



Paul Boyer, Mayor
Matt Sisk, Mayor Pro Tem
Don Rowlett, Councilmember
Leonel Benavides, Councilmember
Greg Gomez, Councilmember

AGENDA
Farmersville City Council
Regular Meeting
November 28, 2016 - 7:00 p.m.
Meeting held in Civic Center Council Chambers
909 W. Visalia Road Farmersville, California

1. Call To Order
2. Roll Call
3. Invocation
4. Pledge Of Allegiance
5. Public Comment

Provides an opportunity for members of the public to address the City Council on items of interest to the public within the Council's jurisdiction and which are not already on the agenda this evening. It is the policy of the Council not to answer questions impromptu.

Concerns or complaints will be referred to the City Manager's office. Speakers should limit their comments to not more than two (2) minutes. No more than twenty (20) total minutes will be allowed for Public Comment. For items which are on the agenda this evening, members of the public will be provided an opportunity to address the council as each item is brought up for discussion. Comments are to be addressed to the Council as a body and not to any individual Council Member.

6. Consent Agenda

Under a CONSENT AGENDA category, a recommended course of action for each item is made. Any Council Member or Member of the Public may remove any item from the CONSENT AGENDA in order to discuss and/or change the recommended course of action, and the Council can approve the remainder of the CONSENT AGENDA.

- 6.I. Consideration Of Draft Minutes Of City Meeting Of 11-14-16
Recommend approval of draft minutes of City Meeting of 11-14-16.

Documents:

[ITEM 6.1 DRAFT ACTION MINUTES OF CITY COUNCIL MTG 11-14-16.PDF](#)

- 6.II. Consideration Of Recommendation Regarding Interim And City Clerk Pro Tempore.
Recommend approval to appoint Interim City Clerk and City Clerk Pro Tempore.

Documents:

[ITEM 6.II CITY CLERK.PDF](#)

- 6.III. Consideration Of Draft Resolution 2016-048 Regarding Amendment Of City Manager Employment Agreement
Recommend approval of draft Resolution 2016-048 regarding amendment of City

Manager Employment Agreement.

Documents:

[ITEM 6.III RESO 2016-048 CM CONTRACT.PDF](#)

7. Discussion Action Items (New Business)

- 7.I. Consideration Of CDBG Sub-Recipient Agreement To Establish And Operate Farmersville Library
Recommend approval of CDBG Sub-Recipient Agreement to Establish and Operate Farmersville Library.

Documents:

[ITEM 7.I CDBG SUB RECIPIENT AGREEMENT LIBRARY.PDF](#)

- 7.II. Presentation And Discussion Of 1st Quarter, Fiscal Year 2016-2017, Financial Update
Receive and File Presentation and Discussion of 1st Quarter, Fiscal Year 2016-2017, Financial Update, with Possible Direction to Staff.

Documents:

[ITEM 7.II FY 16-17 1ST Q FINANCIAL UPDATE.PDF](#)

- 7.III. Consideration Of Police Vehicle Financing And Lease Program
Recommend Approval of Police Vehicle Financing and Lease Program.

Documents:

[ITEM 7.III POLICE VEHICLES FINANCING LEASE PLAN.PDF](#)

- 7.IV. Consideration Of City Council Travel And Training Approval And Policy
Consideration of City Council Travel and Training Policy and request by Councilmember Gomez for Travel Authorization.

Documents:

[ITEM 7.IV CITY COUNCIL TRAVEL POLICY DISCUSSION.PDF](#)

8. Council Reports

8.I. City Council Reports

City Council Representatives to External / Internal

Organizations and Committees

TCAG: Mayor Boyer

Alternate: Councilmember Rowlett

Council of Cities: Councilmember Gomez

Alternate: Councilmember Benavides

TCAG Rail Comm: Councilmember Sisk

EDC: Councilmember Benavides

Alternate: Mayor Boyer

Delta Vector: VACANT (Recruitment pending)

Home Loan Approval Committee:

Councilmembers Benavides and Gomez

SJVAPCD: Councilmember Benavides

Alternate: Councilmember Gomez

2016 Community Funding Ad-Hoc Committee

Councilmembers Benavides and Gomez

Alternate: Mayor Pro Tem Sisk

Rural Communities Committee of the Greater Kaweah Ground Water

Sustainability Agency:

Mayor Boyer

California League of Cities Latino Caucus Representative:

Councilmember Gomez

9. City Manager Report

10. City Attorney Report

11. Future Agenda Items

11.I. Future Agenda Items

Future Agenda Items – TBD: (Dates to Be Determined)

- 1) Certification of Election Results 12-12-16
- 2) Oath of Office and Seating of New Councilmembers 12-12-16
- 3) Senior Services (TBD)
- 4) Brown Act and AB 1234 Ethics Training (Jan 2017)
- 5) City Council Goal Setting Workshop (Jan 2017)
- 6) Joint Workshop of City Council and Planning Commission Regarding Design

Guidelines (TBD)

7) Animal Control and Code Enforcement Work Study (TBD)

12. Adjourn To Closed Session Or Adjourn To Next Meeting

12.I. Closed Session

1. PENDING LITIGATION (Government Code §54956.9) It is the intention of this governing body to meet in closed session concerning:

Conference with legal counsel - ANTICIPATED LITIGATION (Government Code §54956.9(d)).

Significant exposure to Litigation: (Government Code §54956.9 (d)(2)).

Number of potential cases: 1.

13. Reconvene To "Report Out" Of Closed Session And Adjournment

NOTICE TO PUBLIC

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DRAFT ACTION MINUTES

Farmersville City Council

WORK STUDY SESSION at 6:00 PM

Regular Meeting

November 14, 2016 - 7:00 p.m.

Meeting held in Civic Center Council Chambers
909 W. Visalia Road Farmersville, California

Paul Boyer, Mayor
Matt Sisk, Mayor Pro Tem
Don Rowlett, Council Member
Leonel Benavides, Council Member
Gregorio Gomez, Council Member

1. Call To Order

Work Study Session called to Order at 6:03pm,

2. Roll Call

Boyer, Sisk, Gomez and Benavides present and Rowlett Absent.

3. Invocation

Led by Councilmember Benavides

4. Pledge Of Allegiance

Led by Mayor Pro Tem Sisk

5. Public Comment

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Opportunity for Public Comment in recognition of time-set Work Study Session.

No Comments offered by members of the Public.

6. Work/Study Sessions

6.1.

6:00PM WORK STUDY SESSION at 6:00 PM On Water Rate Study

Work Study Session on draft Water Rate Study

Documents:

1. ITEM 6.1 WATER RATE STUDY SESSION 11-14-16.PDF

CM Jansons introduce this item and Tom McCurdy presents content of the draft Water Rate Study.

Detail provided on Water Meter rates, service delivery rates, CC Resolution from 2004 capping rates and granting Council approval of rates, discussion of base cubic foot quantity, capital, improvements, system maintenance and staffing. Comments of concern

by Benavides regarding cost and recognition by Mayor Boyer that Farmersville rates and very low in comparison to other cities. Boyer requests review of actual rates proposed, Mc Curdy respond that he only has them on a spreadsheet and will provide to Council in future. Gomez inquiries about time of day pumping at well sites. Boyer suggest coupling water rates to reconsideration of sewer rate and the effect of potential solar at WWTP.

Councilmember Rowlett arrives 6:53 pm.

Meeting continues into Regular Agenda items beginning with a 2nd Public Comment opportunity at 7:00 PM.

7. Public Comment – 7:00 pm.

Provides an opportunity for members of the public to address the City Council on items of interest to the public within the Council's jurisdiction and which are not already on the agenda this evening. It is the policy of the Council not to answer questions impromptu. Concerns or complaints will be referred to the City Manager's office. Speakers should limit their comments to not more than two (2) minutes. No more than twenty (20) total minutes will be allowed for Public Comment. For items which are on the agenda this evening, members of the public will be provided an opportunity to address the council as each item is brought up for discussion. Comments are to be addressed to the Council as a body and not to any individual Council Member.

No Comments by the Public.

8. Consent Agenda

Under a CONSENT AGENDA category, a recommended course of action for each item is made. Any Council Member or Member of the Public may remove any item from the CONSENT AGENDA in order to discuss and/or change the recommended course of action, and the Council can approve the remainder of the CONSENT AGENDA.

8.I. Consideration of Draft Action Minutes of October 24, 2016 City Council Meeting
Recommend Approval of Consideration of Draft Action Minutes of October 24, 2016 City Council Meeting.

Documents: ITEM 8.I ACTION MINUTES OF OCTOBER 24, 2016 REGULAR CITY COUNCIL MEETING.PDF

8.II. Consideration of October 2016 Warrant Register
Recommend Approval of October 2016 Warrant Register.

Documents: ITEM 8.II WARRANTS OCTOBER 2016 11-14-16.PDF

8.III. Consideration of Police Department Grant Award, Expenditures and Budget Amendment
Recommend Approval of Police Department Grant Award, Expenditures and Budget Amendment.

Documents: ITEM 8.III POLICE DEPT GRANT AWARD AND BUDGET AMEMNMENT BULLET PROOF VESTS AND EVIDENCE LOCKERS 11-14-16.PDF

Consent Agenda items 8.I through 8.III approved by Motion of Rowlett, 2nd by Gomez, by vote of 4-1 (with Benavides abstaining on Minutes of October 24th because he was absent, and with Boyer abstaining on only S.H.E. warrant(s) and Gomez abstaining only on reimbursement check for travel expense to himself.

9. Discussion Action Items (New Business)

9.I. Authorization to Bid Water Meter Installation Project

Recommend Authorization to Bid Water Meter Installation Project.

Documents: ITEM 9.I WATER METER INSTALLATION PROJECT 11-14-16.PDF

*Staff Report presented by Tom McCurdy with QK Inc.
Item 9.I approved by Motion of Gomez, 2nd by Rowlett by vote of 5-0-0.*

9.II. Authorization to Bid Turf Replacement Project
Recommend Authorization to Bid Turf Replacement Project.

Documents: ITEM 9.II TURF REPLACEMENT PROJECT 11-14-16.PDF

*Staff Report presented by Tom McCurdy with QK Inc.
Item 9.II approved by Motion of Gomez, 2nd by Sisk by vote of 3-2. Ayes: Boyer, Sisk,
and Gomez. Noes: Rowlett and Benavides.*

9.III. Consideration of Award of Bid for South Farmersville Blvd Improvement Project
Recommend Award of Bid for South Farmersville Blvd Improvement Project to Bush Engineering
in amount of \$513,760.

Documents: ITEM 9.III SOUTH FARMERSVILLE BLVD IMPROVEMENT PROJECT BID
AWARD.PDF

*Staff Report presented by Lisa Wallis Dutra, Contract City Engineer with QK Inc.
Item 9.III approved by Motion of Sisk, 2nd by Gomez by vote of 5-0.*

9.IV. Consideration of Draft Resolution 2016-046 for TCAG Supplemental Agreement
Recommend that City Council approve and adopt draft Resolution 2016-046 approving
Supplemental Agreement with Tulare County Association of Governments for the South
Farmersville Blvd Improvement Project.

Documents: ITEM 9.IV RESOLUTION 2016-046 SUPPLEMENTAL AGREEMENT TCAG
MEASURE R SOUTH FARMERSVILLE BLVD PROJECT.PDF

*Item 9.IV and Resolution 2016-046 presented by CM Jansons and approved by a Motion
of Gomez, 2nd by Sisk with vote of 5-0.*

9.V. Consideration off Draft Lease with Tulare County to Open Library in Farmersville.
Recommend approval of lease with Tulare County to operate public library at Farmersville
Community Center.

Documents: ITEM 9.V LIBRARY LEASE 11-14-16.PDF

*Item 9.V presented by CM Jansons and approved by Motion of Benavides with 2nd by
Gomez by vote of 5-0.*

10. Council Reports

10.I. Council Reports

City Council Representatives to External / Internal Organizations and Committees

TCAG: Mayor Boyer

Alternate: Councilmember Rowlett

Council of Cities: Councilmember Gomez

Alternate: Councilmember Benavides

TCAG Rail Comm: Councilmember Sisk

EDC: Councilmember Benavides

Alternate: Mayor Boyer

Delta Vector: VACANT (Recruitment pending)

Home Loan Approval Committee:

Councilmembers Benavides and Gomez

SJVAPCD: Councilmember Benavides

Alternate: Councilmember Gomez

2016 Community Funding Ad-Hoc Committee

Councilmembers Benavides and Gomez

Alternate: Mayor Pro Tem Sisk

Councilmember Benavides reports street light out on Ventura. Public Works to follow-up.

Councilmember Rowlett reports about sidewalks near Costner, Birch and Rose. Public Works to Follow-up.

Councilmember Gomez inquiries about status of fence/wall repair at Hartley and Walnut. CM explains this is private-property matter between insurance companies, but City is monitoring progress.

Councilmember Gomez inquiries about status of street sweeping. CM and Public Works Director respond.

Councilmember Gomez requests that City Council consider his request to travel to San Francisco representing the City as a member of the CA League of Cities Latino Caucus Board of Directors Retreat.

By City Council consensus, City Manager directed to bring a report on this request to City Council on November 28, 2016.

Mayor Pro Tem Sisk thanks the community for attending the City's Veteran's Day tribute on November 11th at the Historic Church Museum.

Mayor Boyer reports about upcoming Recreation Committee meeting scheduled. Encourages community participation.

Mayor Boyer also expresses his appreciation for all who attended the Sports Park Dedication and "Park Fest" celebrating the community's recent accomplishment.

Mayor Boyer informs that he was selected as the Representative for the Rural Communities Sub-Committee (RCC) of the Greater Kaweah Ground Water Sustainability Agency (GKGWSA). The City of Woodlake was selected as the Alternate to the RCC of the GKGSA.

11. City Manager Report

12. City Attorney Report

No Report

13. Future Agenda Items

13.I. Future Agenda Items

Future Agenda Items – TBD: (Dates to Be Determined)

1. Certification of Election Results 12-12-16
2. Joint Workshop of City Council and Planning Commission Regarding Design Guidelines (TBD)
3. CDBG Senior Services TBD
4. CDBG Sub Recipient Agreement for Library Services 11-28-16
5. Council Goal Setting Workshop
6. Brown Act and AB1234 Ethics Training

14. Adjourn To Closed Session or Adjourn To Next Meeting

Closed Session Convened at 8:00 PM

14.I. Closed Session

1. PERSONNEL (Government Code § 54957(b)). It is the intention of this governing body to meet in closed-session to: Consider public employee performance evaluation for the position of City Manager.

15. Reconvene to "Report Out" Of Closed Session and Adjournment

City Attorney Beery reported-out of Closed Session that City Council concluded their evaluation of the City Manager and voted 4-0 to increase City Manager's annual salary by five percent effective August 3, 2016. Ayes: Boyer, Sisk, Gomez and Benavides. Councilmember Rowlett: Not Present.

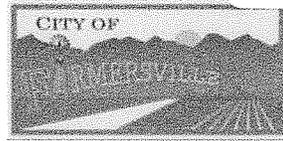
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Drafted By: J. Jansons





City Council

Staff Report

TO: Honorable Mayor and City Council

FROM: John Jansons, City Manager *JJ*

DATE: November 28, 2016

SUBJECT: Appointment of Interim City Clerk and City Clerk Pro Tempore

RECOMMENDED ACTION:

It is respectfully recommended that the City Council affirms appointment of Betina Ashoori as Interim City Clerk and Mayor Pro Tem Matt Sisk as City Clerk Pro Tempore until the permanent City Clerk position is filled.

BACKGROUND and DISCUSSION:

At the recommendation of the City Attorney, the City Council should affirmatively appoint an Interim City Clerk and name a Councilmember to serve as City Clerk Pro Tempore until the City Clerk position is filled by the City in the next couple of months.

Betina Ashoori is recommended to serve in the interim capacity due to her familiarity with the duties of the office of city clerk and knowledge of city operations and records in support of the City Council, staff, and stakeholders and public.

As per the City Attorney, pursuant to Government Code Section 36804, the City Council must appoint a City Clerk Pro Tempore if an appointed Clerk is not available to perform his or her duties. Prior to his selection by the Council as Mayor, Councilmember Paul Boyer had been serving in this capacity. Now, as a result of Council reorganization, a new City Clerk Pro Tempore must be named to fulfill duties as, and when, needed. Approval of this recommendation will benefit the organization and the public.

COORDINATION & REVIEW:

This action is recommended by the City Manager per the City Attorney's advice.

ALTERNATIVES:

That the City Council name a Councilmember other than Mayor Pro Tem Sisk to serve as City Clerk Pro Tempore or name someone other than Betina Ashoori to serve as Interim City Clerk.

FISCAL IMPACT:

The City will continue to receive considerable cost savings until the permanent position is filled.

CONCLUSION:

It is respectfully recommended that the City Council affirms appointment of Betina Ashoori as Interim City Clerk and Mayor Pro Tem Matt Sisk as City Clerk Pro Tempore until the permanent City Clerk position is filled.

Recommended By:



John Jansons
City Manager

C

Effective: January 1, 2011West's Annotated California Codes CurrentnessGovernment Code (Refs & Annos)Title 4. Government of Cities (Refs & Annos)Division 3. Officers (Refs & Annos) Part 2. Legislative Body (Refs & Annos) Chapter 1. Organization (Refs & Annos) →→ **§ 36804. Clerk pro tempore**

If the city clerk is absent, the deputy city clerk shall act. If there is none, the mayor shall appoint one of the council members as city clerk pro tempore.

CREDIT(S)

(Added by Stats.1949, c. 79, p. 149, § 1. Amended by Stats.2010, c. 38 (A.B.1668), § 14;
Stats.2010, c. 699 (S.B.894), § 16.)

HISTORICAL AND STATUTORY NOTES

2013 Electronic Update

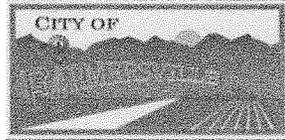
2010 Legislation

For legislative findings and declarations relating to Stats.2010, c. 38 (A.B.1668), see Historical and Statutory Notes under Government Code § 31479.1.

For short title and legislative findings and declarations relating to Stats.2010, c. 699 (S.B.894), see Historical and Statutory Notes under Government Code § 17600.

2008 Main Volume

Derivation



City Council

Staff Report

TO: Farmersville City Council

FROM: Moses Diaz, City Attorney

THROUGH: Mayor Paul Boyer

DATE: November 28, 2016

SUBJECT: Resolution 2016-048 Approving Amendment to City Manager Employment Agreement.

RECOMMENDED ACTION:

That the City Council adopt draft Resolution 2016-048 approving amendment to the Employment Agreement of City Manager as a result of performance evaluation.

BACKGROUND and DISCUSSION:

The City of Farmersville ("City") appointed a new City Manager on June 22, 2016 who was to take office on August 3, 2015. Section 3(D) of the City Manager's employment agreement, dated on or about June 22, 2015, provides that if satisfied with the City Manager's performance, the City Council shall have the right, in its sole and absolute discretion, to either award a salary increase or decline to award such an increase;

Prior to the City Manager's employment anniversary the City Manager reminded the City Council about scheduling a performance evaluation. Pursuant to Government Code section 54957(b)(1), the City Council convened in closed session several times for the purpose of conducting the annual performance evaluation of the City Manager and ultimately concluded such evaluation on November 14, 2016;

Following completion of the City Manager's annual performance evaluation, the City Council voted to approve an increase to the City Manager's salary and compensation, effective as of the City Manager's most recent employment anniversary; and

Pursuant to Government Code Section 36506, the City Council desires to now implement and ratify the change the City Manager's salary and compensation via Resolution 2016-048.

Effective as of the City Manager's employment anniversary date, August 03, 2016, the City Manager's annual base salary shall be increased by five percent (5%), which consists of both a two percent cost-of-living adjustment and a three percent merit increase. As a result, the Council hereby directs the City Staff who process payroll to take all necessary and convenient steps to carry out the increase.

COORDINATION & REVIEW:

The recommendation to adopt Resolution 2016-048 has been coordinated and reviewed by the City Council, the City Attorney and the Finance Department.

FISCAL IMPACT:

The resulting fiscal impact of Resolution 2016-048, which implements the City Council's decision is an increase of \$468.75 per month in the City Manager's compensation.

CONCLUSION:

That the City Council adopt draft Resolution 2016-048 approving amendment to the Employment Agreement of City Manager as a result of performance evaluation.

ATTACHMENT(S): 1, Draft Resolution 2016-048

Submitted By:

for M.D.
Moses Diaz, City Attorney

Recommended By:

for P.B.
Paul Boyer, Mayor

**BEFORE THE CITY COUNCIL
OF THE
CITY OF FARMERSVILLE**

IN THE MATTER OF:

A resolution pursuant to Government Code § 36506 increasing the City Manager's compensation following a performance evaluation.

DRAFT RESOLUTION 2016-048

WHEREAS, the City of Farmersville ("City") appointed a new City Manager on June 22, 2016 who was to take office on August 3, 2015;

WHEREAS, Section 3(D) of the City Manager's employment agreement, dated on or about June 22, 2015, provides that if satisfied with the City Manager's performance, the City Council shall have the right, in its sole and absolute discretion, to either award a salary increase or decline to award such an increase;

WHEREAS, prior to the City Manager's employment anniversary the City Manager reminded the City Council about scheduling a performance evaluation;

WHEREAS, pursuant to Government Code section 54957(b)(1), the City Council convened in closed session several times for the purpose of conducting the annual performance evaluation of the City Manager and ultimately concluded such evaluation on November 14, 2016;

WHEREAS, following completion of the City Manager's annual performance evaluation, the City Council voted to approve an increase to the City Manager's salary and compensation, effective as of the City Manager's most recent employment anniversary; and

WHEREAS, pursuant to Government Code section 36506, the City Council desires to now implement and ratify the change the City Manager's salary and compensation.

UPON MOTION OF COUNCIL MEMBER _____, SECONDED BY COUNCIL MEMBER _____, THE FOLLOWING WAS PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL AT AN OFFICIAL MEETING HELD ON November 28, 2016, BY THE FOLLOWING VOTE:

NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL:

1. Found that the foregoing recitals are true;
2. Found, based upon the facts specified above, that the City Manager's compensation became indefinite after his employment anniversary date;
3. Effective as of the City Manager's employment anniversary date in August 2016, the City Manager's annual base salary shall be increased by five percent (5%), which consists of both a two percent cost-of-living adjustment and a three percent merit increase; and
4. Directed city staff who process payroll to take all necessary and convenient steps to carry out the increase.

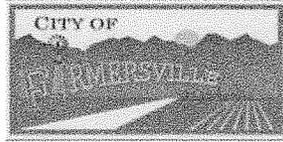
AYES:
NOES:
ABSTAIN:
ABSENT:

BY:

ATTEST:

Paul Boyer, Mayor

City Clerk Pro Tempore [GC § 36804]



City Council

Staff Report

TO: Honorable Mayor and City Council

FROM: John Jansons, City Manager *[Signature]*

DATE: November 28, 2016

SUBJECT: CDBG Sub-Recipient Agreement with Tulare County Library Services for Farmersville Library

RECOMMENDATION:

It is respectfully recommended that the City Council:

- 1) Approve a Sub Recipient Agreement, from Community Development Block Grant 14-CDBG -9900, in substantially the same form as presented herein, with the County of Tulare to staff and operate a public library as part of its countywide library system at the Farmersville Community Center located at 623 Avery Street,
- 2) Authorize the City Manager to perfect the Sub-recipient Agreement with any final edits or changes necessary and proper to finalize the Agreement, and
- 3) Authorize the City Manager to sign the Agreement once finalized for approval by Tulare County.

BACKGROUND:

For many years the City of Farmersville and its respective City Councilmembers and community members have worked toward the goal of having a public library in the City. The goal is now within reach because of a partnership with Tulare County (the "County") and its countywide library system.

DISCUSSION:

The goal to realize a library in Farmersville has been actively pursued for several years. As a result of CDBG grants funds received by the City, and the willingness of Tulare County to staff and operate a Farmersville Library, a Sub Recipient Agreement is necessary to move this Library forward to fruition.

The significant points of the attached agreement include:

Terms and time of Performance:

The grant will provide funding for the salary and benefits related to staffing one (1) part time Library Assistant at the Farmersville Community Center Library for a period of three years. This will allow for the opening of the Farmersville Library.

Space in the Farmersville Community Center, located at 623 Avery Street shall be provided by City to Tulare County to operate a public library.

Provide a part time Library Assistant to provide basic library services at the Farmersville Community Center Library.

Amount of Funding:

The Sub –recipient Agreement provides for \$80, 591.94, over a three year period.

Line Item	Annual:	3 Year Total:
Salaries	\$ 18,828.42	\$ 56,485.26
Fringe	\$ 8,035.56	\$ 24,106.68
TOTAL	\$ 26,863.98	\$ 80,591.94

The days / hours of operation:

The days / hours of operation: shall be as follows: part time, three days a week for a total of 96 hours per month.

Activity	Units per Month	Total Units/Year
Library Services	96 Hours	1160 Hours

Requirements of sub recipient to conform to CDBG program regulations, rules and requirements.

General Administration – Prepare and submit required reports to CDBG program.

The Sub-recipient will be responsible for managing the Community Development Block Grant (CDBG) Public Service Program activity in a manner satisfactory to the Grantee and consistent with the standards required as a condition of these funds.

Review the CDBG Grant Agreement between the Department and Grantee and current CDBG requirements.

Prepare and submit required reports to the Grantee.

COORDINATION & REVIEW:

The attached Sub-recipient Agreement has been coordinated and reviewed with the City Attorney, Self Help Enterprises, the City's CDBG support consultant, CA Dept. of Housing and Community Development and Office of the County Counsel and the Tulare County Library Service.

ALTERNATIVES:

The City Council may choose to proposed different terms than those outlined in the Sub-recipient Agreement. This alternative is not recommended.

FISCAL IMPACT:

There is no cost to the City's General Fund. CDBG funds in the amount of \$ 80,591.94 will be used to pay Tulare County for library services under this Agreement.

CONCLUSION:

It is respectfully recommended that the City Council:

1. Approve a Sub Recipient Agreement, from Community Development Block Grant 14-CDBG -9900, in substantially the same form as presented herein, with the County of Tulare to staff and operate a public library as part of its Countywide library system at the Farmersville Community Center located at 623 Avery Street,
2. Authorize the City Manager to perfect the Sub-recipient Agreement with any final edits or changes necessary and proper to finalize the Agreement, and
3. Authorize the City Manager to sign the Agreement once finalized for approval by Tulare County.

ATTACHMENT: Final Draft Sub Recipient Agreement

Recommended By:



John Jansons
City Manager

SUBRECIPIENT AGREEMENT
AGREEMENT BETWEEN THE
CITY OF FARMERSVILLE
AND
THE TULARE COUNTY LIBRARY
FOR
THE FARMERSVILLE COMMUNITY CENTER LIBRARY PROJECT

THIS AGREEMENT, entered this _____ day of _____, 20____ by and between the City of Farmersville (herein called the "Grantee") and Tulare County (herein called the "Subrecipient").

WHEREAS, the Grantee has applied for and received funds from the State of California, Department of Housing and Community Development, State Community Development Block Grant Program ("the Department") originating from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383; and

WHEREAS, the Grantee wishes to engage the Subrecipient to assist the Grantee in utilizing such funds;

NOW, THEREFORE, it is agreed between the parties hereto that;

I. SCOPE OF SERVICE

A. Activities

The Subrecipient will be responsible for administering a (specify) CDBG Grant 14-CDBG-9900 in a manner satisfactory to the Grantee and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Program Delivery

Activity #1 The grant will provide funding for the salary and benefits related to staffing one (1) part time Library Assistant at the Farmersville Community Center Library for a period of three years. This will allow for the opening of the Farmersville Library.

General Administration

The Grantee will perform the following services related to the above named grant Activity #1.

- General Administration – Prepare and submit required reports to CDBG program.

- Activity Delivery – None
- Activity – None
- The Farmersville Community Center Library shall be provided as a location for Activity #1, described above.

The Subrecipient will be responsible for managing the Community Development Block Grant (CDBG) Public Service Program activity in a manner satisfactory to the Grantee and consistent with the standards required as a condition of these funds.

The Subrecipient will perform the following services related to the above-named grant activity.

- Review the CDBG Grant Agreement between the Department and Grantee and current CDBG requirements.
- Prepare and submit required reports to the Grantee.
- Provide a part time Library Assistant to provide basic library services at the Farmersville Community Center Library.

B. National Objectives

All activities funded with CDGB funds must meet one of the CDBG program's National Objectives: benefit low- and moderate-income persons; aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208.

The Subrecipient certifies that the activity(ies) carried out under this Agreement will meet the National Objective of LMA (Area Benefit Activities). This National Objective will be met by providing Library Services that would otherwise not be available.

C. Levels of Accomplishment – Goals and Performance Measures

The Subrecipient agrees to provide the following minimum levels of program services:

<u>Activity</u>	<u>Units per Month</u>	<u>Total Units/Year</u>
Library Services	96 Hours	1160 Hours

D. Staffing

1 – Part-Time Library Assistant

E. Performance Monitoring

The Grantee will monitor the performance of the Subrecipient against goals and performance standards as stated above. Substandard performance as determined by the Grantee will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the Grantee, contract suspension or termination procedures will be initiated.

II. TIME OF PERFORMANCE

Services of the Subrecipient shall start on the no later than 30 days from the signing of this agreement by both parties and end at the termination of the performance period of grant 14-CDBG-9900. The term of this Agreement and the provisions herein shall be extended to cover any additional time period during which the Subrecipient remains in control of CDBG funds or other CDBG assets, including program income.

III. BUDGET

<u>Line Item</u>	Annual:	3 Year Total:
Salaries	\$ 18,828.42	\$ 56,485.26
Fringe	\$ 8,035.56	\$ 24,106.68
TOTAL	\$ 26,863.98	\$ 80,591.94

Any indirect costs charged must be consistent with the conditions of Paragraph VIII (C)(2) of this Agreement. In addition, the Grantee may require a more detailed budget breakdown than the one contained herein, and the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the Grantee. Any amendments to the budget must be approved in writing by both the Grantee and the Subrecipient.

IV. PAYMENT

It is expressly agreed and understood that the total amount to be paid by the Grantee under this Agreement shall not exceed \$\$ 80,591.94. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in Paragraph III herein and in accordance with performance. Expenses for general administration shall also be paid against the line item budgets specified in Paragraph III and in accordance with performance.

Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in 24 CFR 84.21.

V. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communication and details concerning this contract shall be directed to the following contract representatives:

<u>Grantee</u>	<u>Subrecipient</u>
John Jansons, City Manager	County Librarian
The City of Farmersville	Tulare County Free Library
909 W. Visalia Rd.	200 W. Oak Ave
Farmersville, CA 93223	Visalia, CA 93291
(559) 747-0458	(559) 713-2721
(559) 747-6724 (fax)	(559) 334-1127 (fax)

VI. SPECIAL CONDITIONS

This agreement relates to Public Service activities only. Subrecipient will comply with all applicable Terms and Conditions listed in the Standard Agreement 14-CDBG-9900, executed between the State of California and the City of Farmersville.

VII. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart K of these regulations, except that (1) the Subrecipient does not assume Grantee's environmental responsibilities described in 24 CFR 570.604 and (2) the Subrecipient does not assume Grantee's responsibility for initiating the review process under the provisions of 24 CFR Part 52. The Subrecipient also agrees to comply with all other applicable federal, state, and local laws, regulations, and policies governing the funds provided under this contract. The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

B. "Independent Contractor"

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The Grantee shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient shall hold harmless, defend and indemnify the Grantee from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

E. Insurance & Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud, and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Grantee.

The Subrecipient shall comply with the bonding and insurance requirements of 24 CFR 84.31 and 84.48, Bonding and Insurance.

F. Grantee Recognition

The Subrecipient shall insure recognition of the role of the Grantee in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The Grantee or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each Party, and approved by the Grantee's governing body. Such

amendments shall not invalidate this Agreement, nor relieve or release the Grantee or Subrecipient from its obligations under this Agreement.

The Grantee may, in its discretion, amend this Agreement to conform with federal, state, or local governmental guidelines, policies, and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both Grantee and Subrecipient.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the Grantee may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, by such actions which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement;
or
4. Submission by the Subrecipient to the Grantee reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the Grantee or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the Grantee determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the Grantee may terminate the award in its entirety.

VIII. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21–28 and agrees to adhere to the accounting principles and procedures

required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- a) Records providing a full description of each activity undertaken;
- b) Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c) Records required to determine the eligibility of activities;
- d) Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e) Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- f) Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28; and
- g) Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Retention

The Subrecipient shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of four (4) years. The retention period begins on the date of the submission of the Grantee's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

3. Closeouts

The Subrecipient's obligation to the Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income.

4. Audits & Inspections

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, grantor agency, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The Subrecipient hereby agrees to have an annual agency audit conducted in accordance with current Grantee policy concerning subrecipient audits and OMB Circular A-133.

C. Reporting and Payment Procedures

1. Program Income

The Subrecipient shall report monthly all program income (as defined at 24 CFR 570.500(a)) generated by activities carried out with CDBG funds made available under this contract. The use of program income by the Subrecipient shall comply with the requirements set forth at 24 CFR 570.504. By way of further limitations, the Subrecipient may use such income during the contract period for activities permitted under this contract, and shall reduce requests for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the Grantee at the end of the contract period. Any interest earned on cash advances from the U.S. Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the Grantee.

2. Indirect Costs

If indirect costs are charged, the Subrecipient will develop an indirect cost allocation plan for determining the appropriate Subrecipient's share of administrative costs and shall submit such plan to the Grantee for approval, in a form specified by the Grantee.

3. Payment Procedures

The Grantee will pay to the Subrecipient funds available under this Agreement based upon information submitted by the Subrecipient and consistent with any approved budget and Grantee policy concerning payments. With the exception of certain advances, payments will be made for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. Payments will be adjusted by the Grantee in accordance with advance fund and program income balances available in Subrecipient accounts. In addition, the Grantee reserves the right to liquidate funds available under this contract for costs incurred by the Grantee on behalf of the Subrecipient.

4. Progress Reports

The Subrecipient shall submit regular Progress Reports to the Grantee in the form, content, and frequency as required by the Grantee.

D. Procurement

1. Compliance

The Subrecipient shall comply with current Grantee policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the Grantee upon termination of this Agreement.

2. OMB Standards

Unless specified otherwise within this agreement, the Subrecipient shall procure all materials, property, or services in accordance with the requirements of 24 CFR 84.40-48.

3. Travel

The Subrecipient shall obtain written approval from the Grantee for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient shall transfer to the Grantee any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until five (5) years after expiration of this Agreement. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the Subrecipient shall pay the Grantee an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the Grantee. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the five-year period.
3. In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement shall be (a) transferred to the Grantee for the CDBG program or (b) retained after compensating the Grantee an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment.

IX. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Grantee may preempt the optional policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or

conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable Grantee ordinances, resolutions and policies concerning the displacement of persons from their residences.

X. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

3. Land Covenants

This contract is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352) and 24 CFR 570.601 and 570.602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this contract, the Subrecipient shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the Grantee and the United States are beneficiaries of and entitled to enforce such covenants. The Subrecipient, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

4. Section 504

The Subrecipient agrees to comply with all federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination against the individuals with disabilities or handicaps in any federally assisted

program. The Grantee shall provide the Subrecipient with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

B. Affirmative Action

1. Approved Plan

The Subrecipient agrees that it shall be committed to carry out pursuant to the Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966. The Grantee shall provide Affirmative Action guidelines to the Subrecipient to assist in the formulation of such program. The Subrecipient shall submit a plan for an Affirmative Action Program for approval prior to the award of funds.

2. Women- and Minority-Owned Businesses (W/MBE)

The Subrecipient will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this contract. As used in this contract, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Records

The Subrecipient shall furnish and cause each of its own subrecipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records, and accounts by the Grantee, HUD or its agent, or other authorized federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

4. Notifications

The Subrecipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency

contracting officer, advising the labor union or worker's representative of the Subrecipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

The Subrecipient will, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer. Additional State of California Requirements regarding the State Equal Opportunity provisions are contained in Attachment A.

6. Subcontract Provisions

The Subrecipient will include the provisions of Paragraphs X.A, Civil Rights, and B, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own subrecipients or subcontractors.

C. Employment Restrictions

1. Prohibited Activity

The Subrecipient is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.

2. Labor Standards

The Subrecipient agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 *et seq.*) and all other applicable federal, state, and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Subrecipient agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 *et seq.*) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The Subrecipient shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

The Subrecipient agrees that, except with respect to the rehabilitation or construction of residential property containing less

than eight (8) units, all contractors engaged under contracts in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this contract, shall comply with federal requirements adopted by the Grantee pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Subrecipient of its obligation, if any, to require payment of the higher wage. The Subrecipient shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

“Section 3” Clause

- a) Compliance: Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this contract, shall be a condition of the federal financial assistance provided under this contract and binding upon the Grantee, the Subrecipient and any of the Subrecipient's subrecipients and subcontractors. Failure to fulfill these requirements shall subject the Grantee, the Subrecipient and any of the Subrecipient's subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which federal assistance is provided. The Subrecipient certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

The Subrecipient further agrees to comply with these “Section 3” requirements and to include the following language in all subcontracts executed under this Agreement:

“The work to be performed under this Agreement is a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide

economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located.”

The Subrecipient further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

The Subrecipient certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.

- b) Notifications: The Subrecipient agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker’s representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.
- c) Subcontracts: The Subrecipient will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The Subrecipient will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the entity has first provided

it with a preliminary statement of ability to comply with the requirements of these regulations.

D. Conduct

1. Assignability

The Subrecipient shall not assign or transfer any interest in this Agreement without the prior written consent of the Grantee thereto; provided, however, that claims for money due or to become due to the Subrecipient from the Grantee under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Grantee.

2. Subcontracts

- a) Approvals: The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this contract without the written consent of the Grantee prior to the execution of such agreement.
- b) Monitoring: The Subrecipient will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.
- c) Content: The Subrecipient shall cause all of the provisions of this contract in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.
- d) Selection Process: The Subrecipient shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation concerning the selection process.

3. Hatch Act

The Subrecipient agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

4. Conflict of Interest

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which include (but are not limited to) the following:

- a) The Subrecipient shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by federal funds.
- b) No employee, officer or agent of the Subrecipient shall participate in the selection, or in the award, or administration of, a contract supported by federal funds if a conflict of interest, real or apparent, would be involved.
- c) No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee, the Subrecipient, or any designated public agency.

5. Lobbying

The Subrecipient hereby certifies that:

- a) No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an

employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

c) It will require that the language of paragraph (d) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Subrecipients shall certify and disclose accordingly:

d) Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

6. Copyright

If this contract results in any copyrightable material or inventions, the Grantee and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

7. Religious Activities

The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

XI. ENVIRONMENTAL CONDITIONS

A. Air and Water

The Subrecipient agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

- Clean Air Act, 42 U.S.C. , 7401, *et seq.*;
- Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, *et seq.*, as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in

said Section 114 and Section 308, and all regulations and guidelines issued thereunder;

- Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

B. Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the Subrecipient shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

C. Lead-Based Paint

The Subrecipient agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

D. Historic Preservation

The Subrecipient agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a federal, state, or local historic property list.

XII. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

XIII. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

XIV. WAIVER

The Grantee's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the Grantee to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

XV. ENTIRE AGREEMENT

This agreement constitutes the entire agreement between the Grantee and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the Grantee and the Subrecipient with respect to this Agreement.

///

Signature Page Follows:

IN WITNESS WHEREOF, the Parties have executed this contract as of the date first written above.

GRANTEE:

Date: _____

By: _____
John Jansons, City Manager

Attest: _____
City Clerk

Countersigned: _____
Finance Director

SUBRECIPIENT:

Date: _____

By: _____
Chairman

ATTEST: MICHAEL C. SPATA
Interim County Administrative Officer/
Clerk of the Board of Supervisors

By: _____
Deputy Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

City Attorney: _____

County Counsel: _____
Deputy

Fed. I. D. _____

AFFIRMATIVE ACTION APPROVAL

Contract Compliance Supervisor



City Council

Staff Report

TO: Farmersville City Council
FROM: Steven Huntley, Finance Director
THROUGH: John Jansons, City Manager *J.J.*
DATE: November 28, 2016
SUBJECT: Financial Update on 1st Quarter of Fiscal Year

RECOMMENDED ACTION:

That the City Council hear a presentation by Staff regarding the City's financial status following the close of 1st Quarter of Fiscal Year 2016-2017, with possible direction to Staff.

BACKGROUND and DISCUSSION:

City Administration has implemented a quarterly budget review and financial status update and "check-in" with the City Council as a way to better manage and monitor the current year budget and identify any trends, whether positive or of concern, and consider appropriate action.

Presentation of this report fulfills the City Council's direction and provides for accountability, education and transparency.

COORDINATION & REVIEW:

The 1st Quarter Financial Update has been coordinated and reviewed with all Departments and approved by the City Manager.

FISCAL IMPACT:

There is no fiscal impact in the City Council receiving a presentation on financial status.

CONCLUSION:

That the City Council hear a presentation by Staff regarding the City's financial status following the close of 1st Quarter of Fiscal Year 2016-2017, with possible direction to Staff.

ATTACHMENT(S): 1st Quarter Fiscal Year 2016-2017 Financial Update.

Submitted By:

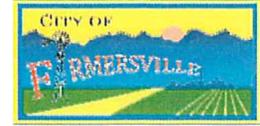
for S.H.

Steven Huntley, Finance Director

Approved By:

[Signature]

John Jansons, City Manager



CITY FINANCIAL UPDATE: FY 2017 – FIRST QUARTER

BUDGET UPDATE

This report serves as the financial update for the City July 1, through September 30, 2016. The year is now 25% complete. Although 9 more months remain, a first quarter “snap shot” may be a good indicator for the direction of revenues and expenses for the year:

REVENUE UPDATE:

Property tax ended last year strong, and our budget for this year conservatively left expectations flat but with the possibility to adjust during our mid-year review should things change. This revenue is mostly paid out mid-year and in May. No significant revenue has been received yet.

Sales tax is always paid about two months behind the month in which it was incurred. So the payments received in July and August were accrued back to Fiscal Year 2016. Historically, those payments have been some of the strongest and this year was no different. However, Sales Tax as a category finished below expectations and so the budget for FY 2017 was adjusted to match. We will have more information on progress in this area next quarter.

Vehicle License Fees: The two payments for this revenue source are expected in December and then May. So far, no information from the State on how this may change. Currently, the City has budgeted for this revenue to match the amount received last year. The State expects good vehicle sales, especially with trucks, to have a positive impact on this revenue stream. Historically, this has been increasing at about 8% each year over the last several years.

Additionally, some of the revenue anticipated for last year arrived late, which was out of our control, and is not eligible to be accrued back to FY 2016. So, the good news is that the general fund received the funding but it just won't be reflected in the originally anticipated year.

EXPENDITURE UPDATE:

Information regarding expenditures are premature at this early point in the year (25% complete). However, there are a few budget lines that stand out when all other lines are pretty true to the adopted spending plan so far:

1. City Council – Travel / Training & Development: budget is 81% spent (budget is \$5,000)
2. City Properties – Operating Supplies: budget is 64% spent (budget is \$500)

3. Police Department – Overtime: budget is 43% spent (budget is \$50,000)
4. Police Department – Office Supplies: budget is 47% spent (budget is \$3,000)
5. Fire Department – Office Supplies: budget is 53% spent (budget is \$500)
6. Fire Department – Operating Supplies: budget is 39% spent (budget is \$6,800)

Many of the budget lines are small dollar amounts and so a few purchases at the beginning of the year can cause the budget to be nearly depleted for the year but average out over time.

In the case of the City Council expenses, much of this is related to travel expense to Minnesota for the APWA award ceremony and it was not paid until this year. City Councilmembers are also traveling and attending more events than in past years which will stretch this budget line more so than in the past. Finance staff anticipates needing to adjust this budget line to align more closely with actual spending.

The other large and early expense worth looking into was in Police Overtime – this expense is ongoing every pay period but most of the expense was incurred in the pay period ending 7/13 (\$5,209.31) and 9/21 (\$6,160.99). At mid-year, staff will need to increase this budget line again this year as \$50,000 is not an accurate spending expectation for the year.

ECONOMIC UPDATE

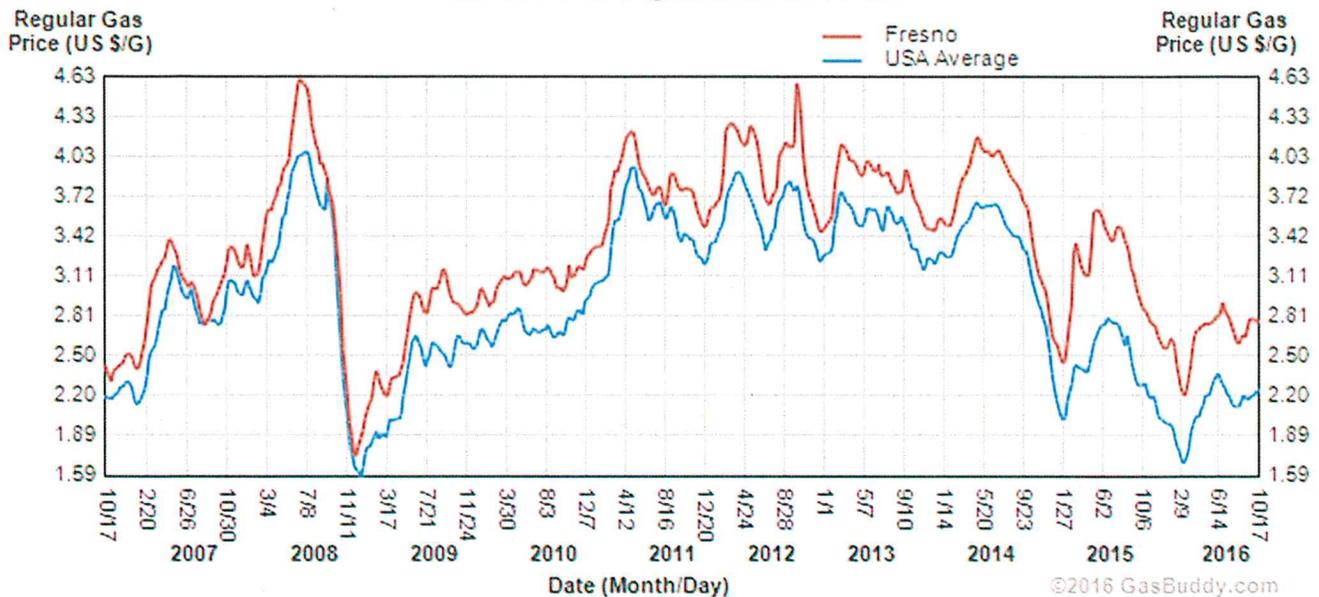
Job growth remains unpredictable but favorable for the most part. Unemployment (compared to last quarter) rose slightly to 5.0% nationally, 6.3% in California, and 11.5% in Tulare County.

Consumer confidence has changed little and inflation is still within normal rates and so the Fed did not raise rates although they may still do so by December 2016.

Housing starts are still growing nationally and existing home sales were up 1.8% but new home sales declined. Experts agree that the real estate market trend remains positive but growth will be slower than originally anticipated.

Gasoline prices have decreased slightly over the last quarter, which is in line with forecasting and seasonal adjustments. Fresno area averages are now about \$2.75/gallon down from \$2.90 a gallon in June.

120 Month Average Retail Price Chart



So what does this mean for the City?

The economy is still in a slow growth period but many of the security futures markets seem to be stalling or showing signs of weakness based upon certain economic indicators. We should plan our growth to match.

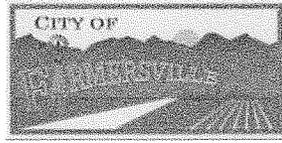
Unemployment still remains high within Tulare County but the nation over all is looking stronger with each jobs report. Now that we are headed out of the growing season, unemployment may continue to increase for the area and could have an impact on our residents.

Gas prices continue to be an issue for City revenue. Gas prices are still on par with prices in 2009. As long as domestic production stays high and OPEC continues to price out competitors, prices will remain at similar lows effecting Farmersville likely for some time.

NOTEWORTHY NEWS & FUTURE OUTLOOK

There are couple significant news items for the Finance Department:

1. Fiscal Year 2016 Audit is in process. This is the process by which we are rated on our ability to properly account for all the activity of the year and produce our various financial statements to communicate the results. We anticipate another successful year with a good opinion from our auditors but the final results won't be available until December.
2. Quarterly Reporting through 9/30/16 and other grant reports were completed on time. We are near the end of the Roundabout and Sports Park projects but we still have reimbursements pending but should be wrapped up this year. We have approximately \$1.3 million in expense still to be reimbursed from these projects. We have also started the reimbursement requests for our Water/Energy grant with the State but since this project is new the dollar amount outstanding is much less.



City Council

Staff Report

TO: Honorable Mayor and City Council

FROM: Steve Huntley, Finance Director
Mario Krstic, Chief of Police

THROUGH: John Jansons, City Manager *[Signature]*

DATE: November 28, 2016

SUBJECT: Police Department Vehicle Lease Financing

RECOMMENDED ACTION:

It is respectfully recommended that the City Council approve Resolution 2016-047 directing the City Manager to sign the attached lease agreement for the ultimate purchase and delivery of three new police patrol vehicles for the City of Farmersville.

BACKGROUND and DISCUSSION:

This purchase and financing through the lease agreement, is already budgeted for Fiscal Year 2017 (via Resolution 2016-040 dated September 26, 2016 adopting a budget amendment for FY 2017). The Council will recall that this amendment modified the original Police Vehicle Purchase Plan approved on December 8, 2014 which was originally budgeted in FY 2016 with a purchase of three new patrol vehicles. This plan allowed for a purchase of three patrol vehicles every other year. However, The Chief of Police requested in his memo dated September 20, 2016 (attached) to modify the plan to purchase three new vehicles in Fiscal Year 2017, rather than 2018, for several reasons.

As outlined in the prior budget amendment report of September 29, 2016, the Police Department has requested that they start working now to make vehicle purchases because 1) a long lead time exists before the vehicles would actually be in service, 2) the level of repairs and maintenance needed on their older vehicles is still increasing and acquiring new vehicles sooner could offset this cost, and 3) The portion of the expense incurred this year is potentially minimal (dependent upon the actual date of acquisition) that would ideally offset large expenses incurred for the same period due to high repair costs on older vehicles not under warranty.

Originally, the estimated quarterly payment was roughly \$11,000 depending on the rate, term, and timing of the financing from the yet-to-be-determined source. Staff now knows that the cost

will be \$11,506.90 a quarter through Municipal Finance Corporation if the lease agreement is approved by Council. Staff expects there still to be only one payment made in this fiscal year which is the beginning of the process to allow the City to spread the cost out over the years.

This resolution would allow for the final action needed before the purchase of enacting the needed lease agreement with the Municipal Finance Corporation as allowed in the adopted budget for FY 2017.

COORDINATION & REVIEW:

The lease agreement and corresponding resolution have been review by Finance Staff with the Police Department, the City Manager, and has also been reviewed by the City Attorney. The legal counsel opinion letter can be signed by the City Attorney once the Resolution 2016-047 is adopted by the City Council to ensure that the date and validity of the adoption of the resolution can be covered in the letter.

The agreement and insurance requirements have been reviewed with our advisors with the CSJVRMA and staff continues to work to get the final paperwork needed for that coverage.

FISCAL IMPACT:

The lease agreement is for a term of three years and at an interest rate of 2.80%. The principal amount of the loan is \$132,000 and will incur a cost of \$6,082.80 in interest over the life of the loan. Payments will be processed electronically, automatically each quarter (\$11,506.90 per quarter). This low cost option is a direct result of our existing relationship with Citizens Business Bank.

This rate is also on par with other current government financing for similar situations revealed through industry research by finance staff. This agreement would also help the City to maintain a higher level of cash reserves currently needed for other large projects. This continues to be a historic time to finance vehicles due to the current extended low interest rate environment.

This lease agreement a significant advantage over the financing options offered through the dealership from which these vehicles will be purchased. The financing options were presented in varying terms but held each vehicle as a separate loan, thus incurring more administrative cost in the loan to the City, and were also offered at a higher rate of 4.00%. This would impact the General Fund with potentially a few hundred to a few thousand more dollars in expense than the recommended lease agreement depending upon the term.

This lease agreement will also likely cause an increase of cost to the general fund of \$11,506.90 for the FY 2017 (which has already been budgeted). This means that ongoing costs of \$46,027.60 annually until the lease is completed (likely in calendar year 2020 depending upon the date of the first lease payment).

Anticipated Lease Expense by Fiscal Year			
FY 2017	FY 2018	FY 2019	FY 2020
\$11,506.90	\$46,027.60	\$46,027.60	\$28,437.90

However, the agreement allows for a purchase option at any time, given that the City in good standing with the lease payments, as displayed in Exhibit B of the lease agreement. Should this option be executed, it could dramatically increase the cost to the City in that period but ultimately save some interest expense overall. At this time, staff intends to follow the lease

payment schedule to the end as part of our strategy to spread cost over multiple years. These ongoing and regular expenses are both anticipated in the Police Vehicle Purchase Plan and will be budgeted accordingly in future years.

The amount of maintenance and repair costs saved by making these purchases earlier is unknown. However, expense related to fleet maintenance and significant repair costs have been around \$50,000 annually. The purchase of these vehicles could dramatically reduce this cost by upwards of \$15,000 annually or more.

There are other various small expenditures and revenues associated with this purchase, namely:

1. Cost of insurance as a high-value vehicle through the CSJVRMA. This is estimated at a few hundred dollars per year for all three vehicles but provides for up to a complete replacement cost of a new vehicle as needed.
2. Associated accessories and police gear needed to up fit the vehicles not previously anticipated. Costs already accounted for include light bars, computer equipment, sirens, decals, extended warranties, and other standard patrol vehicle upgrades. There may be other costs outside of these expenses that are unknown at this time.
3. Potential revenue from sale of retiring vehicles to be replaced. The exact vehicles being replaced are unknown at this time and their value and sale price may depend upon their current condition, and other variable factors at the time of sale.

None of these additional costs or revenues are anticipated to be large enough change the existing budget within the Police Department (and may partially or completely offset) but are mentioned as part of a complete analysis of the purchases.

CONCLUSION:

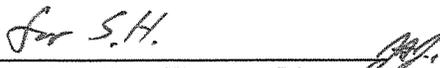
It is respectfully recommended that the City Council approve the Resolution 2016-047 directing the City Manager to execute and deliver the lease agreement with Municipal Finance Corporation.

ATTACHMENT(S): 4

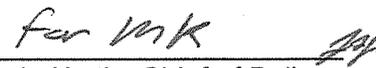
- 1) Resolution 2016-047 AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT, AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH
- 2) Proposed Lease Purchase document prepared by Municipal Finance Corporation
- 3) Lease Agreement #16-019 with Municipal Finance Corporation
- 4) Memorandum from the Police Department

Prepared and Submitted By:

Coordinated With:



Steve Huntley, Finance Director



Mario Krstic, Chief of Police

Approved By:



John Jansons, City Manager

**CITY COUNCIL
OF THE
CITY OF FARMERSVILLE, CALIFORNIA**

DRAFT RESOLUTION NO. 2016-047

AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT, AND
AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City of Farmersville (the "City") is a municipal corporation duly organized and existing under and pursuant to the laws of the State of California; and

WHEREAS, the City desires to provide for financing in the approximate amount of \$132,000.00 for the acquisition of three new police vehicles (the "Property"); and

WHEREAS, Municipal Finance Corporation (the "Corporation") has proposed a cost-effective three year lease purchase financing arrangement at a 2.80% interest rate;

NOW, THEREFORE, it is resolved by the City Council of the City of Farmersville as follows:

SECTION 1. Lease Agreement. The City Manager or a designee (each, an "Authorized Officer") is hereby authorized to enter into a Lease Agreement (the "Lease") with the Corporation to finance the Property, subject to approval as to form by the City Attorney.

SECTION 2. Attestations. The City Clerk or other appropriate City officer is hereby authorized and directed to attest the signature of the Authorized Officer as may be required or appropriate in connection with the execution and delivery of the Lease.

SECTION 3. Other Actions. The Authorized Officer and other officers of the City are each hereby authorized and directed, jointly and severally, to take any and all actions and to execute and deliver any and all agreements, documents and certificates which are reasonably necessary and proper in order to carry out, give effect to and comply with the terms of this Resolution. Any such actions which have occurred prior to the approval of this Resolution are hereby ratified, confirmed and approved.

SECTION 4. Qualified Tax-Exempt Obligations. The Lease is hereby designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The City, together with all subordinate entities of the City, do not reasonably expect to issue during the calendar year in which the Lease is issued more than \$10,000,000 of obligations which it could designate as "qualified tax-exempt obligations" under Section 265(b) of the Code.

SECTION 5. Effect. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 28th day of November, 2016, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

APPROVED BY: _____
Paul Boyer, Mayor

ATTEST: _____
Acting City Clerk

DOCUMENTATION INSTRUCTIONS AND REFERENCE

The following documents represent the complete Lease documentation package:

1. Lease Agreement and Exhibits
2. Assignment of Lease and Acknowledgment of Assignment
3. Certificate of the District
4. Incumbency and Signature Certificate
5. Certificate of Acceptance (executed upon final acceptance of Property)

All of the above documents shall be executed with original signatures on one-sided paper. The signatory should be the officer(s) referenced in the resolution.

In addition to the above documents, the following additional items are required:

Resolution Please send an original or certified copy of the resolution adopted by the governing body.

Legal Opinion Please send the Lease documentation to your counsel for legal review and the issuance of a legal opinion like the sample provided. The legal opinion should be on the counsel's letterhead and bear an original signature.

Insurance Please fill out the Insurance Authorization Letter and send to your insurance agent requesting the issuance of insurance certificates.

8038-G Form Please sign and date on the second page. MFC will complete and file the form upon funding.

Please advise the vehicle dealer to register the vehicle(s) as follows:

Lienholder

**CITIZENS BUSINESS BANK c/o
Municipal Finance Corporation
2945 Townsgate Road, Suite 200
Westlake Village, CA 91361**

Please request the vehicle dealer to send MFC a copy of the registration application.

LEASE AGREEMENT #16-019

This LEASE AGREEMENT dated as of October 17, 2016 (this "Lease") is by and between MUNICIPAL FINANCE CORPORATION, a corporation duly organized and existing under the laws of the State of California (the "Corporation") as lessor and CITY OF FARMERSVILLE, a public agency duly organized and existing under the laws of the State of California (the "District") as lessee.

RECITALS:

WHEREAS, the District deems it essential for the District to acquire the property described herein for its own public purposes; and

WHEREAS, it is intended that this Lease be treated as a tax-exempt obligation of the District for federal income tax purposes;

WHEREAS, the District and the Corporation agree to mutually cooperate now and hereafter, to the extent possible, in order to sustain the intent of this Lease and the bargain of both parties hereto.

WITNESSETH:

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

SECTION 1. Lease. The Corporation hereby leases to the District, and the District hereby leases and hires from the Corporation all property (the "Property") described in Exhibit A and made a part hereof. Hereinafter, reference to the Corporation means the Corporation and the Corporation's assigns for those rights, interests and obligations that may be assigned by the Corporation.

SECTION 2. Term. The terms and conditions of this Lease shall become effective upon the authorized execution of this Lease by the parties hereto. The rental term of the Property leased hereunder commences and terminates on the dates specified in Exhibit B unless the term of this Lease is extended as provided in this Section. If on the scheduled date of termination of this Lease the Rental Payments shall not be fully paid, or provision therefor made, or if such Rental Payments shall have been abated at any time and for any reason, then the term of this Lease shall be extended until the date upon which all such Rental Payments shall be fully paid, except that the term of this Lease shall in no event extend beyond the date that corresponds to the end of the useful life of the Property.

SECTION 3A. Representations, Covenants and Warranties of the District. The District represents, covenants and warrants to the Corporation that:

(a) The District is a public agency and political subdivision, duly organized and existing under the Constitution and laws of the State of California with authority to enter into this Lease and to perform all of its obligations hereunder.

(b) The District's governing body has duly authorized the execution and delivery of this Lease and further represents and warrants that all requirements have been met and procedures followed to ensure its enforceability.

(c) The execution, delivery and performance of this Lease do not and will not result in any breach of or constitute a default under any indenture, mortgage, contract, agreement or instrument to which the District is a party by which it or its property is bound.

(d) There is no pending or, to the knowledge of the District, threatened action or proceeding before any court or administrative agency which will materially adversely affect the ability of the District to perform its obligations under this Lease.

(e) The District has complied with all public bidding laws or provisions of the California Public Contract Code applicable to the acquisition of the Property leased hereunder.

(f) The Property being leased is essential to the District in the performance of its governmental functions and its estimated useful life to the District exceeds the term of this Lease.

(g) Within two hundred seventy (270) days of the end of each fiscal year of the District during the term hereof, the District shall provide the Corporation with a copy of its audited financial statements for such fiscal year.

SECTION 3B. Budget and Appropriation. The District shall take such action as may be necessary to include all rental payments in its annual budget and annually to appropriate an amount necessary to make such rental payments. During the term of this Lease, the District will furnish to the Corporation, if so requested, copies of each proposed budget of the District within thirty (30) days after it is filed and of each final budget of the the District within thirty (30) days after it is printed. The covenants on the part of the District shall be deemed and construed to be duties imposed by law and it shall be the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in this Lease agreed to be carried out and performed by the District.

SECTION 4. Representations and Warranties of the Corporation.
The Corporation represents and warrants to the District that:

(a) The Corporation is duly organized, validly existing and in good standing under the laws of the State of California, with full corporate power and authority to lease and own real and personal property.

(b) The Corporation has full power, authority and legal right to enter into and perform its obligations under this Lease, and the execution, delivery and performance of this Lease have been duly authorized by all necessary corporate actions on the part of the Corporation and do not require any further approvals or consents.

(c) The execution, delivery and performance of this Lease do not and will not result in any breach of or constitute a default under any indenture, mortgage, contract, agreement or instrument to which the Corporation is a party by which it or its property is bound.

(d) There is no pending or, to the knowledge of the Corporation, threatened action or proceeding before any court or administrative agency which will materially adversely affect the ability of the Corporation to perform its obligations under this Lease.

SECTION 5. Property Acquisition. The Corporation hereby appoints the District as its purchasing agent to acquire the Property leased hereunder and the District hereby accepts said appointment (hereinafter, the "Agency"). The Agency is limited to i) negotiation of terms, conditions and acquisition cost of acquiring the Property from suppliers and contractors (collectively, the "Supplier") selected by the District; ii) to the inspection and acceptance of the Property upon its delivery and installation; and iii) to the exercise of any rights or remedies with respect to Property warranties or guarantees. All warranties and guarantees, either express or implied, that inure to the Corporation by virtue of the Agency are hereby passed through to the District to prosecute at the District's sole discretion.

SECTION 6. Lease Proceeds. Moneys available to pay Property costs are defined as the "Lease Proceeds". Disbursement of Lease Proceeds to pay Property costs can be made either directly to the Supplier or to the District as a reimbursement of its prior expenditures for Property costs. The District shall deliver to the Corporation a disbursement authorization form along with Supplier invoices and required reconciliation documents prior to the Corporation making a disbursement to the Supplier or a reimbursement to the District.

SECTION 7. Rental Payments. THE DISTRICT SHALL PAY TO THE CORPORATION RENTAL PAYMENTS (the "Rental Payments") IN THE AMOUNTS AND AT THE TIMES SET FORTH IN EXHIBIT B, AT THE OFFICE OF THE CORPORATION OR

TO SUCH OTHER PERSON OR AT SUCH OTHER PLACE AS THE CORPORATION MAY FROM TIME TO TIME DESIGNATE IN WRITING. The District hereby authorizes the Corporation to withdraw from the Acquisition Fund on the first _____ Rental Payment dates, the amounts necessary to make Rental Payments as set forth in Exhibit B. Should the District fail to pay any part of the Rental Payments herein within fifteen (15) days from the due date thereof, the District shall upon the Corporation's written request, pay interest on such delinquent Rental Payment from the date said Rental Payment was due until paid at the rate of twelve percent (12%) per annum or the maximum legal rate, whatever is less. The District shall pay Rental Payments exclusively from legally available funds, in lawful money of the United States of America, to the Corporation. The obligation of the District to pay Rental Payments hereunder shall constitute a current expense of the District and shall not in any way be construed to be a debt of the District in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the District, nor shall anything contained herein constitute a pledge of the general tax revenues of the District. Except as specifically provided in Section 8, the obligation of the District to pay the Rental Payments will be absolute and unconditional in all events, and will not be subject to set-off, defense, abatement, reduction, counterclaim, or recoupment for any reason whatsoever. The periodic Rental Payments paid by the District shall be conclusive as to its fair value for the possession, use and/or occupancy of the Property.

SECTION 8. Rental Abatement. Rental Payments due hereunder with respect to the Property, other than the Advance Rental Payments, shall be subject to abatement during any period in which, by reason of material damage to or destruction of the Property there is substantial interference with the use and right of possession by the District of the Property or any substantial portion thereof. For each potential incident of substantial interference, decisions to be made on i) whether or not abatement shall apply; ii) the date upon which abatement shall commence; iii) the applicable portion of Rental Payments to be abated and; iv) the concluding date of the abatement period shall all be subject to determinations by the District in concert with the provider of the insurance issued pursuant to Section 20 herein. The amount of rental abatement shall be such that the Rental Payments paid by the District during the period of Property restoration do not exceed the fair rental value of the usable portions of the Property. The actual amount of Rental Payments paid by the District shall be conclusive as to its fair value. In the event of any damage or destruction to the Property, this Lease shall continue in full force and effect.

SECTION 9. Security Interest. As security for the payment of all of the District's obligations hereunder, the District hereby grants the Corporation, its successors and assigns, a security interest in the Property, its accessions and attachments thereto and replacements thereof and substitutions therefor. The District agrees to execute such

additional documents, including financing statements, and authorizes the Corporation to file such financing statements, which the Corporation deems necessary or appropriate to establish, perfect and maintain the Corporation's security interest.

SECTION 10. Use. The District shall use the Property in a careful and proper manner and shall comply with and conform to all national, state, municipal, police, and other laws, ordinances, and regulations in anyway relating to the possession, use, or maintenance of the Property.

SECTION 11. Acceptance. The District shall acknowledge receipt, inspection and acceptance of the Property by executing a "Certificate of Acceptance".

SECTION 12. Corporation's Inspection. Upon forty-eight (48) hours prior notice, the Corporation shall at any and all times during normal business hours have the right to enter into and upon the District's premises where the Property is located for the purpose of inspecting the same or observing its use. the District shall give the Corporation immediate notice of any attachment or other judicial process affecting the Property.

SECTION 13. Property Selection and Ordering. The District has selected or will select the type and quantity of the Property leased hereunder. The Corporation shall not be liable for, nor shall the validity, enforceability or effectiveness of this Lease be affected by, any delay in or failure of delivery of the Property. The District acknowledges that it is solely responsible for determining the suitability of the Property for its intended use. The Corporation shall have no duty to inspect the Property. If the Property is not properly installed, does not operate as represented or warranted by the Supplier, or is unsatisfactory for any reason, the District shall make any claim on account thereof solely against the Supplier. The District hereby assumes the risks, burdens and obligations to the Supplier on account of nonacceptance of the Property and/or cancellation of this Lease and upon the occurrence of any such event, the Corporation will assign to the District, without recourse or warranty, its rights and title to the Property and any documents related thereto.

SECTION 14. Disclaimer of Warranty. THE CORPORATION NOT BEING THE MANUFACTURER OR SUPPLIER OF THE PROPERTY NOR A DEALER IN SIMILAR PROPERTY, HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION, WARRANTY, OR COVENANT, EXPRESS OR IMPLIED, WITH RESPECT TO THE DESIGN, DURABILITY, FITNESS FOR USE, SUITABILITY, OR MERCHANTABILITY OF THE PROPERTY IN ANY RESPECT, AND AS BETWEEN THE CORPORATION AND THE DISTRICT, ALL PROPERTY SHALL BE ACCEPTED AND LEASED BY THE DISTRICT "WHERE IS," "AS IS," AND "WITH ALL FAULTS," AND THE CORPORATION SHALL NOT BE RESPONSIBLE FOR ANY PATENT OR LATENT DEFECTS THEREIN. THE DISTRICT AGREES TO SETTLE DIRECTLY

SUCH CLAIMS WITH THE SUPPLIER AND WILL NOT ASSERT ANY SUCH CLAIMS AGAINST THE CORPORATION.

SECTION 15. Alterations and Attachments. All additions and improvements that are made to the Property shall belong to and become the property of the Corporation except that separately identifiable attachments added to the Property by the District may remain the property of the District as long as (i) the attachment is paid for in full by the District and (ii) the District agrees to remove the attachment and restore the Property to substantially as good condition as when received, normal wear and tear excepted, if and when the Property may be returned to the Corporation.

SECTION 16. Relocation. The District shall provide the Corporation prior written notice of its intent to relocate the Property. The District assumes all risks of loss to the Property attendant to its movement and relocation. The Property location shall at all times be under the District's full control for its own governmental purpose.

SECTION 17. Maintenance and Repairs. The District, at its own cost and expense, shall furnish necessary labor and materials to maintain the Property in good repair, condition, and working order. The District's obligations to maintain the Property does not relieve the Supplier of its responsibility to fully perform with respect to all applicable Property warranties and guarantees.

SECTION 18. Risk of Loss; Damage; Destruction. With the exception of acts resulting from intentional misconduct or gross negligence by the Corporation, its agents and representatives, the District hereby assumes and shall bear the entire risk of loss and damage to the Property from any and every cause whatsoever. No loss or damage to the Property or any part thereof shall impair any obligation of the District under this Lease which shall continue in full force and effect, subject to Section 8 of this Lease. The District waives the benefit of Civil Code Sections 1932(2) and 1933(4) and any and all other rights to terminate this Lease by virtue of any damage or destruction to the Property.

SECTION 19. Physical Damage/Public Liability Insurance. The District shall keep the Property insured, as nearly as practicable, against risk of loss or damage from any peril covered under an "all-risk" insurance policy for not less than the replacement value thereof, and the District shall carry public liability and property damage insurance covering the Property. All said insurance shall be in form and amount and with reputable companies and shall name the Corporation as an additional insured and loss payee. The District shall pay the premiums therefore and deliver certification of said policies to the Corporation. Each insurer shall agree, by endorsement upon the policy or policies issued by it or by independent instrument furnished to the Corporation,

that it will give the Corporation thirty (30) days' written notice before the policy or policies shall be altered or canceled. The proceeds of such insurance, at the option of the District, shall be applied: (a) toward the replacement, restoration, or repair of the Property, or (b) toward payment of the total remaining obligations of the District hereunder; provided, however, that the District shall be responsible for the amount by which such insurance proceeds are insufficient to satisfy the cost of option (a) or option (b) above, as applicable. Should the District replace, restore, or repair the Property as set out in option (a) above, this Lease shall continue in full force and effect. The District may self-insure up to specified limits as evidenced by a certificate of self insurance to be attached hereto in form and amount acceptable to the Corporation. Any self-insurance program in which the District is a participant shall comply with the provisions under this Lease respecting cancellation and modification and payment of losses to the Corporation as its respective interests may appear. Such self-insurance shall be maintained on a basis which is actuarially sound as established by the District's risk manager or an independent insurance consultant which determination shall be made annually. Any deficiency shall be corrected within sixty (60) days of the District becoming aware of such deficiency.

SECTION 20. Rental Interruption Insurance. The District shall maintain or cause to be maintained at its expense and throughout the term of this Lease, insurance covering the loss of use of the Property or portions thereof for an amount not less than Rental Payments payable by the District for a twelve (12) month period. This coverage shall insure against abatement of Rental Payments payable by the District that come due hereunder resulting from the District's loss of use of the Property or any substantial portion thereof and caused by any peril covered under the District's physical damage insurance policy or self-insurance program, as applicable. Such insurance may be maintained in conjunction with or separate from any other similar insurance maintained by the District. The insurance proceeds shall be payable to the Corporation in amounts proportionate to the loss of use of the Property and shall supplement the District's applicable Rental Payments, if any, during the restoration period in sufficient amount to make the Corporation whole during the period of abatement.

SECTION 21. Liens and Taxes. The District shall keep the Property free and clear of all levies, liens, and encumbrances and shall promptly pay all fees, assessments, charges, and taxes (municipal, state and federal), including personal property taxes, which may now or hereafter be imposed upon the ownership, leasing, renting, sale, possession, or use of the Property, excluding, however, all taxes on or measured by the Corporation's income.

SECTION 22. Indemnity. Subject to California law concerning contribution and enforceability of indemnifications, the District shall

indemnify the Corporation against and hold the Corporation harmless from any and all claims, actions, suits, proceedings, costs, expenses, damages, and liabilities, including attorneys' fees, arising out of, connected with or resulting from the selection, possession, use, operation, or return of the Property excepting that the District shall not be required to indemnify the Corporation in the event that such liability or damages are caused by the gross negligence or intentional misconduct of the Corporation, its agents or representatives.

SECTION 23. Events of Default. The term "Event of Default", as used in this Lease, means the occurrence of any one or more of the following events: (a) the District fails to make any Rental Payment (or any other payment) within fifteen (15) days after the due date thereof or the District fails to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder and such failure to either make the payment or perform the covenant, condition or agreement is not cured within ten (10) days after written notice thereof by the Corporation; (b) the Corporation discovers that any statement, representation or warranty made by the District in this Lease or in any document ever delivered by the District pursuant hereto or in connection herewith is false, misleading or erroneous in any material respect; (c) the District becomes insolvent, is unable to pay its debts as they become due, makes an assignment for the benefit of creditors, applies or consents to the appointment of a receiver, trustee, conservator or liquidator of the District or of all or a substantial part of its assets, or a petition for relief is filed by or against the District under federal bankruptcy, insolvency or similar laws.

SECTION 24. Remedies. Upon the occurrence of an Event of Default, the Corporation may, at its option, exercise any one or more of the following remedies: (a) by written notice to the District, request the District to (and the District agrees that it shall), at the District's expense, promptly return the Property to the Corporation freight prepaid and insured to any location in the State of California as designated by the Corporation, or the Corporation, at its option, may enter upon the premises where the Property is located and take immediate possession of and remove the same without liability to the Corporation or its agents for such entry or for damage to property or otherwise; (b) sell or lease the Property or sublease it for the account of the the District, holding the District liable for all Rental Payments and other payments due to the effective date of such selling, leasing or subleasing plus any accrued interest to the date of termination; and (c) exercise any other right, remedy or privilege which may be available to it under applicable law, including the right to (i) proceed by appropriate court action to enforce the terms of this Lease, (ii) recover damages for the breach of this Lease, and (iii) rescind this Lease as to any portion of or all of the Property. No right or remedy herein conferred upon or reserved to the Corporation is exclusive of any other right or remedy herein, but each shall be cumulative of every other right or remedy given

hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time; provided, however, that notwithstanding any provisions to the contrary herein, the Corporation shall not under any circumstances have the right to accelerate the Rental Payments that fall due in future rental periods or otherwise declare any Rental Payments not then in default to be immediately due and payable.

SECTION 25. Non-Waiver. No covenant or condition to be performed by the District under this Lease can be waived except by the written consent of the Corporation. Forbearance or indulgence by the Corporation in any regard whatsoever shall not constitute a waiver of the covenant or condition in question. Until performance by the District of said covenant or condition is complete, the Corporation shall be entitled to invoke any remedy available to the Corporation under this Lease or by law or in equity despite said forbearance or indulgence.

SECTION 26. Assignment and Subleasing. The District shall not (a) assign, transfer, pledge, or hypothecate this Lease, the Property, or any part thereof, or any interest therein, or (b) sublet or lend the Property or any part thereof except with the prior written consent of the Corporation which, in the case of subletting, shall not be unreasonably withheld; provided such subletting shall not affect the tax-exempt status of the interest components of the Rental Payments payable by the District hereunder. No such pledge, assignment, sublease or any other transfer shall in any event affect or reduce the obligation of the District to make the Rental Payments due hereunder. Consent to any of the foregoing acts applies only in the given instance and is not a consent to any subsequent like act by the District or any other person. The Corporation shall not assign its obligations under this Lease with the exception of its obligation to issue default notices and its obligations pursuant to Section 30. The Corporation may assign its right, title and interest in this Lease, the Rental Payments and other amounts due hereunder and the Property in whole or in part to one or more assignees or subassignees at any time, without the consent of the District. Any such assignment by the Corporation or its assigns shall comply with the requirements of Sections 5950-5955 of the California Government Code. No such assignment shall be effective as against the District unless and until the Corporation shall have filed with the District a copy of such assignment or written notice thereof. The District shall pay all Rental Payments hereunder pursuant to the direction of the Corporation or the assignee named in the most recent assignment or notice of assignment filed with the District. During this Lease term, the District shall keep a complete and accurate record of all such assignments or notices of assignment. Subject to the foregoing, this Lease inures to the benefit of, and is binding upon, the successors and assigns of the parties hereto.

SECTION 27. Ownership. The Property is and shall at all times be and remain the sole and exclusive property of the Corporation, and the District shall have no right, title, or interest therein or thereto except as expressly set forth in Sections 29 and 30. The District shall take all actions necessary to insure that legal title to the Property being acquired by the District hereunder, whether by the District or by a third party acting on behalf of the District, is vested in the Corporation.

SECTION 28. Personal Property. The Property is and shall at all times be and remain personal property notwithstanding that the Property or any part thereof may now be or hereafter become in any manner affixed or attached to or imbedded in, or permanently resting upon, real property or any building thereon, or attached in any manner to what is permanent by means of cement, plaster, nails, bolts, screws or otherwise.

SECTION 29. Purchase Option. If the District is not in default of any term, condition or payment specified hereunder, the District may exercise options to prepay this Lease and purchase not less than all of the Property in "as-is" and "where-is" condition on the specified dates and for the specified amounts set forth in Exhibit B. The purchase option price specified for a particular date is in addition to the Rental Payment due on the same date.

SECTION 30. Release of Liens. Upon the District either making all of the Rental Payments scheduled herein or making a purchase option payment, the Corporation, its successors or assigns shall cause i) legal title to the Property to be transferred to the District and ii) the release of all liens, encumbrances or security interests on the Property created pursuant to the Corporation's rights under this Lease.

SECTION 31. Tax Covenants.

(a) Generally. The District shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest components of the Rental Payments to become includable in gross income for federal income tax purposes.

(b) Private Activity Bond Limitation. The District shall assure that the Lease Proceeds are not so used as to cause this Lease to satisfy the private business tests of Section 141(b) of the Internal Revenue Code of 1986, as amended (the "Code"), or the private loan financing test of Section 141(c) of the Code.

(c) No Arbitrage. The District will not take any action or omit to take any action which action or omission, if reasonably expected on the date of this Lease, would have caused this Lease to be an "arbitrage bond" within the meaning of Section 148(a) of the Code.

(d) Federal Guarantee Prohibition. The Rental Payments are not directly guaranteed or indirectly guaranteed in whole or in part by the United States or any agency or instrumentality of the United States so as to cause the Rental Payments to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(e) Reimbursement Regulations. The Lease Proceeds used for reimbursement of prior expenditures will be made pursuant to and in compliance with Income Tax Regulations Section 1.150-2.

(f) Bank Qualified. The District hereby designates this Lease for purposes of paragraph (3) of Section 265(b) of the Code and represents that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding (i) private activity bonds, as defined in Section 141 of the Code, except qualified 501(c)(3) bonds as defined in Section 145 of the Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation, including this Lease, has been or will be issued by the District, including all subordinate entities of the District, during calendar year 2016.

(g) Arbitrage Rebate. The District shall take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to this Lease.

SECTION 32. Extraordinary Costs. In the case of litigation, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including attorneys' fees (which may be the allocable cost of in-house counsel), incurred by the prevailing party in exercising any of its rights or remedies hereunder or enforcing any of the terms, conditions or provisions hereof.

SECTION 33. Severability. If any provision of this Lease shall be held invalid or unenforceable by a court of competent jurisdiction, such holdings shall not invalidate or render unenforceable any other provision of this Lease, unless elimination of such provision materially alters the rights and obligations embodied in this Lease.

SECTION 34. Entire Agreement. This Lease and any agreements that specifically refer to this Lease that are duly executed by authorized agents of the parties hereto constitute the entire agreement between the Corporation and the District, and it shall not be further amended, altered, or changed except by a written agreement that is properly authorized and executed by the parties hereto.

SECTION 35. Notices. Service of all notices under this Lease shall be sufficient if given personally or mailed to the party involved at its respective address hereinafter set forth or at such address as such party may provide in writing from time to time. Any such notice mailed to such address shall be effective when deposited in the United States mail, duly addressed and with postage prepaid.

SECTION 36. Titles. The titles to the Sections of this Lease are solely for the convenience of the parties and are not an aid in the interpretation thereof.

SECTION 37. Further Assurances and Corrective Instruments. The Corporation and the District agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may be reasonably required for correcting any inadequate or incorrect description of the Property hereby leased or intended so to be or for carrying out the expressed intention of this Lease.

SECTION 38. Execution in Counterparts. This Lease may be executed in several counterparts, each of which shall be original and all of which shall constitute but one and the same instrument.

SECTION 39. Time. Time is of the essence in this Lease and each and all of its provisions.

SECTION 40. Lease Interpretation. This Lease and the rights of the parties hereunder shall be determined in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have caused their authorized agents to execute this Lease on the dates specified below.

MUNICIPAL FINANCE CORPORATION
2945 Townsgate Road, Suite 200
Westlake Village, CA 91361

CITY OF FARMERSVILLE
909 W Visalia Road
Farmersville, CA 93223

By _____

By _____

Title _____

Title _____

Date _____

Date _____

EXHIBIT A
PROPERTY DESCRIPTION

- 3 Police Vehicles to be stationed at City Hall

EXHIBIT B
RENTAL PAYMENT SCHEDULE

PMT #	Due Date	Rent Payment	To Principal	To Interest	Purchase Option
1		\$11,506.90	\$10,582.90	924.00	124,452.53
2		11,506.90	10,656.98	849.92	113,529.12
3		11,506.90	10,731.58	775.32	102,529.25
4		11,506.90	10,806.70	700.20	91,452.39
5		11,506.90	10,882.35	624.55	80,297.98
6		11,506.90	10,958.52	548.38	69,065.49
7		11,506.90	11,035.23	471.67	57,754.38
8		11,506.90	11,112.48	394.42	46,364.09
9		11,506.90	11,190.27	316.63	34,894.06
10		11,506.90	11,268.60	238.30	23,343.75
11		11,506.90	11,347.48	159.42	11,712.58
12		11,506.90	11,426.91	79.99	0.00

TOTALS: \$138,082.80 \$132,000.00 \$6,082.80

ASSIGNMENT OF LEASE #16-019

FOR VALUE RECEIVED, MUNICIPAL FINANCE CORPORATION (the "Corporation") as assignor without recourse does hereby sell, assign, and transfer to CITIZENS BUSINESS BANK (the "Assignee") as assignee and its successors and assigns (i) all of its right, title and interest in and to the LEASE AGREEMENT #16-019 dated as of October 17, 2016 between the Corporation as lessor and CITY OF FARMERSVILLE (the "District") as lessee (hereinafter said lease and any supplements, amendments, additions thereof and any extension or renewals thereof is referred to as the "Lease") and (ii) all moneys, sums and amounts now due or hereinafter to become due under the Lease.

The Corporation represents and warrants that it has made no prior sale or assignment of any interest covered hereby; that the Lease is genuine and in all respects is what it purports to be; that the Assignee shall not be liable for and does not assume responsibility for the performance of any of the covenants, agreements, or obligations specified in the Lease to be kept, paid or performed by the Corporation with exception of the Assignee's obligation to issue notices upon the District's default of the Lease and to convey title to the leased Property upon the District's exercise of its option to purchase said Property in conformance with the terms of the Lease. The Corporation further represents and warrants that as of the date this assignment is made, the Lease is in full force and effect, has not been amended except as set forth in instrument delivered to the Assignee and the District is not in default of any terms thereunder.

The Corporation hereby constitutes and irrevocably appoints the Assignee the true and lawful attorney of the Corporation to demand, receive and endorse payments and to give receipts, releases and satisfactions either in the name of the Assignee or in the name of the Corporation in the same manner and with the same effect as the Corporation could do if this Assignment of Lease had not been made. Within fifteen (15) days after receiving its full bargain with respect to the Lease, the Assignee shall cause to be released to the District its vested interest in the Property thereto.

This Assignment of Lease shall be construed and governed in accordance with the laws of the State of California. Any provision of this Assignment of Lease found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Assignment of Lease.

This Assignment of Lease shall be binding upon and inure to the benefit of the parties and their respective successors and assigns and is made in accordance with the Municipal Lease Placement Agreement dated as of January 1, 1999, as amended, entered into between the Corporation and the Assignee. In the case of litigation, the prevailing party shall be entitled to recover from the opposing party all costs and expenses,

including attorneys' fees which may be the allocable cost of in-house counsel, incurred by the prevailing party in exercising any of its rights or remedies hereunder or enforcing any of the terms, conditions, or provisions hereof.

IN WITNESS WHEREOF, the Corporation has caused this Assignment of Lease to be executed by its duly authorized agent on the date specified below.

MUNICIPAL FINANCE CORPORATION

By _____

Title _____

Date _____

ACKNOWLEDGEMENT OF ASSIGNMENT

The undersigned hereby acknowledges the assignment by MUNICIPAL FINANCE CORPORATION over to CITIZENS BUSINESS BANK of that certain LEASE AGREEMENT #16-019 dated as of October 17, 2016 (the "Lease"), entered into between MUNICIPAL FINANCE CORPORATION as lessor and the undersigned as lessee.

With respect to the Lease, the undersigned agrees to pay, commencing with the first scheduled Rental Payment, all rentals and moneys due or to become due under said Lease to CITIZENS BUSINESS BANK, City Loan Center, 2100 Park Place, Suite 150, El Segundo, CA 90245, Attn: Loan Servicing #354, and further agrees it shall have no counterclaim or offset against rentals due thereunder as to said Assignee and expressly further agrees that said Assignee shall not (except for the obligations specifically set forth in the foregoing Assignment of Lease) be liable for any of the obligations of the lessor under said Lease.

IN WITNESS WHEREOF, the lessee has caused this Acknowledgment of Assignment to be executed by its authorized agent on the date specified below.

CITY OF FARMERSVILLE

By _____

Title _____

Date _____

AUTHORIZATION TO DISBURSE #16-019

Pursuant to the terms of that certain LEASE AGREEMENT #16-019 dated October 17, 2016 between MUNICIPAL FINANCE CORPORATION (the "Corporation") as lessor and CITY OF FARMERSVILLE (the "District") as lessee, the undersigned hereby authorizes the Corporation (or the Assignee) to disburse \$_____ to _____ (the "Supplier") in consideration of delivery and acceptance of the leased Property. Attached herewith is the approved Supplier invoice in support of this request. Upon making this disbursement, the Corporation (or the Assignee) will have advanced the aggregate sum of \$_____ in Lease Proceeds.

CITY OF FARMERSVILLE

By _____

Title _____

Date: _____

APPROVED BY CORPORATION

By _____

Title _____

Date: _____

AUTHORIZATION TO REIMBURSE #16-019

Pursuant to the terms of that certain LEASE AGREEMENT #16-019 dated October 17, 2016 between MUNICIPAL FINANCE CORPORATION (the "Corporation") as lessor and CITY OF FARMERSVILLE (the "District") as lessee, the undersigned hereby requests the Corporation (or the Assignee) to reimburse \$ _____ to the District in consideration of delivery and acceptance of the leased Property. Attached herewith, in support of this request, is documentation including applicable Supplier invoices reconciling prior expenditures for the Property made by the the District. Upon making this disbursement, the Corporation (or the Assignee) will have advanced the aggregate sum of \$ _____ in Lease Proceeds.

CITY OF FARMERSVILLE

By _____

Title _____

Date: _____

APPROVED BY CORPORATION

By _____

Title _____

Date: _____

CERTIFICATE OF ACCEPTANCE #16-019

This Certificate of Acceptance is issued pursuant to the Lease Agreement #16-019 dated as of October 17, 2016 ("Lease") between the CITY OF FARMERSVILLE (the "District") as lessee and Municipal Finance Corporation (the "Corporation") as lessor. The District hereby acknowledges as of the date specified below, the receipt and acceptance of the Property described on Exhibit A to the Lease.

The District hereby certifies that the Property has been inspected and is now in the District's possession and is in good order and repair (subject to any undischarged vendor/contractor warranty obligations). The District further certifies that no event has occurred and is continuing which constitutes, or would constitute, an event of default but for any requirement of notice or lapse of time or both.

Property Acceptance Date: _____

IN WITNESS WHEREOF, the District's authorized agent confirms the Property acceptance date specified above by executing this Certificate of Acceptance.

CITY OF FARMERSVILLE

By _____

Title _____

CERTIFICATE OF THE DISTRICT #16-019

The undersigned, duly authorized officer of CITY OF FARMERSVILLE (the "District") as lessee under that Lease Agreement #16-019 dated as of October 17, 2016 (the "Lease") with Municipal Finance Corporation as lessor, hereby certifies as follows:

1. I have been duly authorized to execute and deliver, on behalf of the District, the Lease and related documents pursuant to a resolution adopted by the District's governing body, which resolution is in full force and effect and has not been amended, modified, supplemented or rescinded as of the date hereof.
2. The District has complied with all agreements and covenants and satisfied all conditions contemplated by the Lease on its part to be performed or satisfied on or before the date hereof.
3. The representations, warranties and covenants of the District contained in the Lease are true and correct in all material respects as of the date hereof, as if made on this date.
4. No litigation is pending or, to the best of my knowledge, threatened (either in state or federal courts) (a) to restrain or enjoin the issuance and delivery of the Lease or the collection of revenues to be used to meet the District's obligations under the Lease; (b) in any way contesting or affecting the authority for the execution or delivery of the Lease, or the validity of the Lease; (c) in any way contesting the existence or powers of the District, as such existence or powers in any way relate to the issuance of the Lease or the District's obligations under the Lease, or (d) could materially adversely affect the financial position of the District.
5. The Property being leased pursuant to the Lease is essential to the function of the District and is immediately needed by the District. Such need is neither temporary nor expected to diminish during the Lease term. The Property is expected to be used by the District for a period in excess of the Lease term.
6. The scheduled Rental Payments for the Property do not exceed the fair rental value of the Property.
7. The District's federal tax identification number is _____.

The meaning of the capitalized terms in this Certificate are the same as those provided in the Lease.

CITY OF FARMERSVILLE

By: _____

Title: _____

Date: _____

INCUMBENCY AND SIGNATURE CERTIFICATE

I do hereby certify that I am the duly appointed and acting Secretary/Clerk of the CITY OF FARMERSVILLE, a public agency validly existing under the Constitution and laws of the State of California (the "District"), and that, as of the date hereof, the individual named below is the duly appointed officer of the District holding the office set forth opposite his/her respective name. I further certify that (i) the signature set forth opposite his/her respective name and title is true and authentic and (ii) such officer has the authority on behalf of the District to enter into that certain Lease Agreement #16-019 dated as of October 17, 2016, between the District and Municipal Finance Corporation, and all documents relating thereto.

Name

Title

Signature

IN WITNESS WHEREOF, I have duly executed this certificate hereto this _____ day of _____, 2016.

Secretary/Clerk

SAMPLE ONLY
(PLEASE PREPARE ON COUNSEL'S LETTERHEAD
AND FORWARD 1 ORIGINAL TO ADDRESSEE)

MUNICIPAL FINANCE CORPORATION
2945 Townsgate Road, Suite 200
Westlake Village, CA 91361

RE: LEASE AGREEMENT #16-019 dated as of October 17, 2016 by and between MUNICIPAL FINANCE CORPORATION (the "Corporation") as lessor, and CITY OF FARMERSVILLE (the "District") as lessee.

Ladies and Gentlemen:

I have acted as counsel to the District with respect to the Lease Agreement described above (the "Lease") and in this capacity have reviewed a copy of the executed Lease and related documents or exhibits attached thereto. Based upon the examination of these and such other documents as I deem relevant, it is my opinion that:

1. The District is a public agency and political subdivision of the State of California (the "State"), duly organized, existing and operating under the Constitution and laws of the State.

2. The District is authorized and has the power under applicable law to enter into the Lease, and to carry out its obligations thereunder and the transactions contemplated thereby.

3. The Lease has been duly authorized, approved, executed and delivered by and on behalf of the District, and is a legal, valid and binding contract of the District enforceable in accordance with its terms, except to the extent limited by State and Federal laws affecting remedies and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditor's rights.

4. A resolution duly authorizing the execution and delivery of the Lease and related documents was duly adopted by the governing body of the District on _____ and such resolution has not been amended or repealed and remains in full force and effect.

MUNICIPAL FINANCE CORPORATION

RE: LEASE AGREEMENT #16-019 dated as of October 17, 2016 by and between MUNICIPAL FINANCE CORPORATION ("the Corporation"), as lessor, and CITY OF FARMERSVILLE ("the District") as lessee.

(Date)

Page 2

5. There is no litigation, action, suit or proceeding pending or, to the best of my knowledge after due inquiry, threatened before any court, administrative agency, arbitrator or governmental body that challenges the authority of the District to enter into the Lease or the ability of the District to perform its obligations under the Lease and the transactions contemplated thereby.

This opinion may be relied upon by Municipal Finance Corporation, its successors and assigns.

Dated: _____ Very truly yours,

Please type name and title under signature.

INSURANCE AUTHORIZATION LETTER

TO: _____

Attn: _____

RE: LEASE AGREEMENT #16-019 dated October 17, 2016 between the undersigned as the District, and MUNICIPAL FINANCE CORPORATION (the "Corporation") as lessor and CITIZENS BUSINESS BANK ("Assignee") as assignee of Lessor.

The Insurance Requirements listed below are required to cover the property described in Exhibit A to the Lease.

Evidence of insurance in the form of a binder or cover letter is acceptable until formal certificates can be issued. Mail this within five (5) working days to:

CITIZENS BUSINESS BANK
c/o Municipal Finance Corporation
2945 Townsgate Road, Suite 200
Westlake Village, CA 91361

- I. BODILY INJURY AND PROPERTY DAMAGE:
 - A. \$1,000,000 combined limits (primary plus umbrella) for Bodily Injury and Property Damage Coverage.
 - B. Endorsement naming Assignee as an Additional Insured.
 - C. Endorsement giving Assignee thirty (30) days written notice of any cancellation, reduction, or alteration of coverage.
 - D. Endorsement stating: "It is understood and agreed that this insurance is primary insurance insofar as it relates to any and all equipment leased from Assignee."

- II. PHYSICAL DAMAGE REQUIREMENTS:
 - A. All Risk Coverage for not less than the total cost of \$132,000.
 - B. Endorsement naming Assignee as Loss Payee.
 - C. Endorsement giving Assignee thirty (30) days written notice of any cancellation, reduction, or alteration of coverage.
 - D. Endorsement stating: "It is understood and agreed that this insurance is primary insurance insofar as it relates to any and all equipment leased from Assignee."

- III. RENTAL INTERRUPTION INSURANCE: (See Section 20 of Lease)
 - A. Coverage for abatement of rentals for a maximum amount of \$_____ equal to twelve (12) months rental payments due the Assignee.
 - B. Endorsement naming Assignee as loss payee.
 - C. Coverage may be provided as a separate policy or as a rider to the policy of casualty insurance on the Property.

The undersigned the District hereby authorizes you to provide the lessor and Assignee with Certificates and Endorsements per the above.

CITY OF FARMERSVILLE

By _____

Date _____

PREPARED BY MUNICIPAL FINANCE CORPORATION DATE: October 7, 2016
 PROPOSED LEASE PURCHASE FOR: City of Farmersville
 RE: Police vehicles
 NOTE: TERMS ARE BASED UPON LEASE BEING BANK QUALIFIED
 Purchase Option amount is exclusive of the rental payment due.
 Interest rate quote is valid for an acceptance within 15 days and lease
 funding within 60 days.

Payments: Quarterly in arrears 3 years 2.80%

PMT #	Due Date	Rent Payment	To Principal	To Interest	Purchase Option
1		\$11,506.90	\$10,582.90	924.00	124,452.53
2		11,506.90	10,656.98	849.92	113,529.12
3		11,506.90	10,731.58	775.32	102,529.25
4		11,506.90	10,806.70	700.20	91,452.39
5		11,506.90	10,882.35	624.55	80,297.98
6		11,506.90	10,958.52	548.38	69,065.49
7		11,506.90	11,035.23	471.67	57,754.38
8		11,506.90	11,112.48	394.42	46,364.09
9		11,506.90	11,190.27	316.63	34,894.06
10		11,506.90	11,268.60	238.30	23,343.75
11		11,506.90	11,347.48	159.42	11,712.58
12		11,506.90	11,426.91	79.99	0.00
TOTALS:		<u>\$138,082.80</u>	<u>\$132,000.00</u>	<u>\$6,082.80</u>	

Approved and agreed to:

City of Farmersville

By: _____

Title: _____

Date: _____

FARMERSVILLE POLICE DEPARTMENT

DATE: 09/20/2016
 TO: STEVE HUNTLEY, FINANCE DIRECTOR
 FROM: CHIEF MARIO KRSTIC
 RE: FY 16/17 BUDGET AMENDMENT

As you are aware, the Farmersville Police Department has been challenged with growing repair and maintenance costs on our fleet of marked police units. This is in large part due to the age of the units with some of them having been in service as long as 15 years. Taking into consideration the amount of spending on repair and maintenance in the previous budget cycle staff feels that the only way to reduce these costs significantly is to advance the next purchase designated in the Council approved vehicle purchase plan prior to the close of this fiscal year.

Initially, the vehicle purchase plan allowed for the purchase of the next three patrol units in FY 2018. However, staff now seeks to make this purchase via a lease purchase plan this year of the following vehicles:

• 2017 Dodge Charger – Black K-9 Unit	\$45,083.65
• 2017 Dodge Charger – Black Patrol Unit	\$43,176.22
• 2017 Dodge Charger – Black Patrol Unit	\$43,176.22
TOTAL:	\$131,436.09

Since the estimated delivery time is 120 to 150 days from now and there would likely be another 30 to 60 days of up fit work needed after that, the first payment for this purchase would take place close to the end of this fiscal year. This means that the first payment(s) would be due somewhere around the last quarter of Fiscal Year 2017.

This change would require a budget amendment of approximately \$11,000 to cover the first payment(s) payable from the General Fund.

Please see the attached quote for the detailed information regarding this purchase.



QUOTE
CITY OF FARMERSVILLE
2017 DODGE CHARGER POLICE CAR
BLACK / WHITE K-9 PATROL
8-30-2016

INCLUDES OPTIONS
29A DODGE CHARGER POLICE PKG
5.7 LITER V-8
HD CLOTH BUCKET SEATS W/CLOTH REAR
FULL SIZE SPAIR
8 KEYS / REMOTES
BLACK LEFT SPOT LIGHT
MATCHING RIGHT SPOT LIGHT
LED SPOT LAMPS
BLACK VINYL FLOOR COVERING
DEACTIVATE REAR DOORS/WINDOWS (CW6)
KEY ALIKE (FREQ 1)
POWER SEAT
POWER HEATED MIRRORS FOLD AWAY
REAR BACK UP SENSORS AND CAMERA
BLUETOOTH (STANDARD FOR 2015)
BLACK AND WHITE PAINT

SELLING PRICE	26,603.00
OPTIONS NEEDED AND NOT NEEDED	
UPFIT PER SPEC K-9	12,337.00
SUB TOTAL	38,940.00
SALES TAX 8.5%	3,309.90
MAX CARE SERVICE CONTRACT	2,525.00
5YR/100,000 MILE-0 DED	
CA TIRE TAX	8.75
DELIVER TO LEHR	300.00
TOTAL FOR EACH CAR	45,083.65

1221 S. Auto Center Dr. - Anaheim, CA 92806

Phone: 1 (714) 635-2340 Fax: 1 (714) 533-1553



NOTES;

- 1 NEW WARRANTY FOR THE 2016 MODELS ARE
3YR/36,000 ON THE CAR
5YR/100,000 ON THE POWER TRAIN**
- 2 DELIVERY TIME IS 120-150 DAYS ARO**

McPeek's Dodge of Anaheim
1221 AUTO CENTER DR
ANAHEIM, CA 9280
714-254-2613 OFC
714-254-2614 FAX
714-264-1867 CELL
KEVINB@MCPEEKDODGE.COM

1221 S. Auto Center Dr. - Anaheim, CA 92806
Phone: 1 (714) 635-2340 Fax: 1 (714) 533-1553



QUOTE
 CITY OF FARMERSVILLE
 2017 DODGE CHARGER POLICE CAR
 BLACK / WHITE PATROL
 8-30-2016

- INCLUDES OPTIONS
- 29A DODGE CHARGER POLICE PKG
- 5.7 LITER V-8
- HD CLOTH BUCKET SEATS W/CLOTH REAR
- FULL SIZE SPAIR
- 8 KEYS / REMOTES
- BLACK LEFT SPOT LIGHT
- MATCHING RIGHT SPOT LIGHT
- LED SPOT LAMPS
- BLACK VINYL FLOOR COVERING
- DEACTIVATE REAR DOORS/WINDOWS (CW6)
- KEY ALIKE (FREQ 1)
- POWER SEAT
- POWER HEATED MIRRORS FOLD AWAY
- REAR BACK UP SENSORS AND CAMERA
- BLUETOOTH (STANDARD FOR 2015)
- BLACK AND WHITE PAINT

SELLING PRICE	26,603.00
OPTIONS NEEDED AND NOT NEEDED	
UPFIT PER SPEC	10,579.00
SUB TOTAL	37,182.00
SALES TAX 8.5%	3,160.47
MAX CARE SERVICE CONTRACT	2,525.00
5YR/100,000 MILE-0 DED	
CA TIRE TAX	8.75
DELIVER TO LEHR	300.00
TOTAL FOR EACH CAR	43,176.22

SEE NEXT PAGE FOR UNIT TOTALS

1221 S. Auto Center Dr. - Anaheim, CA 92806

Phone: 1 (714) 635-2340 Fax: 1 (714) 533-1553



2016 DODGE CHARGER 29A POLICE PKG W/UPFIT

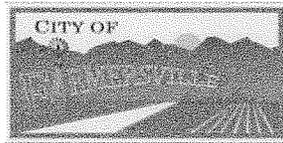
43,176.22 X 2 UNITS = 86,352.44

NOTES;

- 1 NEW WARRANTY FOR THE 2016 MODELS ARE
3YR/36,000 ON THE CAR
5YR/100,000 ON THE POWER TRAIN**
- 2 DELIVERY TIME IS 120-150 DAYS ARO**

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City Council

Staff Report

TO: Honorable Mayor and City Council
FROM: John Jansons, City Manager *JJ*
DATE: November 28, 2016
SUBJECT: City Council Travel and Training

RECOMMENDED ACTION:

It is respectfully recommended that the City Council consider the question of appropriate Council member travel at the City's expense and provide direction to staff in developing and administering a Council Travel Policy.

BACKGROUND and DISCUSSION:

It has been customary and common place over the years for the Mayor and members of the City Council to represent the City at a variety of city-related seminars, conferences, meetings and trainings.

While many events attended are considered local (within Tulare County, Hanford, Fresno or Bakersfield) some requiring travel and lodging outside of the area IE: Sacramento, San Francisco, Monterey Los Angeles or San Diego. For example, each year Councilmembers are encouraged to attend the CA League of Cities Annual Conference and Training as voting delegates or in pursuit of education, best practices and networking.

This year, the Council enjoyed a unique opportunity to attend the National American Public Works Association to accept the Project of the Year Award for Cameron Creek Water Restoration. Due to it being hosted in Minneapolis, Minnesota, Council attendance was a deviation from normal annual activities, but regarded as important and valuable to receive National recognition and publicize Farmersville to the economic development community.

Nonetheless, more routine travel in State to represent the City or advocate on its behalf, is certainly warranted given an agreement on reasonableness, return on investment and necessity. One such additional opportunity afforded the City is when a Councilmember is honored to be selected to serve as a regional or statewide representative.

So in addition to common practice of having two Councilmembers attend the CA League of Cities Conference and Annual Meeting and the post-election new Mayors and Councilmember

training every two years, the Council now has the opportunity to support Greg Gomez's (who was earlier this year appointed to the CA League of Cities Latino Caucus, representing Latino elected officials) by supporting his attendance at the Latino Caucus Annual Board meeting in San Francisco representing the interests of Farmersville and adjacent Central Valley communities with similar challenges and opportunities. The approximate cost of attending this Board meeting is estimated, not to exceed \$600-800 for travel and lodging.

COORDINATION & REVIEW:

This recommendation has been coordinated with the City Manager's Office and the Finance Department.

ALTERNATIVES:

As may be proposed by the City Council.

FISCAL IMPACT:

The City Council travel and training budget should be periodically amended to reflect the level of participation and advocacy anticipated each year and the availability of funds.

CONCLUSION:

It is respectfully recommended that the City Council consider the question of appropriate Councilmember travel at the City's expense and provide direction to staff in developing and administering a City Council Travel Policy.

Prepared By:



John Jansons
City Manager