audit Services is a 25% contingency fee. This fee applies to six quarters after the Date of Correction and all eligible prior quarters back to and including all corrected quarters prior to the Date of Knowledge quarter.

The Date of Knowledge is the quarter during which MuniServices notifies the SBE of the existence of a misallocation. The Date of Correction refers to the quarter in which the taxpayer has correctly reported the local tax and the SBE distributes the local tax properly to City based on the taxpayer's reporting. For QDR Misallocations detected and corrected, MuniServices' compensation shall only include the quarters in which the misallocation actually occurred.

In most cases where MuniServices identifies District Tax errors, the business is already reporting the local Bradley-Burns allocations correctly. Therefore, when MuniServices provides the SUTA service for the City's Bradley-Burns revenues and the City's District Tax revenues, MuniServices will not charge for both revenue sources only the Bradley-Burns portion of the correction contained in our original SUTA agreement.

ADDITIONAL CONSULTING

City may request that MuniServices provide additional consulting services at any time during the term of the Agreement to which this Addendum is attached. If MuniServices and City agree on the scope of additional consulting services requested, then MuniServices shall provide the additional consulting services on a Time and Materials basis. Depending on the personnel assigned to perform the work, MuniServices standard hourly rates range from \$75 per hour to \$300 per hour.

These additional consulting services will be invoiced no less frequently than monthly based on actual time and expenses incurred.

CITY RESPONSIBILITIES

MuniServices' services performed hereunder may result in corrections of misallocations after cessation of services by MuniServices for City. Therefore, City agrees that with regards to misallocations identified to the SBE whose Date of Knowledge occurred during MuniServices' performance of services for City, that City's obligation to pay MuniServices in accordance with the above compensation language shall survive expiration or termination of this Agreement for any reason.

If the City identifies, documents, and notifies the SBE of a reporting error or misallocation as those terms are used herein, City agrees to notify MuniServices of City's discovery no later than ten (10) days after the Date of Knowledge. If City fails to so notify MuniServices and MuniServices later detects, documents, and reports the misallocation or reporting error to the SBE, or if MuniServices has established a Date of Knowledge with the SBE prior to notification to the Board by City, then MuniServices shall be entitled to compensation for the affected account.

Each party is signing this Addendum on the date below that party's signature.

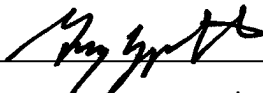
MuniServices, LLC

By: 
 Marc Herman

Title: President and CEO

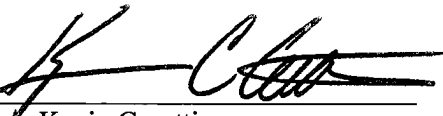
Date: 3-13-08

City of Sonora
 a municipal corporation

By: 

Title: City Administrator

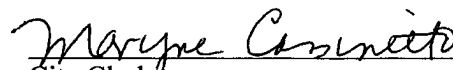
Date: 3/3/08

By: 
 Kevin Cerutti

Title: Chief Financial Officer

Date: 3-13-08

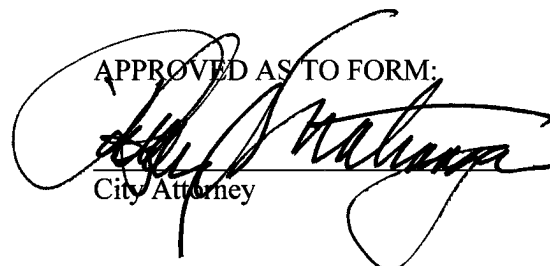
ATTEST:


 City Clerk

APPROVED AS TO FORM:


 Eric Myers, General Counsel

APPROVED AS TO FORM:


 City Attorney



CITY COUNCIL AGENDA REPORT

MEETING DATE: December 5, 2022

TO: City Council Members

FROM: Chris Gorsky, Administrative Services Director

SUBJECT: Preparatory and Administrative Agreements with the California Department of Tax and Fee Administration (CDTFA) and Resolution 12-05-2022-A and Resolution 12-05-2022-B for Implementation of Measure Y.

RECOMMENDATION

Consider Approval of the Preparatory and Administrative Agreements and Associated Resolutions to allow the California Department of Tax and Fee Administration (CDTFA) to administer the City's Essential Services Transaction and Use Tax Ordinance and authorize the City Administrator to execute the agreements.

DISCUSSION

On July 18, 2022, the City Council approved Ordinance No. 890 and on November 8th, 2022, City of Sonora voters approved Measure Y, which authorized a 1% transaction and use tax to become effective April 1, 2023. In order to begin implementing the tax it is necessary for the City to complete several administrative steps, including entering into agreements with the California Department of Tax and Fee Administration (CDTFA) for the collection and administration of the tax.

The CDTFA is the state agency responsible for overseeing, collecting, and reporting of all sales tax throughout the State of California. In its role of administrator, the CDTDA collects sales taxes from retailers throughout the state and remits these revenues to the cities, counties, and special districts, as applicable. In order for the City of Sonora to begin receiving Measure Y revenues it is necessary to approve the following agreements as required by the CDTFA.

Council needs to approve:

1. A Preparatory Agreement allowing the CDTFA to setup the administration of the sales tax.
2. An Administration Agreement allowing the CDTFA to administer the sales tax.
3. Resolution 12-05-22-A authorizing the City Administrator to execute the agreements.
4. Resolution 12-05-22-B allowing the examination of confidential records by the city and the city's sales tax consultant, MuniServices. LLC.

Resolutions for these purposes have been drafted along with the Preparatory Agreement and Administration Agreement with the CDTFA to perform all functions necessary to the administration and operation of the ordinance. These documents are shown as Attachments 1-4 along with a designation letter to the CDTFA.

FISCAL IMPACT

The amount to be paid by the City for the department's preparatory costs shall not exceed \$175,000 as enumerated in the Revenue and Taxation Code Section 7272. Actual costs are usually in the range of \$35,000 to \$50,000. Such costs include all preparatory costs, including costs of developing procedures, programming for data processing, developing and adopting appropriate regulations, designing and printing of forms, developing instructions for the board's staff and for taxpayers, and other necessary preparatory costs which shall include the board's direct and indirect costs as specified by Section 11256 of the Government Code.

ATTACHEMENTS

- Preparatory Agreement (Exhibit A)
- Administrative Agreement (Exhibit B)
- Resolution 12-05-22-A
- Resolution 12-05-22-B

**AGREEMENT FOR PREPARATION TO ADMINISTER AND OPERATE
CITY'S TRANSACTIONS AND USE TAX ORDINANCE**

In order to prepare to administer a transactions and use tax ordinance adopted in accordance with the provision of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, the City of Sonora, hereinafter called *City*, and the CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION, hereinafter called *Department*, do agree as follows:

1. The Department agrees to enter into work to prepare to administer and operate a transactions and use tax in conformity with Part 1.6 of Division 2 of the Revenue and Taxation Code which has been approved by a majority of the electors of the City and whose ordinance has been adopted by the City.

2. City agrees to pay to the Department at the times and in the amounts hereinafter specified all of the Department's costs for preparatory work necessary to administer the City's transactions and use tax ordinance. The Department's costs for preparatory work include costs of developing procedures, programming for data processing, developing and adopting appropriate regulations, designing and printing forms, developing instructions for the Department's staff and for taxpayers, and other appropriate and necessary preparatory costs to administer a transactions and use tax ordinance. These costs shall include both direct and indirect costs as specified in Section 11256 of the Government Code.

3. Preparatory costs may be accounted for in a manner which conforms to the internal accounting and personnel records currently maintained by the Department. The billings for costs may be presented in summary form. Detailed records of preparatory costs will be retained for audit and verification by the City.

4. Any dispute as to the amount of preparatory costs incurred by the Department shall be referred to the State Director of Finance for resolution, and the Director's decision shall be final.

5. Preparatory costs incurred by the Department shall be billed by the Department periodically, with the final billing within a reasonable time after the operative date of the ordinance. City shall pay to the Department the amount of such costs on or before the last day of the next succeeding month following the month when the billing is received.

6. The amount to be paid by City for the Department's preparatory costs shall not exceed one hundred seventy-five thousand dollars (\$175,000) (Revenue and Taxation Code Section 7272.)

7. Communications and notices may be sent by first class United States mail. Communications and notices to be sent to the Department shall be addressed to:

California Department of Tax and Fee Administration
P.O. Box 942879 MIC: 27
Sacramento, California 94279-0027

Attention: Administrator
Local Revenue Branch

Communications and notices to be sent to City shall be addressed to:

City of Sonora
94 N. Washington Street
Sonora, CA 95370

Attention: Administrative Services Director
Administrative Services Department

8. The date of this agreement is the date on which it is approved by the Department of General Services. This agreement shall continue in effect until the preparatory work necessary to administer City's transactions and use tax ordinance has been completed and the Department has received all payments due from City under the terms of this agreement.

CITY OF SONORA

By _____
(Signature)

Melissa Eads
(Typed Name)

City Administrator
(Title)

CALIFORNIA DEPARTMENT OF TAX
AND FEE ADMINISTRATION

By _____
Administrator
Local Revenue Branch

AGREEMENT FOR STATE ADMINISTRATION OF CITY TRANSACTIONS AND USE TAXES

The City Council of the City of Sonora has adopted, and the voters of the City of Sonora (hereafter called “City” or “District”) have approved by the required majority vote, the City of Sonora’s Transactions and Use Tax Ordinance (hereafter called “Ordinance”), a copy of which is attached hereto. To carry out the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code and the Ordinance, the California State Department of Tax and Fee Administration, (hereinafter called the “Department”) and the City do agree as follows:

ARTICLE I DEFINITIONS

Unless the context requires otherwise, wherever the following terms appear in the Agreement, they shall be interpreted to mean the following:

1. "District taxes" shall mean the transactions and use taxes, penalties, and interest imposed under an ordinance specifically authorized by Revenue and Taxation code Section 7285.9, and in compliance with Part 1.6, Division 2 of the Revenue and Taxation Code.

2. "City Ordinance" shall mean the City's Transactions and Use Tax Ordinance referred to above and attached hereto, Ordinance No. 890, as amended from time to time, or as deemed to be amended from time to time pursuant to Revenue and Taxation Code Section 7262.2.

ARTICLE II ADMINISTRATION AND COLLECTION OF CITY TAXES

A. Administration. The Department and City agree that the Department shall perform exclusively all functions incident to the administration and operation of the City Ordinance.

B. Other Applicable Laws. City agrees that all provisions of law applicable to the administration and operation of the Department Sales and Use Tax Law which are not inconsistent with Part 1.6 of Division 2 of the Revenue and Taxation Code shall be applicable to the administration and operation of the City Ordinance. City agrees that money collected pursuant to the City Ordinance may be deposited into the State Treasury to the credit of the Retail Sales Tax Fund and may be drawn from that Fund for any authorized purpose, including making refunds, compensating and reimbursing the Department pursuant to Article IV of this Agreement, and transmitting to City the amount to which City is entitled.

C. Transmittal of money.

1. For the period during which the tax is in effect, and except as otherwise provided herein, all district taxes collected under the provisions of the City Ordinance shall be transmitted to City periodically as promptly as feasible, but not less often than twice in each calendar quarter.

2. For periods subsequent to the expiration date of the tax whether by City's self-imposed limits or by final judgment of any court of the State of California holding that City's ordinance is invalid or void, all district taxes collected under the provisions of the City Ordinance shall be transmitted to City not less than once in each calendar quarter.

3. Transmittals may be made by mail or electronic funds transfer to an account of the City designated and authorized by the City. A statement shall be furnished at least quarterly indicating the amounts withheld pursuant to Article IV of this Agreement.

D. Rules. The Department shall prescribe and adopt such rules and regulations as in its judgment are necessary or desirable for the administration and operation of the City Ordinance and the distribution of the district taxes collected thereunder.

E. Preference. Unless the payor instructs otherwise, and except as otherwise provided in this Agreement, the Department shall give no preference in applying money received for state sales and use taxes, state-administered local sales and use taxes, and district transactions and use taxes owed by a taxpayer, but shall apply moneys collected to the satisfaction of the claims of the State, cities, counties, cities and counties, redevelopment agencies, other districts, and City as their interests appear.

F. Security. The Department agrees that any security which it hereafter requires to be furnished by taxpayers under the State Sales and Use Tax Law will be upon such terms that it also will be available for the payment of the claims of City for district taxes owing to it as its interest appears. The Department shall not be required to change the terms of any security now held by it, and City shall not participate in any security now held by the Department.

G. Records of the Department.

When requested by resolution of the legislative body of the City under section 7056 of the Revenue and Taxation Code, the Department agrees to permit authorized personnel of the City to examine the records of the Department, including the name, address, and account number of each seller holding a seller's permit with a registered business location in the City, pertaining to the ascertainment of transactions and use taxes collected for the City. Information obtained by the City from examination of the Department's records shall be used by the City only for purposes related to the collection of transactions and use taxes by the Department pursuant to this Agreement.

H. Annexation. City agrees that the Department shall not be required to give effect to an annexation, for the purpose of collecting, allocating, and distributing District transactions and use taxes, earlier than the first day of the calendar quarter which commences not less than two months after notice to the Department. The notice shall include the name of the county or counties annexed to the extended City boundary. In the event the City shall annex an area, the boundaries of which are not coterminous with a county or counties, the notice shall include a description of the area annexed and two maps of the City showing the area annexed and the location address of the property nearest to the extended City boundary on each side of every street or road crossing the boundary.

ARTICLE III

ALLOCATION OF TAX

A. Allocation. In the administration of the Department's contracts with all districts that impose transactions and use taxes imposed under ordinances, which comply with Part 1.6 of Division 2 of the Revenue and Taxation Code:

1. Any payment not identified as being in payment of liability owing to a designated district or districts may be apportioned among the districts as their interest appear, or, in the discretion

of the Department, to all districts with which the Department has contracted using ratios reflected by the distribution of district taxes collected from all taxpayers.

2. All district taxes collected as a result of determinations or billings made by the Department, and all amounts refunded or credited may be distributed or charged to the respective districts in the same ratio as the taxpayer's self-declared district taxes for the period for which the determination, billing, refund or credit applies.

B. Vehicles, Vessels, and Aircraft. For the purpose of allocating use tax with respect to vehicles, vessels, or aircraft, the address of the registered owner appearing on the application for registration or on the certificate of ownership may be used by the Department in determining the place of use.

ARTICLE IV **COMPENSATION**

The City agrees to pay to the Department as the State's cost of administering the City Ordinance such amount as is provided for by law. Such amounts shall be deducted from the taxes collected by the Department for the City.

ARTICLE V **MISCELLANEOUS PROVISIONS**

A. Communications. Communications and notices may be sent by first class United States mail to the addresses listed below, or to such other addresses as the parties may from time to time designate. A notification is complete when deposited in the mail.

Communications and notices to be sent to the Department shall be addressed to:

California State Department of Tax and Fee Administration
P.O. Box 942879
Sacramento, California 94279-0027

Attention: Administrator
Local Revenue Branch

Communications and notices to be sent to the City shall be addressed to:

City of Sonora
94 N. Washington Street
Sonora, CA 95370

Attention: Administrative Services Director
Administrative Services Department

Unless otherwise directed, transmittals of payment of District transactions and use taxes will be sent to the address above.

B. Term. The date of this Agreement is the date on which it is approved by the Department of General Services. The Agreement shall take effect on December 5th, 2022. This Agreement shall continue until December 31 next following the expiration date of the City Ordinance, and shall thereafter be renewed automatically from year to year until the Department completes all work necessary to the administration of the City Ordinance and has received and disbursed all payments due under that Ordinance.

C. Notice of Repeal of Ordinance. City shall give the Department written notice of the repeal of the City Ordinance not less than 110 days prior to the operative date of the repeal.

ARTICLE VI
ADMINISTRATION OF TAXES IF THE
ORDINANCE IS CHALLENGED AS BEING INVALID

A. Impoundment of funds.

1. When a legal action is begun challenging the validity of the imposition of the tax, the City shall deposit in an interest-bearing escrow account, any proceeds transmitted to it under Article II. C., until a court of competent jurisdiction renders a final and non-appealable judgment that the tax is valid.

2. If the tax is determined to be unconstitutional or otherwise invalid, the City shall transmit to the Department the moneys retained in escrow, including any accumulated interest, within ten days of the judgment of the trial court in the litigation awarding costs and fees becoming final and non-appealable.

B. Costs of administration. Should a final judgment be entered in any court of the State of California, holding that City's Ordinance is invalid or void, and requiring a rebate or refund to taxpayers of any taxes collected under the terms of this Agreement, the parties mutually agree that:

1. Department may retain all payments made by City to Department to prepare to administer the City Ordinance.

2. City will pay to Department and allow Department to retain Department's cost of administering the City Ordinance in the amounts set forth in Article IV of this Agreement.

3. City will pay to Department or to the State of California the amount of any taxes plus interest and penalties, if any, that Department or the State of California may be required to rebate or refund to taxpayers.

4. City will pay to Department its costs for rebating or refunding such taxes, interest, or penalties. Department's costs shall include its additional cost for developing procedures for processing

the rebates or refunds, its costs of actually making these refunds, designing and printing forms, and developing instructions for Department's staff for use in making these rebates or refunds and any other costs incurred by Department which are reasonably appropriate or necessary to make those rebates or refunds. These costs shall include Department's direct and indirect costs as specified by Section 11256 of the Government Code.

5. Costs may be accounted for in a manner, which conforms to the internal accounting, and personnel records currently maintained by the Department. The billings for such costs may be presented in summary form. Detailed records will be retained for audit and verification by City.

6. Any dispute as to the amount of costs incurred by Department in refunding taxes shall be referred to the State Director of Finance for resolution and the Director's decision shall be final.

7. Costs incurred by Department in connection with such refunds shall be billed by Department on or before the 25th day of the second month following the month in which the judgment of a court of the State of California holding City's Ordinance invalid or void becomes final. Thereafter Department shall bill City on or before the 25th of each month for all costs incurred by Department for the preceding calendar month. City shall pay to Department the amount of such costs on or before the last day of the succeeding month and shall pay to Department the total amount of taxes, interest, and penalties refunded or paid to taxpayers, together with Department costs incurred in making those refunds.

CITY OF SONORA

CALIFORNIA STATE DEPARTMENT OF
TAX AND FEE ADMINISTRATION

By _____
(Signature)

By _____
Administrator
Local Revenue Branch

Melissa Eads
(Typed Name)

City Administrator
(Title)

RESOLUTION No. 12-05-2022-A**A RESOLUTION OF THE SONORA CITY COUNCIL AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION FOR THE IMPLEMENTATION OF A LOCAL TRANSACTION AND USE TAX**

WHEREAS, on July 18, 2022, the City Council approved Ordinance No. 890 amending the City's municipal code and providing for a local transaction and use tax, and:

WHEREAS, the California Department of Tax and Fee Administration (Department) administers and collects the transactions and use taxes for all applicable jurisdictions within the state; and

WHEREAS, the Department will be responsible to administer and collect the transactions and use tax for the City; and

WHEREAS, the Department requires that the City enter into a "Preparatory Agreement" and an "Administration Agreement" prior to implementation of said taxes; and

WHEREAS, the Department requires that the City Council authorize the agreements;

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Sonora that the "Preparatory Agreement" attached as Exhibit A and the "Administrative Agreement" attached as Exhibit B are hereby approved and the City Administrator is hereby authorized to execute each agreement.

THE FOREGOING RESOLUTION WAS INTRODUCED AND ADOPTED at a regular meeting of the City Sonora City Council held on the 5th day of December 2022, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Mark Plummer, Mayor

ATTEST: _____
Tracy Skelly, City Clerk

RESOLUTION No. 12-05-2022-B**A RESOLUTION OF THE SONORA CITY COUNCIL AUTHORIZING EXAMINATION OF SALES OR TRANSACTIONS AND USE TAX RECORDS**

WHEREAS, pursuant to Ordinance Number 890 of City of Sonora (City), and Revenue and Taxation Code section 7270, the City entered into a contract with the California Department of Tax and Fee Administration (Department) to perform all functions incident to the administration and collection of transactions and use taxes; and:

WHEREAS, the City Council of the City of Sonora deems it desirable and necessary for authorized officers, employees and representatives of the City to examine confidential sales or transactions and use tax records of the Department pertaining to transactions and use taxes collected by the Department for the City pursuant to that contract; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Department records, and Section 7056.5 of the California Revenue and Taxation Code establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales or transactions and use tax records of the Department; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SONORA HEREBY RESOLVES AS FOLLOWS:

Section 1. That the City Administrator and Administrative Services Director, or other officer or employee of the City designated in writing by the City Administrator to the California Department of Tax and Fee Administration is hereby appointed to represent the City with authority to examine sales or transactions and use tax records of the Department pertaining to transactions and use taxes collected for the City by the Department pursuant to the contract between the City and the Department.

Section 2. The information obtained by examination of Department records shall be used only for purposes related to the collection of City transactions and use taxes by the Department pursuant to that contract, and for purposes related to the following governmental functions of the City:

- (a) Review of tax records to ensure proper allocation and remittance to the City.
- (b) Economic Development.
- (c) Budget Planning

The information obtained by examination of Department records shall be used only for those governmental functions of the City listed above.

Section 3. That MuniServices, LLC is hereby designated to examine the sales or transactions and use tax records of the Department pertaining to transactions and use taxes collected for the City by the Department. The person or entity designated by this section meets all of the following conditions, which are also included in the contract between the City and the MuniServices, LLC:

- a) has an existing contract with the City to examine those sales or transactions and use tax records;
- b) is required by that contract to disclose information contained in, or derived from, those sales or transactions and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information.
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;
- d) is prohibited by that contract from retaining the information contained in, or derived from those sales or transactions and use tax records, after that contract has expired.

BE IT FURTHER RESOLVED that the information obtained by examination of Department records shall be used only for purposes related to the collection of City transactions and use taxes by the Department pursuant to the contract between the City and the Department and for those purposes relating to the governmental functions of the City listed in section 2 of this resolution.

Section 4.

That this resolution supersedes all prior resolutions of the City Council adopted pursuant to subdivision (b) of Revenue and Taxation Code section 7056.

THE FOREGOING RESOLUTION WAS INTRODUCED AND ADOPTED at a regular meeting of the City Sonora City Council held on the 5th day of December 2022, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Mark Plummer, Mayor

ATTEST: _____
Tracy Skelly, City Clerk

Sierra Mac River Trips, Inc
 Marty McDonnell, President
 PO Box 264
 Groveland, California USA 95321

Tel: 970.218.0625
marty@sierramac.com
www.sierramac.com



November 27, 2022

**The Honorable Kathleen Haff, Supervisor District 4
 Tuolumne County Board Of Supervisors**

The Honorable Anaiah Kirk, Supervisor District 3, Chair of Board of Supervisors
 The Honorable David Goldemberg, Supervisor District 1
 The Honorable Ryan Campbell, Supervisor District 2
 The Honorable Jaron Brandon, Supervisor District 5
 County Administrative Officer Tracie Riggs

Cc: Melissa Eads, City Administrator, City of Sonora

2 South Green Street Sonora, CA 95370

Transient Occupancy Tax (TOT) Proposed Funding Cut to Visit Tuolumne County or Contract Bid

Dear Ms. Haff and fellow members of the Tuolumne County Board of Supervisors,

Visit Tuolumne County (VTC) has proven to be an outstanding service to our business community promoting tourism for nearly 40 years. Please continue to support them at the current level or more! VTC is a significant asset to the effort promoting the tourist industry of our community. Please do not put the VTC contract out to bid or consider cutting funding.

I served on the Tuolumne County Chamber of Commerce (TCCC) Board and on the Board's Executive Committee as Treasurer in the early 1980's. The TCCC failed to embrace an adequate role as a promoter of local tourism which resulted in the formation of Tuolumne County Visitors Bureau (TCVB) or now known as VTC. I served on the TCVB's founding Board of Directors and am exceptionally pleased with this organization's work successfully promoting Tuolumne County as a tourist destination.

The VTC Team is a vital part of our business health! Cutting funding or putting the VTC contract out to bid would be an epic mistake!

My company contributes to the TOT and I believe these funds are well directed to the VTC. If anything, the percent that goes to the VTC needs to be increased.

Thank you for your service to our community,

Marty McDonnell, CEO/Owner, Sierra Mac River Trips



Tuolumne County Evacuation Needs Assessment Community Meetings

PROJECT INFORMATION: https://bit.ly/TCTC_Evac

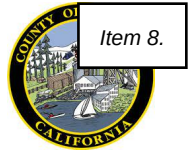
December 6
5:30-7:00 PM
Sonora Opera House

December 7
5:30-7:00 PM
Groveland Community Hall

December 8
5:30-7:00 PM
Virtual Meeting (ZOOM)

**Join Us in Sonora, Groveland, or Online, and
share your comments on roadway evacuation needs!**

EVACUATION NEEDS ASSESSMENT COMMUNITY MEETINGS



PROJECT WEBSITE:



https://bit.ly/TCTC_Evac

Please join us to review evacuation congestion improvement and communication strategies to help Tuolumne County improve evacuation strategies and identify improvements for a more resilient evacuation network!

December 6
5:30-7:00 PM
Sonora Opera House

December 7
5:30-7:00 PM
Groveland Community Hall

December 8
5:30-7:00 PM
Virtual Meeting (ZOOM)

JOIN US IN SONORA, GROVELAND, OR ONLINE!

Tuolumne County Evacuation Needs Assessment and Communication Strategies

Tuolumne County Transportation Council and Tuolumne County Office of Emergency Services are collaborating to understand wildfire risk across the County, identify opportunities to increase evacuation traffic capacity, and enhance communication strategies for more effective and resilient evacuations in the event of a wildfire. We invite you to come share your thoughts and learn more about the study. We look forward to seeing you!

Our Goals:



**Reduce
evacuation
congestion**



**Enhance
emergency
communications**



**Increase
wildfire risk
awareness**



**Support
vulnerable
populations
during
evacuations**