



City Council Meeting Agenda

Monday, November 02, 2026 at 6:00 PM

33 Church Street, Sutter Creek, CA 95685

The Agenda can be found on the City's Website: www.cityofsuttercreek.org

The City of Sutter Creek City Council Meeting will be available in person and LIVE on YouTube at

<https://www.youtube.com/@CityofSutterCreek>.

You can also watch the meeting on Zoom (please note Zoom participation is only available for viewing.

<https://us02web.zoom.us/j/81391466458?pwd=4jXmBm1AP5bEbiID3iDwuxk4GpreRY.1>

Or Dial by phone: 301 715 8592 Webinar ID: 816 8589 0182 Passcode: 186036

Unless stated otherwise on the agenda, every item on the agenda is exempt from review under the California Environmental Quality Act ("CEQA") per CEQA Guidelines Sections 15060(c), 15061(b)(3), 15273, 15378, 15301, 15323 and/or Public Resources Code Section 21065.

- 1. Call to Order and Establish a Quorum for Regular Meeting**
- 2. Pledge of Allegiance to the Flag**
- 3. Public Forum**

At this time, the public is permitted to address the City Council on items not appearing on the agenda. Comments may not exceed 5 minutes. In accordance with State Law, however, no action or discussion may take place on any item not appearing on the posted agenda. The City Council may respond to statements made or questions asked or may request Staff to report back at a future meeting on the matter. The exceptions under which the City Council may discuss and/or take action on items not appearing on the agenda are contained in Government Code §54954.2. Public comment on any item listed below shall be limited to five minutes, unless additional time is permitted by the Mayor/Council.

- 4. City Manager's Report**

This section is an opportunity to provide Council members with a brief status update on staff activities. No action is expected to be taken by the Council.

- 5. Presentations**

6. Approval of Minutes

A. [City Council Minutes of Month October 19, 2026](#)

[Recommendation: By motion approve minutes as presented.](#)

B. [City Council Minutes of Month October 23, 2026](#)

[Recommendation: By motion approve minutes as presented.](#)

7. Consent Agenda

Items listed on the consent agenda are considered routine and shall be enacted in one motion. Any item may be removed for discussion at the request of Council or the Public.

A. [Tentative Map #2925 Extension](#)

*[Adopt Resolution 26-27-*extending Tentative Map #2925 for Brett Brusatori for twelve months to November 1, 2027.](#)*

B. [Salary Schedules for Fiscal Years 2023–24 through 2026–27](#)

[Approve resolutions adding effective dates to Salary Schedules](#)

8. Ordinances and Public Hearing

9. Administrative Agenda

A. [Short-Term Rental Ordinance Discussion](#)

[Recommendation: Receive the Planning Commission’s recommendations regarding the proposed Short-Term Rental \(STR\) Ordinance and provide direction to staff regarding preparation of the revised ordinance for City Council consideration.](#)

B. [Memorandum of Understanding between Sutter Creek and ACUSD](#)

[Provide feedback and authorize the City Manager to complete the MOU](#)

C. [FY27 Purchasing Policy and Procedures Manual](#)

*[Recommendation: Adopt Resolution No. 26-27-**, adopting the revised Purchasing Policies and Procedures Manual, which supersedes and replaces the manual adopted by Resolution No. 19-20-23.](#)*

10. Mayor and Council Member Reports

This section is to provide Council members an opportunity to present updates on their activities and to request items be placed on future agendas.

11. City Attorney’s Report

This section provides an opportunity for the City Attorney to report on any activities or upcoming legislation of importance to the City. No action is expected to be taken by the Council.

12. Information and Correspondence

13. Closed Session

A. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: one potential case

14. Report from Closed Session

15. Adjournment

The next regularly scheduled meeting is November 16, 2026.



Special City Council Meeting Minutes

Monday, October 19, 2026 at 2:00 PM

33 Church Street, Sutter Creek, CA 95685

The Agenda can be found on the City's Website: www.cityofsuttercreek.org

1. Call to Order and Establish a Quorum for Regular Meeting

Mayor Gunselman called the meeting to order at 2:00 p.m. A quorum was present.

PRESENT: Mayor Claire Gunselman and Councilmembers Susan Feist, Dan Riordan, and James Swift.

ABSENT: Vice Mayor Julia Sierk.

2. Pledge of Allegiance to the Flag

Mayor Gunselman led the Pledge of Allegiance.

3. Public Forum

Nicolle Rodgers shared information regarding educational polling related to creating smoke-free environments in Sutter Creek's parks, playgrounds, and outdoor dining areas.

4. City Manager's Report

No report was provided.

5. Presentations

None.

6. Approval of Minutes

A. City Council Minutes of October 5, 2026

Councilmember Swift requested a correction to clarify that he had requested the correction to Mayla Swift's name.

Motion: Councilmember Riordan moved to approve the October 5, 2026, minutes as corrected. Councilmember Swift seconded the motion.

AYES: Gunselman, Feist, Riordan, Swift
NOES: None
ABSTAIN: None
ABSENT: Sierk
MOTION CARRIED (4-0-1).

7. Consent Agenda

None.

8. Ordinances and Public Hearings

None.

9. Administrative Agenda

A. CalPERS Contract Amendment — Resolution of Intention for 2% Employee Cost Sharing

Recommendation: Adopt a Resolution of Intention to approve an amendment to the contract between the City Council of the City of Sutter Creek and the Board of Administration of the California Public Employees' Retirement System to provide for employee sharing of additional costs under Government Code Section 20516, with 2% cost sharing for classic local miscellaneous members in SEIU Local 1021 and classic local safety members in the Sutter Creek Police Officers' Association.

Motion: Councilmember Swift moved to adopt Resolution No. 26-27-06, a Resolution of Intention to approve the CalPERS contract amendment providing for 2% employee cost sharing as described above. Councilmember Riordan seconded the motion.

AYES: Gunselman, Feist, Riordan, Swift
NOES: None
ABSTAIN: None
ABSENT: Sierk
MOTION CARRIED (4-0-1).

10. Mayor and Councilmember Reports

No reports were provided.

11. City Attorney's Report

No report was provided.

12. Information and Correspondence

A. Finance Monthly Report

B. Public Works Monthly Report

C. Engineering Monthly Report

D. City Clerk's Monthly Report

E. Treasurer's Monthly Report

F. Police Department Monthly Report

G. Planning Department Monthly Report

H. Marketing Monthly Report

13. Closed Session

Vice Mayor Sierk arrived as the closed session began. The City Council recessed into closed session at 2:07 p.m. to discuss the following item:

A. PUBLIC EMPLOYEE APPOINTMENT

Pursuant to Government Code Section 54957

Title: City Manager

14. Report from Closed Session

No reportable action was taken.

15. Adjournment

The meeting adjourned at 9:00 p.m.

Alejandra Zambrano, City Clerk



Special City Council Meeting Minutes

Friday, October 23, 2026 at 2:30 PM

33 Church Street, Sutter Creek, CA 95685

The Agenda can be found on the City's Website: www.cityofsuttercreek.org

1. Call to Order and Establish a Quorum for Special Meeting

Mayor Gunselman called the special meeting to order at 2:30 p.m.

PRESENT: Mayor Claire Gunselman; Vice Mayor Julia Sierk, Dan Riordan, and James Swift; Councilmember Susan Feist (arrived at 2:36 p.m.).

2. Pledge of Allegiance to the Flag

Mayor Gunselman led the Pledge of Allegiance.

3. Public Forum

No public comment.

4. Closed Session

The City Council recessed into closed session at 2:35 p.m. to discuss the following item:

A. PUBLIC EMPLOYEE APPOINTMENT

Pursuant to Government Code Section 54957

Title: City Manager

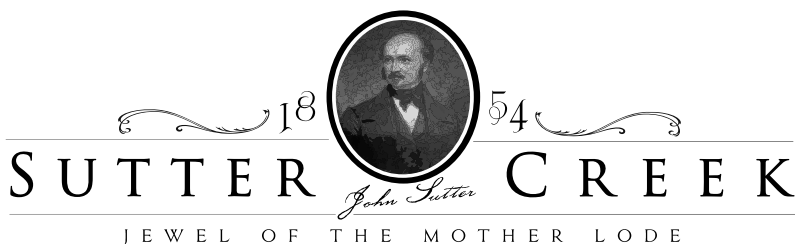
5. Report from Closed Session

No reportable action was taken.

6. Adjournment

The meeting adjourned at 3:03 p.m.

Alejandra Zambrano, City Clerk



TO: CITY COUNCIL
MEETING DATE: NOVEMBER 2, 2026
FROM: ERIN VENTURA, PLANNING CONSULTANT
SUBJECT: REQUEST FOR AN EXTENSION OF TENTATIVE MAP #2925 BY BRETT BRUSATORI

RECOMMENDATION:

1. Adopt Resolution 26-27-*extending Tentative Map #2925 for Brett Brusatori for twelve months to November 1, 2027.

BACKGROUND:

The property owner of APN 180-314-026 (381, 383, 385 Sutter Hill Road) request an extension of their Map which was set to expire on October 21, 2026; however, the request had been made in a timely fashion. Their original Vesting Tentative Parcel Map was reviewed and recommended for approval by the Planning Commission on October 15, 2024 and approved by the City Council on October 21, 2024.

Compliance with Subdivision Map Act:

As described by. the Subdivision. Map Act below, a Tentative Map shall expire 24 months after its approval and can be extended by the City for up to six (6) years after its initial term.

Section 66452.6 of the Subdivision Map Act states:

(a) An approved or conditionally approved tentative map shall expire 24 months after its approval or conditional approval, or after any additional period of time as may be prescribed by local ordinance, not to exceed an additional 12 months.

(b) Upon application of the subdivider filed prior to the expiration of the approved or conditionally approved tentative map, the time at which the map expires pursuant to subdivision (a) may be extended by the legislative body or by an advisory agency authorized to approve or conditionally approve tentative maps for a period or periods not exceeding a total of six years.

The period of extension specified in this subdivision shall be in addition to the period of time provided by subdivision (a). Prior to the expiration of an approved or conditionally approved tentative map, upon an application by the subdivider to extend that map, the map shall automatically be extended for 60 days or until the application for the extension is approved, conditionally approved, or denied, whichever occurs first. If the advisory agency denies a subdivider's application for an extension, the subdivider may appeal to the legislative body within 15 days after the advisory agency has denied the extension.

DISCUSSION:

Staff has reviewed the request and recommends that the City Council grant the extension to November 1, 2027.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUTTER CREEK APPROVING AN EXTENSION OF TENTATIVE PARCEL MAP #2925 FOR BRETT BRUSATORI, WITH AN EXPIRATION DATE OF NOVEMBER 1, 2027.

WHEREAS, on October 21, 2024, the City Council of the City of Sutter Creek approved Tentative Parcel Map #2925 (Assessor Parcel No. 018-314-026) for Brett Brusatori with an expiration date of October 21, 2026; and

WHEREAS, the Subdivision Map Act allows for six requests of one-year extensions; and

WHEREAS, Brett Brusatori, did make such a request within the required timeframes; and

NOW THEREFORE BE IT RESOLVED, the City Council hereby approves a one-year extension request with an expiration date of November 1, 2027;

BE IT FURTHER RESOLVED that the City Council finds that the previous findings still apply:

1. The proposed split of the property into two parcels is essential or desirable to the public convenience or welfare;
2. The proposed action is in compliance with the Sutter Creek General Plan goals, policies, and RM designation.
3. The proposed action will not impair the integrity and character of the zoning district because the use is consistent with activities within the R-3 Zone, which allows a lot split in which the area of the resulting lots is greater than 3,500 square feet.
4. The proposed action would not be detrimental to public health, safety or general welfare.
5. The proposed split of the property implements the Sutter Creek General Plan and the purposes of the Planning Title.

BE IT FURTHER RESOLVED that that the City Council of the City of Sutter Creek hereby authorize the Planning Commission's conditional approval of Tentative Map 2925 with an exception to lot frontage based on the following findings per Subdivision Code 17.30.010:

A. That there are special circumstances or conditions affecting the property.

While there is more than adequate square footage to meet the minimum lot area requirements for each lot, the location of the existing structure on the property will not allow for a frontage of 60' on the proposed Lot 1. Allowing a smaller frontage width avoids making the existing structure non-conforming in terms of setbacks, and reduces the driveways proposed on Sutter Hill Road.

B. That the exception is necessary for the preservation and enjoyment of a substantial property right of the petitioner.

The exception will allow for the creation of lots sized appropriately for the R-3 zone/ RM land use designation and will provide additional opportunity for multifamily house development.

C. That the granting of the exception will not be detrimental to the public welfare or injurious to other property in the territory in which the property is situated.

The frontages of lots within the area vary in size.

PASSED AND ADOPTED by the City Council of the City of Sutter Creek on this Monday the 2nd day of November 2026 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

THE CITY OF SUTTER CREDIT

Section 7, Item A.

ATTEST:

Claire Gunselman, Mayor

Alejandra Zambrano, City Clerk

STAFF REPORT

TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
MEETING DATE: NOVEMBER 2, 2026
FROM: MASON PETERS, FINANCE SUPERVISOR
SUBJECT: FISCAL YEAR 2023-24 THROUGH 2026-27 FORMATTING
ADJUSTMENTS AND APPROVAL

RECOMMENDATION:

Approve Resolutions 26-27-**, approving the additions of effective date ranges for previously approved salary schedules to satisfy CalPERS requirements, as well as Approve Resolution 26-27-** adopting the Salary Schedule for fiscal year 2026-2027.

BACKGROUND:

Staff has previously brought the FY24 through FY26 salary schedules to you for approval, and they were used in each appropriate fiscal year for paying employees and reporting to CalPERS. However, recent discussions with CalPERS have brought some formatting issues of existing salary schedules to our attention and we are bringing this item to you to rectify the issues that we have been made aware of.

DISCUSSION:

The primary issue is the absence of an effective date. CalPERS requires that publicly available salary schedules clearly state the effective date(s) that the employer recognizes the document to pay their employees. Previous versions of the salary schedules only listed the fiscal year at the top, but not true effective dates. These revised versions have added those dates at the top of the document.

Also in this item is the fiscal year 2026-27 salary schedule that abides by the formatting requirements, as well as the rate updates illustrated in each respective MOU with SEIU and POA. This is the first time you are seeing this salary schedule, but the rates listed reflect what is agreed upon in the SEIU and POA MOUs that are effective through June 30, 2028. We are holding off on bringing the fiscal year 2027-28 salary schedule to you because the SEIU rate update is dependent on the CPI index percentage for a few months from now, so we are unable to provide those rates at this time.

BUDGET IMPACT:

Previous fiscal years' salary schedules have zero fiscal impact, only formatting updates. The budget impact for the approved Salary Schedule was considered in the approved budget for Fiscal Year 2026-27 and was based on the agreed MOU for each bargaining unit through FY28.

RESOLUTION NO. 26-27-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUTTER CREEK
ADOPTING A SALARY SCHEDULE FOR FISCAL YEAR 2023–2024
EFFECTIVE JULY 1, 2023, THROUGH OCTOBER 6, 2024**

WHEREAS, the City Council of the City of Sutter Creek desires to adopt a salary schedule for its employees; and

WHEREAS, the salary schedule for fiscal year 2023–2024 identifies the applicable salary rates and the effective period of July 1, 2023, through October 6, 2024;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sutter Creek hereby adopts the salary schedule for fiscal year 2023–2024, effective July 1, 2023, through October 6, 2024, as shown below.

City of Sutter Creek 2023-2024 Salary Schedule

5% Cost of Living Adjustment

Effective July, 1 2023 - October 6, 2024

	Hourly				
	1	2	3	4	5
Retail Clerk	\$ 17.22	\$ 18.08	\$ 18.99	\$ 19.93	\$ 20.93
Account Clerk/Admin. Services Tech II	\$ 19.93	\$ 20.93	\$ 21.97	\$ 23.07	\$ 24.23
Account Technician	\$ 26.00	\$ 27.30	\$ 28.67	\$ 30.10	\$ 31.60
PW I/WW OIT/Maint Worker 1	\$ 21.13	\$ 22.19	\$ 23.30	\$ 24.46	\$ 25.68
PW II/WW I	\$ 24.93	\$ 26.18	\$ 27.49	\$ 28.86	\$ 30.30
PW Foreman/ WW Chief	\$ 30.88	\$ 32.42	\$ 34.05	\$ 35.75	\$ 37.53
Police Officer	\$ 27.20	\$ 28.56	\$ 29.99	\$ 31.49	\$ 33.05
Police Sergeant	\$ 32.26	\$ 33.87	\$ 35.57	\$ 37.34	\$ 39.21
Accounting Supervisor/Admin Services Supervisor	\$ 36.58	\$ 38.41	\$ 40.33	\$ 42.35	\$ 44.46
Chief of Police					\$ 67.15
City Manager					\$ 74.90
<i>represented by SEIU</i>					
<i>represented by POA</i>					

The foregoing resolution was duly passed and adopted at a regular meeting of the City Council of the City of Sutter Creek held on the 2nd day of November, 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Claire Gunselman, Mayor

ATTEST:

Alejandra Zambrano, City Clerk

RESOLUTION NO. 26-27-**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUTTER CREEK ADOPTING A SALARY SCHEDULE FOR FISCAL YEAR 2024–2025 EFFECTIVE OCTOBER 7, 2024, THROUGH JUNE 30, 2025

WHEREAS, the City Council of the City of Sutter Creek desires to adopt a salary schedule for its employees; and

WHEREAS, the salary schedule for fiscal year 2024–2025 identifies the applicable salary rates and the effective period of October 7, 2024, through June 30, 2025;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sutter Creek hereby adopts the salary schedule for fiscal year 2024–2025, effective October 7, 2024, through June 30, 2025, as shown below.

City of Sutter Creek 2024-2025 Salary Schedule *PW, Unrepresented 3.7% Cost of Living Adjustment, POA 6.25%* *Effective: October 7, 2024 - June 30, 2025*

	Hourly				
	1	2	3	4	5
Retail Clerk	\$ 17.86	\$ 18.75	\$19.69	\$20.68	\$21.71
Account Clerk/Admin. Services Tech II	\$ 20.67	\$ 21.70	\$22.79	\$23.93	\$25.12
Account Technician	\$ 26.96	\$ 28.31	\$29.72	\$31.21	\$32.77
PW I/WW OIT/Maint Worker 1	\$ 21.91	\$ 23.01	\$24.16	\$25.36	\$26.63
PW II/WW I	\$ 25.85	\$ 27.14	\$28.50	\$29.92	\$31.42
PW Foreman/ WW Chief	\$ 32.02	\$ 33.62	\$35.30	\$37.07	\$38.92
Police Officer	\$ 28.90	\$ 30.35	\$31.86	\$33.46	\$35.13
Police Sergeant	\$ 34.28	\$ 35.99	\$37.79	\$39.68	\$41.67
Accounting Supervisor/Admin Services Supervisor	\$ 37.93	\$ 39.83	\$41.82	\$43.91	\$46.10
Chief of Police					\$69.63
City Manager					\$77.67

represented by SEIU

represented by POA

The foregoing resolution was duly passed and adopted at a regular meeting of the City Council of the City of Sutter Creek held on the 2nd day of November, 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Claire Gunselman, Mayor

ATTEST:

Alejandra Zambrano, City Clerk

RESOLUTION NO. 26-27-**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUTTER CREEK AMENDING RESOLUTION NO. 25-26-04 TO SPECIFY THE EFFECTIVE PERIOD OF THE FISCAL YEAR 2025–2026 SALARY SCHEDULE EFFECTIVE JULY 1, 2025, THROUGH JUNE 30, 2026

WHEREAS, the City Council of the City of Sutter Creek desires to adopt a salary schedule for its employees; and

WHEREAS, the City Council adopted Resolution No. 25-26-04 on August 18, 2025, adopting the fiscal year 2025–2026 salary schedule; and

WHEREAS, the City Council desires to specify the schedule’s effective period as July 1, 2025, through June 30, 2026;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sutter Creek hereby amends Resolution No. 25-26-04 to specify that the salary schedule shown below applies to the period beginning July 1, 2025, and ending June 30, 2026. All other provisions of Resolution No. 25-26-04 remain unchanged.

City of Sutter Creek 2025-2026 Salary Schedule
Effective: July 1, 2025 - June 30, 2026

		Hourly						
		1	2	3	4	5	Step 5 Yearly	Step 5 Monthly
SEIU	Account Clerk/Admin. Services Tech II	\$ 22.14	\$ 23.25	\$ 24.41	\$ 25.63	\$ 26.91	\$ 55,972.82	\$ 4,664.40
	Account Technician	\$ 28.04	\$ 29.44	\$ 30.91	\$ 32.46	\$ 34.08	\$ 70,893.43	\$ 5,907.79
	PW I/WW OIT/Maint Worker I	\$ 22.79	\$ 23.93	\$ 25.12	\$ 26.38	\$ 27.70	\$ 57,614.54	\$ 4,801.21
	PW II/WW I	\$ 26.89	\$ 28.23	\$ 29.64	\$ 31.12	\$ 32.68	\$ 67,975.89	\$ 5,664.66
	PW Foreman/ WW Chief	\$ 33.30	\$ 34.97	\$ 36.72	\$ 38.55	\$ 40.48	\$ 84,199.58	\$ 7,016.63
POA	Police Officer	\$ 30.63	\$ 32.17	\$ 33.77	\$ 35.46	\$ 37.24	\$ 77,450.50	\$ 6,454.21
	Police Sergeant	\$ 36.34	\$ 38.15	\$ 40.06	\$ 42.06	\$ 44.17	\$ 91,868.62	\$ 7,655.72
Unrepresented	Project Manager	\$ 31.00					\$ 64,484.99	\$ 5,373.75
	City Clerk	\$ 32.50					\$ 67,600.00	\$ 5,633.33
	Accounting Supervisor/Admin Services Supervisor	\$ 42.79					\$ 89,010.27	\$ 7,417.52
	Public Works Director	\$ 54.44					\$ 113,243.52	\$ 9,436.96
	Chief of Police*	\$ 72.42					\$ 47,071.20	\$ 3,922.60

* Part Time

Note: The pay for the City Manager is defined in the employment agreement. The position gets COLA and Benefits in line with SEIU.

The foregoing resolution was duly passed and adopted at a regular meeting of the City Council of the City of Sutter Creek held on the 2nd day of November, 2026, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

Claire Gunselman, Mayor

Alejandra Zambrano, City Clerk

RESOLUTION NO. 26-27-**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUTTER CREEK ADOPTING A SALARY SCHEDULE FOR FISCAL YEAR 2026–2027 EFFECTIVE JULY 1, 2026, THROUGH JUNE 30, 2027

WHEREAS, the City Council of the City of Sutter Creek desires to adopt a salary schedule for its employees; and

WHEREAS, the salary schedule for fiscal year 2026–2027 identifies the applicable salary rates and the effective period of July 1, 2026, through June 30, 2027;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sutter Creek hereby adopts the salary schedule for fiscal year 2026–2027, effective July 1, 2026, through June 30, 2027, as shown below.

City of Sutter Creek 2026-2027 Salary Schedule Effective July 1, 2026 - June 30, 2027

		Hourly				
		1	2	3	4	5
SEIU	Account Clerk/Admin. Services Tech II	\$ 22.80	\$ 23.94	\$ 25.14	\$ 26.40	\$ 27.72
	Account Technician	\$ 28.88	\$ 30.33	\$ 31.84	\$ 33.43	\$ 35.10
	PW I/WW OIT/Maint Worker 1	\$ 23.47	\$ 24.65	\$ 25.88	\$ 27.17	\$ 28.53
	PW II/WW I	\$ 27.70	\$ 29.08	\$ 30.53	\$ 32.06	\$ 33.66
	PW Foreman/ WW Chief	\$ 34.30	\$ 36.01	\$ 37.81	\$ 39.71	\$ 41.69
POA	Police Officer	\$ 32.16	\$ 33.77	\$ 35.46	\$ 37.23	\$ 39.10
	Police Sergeant	\$ 38.16	\$ 40.06	\$ 42.07	\$ 44.17	\$ 46.39
Unrepresented	Project Manager	\$ 31.93				
	City Clerk	\$ 33.48				
	Accounting Supervisor/Admin Services Supervisor	\$ 46.21				
	Public Works Director	\$ 56.07				
	Chief of Police*	\$ 74.59				

Note: The pay for the City Manager is defined in the employment agreement. The position gets COLA and Benefits in line with SEIU.

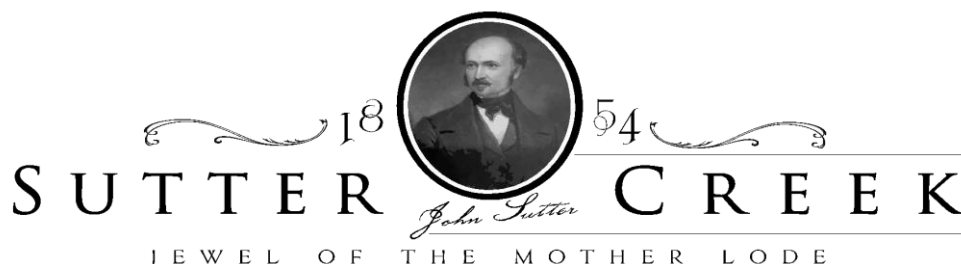
The foregoing resolution was duly passed and adopted at a regular meeting of the City Council of the City of Sutter Creek held on the 2nd day of November, 2026, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

Alejandra Zambrano, City Clerk

Claire Gunselman, Mayor



STAFF REPORT

TO: CITY COUNCIL
MEETING DATE: NOVEMBER 2, 2026
FROM: ERIN VENTURA, CONTRACT PLANNER
SUBJECT: SHORT TERM RENTAL DISCUSSION

RECOMMENDATION:

Receive the Planning Commission's recommendations regarding the proposed Short-Term Rental (STR) Ordinance and provide direction to staff regarding preparation of the revised ordinance for City Council consideration.

BACKGROUND

In November 2019, the City began updating its Short-Term Rental Ordinance; however, the proposed ordinance was not adopted. Since that time, staff has tracked STR permits and provided updates to the City Council regarding STR activity within the City.

As of October 13, 2026, the City had 17 valid STR permits, including 10 active and seven inactive permits. The City also had eight hotel and inn establishments. These counts include STRs permitted by right in commercial zones.

The City Council extended the existing moratorium on STR permits for an additional 10 months at its April 20, 2026 meeting to allow time for the Planning Commission and City Council to consider and finalize a permanent ordinance.

Previous City Council and Planning Commission discussions have focused on four primary policy areas: annual permit review, waitlist procedures, the maximum number of STR permits, and geographic distribution of permits.

DISCUSSION:

The City Council held discussions regarding a Short Term Rental Ordinance on the following dates (recordings linked below):

- [February 2, 2026](#)
- [March 2, 2026](#)
- [March 16, 2026](#)
- [April 20, 2026](#)

Additionally the Planning Commission held a meeting on May 11, 2026 to discuss the changes to the ordinance. The recording from that meeting can be found [here](#).

At its October 13, 2026 meeting, the Planning Commission discussed the proposed STR Ordinance and provided recommendations to staff on the outstanding policy questions. The Commission's recommendations are summarized below.

1. Annual Permit Review

The Commission discussed an annual review process to identify STR permits that are not being actively used. The Commission recommended that when a permit holder reports no rental activity for three consecutive quarters, staff would send a notice advising that the permit will be cancelled if no rental activity is reported for the fourth quarter.

Cancellation would occur automatically if there is no rental activity during the fourth quarter, unless the permit holder contacts the City to discuss the circumstances.

2. Waitlist Procedures

The Commission supported the hybrid waitlist approach, combining chronological processing of applications with priority for hosted STRs. Under the approach discussed, hosted STR priority would be tied to a minimum rental activity threshold of 25 nights per year.

A waitlist would be used once the maximum number of authorized STR permits has been issued.

3. Maximum Number of STR Permits

The Commission recommended limiting the total number of STR permits to 2% of the City's total housing stock, calculated using standard rounding rules.

The has approximately 1,404 residential dwelling units within the City. Based on that estimate, a 2% cap would equate to approximately 28 STR permits. Using a percentage-based cap would allow the maximum number of permits to adjust as the City's housing stock changes.

4. Geographic Distribution of Permits

The Commission recommended that the ordinance not establish geographic distribution requirements for STR permits. Under this approach, permits would not be allocated according to separate quotas for properties within and outside the Historic District.

NEXT STEPS:

Staff will incorporate the Planning Commission's recommendations into revisions to the draft STR Ordinance and bring the revised ordinance to the Planning Commission for consideration. Once the Planning Commission has reviewed the draft ordinance, staff will ask that they recommend approval to the City Council. At that time, the draft will be brought back to City Council for review and adoption.

The City Council may provide additional direction before staff finalizes the ordinance for adoption.

CHAPTER 6.44 SHORT-TERM RENTALS

Section 6.44.010 Title of Ordinance

This Chapter shall be referred to as the "Short-term Rental Ordinance."

Section 6.44.020 Purpose

- A. The purpose of this Chapter is to establish regulations for the use of privately-owned, residential dwellings or accessory structures as short-term rentals that maintain neighborhood compatibility, preserve long-term housing, protect historic resources, support our tourism industry and ensure economic benefits through Transient Occupancy Tax (TOT) collection.
- B. This Chapter is not intended to provide any owner of residential property with the right or privilege to violate any private conditions, covenants, and restrictions applicable to the owner's property that may prohibit the use of such owner's residential property for short-term rental purposes.

Section 6.44.030 Definitions

- A. For purposes of this Chapter, the following words and phrases shall have the following meanings:
 - 1. "Applicable laws, rules and regulations" means any laws, rules, regulations and codes (whether local, state or federal) pertaining to the use and occupancy of a privately-owned dwelling unit as a short-term rental.
 - 2. "Applicant" means the owner of the short-term rental unit or the owner's authorized agent or representative, referred to within as an "operator."
 - 3. "City Manager" means that person acting in the capacity of the City Manager of the City of Sutter Creek or his or her designee.
 - 4. "Good neighbor brochure" means a document prepared by the City that summarizes the general rules of conduct, consideration, and respect, including without limitation provisions of the Sutter Creek Municipal Code and other applicable laws, rules, or regulations, pertaining to the use and occupancy of short-term rental units.
 - 5. "Local contact person" means the person designated by the owner or the operator who shall be available 24 hours per day, seven days per week for the purpose of: (1) responding within 60 minutes to complaints regarding the condition, operation, or conduct of occupants of the short-term rental unit; and (2) taking remedial action to resolve any such complaints. The local contact person may be the owner or operator.
 - 6. "Non-Owner-Occupied STR means a property operating as a short-term rental without an on-site owner, which functions more like commercial lodging.

7. "Operator" means the owner or the designated agent or representative of the owner who is responsible for compliance with this Chapter
8. "Owner" means the person(s) or entity(ies) that hold(s) legal and/or equitable title to a short-term rental unit.
9. . "Owner-Occupied STR" means a property where the owner resides on-site in the primary dwelling, an accessory dwelling unit (ADU), or rents out individual rooms.
10. "Property" means a residential legal lot on which a short-term rental unit is located.
11. "Responsible person" means an occupant of a short-term rental unit who is at least 21 years of age and who is legally responsible for ensuring that all occupants of the short-term rental unit and their guests comply with all applicable laws, rules, and regulations pertaining to the use and occupancy of a short term rental unit.
12. "Short-term rental unit" means a privately-owned residential dwelling, such as, but not limited to, a single-family detached or multiple-family attached unit, condominium, duplex, or any portion of such dwellings, and accessory structure rented for occupancy for dwelling, lodging, or sleeping purposes for any period of 30 consecutive days or fewer. A short-term rental unit does not include a hotel, motel, bed and breakfast, or other business in which rooms are rented as the principal use of a building devoted to lodging.
13. "Short-term rental permit" means a permit that allows the use of a privately-owned, residential dwelling or accessory structure as a short-term rental unit pursuant to the provisions of this Chapter.
14. "Transient" for purposes of this Chapter means any person who seeks to rent or who does rent a short-term rental unit for a period of 30 consecutive days or fewer.

Section 6.44.040 Prohibitions

- A. No person shall operate a short-term rental unit unless there is a short-term rental permit in effect for that unit.
- B. No person shall operate a short-term rental unit without the consent of the property owner.
- C. No individual accessory dwelling unit shall operate as a short-term rental unit.

Section 6.44.050 Review of Applications

- A. The owner or operator is required to obtain a short-term rental permit from the City, pursuant to the provisions of this Chapter, before renting any short-term rental unit to any transient.
- B. The permit application must be presented to and approved by the Planning Commission at a public hearing before any short-term rental to any transient commences. The application for

the permit shall be presented to the Planning Commission only after staff has determined the application includes all the documentation and information required by Section 6.44.060 and the applicable fees have been paid.

- C. A short-term rental permit shall be reviewed, by staff, on an annual basis based on the anniversary of the original permit issuance.
- ~~D. A short-term rental permit shall be renewed every 3 years by the City to review performance and compliance. The application to renew the permit must be submitted no fewer than 60 days before expiration of the permit and shall include all the information and documentation required by Section 6.44.060. The City Manager, or his or her designee, shall make the decision whether to renew any permit based on his or her determination that the owner or operator has complied with the standards stated in Section 6.44.070 during the duration of the short-term rental.~~
- E. Permits must remain active; failure to demonstrate rental activity for three consecutive quarters through regular TOT filings ~~for a specified period~~ will result in the permit being deemed inactive and automatically voided.
- F. Waiting List. STR permit applications shall be reviewed on a first-come, first-serve basis with a waiting list for new STR permits once all authorized STR permits are issued. If a waitlist is established, short-term units, which are rented less than 25 nights per year, will have their permits automatically voided.

Section 6.44.060 Application and Fees

- A. The owner or operator must submit the following information on a short-term rental permit application form provided by the City:
 - 1. The name, address, and telephone number of the owner of the short-term rental unit;
 - 2. The name, address, and telephone number of the operator, if the owner will not directly provide for the short-term rental;
 - 3. The name, address, and 24-hour telephone number of the local contact person;
 - 4. The address of the proposed short-term rental unit;
 - 5. A site plan showing the size and location of the parcel, placement of existing and proposed structures with dimensions from property lines and other structures; parking area; driveways
 - 6. A floor plan identifying the number of bedrooms proposed for use;
 - 7. A copy of the House Rules

- 8. Proof of Liability Insurance
 - 9. Acknowledgement that the operator has received and reviewed the good neighbor brochure and will provide the brochure to all transients;
 - 10. A copy of a transient occupancy registration permit issued under Section 4.16.060 of this Code;
 - 11. A completed checklist for fire safety (fire extinguishers, smoke alarms, carbon monoxide detectors, etc.);
 - 12. A business license issued in accordance with Chapter 6.04 of this Code.
- B. Together with the information and documentation required by the preceding paragraph, the applicant at the time of application shall pay the fee for establishment or renewal of the short-term rental unit. The City Council shall establish the fees for establishment or renewal of short-term rental units by resolution. Such fees must cover the costs of processing and reviewing the application in addition to the enforcement of the terms, conditions, and standards of this Chapter.
- C. Short-term rental permits are not transferrable. Within 14 days of a change of property ownership, change of operator, or any other change in material facts pertaining to the information contained in the short-term rental permit, the new proposed owner or operator shall submit an application and requisite application fee for a new short-term rental permit, which must be obtained prior to continuing to rent the subject unit as a short-term rental.

Section 6.44.050 Maximum Number

- A. There will be no limit on the number of Owner-Occupied STR within the City.
- B. Non-Owner-Occupied STR permits will be limited to 2% of the total housing stock within the City. ~~as follows:~~
 - 1. ~~Units within the Historic District~~
 - a. ~~XXX~~
 - 2. ~~Units outside the Historic District:~~
 - a. ~~XXX~~

Section 6.44.070 Standards for All Short-Term Rentals

- A. Unless an owner intends to directly provide for the short-term occupancy of a short-term rental unit, the owner shall designate an operator who shall ensure compliance with the requirements of this Chapter on behalf of the owner. Notwithstanding the foregoing, the owner shall not be relieved from any personal responsibility for compliance with the

requirements of this Chapter and shall be subject to any applicable remedies for noncompliance, regardless of whether such noncompliance was committed by the operator or the occupants of the short-term rental unit or their guests.

- B. The owner or operator shall use reasonably prudent business practices to ensure that the short-term rental unit is used in a manner that complies with all applicable laws, rules, and regulations pertaining to the use and occupancy of the subject short-term rental unit, including this Chapter.
- C. The maximum number of overnight guests for a short-term rental unit shall not exceed the limitations stated below, except that children under the age of 4 shall not be counted for purposes of calculating this limitation so long as the children sleep in the same bedroom as at least one of their parents or legal guardians. Additional daytime guests are allowed between the hours of 7:00 a.m. and 10:00 p.m., subject to the limitations described below.

Number of Bedrooms	Total of Overnight Occupants	Total Daytime Occupants (Including Number of Overnight Occupants)
Studio	2	4
1	2	4
2	4	6
3 or more	6	8

- D. A short-term rental unit shall not change the residential character of the outside appearance of the residence, either by the use of colors, materials, lighting, or any advertising mechanism.
- E. The owner or operator shall satisfy the off-street parking requirements of Chapter 18.48.030 of this Code.
- F. Overnight guests of the short-term rental unit may not utilize more than three off-street parking spaces for each overnight stay in the unit.
- G. Occupants of the short-term rental unit shall comply with all standards and regulations stated in Chapter 10.50 of this Code concerning noise.
- H. The owner or operator shall provide each occupant of the short-term rental unit with the following information prior to occupancy of the unit and shall post such information in a prominent location within the unit:
 - 1. The contact information for the operator, with 24-hour availability;
 - 2. The maximum number of overnight occupants and the maximum number of daytime occupants as permitted under this Chapter;
 - 3. Trash pick-up day and applicable rules and regulations pertaining to leaving or storing trash on the exterior of the property;

4. A copy of the Chapter 10.50 of this Code concerning noise; and
- H. Notification that the occupant or owner may be cited or fined by the City for violations of this Code. While a short-term rental unit is rented, the owner, operator, or local contact person shall be available 24 hours per day, seven days per week for the purpose of responding within 60 minutes to complaints regarding the condition, operation, or conduct of occupants of the short-term rental unit or their guests.
 - I. The owner, operator, or local contact person shall use reasonably prudent business practices to ensure that the occupants and/or guests of the short-term rental unit do not create unreasonable noise or disturbances, engage in disorderly conduct, or violate any applicable law, rule or regulation pertaining to the use and occupancy of the short-term rental unit.
 - J. Prior to occupancy of a short-term rental unit, the owner or operator shall obtain the name, address, and a copy of a valid government identification of the responsible person and require such responsible person to execute a formal acknowledgement that he or she accepts responsibility for compliance by all occupants of the short-term rental unit and their guests with all applicable laws, rules, and regulations pertaining to the use and occupancy of the short-term rental unit.
 - K. The owner, operator, or local contact person shall upon notification that the responsible person and/or any occupant and/or guest of the short-term rental unit has created unreasonable noise or disturbances, engaged in disorderly conduct, or committed violations of any applicable law, rule or regulation pertaining to the use and occupancy of the subject short-term unit, promptly respond within 60 minutes and appropriate manner to immediately halt or prevent a recurrence of such conduct by the responsible person and/or any occupants and/or guests.
 - L. Trash and refuse shall not be left stored within public view, except in proper containers for the purpose of collection by the City's authorized waste hauler on scheduled trash collection days. The owner or operator shall use reasonably prudent business practices to ensure compliance with all the provisions of Chapter 9.08 of this Code.
 - M. The owner or operator shall post the current short-term rental permit number on or in any advertisement appearing in any newspaper, magazine, brochure, trade paper, website, etc., that promotes the availability or existence of a short-term rental unit.
 - N. The owner shall ensure that the short-term rental unit is and remains in substantial compliance with all applicable codes regarding fire, building and safety, health and safety, and other relevant laws.
 - O. The owner shall ensure that all applicable transient occupancy taxes required for the short-term rental are timely paid and paid in accordance with Chapter 4.16 of this Code.
 - P. The owner or operator shall not allow any conferences, weddings, fundraisers, or similar gatherings at the short-term rental dwelling unit.

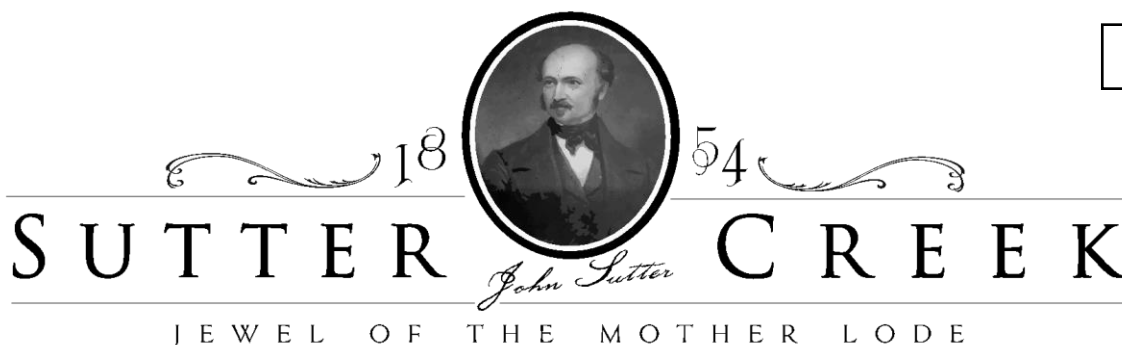
- Q. Posting Permit. The short-term rental permit shall be posted in a conspicuous place on the inside of the premises near the front door at all times the unit is being rented.
- R. Advertising Requirements. All advertisements for short-term rentals shall include the city's short-term rental permit number and the maximum permitted overnight occupancy as stated on the approved short-term rental permit.
- S. The Planning Commission shall have the authority to impose additional conditions on the use of any short-term rental unit to ensure that any potential secondary effects unique to the subject short-term rental unit are avoided or adequately mitigated.

Section 6.44.080 TOT Accounting and Audit Procedures

- A. Gross vs. Net Revenue Calculations. TOT is calculated on the Gross Rent charged to the guest (including cleaning and pet fees), not the Net Payout received by the host.
- B. Host Liability. Operators remain legally responsible for remitting TOT, even if they utilize a platform's voluntary collection services; hosts are liable for all back taxes if the platform fails to remit.
- C. Blocked Dates Affidavit. Hosts claiming "0 occupancy" for blocked calendar dates must sign an Affidavit of Non-Rental Use detailing the reasons (e.g., personal use, maintenance) to prevent tax evasion.
- D. Audit Authority. The City is authorized to conduct audits using tools such as online calendar evidence, platform gross earnings reports, redacted federal tax returns (Schedule E or C), bank statements, and water usage data.
- E. Burden of Proof. If a host fails to provide verifiable records, the City Finance Department has the authority to estimate the tax due based on external data, which becomes final and binding.

Section 6.44.090 Violations

- A. A violation of any provision of this Chapter by any occupant, owner, or operator shall constitute grounds for modification, suspension, or revocation of the short-term rental permit.
- B. Whenever any owner or operator fails to comply with any provision of this Chapter, the City, after giving the operator or owner ten days written notice specifying the time and place of a hearing before the Planning Commission, and requiring him to show cause why the short term rental permit should not be modified, suspended, or revoked, may modify, suspend, or revoke the permit held by the operator or owner.
- C. The City may enforce this Chapter, including the terms and conditions of any permit granted under this Chapter, by any means provided for in Chapter 1.16 of this Code or by any other means authorized by law.



STAFF REPORT

TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
MEETING DATE: NOVEMBER 2, 2026
FROM: TOM DUBOIS, CITY MANAGER
SUBJECT: MEMORANDUM OF UNDERSTANDING WITH ACUSD

RECOMMENDATION:

Give feedback to the City Manager on the proposed MOU with ACUSD and authorize the City Manager to complete the MOU in the next 15 days with the school district.

BACKGROUND:

As part of our CEQA response letter to the school district, we suggested an MOU to address concerns, some of which aren't necessarily CEQA issues like parking and funding for a School Resource Officer, as well as potential CEQA issues like safety on SR49/Sutter-Ione road. The school district has taken that request seriously, and Superintendent Critchfield prepared a draft MOU for discussion. The two of us met on October 26, 2026, and discussed the MOU in detail.

DISCUSSION:

Any successful collaboration is going to require two parties who want to work together and understand each other's role, responsibilities and motivations. The proposed MOU is high-level commitment from each party publicly stating the intention and the goals. Any assignment of funds or staff will require approval by the Council and the School Board as part of our normal processes.

1. Campus Security and Parking Impacts - The school district is proposing a fence along Oro Madre, which is the most convenient and adjacent land that students can park on city streets. In our discussion, they are also committing to having school supervisors and administrators do occasional sweeps on city streets to identify students parking off-campus and provide information to the City for enforcement against repeat offenders. The district also can take away student privileges or assign detention if there are issues. Items #3 and #6 will provide forums for discussion with the city to work on joint solutions. A lot of parking, including the upper parking lot will be dedicated to student parking; the district thinks parking supply will exceed demand.
2. School Resource Officer - The district is committed to funding a police officer. There are grants available to the district and they are willing to commit funds as well. A separate detailed SRO agreement will be needed - the MOU is just a commitment to work towards this. We discussed the current size of our department, and the need to be able to respond

to emergencies elsewhere and other constraints we have. I think we are generally aligned here.

3. Traffic operations and Safety Study - The school district is already starting on a traffic safety study to determine if Caltrans safety warrants will unlock funding from Caltrans. Defining a staggered release schedule is one of the tasks to be completed prior to consolidation next school year. The district will stagger the release of the different student parking lots and buses to avoid traffic backups from the high school. A mitigation monitoring plan will cap student permits if needed, help provide neighborhood protections, increase bus reliability (says they have had zero cancelled buses this year), carpooling for parents who drive kids to school, detailed circulation plans and the addition of an SRO at key times.
4. Grants - We discussed including ACTC in efforts to secure grants for roadway improvements.
5. Coordination - Both parties will commit to meeting at least quarterly during the upcoming school year, meeting more before school starts to discuss all relevant issues. The draft has the MOU in effect through June 30, 2028 - that can be extended to longer if we desire.

Most residents interact primarily with two public agencies - their city and their school. My recommendation is that the City and School district find ways to collaborate to achieve our goals rather than consider a costly fight. Not only can we be a role model for a positive way to come together and work things out, we can achieve what we want to achieve without wasting taxpayer funds.

CEQA is a very particular specialty in California law, and the school district has used reputable consultants in their CEQA work. Rather than engage in a CEQA fight, I recommend this MOU approach (and the follow through to make these things happen) to have a successful high school in which we can all be proud, based in Sutter Creek.

BUDGET IMPACT:

Having the consolidated high school in Sutter Creek is a potential boon to the City, bringing parents, visiting schools, and students into the City generating economic activity. SRO funding will help our law enforcement budget (and will also incur some policing commitments).

ATTACHMENT:

1. Draft MOU Proposal

PROPOSED REVISED MEMORANDUM OF UNDERSTANDING

City of Sutter Creek and Amador County Unified School District
Working counterproposal for discussion / October 26, 2026

1. Purpose and Financial Principles

The City of Sutter Creek (City) and Amador County Unified School District (District) intend to cooperate on traffic safety, neighborhood parking, campus security, and public safety associated with implementation of the Board-approved school consolidation. The parties will prioritize practical, cost-conscious measures and pursue outside funding where appropriate. This MOU does not modify the District’s approved consolidation project or replace any adopted environmental mitigation measure. Neither party commits funds or personnel beyond existing authority and appropriations without a separate written approval.

2. Campus Perimeter Security and Neighborhood Parking

The parties will jointly evaluate a physical access solution along Oro Madre Street, including fencing the currently unfenced middle athletic-field area (JV baseball field) between the existing fenced varsity baseball field and the fenced stadium/track area. The District will evaluate fence alignment, gates, emergency access, athletic/community access, cost, and feasibility. The intent is to discourage informal pedestrian access from Oro Madre Street to the main campus and reduce incentives for student parking in nearby residential areas.

The City retains responsibility for municipal parking restrictions and enforcement. The District will communicate student parking expectations, administer its on-campus parking permit rules, and cooperate on documented concerns to the extent permitted by law. District personnel will not be required to patrol City streets, collect license plates, or enforce municipal parking ordinances.

3. School Resource Officer and Targeted Public Safety Coverage

The parties share an interest in exploring a dedicated School Resource Officer (SRO) assigned to the consolidated Amador High School. Within 90 days of execution, designated representatives will evaluate feasible staffing models, potential shared funding, grants, and a proposed separate SRO agreement. Any SRO arrangement will require approval of duties, supervision, training, student privacy and discipline boundaries, liability, scheduling, funding, and term by the appropriate authorities. This MOU does not itself establish or fund an SRO position.

For the initial four weeks of the 2027–28 school year, the Sutter Creek Police Department will seek to provide visible arrival and dismissal traffic presence using available on-duty resources, subject to staffing and emergency response priorities. Thereafter, the Department will seek to incorporate school corridor checks into routine patrols. The parties will coordinate appropriate times based on actual school schedules; no overtime or additional staffing expense is mandated by this MOU.

4. Traffic Operations and Independent Safety Study

The parties acknowledge that Sutter Creek Elementary School and Amador High School currently operate start and dismissal schedules staggered by more than 30 minutes. The District intends to continue coordinating schedules while retaining discretion over instructional, transportation, labor, and operational requirements.

The District has separately authorized an independent traffic safety study by Abrams Associates, expected to begin soon. The City and District will cooperate in sharing available information and reviewing relevant findings. Potential operational changes, including drop-off circulation, pedestrian access, signage, and any additional schedule adjustments, will be considered in light of the study, applicable approvals, and District operational feasibility. The District will manage on-campus drop-off circulation using appropriate practices and available trained personnel; student volunteers will not direct moving traffic.

5. Infrastructure and Grant Opportunities

The parties will evaluate mutually beneficial funding opportunities for pedestrian and roadway safety, potentially including school-zone warning systems near SR 49/Sutter-Ione Road and crosswalk or beacon improvements on Spanish Street, as warranted by engineering review and the Abrams study. Improvements will be subject to jurisdictional approvals, including Caltrans where applicable. Any grant application, matching funds, construction, ownership, operations, or maintenance obligations will require separate written agreement and any necessary governing-body approval. No party is obligated to fund off-site improvements solely by signing this MOU.

6. Coordination, Review, and Term

The City Manager, Chief of Police, Superintendent, and relevant designees will meet at least quarterly during the 2027–28 implementation year, with an initial planning meeting before school opens, and at least twice annually thereafter if the parties continue this arrangement. Meetings may include transportation, school administration, public works, and other relevant personnel.

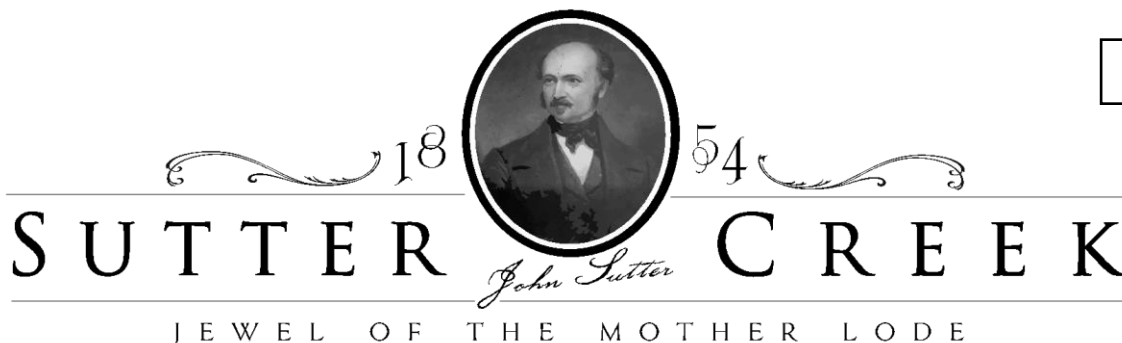
This MOU becomes effective upon execution by authorized representatives following any required approvals and remains in effect through June 30, 2028, unless extended in writing. Either party may terminate on 60 days’ written notice. Amendments must be in writing and approved by both parties. Each party remains responsible for its own acts and omissions as provided by law; any detailed indemnity or insurance provisions will be reviewed by legal counsel before execution.

The parties recognize that this is a cooperative framework and not a commitment to undertake a specific capital project, establish an SRO position, or incur an unapproved expense.

Signatures

CITY OF SUTTER CREEK
By: _____
City Manager
Date: _____

AMADOR COUNTY UNIFIED SCHOOL DISTRICT
By: _____
Superintendent
Date: _____



STAFF REPORT

TO: MAYOR AND MEMBERS OF THE CITY COUNCIL
MEETING DATE: NOVEMBER 2, 2026
FROM: MASON PETERS, FINANCE SUPERVISOR
SUBJECT: PURCHASING POLICY UPDATE

RECOMMENDATION:

Adopt Resolution No. 26-27-**, adopting the revised City of Sutter Creek Purchasing Policies and Procedures Manual.

BACKGROUND:

The City had previously approved a Purchasing Policy in Fiscal Year 2019-2020, and we were advised by our auditors that it would be a good idea to review the policy and update language and guidelines to abide by new state regulations as applicable, as well as review the price trigger levels and what approvals/processes are required at each level. Staff agreed, and we took some time to review the policy and make a handful of modifications based on some changes in prices of goods, as well as some state policies that were adopted over the last few years that apply to us.

DISCUSSION:

Staff is aware that the original Purchasing Policy went through a rigorous review process between Staff and Council, so we intentionally did not want to make any substantial changes to the overall guidance that the policy provides. However, prices of general goods and services have increased substantially over the last 5-6 years, and we need to identify a balance between how much preemptive labor should go into approving regular business expenses, such as office supply orders or small repair supplies for Public Works. Having administrative barriers for smaller day-to-day purchases such as these inhibit efficient work processes, but we don't want substantial purchases to not go through a more rigorous approval process.

The two most notable changes to the policy are (1) minimum purchase amount to require a Purchase Order (PO) is increasing from \$100 to \$500, and (2) incorporating a Commodity Restriction for recycled paper products established by CalRecycle in 2023.

In regards to the first update, purchases of normal goods and supplies for day-to-day work regularly exceed \$100, and requiring that many Purchase Orders inhibits efficient work processes. As we mentioned previously, the costs of goods and services have increased exorbitantly over the last few years, and it is important that we recognize that and adjust our processes accordingly.

The second update is a state-mandated Commodity Restriction for recycled paper - as long as the price of the recycled alternative is less than or equal to its non-recycled counterpart, and its quality and usefulness is deemed similar or the same as its non-recycled counterpart, we are required to purchase that recycled paper product. City Hall staff is responsible for monitoring the levels of our paper goods (copy paper

primarily), and we always review prices of goods prior to ordering. This has been our process for the last few years anyways, so no change to internal processes would be required here, we just want to formalize it in our Purchasing Policy.

Otherwise, the original Purchasing Policy retains its overall guidance and we will make sure that Staff is aware of the changes, and that we abide by this updated policy going forward.

FISCAL IMPACT:

No immediate fiscal impact. However, adopting this policy will reinforce internal fiscal controls and ensure that the proper administrators are being made aware of purchases out of their budgets.

RESOLUTION NO. 26-27-*

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUTTER CREEK
ADOPTING THE REVISED PURCHASING POLICIES AND PROCEDURES MANUAL

WHEREAS, on March 16, 2020, the City Council adopted Resolution No. 19-20-23, adopting a Purchasing Policies and Procedures Manual; and

WHEREAS, the manual provides guidance to City officials and employees for meeting the City’s purchasing requirements as set forth in Chapter 4.29 of the Sutter Creek Municipal Code; and

WHEREAS, the Finance Department has prepared a revised manual dated November 2026 that updates the purchase order threshold and adds provisions addressing recycled-content paper purchases; and

WHEREAS, the City Council desires to adopt the revised manual to guide City purchasing practices and support internal fiscal controls;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Sutter Creek as follows:

- 1. Adoption and Supersession. The revised City of Sutter Creek Purchasing Policies and Procedures Manual, dated November 2026, attached as Exhibit A and incorporated herein by reference, is hereby adopted. Upon the effective date of this resolution, the revised manual supersedes and replaces the manual adopted by Resolution No. 19-20-23.
- 2. Implementation. The Finance Department shall maintain the adopted manual, communicate the revisions to City departments, and coordinate implementation of its provisions.
- 3. Effective Date. This resolution shall take effect upon adoption.

The foregoing resolution was duly passed and adopted at a regular meeting of the City Council of the City of Sutter Creek on November 2, 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Claire Gunselman, Mayor

ATTEST:

Alejandra Zambrano, City Clerk

City of Sutter Creek

Purchasing Policies and Procedures Manual

Prepared by:
Finance Department
Adopted by Resolution

Redline: deleted wording is struck through; added wording is underlined.

~~February 2020~~ November 2026

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Definitions

Amendment: (1) An agreed addition to, correction or modification of a document or contract.
(2) To revise or change an existing document; a formal revision, improvement or correction.

Change Order: A written alteration that is issued to modify a contract or purchase order.

Contractor: Any individual or business having a contract with a governmental body to furnish goods, services, or construction for an agreed upon price and specified term.

Emergency: A sudden, unexpected occurrence or incident that poses a clear and imminent danger or threat, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.

Employee: A person who is hired to provide services to the City of Sutter Creek in exchange for a salary or wage and who does not provide these services as part of an independent business.

Expenditure: Any City payment, purchase, contract or lease relating to a City expense or cost item, including but not necessarily limited to, the purchase of supplies, professional, consultant or service contracts, equipment service, maintenance or repair contracts, utility service accounts and contracts, procurement of insurance and bonds, purchase of fuel, oil or other vehicle maintenance supplies, and Public Works contracts.

Lowest responsive, responsible bidder: A bidder that timely submits a complete and fully responsive bid and that bests responds in price, quality, service, fitness and capacity to meet the particular bid requirements. Price alone will not be the determinative factor, but will be considered along with other relevant bidder responsibility factors such as bidder reputation, qualifications and experience, ability of the bidder to deliver, quality of the supplies, and availability of parts of service.

Public Works: The construction, alteration, reconstruction, installation or repair of City improvements, facilities, buildings or structures.

Responsible bidder: A contractor, business entity or individual who is fully capable to meet all of the requirements of the solicitation and subsequent contract. Must possess the full capability, including financial and technical, to perform as contractually required. Must be able to fully document the ability to provide good faith performance.

Responsive bidder: A contractor, business entity or individual who has submitted a bid or request for proposal that fully conforms in all material and all other requirements, including all form and substance.

Supplies: Any supplies, materials, equipment, and merchandise, including vehicles, computers, other machines, equipment parts, office supplies, chemicals, tools, and furniture.

Preface

A successful Purchasing manual provides users with quick answers to questions they may have regarding a particular type of purchase. This document is intended to provide assistance to users on how to properly purchase supplies, services, and equipment.

This manual is written in “hybrid” format: The first part of this manual provides a general overview of the City’s purchasing rules in text format. The second part of this manual outlines the procedures for specific types of purchases, such as bidding/RFP requirements, dollar limits for approval of purchases, change/task orders, etc. These procedures are set out in tabular/graphic format for ease of review.

This manual is intended as a quick reference guide to answer the most common questions staff may have about purchasing supplies, services and equipment for the City of Sutter Creek. Of course, questions may arise that are beyond the scope of this manual. If you have any such questions, please contact Finance staff at (209) 267-5647.

Purpose and Policy Statement

A. Purpose: The proper purchasing process is required when using public funds to acquire supplies, materials, equipment, construction and professional services for the City. This Purchasing Policies and Procedure Manual provides guidance for meeting the City's purchasing requirements as set forth in Chapter 4.29 in the city of Sutter Creek Municipal Code.

With exception noted in this manual, these policies and procedures shall apply to all expenditures of funds by City departments, regardless of the source of funds. However, nothing in these policies and procedures shall prevent City Departments from complying with the terms and conditions of any grant, contract, gift or bequest that is otherwise consistent with the law.

- a. In its discretion, the City Council may at any time, without amending the Municipal Code, waive the purchasing procedures or alter these proceedings to fit a specific purchase or contract, when such waiver is not in violation of state or federal law.
- b. A request for waiver should occur only when unforeseen circumstances arise that justify an exception to following the provisions of the ordinance and is in the best interest of the City.

B. Amendments to Manual: The Finance Department has sole responsibility for maintaining the current status and accuracy of the manual. The manual shall be revised per the Municipal Code as deemed necessary to incorporate policy and procedural changes. Amendments to the manual will be communicated to City Departments ~~and a record of all changes (including the section of the manual being changed and the effective date) will be incorporated into the manual.~~ timely upon adoption of the revised manual by City Council.

Ethical Standards and Conflict of Interest

The City expects all employees involved in the purchasing process to follow high standards of conduct. Employees are expected to discharge their duties impartially so as to assure fair, competitive access to purchasing opportunities by responsible contractors, and to foster public confidence in the integrity of the City's purchasing policies and procedures.

Conflicts of interest occur when a conflict exists between the public interest and the private monetary interest of the public official or employee. The term also applies to situations in which contractors have some influence that would gain them an unfair competitive advantage in purchasing.

A. Ethical Standards: In general, City employees shall not make any attempt to realize personal gain directly or indirectly through a purchase or service provided to the City, including the following:

- a. The employee or any member of the employee's immediate family has a financial interest in the purchase or service.
- b. A business or organization, in which the employee or any member of the employee's immediate family has a financial interest, is involved in the purchase or service.
- c. Any other person, business or organization, with whom the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment, is involved in the purchase or service.
- d. No City employee operating a business outside of their current City employment shall do business or provide a service for the City through their outside employment.
- e. City employees shall not solicit or accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subcontractors.

B Employee Conflict of Interest

- a. **Kickbacks.** It is improper for any City employee to solicit consideration in any form, from a bidder/proposer, with the implication, suggestion or statement that the bidder/proposer's payment of consideration may secure more favorable treatment for the bidder/proposer in the award of the contract, or that the bidder/proposer's failure to pay such consideration may reflect negatively on the bidder/proposer's submission. ("kickbacks")

A proposer shall not offer or give, either directly or through an intermediary, consideration in any form, to a City employee for the purpose of securing favorable treatment with respect to the award of a contract.

A proposer shall immediately report any attempt by an employee to solicit such improper consideration. Failure to report such a solicitation may result in the proposer's submission being eliminated from consideration.

- C. Use/Disclosure of Confidential Information.** Employees shall not knowingly use confidential information for actual or anticipated personal gain or for the gain of any other person. Disclosure of any bids before the opening, or information contained in proposals before award to any person not authorized by the Finance Department to receive such information is a breach of ethical standards.

- D. Participation Conflict of Interest.** No City employee shall participate directly or indirectly in the drafting of a solicitation, selecting a recommended vendor for award, or administering any contract if a conflict, real or apparent, would be involved. Such conflict would arise when a financial or other interest in a firm selected for award is held by:

- An employee participating in any stage of the purchasing process.
- Any member of his/her immediate family.

- An organization which employs, is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

Responsibilities of Finance Department

The Finance Department is responsible for the procurement of supplies, general services, equipment, and special equipment (which are not included within a construction contract). To perform these functions efficiently and assist operating departments, the Finance Department shall:

- Ensure that all City staff have adequate knowledge of the purchasing process and requirements.
- Review bid proposals in conjunction with the appropriate department.
- Ensure a cooperative working relationship with all City departments concerning purchasing, accounting, and budgeting.
- Ensure full and open competitive bidding.
- Review and approve all Purchase Orders and contracts submitted by the City departments.
- Recommend the execution of contracts for the purchase of supplies, general services, special equipment, and services.
- Keep informed of the current developments concerning purchasing, prices, market conditions and new products and recommend revisions to purchasing procedures when necessary.
- Prescribe and maintain all forms and records necessary for the efficient operation of the purchasing system.
- Supervise and coordinate the process with City departments for the inspection of all purchased supplies, general services, special equipment, and services, to assure conformance with City specifications. Receive all incoming supplies and equipment, inspecting and verifying said receipts, and delivering to appropriate City departments.
- Ensure that requisitions and contracts have complete information and documentation in compliance with these Purchasing policies and procedures, including, but not limited to, property contract type and appropriate signature authority.
- Supervise the transfer of surplus and unused supplies and equipment or sale/disposal of such.
- Maintain an up-to-date vendor list. Coordinate vendor relations, locate sources of supply, maintain vendor listing, and evaluate and document vendor performance.
- Assist operating departments with research and recommendations in developing specifications; review specifications for completeness of information, and ensure that

purchasing specifications are open and non-restrictive to encourage full competition.

- Track and maintain proper inventory levels.
- Identify, evaluate, and utilize purchasing agreements that best meet the City's needs (i.e., cooperative purchases, blanket purchase orders, contractual agreements, etc.).
- Perform such other tasks as may be necessary for the proper conduct of purchasing supplies, general services, and equipment.

The Purchasing Agent is the ~~Accounting Supervisor~~ Finance Supervisor or his/her designee and is responsible for overseeing all purchasing functions, including the duties and responsibility of the Finance Department. The **Purchasing Officer** is the City Manager or his/her designated representative. When there is reference to the City Manager, it refers to the City Manager in his/her role as the Chief Executive Officer and his/her authority to approve and sign contracts.

Responsibilities of Operating Departments

Operating departments are charged with the following responsibilities in the purchasing process:

- Departments may purchase supplies, equipment, special equipment/supplies, and services independently of the Purchasing Officer of a value less than One Thousand and no/100ths (\$1,000.00) dollars. Departments must keep a record of such purchases and exercise reasonable prudence in seeking price quotes when purchasing such items. All such purchases shall be made with funds in an unencumbered appropriation.
- Communicate and coordinate all purchases (\$1,000 and over) with the Purchasing Agent, so that the Purchasing Agent can advise as to the appropriate procedure (formal bid/RFP, informal bid/RFP, direct purchase, etc.).
- Anticipate requirements sufficiently in advance to allow the Purchasing Agent adequate time to obtain goods in accordance with the best purchasing practices.
- Ensure that there exists an unencumbered appropriation in the fund accounts against which any purchase is to be charged.
- Inspect all supplies, general services, special equipment, and services purchased to assure conformance with City specifications.
- Provide detailed, accurate specifications to ensure goods obtained are consistent with requirements and expectations.
- Submit to the Purchasing Agent a requisition on the Purchasing Agent's approved form prior to initiating any procurement.

- Inform the Purchasing Agent of any vendor relations problems, shipping problems (i.e., damaged goods, late delivery, wrong items delivered, incorrect quantity delivered, etc.) and any situations which should be brought to the attention of the Finance Department.
- Minimize emergency and sole source purchases and provide written documentation signed by the Department Head when such purchases may be necessary.
- Assist the Finance Department with the review of all bids received for compliance with specifications, and provide the Finance Department with written documentation regarding findings. After purchasing review, prepare a recommendation to City Council for award of the bid.
- Notify vendors of purchase award when authorized by the Finance Department.

Unauthorized Purchases

A purchase order is required for all purchases over ~~\$100~~-\$500. An exception to this would be for emergencies as defined in the City of Sutter Creek Municipal Code.

- Unauthorized purchases are void and not considered an obligation of the City.
- Invoices without an authorized purchase order may be returned to the department or vendor unpaid.
- Purchase orders shall be issued to a vendor when ordering supplies and services and not "after the fact" for work already done or materials already ordered.
- Exemptions from the purchase order process are identified in Section 7 of this policy and subject to review and approval by the Purchasing Agent and the City Attorney.

Vendor Relations

It is to the City's advantage to maintain and promote good relations with suppliers of goods and services. Purchasing and operating department staff shall conduct their dealings with vendors in a professional manner and shall promote equal opportunity and demonstrate fairness, integrity, and courtesy in all vendor relations.

Operating departments may make direct contact with vendors for such purposes as obtaining price quotes (less than \$5,000), developing service contracts, utilizing RFP/Q's, obtaining technical information, obtaining cost estimates for budgeting or purchasing purposes, for preparing purchase requisitions and for placing orders for authorized purchases. The Finance Department will be the main contact in bid situations. The Finance Department will normally serve as an intermediary between operating departments and vendors when requested by the operating department and in conflict resolution situations.

Methods of Purchasing and Allowable Exemptions

A. Purchase Order: Purchases of supplies, general services, special equipment/supplies, general equipment, and construction contract or public work specification of ~~\$100–\$500~~ and over shall be made by purchase orders issued by the Department Head and submitted to the Purchasing Agent. Appropriate documentation, demonstration of selection process, appropriate approval, scope of work, and contracts (including contract amendments, change orders, and task orders) are required as part of the purchase order.

Under certain circumstances there are exemptions for obtaining purchase orders. Examples of exemptions are below.

- Utility usage payments (electric, gas, phone)
- Payments to other Governmental Units
- Claims/Legal settlement payments
- Membership dues
- Debt service payments
- Employee benefit payments

~~The Purchasing Agent shall not issue any purchase order, authorize the execution of any contract, or enter into any contract for purchasing of supplies, equipment, services or construction, unless there exists an unencumbered appropriation in the fund account against which such purchase is to be charged.~~

~~The department requesting any purchases shall verify the existence of an unencumbered appropriation in the budget prior to submitting purchase orders to the Finance Department.~~

The departments shall supply support documentation to the Finance Department when requesting a purchase order indicating purchase approval, selection process they followed, and a copy of the contract (including amendments, change orders, and task orders) for professional, management, special, consulting and general services.

Depending upon the type and amount of the purchase, operating departments shall follow the City's applicable bidding/RFP process to ensure fair competition, and shall secure the approval of the City official(s) with authority to approve the purchase, including any change/task orders to an existing agreement. These rules are specifically set forth in the City of Sutter Creek Municipal Code Chapter 4.29 and a summary of these rules is provided in tabular/graphic format later in this manual.

A purchase order is a contract between the City and a vendor for equipment and supplies and is a supplemental confirmation of a contract for services. Any substantial change to a purchase order and/or its contract for services shall be documented on a change order (new requisition) by the initiated department. Change orders shall be approved by the Department Head, City Manager or City Council as required.

B. Informal Bid Process: Informal bid process shall be used for purchases of supplies, equipment or services between \$5,000 and \$49,999. Requires City Manager approval and shall be solicited from an adequate number of contractors or vendors which have provided written price or rate quotes as is considered practical in terms of time, potential savings and good business practices. Additional information and procedures are found in the City's Municipal Code 4.29.230 – 4.29.250.

C. Formal Bid Process: Competitive bids shall be solicited from a minimum of three qualified contractors or vendors or from as wide a range of contractors or vendors as is considered practical in terms of time, potential savings and good business practice. The City reserves the right to reject any and all bids, to accept or reject any one or more items of a bid, or to waive any irregularities or informalities in the bids or the bidding process. Additional information and procedures are found in the City's Municipal Code 4.29.110 – 4.29.220.

Contracts

Contracts shall be prepared for professional, management, general or special services, and construction services for \$50,000 and above. All City contracts shall be prepared on the City contract template unless approved by City Attorney.

Staging Purchases

Purchases, contracts, and public works contracts shall not knowingly be staged or separated into smaller units or segments solely for the purpose of circumventing the competitive formal or informal bidding requirements of this chapter.

Local Preference

Local Preference is for purchase of supplies, materials, and equipment.

To promote economic development and maintain a healthy economic base in the City of Sutter Creek, as well as encourage businesses to move into the City's jurisdiction, the City supports employment and local business opportunities, which in turn promotes the City's economic growth. As such, the City has determined it is in its best interest to provide a preference to local businesses to the extent consistent with the law and interest of the public.

- A.** When bidding or procuring supplies, a 5% or \$5,000 (whichever is lower) local preference may be given to a responsible, responsive local business located in the City of Sutter Creek.
- B.** The granting of this vendor's preference shall be based on a determination by the Finance Department/Agent that quantity and quality of the local product is equal to that of the next lowest bidder.

- C. In order for the local business to be eligible to claim the preference, the business must provide a copy of its current business license issued by the City.
- D. This local vendor preference is expressly made inapplicable to:
 - a. Bids for public projects as defined by Public Contracts Code Sections 20161 and 22002. Bids funded by grants, which prohibit its use.
 - b. Contracts for professional, management, and special services.

Commodity Restrictions

A. If fitness and quality of recycled-content paper products and recycled-content printing and writing paper are equal to that of non-recycled items, the City shall purchase recycled-content paper products and recycled-content printing and writing paper that consists of at least thirty percent (30%) per guidelines set by CalRecycle in SB 1383. The recycled-content paper product(s) must be available at the same or lesser total cost than their non-recycled counterparts, otherwise the City will default to the cheaper, non-recycled paper products.

Debarment

Debarment is an action taken by Federal, State and County contracting agencies, which results in a contractor being prohibited from bidding, proposing, or being awarded and/or performing work on a contract with that agency. A contractor may be debarred for non-responsibility for any of the following reasons:

- Violating a term of a contract.
- Committing an act or omission which negatively reflects on the contractor's quality, fitness, or capacity to perform under a contract.
- Committing an act or omission which indicates a lack of business integrity or business honesty.
- Making or submitting a false claim against the agency or any other public entity.

Federal, State and County Governments maintain a database of currently debarred contractors. The list of parties excluded for Federal Procurement or Non-Procurement Programs may be accessed on the internet at <http://epls.arnet.gov>.

City employees must ensure that bids and proposals are not accepted from contractors on a Federal, State or County debarment list.

Tables/Graphics

RE: Bid and RFP process and monetary approval thresholds for specific types of purchases.

Purchasing Supplies and Equipment

~~\$100-\$500~~ to \$999	\$1,000 to \$4,999	\$5,000 to \$49,999	Over \$50,000
Department staff to complete purchase order.	Department staff to complete purchase order	Department staff to complete purchase order	Department staff to complete purchase order
Confirm unencumbered budget and contact as many vendors to insure best value.	Confirm unencumbered budget and contact as many vendors to insure best value.	Confirm unencumbered budget. If necessary, request Council approval for budget adjustment.	Confirm unencumbered budget. If necessary, request Council approval for budget adjustment.
Purchase order signed by Department Head.	Purchase order signed by Department Head and City Manager	Contact as many companies as necessary to obtain at least three quotes.	Contact as many companies as necessary to obtain at least three quotes.
Completed, signed purchase order given to Purchasing Agent.	Completed, signed purchase order given to Purchasing Agent	Award of bid should go to the lowest responsive, responsible bidder.	Award of bid should go to the lowest responsive, responsible bidder.
		Requires City Managers approval.	Requires City Council approval.

General Services and Professional Services

~~\$100-\$500~~ to \$999	\$1,000 to \$4,999	\$5,000 to \$49,999	Over \$50,000
Department staff to complete purchase order.	Department staff to complete purchase order	Department staff to complete RFP and send to as many vendors as needed to obtain three responses	Department staff to complete RFP and send to as many vendors as needed to obtain three responses
Confirm unencumbered budget and contact as many providers to insure best value.	Confirm unencumbered budget and contact as many providers to insure best value.	Confirm unencumbered budget. If necessary, request Council approval for budget adjustment.	Coordinate publication of Notice of Solicitation with City Clerk.
Purchase order signed by Department Head.	Purchase order signed by Department Head and City Manager	Award of bid should go to the lowest responsive, responsible bidder.	RFP's are not opened publicly. Review for compliance, interview qualified vendors.
Completed, signed purchase order given to Purchasing Agent.	Completed, signed purchase order given to Purchasing Agent	Prepare a contract to be signed by City Manager and Contractor.	After final selection of vendor, staff report and contract submitted to City Council for award of contract.
			Confirm unencumbered budget. If necessary, request Council approval for budget adjustment.

Public Works Procurement & Agreement Processing

Consultant Agreements and Task Orders

Amendments to Consultant Agreements and Consultant Task Orders

On- Call Maintenance Task	Amount \$	Documents	Approvals Req'd	Procurement
	~~\$100-\$500~~ - \$999	Purchase Order	Public Works Department (PWD)	
	\$1,000 - \$4,999	Purchase Order	PWD +City Manager (CM)	Min. 3 Quotations Select the Lowest
	\$5,000 – 49,999	Purchase Order	PWD + CM	Informal Bid process
	> 50,000	RFP and contract	City Council	Formal Bid process
New Contracts	~~\$100-\$500~~ - \$999	Task Order No Memo	Public Works Department (PWD)	
	\$1,000 - \$4,999	Task Order Memo to Accounting (1)	PWD +City Manager (CM)	Min. 3 Quotations Select the Lowest
	\$5,000 – 49,999	Task Order Purchase Order	PWD +CM	Informal bid process
	> 50,000	RFP and contract	City Council	Formal Bid process

Public Works Procurement & Agreement Processing

Construction Contracts and Maintenance Task Orders and
Change Orders to Construction Contracts and Maintenance Task Orders

On- Call Maintenance Task	Amount \$	Documents	Approvals Req'd	Procurement Method
	~~\$100-\$500~~ - \$999	Purchase Order	Public Works Department (PWD)	
	\$1,000 - \$4,999	Purchase Order	PWD +City Manager (CM)	Min. 3 Quotations Select the Lowest
	\$5,000 – 49,999	Purchase Order	PWD + CM	Informal Bid process
	> 50,000	RFP and contract	City Council	Formal Bid process

New Contracts	~~\$100-\$500~~ - \$999	Task Order No Memo	Public Works Department (PWD)	
	\$1,000 - \$4,999	Task Order Memo to Accounting (1)	PWD +City Manager (CM)	Min. 3 Quotations Select the Lowest
	\$5,000 – 49,999	Task Order Purchase Order	PWD +CM	Informal bid process
	> 50,000	RFP and contract	City Council	Formal Bid process

APPENDIX A

Title 2: Grants and Agreements

PART 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COSTS PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

Subpart D—Post Federal Award Requirements

PROCUREMENT STANDARDS

§200.317 Procurements by states.

When procuring property and services under a Federal award, a state must follow the same policies and procedures it uses for procurements from its non-Federal funds. The state will comply with §200.322 Procurement of recovered *materials* and ensure that every purchase order or other contract includes any clauses required by section §200.326 Contract provisions. All other non-Federal entities, including subrecipients of a state, will follow §§200.318 General procurement standards through 200.326 Contract provisions.

§200.318 General procurement standards.

The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part.

Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

The Non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.

If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest mean that because of relationships with a parent company, affiliate, or subsidiary organization, the

non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

The non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the non-Federal entity is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.

The non-Federal entity is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

The non-Federal entity is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

The non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. See also §200.213 Suspension and debarment.

The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

The Non-Federal entity may use a time and materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to a non-Federal entity is the sum of:

- o The actual cost of materials; and
- o Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the non-Federal entity awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

The Non-Federal entity alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the non-Federal entity of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of the non-Federal entity unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014; 80 FR 43309, July 22, 2015]

§200.319 Competition.

All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

- o Placing unreasonable requirements on firms in order for them to qualify to do business;
- o Requiring unnecessary experience and excessive bonding;
- o Noncompetitive pricing practices between firms or between affiliated companies;
- o Noncompetitive contracts to consultants that are on retainer contracts;
- o Organizational conflicts of interest;
- o Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
- o Any arbitrary action in the procurement process.
- o The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposal, except in those cases where applicable, Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
- o The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations:
- o Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may

include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and

- o Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.
- o The non-Federal entity must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the non-Federal entity must not preclude potential bidders from qualifying during the solicitation period.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

§200.320 Methods of procurement to be followed.

The non-Federal entity must use one of the following methods of procurement.

- (a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.
- (b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.
- (c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.

(1) In order for sealed bidding to be feasible, the following conditions should be present:

- (i) A complete, adequate, and realistic specification or purchase description is available;

(ii) Two or more responsible bidders are willing and able to compete effectively for the business; and

(iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(2) If sealed bids are used, the following requirements apply:

(i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;

(ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

(iii) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;

(iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(v) Any or all bids may be rejected if there is a sound documented reason.

(d) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

(1) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;

(2) Proposals must be solicited from an adequate number of qualified sources;

(3) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;

(4) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

(5) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can

only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

- (e) [Reserved] Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:
- (1) The item is available only from a single source;
 - (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
 - (4) After solicitation of a number of sources, competition is determined inadequate.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014; 80 FR 54409, Sept. 10, 2015]

§200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.

- (a) The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- (b) Affirmative steps must include:
 - (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
 - (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
 - (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
 - (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
 - (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
 - (6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through

(5) of this section.

§200.322 Procurement of recovered materials.

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

§200.323 Contract cost and price.

- (a) The non-Federal entity must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.
- (b) The non-Federal entity must negotiate profit as a separate element of the price for each contract in which there is no price competition and, in all cases, where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.
- (c) Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non-Federal entity under Subpart E— Cost Principles of this part. The non-Federal entity may reference its own cost principles that comply with the Federal cost principles.
- (d) The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

§200.324 Federal awarding agency or pass-through entity review.

- (a) The non-Federal entity must make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This

review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the non-Federal entity desires to have the review accomplished after a solicitation has been developed, the Federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

- (b) The non-Federal entity must make available upon request, for the Federal awarding agency or pass-through entity pre- procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:
 - (1) The non-Federal entity's procurement procedures or operation fails to comply with the procurement standards in this part;
 - (2) The procurement is expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation;
 - (3) The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a "brand name" product;
 - (4) The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or
 - (5) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.
- (c) The non-Federal entity is exempt from the pre-procurement review in paragraph (b) of this section if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this part.
 - (1) The non-Federal entity may request that its procurement system be reviewed by the Federal awarding agency or pass- through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third-party contracts are awarded on a regular basis;
 - (2) The non-Federal entity may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self-certification procedure, the Federal awarding agency may rely on written assurances from the non-Federal entity that it is complying with these standards. The non-Federal entity must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

§200.325 Bonding requirements.

For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the non-Federal entity provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

- (a) A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.
- (b) A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
- (c) A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

§200.326 Contract provisions.

The non-Federal entity's contracts must contain the applicable provisions described in Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards.