

## CITY COUNCIL

Bruce T. Roundy, Mayor  
Jeffrey A. Tolley, Vice-Mayor  
Dennis Hoffman  
William "Billy" Irvin  
Chris Dobbs

## CITY OFFICIALS

Janet Wackerman  
City Clerk

Leticia Espinosa  
City Treasurer

# CITY OF ORLAND

INCORPORATED 1909

815 Fourth Street  
ORLAND, CALIFORNIA 95963  
Telephone (530) 865-1600  
Fax (530) 865-1632



## CITY MANAGER

Peter R. Carr

## AGENDA REGULAR MEETING, ORLAND CITY COUNCIL

**Monday, May 17, 2021**

**This meeting will be conducted pursuant to the provisions of the Governor's Executive Orders N-25-20 and N-29-20 which suspends certain requirements of the Ralph M. Brown Act.**

**In an effort to protect public health and prevent the spread of COVID-19, the City Council meeting will be teleconferenced using Zoom technology, and in compliance with current Executive Orders. All Councilmembers and City staff will be participating remotely.**

**The public may participate in the meeting by telephone or access the video via Zoom.**

**Please call: 1 (669) 900-9128 Webinar ID#: 846 1211 1361**

**Public comments are welcomed and encouraged in advance by emailing the City Clerk at [jwackerman@cityoforland.com](mailto:jwackerman@cityoforland.com) or by phone at (530) 865-1601 by 5:00 p.m. on the day of the meeting.**

**Closed Session – 5:30 PM**

**Regular Session – 6:00 PM**

### 1. CALL TO ORDER

#### A. Roll Call

B. Citizen comments on closed session items (to participate during this item call 1 (669) 900-9128 ID# 828 5991 9790 Passcode: 602416)

### 2. CLOSED SESSION – 5:30 PM

Pursuant to California Government Code Sections 54950 et seq., the City Council will hold a Closed Session. More specific information regarding this meeting is indicated below.

CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION. Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2): one potential case

### 3. RECONVENE TO REGULAR SESSION – 6:00 PM

#### A. Roll Call

### 4. REPORT FROM CLOSED SESSION

(If the Closed Session is not completed before 6:00 PM, it will resume immediately following the Regular Session).

### 5. PLEDGE OF ALLEGIANCE

## 6. ORAL AND WRITTEN COMMUNICATIONS

### A. Citizen Comments:

Members of the public wishing to address the Council on any item(s) not on the agenda may do so at this time when recognized by the Mayor. However, no formal action or discussion will be taken unless placed on a future agenda. Public is advised to limit discussion to one presentation per individual. While not required, please state your name and address for the record. Please direct your comments to the Mayor or Vice Mayor.  
**(Oral communications will be limited to three minutes).**

## 7. CONSENT CALENDAR

- A. Approve Warrant List (payable obligations).
- B. Approve City Council minutes for May 3, 2021.
- C. Approve City Council minutes for May 10, 2021.
- D. Receive and file minutes of Arts Commission of November 18, 2020.
- E. Receive and file minutes of Planning Commission of January 21, 2021.
- F. Fire Department Engine 27 Financing Documents.

**Comments from the public are welcomed. The Mayor will announce the opportunity for comments related to each action item on the agenda. Please limit your comments to three minutes per topic, and one comment per person per topic. Once the public comment period is closed, please allow the Council the opportunity to continue its consideration of the item without interruption.**

## 8. ADMINISTRATIVE BUSINESS

- A. Pension Cost Management: Bond Counsel (Discussion/Direction) – Jeffrey Small, Capital PFG
- B. Options for Use of American Rescue Plan Act (ARPA) Funds (Discussion/Direction) – Pete Carr, City Manager
- C. FY22 Budget: Water/Sewer Enterprise Fund Expenditures and Debt Schedule (Discussion/Direction) - Pete Carr, City Manager
- D. Proposed City Manager Employment Agreement – Gregory Einhorn, City Attorney
- E. Verbal update on Covid-19's impact on the local economy and City operations (Discussion/Direction) – Pete Carr, City Manager

## 9. CITY COUNCIL COMMUNICATIONS AND REPORTS

## 10. ADJOURN

**CERTIFICATION:** Pursuant to Government Code Section 54954.2(a), the agenda for this meeting was properly posted on May 13, 2021.

A complete agenda packet is available for public inspection during normal business hours at City Hall, 815 Fourth Street, in Orland or on the City's website at [www.cityoforland.com](http://www.cityoforland.com) where meeting minutes and audio recordings are also available.

In compliance with the Americans with Disabilities Act, the City of Orland will make available to members of the public any special assistance necessary to participate in this meeting. The public should contact the City Clerk's Office 865-1601 to make such a request. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

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**CITY MANAGER**

Peter R. Carr

## WARRANT LIST

May 17, 2021

Warrant	5/12/21	\$	214,059.72
Payroll Compensation	5/7/21	\$	105,583.15
Pers	5/4/21	\$	12,337.04
		\$	<u>331,979.91</u>

**APPROVED BY**

\_\_\_\_\_  
 Bruce T. Roundy, Mayor

\_\_\_\_\_  
 Jeffrey A. Tolley, Vice-Mayor

\_\_\_\_\_  
 Dennis Hoffman, Councilmember

\_\_\_\_\_  
 William "Billy" Irvin, Councilmember

\_\_\_\_\_  
 Chris Dobbs, Councilmember

REPORT.: May 12 21 Wednesday  
 RUN...: May 12 21 Time: 15:08  
 Run By.: Deysy Guerrero

CITY OF ORLAND  
 Cash Disbursement Detail Report  
 Check Listing for 05-21 thru 05-21 Bank Account.: 1001

PAGE: 001  
 ID #: PY-DP  
 CTL.: ORL

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
053629	05/12/21	3CO00	3CORE, INC	5500.00	20202	MEMBERSHIP RENEWAL 2021-22
053630	05/12/21	ABD00	ADVANCED DOCUMENT	308.43 300.20	INV44780 INV44782	BD-PLAN/COPIES CITY HALL/COPIES
			Check Total.....:	608.63		
053631	05/12/21	ALT01	Altec Industries Inc.	337.98	11634431	PW/FLEET EQUIPMENT #49
053632	05/12/21	ALT02	Alternative Energy System	994.15	11166-68	PW/LELY PARK WELL#7
053633	05/12/21	AME01	AMERIPRIDE UNIFORM SVCS	1021.70	4/30/2021	PW/UNIFORM CLEANING
053634	05/12/21	AND06	EDGAR ANDRADE	100.00	MAY 2021	Measure A UNIFORMS
053635	05/12/21	ATT06	A T & T	124.22	4/25-5/24	AC/PHONE LINE
053636	05/12/21	ATT10	AT&T MOBILITY (FIRST NET)	144.37	05/02/21	CELL PHONE USAGE
053637	05/12/21	BAL00	Knife River Construction	102686.34	NO.6FINAL	TEHAMA ST IMPROVEMENTS
053638	05/12/21	BBK00	BEST BEST & KRIEGER	495.00	904641	FINAL LAFCO HEARING SUNNY ANNEXATION
053639	05/12/21	BUT04	Butte College	1930.26	1997	PD/ACADEMY BASIC LE
053640	05/12/21	CAR02	CARDMEMBER SERVICE	458.64 1192.16 951.32 14.99 683.73	4/2021 4/27/21 2021/27/4 4/17/2021 APRIL2021	PD/ACROBAT PRO & FTO TRAINING LIB/SOFTWARE, BOOKS, OFFICE SUPPLIES MULTI DEPT/MISC SUPPLIES CLERK/ZOOM SUBSCRIPTION PW/SHOP SUPPLIES
			Check Total.....:	3300.84		
053641	05/12/21	CAR03	GRANT CARMON	100.00	MAY 2021	Measure A UNIFORMS
053642	05/12/21	CES00	Kyle Cessna	100.00	MAY 2021	Measure A UNIFORMS
053643	05/12/21	CHI12	Chico Immediate Care Medi	495.84	77560	PW-LIB/NEW HIRE SCREENING
053644	05/12/21	CIT01	City of Corning	3461.85	4QTR2020	FD MEASURE A/DISPATCH
053645	05/12/21	COM02	Comcast	404.70 289.78	4/22/21 5/3-6/2/	FD/INTERNET FOR FIREHOUSE MULTI-DEPTS/INTERNET CONNECTION
			Check Total.....:	694.48		
053646	05/12/21	COR00	CORNING LUMBER CO., INC.	1931.96	4/30/21	PW/MISC SUPPLIES, REC/POOL SUPPLIES
053647	05/12/21	COR02	Corning Chevrolet Buick	889.99	70245	FLEET-PD/PARTS
053648	05/12/21	DEP00	DEPT OF TRANSPORTATION	2714.41	SL210691	PW/SIGNAL AND LIGHTING MAINTENANCE
053649	05/12/21	EIN02	Gregory P. Einhorn	3850.00	14356	CA/PROFESSIONAL SERVICES
053650	05/12/21	EIS00	Employers Investigative S	52.00	50089249	LIB/PRE-EMPLOYMENT SERVICES
053651	05/12/21	FLE04	FLEMING, JOHN	1380.00	4/29-5/11	BD/INSPECTION SERVICES
053652	05/12/21	FLO03	JOSE FLORES	100.00	MAY 2021	MEASURE A UNIFORMS
053653	05/12/21	FUL00	KRISTOPHER FULLMORE	100.00	MAY 2021	Measure A UNIFORMS
053654	05/12/21	GAY01	GAYNOR TELESYSTEMS INC	290.00	328921/22	FD MEASURE A/SOFTWARE ASSURANCE
053655	05/12/21	GRA02	GRAINGER, INC.	251.62	4/21/21	PW/SHOP SUPPLIES
053656	05/12/21	GRO00	Ferguson Enterprises Inc	925.10	174	PW/WATER MATERIALS
053657	05/12/21	HAR06	TRAVIS HARRIS	368.38	5/7/21	FD MEASURE A/TRAINING, LODGING REIMBURSEMENT
053658	05/12/21	HEI01	VIRGIL HEISE	100.00	4/1/21	FD/JANITORIAL
053659	05/12/21	JEN00	Jensen Precast	895.54	466,255	PW/SEWER PARTS
053660	05/12/21	JOH02	SEAN JOHNSON	100.00	MAY 2021	Measure A UNIFORMS
053661	05/12/21	KEL01	KELLER SUPPLY COMPANY	921.77	2914	PW/MULTI-CHLOR WELLS
053662	05/12/21	L&T00	L & T TOWING, INC	530.00	45800	PD/TOWING SERVICES
053663	05/12/21	LAM03	ESTEBAN LAMAS	225.00	000230	REC/POOL PARTY REFUND
053664	05/12/21	LES00	LES SCHWAB	242.29	00457437	PW/TIRE SERVICE
053665	05/12/21	LIF00	Life Assist Inc.	313.33	4/30/21	FD MEASURE A/MEDIAL SUPPLIES

REPORT.: May 12 21 Wednesday  
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 Run By.: Deysy Guerrero

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Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
053666	05/12/21	LIN00	LINCOLN AQUATICS	3913.49	4/30/21	REC/CHEMCALS & EQUIPMENT
053667	05/12/21	LOM00	TYLER LOMBARD	435.00	APRIL2021	FD MEASURE A/HAZMAT FRA CLASS
053668	05/12/21	LOW00	Katherine Lowery	100.00	MAY 2021	Measure A UNIFORMS
053669	05/12/21	MAR17	MARTINDALE, RYAN	100.00	MAY 2021	MEASURE A UNIFORMS
053670	05/12/21	MAT04	MATSON & ISOM	1567.50	24635,865	BARRACUDA ANNUAL AGREEMENT
053671	05/12/21	MCM00	McMaster-Carr	59.20	282	PW/SHOP MATERIALS
053672	05/12/21	MEJ00	Lilia Mejia-Aparicio	100.00	MAY 2021	Measure A UNIFORMS
053673	05/12/21	MEZ01	Ulises Meza	200.00	100	AC/RESTORATION OF BRONZE SCULPTURE
053674	05/12/21	MIL07	MILLS, DARYL	100.00	MAY 2021	Measure A UNIFORMS
053675	05/12/21	MJB00	MJB WELDING SUPPLY, INC	9.50	4/30/2021	PW/CYLINDER RENTAL
053676	05/12/21	MME00	Municipal Maintenance Equ	315.10	123	SEWER/VACCON PARTS
053677	05/12/21	MOT00	Motorola Solutions Inc.	1604.89 19270.02	16145499 16146768	PD/14 MICROPHONES FOR RADIOS PD/REPEATER PROJECT FOR OPD & FIRE DEPT
Check Total.....:				20874.91		
053678	05/12/21	MTS00	Mt. Shasta Spring Water	52.99	4/30/21	FD/COFFEE
053679	05/12/21	MUN03	MUNICIPAL EMERGENCY SVCS	1132.34	1576550	FD MEASURE A/BOOTS, HELMET, NAME TAGS
053680	05/12/21	NAP00	NAPA AUTO PARTS	1305.90 2993.76	4/25/21 4/25/2021	FD MEASURE A/BATTERIES, STARTER, ALTERNATOR MULTI FLEET/SHOP MATERIALS
Check Total.....:				4299.66		
053681	05/12/21	NOR06	NOR-MAC INC.	128.43	9450,3672	PW/MM SEWER
053682	05/12/21	O'R00	O'Reilly Auto Inc	79.88	57417	FD/PARTS FOR ENGINE #20
053683	05/12/21	ORE00	O'REILLY AUTO	1211.74	4/28/2021	FLEET, PD&PW/PARTS, SHOP MATERIALS
053684	05/12/21	ORH00	ORLAND HARDWARE	21.54 69.60	464385 4/27/21	PD/ROPE FOR P&E/COVERS FOR VEHICLES FD MEASURE A/BATTERIES, TRASH BAGS
Check Total.....:				91.14		
053685	05/12/21	ORL15	Orland Saw & Mower	797.19	4/30/21	PW/STREETS & PARK SUPPLIES
053686	05/12/21	PGE00	PG&E	28901.76	APR12,21	MULTI-DEPTS/UTILITY USAGE
053687	05/12/21	PIN01	EDGAR PINEDO	100.00	MAY 2021	Measure A UNIFORMS
053688	05/12/21	PON00	PONCI'S WELDING	53.88	75982	PW/SHOP
053689	05/12/21	QUI02	QUILL CORP.	65.72 9.26	16150963 16317317	PD/DATA STICKS COUNCIL/NAME TAGS
Check Total.....:				74.98		
053690	05/12/21	ROE02	Thomas Roenspie	100.00	MAY 2021	Measure A UNIFORMS
053691	05/12/21	SEI00	ROY R SEILER, C.P.A	1098.80	30291	ACCOUNTING PROFESSIONAL SERVICE
053692	05/12/21	STO04	Jeffrey G. Dunn	247.00	4/30/21	PEST CONTROL SERVICES
053693	05/12/21	SUN02	SUNRISE ENVIRONMENTAL	197.70	120854	PW/SHOP SUPPLIES
053694	05/12/21	T&S01	T AND S DVBE, INC.	6618.33	770	STREETS/THERMOPLASTIC SUPPLIES
053695	05/12/21	TIA00	TIAA COMMERCIAL FINANCE,	246.93	8120020	PD/COPIER RENTAL
053696	05/12/21	TUR01	Rae Turnbull	45.00	4/12/21	AC/WEBSITE NEWSLETTER
053697	05/12/21	VAN00	VANTAGE POINT TRANSFER AG	1749.77	050721	DEF COMP PLAN 304591
053698	05/12/21	VLA00	RAYMOND J. VLACH	100.00	MAY 2021	Measure A UNIFORMS
053699	05/12/21	\C002	SUZANNE CONNIFF	120.60	000C10501	MQ CUSTOMER REFUND FOR CON0015
053700	05/12/21	\R002	MARK RUBIE	9.85	000C10501	MQ CUSTOMER REFUND FOR RUB0012
053560	04/16/21	DOM02	CONNIE DOMINGUEZ	50.00	3/9/21H	REC/SUMMER SOCCER REFUND FOR 2020
053561	04/28/21	STA03	STATE BOARD OF	350.00	4/16/21H	SUNNYS TRUCK WASH ANNEXATION/FILING FEE
053562	04/19/21	STA05	State Water Resources Con	150.00	OPER45337H	PW/RENEWAL CERT WATER DIST OPER

Cash Account Total.....: 214,059.72

Total Disbursements.....: 214,059.72

Cash Account Total.....: 00

REPORT.: 05/06/21  
 RUN....: 05/06/21 Time: 14:14  
 Run By.: Leticia Espinosa

CITY OF ORLAND  
 Warrant Register

Warrant Number	Date	Payroll Date	**Employee** Num Name	Actual Period	Fiscal Period	Gross Amount
14163	05/06/21	05/05/21	ALL00 ALLEN, JERRY G	05-21	11-21	636.84
14164	05/06/21	05/05/21	COM01 COMBS, DANIEL T	05-21	11-21	674.25
14165	05/06/21	05/05/21	FIC00 FICHTER, QUENTIN	05-21	11-21	1484.72
Z03746	05/06/21	05/05/21	ALV01 ALVA, MICAELA	05-21	11-21	1627.48
Z03747	05/06/21	05/05/21	AND00 ANDRADE, EDGAR	05-21	11-21	2565.32
Z03748	05/06/21	05/05/21	CAR02 CARMON, GRANT E	05-21	11-21	3460.30
Z03749	05/06/21	05/05/21	CAR03 CARR, PETER R	05-21	11-21	5057.58
Z03750	05/06/21	05/05/21	CES00 CESSNA, KYLE A	05-21	11-21	3587.43
Z03751	05/06/21	05/05/21	CHA01 CHANEY, JUSTIN	05-21	11-21	3583.85
Z03752	05/06/21	05/05/21	CRA00 CRANDALL, JEREMY	05-21	11-21	353.08
Z03753	05/06/21	05/05/21	ESP00 ESPINOSA, LETICIA	05-21	11-21	1782.38
Z03754	05/06/21	05/05/21	ESP02 ESPELAND, SAM	05-21	11-21	272.48
Z03755	05/06/21	05/05/21	FEN03 FENSKE, JOSEPH H	05-21	11-21	2854.74
Z03756	05/06/21	05/05/21	FLO00 FLORES, JOSE D	05-21	11-21	2762.24
Z03757	05/06/21	05/05/21	FUL00 FULLMORE, KRISTOPHER	05-21	11-21	3079.19
Z03758	05/06/21	05/05/21	GAM00 GAMBOA, YADIRA	05-21	11-21	338.88
Z03759	05/06/21	05/05/21	GUE01 GUERRERO, DEYSY D	05-21	11-21	2328.92
Z03760	05/06/21	05/05/21	GUE02 GUERRERO, JORGE	05-21	11-21	2046.24
Z03761	05/06/21	05/05/21	HAR00 ZOLLERHARRIS, TRAVIS	05-21	11-21	2198.17
Z03762	05/06/21	05/05/21	JOH01 JOHNSON, SEAN KARL	05-21	11-21	4328.26
Z03763	05/06/21	05/05/21	LED00 LEDAY, JESSICA E	05-21	11-21	3443.92
Z03764	05/06/21	05/05/21	LOW00 LOWERY, KATHERINE	05-21	11-21	2776.73
Z03765	05/06/21	05/05/21	MAR02 MARTINDALE, RYAN EUGENE	05-21	11-21	1504.84
Z03766	05/06/21	05/05/21	MEJ00 APARICIO, LILIA MEJIA	05-21	11-21	1933.16
Z03767	05/06/21	05/05/21	MEZ00 MEZA, JODY L	05-21	11-21	3419.26
Z03768	05/06/21	05/05/21	MIL00 MILLS, DARYL A	05-21	11-21	2917.67
Z03769	05/06/21	05/05/21	MYE00 MYERS, KEVIN	05-21	11-21	603.07
Z03770	05/06/21	05/05/21	PAI01 PAILLON, MICHAEL	05-21	11-21	2029.00
Z03771	05/06/21	05/05/21	PAN00 PANIAGUA, BLANCA A	05-21	11-21	639.92
Z03772	05/06/21	05/05/21	PEN01 PENDERGRASS, REBECCA A	05-21	11-21	2273.39
Z03773	05/06/21	05/05/21	PER00 PEREZ, MARGARITA T	05-21	11-21	1843.83
Z03774	05/06/21	05/05/21	PIN00 PINEDO, EDGAR ESTEBAN	05-21	11-21	2421.11
Z03775	05/06/21	05/05/21	POR00 PORRAS, ESTEL	05-21	11-21	1711.82
Z03776	05/06/21	05/05/21	PUN00 PUNZO, GUILLERMO	05-21	11-21	1885.23
Z03777	05/06/21	05/05/21	RIC01 RICE, GERALD W	05-21	11-21	1990.85
Z03778	05/06/21	05/05/21	ROD00 RODRIGUES, ANTHONY	05-21	11-21	3347.75
Z03779	05/06/21	05/05/21	ROE00 ROENSPIE, THOMAS LUKE	05-21	11-21	3488.91
Z03780	05/06/21	05/05/21	ROM00 ROMERO, ARNULFO	05-21	11-21	2632.56
Z03781	05/06/21	05/05/21	SCH03 SCHMITKE, JENNIFER	05-21	11-21	1700.01
Z03782	05/06/21	05/05/21	STE01 STEWART, ROY E	05-21	11-21	2575.79
Z03783	05/06/21	05/05/21	SUA02 SUAREZ, BRYAN E	05-21	11-21	1874.91
Z03784	05/06/21	05/05/21	SWI00 SWINHART, ROBERT	05-21	11-21	1636.90
Z03785	05/06/21	05/05/21	VAL00 VALENZUELA , BRENDA	05-21	11-21	258.23
Z03786	05/06/21	05/05/21	VLA00 VLACH, RAYMOND JOSEPH	05-21	11-21	4468.46
Z03787	05/06/21	05/05/21	VON00 VONASEK, EDWARD J	05-21	11-21	4183.30
Z03788	05/06/21	05/05/21	WAC00 WACKERMAN, JANET	05-21	11-21	3000.18
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						105583.15
						-----

**MINUTES OF THE ORLAND CITY COUNCIL**  
**REGULAR MEETING HELD MAY 3, 2021**

**CALL TO ORDER**

Meeting called to order by Mayor Roundy at 5:20 p.m. at Carnegie Center.

**ROLL CALL**

Councilmembers present:	Councilmembers Billy Irvin, Dennis Hoffman, Vice Mayor Jeffrey A. Tolley and Mayor Bruce T. Roundy
Councilmembers absent:	None
Councilmember present via teleconference:	Councilmember Dobbs
Staff present via teleconference:	City Attorney Greg Einhorn
Staff present:	City Manager Pete Carr

Mayor Roundy asked for public comments. With none received, the meeting was adjourned to Closed Session and City Manager Carr was dismissed from meeting.

Closed session was held regarding public employee appointment, employment evaluation of performance, dismissal or release pursuant to Government Code Section 54957, City Manager. Also, conference with labor negotiator pursuant to Government Code Section 54957.6, unrepresented employee: City Manager and designated negotiator: City Attorney

**RECONVENE TO REGULAR SESSION – 6:28 p.m.****ROLL CALL**

Councilmembers present via teleconference:	Councilmembers Dennis Hoffman, Billy Irvin, Chris Dobbs, Vice Mayor Jeffrey A. Tolley and Mayor Bruce T. Roundy
Councilmembers absent:	None
Staff present via teleconference:	City Manager Pete Carr, City Attorney Greg Einhorn, Public Works Director Ed Vonasek, Accounting Manager Rebecca Pendergrass, Recreation Director Joe Fenske and City Clerk/Administrative Services Manager Janet Wackerman

**REPORT FROM CLOSED SESSION**

Mayor Roundy stated direction was given to the designated negotiator.

Meeting opened with the pledge of allegiance.

**ORAL AND WRITTEN COMMUNICATIONS**

Citizen Comments: None

**CONSENT CALENDAR**

- A. Approve Warrant List (payable obligations).
- B. Approve City Council minutes for April 19, 2021.
- C. Professional Services Agreement – 4Leaf Inc.

Action: Councilmember Hoffman moved, seconded by Councilmember Irvin to approve the consent calendar. The motion carried 5-0 by the following roll call vote:

AYES:	Councilmembers Hoffman, Irvin and Dobbs, Vice Mayor Tolley, and Mayor Roundy
NOES:	None
ABSENT:	None
ABSTAIN:	None

## ADMINISTRATIVE BUSINESS

### A. Pension Cost Management Advising (Discussion/Direction) – Jeffrey Small, Capitol PFG

Mr. Carr stated the City Council will consider the process, size and shape of a possible pension obligation bond and whether to designate a bond counsel. Mr. Small was present to advise the Council on options for a pension bond. He presented several options for funding the city's CalPERS liability ranging from 95% to 85% and at a pro rata or escalating debt service.

Mayor Roundy suggested the present low interest rates should be taken advantage of and further discussion held in a workshop setting.

Action: Councilmember Dobbs moved, seconded by Councilmember Hoffman to adopt Resolution 2021-06, authorizing the commencement of proceedings to issue a pension obligation bond not to exceed seven (7) million dollars and authorize the City Manager to sign the agreement with Quint & Thimmig to serve as bond counsel for the issuance of the pension obligation bond. The motion carried 5-0 by the following roll call vote:

AYES:	Councilmembers Dobbs, Hoffman and Irvin, Vice Mayor Tolley and Mayor Roundy
NOES:	None
ABSENT:	None
ABSTAIN:	None

### B. Utilization of Covid Relief Funding (Discussion/Direction) – Peter Carr, City Manager

Mr. Carr stated the City Council needs to determine its intended use of Covid relief funds: CV2, CV3 and American Rescue Plan Act (ARPA). He added that generally, CV2 and CV3 funds may be used for economic development where there is a demonstrable measurement of job creation, or for public services addressing needs brought on by Covid (such as reducing exposure to virus). The use of CV2 and CV3 funds should be finalized by resolution and agreement with Glenn County.

To answer the question on whether funds could be moved from one activity to another, HCD staff was proposed this question and they stated jurisdictions could transfer funds between activities by amending their agreements. City Clerk Wackerman stated there was no public comment received on the matter.

Action: Councilmember Hoffman moved, seconded by Vice Mayor Tolley to adopt Resolution 2021-07 approving submission of application for funding for public facilities improvements from CDBG CV2 and CV3. The motion carried 5-0 by the following roll call vote:

AYES:	Councilmember Hoffman, Vice Mayor Tolley, Councilmembers Dobbs and Irvin, Mayor Roundy
NOES:	None
ABSENT:	None
ABSTAIN:	None

Action: Vice Mayor Tolley moved, seconded by Councilmember Dobbs to adopt Resolution 2021-08 to add additional funds to CDBG CV1 for microenterprise assistance. The motion carried 5-0 by the following roll call vote:

AYES:	Councilmembers Hoffman and Dobbs, Vice Mayor Tolley, Councilmember Irvin and Mayor Roundy
NOES:	None
ABSENT:	None
ABSTAIN:	None

Action: Vice Mayor Tolley moved, seconded by Councilmember Dobbs to adopt the Memorandum of Agreement with the County of Glenn to implement the CV2 and 3 Business Assistance Grants. The motion carried 5-0 by the following roll call vote:

AYES: Councilmembers Dobbs, Vice Mayor Tolley, Councilmembers Hoffman and Irvin, Mayor Roundy

NOES: None

ABSENT: None

ABSTAIN: None

**C. FY 22 Budget: General Fund Expenditures, Measure A and CIP (Discussion/Direction) – Pete Carr, City Manager**

Mr. Carr presented an estimate of anticipated expenditures for the General Fund and Measure A and provided the Capital Improvement Planning schedules.

Mayor Roundy asked how urgent of a need was the concrete batch system. Mr. Vonasek stated there are sufficient funds in the water/sewer account for this purchase. Mr. Carr added the system would help the public works crew to be more efficient and productive.

Councilmember Dobbs asked if the Crystal Geyser wells have been looked into for the city's system. Mr. Vonasek stated the system needs something on the west side at this time. Councilmember Dobbs asked if it could be used as a test well or monitoring site. Mr. Vonasek stated it would serve well as a recreation facility at present and may be needed for future water resources development.

No other comments were received.

**D. Resolution Listing 21/22 Projects Funded by SB1: The Road Repair and Recovery Accountability Act (RMRA) (Discussion/Direction) – Ed Vonasek, Public Works Director**

Mr. Vonasek stated the city must develop a list of all projects proposed to receive funding from RMRA, every year. Approximately \$162,944 will be received in the next fiscal year funding cycle. These monies will be used to supplement funds used to repair commercial routes in the Fourth/Fifth Street downtown area, reconstruct a portion of Shasta Street from Papst Avenue to Sixth Street and develop plans for the rehabilitation of Road M ½ from State Route 32 to Bryant Avenue.

Action: Councilmember Irvin moved, seconded by Councilmember Dobbs to adopt Resolution 2021-09, authorizing the City Manager or his designee to submit to the California Transportation Commission the City's 21/22 SB1 project list. The motion carried 5-0 by the following roll call vote:

AYES: Councilmembers Irvin, Dobbs and Hoffman, Vice Mayor Tolley, and Mayor Roundy

NOES: None

ABSENT: None

ABSTAIN: None

**E. Verbal update on Covid-19's impact on the local economy and City operations (Discussion/Direction) – Pete Carr, City Manager**

Mr. Carr reported there were zero positive cases over the weekend, eight active cases and zero hospitalizations.

**CITY COUNCIL COMMUNICATIONS AND REPORTS**

Councilmember Hoffman:

- Nothing to report.

Vice Mayor Tolley:

- Attended Chamber of Commerce meeting. Orland has become a boutique shopping town. Business owners like it when city officials attend their ribbon cutting events.
- Attended Code Enforcement Hearing.
- Attended Recreation Commission meeting. There is a potential for funding from the Tony Hawke Foundation for a skate park. He visited the skate park in Corning and thinks the communal setting this park has would be a good route for Orland.

Councilmember Irvin:

- Attended Waste Management Regional meeting.

Councilmember Dobbs:

- Nothing to report.

Mayor Roundy:

- Attended Arts Commission meeting. Their loss in revenue sales due to the Gallery not holding events should be included in Covid funding discussion. The first show of 2021 will be held in June.
- Food pantry services have decreased in Glenn County.

Meeting adjourned at 8:48 p.m.

Janet Wackerman, City Clerk

Bruce T. Roundy, Mayor

**MINUTES OF THE ORLAND CITY COUNCIL**  
**SPECIAL MEETING HELD MAY 10, 2021**

**CALL TO ORDER**

Meeting called to order by Mayor Roundy at 6:07 p.m. at Carnegie Center.

**ROLL CALL**

Councilmembers present:	Councilmembers Billy Irvin, Chris Dobbs, Vice Mayor Jeffrey A. Tolley and Mayor Bruce T. Roundy
Councilmember present via teleconference:	Councilmember Dennis Hoffman
Councilmembers absent:	None
Staff present:	City Manager Pete Carr and City Attorney Greg Einhorn

Mayor Roundy asked for public comments. With none received, the meeting was adjourned to Closed Session at 6:08 p.m.

Closed session was held with labor negotiator pursuant to Government Code Section 54957.6, unrepresented employee: City Manager and designated negotiator: City Attorney.

**RECONVENE TO REGULAR SESSION**

**ROLL CALL**

Councilmembers present:	Councilmembers Billy Irvin, Chris Dobbs, Vice Mayor Jeffrey A. Tolley and Mayor Bruce T. Roundy
Councilmember present via teleconference:	Councilmember Dennis Hoffman
Councilmembers absent:	None
Staff present:	City Manager Pete Carr and City Attorney Greg Einhorn

**REPORT FROM CLOSED SESSION**

Mayor Roundy stated direction was given.

**ADJOURNMENT – 6:53 P.M.**

Gregory Einhorn, City Attorney

Bruce T. Roundy, Mayor

**CITY OF ORLAND ARTS COMMISSION  
MINUTES**

Wednesday, November 18, 2020

The Wednesday, November 21, 2020 meeting of the Orland Arts Commission was called to order at 7:04 PM by Chairman Rae Turnbull at the Orland Art Center. Commissioners present were: Steve and Jill Elliott, Mason Greeley, Jim Scribner, Paddy Turnbull and Council Liaison Bruce Roundy. Absent: Mary Rose Kennedy. The minutes of the October 21, 2020 meeting were approved as emailed with no corrections or additions (motion made by Jim Scribner and seconded by Steve Elliott - motion carried). The October 20, 2020 through November 11, 2020 Financial Report from Rebecca Pendergrass was reviewed and approved with no corrections or additions (motion made by Jim Scribner and seconded by Steve Elliott - motion carried).

A request was made by commissioner Paddy Turnbull to add a second item to the “discussion or action” portion of the agenda (motion made by Jill Elliott, seconded by Mason Greeley – motion carried).

**COMMISSIONER REPORTS:**

1. Commissioner Rae Turnbull reported that sales for the current show are \$1,583.00.
2. Commissioner Rae Turnbull reported that the lighting of the city tree for the Christmas season, a project funded by the George Turnbull Memorial Fund, proceeded as planned. The tree was lit on November 14<sup>th</sup>.
3. Commissioner Mary Rose Kennedy was contacted by phone at the beginning of this meeting and reported that community member, Joanne Overton, arranged with the Rev. Antonio Racela at St. Dominic’s Catholic Church to ring the church bells at 5PM on 11/28/20 to honor the traditional date of the city’s annual Christmas tree lighting ceremony which was cancelled due to the pandemic.
4. Council Liaison Bruce Roundy reported that he contacted Arnie Romero, the foreman of Public Works, to discuss maintenance of the city’s art projects. Bruce requested that the city sign in Centennial Park and the stucco base for the bronze sculpture at the corner of Fourth and Walker streets be added to the list of items to be power-washed annually in addition to the gazebo in Library park; Arnie confirmed he would be glad to add the additional items. Commissioner Jim Scribner is still waiting for a quote to repaint the lamp posts in Library Park.

#### ITEMS FOR DISCUSSION OR ACTION:

1. Commissioner Mason Greeley reported on his research and conclusions concerning possible security systems suitable for our needs at the Orland Art Center Gallery and shared that further research is still required. Mason will report back to the commission at the next meeting in January 2021.
2. Commissioner Paddy Turnbull made a recommendation to purchase an art quilt piece from the current show that would become part of the Gallery's permanent onsite collection. A motion was made by commissioner Steve Elliott and seconded by commissioner Mason Greeley to purchase the art quilt by Gyda Buelna entitled, Art Deco Bouquet for \$350.00 and include it in the Gallery's permanent onsite collection - motion carried.

There being no further business, the meeting adjourned at 8:09 PM.

The next regularly scheduled meeting is January 20, 2021

Respectfully submitted by Jill Elliott and Rae Turnbull

PLANNING COMMISSION MINUTES  
January 21, 2021

1. Call to Order – The meeting was called to order by Chairperson Lazorko at 5:33 PM
2. Pledge of Allegiance – led by Commissioner Elliott
3. Roll Call: Commissioners present via teleconference – Wade Elliott, Stephen Nordbye,  
Sharon Lazorko, Mike Yalow  
(*joined at 5:36PM*) and Doris Vickers  
(*joined at 5:48PM*)  
Commissioners absent - None  
Councilmembers present - Dennis Hoffman and Mayor Bruce  
Roundy  
Also present via teleconference - Scott Friend and Janet Wackerman

4. ORAL AND WRITTEN COMMUNICATIONS

Citizen Comments – None

(*Commissioner Yalow joined*)

5. ELECTION OF COMMISSION CHAIR AND VICE CHAIR FOR 2021

Mr. Friend thanked Chairperson Lazorko for her services and asked for nominations for Chair.

Upon motion made by Commissioner Lazorko and seconded by Commissioner Nordbye, Commissioner Elliott was elected Chairperson for 2021. The motion carried unanimously by voice vote, 4-0 with Commissioner Vickers absent.

Upon motion made by Chairman Elliott and seconded by Commissioner Nordbye, Commissioner Lazorko was elected Vice-Chairperson for 2021. The motion carried unanimously by voice vote, 4-0 with Commissioner Vickers absent.

6. APPROVAL OF THE MINUTES FROM December 21, 2020

Upon motion made by Commissioner Lazorko and seconded by Commissioner Nordbye, the minutes of December 21, 2020 were approved as presented. The motion carried unanimously by voice vote, 4-0 with Commissioner Vickers absent.

7. ITEMS FOR DISCUSSION OR ACTION

A. 2021 Commission work priorities

Mr. Friend stated Commissioners could offer suggestions on what priorities City Council could work on related to planning.

Chairperson Elliott suggested identifying specific types of development to actively pursue, specifically for hospitality. Mr. Friend stated it can be noted to the City Manager, but this priority falls under the role of the Economic Development Commission.

## 8. STAFF REPORT

*(Commissioner Vickers joined)*

### A. Planning, Building & Code Enforcement Departments Annual Review

Mr. Friend presented a slide show overview of operations of the Planning, Building and Code Enforcement Departments for 2020. He noted the Planning Department activities include the Sunny Truck Wash annexation, Recreation Trail – Phase II, Co. Rd MM sewer environmental analysis, Development Impact Fee Justification and Planning User Fee studies, Linwood Phase II canal undergrounding, rezoning of Commerce Plaza parcels and NEPA clearance for pedestrian countdown project. The Local Early Action Planning grant/SB2 grants will allow funding for updating the Housing Element, design standards, mixed use zoning, Safety Element update and ADU fees reduction. Environmental clearances have been prepared for the informational handouts and website updates are accomplished along with regional and non-local project engagements.

Looking ahead to 2021, he noted there has been interest in developing Linwood Phase II and Orland Park Phase 1 for single family homes. Additionally, an affordable family project and a senior housing project are to be developed along with additional units at Fairview Village. Upcoming non-residential development includes resolution of the Westside #2 annexation, Simplot Grower Solutions project, and a new Butte College campus. The Housing Element update, continued changes to Accessory Dwelling Unit laws and Safety Element updates will also be accomplished in the upcoming year.

The Building Department, which consists of one contract and one city staff member, continues to use the IWorQs system to process applications and receive plan submittals. Most applications and plans are received on-line. A total of 22 commercial and 239 residential permits were issued. Total permit valuation was \$4.2million and a total of \$76K was collected in fees for the department. Fifty-two new single-family dwellings were completed, 33 of which were in the Benson Estates Subdivision. Two new single-family residences and one multi-unit residence permits were issued. There was a total of 93 code enforcement cases, with 90% of the cases closed after the Initial Notice was sent to property owners and prior to a hearing. A majority of the cases are for trash and debris.

Commissioners thanked Mr. Friend for the updates.

Commissioner Nordbye stated he would like to get caught up on what the Planning Commission is currently doing. Mr. Friend offered to set up a meeting when he is on-site.

Chairperson Elliott asked if State level regulations apply until the City adopts ADU and JADU standards? Mr. Friend stated the City has adopted those standards. Chairperson Elliott asked if there could be up to three dwellings on a property if it meets setbacks? Mr. Friend stated yes, a JADU, ADU and single-family could ultimately be placed on one parcel.

B. Department Activity Report  
Mr. Friend reported:

- Four Administrative Use Permits, three for home-based businesses, have been submitted so far in January;
- Butte College project has expressed to staff their desire to break ground in the Spring;
- The municipal code amendment for fencing standards will be put before City Council at their next meeting;
- The Housing Element RFP is being targeted to be released either next week or by the following Friday;
- Staff is continuing to receive inquiries from interested developers for the Linwood phase II and Penbrook projects.

9. COMMISSIONER REPORTS -

Commissioner Lazorko asked what the status of the Sunny Truck Wash was at this point. Mr. Friend stated the action of LAFCO was appealed and continued for thirty days. City has hired outside counsel to work out an amenable solution for all parties. The matter will return to LAFCO at their February meeting. He passed along, to City Council, City Manager and LAFCO, the Commission's concern about slowing the applicant down and the extra costs involved.

Chairperson Elliott stated Westhaven Assisted Living has not had any residents testing positive for COVID since December 1. A total of 92 individuals associated with Westhaven have received their first dose of the vaccine and 23 have received the second dose. He encouraged all to obtain the vaccine.

Chairperson Elliott welcomed Stephen Nordbye as the newest Commissioner and asked him to introduce himself.

Commissioner Nordbye stated he grew up in Orland but lived in Seattle, Washington for 20 years. Prior to moving to Seattle, he was on the Safety Commission with Commissioner Vickers. He is presently the service manager for Hibdon Auto Sales.

10. ADJOURNMENT – 6:19 PM

Respectfully submitted,

Janet Wackerman, Secretary

Wade Elliott, Chairperson

## **CITY OF ORLAND**

### **CITY COUNCIL CONSENT AGENDA ITEM #: 7.F.**

**MEETING DATE May 17, 2021**

**TO:** Honorable Mayor and Council  
**FROM:** Justin Chaney, Fire Chief  
**SUBJECT:** Purchase Order for Replacement Engine 27 (Action)

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Request for authorization to replace Engine 25 with new Engine 27 in FY22/23

#### **BACKGROUND**

As discussed at the April 19<sup>th</sup> meeting, the current fleet of Orland City Engines are Ladder 26, Engine 28, Engine 25, Rescue 29 and Chiefs Truck 20. Engine 25 was set to be replaced back in 2017 but was passed over for the purchase of the new ladder truck. The truck reserve account was then structured to make the purchase of the replacement engine in 5 years so it could be paid off upon receiving the engine. That time in the calendar is coming and the estimated engine build time is at 15 months from the time we have a purchase order agreement. The fire department has formed an engine build committee and is pursuing final bids on the engine, meanwhile needs to get a purchase order agreement in place to take advantage of current pricing. Council directed City staff to proceed.

#### **DISCUSSION**

We are coming to the City Council to ask for permission to start the preliminary phase of building the next scheduled engine for the City fire department. We are scheduled to build this engine in the 22/23 fiscal budget and would like to get started on the project now as the build time is estimated at 15 months.

After speaking with the salesmen from Pierce it was found out that they are looking at cost going up possibly as high as 10 % this coming year. The option was presented that we could enter into a lease agreement now which would pay for the engine 100% after we have our finished build price and we would not have to pay anything on the lease until the year of completion which would be the scheduled year in the budget of FY22/23. By making this lease payment up front we also get a discount on the engine of a prepayment discount estimated at around \$30,000. By locking in the cost of the engine now we will save an additional \$70,000 plus more by not paying on the projected increases.

We have several options as far as length of the lease from one year up 5 years. We will have the necessary funds in the truck reserve account to pay for this engine in the 22/23 year or we can extend the payment over three years which would not deplete the account down to zero this coming year.

This new engine will also eliminate the need to have a rescue truck in the future. This engine will be able to carry all supplies and equipment that 29 does now. This will also create the saving of not making the rescue truck purchase in the future which today is estimated at approximately \$180,000. The rescue truck was scheduled for replacement several years ago but was passed on for the build of the future fire engine.

Attachments (4) :

1. Golden State Fire Apparatus Proposal (based on Red Bluff truck specs.- for reference as an example pages 1-8 of 124 and schematic)
2. Community Leasing Partners lease proposal based on Red Bluff engine specs.
3. City Attorney Legal Opinion on Master Equipment Lease Purchase Agreement.
4. Current replacement schedule updated March 2021 for Orland City Fire apparatus.

## **RECOMMENDATION**

City Council approval to start the process of specification, bidding and building the replacement engine through Golden State Fire Apparatus for delivery in the FY 22/23

## **FISCAL IMPACT OF RECOMMENDATION:**

There will be no cost to the FY20/21 or FY21/22 budget. The first payment will not be until the FY22/23. The City may decide in 2022 to pay the entire balance at once or finance over three years. The City is also seeking USDA Community Facilities grant cost sharing.



www.goldenstatefire.com  
 7400 Reese Road  
 Sacramento, CA 95828  
 Office 916.330.1638  
 Fax 916.330.1649


#### PROPOSAL PREPARED FOR:

**Orland Fire Department**  
 810 5<sup>th</sup> Street  
 Orland, CA 95963

Submitted Date:	May 5, 2021
Proposal Number:	50505-21
Expiration Date:	May 31, 2021
Sales Consultant:	Jon Bauer

Pursuant to this proposal (the "Proposal"), Golden State Fire Apparatus, Inc. ("GSFA") hereby proposes to furnish the **ORLAND FIRE DEPARTMENT** ("Customer"), the following fire apparatus and equipment, hereinafter called the "Product":

#### 100% PRE-PAYMENT AT TIME OF ORDER

#	Description	Unit Price
A	One (1) Pierce Manufacturing, Inc., Enforcer 1500 gpm PUC Type 1 Engine	767,095.58
B	Discount For 100% Pre-Payment	(26,678.95)
C	Discount For NPPGov LOC Consortium Purchase	(14,517.97)
		
SUB-TOTAL		725,898.66
7.75% State Sales Tax		56,257.15
CA Tire Fee		10.50
<b>GRAND TOTAL</b>		<b>782,166.30</b>

#### PROPOSAL SUMMARY

This Proposal includes the following items in accordance with the specifications hereto attached:

- Fire apparatus and equipment
- 100% performance bond
- Factory pre-construction conference
- Factory final inspection
- Pre-delivery inspection/services by GSFA
- Delivery to GSFA service center in Sacramento
- Final delivery from service center to Customer
- Demonstration and familiarization of the Product
- California Tire Fee

#### PRODUCT COMPLETION

The Product shall be built in accordance with the specifications hereto attached within approximately **380 TO 415 calendar days** after Customer's acceptance of this Proposal, subject to the force majeure provisions contained in the Purchase Agreement (defined below). The Purchase Agreement shall further describe the delivery schedule for the Product.

#### DELIVERY LOCATION

Product shall be shipped in accordance with the specifications hereto attached and be delivered to you at **ORLAND, CALIFORNIA**. Prior to final delivery of the Product to Customer, Customer agrees to provide proof of liability and physical damage insurance to GSFA. GSFA shall not deliver the Product until such proof of insurance is provided.

## ACCEPTING THIS PROPOSAL

In the event Customer wishes to purchase the Product described in this Proposal and the attached specifications, then, prior to the expiration date listed on page 2 of this Proposal, Customer shall sign and return this Proposal. Thereafter, GSFA and Customer will endeavor to enter into a purchase agreement incorporating this Proposal and including additional terms (a "Purchase Agreement"). If Customer returns a signed copy of this Proposal alone, GSFA will send Customer its form of Purchase Agreement for Customer's review and signature. If Customer desires to use its standard form of purchase order as the Purchase Agreement, then Customer should return a signed copy of this Proposal along with a copy of such purchase order. **All purchase orders shall be made out to GSFA.** GSFA will review such purchase order and contact the Customer regarding any required revisions. Only upon a full execution of a Purchase Agreement shall GSFA and Customer be obligated to purchase and sell the Product set forth in this Proposal.

## TERMS AND CONDITIONS

The following Terms and Conditions are hereby made part of this Proposal:

**1. Payment Terms, Payment within 15 Calendar Days of Contract Signing** – Customer shall pay the Grand Total within 15 Calendar Days of Contract Signing to GSFA. It is the responsibility of the Customer to have full payment ready within this timeframe. If payment is late or delivery is delayed pending payment, a daily finance charge of \$150.00 and a daily storage fee of \$50.00 may apply until such payment is received. Due to insurance liability, the Product(s) will not be left at the Customer's location without full acceptance and payment or prior written agreement between the Customer and GSFA.

**2. Multiple Unit Purchase** – If the Purchase Price includes pricing for multiple units, the price stated on this Proposal shall only be valid if the quantity of Products being proposed are purchased at the same time, pursuant to the same Purchase Agreement.

**3. Stock / Demo Units** – If applicable, any stock/demo units, including those identified by this Proposal, are available for sale on an as-is, first-come and first served-basis. Regardless of this Proposal, the first Customer to enter into a Purchase Agreement identifying any such stock/demo units shall obtain said units.

**4. Order Changes** – The Customer may request that GSFA incorporate a change to the Product or the Specifications for the Product by delivering a written change order to GSFA, which shall include a description of the proposed change sufficient to permit GSFA to evaluate the feasibility of such change (a "Change Order"). GSFA will provide Customer a written response (a "Response") stating (i) whether GSFA will accommodate such Change Order (which GSFA may decide in its sole and absolute discretion) and (ii) the terms of the modification to the order, including any increase or decrease in the Purchase Price resulting from such Change Order, and any effect on production scheduling or Delivery resulting from such Change Order. Customer shall have seven (7) days after receipt of the Response to notify GSFA as to whether Customer desires to make the changes GSFA has approved in the Response. In the event Customer counter-signs GSFA's Response, Customer shall pay the increase (or be refunded the decrease) in the Purchase Price prior to final delivery to Customer location.

**5. Force Majeure** – GSFA shall not be responsible nor deemed to be in default on account of delays in performance due to causes which are beyond GSFA's and manufacturer's control and which make GSFA's performance impracticable, including but not limited to wars, insurrections, strikes, riots, fires, storms, floods, other acts of nature, explosions, earthquakes, accidents, any act of government, delays in transportation, inability to obtain necessary labor supplies or manufacturing facilities, allocation regulations or orders affecting materials, equipment, facilities or completed products, failure to obtain any required license or certificates, acts of God or the public enemy or terrorism, failure of transportation, epidemics, quarantine restrictions, failure of vendors (due to causes similar to those within the scope of this clause) to perform their contracts or labor troubles causing cessation, slowdown, or interruption of work.

**6. Cancellation/Termination** – In the event Customer and GSFA enter into a Purchase Agreement and Customer thereafter cancels or terminates the Purchase Agreement, GSFA will charge a cancellation fee as follows: (a) 10% of the Purchase Price after order is accepted and entered by GSFA; (b) 20% of the Purchase Price after completion of the pre-construction phase of the order process; and (c) 50% of the Purchase Price after the requisition of any materials or commencement of any manufacturing or assembly of the Product by either GSFA or the manufacturer of the Product. The tier of cancellation fee applicable to any cancellation shall be in the sole and absolute discretion of GSFA.

**7. State Sales Tax** – Customer shall be responsible for the cost of state sales tax associated with, or attributable to the Product. The taxes owed by Customer for the Product is subject to adjustment for the applicable state sales tax rate in effect when the Product is delivered to the Customer. Therefore, the sales tax will be increased or decreased at the time of delivery if a change in the sales tax rate has occurred, in which case Customer shall pay GSFA (or be refunded by GSFA) the applicable change in sales tax.

**8. Proposal Expiration** – After the Expiration Date shown on page one of this Proposal, Customer shall require GSFA's written consent to accept this Proposal.

**9. Governing Law** – This Proposal is to be governed by and under the laws of the state of California.

Thank you for providing Golden State Fire Apparatus, Inc. with the opportunity to provide this proposal. If you have any questions regarding the options presented or need additional options, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Bauer", written over a horizontal line.

Jon Bauer

Golden State Fire Apparatus, Inc.

I, \_\_\_\_\_ authorized representative of **CITY OF ORLAND** agrees to purchase the proposed Product(s) and agree to the terms and conditions of this proposal and the specifications hereto attached.

SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

**Proposal For: Orland Volunteer Fire Department**

Prepared By: Jon Bauer, Sales Consultant, Golden State Fire Apparatus, Inc.

May 5, 2021

A close-up photograph of a red fire truck's front grille. The grille has a black mesh pattern. In the center, there is a black oval badge with the word "Pierce" written in a white, stylized script font. The red paint of the truck is visible at the top and sides of the grille.

*Pierce*

**PERFORM. LIKE NO OTHER.™**

ORLAND VOLUNTEER FIRE DEPARTMENT  
Specifications For: One (1) Pierce Enforcer PUC Type 1 Engine  
May 5, 2021 (Proposal #50505-21)

Golden State Fire Apparatus, Inc. has been in business for more than 30 years. We are the Central and Northern California authorized dealership for the finest fire apparatus in the nation. Our attention to detail and commitment to customer satisfaction is our primary goal and top priority. We would like to say, **"Thank You"** for providing us this opportunity to present you with this proposal for one **Pierce Enforcer PUC Type 1 Engine**. Your review and consideration of our detailed proposal is greatly appreciated.

PIERCE MANUFACTURING was founded in 1913. Since then, we have been building bodies with one philosophy, "BUILD THE FINEST". Our skilled craftsmen take pride in their work, which is reflected, in the final product. We have been building fire apparatus since the early "forties" giving Pierce Manufacturing over 75 years of experience in the fire apparatus market. Pierce Manufacturing has built and put into service more than 62,500 apparatus, including more than 33,900 on Pierce custom chassis designed and built specifically for fire and emergency applications. Our Appleton, Wisconsin facility has over 870,000 total square feet of floor space situated on approximately 105 acres of land. Our Bradenton, Florida facility has 300,000 square feet of floor space situated on approximately 38 acres of land.

Our beliefs in high ethical standards are carried through in all of our commitments and to everyone with whom we do business. Honesty, Integrity, Accountability and Citizenship are global tenets by which we all live and work. Consequently, we neither engage in, nor have we ever been convicted of price fixing, bid rigging, or collusion in any domestic or international fire apparatus market.

Pierce has only one brand of fire apparatus "Pierce", ensuring you are receiving top of the line product that meets your specification.

In accordance with the current edition of NFPA 1901 standards, this proposal will specify whether the fire department, manufacturer, or apparatus dealership will provide required loose equipment.

Images and illustrative material in this proposal are as accurate as known at the time of publication but are subject to change without notice. Images and illustrative material is for reference only, and may include optional equipment and accessories and may not include all standard equipment.

#### **GENERAL DESIGN AND CONSTRUCTION**

To control quality, ensure compatibility, and provide a single source for service and warranty, the custom cab, chassis, pump module and body will be entirely designed, assembled/welded and painted in Pierce owned manufacturing facilities. This includes, but not limited to the cab weldment, the pumphouse module assembly, the chassis assembly, the body and the electrical system.

#### **QUALITY AND WORKMANSHIP**

Pierce has set the pace for quality and workmanship in the fire apparatus field. Our tradition of building the highest quality units with craftsmen second to none has been the rule right from the beginning and we demonstrate that ongoing commitment by: Ensuring all steel welding follows American Welding Society D1.1-2004 recommendations for structural steel welding. All aluminum welding follows American Welding society and ANSI D1.2-2003 requirements for structural welding of aluminum.

ORLAND VOLUNTEER FIRE DEPARTMENT  
Specifications For: One (1) Pierce Enforcer PUC Type 1 Engine  
May 5, 2021 (Proposal #50505-21)

All sheet metal welding follows American welding Society B2.1-2000 requirements for structural welding of sheet metal. Our flux core arc welding uses alloy rods, type 7000 and is performed to American Welding Society standards A5.20-E70T1. Furthermore, all employees classified as welders are tested and certified to meet the American welding Society codes upon hire and every three (3) years thereafter. Pierce also employs an American Welding Society certified welding inspector in plant during working hours to monitor weld quality.

Pierce Manufacturing operates a Quality Management System under the requirements of ISO 9001. These standards sponsored by the International Organization for Standardization (ISO) specify the quality systems that are established by the manufacturer for design, manufacture, installation and service. A copy of the certificate of compliance is included with this proposal.

In addition to the Quality Management system, we also employ a Quality Achievement Supplier program to ensure the vendors and suppliers that we utilize meet the high standards we demand. That is just part of our overall "Quality at the Source" program at Pierce.

**SINGLE SOURCE MANUFACTURER**

Pierce Manufacturing, Inc. provides an integrated approach to the design and manufacture of our products that delivers superior apparatus and a dedicated support team. From our facilities, the chassis, cab weldment, cab, pumphouse (including the sheet metal enclosure, valve controls, piping and operator's panel) and body will be entirely designed, tested, and hand assembled to the customer's exact specifications. The electrical system either hardwired or multiplexed, will be both designed and integrated by Pierce Manufacturing. The warranties relative to these major components (excluding component warranties such as engine, transmission, axles, pump, etc.) will be provided by Pierce as a single source manufacturer. Pierce's single source solution adds value by providing a fully engineered product that offers durability, reliability, maintainability, performance, and a high level of quality.

Your apparatus will be manufactured in Appleton, Wisconsin.

**NFPA 2016 STANDARDS**

This unit will comply with the NFPA standards effective January 1, 2016, except for fire department directed exceptions. These exceptions will be set forth in the Statement of Exceptions.

Certification of slip resistance of all stepping, standing and walking surfaces will be supplied with delivery of the apparatus.

All horizontal surfaces designated as a standing or walking surface that are greater than 48.00" above the ground must be defined by a 1.00" wide line along its outside perimeter. Perimeter markings and designated access paths to destination points will be identified on the customer approval print and are shown as approximate. Actual location(s) will be determined based on materials used and actual conditions at final build. Access paths may pass through hose storage areas and opening or removal of covers or restraints may be required. Access paths may require the operation of devices and equipment such as the aerial device or ladder rack.

ORLAND VOLUNTEER FIRE DEPARTMENT  
Specifications For: One (1) Pierce Enforcer PUC Type 1 Engine  
May 5, 2021 (Proposal #50505-21)

A plate that is highly visible to the driver while seated will be provided. This plate will show the overall height, length, and gross vehicle weight rating.

The manufacturer will have programs in place for training, proficiency testing and performance for any staff involved with certifications.

An official of the company will designate, in writing, who is qualified to witness and certify test results.

**NFPA COMPLIANCY**

Apparatus proposed by the bidder will meet the applicable requirements of the National Fire Protection Association (NFPA) as stated in current edition at time of contract execution. Fire department's specifications that differ from NFPA specifications will be indicated in the proposal as "non-NFPA".

**VEHICLE INSPECTION PROGRAM CERTIFICATION**

To assure the vehicle is built to current NFPA standards, the apparatus, in its entirety, will be third-party, audit-certified through Underwriters Laboratory (UL) that it is built and complies to all applicable standards in the current edition of NFPA 1901. The certification will include: all design, production, operational, and performance testing of not only the apparatus, but those components that are installed on the apparatus.

A placard will be affixed in the driver's side area stating the third-party agency, the date, the standard and the certificate number of the whole vehicle audit.

**COMPLIANCE WITH APPLICABLE LAWS**

The apparatus will comply with all U.S. Department of Transportation, State of California Motor Vehicle Code, Air Pollution and Emission Control, apparatus meeting requirements of the California Air Pollution Control Board, and local requirements pertaining to vehicles used for firefighting, and emergency vehicles at time of contract signing.

The apparatus will also comply with all requirements as specified in NFPA (latest edition) standards. The unit is to be of current year manufacture and is to be new and unused.

**LICENSED MANUFACTURER**

The State of California Vehicle Code, section 11701 requires "every manufacturer of a vehicle subject to registration shall make application to the Department of Motor Vehicles (DMV) for a license containing a general distinguishing number".

The manufacturer has a current license at time of bid as outlined above and is available upon request.

**LICENSED DEALERSHIP**

The State of California Vehicle Code, section 11701 requires a "dealer in vehicles of a type subject to registration, shall make application to the Department of Motor Vehicles (DMV) for a license containing a general distinguishing number".

The dealership has a current license at time of bid as outlined above and is available upon request.

ORLAND VOLUNTEER FIRE DEPARTMENT  
Specifications For: One (1) Pierce Enforcer PUC Type 1 Engine  
May 5, 2021 (Proposal #50505-21)

**LICENSED SALES REPRESENTATIVE**

The State of California Vehicle Code, section 11800 requires that it shall be "unlawful for any person to act as a vehicle salesperson without having first procured a license issued by the Department of Motor Vehicles (DMV)".

The sales representative has a current license at time of bid as outlined above and is available upon request.

**VEHICLE REGISTRATION**

The State of California Vehicle Code section 11739 requires that the "dealer of a new motor vehicle sale is responsible for applying for the title, securing vehicle registration, and obtaining license plates for the purchaser" through the Department of Motor Vehicles (DMV).

Golden State Fire Apparatus Inc. will obtain the registration and license plates on behalf of the purchaser.

**PRE-DELIVERY SERVICE**

After transportation from the factory and prior to delivery, the apparatus will receive a pre-delivery service to confirm proper operation and correction of any issues found as a result of said inspection. The Golden State Fire Apparatus, Inc. pre-delivery service consists of the following:

- Engine Compartment and Undercarriage: Check for hoses, electrical and air lines that are unprotected and provide chaffing protection as required. Check for any broken mounting brackets and inspect for correct capacities of the following (if applicable): engine oil, coolant, power steering fluid, washer reservoir fluid, transmission fluid, rear end fluid, pump transmission oil, and primer oil. Lift the apparatus with the with the ARI-HETRA lift system to inspect electrical and air line runs so that they are routed in such a manner as to prevent chaffing, rubbing, etc. The DPF and SCR components will also be inspected along with the U-joints.
- Interior: Operate all doors, windows, and locks for proper adjustment. Check upholstery.
- Exterior: Repair reasonable paint scratches or chips. Tighten any loose hardware and inspect tires and wheels for proper pressure and lug torquing.
- Road Test: With the water tank (if applicable) full, the apparatus will be driven approximately 20 miles which allows the drive train components to get up to operating temperature. Road test will be on both city and highway roads. A DOT compliant brake test will be conducted to ensure the system is holding air. The brake condition and wheel seals will also be inspected.
- Electrical: Operate all lights, sirens, and other electrical accessories to verify operation.
- Pump: If applicable, vacuum test the pump to hold for 15 minutes. After vacuum test, operate the relief valve, transfer valve and check pump shift. Check water tank for leaks and inspect water level gauge for calibration. With discharge caps loose, rapid test all individual gauges and main gauges for calibration. Lubricate valve rods.
- Foam System: If applicable, tighten caps and connect foam lines. Test selector, valves, metering valve and operation of foam system (including flush).
- Rear Suspension Adjustment: The rear axle suspension will be re-torqued per OEM recommendations at the dealership location prior to final delivery.
- Fuel Tank: Fuel tank will be filled at the dealership location prior to final delivery.
- DEF Tank: DEF tank will be filled at the dealership location prior to final delivery.

ORLAND VOLUNTEER FIRE DEPARTMENT  
Specifications For: One (1) Pierce Enforcer PUC Type 1 Engine  
May 5, 2021 (Proposal #50505-21)

- Wash: The apparatus will be thoroughly washed at the dealership location prior to final delivery.

### **DELIVERY**

Prior to delivery, the equipment / material will be completely assembled as necessary to assure proper operation and function. Apparatus, to ensure proper break in of all components while still under warranty, **shall be delivered under its own power** - rail or truck freight shall not be acceptable.

All equipment / material, spare parts and supplies shall be delivered F.O.B. destination, delivery charges prepaid and added to:

- Orland Volunteer Fire Department
- 810 5<sup>th</sup> Street
- Orland, CA 95963

### **VEHICLE ORIENTATION TRAINING INFORMATION**

On initial delivery of the fire apparatus, the dealer will provide information on the operation, care and maintenance of the proposed apparatus. This information will be provided on a USB flash drive.

### **MANUAL AND SERVICE INFORMATION**

At time of delivery, complete operation and maintenance manuals covering the apparatus will be provided. A permanent plate will be mounted in the driver's compartment specifying the quantity and type of fluids required including engine oil, engine coolant, transmission, pump transmission lubrication, pump primer and drive axle.

### **SAFETY VIDEO**

At the time of delivery Pierce will also provide one (1) 39-minute, professionally produced apparatus safety video, in DVD format. This video will address key safety considerations for personnel to follow when they are driving, operating, and maintaining the apparatus, including the following: vehicle pre-trip inspection, chassis operation, pump operation, aerial operation, and safety during maintenance.

### **PERFORMANCE TESTS**

A road test will be conducted with the apparatus fully loaded and a continuous run of no less than ten (10) miles. During that time the apparatus will show no loss of power nor will it overheat. The transmission drive shaft or shafts and the axles will run quietly and be free of abnormal vibration or noise.

The apparatus when fully loaded will not have less than 25 percent nor more than 50 percent on the front axle, and not less than 50 percent nor more than 75 percent on the rear axle. The apparatus will meet NFPA 1901 acceleration and braking requirements.

### **PUMP TEST**

Underwriters Laboratory (UL) will test, approve, and certify the pump. The test results and the pump manufacturer's certification of hydrostatic test; the engine manufacturer's certified brake horsepower curve; and the pump manufacturer's record of pump construction details will be forwarded to the Fire Department.

ORLAND VOLUNTEER FIRE DEPARTMENT  
Specifications For: One (1) Pierce Enforcer PUC Type 1 Engine  
May 5, 2021 (Proposal #50505-21)

**SERVICE FACILITY**

Golden State Fire Apparatus Inc. places a high priority on service. In order to provide efficient service and support during the life of the apparatus, we maintain a Pierce authorized service and repair facility in Central and Northern California. Golden State Emergency Vehicle Service is located at 7400 Reese Road in Sacramento.

Our service center has an indoor heated facility and is located within 115 miles of the Orland Volunteer Fire Department. This facility is protected by fire and security alarm systems for safe storage of the apparatus.

Our service facility maintains a complete inventory of repair and/or replacement parts, has an on-site training classroom, and owns two (2) fully equipped mobile service vehicles with the ability to carry spare parts and repair equipment.

**WARRANTY PROCEEDURE**

To prevent problems associated with "divided responsibility", Golden State Fire Apparatus, Inc. will coordinate and submit all warranty claims on behalf of the purchaser. We will also coordinate future product recalls and upgrades (if any) to the existing apparatus. This includes coordinating repairs between the original manufacturer of the component and filing of warranty claims on behalf of the purchaser.

**SERVICE AND WARRANTY SUPPORT**

Pierce dealership support will be provided by Golden State Emergency Vehicle Service by operating a Pierce authorized service center. The service center will have factory-trained mechanics on staff versed in Pierce fire apparatus.

In addition to the dealership, Pierce has service facilities located in both, Weyauwega, Wisconsin and Bradenton, Florida. Pierce also maintains a dedicated parts facility of over 100,000 square feet in Appleton, Wisconsin. The parts facility stocks in excess of \$5,000,000 in parts dedicated to service and replacement parts. The parts facility employs a staff dedicated solely for the distribution and shipment of service and replacement parts.

Service parts for the apparatus being proposed can be found via [Pierceparts.com](http://Pierceparts.com) which, is an interactive online tool that delivers information regarding your specific apparatus as well as the opportunity to register for training classes.

As a Pierce customer you have the ability to view the complete bill of materials for your specific apparatus, including assembly drawings, piece part drawings, and beneficial parts notations. You will also have the ability to search the complete Pierce item master through a parts search function which offers all Pierce SKU's and descriptions offered on all Pierce apparatus. Published component catalogs, which include proprietary systems along with an extensive operator's manual library is available for easy reference.

Pierce Manufacturing maintains a dedicated service and warranty staff of over 35 personnel, dedicated to customer support, which also maintains a 24-hour, 7 day a week toll free hot line, four (4) on staff EVTs, and offers hands-on repair and maintenance training classes multiple times a year.

ORLAND VOLUNTEER FIRE DEPARTMENT  
Specifications For: One (1) Pierce Enforcer PUC Type 1 Engine  
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**PERFORMANCE BOND, 1 YEAR**

The successful bidder will furnish a Performance and Payment bond (Bond) equal to 100 percent of the total contract amount within 30 days of the notice of award. Such Bond will be in a form acceptable to the Owner and issued by a surety company included within the Department of Treasury's Listing of Approved Sureties (Department Circular 570) with a minimum A.M. Best Financial Strength Rating of A and Size Category of XV. In the event of a bond issued by a surety of a lesser Size Category, a minimum Financial Strength rating of A+ is required.

Bidder and Bidder's surety agree that the Bond issued hereunder, whether expressly stated or not, also includes the surety's guarantee of the vehicle manufacturer's Basic One (1) Year Limited Warranty period included within this proposal. Owner agrees that the penal amount of this bond will be simultaneously amended to 25 percent of the total contract amount upon satisfactory acceptance and delivery of the vehicle(s) included herein. Notwithstanding anything contained within this contract to the contrary, the surety's liability for any warranties of any type will not exceed one (1) year from the date of such satisfactory acceptance and delivery, or the actual Basic One (1) Year Limited Warranty period, whichever is shorter.

**WEEKLY PROGRESS PHOTOS**

Golden State Fire Apparatus, Inc. shall provide the following:

Weekly progress photographs of the apparatus or the major components as they are being constructed. The reports shall commence at the start of the manufacturing process and shall continue through production by the manufacturer. The reports shall show the progress of the apparatus through the course of each week. Special attention shall be given to show the unique features and aspects of the apparatus as construction progresses.

**PRE-CONSTRUCTION, FACTORY TRIP**

A pre-construction trip to the manufacturing facility will be provided for three (3) Customer representative(s). The intent of this trip is to review and finalize, in detail, the specifications prior to the start of production. The pre-construction trip will have a duration of four (4) days and three (3) nights and be scheduled at times mutually agreed upon between Golden State Fire Apparatus (GSFA). and the Customer. Costs for airfare, lodging, meals and ground transportation while at the manufacturers location will be the responsibility of GSFA. Air travel will be from one of the following airports: Sacramento, San Francisco or San Jose.

Costs such as Customer ground transportation in California, Customer airport parking, Customer luggage fees and Customer incidentals while traveling to the factory will be the responsibility of the Customer. Flight reservations are non-refundable and in the event of a cancellation after booking, the Customer will be responsible for all costs associated with this cancellation, which may include not only the original ticket cost but also any change or cancellation fees imposed by the airline and/ or travel agency. Flight reservations are also non-transferable.

ORLAND VOLUNTEER FIRE DEPARTMENT  
Specifications For: One (1) Pierce Enforcer PUC Type 1 Engine  
May 5, 2021 (Proposal #50505-21)

**FINAL INSPECTION FACTORY TRIP**

A final inspection trip to the manufacturing facility will be provided for three (3) Customer representative(s). The intent of this trip is to ensure that the apparatus is built to specification and to detect any deficiencies that require correction. The final inspection trip will have a duration of four (4) days and three (3) nights and be scheduled at times mutually agreed upon between Golden State Fire Apparatus (GSFA). and the Customer. Costs for airfare, lodging, meals and ground transportation while at the manufacturers location will be the responsibility of GSFA. Air travel will be from one of the following airports: Sacramento, San Francisco or San Jose.

Costs such as Customer ground transportation in California, Customer airport parking, Customer luggage fees and Customer incidentals while traveling to the factory will be the responsibility of the Customer. Flight reservations are non-refundable and in the event of a cancellation after booking, the Customer will be responsible for all costs associated with this cancellation, which may include not only the original ticket cost but also any change or cancellation fees imposed by the airline and/ or travel agency. Flight reservations are also non-transferable.

**APPROVAL DRAWING**

A drawing of the proposed apparatus will be prepared and provided to the purchaser for approval before construction begins. The Pierce sales representative will also be provided with a copy of the same drawing. The finalized and approved drawing will become part of the contract documents. This drawing will indicate the chassis make and model, location of the lights, siren, horns, compartments, major components, etc.

A "revised" approval drawing of the apparatus will be prepared and submitted by Pierce to the purchaser showing any changes made to the approval drawing.

**DRAWING, CAB TOP VIEW**

On the sales drawing a top view of the cab seating will be provided. The top view will be a reference only of the seating in the order.

**ELECTRICAL WIRING DIAGRAMS**

Two (2) electrical wiring diagrams, prepared for the model of chassis and body, will be provided.

**ENFORCER CHASSIS**

The Pierce Enforcer™ is the custom chassis developed exclusively for the fire service. Chassis provided will be a new, tilt-type custom fire apparatus. The chassis will be manufactured in the apparatus body builder's facility eliminating any split responsibility. The chassis will be designed and manufactured for heavy-duty service, with adequate strength, capacity for the intended load to be sustained, and the type of service required. The chassis will be the manufacturer's first line tilt cab.

**ANGLE OF DEPARTURE**

The angle of departure will be 13.50 degrees. This will be effective with the truck in a loaded state.

**ANGLE OF APPROACH**

The angle of approach will be 14.50 degrees. This will be effective with the truck in a loaded state.





Phone: 888.777.7850  
 Fax: 888.777.7875  
 Cell: 785.313.3154  
 215 S. Seth Child Road  
 Manhattan, KS 66502  
[www.clpusa.net](http://www.clpusa.net)

March 16, 2021

Customer Name: Orland, CA

Equipment: One New Pierce Pumper  
 Sales Representative: Jon Bauer @ Golden State Fire Apparatus  
 Delivery: Estimated 1 year

Community Leasing Partners, a Division of *Community First National Bank*, is pleased to present the following financing options for your review and consideration.

**Option 1**

Total Cost:	\$	780,877.97	Payment Frequency:	Annual
Down Payment:	\$	-	First Payment:	July 15, 2022
Trade In:	\$	-		
<b>Amount Financed:</b>	<b>\$</b>	<b>780,877.97</b>		
Term in Years:	<u>1</u>	<u>3</u>	<u>4</u>	<u>5</u>
Payment:	\$808,738.61	\$275,401.69	\$209,215.72	\$169,661.27
Factor:	1.035679	0.352682	0.267924	0.217270
Interest Rate:	2.79%	2.52%	2.54%	2.58%

- This financing proposal has been prepared with the expectation that the above customer will be able to provide audited financial reports, or other acceptable forms of financial statements for the years requested. If audits or other similar acceptable forms are unavailable, the above rates and terms are subject to adjustment.
- **THERE ARE NO DOCUMENTATION OR CLOSING FEES ASSOCIATED WITH THIS PROPOSAL.**
- Fixed interest rate for the terms provided unless otherwise stated.
- This financing is to be executed and funded within 30 days of the date of the proposal, or Lessor reserves the right to adjust the interest rate. The proposal is subject to credit review and approval of mutually acceptable documentation.
- This proposal has been prepared assuming the lessee is bank qualified and that the proposed lease qualifies for Federal Income Tax Exempt Status for the Lessor under Section 103 of the IRS Code.

**Thank you** for allowing Community Leasing Partners the opportunity to provide this proposal. If you have any questions regarding the options presented, need additional options, or would like to proceed with a financing, please contact me at 1-888-777-7850.

Respectively,

Blake J. Kaus  
 Vice President & Director of Leasing  
[blakekaus@clpusa.net](mailto:blakekaus@clpusa.net)

**GREGORY P. EINHORN**  
ATTORNEY AT LAW

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854 MANZANITA CT., STE 110, CHICO CA 95926  
PHONE: (530) 898-0228 FAX: (530) 898-0877  
GREG@EINHORNLAOFFICE.COM

May 17, 2021

Community First National Bank  
215 S. Seth Child Road  
Manhattan, KS 66502

**Re: City of Orland, Lessee**

Ladies and Gentlemen:

As legal counsel to City of Orland (the "Lessee"), I have examined (a) an executed counterpart of a certain Master Equipment Lease Purchase Agreement, dated as of 5/14/2021, and Exhibits thereto by and between Community First National Bank (the "Lessor") and Lessee, Schedule of Equipment No. 01, dated 5/14/2021, (collectively, the "Agreement") by and between Lessor and Lessee, which, among other things, provides for the lease with option to purchase by the Lessee of certain property listed in the Schedule (the "Equipment"); (b) an executed counterpart of the ordinances or resolutions of Lessee which, among other things, authorizes Lessee to execute the Agreement and (c) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinions.

Based on the foregoing, I am of the following opinions:

- (1) Lessee's true and correct name is City of Orland.
- (2) Lessee is a public body corporate and politic, duly organized and existing under the laws of the State of California, and has a substantial amount of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) police power.
- (3) Lessee has the requisite power and authority to lease the Equipment with an option to purchase and to execute and deliver the Agreement and to perform its obligations under the Agreement.
- (4) The Agreement and the other documents either attached thereto or required therein have been duly authorized, approved and executed by and on behalf of Lessee and the Agreement and other documents either attached thereto or required therein are the valid and binding obligations of Lessee enforceable in accordance with their terms.

Community First National Bank  
Re: City of Orland, Lessee  
May 17, 2021  
Page 2.

(5) The authorization, approval and execution of the Agreement and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable state or federal laws.

(6) There is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Agreement or the security interest of Lessor or its assigns, as the case may be, in the Equipment.

(7) The signatures of the officers which appear on the Agreement are true and genuine; I know said officers and know them to hold the offices set forth below their names.

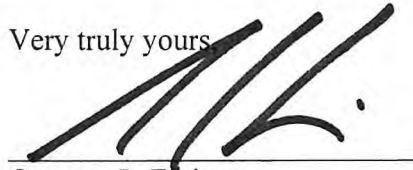
(8) No further approval, consent or withholding of objection is required from any federal, state or local governmental authority with respect to the entering into or performance by the Lessee of the Lease and the transaction contemplated thereby.

(9) The Equipment leased pursuant to the Agreement constitutes personal property and when subjected to use by Lessee will not be or become fixtures under applicable law.

(10) The Lessee is a "local governmental unit" as defined at 26 CFR 1.103-1.

All capitalized terms herein shall have the same meanings as in the foregoing Agreement unless otherwise provided herein. Lessor, its successors and assigns, and any counsel rendering an opinion on the tax-exempt status of the interest components of the Rental Payments are entitled to rely on this opinion.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'G. Einhorn', is written over a horizontal line.

Gregory P. Einhorn

cc: City of Orland

GPE:mak

### OVFD Replacement Schedule Proposal-March 2021

Year, Fiscal	Description	Expenditure	Appropriated	Balance
			Opening Balance	\$200,000.00
18/19	Measure A		\$100,000.00	\$300,000.00
19/20	Measure A		\$100,000.00	\$400,000.00
20/21	Chief truck/grass truck	\$230,000.00	\$100,000.00	\$270,000.00
21/22	Measure A		\$200,000.00	\$470,000.00
22/23	Engine 27	\$750,000.00	\$200,000.00	-\$80,000.00
23/24	Measure A		\$200,000.00	\$120,000.00
24/25	Measure A		\$200,000.00	\$320,000.00
25/26	Measure A		\$200,000.00	\$520,000.00
26/27	Measure A		\$200,000.00	\$720,000.00
27/28	Measure A		\$200,000.00	\$920,000.00
28/29	Measure A		\$200,000.00	\$1,120,000.00
29/30	Measure A		\$200,000.00	\$1,320,000.00
30/31	Measure A		\$200,000.00	\$1,520,000.00
32/33	Measure A		\$200,000.00	\$1,720,000.00
33/34	Engine 25	\$900,000.00	\$200,000.00	\$1,020,000.00
34/35	Measure A		\$200,000.00	\$1,220,000.00
35/36	Chief truck/grass truck		\$200,000.00	\$1,420,000.00
36/37	Measure A		\$200,000.00	\$1,620,000.00
37/38	Measure A		\$200,000.00	\$1,820,000.00
38/39	Measure A		\$200,000.00	\$2,020,000.00
39/40	Measure A		\$200,000.00	\$2,220,000.00
40/41	Measure A		\$200,000.00	\$2,420,000.00
41/42	Ladder 26	\$2,000,000.00	\$200,000.00	\$620,000.00

## CITY OF ORLAND

### CITY COUNCIL AGENDA ITEM #: 8.A.

**MEETING DATE: May 17, 2021**

**TO:** Honorable Mayor and Council  
**FROM:** Pete Carr, City Manager  
**SUBJECT:** Pension Cost Management: Bond Counsel (Discussion/Action)

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City Council will consider the engagement of bond counsel and proceeding with preliminary steps in the pension obligation bond process.

#### **BACKGROUND:**

At the May 3<sup>rd</sup> meeting, City Council discussed proposed options for pension obligation bond (POB) parameters including % of unfunded liability to restructure (size), various possible repayment schedules (shape), and resulting net savings scenarios.

Council directed its advisor, Capitol PFG, to proceed with the preliminary process for issuance of a POB, including required public notices and feasibility analysis. Council also approved an agreement for legal services with bond counsel Quint & Thimmig LLP.

#### **DISCUSSION:**

In his role as fiduciary advisor for the City, Jeff Small of Capitol PFG, and legal counsel, Brian Quint of Quint & Thimmig, prepared a resolution and a trust agreement authorizing Quint & Thimmig to proceed with the validation process. Mr. Quint is working with Mr. Small on feasibility and procedural processes for issuance of a POB, and both will be available at the meeting this evening to discuss the process and documents. City Attorney Greg Einhorn has reviewed the documents.

The resolution authorizes the issuance of pension obligation bonds in an amount not to exceed \$7,000,000, approves the form of a trust agreement (a copy in pdf format is attached) and authorizes the commencement of validation proceedings to confirm that the City's obligations with respect to the bonds will constitute obligations imposed by law.

This step is necessary for public noticing of intent. Approval of these actions this evening does not obligate the City to complete the process of issuing a POB. Such approval is months down the road.

Attachments (2):

1. RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF BONDS TO REFUND CERTAIN PENSION OBLIGATIONS OF THE CITY, APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A TRUST AGREEMENT, AUTHORIZING JUDICIAL VALIDATION PROCEEDINGS RELATING TO THE ISSUANCE OF SUCH BONDS AND AUTHORIZING ACTIONS RELATED THERETO
2. TRUST AGREEMENT by and between the CITY OF ORLAND and U.S. BANK NATIONAL ASSOCIATION, as Trustee

**RECOMMENDATION:**

Approve the documents as presented, direct fiduciary advisor and legal counsel to proceed.

**Fiscal Impact of Recommendation:**

All services are being provided contingent on issuance of a POB. Fees – approved in previous documents -- will be incorporated into the bond cost of issuance and amortized along with the bonds.

**CITY OF ORLAND**

**RESOLUTION NO. 2021-10**

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF BONDS  
TO REFUND CERTAIN PENSION OBLIGATIONS OF THE CITY,  
APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A  
TRUST AGREEMENT, AUTHORIZING JUDICIAL VALIDATION  
PROCEEDINGS RELATING TO THE ISSUANCE OF SUCH BONDS  
AND AUTHORIZING ACTIONS RELATED THERETO**

RESOLVED, by the City Council (the "Council") of the City of Orland (the "City"), Glenn County, State of California, as follows:

WHEREAS, the City has previously elected to become a contracting member of the California Public Employees' Retirement System ("CalPERS");

WHEREAS, the Public Employees' Retirement Law (commencing with section 20000 of the California Government Code) and the contract (the "CalPERS Contract") between the Board of Administration of CalPERS and the City Council of the City (the "City Council") obligate the City to (i) make contributions to CalPERS to fund pension benefits for certain City employees, (ii) amortize the unfunded accrued actuarial liability with respect to such pension benefits, and (iii) appropriate funds for the foregoing purposes;

WHEREAS, as of June 30, 2019, the City's projected total unfunded accrued actuarial liability to CalPERS for its Miscellaneous and Safety Plans as of June 30, 2021, was \$6,799,322;

WHEREAS, the City desires to authorize the issuance of its City of Orland Taxable Pension Obligation Bonds, Series 2021 (the "Bonds") pursuant to the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with section 53570 of said Code (the "Bond Law"), for the purpose of refunding all or a portion of the City's obligations to CalPERS, as evidenced by the CalPERS Contract, to pay all or a portion of its accrued actuarial liability with respect to pension benefits for its Miscellaneous and Safety Plans under the Public Employees' Retirement Law, and paying the costs of issuance of the Bonds, and for no other purpose;

WHEREAS, the obligations of the City with respect to the Bonds, including the obligation to make all payments of interest and principal on the Bonds when due, will be obligations of the City imposed by law and will be absolute and unconditional, without any right of set-off or counterclaim, the Bonds will not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation, neither the Bonds nor the obligations of the City to make payments on the Bonds will constitute an indebtedness of the City, the State of California or any of its political subdivisions in contravention of any constitutional or statutory debt limitation or restriction and the Council will be obligated to make appropriations to pay the Bonds from any source of legally available funds of the City;

WHEREAS, the City has determined the advisability of filing an action to determine the validity of the Trust Agreement (hereinafter defined) and the Bonds and the actions proposed to be taken in connection therewith; and

WHEREAS, pursuant to section 5852.1 of the Government Code, certain information relating to the Bonds is set forth in Exhibit A attached to this Resolution, and such information is hereby disclosed and made public;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORLAND AS FOLLOWS:

SECTION 1. Authorization. Bonds, in the aggregate principal amount of not to exceed seven million dollars (\$7,000,000) are hereby authorized to be issued by the City under and subject to the terms of the Bond Law and this Resolution for the purpose of refunding the City's obligation to CalPERS evidenced by the CalPERS Contract and paying the costs of issuance of the Bonds.

SECTION 2. Approval of Trust Agreement. The Council hereby approves trust agreement, by and between the City and U.S. Bank National Association, as trustee, prescribing the terms and provisions of the Bonds and the application of the proceeds of the Bonds in the form on file with the City Clerk (the "Trust Agreement"). The Mayor, the City Manager and the Finance Director (each, an "Authorized Officer"), each acting alone, are hereby authorized and directed to execute and deliver, and the City Clerk is hereby authorized and directed to attest to such signatures on, the Trust Agreement for and in the name and on behalf of the City in such form, together with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, subject to the advice of Bond Counsel and the City Attorney, such approval to be conclusively evidenced by the execution and delivery of the Trust Agreement. Under no circumstances shall the elected Mayor be authorized to make any such changes on his or her own. The Council hereby authorizes the delivery and performance of the Trust Agreement.

SECTION 3. Validation Action. In order to determine the validity of the Trust Agreement and the Bonds and the actions authorized by this Resolution and the Trust Agreement to be taken in connection therewith, the Council hereby authorizes the City Attorney, in concert with Bond Counsel, to prepare and cause to be filed and prosecuted to completion all proceedings required for the judicial validation of the Bonds in the Superior Court of Glenn County, under and pursuant to the provisions of sections 860 *et seq.* of the California Code of Civil Procedure. The Council further authorizes the Authorized Officers, the City Clerk, and any and all other officers, employees and agents of the City to take any and all actions, including the execution and delivery or appropriate documentation, as may be required to conclude such judicial validation proceedings.

SECTION 4. Official Actions. The Authorized Officers and any and all other officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in the issuance, sale and delivery of the Bonds. Whenever in this Resolution any officer of the City is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable. All actions heretofore taken by any Authorized Officer or any office, employee or agent of the City with respect to the Bonds, the validation proceedings or in connection with or related to any of the agreements referred to herein are hereby approved, ratified and confirmed.

SECTION 5. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

SECTION 6. Certification. The City Clerk shall certify to the passage and adoption hereof.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council on this 17th day of May, 2021, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

ATTESTED:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

## EXHIBIT A

### GOVERNMENT CODE SECTION 5852.1 DISCLOSURE

The following information consists of estimates that have been provided by the City's municipal advisor which has been represented to have been provided in good faith:

- (A) True Interest Cost of the Bonds: 3.91%
- (B) Finance Charges (Costs of Issuance): \$105,000
- (C) Net Proceeds to be Received for the Bonds (net of finance charges): \$5,571,750
- (D) Total Payment Amount through Maturity: \$8,083,554

The foregoing estimates constitute good faith estimates only.

The principal amount of the Bonds, the true interest cost of the Bonds, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds sold being different from the estimated amount used for purposes of such estimates, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, or a combination of such factors. The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the City based on the timing of the need for proceeds of the Bonds and other factors. The actual interest rates with respect to the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.

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**TRUST AGREEMENT**

**Dated as of September 1, 2021**

**by and between the**

**CITY OF ORLAND**

**and**

**U.S. BANK NATIONAL ASSOCIATION, as Trustee**

**City of Orland  
(Glenn County, California)  
Pension Obligation Bonds, Series 2021  
(Federally Taxable)**

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## TRUST AGREEMENT

THIS TRUST AGREEMENT made and entered into and dated as of September 1, 2021 (the "Trust Agreement") by and between U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the "Trustee"), and the CITY OF ORLAND (the "City"), a duly organized, validly existing and operating municipal corporation and general law city under the laws of the State of California.

### WITNESSETH:

WHEREAS, the City is obligated by the Public Employees' Retirement Law, commencing with section 20000 of the California Government Code, as amended (the "Retirement Law"), to make payments to the California Public Employees' Retirement System ("CalPERS") relating to pension benefits accruing to CalPERS members, including the City;

WHEREAS, the City is obligated specifically to make certain payments to CalPERS in respect of current and retired miscellaneous employees under the pension programs of CalPERS that amortize such obligations over a fixed period of time, including normal costs (collectively, the "Pension Obligation");

WHEREAS, the Pension Obligation is evidenced by a contract or contracts with CalPERS with respect to public safety and miscellaneous employees of the City, as heretofore and hereafter amended from time to time (collectively, the "CalPERS Contract");

WHEREAS, the City is authorized pursuant to Articles 10 and 11 (commencing with section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code (the "Act") to issue bonds for the purpose of refunding any evidence of indebtedness of the City;

WHEREAS, for the purpose of refunding the City's obligations to CalPERS evidenced by the CalPERS Contract and thereby providing funds to CalPERS in payment of the Pension Obligation for its miscellaneous and safety employees, the City has determined to issue an initial series of Bonds hereunder, captioned the "City of Orland (Glenn County, California) Pension Obligation Bonds, Series 2021 (Federally Taxable)" in the aggregate principal amount of \$\_\_\_\_\_ (the "2021 Bonds"), all pursuant to and secured by this Trust Agreement providing for the issuance of the 2021 Bonds and, collectively with Additional Bonds, the "Bonds," all in the manner provided herein;

WHEREAS, the City filed a complaint in the Superior Court of the State for the County of Glenn pursuant to the procedures available to it under section 860 *et seq.* of the California Code of Civil Procedure and following, seeking judicial validation of the transactions relating to the issuance of the Bonds;

WHEREAS, on \_\_\_\_\_, 2021, the court entered a default judgment to the effect, among other things, that the CalPERS Contract, this Trust Agreement and the Bonds are valid and binding obligations of the City under the Constitution and laws of the State;

WHEREAS, to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and to secure the payment of the principal thereof and interest thereon, the City has authorized the execution and delivery of this Trust Agreement; and

WHEREAS, all acts and proceedings required by law necessary to make the Bonds, when executed by the City, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal obligations of the City payable in accordance with their terms, and to constitute this Trust Agreement a valid and binding agreement of the parties hereto for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Trust Agreement have been in all respects duly authorized;

NOW, THEREFORE, THIS TRUST AGREEMENT WITNESSETH, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under this Trust Agreement, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the City does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Bonds, as follows:

## ARTICLE I

### DEFINITIONS; EQUAL SECURITY

**Section 1.01. Definitions.** Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any Supplemental Trust Agreement and of any certificate, opinion, request or other document herein or therein mentioned have the meanings herein specified:

*"Act"* means Articles 10 and 11 (commencing with section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code.

*"Additional Bonds"* means all Bonds of the City authorized by and at any time Outstanding pursuant hereto and executed, issued and delivered in accordance with Article III.

*"Aggregate Principal Amount"* means, as of any date of calculation, the principal amount of the Bonds referred to.

*"Authorized Denominations"* means \$5,000 principal amount or any integral multiple thereof.

*"Authorized Representative"* means the Mayor, the City Manager or the Administrative Services Director and his or her respective designees designated in writing to the Trustee.

*"Bond Fund"* means the Bond Fund established in Section 4.01(a).

*"Bonds"* means the 2021 Bonds and all Additional Bonds.

*"Business Day"* means any day other than a Saturday or Sunday or day upon which the Trustee is authorized by law to remain closed.

*"CalPERS"* means the California Public Employees' Retirement System.

*"CalPERS Contract"* means, collectively, the contracts relating to the Miscellaneous Plan (ID \_\_\_\_\_) and the Safety Plan (ID \_\_\_\_\_), each between the City and CalPERS, as heretofore and hereafter amended from time to time.

*"Certificate of the City"* means an instrument in writing signed by any one of the Authorized Representatives of the City or such officer's designee, or by any other officer of the City duly authorized by the City Council of the City in writing to the Trustee for that purpose. If and to the extent required by the provisions of Section 10.07, each Certificate of the City shall include the statements provided for in Section 10.07.

*"City"* means the City of Orland, California.

*"Closing Date"* means \_\_\_\_\_, 2021, the date on which the 2021 Bonds are delivered to the original purchaser for the 2021 Bonds.

*"Corporate Trust Office"* means such corporate trust office of the Trustee as may be designated from time to time by written notice from the Trustee to the City, initially being in San Francisco, California. The Trustee may designate in writing to the City and the Owner such other office or agency from time to time for purposes of registration, transfer, exchange, payment or redemption of Bonds.

*"Costs of Issuance"* means all items of expense directly or indirectly payable by or reimbursable to the City and related to the Bonds, including, but not limited to, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, fees and charges for preparation, execution and safekeeping of the Bonds, and any other cost, charge or fee in connection with the original execution and delivery of the Bonds.

*"Costs of Issuance Fund"* means the Costs of Issuance Fund established in Section 2.12(b).

*"Defeasance Securities"* means:

(a) Cash; and

(b) Obligations of or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States, including:

- U.S. Treasury obligations
- All direct or fully guaranteed obligations
- Farmers Home Administration
- General Services Administration
- Guaranteed Title XI financing
- Government National Mortgage Association (GNMA)
- State and Local Government Series

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

*"Fiscal Year"* means the twelve-month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the City as its fiscal year in accordance with applicable law.

*"Independent Certified Public Accountant"* means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State or a comparable successor, appointed and paid by the City, and who, or each of whom:

(a) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of the City;

(b) does not have a substantial financial interest, direct or indirect, in the operations of the City; and

(c) is not connected with the City as a member, officer or employee of the City, but who may be regularly retained to audit the accounting records of and make reports thereon to the City.

*"Interest Account"* means the account by that name established in Section 4.02.

*"Interest Payment Date"* means each February 1 and August 1, commencing February 1, 2022.

*"Opinion of Counsel"* means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the City.

*"Outstanding,"* when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 7.02) all Bonds except

(a) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(b) Bonds paid or deemed to have been paid within the meaning of Section 9.01; and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the City pursuant hereto.

*"Original Purchaser"* means \_\_\_\_\_, the original purchaser of the 2021 Bonds.

*"Owner"* means any person who shall be the registered owner of any Outstanding Bond.

*"Permitted Investments"* means any of the following to the extent permitted by the laws of the State:

(a) Defeasance Securities;

(b) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Rural Economic Community Development Administration
- U.S. Maritime Administration
- Small Business Administration
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration
- Federal Financing Bank;

(c) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or the Federal Home Loan Mortgage Corporation (FHLMC)
- Obligations of the Resolution Funding Corporation (REFCORP)
- Senior debt obligations of the Federal Home Loan Bank System
- Senior debt obligations of other Government Sponsored Agencies approved by the Bond Insurer;

(d) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks (including the Trustee and its affiliates) which have a rating on their short-term certificates of deposit on the date of purchase of "A-1" or "A-1+" by Standard & Poor's Ratings Services and which mature not more than three hundred sixty (360) calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(e) Commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by Standard & Poor's Ratings Services and which matures not more than two hundred seventy (270) calendar days after the date of purchase;

(f) Investments in a money market fund rated at the time of purchase "AAAm" or "AAAm-G" or better by Standard & Poor's Ratings Services, including funds for which the Trustee or its affiliates receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise;

(g) Pre-refunded municipal obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(i) which are rated at the time of purchase, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Standard & Poor's Ratings Services or any successors thereto; or

(ii) which are fully secured as to interest and principal and redemption premiums, if any, by an escrow consisting only of cash or obligations described in paragraph (2) of the definition of Defeasance Securities, which escrow may be applied only to the payment of such interest and principal and redemption premiums, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premiums, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(h) Municipal obligations rated at the time of purchase "Aaa/AAA" or general obligations of States with a rating of "A2/A" or higher by Standard & Poor's Ratings Services; and

(i) The Local Agency Investment Fund (as that term is defined in section 16429.1 of the California Government Code, as such section may be amended or re-codified from time to time).

The value of the above investments shall be determined as follows:

(a) For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Trustee shall have no duty in connection with the determination of fair market value other than to follow: (i) its normal practices in the purchase, sale and determining the value of Permitted Investments; and (ii) the investment directions of the City. The Trustee may utilize and rely on computerized securities pricing services that may be available to it, including those available through its regular accounting system;

(b) As to certificates of deposit and bankers' acceptances, the face amount thereof; and

(c) As to any investment not specified above, the value thereof established by prior agreement among the City, the Trustee and, if applicable, the Bond Insurer.

*"Principal Account"* means the account by that name established in Section 4.02.

*"Person"* means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

*"Principal Amount"* means as to any Bond, the principal amount thereof.

*"Principal Payment Date"* means each August 1, commencing August 1, 2022.

*"Record Date"* means the close of business on the 15th day of the month preceding any Interest Payment Date, whether or not such day is a Business Day.

*"Refunding Fund"* means the fund by that name established in Section 2.12(a).

*"Retirement Law"* means the Public Employees' Retirement Law, commencing with section 20000 of the California Government Code, as amended.

*"Serial Bonds"* means Bonds for which no sinking fund payments are provided.

*"Series"* means all of the Bonds designated as being within a certain series, regardless of variations in maturity date, interest rate, redemption and other provisions, and any Bonds thereafter issued in transfer or exchange for such Bonds pursuant to this Trust Agreement.

*"State"* means the State of California.

*"Surplus Account"* means the account by that name established in Section 4.02.

*"Supplemental Trust Agreement"* means any trust agreement then in full force and effect which has been duly executed and delivered by the City and the Trustee amendatory hereof or supplemental hereto; but only if and to the extent that such Supplemental Trust Agreement is specifically authorized hereunder.

*"Term Bonds"* means Bonds which are payable on or before their specified maturity dates from sinking fund payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

*"Trust Agreement"* means this Trust Agreement, dated as of September 1, 2021, between the City and the Trustee, as originally executed and as it may from time to time be amended or supplemented by all Supplemental Trust Agreements executed pursuant to the provisions hereof.

*"Trustee"* means U.S. Bank National Association, or any other association or corporation which may at any time be substituted in its place as provided in Section 6.01.

*"2021 Bonds"* means the City of Orland (Glenn County, California) Pension Obligation Bonds, Series 2021 (Federally Taxable).

*"Written Request of the City"* means an instrument in writing signed by any one of the Authorized Representatives of the City or such officer's designee, or by any other officer of the City duly authorized by the City Council of the City in writing to the Trustee for that purpose.

**Section 1.02. Trust Agreement Constitutes Contract.** In consideration of the acceptance of the Bonds by the Owners thereof, the Trust Agreement shall be deemed to be and shall constitute a contract among the City, the Trustee and the Owners from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to provide for the payment of the interest on, principal of, and redemption premium (if any) on, all Bonds which may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the City shall be for the equal and proportionate benefit, protection and security of all Owners of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

## ARTICLE II

### ISSUANCE OF 2021 BONDS; TERMS OF THE 2021 BONDS; GENERAL BOND PROVISIONS

**Section 2.01. Authorization and Purpose of Bonds.** The City has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that the City is now duly authorized, pursuant to each and every requirement of the Act, to issue the Bonds in the form and manner and for the purpose provided herein and that the Bonds shall be entitled to the benefit, protection and security of the provisions hereof.

The obligations of the City under the Bonds, including the obligation to make all payments of interest and principal when due, are obligations of the City imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. Neither the Bonds nor the obligation of the City to make payments on the Bonds constitute an indebtedness of the City, the State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

#### **Section 2.02. Terms of the 2021 Bonds.**

(a) The 2021 Bonds shall be issued as a single, fully registered bond, without coupons in the total principal amount thereof. The 2021 Bonds shall mature on August 1, \_\_\_\_, and shall bear interest from the Closing Date at the rate of \_\_\_\_% per annum based on a 30-day month and a 360-day year for calculating interest. The 2021 Bonds shall not be (i) assigned a rating by any rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement, or (iv) assigned CUSIP numbers by Standard & Poor's CUSIP Service Bureau.

(b) Interest on the 2021 Bonds (including the final interest payment upon maturity or earlier redemption) shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date. Principal of the 2021 Bonds shall be paid upon presentation and surrender thereof, at final maturity at the Corporate Trust Office. Both the principal of and interest on the 2021 Bonds shall be payable in lawful money of the United States of America.

Notwithstanding anything herein to the contrary, the 2021 Bonds shall not be required to be surrendered for payment except at final payment at maturity hereof or earlier full redemption pursuant to the terms hereof.

(c) The 2021 Bonds shall be dated as of their date of delivery and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) the 2021 Bonds are authenticated on or before January 15, 2021, in which event they shall bear interest from their date of delivery; *provided, however*, that if, as of the date of authentication of the 2021 Bonds, interest thereon is in default, the 2021 Bonds shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(d) Notwithstanding anything herein to the contrary, so long as the 2021 Bonds are owned by the Original Purchaser, (i) the Trustee shall pay principal of and interest on the 2021 Bonds when due by wire transfer in immediately available funds to the Original Purchaser in accordance with wire transfer instructions filed by the Original Purchaser with the Trustee from time to time, (ii) payments of principal on the 2021 Bonds shall be made without the requirement for presentation and surrender of the 2021 Bonds by the Original Purchaser.

(e) Notwithstanding anything herein to the contrary, if any Interest Payment Date is not a Business Day, payments of principal and interest shall be due on the next succeeding Business Day with the same force and affect as if such payments were made on the Interest Payment Date.

Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Owner on such Record Date and shall be paid to the person in whose name the 2021 Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof being given to the Owners not less than ten (10) days prior to such Special Record Date.

### **Section 2.03. Redemption of 2021 Bonds.**

(a) *Optional Redemption.* The Bonds are subject to redemption prior to maturity at the option of the City, in whole or in part, on any date on or after August 1, \_\_\_\_, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, without premium.

(b) *Sinking Fund Redemption.* The Bonds are subject to mandatory redemption, in part by lot, from sinking account payments set forth in the following schedule on August 1, \_\_\_\_, and on each August 1 thereafter to and including August 1, \_\_\_\_, at a redemption price equal to the principal amount thereof to be redeemed, without premium, together with interest accrued thereon to the date fixed for redemption.

<u>Mandatory Sinking Fund Redemption Date (August 1)</u>	<u>Sinking Fund Redemption Amount</u>
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† Maturity

**Section 2.04. Selection of 2021 Bonds for Redemption.** Whenever provision is made in this Indenture for the redemption of less than all of the Bonds or any given portion thereof, and unless otherwise specified by the City, the Trustee shall select the Bonds to be redeemed from all Bonds of or such given portion thereof not previously called for redemption, in inverse order of

sinking fund redemption dates. The Trustee shall promptly notify the City in writing of the Bonds or portions thereof so selected for redemption.

#### **Section 2.04. Notice of Redemption.**

(a) Written notice of redemption shall be given by the City to the Trustee at least thirty (30) days prior to the date of redemption (unless a shorter time shall be acceptable to the Trustee in the sole determination of the Trustee). Unless waived by the Owner, notice of any such redemption shall be given by the Trustee on behalf of the City at least 20 days and not more than 60 days prior to the date fixed for redemption to the Owner at the address shown on the Bond Registration Books.

All notices of redemption shall be dated and shall state: (i) the redemption date, (ii) the redemption price, (iii) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed, (iv) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and (v) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Corporate Trust Office.

Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) interest with respect to such Bonds or portions of Bonds shall cease to accrue and be payable. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Trustee at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Owner a new Bond or Bonds of the same maturity in the amount of the unredeemed principal. All Bonds which have been redeemed shall be canceled and destroyed by the Trustee and shall not be reissued.

Notice of redemption is not required for sinking fund redemptions.

(b) Notice of redemption of Bonds shall be given by the Trustee, at the expense of the City, for and on behalf of the City.

(c) Notwithstanding the foregoing, in the case of any optional redemption of the Bonds under Section 4.01, the notice of redemption may state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds to be redeemed on the anticipated redemption date, and that the optional redemption shall not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem such Bonds have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled optional redemption date to so redeem the Bonds to be optionally redeemed, such event shall not constitute an Event of Default; the Trustee shall send written notice to the Owners, to the effect that the redemption did not occur as anticipated, and the Bonds for which notice of optional redemption was given shall remain Outstanding for all purposes of this Indenture.

**Section 2.04. Form of Bonds.** The Bonds and the authentication endorsement and assignment to appear thereon shall be substantially in the form set forth in Exhibit A.

**Section 2.05. Execution of Bonds.** The Mayor is hereby authorized and directed to execute each of the Bonds on behalf of the City, and the City Clerk of the City is hereby authorized and

directed to countersign each of the Bonds on behalf of the City. The signature of the Mayor and the City Clerk may be by printed or otherwise reproduced by facsimile reproduction. In case any officer whose signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the Bonds.

Only those Bonds bearing thereon a certificate of authentication in the form provided for herein, executed manually or electronically transmitted and dated by the Trustee, shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefit, protection and security hereof.

#### **Section 2.06. Transfer of Bonds.**

(a) The Bonds may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Bonds shall be surrendered for registration of transfer, the City shall execute and the Trustee shall deliver a new Bond or Bonds, of like series, interest rate, maturity and principal amount of authorized denominations. The Trustee shall collect from the Owner any tax or other governmental charge on the transfer of any Bonds pursuant to this Section 2.05. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the City. The 2021 Bonds may only be transferred in whole.

The Trustee may refuse to transfer, under the provisions of this Section 2.06, either (a) any Bonds during the period fifteen (15) days prior to the date established by the Trustee for the selection of Bonds for redemption, or (b) any Bonds selected by the Trustee for redemption.

(b) Ownership of the Bonds may be transferred in whole only, but only to a person or persons that the Owner reasonably believes is either:

(i) a qualified institutional buyer within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended,

(ii) an accredited investor as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act of 1933, as amended,

(iii) a trust, partnership, custodial arrangement or similar entity, interests in which are offered and sold in a private placement or limited offering only to qualified institutional buyers or accredited investors, or

(iv) with respect to the 2021 Bonds only, an affiliate of the Original Purchaser,

in each case that executes and delivers to the Trustee a letter in substantially the form attached hereto as Exhibit B.

**Section 2.08. Exchange of Bonds.** Bonds may be exchanged at the Trust Office, for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity. The Trustee shall require the Owner requesting such exchange to pay any tax or other charge required to be paid with respect to such exchange.

**Section 2.09. Bond Registration Books.** The Trustee will keep at its Corporate Trust Office sufficient books for the registration and transfer of the Bonds which shall during normal business hours be open to inspection by the City, and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Bonds in such books as hereinabove provided.

**Section 2.10. Mutilated, Destroyed, Stolen or Lost Bonds.** If any Bond shall become mutilated the Trustee at the expense of the Owner shall thereupon authenticate and deliver, a new Bond of like tenor and amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Owner, shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Trustee may require payment of a reasonable sum for each new Bond issued under this Section 2.10 and of the expenses which may be incurred by the City and the Trustee in the premises. Any Bond issued under the provisions of this Section 2.10 in lieu of any Bond alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Bonds of the same series secured by this Trust Agreement. Neither the City nor the Trustee shall be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and replacement Bond shall be treated as one and the same.

**Section 2.11. Procedure for the Issuance of 2021 Bonds; Application of Bond Proceeds.** At any time after the sale of the 2021 Bonds in accordance with the Act, the City shall execute the 2021 Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon the 2021 Bonds shall be authenticated and delivered by the Trustee to the Original Purchaser upon the Certificate of the City. The proceeds of the purchase of the 2021 Bonds shall be applied to pay Costs of Issuance and the obligation of the City to CalPERS pursuant to the Retirement Law, as set forth in the Certificate of the City.

(a) The Trustee shall deposit \$\_\_\_\_\_ of the proceeds of the 2021 Bonds in the Refunding Fund. On the Closing Date for the 2021 Bonds, the Trustee shall transfer all amounts in the Refunding Fund to CalPERS pursuant to written instructions from an Authorized Representative.

(b) The Trustee shall deposit \$\_\_\_\_\_ of the proceeds of the 2021 Bonds in the Costs of Issuance Fund, which fund the City hereby agrees to maintain with the Trustee. All money in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay or reimburse the Costs of Issuance of the 2021 Bonds upon receipt of a Written Request of the City filed with the Trustee, each of which shall be sequentially numbered and shall state the person to whom payment is to be made, the amount to be paid, instructions for making the payment, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. Each such Written Request of the City shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

On the date which is three months following the Closing Date for the 2021 Bonds or upon the earlier Written Request of the City, any remaining balance in the Costs of Issuance Fund shall be transferred to the Interest Account.

Upon receipt of the purchase price of Additional Bonds, if any, the Trustee shall set aside and deposit the proceeds received from such sale as set forth in the Supplemental Trust Agreement authorizing such Additional Bonds, which proceeds may be deposited in the following respective accounts or funds:

(i) The Trustee shall deposit the amount, if any, set forth in the Supplemental Trust Agreement authorizing such Additional Bonds in the respective Refunding Fund. On the Closing Date for such Bonds, the Trustee shall promptly transfer all amounts in the respective Refunding Fund to CalPERS or to refund Bonds, as set forth in the Supplemental Trust Agreement authorizing such Additional Bonds.

(ii) The Trustee shall deposit the amount, if any, set forth in the Supplemental Trust Agreement authorizing such Additional Bonds in the respective Costs of Issuance Fund, which fund the City hereby agrees to maintain with the Trustee. All money in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay or reimburse the respective Costs of Issuance of the Additional Bonds upon receipt of a Written Request of the City filed with the Trustee, each of which shall be sequentially numbered and shall state the person to whom payment is to be made, the amount to be paid, instructions for making the payment, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. Each such Written Request of the City shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On the date which is six months following the Closing Date for the Additional Bonds or upon the earlier Written Request of the City, any remaining balance in the respective Costs of Issuance Fund shall be transferred to the Interest Account.

**Section 2.12. Validity of Bonds.** The recital contained in the Bonds that the same are issued pursuant to the Act and pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance, and all Bonds shall be incontestable from and after their issuance. The Bonds shall be deemed to be issued, within the meaning hereof, whenever the definitive Bonds (or any temporary Bonds exchangeable therefor) shall have been delivered to the purchaser thereof and the proceeds of sale thereof received.

## ARTICLE III

### ISSUANCE OF ADDITIONAL BONDS

**Section 3.01. Conditions for the Issuance of Additional Bonds.** The City may at any time issue Additional Bonds on a parity with the 2021 Bonds, but only subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds:

(a) The City shall be in compliance with all agreements and covenants contained herein.

(b) The issuance of such Additional Bonds shall have been authorized pursuant to the Act and shall have been provided for by a Supplemental Trust Agreement which shall specify the following:

(i) The purpose for which such Additional Bonds are to be issued; provided, that such Additional Bonds shall be applied solely for (i) the purpose of satisfying any obligation to make payments to CalPERS pursuant to the Retirement Law relating to pension benefits accruing to CalPERS members, and / or for payment of all costs incidental to or connected with the issuance of Additional Bonds for such purpose, and / or (ii) the purpose of refunding any Bonds then Outstanding, including payment of all costs incidental to or connected with such refunding;

(ii) The authorized principal amount and designation of such Additional Bonds;

(iii) The date and the maturity dates of and the sinking fund payment dates, if any, for such Additional Bonds;

(iv) The interest payment dates for such Additional Bonds;

(v) The denomination or denominations of and method of numbering such Additional Bonds;

(vi) The redemption premiums, if any, and the redemption terms, if any, for such Additional Bonds;

(vii) The amount, if any, to be deposited from the proceeds of sale of such Additional Bonds in the Interest Account hereinafter referred to; and

(viii) Such other provisions (including the requirements of a book-entry Bond registration system, if any) as are necessary or appropriate and not inconsistent herewith.

**Section 3.02. Procedure for the Issuance of Additional Bonds.** At any time after the sale of any Additional Bonds in accordance with the Act, the City shall execute such Additional Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon such Additional Bonds shall be delivered by the Trustee to the purchaser thereof upon the Written Request of the City, but only upon receipt by the Trustee of the following documents or money or securities, all of such documents dated or certified, as the case may be, as of the date of delivery of such Additional Bonds by the Trustee:

(a) An executed copy of the Supplemental Trust Agreement authorizing the issuance of such Additional Bonds;

(b) A Written Request of the City as to the delivery of such Additional Bonds;

(c) An Opinion of Counsel to the effect that (1) the City has executed and delivered the Supplemental Trust Agreement, and the Supplemental Trust Agreement is valid and binding upon the City and (2) such Additional Bonds are valid and binding obligations of the City;

(d) A Certificate of the City stating that all requirements of Article III have been complied with and containing any other such statements as may be reasonably necessary to show compliance with the conditions for the issuance of such Additional Bonds contained herein;

(e) Such further documents, money or securities as are required by the provisions of the Supplemental Trust Agreement providing for the issuance of such Additional Bonds.

## ARTICLE IV

### SECURITY FOR THE BONDS; FUNDS AND ACCOUNTS

#### **Section 4.01. Assignment and Pledge for the Bonds; Bond Fund; Deposits to Bond Fund.**

(a) There is hereby created a special trust fund designated as the "Bond Fund" that shall be held and administered by the Trustee as provided in this Trust Agreement. The Bonds shall be payable by the City from any source of legally available funds. The City hereby irrevocably assigns and pledges to the Trustee, in trust for the security of the Owners on the terms hereof, all the City's rights, title and interest in and to all money and securities for deposit in, or deposited in, the Bond Fund and any investment earnings thereon, and any collateral security for, and all proceeds of, any of the foregoing.

(b) The Trustee shall hold all the rights, title and interest received under this Section 4.01 and all money and securities (exclusive of money to which the Trustee is entitled in its own right as fees, indemnity, reimbursement or otherwise) received from the City or derived from the exercise of the City's powers hereunder in trust for the security of the Owners in accordance with the provisions hereof. The City shall from time to time execute, deliver, file and record such instruments as the Trustee may reasonably require to confirm, perfect or maintain the security created hereby and the assignment and pledge hereby of the rights, title and interest assigned and pledged by the City to the Trustee hereunder.

(c) The City shall promptly deposit or cause to be deposited with the Trustee for deposit in the Bond Fund (i) on or before July 25 of each Fiscal Year (or such other date as provided in a Supplemental Trust Agreement) the amount which, together with moneys transferred pursuant to Section 4.02(c) hereof, is sufficient to pay the principal and interest coming due on the August 1 Interest Payment Date; and (ii) on or before January 25 of each Fiscal Year (or such other date as provided in a Supplemental Trust Agreement) the amount which is sufficient to pay the interest coming due on the February Interest Payment Date.

**Section 4.02. Allocation of Moneys in Bond Fund.** On or before each Interest Payment Date or date fixed for redemption of Bonds, the Trustee shall transfer from the Bond Fund, in immediately available funds, for deposit into the following respective accounts (each of which is hereby created and which the Trustee shall maintain in trust separate and distinct from the other funds and accounts established hereunder), the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of funds sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any deposit is made to any account subsequent in priority:

(a) *Interest Account.* On each Interest Payment Date, the Trustee shall set aside from the Bond Fund and deposit in the Interest Account that amount of money which is equal to the amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date. No deposit need be made in the Interest Account if the amount contained therein is at least equal to the aggregate amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date. All money in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

(b) *Principal Account.* On or before each Principal Payment Date, the Trustee shall set aside from the Bond Fund and deposit in the Principal Account an amount of money equal to the amount of all sinking fund payments required to be made on such Principal Payment Date into

the respective sinking fund accounts for all Outstanding Term Bonds and the principal amount of all Outstanding Serial Bonds maturing on such Principal Payment Date.

All money in each of such accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this Section 4.02.

No deposit need be made in the Principal Account if the amount contained therein is at least equal to the aggregate amount of the principal of all Outstanding Serial Bonds maturing by their terms on such Principal Payment Date plus the aggregate amount of all sinking fund payments required to be made on such Principal Payment Date for all Outstanding Term Bonds.

The Trustee shall establish and maintain within the Principal Account a separate subaccount for the Term Bonds of each series and maturity, designated as the "Sinking Account" (the "Sinking Account"), inserting therein the series and maturity (if more than one such account is established for such series) designation of such Bonds. With respect to each Sinking Account, on each mandatory sinking account payment date established for such Sinking Account, the Trustee shall apply the mandatory sinking account payment required on that date to the redemption (or payment at maturity, as the case may be) of Term Bonds of the series and maturity for which such Sinking Account was established, upon the notice and in the manner provided in Article II; provided that, at any time prior to giving such notice of such redemption, the Trustee may upon the Written Request of the City, apply moneys in such Sinking Account to the purchase for cancellation of Term Bonds of such series and maturity at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account), as may be directed by the City, except that the purchase price (excluding accrued interest) shall not exceed the redemption price that would be payable for such Bonds upon redemption by application of such Mandatory Sinking Account Payment. If, during the twelve-month period immediately preceding such mandatory sinking account payment date, the Trustee has purchased Term Bonds of such series and maturity with moneys in such Sinking Account, such Bonds so purchased shall be applied, to the extent of the full principal amount thereof, as applicable, to reduce such mandatory sinking account payment.

All money in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds, as applicable, as they shall become due and payable, whether at maturity or redemption, except that any money in any sinking fund account shall be used and withdrawn by the Trustee only to purchase or to redeem or to pay Term Bonds for which such Sinking Account was created.

(c) *Surplus Account.* On the Business Day following each August 1 Interest Payment Date, or on such other date as provided in a Supplemental Trust Agreement, any moneys remaining in the Bond Fund shall be deposited by the Trustee in the Surplus Account. So long as no event of default has occurred and is continuing, moneys deposited in the Surplus Account shall be transferred by the Trustee to or upon the order of the City, as specified in a Written Request of the City.

**Section 4.03. Deposit and Investments of Money in Accounts and Funds.** All money held by the Trustee in any of the accounts or funds established pursuant hereto shall be invested in Permitted Investments at the Written Request of the City. If no Written Request of the City is received, the Trustee shall hold such funds uninvested. Such investments shall, as nearly as practicable, mature on or before the dates on which such money is anticipated to be needed for disbursement hereunder. All interest, profits and other income received from any money so invested shall be deposited in the Bond Fund. The Trustee shall have no liability or responsibility for any loss resulting from any investment made or sold in accordance with the provisions of this Article IV, except for any loss due to the negligence or willful misconduct of the Trustee. The

Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charge therefor.

The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City agrees it will not receive such confirmations from the Trustee to the extent permitted by law. The Trustee will furnish the City periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

## ARTICLE V

### COVENANTS OF THE CITY

**Section 5.01. Punctual Payment and Performance.** The City will punctually pay the interest on and the principal of and redemption premiums, if any, to become due on every Bond issued hereunder in strict conformity with the terms hereof and of the Bonds, and will faithfully observe and perform all the agreements and covenants to be observed or performed by the City contained herein and in the Bonds.

**Section 5.02. Extension of Payment of Bonds.** The City shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Trust Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section 5.02 shall be deemed to limit the right of the City to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

**Section 5.03. Additional Debt.** The City expressly reserves the right to enter into one or more other agreements or indentures for any of its purposes and reserves the right to issue other obligations for such purposes.

**Section 5.04. Power to Issue Bonds.** The City is duly authorized pursuant to law to issue the Bonds and to enter into this Trust Agreement. The Bonds and the provisions of this Trust Agreement are the legal, valid and binding obligations of the City in accordance with their terms. The Bonds and any Additional Bonds shall constitute obligations imposed by law.

**Section 5.05. Accounting Records and Reports.** The City will keep or cause to be kept proper books of record and accounts in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocation and application of moneys on deposit in the funds and accounts established hereunder.

**Section 5.06. Prosecution and Defense of Suits.** The City will defend against every suit, action or proceeding at any time brought against the Trustee upon any claim to the extent involving the failure of the City to fulfill its obligations hereunder; provided that the Trustee or any affected Owner at its election may appear in and defend any such suit, action or proceeding. The City, to the extent permitted by law, will indemnify and hold harmless the Trustee against any and all liability claimed or asserted by any person to the extent arising out of such failure by the City, and will indemnify and hold harmless the Trustee against any attorney's fees or other expenses which it may incur in connection with any litigation to which it may become a party by reason of its actions hereunder, except for any loss, cost, damage or expense resulting from the negligence, willful misconduct or breach of duty by the Trustee. Notwithstanding any contrary provision hereof, this covenant shall remain in full force and effect even though all Bonds secured hereby may have been fully paid and satisfied.

**Section 5.07. Further Assurances.** Whenever and so often as reasonably requested to do so by the Trustee or any Owner, the City will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Owners all rights, interests,

powers, benefits, privileges and advantages conferred or intended to be conferred upon them hereby.

**Section 5.08. Waiver of Laws.** The City shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Trust Agreement or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the City to the extent permitted by law.

## ARTICLE VI

### THE TRUSTEE

**Section 6.01. The Trustee.** U.S. Bank National Association, shall serve as the Trustee for the Bonds for the purpose of receiving all money which the City is required to deposit with the Trustee hereunder and for the purpose of allocating, applying and using such money as provided herein and for the purpose of paying the interest on and principal of and redemption premiums, if any, on the Bonds presented for payment at the Corporate Trust Office of the Trustee with the rights and obligations provided herein. The City agrees that it will at all times maintain a Trustee having a corporate trust office in the State.

The City may at any time, unless there exists any event of default as defined in Section 8.01, with 30 days prior notice remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided that any such successor shall be a bank, trust company or national banking association doing business and having a corporate trust office in Glenn or San Francisco, California, having a combined capital (exclusive of borrowed capital) and surplus of at least seventy-five million dollars (\$75,000,000) and subject to supervision or examination by federal or state authority. If such bank, national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this section the combined capital and surplus of such bank, national banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the City and by mailing to the Owners notice of such resignation. Upon receiving such notice of resignation, the City shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. If, within thirty (30) days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

The Trustee is hereby authorized to pay or redeem the Bonds when duly presented for payment at maturity or on redemption prior to maturity. The Trustee shall cancel all Bonds upon payment thereof or upon the surrender thereof by the City and shall destroy such Bonds and a certificate of destruction shall be delivered to the City. The Trustee shall keep accurate records of all Bonds paid and discharged and cancelled by it.

The Trustee shall, prior to an event of default, and after the curing or waiver of all events of default that may have occurred, perform such duties and only such duties as are specifically set forth in this Trust Agreement and no implied duties or obligations shall be read into this Trust Agreement. The Trustee shall, during the existence of any event of default (that has not been cured or waived), exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

**Section 6.02. Liability of Trustee.** The recitals of facts, agreements and covenants herein and in the Bonds shall be taken as recitals of facts, agreements and covenants of the City, and the Trustee assumes no responsibility for the correctness of the same or makes any representation as to the sufficiency or validity hereof or of the Bonds, or shall incur any responsibility in respect

thereof other than in connection with the rights or obligations assigned to or imposed upon it herein, in the Bonds or in law or equity. The Trustee shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and such Owner's title thereto satisfactorily established, if disputed.

The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in Aggregate Principal Amount of the Bonds at the time Outstanding, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Trust Agreement.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request, order or direction of any of the Owners pursuant to the provisions of this Trust Agreement unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that may be incurred therein or thereby. The Trustee has no obligation or liability to the Owners for the payment of interest on, principal of or redemption premium, if any, with respect to the Bonds from its own funds; but rather the Trustee's obligations shall be limited to the performance of its duties hereunder.

The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of a default or event of default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through attorneys-in-fact, agents or receivers, shall not be answerable for the negligence or misconduct or any such attorney-in-fact, agent or receiver appointed by it in accordance with the standards specified above. The Trustee shall be entitled to advice of counsel and other professionals concerning all matters of trust and its duty hereunder, but the Trustee shall not be answerable for the professional malpractice of any attorney or certified public accountant in connection with the rendering of his professional advice in accordance with the terms of this Trust Agreement, if such attorney or certified public accountant was selected by the Trustee with due care.

Whether or not therein expressly so provided, every provision of this Trust Agreement, or related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

The Trustee shall be protected in acting upon any notice, resolution, requisition, request (including any Written Request of the City), consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be established or proved prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a Certificate of the City, which certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers. The Trustee shall have no responsibility, opinion, or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds. All immunities, indemnifications and releases from liability granted herein to the Trustee shall extend to the directors, employees, officers and agents thereof. The Trustee shall not be deemed to have knowledge of any Event of Default unless and until it shall have actual knowledge thereof by receipt of written notice thereof at its Corporate Trust Office.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall meet the requirements set forth in Section 6.01, shall be the successor to the Trustee hereunder and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor hereunder, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

**Section 6.03. Compensation and Indemnification of Trustee.** The City covenants to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it in the exercise and performance of any of the powers and duties hereunder of the Trustee, and the City will pay or reimburse the Trustee upon its request for all expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Trust Agreement (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or willful misconduct, including the negligence or willful misconduct of any of its officers, directors, agents or employees.

The City, to the extent permitted by law, shall indemnify, defend and hold harmless the Trustee against any loss, damages, liability or expense including legal fees and expenses incurred without negligence, willful misconduct or bad faith on the part of the Trustee, (i) arising out of or in connection with the acceptance or administration of the trusts created hereby or the exercise or performance of any of its powers or duties hereunder, and (ii) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other offering circular utilized in connection with the sale of the Bonds, including costs and expenses (including attorneys' fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligations of the City under this Section 6.03 shall survive the discharge of the Bonds and this Trust Agreement and the resignation or removal of the Trustee.

## ARTICLE VII

### AMENDMENT OF THE TRUST AGREEMENT; SUPPLEMENTAL TRUST AGREEMENT

#### Section 7.01. Amendment of the Trust Agreement.

(a) This Trust Agreement and the rights and obligations of the City and of the Owners may be amended at any time by a Supplemental Trust Agreement which shall become binding when the written consents of the Owners of a majority in Aggregate Principal Amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 7.02, are filed with the Trustee. No such amendment shall (1) extend the maturity of or reduce the interest rate on or amount of interest on or principal of or redemption premium, if any, or extend the time of payment on any Bond without the express written consent of the Owner of such Bond, or (2) reduce the percentage of Bonds required for the written consent to any such amendment.

(b) This Trust Agreement and the rights and obligations of the City and of the Owners may also be amended at any time by a Supplemental Trust Agreement which shall become binding upon adoption without the consent of, or notice to, any of the Owners for any one or more of the following purposes:

(i) to add to the agreements and covenants required herein to be performed by the City other agreements and covenants thereafter to be performed by the City, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power reserved herein to or conferred herein on the City;

(ii) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein and in any Supplemental Trust Agreement or in regard to questions arising hereunder which the City may deem desirable or necessary and not inconsistent herewith;

(iii) to provide for the issuance of any Additional Bonds and to provide the terms of such Additional Bonds, subject to the conditions and upon compliance with the procedure set forth in Article III (which shall be deemed not to adversely affect Owners);

(iv) to modify, amend or add to the provisions herein or in any Supplemental Trust Agreement to permit the qualification thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statutes hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by such statute or similar statute; or

(v) to modify, amend or supplement this Trust Agreement and any Supplemental Trust Agreement in any manner that does not materially adversely affect the interest of Owners of Bonds.

**Section 7.02. Disqualified Bonds.** Bonds owned or held by or for the account of the City shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided in this article and shall not be entitled to consent to or take any other action provided in this article. Upon request of the Trustee, the City shall specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section 7.02 and the Trustee may conclusively rely on such certificate.

**Section 7.03. Endorsement or Replacement of Bonds After Amendment.** After the effective date of any action taken as hereinabove provided, the City may determine that the Bonds

may bear a notation by endorsement in form approved by the City as to such action, and in that case upon demand of the Owner of any Outstanding Bonds and presentation of his Bond for such purpose at the office of the Trustee a suitable notation as to such action shall be made on such Bond. If the City shall so determine, new Bonds so modified as, in the opinion of the City, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Outstanding Bond a new Bond or Bonds shall be exchanged at the office of the Trustee without cost to each Owner for its Bond or Bonds then Outstanding upon surrender of such Outstanding Bonds.

**Section 7.04. Amendment by Mutual Consent.** The provisions of this article shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

**Section 7.05. Attorney's Opinion Regarding Supplemental Agreements.** The Trustee shall be provided an Opinion of Counsel that any amendments or supplements to the Trust Agreement comply with the provisions of this Article VII and the Trustee may conclusively rely upon such opinion.

## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES OF HOLDERS

**Section 8.01. Events of Default.** If one or more of the following events (herein called “events of default”) shall happen, that is to say:

(a) if default shall be made by the City in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable;

(b) if default shall be made by the City in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or by proceedings for redemption;

(c) if default shall be made by the City in the performance of any of the agreements or covenants required herein to be performed by the City, and such default shall have continued for a period of 60 days after the City shall have been given notice in writing of such default by the Trustee or the Owners of not less than 25% in Aggregate Principal Amount of the Bonds at the time Outstanding, specifying such default and requiring the same to be remedied, provided, however, if the default stated in the notice can be corrected, but not within the applicable period, the Trustee and such Owners shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected; or

(d) if the City shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the City seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial part of its property.

**Section 8.02. Remedies Upon an Event of Default.** Upon the occurrence and continuance of any event of default, the Trustee may, and upon the written request of Owners of not less than 51% of the Aggregate Principal Amount of Bonds then Outstanding, and upon being indemnified to its satisfaction, shall:

(a) by mandamus, suit, action or proceeding, compel the City and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Trust Agreement and the Bonds, and may require the carrying out of any or all such covenants and agreements of the City and the fulfillment of all duties imposed upon it by this Trust Agreement and by the Retirement Law.

(b) bring suit upon the defaulted Bonds.

(c) by suit, action or proceeding in equity, enjoin any acts or things which are unlawful, or the violation of any of the Owners’ rights.

(d) by suit, action or proceeding in any court of competent jurisdiction, require the City and its members and employees to account as if it and they were the trustees of an express trust.

**Section 8.03. Application of Revenues and Other Funds After Default.** If an event of default shall occur and be continuing, all amounts then held or thereafter received by the Trustee

under any of the provisions of this Trust Agreement shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any fees and expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds and to the payment of the reasonable charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel, agents and advisors) incurred in and about the performance of its powers and duties under this Trust Agreement;

(b) To the payment of the principal and interest then due with respect to the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Trust Agreement, as follows:

*First:* To the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

*Second:* To the payment to the Persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds on the date of maturity or redemption and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the Persons entitled thereto, without any discrimination or preference.

**Section 8.04. Non-Waiver.** Nothing in this Article or in any other provision hereof or in the Bonds shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the interest on and principal of and redemption premiums, if any, on the Bonds to the respective Owners of the Bonds at the respective dates of maturity or upon prior redemption as provided herein, or shall affect or impair the right of such Owners, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein and in the Bonds. A waiver of any default or breach of duty or contract by the Trustee or any Owner shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee or any Owner to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Owners by the Act or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Owners.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned, the City, the Trustee and any Owner shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

**Section 8.05. Actions by Trustee as Attorney-in-Fact.** Any action, proceeding or suit which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners, whether or not the Trustee is an Owner, and the Trustee is hereby appointed (and the successive Owners, by taking and holding the Bonds issued hereunder, shall be conclusively deemed to have so appointed it) the true and lawful attorney-in-fact of the Owners for the purpose of bringing any such action, proceeding or suit and for the purpose of doing and performing any and all acts and things for

and on behalf of the Owners as a class or classes as may be advisable or necessary in the opinion of the Trustee as such attorney-in-fact.

**Section 8.06. Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

**Section 8.07. Limitation on Owners' Right to Sue.** No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or equity, for any remedy under or upon this Trust Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an event of default as defined in Section 8.01 hereunder; (b) the Owners of at least a majority in Aggregate Principal Amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) said Owners shall have tendered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such request shall have been received by, and said tender of indemnity shall have been made to, the Trustee. Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any owner of Bonds of any remedy hereunder; it being understood and intended that no one or more owners of Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of the Trust Agreement shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

**Section 8.08. Absolute Obligation of City.** Nothing in this Section 8.08 or in any other provision of this Trust Agreement or in the Bonds contained shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the principal of, premium, if any and interest on the Bonds to the respective Owners of the Bonds at their respective due dates as herein provided.

**ARTICLE IX**  
**DEFEASANCE**

**Section 9.01. Discharge of Bonds.**

(a) If the City shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the interest thereon and the principal thereof and the redemption premiums, if any, thereon at the times and in the manner stipulated herein and therein, and shall pay or provide for the payment of all fees and expenses of the Trustee, then all agreements, covenants and other obligations of the City to the Owners of such Bonds hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, the Trustee shall pay over or deliver to the City all money or securities held by it pursuant hereto which are not required for the payment of the interest on, principal of, and redemption premium (if any) on, such Bonds.

(b) Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this section if (1) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the City shall have given to the Trustee in form satisfactory to it irrevocable instructions to provide notice in accordance with Section 2.03, (2) there shall have been deposited with the Trustee either (A) money in an amount which shall be sufficient or (B) Defeasance Securities which are not subject to redemption prior to maturity (including any such Defeasance Securities issued or held in book-entry form on the books of the City or the Treasury of the United States of America), the interest on and principal of which when paid will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient, in the opinion of an Independent Certified Public Accountant, to pay when due the interest to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and redemption premiums, if any, on such Bonds, and (3) in the event such Bonds are not by their terms subject to redemption within the next succeeding 60 days, the City shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Owners of such Bonds that the deposit required by clause (2) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and redemption premiums, if any, on such Bonds.

**Section 9.02. Unclaimed Money.** Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds or interest thereon which remains unclaimed for two (2) years after the date when such Bonds or interest thereon have become due and payable, either at their stated maturity dates or by call for redemption prior to maturity, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when such Bonds have become due and payable, shall be repaid by the Trustee to the City as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall not look to the Trustee for the payment of such Bonds.

**ARTICLE X**  
**MISCELLANEOUS**

**Section 10.01. Benefits of the Trust Agreement Limited to Parties.** Nothing contained herein, expressed or implied, is intended to give to any person other than the City, the Trustee and the Owners any right, remedy or claim under or by reason hereof. Any agreement or covenant required herein to be performed by or on behalf of the City or any member, officer or employee thereof shall be for the sole and exclusive benefit of the Trustee and the Owners.

**Section 10.02. Successor Is Deemed Included in All References to Predecessor.** Whenever herein either the City or any member, officer or employee thereof or the Trustee is named or referred to, such reference shall be deemed to include the successor or assigns thereof, and all agreements and covenants required hereby to be performed by or on behalf of the City or the Trustee, or any member, officer or employee thereof, shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

**Section 10.03. Execution of Documents by Owners.** Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or his attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to make acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer. The ownership of any Bonds and the amount, maturity, number and date of holding the same may be proved by the registration books relating to the Bonds at the office of the Trustee.

Any declaration, request, consent or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond with respect to anything done or suffered to be done by the Trustee or the City in good faith and in accordance therewith.

**Section 10.04. Waiver of Personal Liability.** No member, officer or employee of the City shall be individually or personally liable for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds by reason of their issuance, but nothing herein contained shall relieve any such member, officer or employee from the performance of any official duty provided by the Act or any other applicable provisions of law or hereby.

**Section 10.05. Acquisition of Bonds by City.** All Bonds acquired by the City, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation.

**Section 10.06. Destruction of Cancelled Bonds.** Whenever provision is made for the return to the City of any Bonds which have been cancelled pursuant to the provisions hereof, the Trustee shall destroy such Bonds and furnish to the City a certificate of such destruction.

**Section 10.07. Content of Certificates.** Every Certificate of the City with respect to compliance with any agreement, condition, covenant or provision provided herein shall include (a) a statement that the person or persons making or giving such certificate have read such agreement, condition, covenant or provision and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based; (c) a statement that, in the opinion of the

signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or provision has been complied with; and (d) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or provision has been complied with.

Any Certificate of the City may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person making or giving such certificate knows that the Opinion of Counsel with respect to the matters upon which his certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters information with respect to which is in the possession of the City, upon a representation by an officer or officers of the City unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

**Section 10.08. Accounts and Funds; Business Days.** Any account or fund required herein to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained in accordance with sound accounting practice and with due regard for the protection of the security of the Bonds and the rights of the Owners. Any action required to occur hereunder on a day which is not a Business Day shall be required to occur on the next succeeding Business Day.

**Section 10.09. Notices.** All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the City:	City of Orland 815 Fourth Street Orland, CA 95963 Attention: City Manager
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If to the Trustee:	U.S. Bank National Association One California Street, Suite 1000 San Francisco, CA 94111 Attention: Global Corporate Trust
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**Section 10.10. Article and Section Headings and References.** The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to the Trust Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

**Section 10.11. Partial Invalidity.** If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the City or the Trustee shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or of the Bonds, and the Owners shall retain all the benefit, protection and security afforded to them

under the Act or any other applicable provisions of law. The City and the Trustee hereby declare that they would have executed and delivered the Trust Agreement and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

**Section 10.12. Execution in Several Counterparts.** This Trust Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the City and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

**Section 10.13. Governing Law.** This Trust Agreement shall be governed by and construed in accordance with the laws of the State.

**Section 10.14. CUSIP Numbers.** Neither the Trustee nor the City shall be liable for any defect or inaccuracy in the CUSIP number that appears on any Bond or in any redemption notice. The Trustee may, in its discretion, include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners and that neither City nor the Trustee shall be liable for any inaccuracies in such numbers.

IN WITNESS WHEREOF, the CITY OF ORLAND has caused this Trust Agreement to be signed in its name by the Authorized Representative and U.S. BANK NATIONAL ASSOCIATION, in acceptance of the trusts created hereunder, has caused this Trust Agreement to be signed by the officer thereunder duly authorized, all as of the day and year first above written.

CITY OF ORLAND

By: \_\_\_\_\_  
City Manager

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**  
**FORM OF 2021 BOND**

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THIS BOND MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH SECTION 2.05 OF THE INDENTURE DESCRIBED HEREIN.
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United States of America  
State of California  
County of Glenn

**CITY OF ORLAND**  
**PENSION OBLIGATION BOND, SERIES 2021**  
**(Federally Taxable)**

Interest Rate	Maturity Date	Original Issue Date
_____%	August 1, ____	September __, 2021

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL SUM: \_\_\_\_\_ DOLLARS

The CITY OF ORLAND, a municipal corporation and general law City duly organized and validly existing under and pursuant to the Constitution and laws of the State of California (the "City"), for value received hereby, promises to pay to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter provided for) the principal sum specified above, together with interest on such principal sum from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated as of an Interest Payment Date or following the close of business on the fifteenth day of the month preceding an Interest Payment Date (the "Record Date") to such Interest Payment Date, in which event it shall bear interest from such Interest

Payment Date, or unless this Bond is authenticated prior to the Record Date for the first Interest Payment Date, in which event it shall bear interest from the original issue date specified above) until the principal hereof shall have been paid at the interest rate per annum specified above, payable semiannually on each February 1 and August 1, commencing February 1, 2022 (each an "Interest Payment Date"). Interest due on or before the maturity or prior redemption of this Bond shall be payable only by check mailed on the Interest Payment Date by first-class mail to the registered owner hereof. The principal hereof is payable in lawful money of the United States of America at the Corporate Trust Office of the Trustee.

This 2021 Bond is one of a duly authorized issue of bonds of the City designated as its "Pension Obligation 2021 Bonds, Series 2021 (Federally Taxable)" (the "2021 Bonds") in aggregate principal amount of \$\_\_\_\_\_, all of like tenor and date (except for variations relating to numbers, maturities and interest rates), and is issued under and pursuant to the provisions of Articles 10 and 11 (commencing with section 53570) of Chapter 3 of Division 2 of Title 5 of the

California Government Code and all laws amendatory thereof or supplemental thereto (the "Act") and under and pursuant to the provisions of a trust agreement, dated as of September 1, 2021 (the "Trust Agreement"), between the City and U.S. Bank National Association, as trustee (the "Trustee") (copies of which are on file at the Corporate Trust Office of the Trustee).

Under the Trust Agreement, Additional 2021 Bonds and other obligations may be issued on a parity with the 2021 Bonds, but subject to the conditions and upon compliance with the procedures set forth in the Trust Agreement. The 2021 Bonds and any bonds or other obligations issued on a parity with the 2021 Bonds are obligations imposed by law payable from funds to be appropriated by the City pursuant to the Public Employees' Retirement Law, commencing with section 20000 of the California Government Code, as amended (the "Retirement Law"). Reference is hereby made to the Act and to the Trust Agreement and any and all amendments thereof and supplements thereto for a description of the terms on which the 2021 Bonds are issued, the rights of the registered owners of the 2021 Bonds, security for payment of the 2021 Bonds, remedies upon default and limitations thereon, and amendment of the Trust Agreement (with or without consent of the registered owners of the 2021 Bonds); and all the terms of the Trust Agreement are hereby incorporated herein and constitute a contract between the City and the registered owner of this Bond, to all the provisions of which the registered owner of this Bond, by acceptance hereof, agrees and consents.

The 2021 Bonds shall be subject to redemption prior to their maturity date, at the option of the City, pro rata within a maturity on any date on or after August 1, 20\_\_, at a redemption price equal to the principal amount of the 2021 Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium. In the event of an optional redemption of the 2021 Bonds, the City shall provide the Trustee with a revised sinking fund schedule giving effect to the redemption so completed.

The Bonds are subject to mandatory sinking fund redemption on the dates and in the amounts specified below, at a redemption price equal to the principal amount thereof, plus accrued interest to the date of redemption, without premium. The principal amount of such term bonds to be so redeemed and the dates therefor shall be as follows:

Redemption Date (August 1)	Principal Amount
_____	_____

†Maturity Date

THE OBLIGATIONS OF THE CITY OF ORLAND HEREUNDER, INCLUDING THE OBLIGATION TO MAKE ALL PAYMENTS OF INTEREST AND PRINCIPAL WHEN DUE, ARE OBLIGATIONS OF THE CITY OF ORLAND IMPOSED BY LAW AND ARE ABSOLUTE AND UNCONDITIONAL, WITHOUT ANY RIGHT OF SET-OFF OR COUNTER CLAIM. NEITHER THE BONDS NOR THE OBLIGATION OF THE CITY OF ORLAND TO MAKE PAYMENTS ON THE BONDS CONSTITUTE AN INDEBTEDNESS OF THE CITY OF ORLAND, THE STATE OF CALIFORNIA, OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

This 2021 Bond is transferable only on a register to be kept for that purpose at the above-mentioned office of the Trustee by the registered owner hereof in person or by his duly authorized attorney upon payment of the charges provided in the Trust Agreement and upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon a new fully registered

2021 Bond or 2021 Bonds in the same aggregate principal amount of authorized denominations will be issued to the transferee in exchange therefor. The City and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the interest hereon and principal hereof and for all other purposes, whether or not this Bond shall be overdue, and neither the City nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of this Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on this Bond to the extent of the sum or sums so paid.

This 2021 Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been manually executed and dated by the Trustee.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law and that the amount of this Bond, together with all other indebtedness of the City, does not exceed any limit prescribed by the Constitution or laws of the State of California and is not in excess of the amount of 2021 Bonds permitted to be issued under the Trust Agreement.

IN WITNESS WHEREOF, the City of Orland has caused this Bond to be executed in its name and on its behalf by the signature of the Mayor and to be countersigned by the signature of the Assistant City Clerk of the City of Orland and has caused this Bond to be dated as of the original issue date specified above.

CITY OF ORLAND

By: \_\_\_\_\_  
Mayor

Countersigned

\_\_\_\_\_  
City Clerk

#### FORM OF CERTIFICATE OF AUTHENTICATION

This is one of the 2021 Bonds described in the within-mentioned Trust Agreement which has been authenticated on \_\_\_\_\_, 2021.

U.S. Bank National Association,  
as Trustee

By: \_\_\_\_\_  
Authorized Officer

## FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute(s) and appoint(s)

attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

Notice: Signature(s) must be guaranteed by a qualified guarantor institution meeting the requirements of membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Notice: The signature on this assignment must correspond with the name(s) as written on the face of the within bond in every particular without alteration or enlargement or any change whatsoever.

**EXHIBIT B**  
**FORM OF PURCHASER'S LETTER**

City of Orland  
815 Fourth Street  
Orland, CA 95963

Re: City of Orland (Glenn County, California) Pension Obligation Bonds, Series 2021  
(Federally Taxable)

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Ladies and Gentlemen:

The undersigned (the "Purchaser"), being the purchaser of the above-referenced bonds (the "Bonds") does hereby certify, represent and warrant for the benefit of the City of Orland (the "City") and U.S. Bank National Association, as trustee (the "Trustee") that:

(a) The Purchaser (MARK OR INDICATE APPROPRIATELY):

☐ is a qualified institutional buyer" (a "Qualified Institutional Buyer") within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended (the "Securities Act"),

☐ is an "accredited investor" as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act (an "Accredited Investor"), or

☐ is a trust, partnership, custodial arrangement or similar entity, interests in which are offered and sold in a private placement or limited offering only to Qualified Institutional Buyers or Accredited Investors.

(b) The Purchaser understands that the Bonds have not been registered under the United States Securities Act of 1933, as amended, or under any state securities laws. The Purchaser agrees that it will comply with any applicable state and federal securities laws then in effect with respect to any disposition of the Bonds by it, and further acknowledges that any current exemption from registration of the Bonds does not affect or diminish such requirements.

(c) The Purchaser is not now and has never been controlled by, or under common control with, the City. The City has never been and is not now controlled by the Purchaser. The Purchaser has entered into no arrangements with the City or with any affiliate in connection with the Bonds, other than as disclosed to the City.

(d) The Purchaser has authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds. The individual who is signing this letter on behalf of the Purchaser is a duly appointed, qualified, and acting officer of the Purchaser and is authorized to cause the Purchaser to make the certificates, representations and warranties contained herein by execution of this letter on behalf of the Purchaser.

(e) The Purchaser has been informed that the Bonds (i) have not been and will not be registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any jurisdiction, and (ii) will not be listed on any stock or other securities exchange.

(f) The Purchaser acknowledges that it has the right to sell and transfer the Bonds, subject to compliance with the transfer restrictions set forth in Section 2.05 of the Indenture of Trust, dated as of June 1, 2021, by and between the City and the Trustee (the "Indenture"), including in certain circumstances the requirement for the delivery to the City and the Trustee of a letter in the same form as this Investor's Letter, including this paragraph. Failure to comply with the provisions of Section 2.05 of the Indenture shall cause the purported transfer to be null and void.

(h) Neither the Trustee nor Bond Counsel, or any of their employees, counsel or agents will have any responsibility to the Purchaser for the accuracy or completeness of information obtained by the Purchaser from any source regarding the City or its financial condition, the provision for payment of the Bonds, or the sufficiency of any security therefor. The Purchaser acknowledges that, as between the Purchaser and all of such parties, the Purchaser has assumed responsibility for obtaining such information and making such review as the Purchaser deemed necessary or desirable in connection with its decision to purchase the Bonds.

(i) The Purchaser acknowledges that the Bonds are exempt from the requirements of Rule 15c2-12 of the Securities and Exchange Commission and that the City has not undertaken to provide any continuing disclosure with respect to the Bonds, except as otherwise provided in the Indenture.

The Purchaser acknowledges that the sale of the Bonds to the Purchaser is made in reliance upon the certifications, representations and warranties herein by the addressees hereto. Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Indenture.

[PURCHASER]

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

## CITY OF ORLAND

### CITY COUNCIL AGENDA ITEM #: 8.B.

**MEETING DATE: May 17, 2021**

**TO:** Honorable Mayor and Council  
**FROM:** Pete Carr, City Manager  
**SUBJECT:** Options for Use of ARPA Funds (Discussion/Action)

---

City Council continues its consideration of intent for use of pandemic relief funds.

**BACKGROUND:**

As explained in the several previous agendized conversations on this topic, City Council determined on May 3<sup>rd</sup> its intended use of CV2 and CV3 Covid relief funds, and now needs to consider uses for American Rescue Plan Act (ARPA) funds. The City expects to receive \$1.4 million in ARPA funds, half this June and the balance in 2022.

Targeted and allowed uses were unknown until U.S Treasury issued guidance May 10<sup>th</sup>. The published 115-page "Interim Final Rule" sets forth that "Within the categories of eligible uses, recipients have broad flexibility to decide how best to use this funding to meet the needs of their communities. Recipients may use Coronavirus State and Local Fiscal Recovery Funds to:

- Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
- Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
- Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
- Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
- Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

As noted above (underscored), cities may use payments from the Fiscal Recovery Funds to replace local government revenue lost due to COVID-19, helping to ensure that governments can continue to provide needed services and avoid cuts. This is sometimes referred to as "fiscal stabilization" for cities and is an encouraged use of funds. In the examples of acceptable uses, a specifically called out acceptable use of funds is "capital investments in public facilities to meet pandemic operational

needs.” ARPA funds can be used to accomplish projects or programs the City would have otherwise done but could not due to the loss of revenues.

No funds can be used to offset pension costs or provide for tax reductions. Treasury guidance further calls for public input, transparency, and accountability. The previous funding sources (\$70k CV1 and \$281k CV2/3) were designated toward grants for small businesses and cost offset for installing touch-free doors at public facilities.

**DISCUSSION:**

Once received by the City and placed into new ARPA fund accounts, the fiscal stabilization provided by these funds can be leveraged to accomplish projects the City needs and would have done but had deferred due to the revenue losses associated with Covid19.

On the attached worksheet, \$1.6M in proposed projects are listed against \$1.4M in anticipated funds, \$700k this year and \$700k next year, so some trimming will be necessary as we move forward into deeper planning of projects.

Attachment (2):

- A. Orland Sales Tax Covid Impact
- B. Proposed Use of Funds

**RECOMMENDATION:** Provide direction to staff on use of ARPA funds.

**Fiscal Impact of Recommendation:** None. Expenditures will correspond to revenue. Receipt of funds does not require City match.

Orland Sales Tax 2010 - 2026: Covid Impact



Attachement A

## Proposed Use of Covid Relief Funds

City of Orland May 11, 2021

	USE OF FUNDS	CV2 / CV3 (\$281k)	ARPA (\$1.4M)
1	Backfill General Fund fiscal stability		\$1,000,000
2	Backfill Measure A Fund for tax revenue losses		\$400,000
3	Grants to Covid-affected small businesses	\$120,000	
4	Façade Improvement program		\$40,000
5	Streetscapes (benches, planters, streetlamps)		\$100,000
6	Radio signal upgrades for OPD and OVFD		\$60,000
7	OPD Security and IT upgrades		\$60,000
8	Touch-free doors to library, OPD, City Hall, Rec	\$120,000	
9	Covered outdoor library services area	\$41,000	
10	OPD/City Hall, Library roof and floor repairs		\$140,000
11	Evidence barn security improvements		\$80,000
12	Lely ballfield lighting (1 field)		\$325,000
13	Extend westside water service to County Road 15		\$100,000
14	Lely Ballfield lighting (1 field)		\$325,000
15	Construct welcome sign at east end of City		\$20,000
16	5th St Parking Lot w/ improvements		\$70,000
17	Additional land acquisition for future HDC		\$80,000
18	Construct business/city advertising tower @ I-5		\$200,000
<b>Total Lines 3-23</b>		<b>\$281,000</b>	<b>\$1,600,000</b>

Deferred for Future Federal Transportation Infrastructure Funding		
Streetscapes infrastructure		\$8,000,000
Traffic signal and intersection Commerce/Newville		\$250,000
Sidewalk and curb repairs citywide		\$250,000
Curb gutter & sidewalk for Public Safety Building		\$300,000

## CITY OF ORLAND

### CITY COUNCIL AGENDA ITEM #: 8.C.

**MEETING DATE: May 17, 2021**

**TO:** Honorable Mayor and Council  
**FROM:** Pete Carr, City Manager  
**SUBJECT:** **Fiscal Year 2021-22 Budget Discussion #3:**  
**Water and Sewer Funds, Debt Schedule** (Discussion/Direction)

---

City staff will brief Council on ongoing progress in preparing a draft proposed budget for the next fiscal year.

#### **BACKGROUND**

City staff is preparing a draft budget for the fiscal year 2021-22 which starts July 1. The budget will represent the City's best estimate of anticipated revenues and a spending plan consistent with Council direction. The two previous discussions focused on Capital expenditures and projects, General Fund and Measure A Public Safety Fund revenues and expenditures, staffing, and development impact funds.

#### **DISCUSSION**

This evening's discussion will review any needed updates from the May 3<sup>rd</sup> discussion, examine water and sewer operational funds, and summarize the overall schedules of funds balances and debt obligations. It is acknowledged that this budget is being prepared in an environment of unusual economic challenge and uncertainty as the nation, state and City emerge from a year of pandemic restrictions on commerce,

Direction received from Council this evening will further inform staff as it proceeds with formulation of the final proposed budget which is planned for presentation to Council for consideration of adoption on June 5<sup>th</sup>.

#### Chamber

The Council heard a verbal report from the Chamber of Commerce Board in April. The Chamber is further sharing financial management reports and an offer to participate in economic development projects. Chamber membership is >140, up from 97 in 2017. Chamber support from the City has ranged from \$9k to \$30k annually in recent fiscal years. The current budget draft has \$11,000 set aside for Chamber support, similar to this year and approximating 15% of hotel tax revenue.

#### Water

With \$1.76M in expected revenue against \$1.36M in planned expenditures, the water operations budget is balanced and the fund balance is strengthened for future project needs. Rates were adjusted by CPI in January.

The major capital water project is planning and engineering for the next well and the City's first ground-level storage tank, both programmed for location at the City's property on 6<sup>th</sup> Street.

As a reminder, storm drainage expenses are charged to the water fund, as allowed by State law, with most storm drainage runoff eventually percolating as groundwater recharge.

#### Sewer

With \$1.26M in expected revenue against \$1M in planned expenditures, the primary sewer fund is balanced and the fund balance is strengthened. Replacement of the CR MM sewer main has been a major project of the current fiscal year; Implementing SCADA and lift station upgrades will be areas of capital improvement focus for the coming year.

For both water and sewer, connection charges are now going to respective categories of development impact fees funds (DIF) for use in future capital maintenance and improvement projects. The draft budget assumes completion of construction of 1/3 of the planned 95 single family units at Linwood II.

The industrial sewer fund, which serves two producers of agricultural process brine effluent, is separate from the primary sewer system physically and financially. The industrial sewer budget is balanced and maintains a modest reserve against future capital needs. This system is currently under engineering review for future replacement costs and cost share.

#### Fund Balances

General Fund and Measure A Funds' revenue plans are still based on partial transfer-in from ARPA relief funds. Plans for expenditure of these funds are being formulated along with evolving guidance from US Treasury.

#### Debt Schedule

Highlights include retirement in FY22 of the last remaining CalPERS Side Fund POB and two of our three OPW equipment loans. This removes three of our 13 debt obligations and frees up \$173k/yr in General Fund debt payments and \$176k/yr in utility fund debt payments.

Attachments (5):

- A. Chamber of Commerce Financial Management Report
- B. Water Fund Operational Summary Budget
- C. Sewer Fund Operational Summary Budgets
- D. Summary of Fund Balances
- E. Debt Obligation Schedule

#### **RECOMMENDATION**

Provide direction at Council discretion, direct staff to proceed with final budget preparation.

#### **Fiscal Impact of Recommendation:**

Budget will balance revenues with expenditures and – if possible – address fund reserve objectives.

# Management Report

Orland Area Chamber of Commerce  
For the period ended December 31, 2020



Prepared by  
**Carolyn Pendergrass**

Prepared on  
**May 10, 2021**

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# Profit and Loss

January - December 2020

	Total
<b>INCOME</b>	
43400 Direct Public Support	
43450 Individ, Business Contributions	
HoneyBee Discovery Center	2,000.00
<b>Total 43450 Individ, Business Contributions</b>	<b>2,000.00</b>
<b>Total 43400 Direct Public Support</b>	<b>2,000.00</b>
47200 Program Income	
47230 Membership Dues	13,306.00
47240 Program Service Fees	132.22
<b>Total 47200 Program Income</b>	<b>13,438.22</b>
City of Orland Support	14,062.50
OktoBEEfest	
2019 Sponsorship	135.00
2019 Tickets	1,040.00
<b>Total OktoBEEfest</b>	<b>1,175.00</b>
Origin Certificate Income	5,630.00
Sales of Product Income	137.00
Santa Program	550.00
Services	425.00
<b>Total Income</b>	<b>37,417.72</b>
<b>GROSS PROFIT</b>	<b>37,417.72</b>
<b>EXPENSES</b>	
60900 Business Expenses	90.00
62800 Facilities and Equipment	
62890 Utilities	885.11
Rent Expense-Monthly Rent	6,600.00
<b>Total 62800 Facilities and Equipment</b>	<b>7,485.11</b>
65000 Operations	2,775.94
65010 Books, Subscriptions, Reference	424.00
65020 Postage, Mailing Service	82.50
65040 Supplies	189.20
65050 Telephone, Telecom., Computer	4,009.64
66000 Payroll Expenses	18,985.36
Advertising & Promotion	840.78
<b>Total 65000 Operations</b>	<b>27,307.42</b>
65100 Other Types of Expenses	
65120 Insurance - Liability, D and O	700.00
<b>Total 65100 Other Types of Expenses</b>	<b>700.00</b>
Bank Service Charges	247.34
OktoBEEfest reimbursable expenses	940.11
<b>Total Expenses</b>	<b>36,769.98</b>
<b>NET OPERATING INCOME</b>	<b>647.74</b>

	Total
OTHER INCOME	
Interest Income	20.88
<b>Total Other Income</b>	<b>20.88</b>
NET OTHER INCOME	<b>20.88</b>
NET INCOME	<b>\$668.62</b>

# Balance Sheet

As of December 31, 2020

		Total
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Bank Accounts</b>		
10000 Umpqua Checking		63,159.50
Certificates of Deposit		3,208.52
Checking Business Expo		83.78
<b>Total Bank Accounts</b>		<b>66,451.80</b>
<b>Accounts Receivable</b>		
11000 Accounts Receivable		2,898.50
<b>Total Accounts Receivable</b>		<b>2,898.50</b>
<b>Other Current Assets</b>		
12100 Inventory Asset		595.16
<b>Total Other Current Assets</b>		<b>595.16</b>
<b>Total Current Assets</b>		<b>69,945.46</b>
<b>Other Assets</b>		
18700 Security Deposits Asset		600.00
<b>Total Other Assets</b>		<b>600.00</b>
<b>TOTAL ASSETS</b>		<b>\$70,545.46</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
<b>Total Liabilities</b>		
<b>Equity</b>		
30000 Opening Balance Equity		29,238.47
32000 Unrestricted Net Assets		60,278.98
Capital Equity		-19,640.61
Net Income		668.62
<b>Total Equity</b>		<b>70,545.46</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$70,545.46</b>

# Statement of Cash Flows

January – December 2020

	Total
<b>OPERATING ACTIVITIES</b>	
Net Income	668.62
Adjustments to reconcile Net Income to Net Cash provided by operations:	
11000 Accounts Receivable	-2,431.00
Petty Cash	502.54
Accounts Payable	4,398.18
Orland Bucks Payable	-685.30
<b>Total Adjustments to reconcile Net Income to Net Cash provided by operations:</b>	<b>1,784.42</b>
<b>Net cash provided by operating activities</b>	<b>2,453.04</b>
<b>FINANCING ACTIVITIES</b>	
Capital Equity	-3,712.88
<b>Net cash provided by financing activities</b>	<b>-3,712.88</b>
<b>NET CASH INCREASE FOR PERIOD</b>	<b>-1,259.84</b>
Cash at beginning of period	67,711.64
<b>CASH AT END OF PERIOD</b>	<b>\$66,451.80</b>

**City of Orland**  
2021-2022 Budget -- Water Enterprise Operating & Capital Replacement

Description	2019-2020 Actual	2020-2021 Budget	2020-2021 Projected	2021-2022 Proposed
<b>Revenues</b>				
Water Service Fees	\$ 1,620,438	1,660,000	1,660,000	1,670,000
Water Line Foot Charges, Capacity & Meter Hook-up Fees	15,290	78,900	0	84,100
Grant and Other Revenues	59,833		5,000	5,000
<b>Total Revenues</b>	<b>\$ 1,695,561</b>	<b>\$ 1,738,900</b>	<b>\$ 1,665,000</b>	<b>\$ 1,759,100</b>
<b>Personnel Services including wages and benefits</b>	<b>351,558</b>	<b>466,999</b>	<b>466,999</b>	<b>456,013</b>
PERS unfunded liability	33,466	39,606	39,606	40,814
<b>Operating</b>				
Office Expenses	13,833	12,000	11,000	12,480
Special Departmental Supplies and Tools	30,169	-	50,000	5,000
Special Departmental Technology Upgrades	14,696	3,480	3,480	12,000
Uniform and Boot Allowance	3,353	1,700	1,700	1,768
Communications	8,393	9,800	9,800	10,192
Utilities	119,604	90,000	120,000	122,000
Rents and Leases	12,000	12,000	12,000	12,480
Equipment Maintenance	15,866	20,000	20,000	20,800
Professional and Contract Services	55,693	50,000	40,000	50,000
Membership/Dues	7,445	7,000	9,800	9,800
Non Capitalized Equipment	67,148		15,000	15,000
Training and Travel	2,102	2,000	2,000	2,080
Fuel	22,011	20,000	20,000	26,000
Insurance Allocation	11,588	9,300	9,300	9,700
Pension Obligation Debt Service	17,407	17,407	17,407	18,678
SGMA JPA Cost Share		4,000	4,000	6,000
Supplies	54,447	41,000	41,000	60,000
Water Treatment	8,686	9,000	9,000	9,360
Administrative Allocation	187,300	139,673	139,673	141,000
<b>Total Operating Expenditures</b>	<b>1,036,765</b>	<b>954,965</b>	<b>1,041,765</b>	<b>1,041,165</b>
<b>Other Expenditures</b>				
Capital Outlay	86,443	194,100	194,100	75,000
Water Meters at Parks		35,000	35,000	-
Debt Service	172,802	205,500	205,500	239,759
<b>Total Other Expenditures</b>	<b>259,245</b>	<b>434,600</b>	<b>434,600</b>	<b>314,759</b>
<b>Total Expenditures</b>	<b>1,296,010</b>	<b>1,389,565</b>	<b>1,476,365</b>	<b>1,355,925</b>
<b>Revenue in Excess of Expenditures</b>	<b>\$ 399,551</b>	<b>\$ 349,335</b>	<b>\$ 188,635</b>	<b>\$ 403,175</b>

**City of Orland**  
2021- 2022 Budget -- Sewer Enterprise Operating & Capital Replacement

Description	2019-2020 Actual	2020-2021 Budget	2020-2021 Projected	2021-2022 Proposed
<b>Revenues</b>				
Sewer Service Fees	\$ 1,141,851	1,100,000	1,160,000	1,175,000
Capacity and Hook Up Charges	29,906	84,500	0	77,900
Other Revenues	22,452		5,000	5,000
<b>Total Revenues</b>	<u>1,194,209</u>	<u>1,184,500</u>	<u>1,165,000</u>	<u>1,257,900</u>
<b>Personnel Services including wages and benefits</b>	290,493	340,605	340,605	328,703
PERS unfunded liability	17,504	19,588	19,588	20,200
<b>Operating</b>				
Office Expenses	13,858	12,000	12,000	12,500
Special Departmental Supplies and Tools	24,540	0	40,000	5,000
Special Departmental Technology Upgrades	8,932	3,480	3,480	3,620
Uniform and Boot Allowance	3,353	1,700	1,700	1,700
Memberships and Dues	20,273	20,000	20,000	25,000
Communications	2,184	2,000	2,000	2,100
Utilities	8,229	10,000	10,000	10,400
Rents and Leases	12,000	12,000	12,000	12,480
Equipment/Building Maintenance	65,962	33,000	35,000	34,320
Professional and Contract Services	52,780	14,000	14,000	14,560
State Regulatory Fees		15,000	15,000	15,600
Training and Travel	1,695	600	600	2,000
Fuel	22,011	19,000	19,000	25,000
Non Capitalized Equipment	2,835		15,000	20,000
Insurance Allocation	10,112	8,300	8,300	8,632
Pension Obligation Debt Service	11,959	11,959	11,959	12,832
Supplies	39,851	40,000	40,000	50,000
Water Treatment	209	1,000	1,000	1,040
<b>Administrative Allocation</b>	<u>128,500</u>	<u>78,673</u>	<u>78,673</u>	<u>80,000</u>
<b>Total Operating Expenditures</b>	<u>737,280</u>	<u>642,905</u>	<u>699,905</u>	<u>685,687</u>
<b>Other Expenditures</b>				
Capital Outlay, Capitalized	992,048	213,600	213,600	50,000
Environmental Study		50,000	50,000	-
Debt Service	170,745	226,600	226,600	262,827
<b>Total Other Expenditures</b>	<u>1,162,793</u>	<u>490,200</u>	<u>490,200</u>	<u>312,827</u>
<b>Total Expenditures</b>	<u>1,900,073</u>	<u>1,133,105</u>	<u>1,190,105</u>	<u>998,514</u>
<b>Revenue in Excess of Expenditures</b>	<u>(\$705,864)</u>	<u>\$51,395</u>	<u>(\$25,105)</u>	<u>\$259,386</u>

**City of Orland**  
2021-2022 Budget -- Industries Sewer Enterprise

Description	2019-2020 Actual	2020-2021 Budget	2020-2021 Projected	2021-2022 Proposed
<b>Revenues</b>				
Sewer Service Fees from Olive Processors		\$ 74,164	\$ 150,000	\$ 81,929
Interest Income Allocation	2,443			
<b>Total Revenues</b>	<u>2,443</u>	<u>74,164</u>	<u>150,000</u>	<u>81,929</u>
<b>Personnel Services including wages and benefits</b>		46,660	46,660	53,253
PERS unfunded liability	3,289	3,746	3,746	3,925
<b>Operating</b>				
Special Departmental Supplies and Tools		100	100	150
Uniform Allowance	2,050	1,100	1,100	1,150
Utilities	6,326	3,500	3,500	3,650
Rents and Leases	1,800	1,800	1,800	1,900
Professional and Contract Services	9	700	700	750
Insurance Allocation	296	1,000	1,000	1,050
PERS Side Fund Debt Service	1,958	1,958	1,958	2,101
<b>Administrative Allocation</b>	13,200	13,600	13,600	14,000
<b>Total Expenditures</b>	<u>28,928</u>	<u>74,164</u>	<u>74,164</u>	<u>81,929</u>
<b>Revenue in Excess of Expenditures</b>	<u>\$ (26,485)</u>	<u>\$ -</u>	<u>\$ 75,836</u>	<u>\$ (0)</u>

**City of Orland**  
**Summary of Major Fund Balances**

Fund Code	Fund Name	Fund Balance per Audit July 1, 2020	Projected 2020-2021		Fund Balance Projected June 30, 2021	Budgeted 2021-2022		Fund Balance Budgeted June 30, 2022
			Revenues and Transfers In	Expenditures Transfers Out		Revenues	Expenditures	
00	General Fund	753,967	5,111,431	4,843,363	1,022,035	5,460,500	5,388,146	1,094,389
01	Measure A Safety Fund	817,636	1,095,000	977,300	935,336	1,050,000	1,102,000	883,336
21	Street Related Funds	328,020	990,582	1,178,640	139,962	472,000	510,800	101,162
35	Development Impact Fund	2,279,312	75,000	112,300	2,242,012	604,500	604,500	2,242,012
26	Water Enterprise Fund	2,522,464	1,665,000	1,476,365	2,711,099	1,759,100	1,355,925	3,114,274
27	Sewer Enterprise Fund	93,806	1,165,000	1,190,105	68,701	1,257,900	998,514	328,087
28	Sewer Industries Fund	119,506	74,164	74,164	119,506	81,929	81,929	119,506

City of Orland  
Debt Obligations 2021-2022  
Schedule of Payments

Issuer	Item[s] Financed	Original Loan Amount	% Rate	Loan End Date	FY 21-22 Payments	Payments allocated to funds:				Remaining Balance June 30, 2022
						General Fund	Measure A - Safety	Water	Sewer	
Bank of Mellon	Pension Bond -- Side Fund	1,270,200	4.4	2022	179,400	130,330		25,700	15,400	-
PNC	FD Ladder Truck	655,090	3.0	2026	76,698		76,698			293,823
Umpqua	OPW Equip	732,791	5.0	2022	160,932	25,749		67,591	67,591	39,984
Umpqua	Bucket truck	105,481	4.0	2022	17,244	17,244				1,433
Umpqua	OPW Equip	8,697	4.7	2023	1,861			931	931	1,750
Umpqua	Police Vehicles	227,986	4.7	2023	51,317		51,317			45,876
Umpqua	Police Vehicles	161,401	4.5	2024	36,069		36,069			60,613
Umpqua	Police Vehicles	119,377	3.4	2025	27,080		28,859			72,805
Umpqua	Blue Frog Project	854,101	5.0	2024	137,219				137,219	296,870
3CORE	5th St Parking Lot	115,000	3.0	2028	11,423	11,423				60,263
Umpqua	Energy Efficiency	866,000	3.0	2032	72,812	13,834		57,521	1,456	653,019
Umpqua	Solar Project, NET OF CREBs	1,575,066	1.9	2032	114,950	21,840		52,880	40,230	1,137,006
SWRF	Eva Well	1,160,268	0.0	2048	35,136			35,136		913,558
<b>Total:</b>		7,851,458			922,141	220,420	192,943	239,759	262,827	3,577,000

NOTE:

Subtotals:	Pension	179,400
	Fire Dept	76,698
	Police	114,466
	Public Works Equip	180,037

## MEMORANDUM

TO: City Council

FROM: Gregory P. Einhorn, City Attorney

SUBJECT: **Proposed City Manager Employment Agreement**

DATE: May 12, 2021

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### 1. Background

The City Council approved a three year contract with the City Manager effective May 25, 2017 through May 24, 2020. The City Manager voluntarily proposed a one year extension at no change in salary for 2020-2021, due to Covid-19 fiscal uncertainty. The proposal was accepted by the City Council. The extension expires on May 24, 2021. The City Council and the City Manager have been negotiating a successor agreement, through the City Attorney.

Before the Council is a proposed three-year successor agreement.

### 2. Salary and Benefits

The City Manager has completed nine (9) full years of service to the City as City Manager. The City Manager salary, as of the third year of the current agreement (2019-2020) was \$126,497.00. As stated, the City Manager chose to extend that 2019-2020 salary for one year (2020-2021). For 2020-2021, City employees generally received a 3% salary increase. The amount of a 3% increase to the 2019-2020 salary would have been \$3,795.00.

The current contract provides for a deferred compensation benefit in the amount of a \$5,000.00 per year match by the City. The current contract provides the City Manager with use of a City-owned motor vehicle for commute and City-related transportation. This benefit was originally provided in 2013 in lieu of a 2.5% salary increase that the contract at that time provided, and is estimated at an annual value of \$3,000.00

The proposed contract eliminates both of the above existing benefits. The proposed contract also recognizes the City Manager's voluntary acceptance of no salary increase for 2020-2021.

The annual cost of the above is as follows:

- |    |                                       |            |
|----|---------------------------------------|------------|
| 1. | Elimination of deferred-compensation: | \$5,000.00 |
| 2. | Elimination of City-owned vehicle:    | \$3,000.00 |
| 3. | No salary increase for 2020-2021:     | \$3,795.00 |

The total of the above is \$11,795.00. That amount, added to the current contract salary of \$126,497.00, is \$ \$138,292.00.

A city manager salary survey for nine (9) local and comparably sized cities in this region, with the highest and the lowest salaries eliminated, shows an average city manager salary of \$152,000.00.

The annual salary in the proposed contract is as follows:

May 25, 2021: \$150,000.00  
May 25, 2022: \$160,000.00  
May 25, 2023: \$160,000.00

The proposed increase for year one (\$138,292.00 - \$150,000.00) is 8.5%. The proposed increase for year two (\$150,000.00 - \$160,000.00) is 6.7%. There is no increase for year three.

Consistent with the City's Personnel policies (10 years of service), the City Manager's vacation leave is proposed to be adjusted from 120 hours to 160 hours per year upon completion of ten years.

### **3. Other Contract Provisions.**

All other provisions of the current Agreement to remain in place.

/mk

## **EMPLOYMENT AGREEMENT (CITY MANAGER) BETWEEN THE CITY OF ORLAND AND PETER R. CARR**

The City of Orland (City), by and through its duly elected City Councilmembers (Council), located at 815 Fourth St., Orland, CA 95963, and Peter R. Carr (City Manager), in consideration of the mutual promises made herein, agree (Agreement) as follows:

### **ARTICLE 1. TERM OF EMPLOYMENT**

#### **Section 1.01. Term.**

City hereby employs City Manager and City Manager hereby accepts employment with City as City Manager (Parties) for a period of three (3) years, commencing May 25, 2021 and ending May 24, 2024. Parties agree that not less than 180 days prior to the end of this term they will meet and confer to discuss extension of this Agreement.

#### **Section 1.02. "Employment Term" – Defined.**

As used herein, the phrase "employment term" refers to the entire period of employment of City Manager by City hereunder, whether terminated earlier as hereinafter provided or extended by mutual agreement between City and City Manager.

### **ARTICLE 2. DUTIES AND OBLIGATIONS OF CITY MANAGER**

#### **Section 2.01. Duties and Obligations.**

City Manager shall serve as the City's City Manager during the term of employment. In the capacity of City Manager, City Manager shall do and perform all services, acts or things necessary or advisable to manage and maintain the business of City, subject at all times to the policies set by City, Orland Municipal Code (OMC) Chapter 2.12, and in accordance with all applicable law. The City Manager shall dress in appropriate business attire reflecting the position as Chief Executive of the City of Orland while representing the City in an official capacity at any public or private event.

#### **Section 2.02. Faithful Performance.**

City Manager agrees that to the best of his ability and experience he will at all times faithfully, loyally and conscientiously perform all of the duties and obligations required of him either expressly or implicitly by the terms of this Agreement.

#### **Section 2.03. Outside Employment.**

(a) City Manager shall devote his entire production time, ability and attention to the business of City during the term of this Agreement; provided, however, upon approval by the

Council, that City Manager may undertake outside employment that does not interfere with the duties and responsibilities of City Manager's position. Any consideration of outside employment shall be presented to the City Council for prior review.

(b) This Agreement shall not be interpreted to prohibit City Manager from making passive personal investments or conducting private affairs if those activities do not materially interfere with the services required under this Agreement.

### ARTICLE 3. OBLIGATIONS OF CITY

#### Section 3.01. Compensation, Benefits, Expenses.

City shall provide City Manager with the compensation, incentives, benefits, and expense reimbursement specified elsewhere in this Agreement.

#### Section 3.02. Indemnification for City Losses.

City shall indemnify City Manager for all losses sustained by City Manager as a direct consequence of the discharge of his duties on City's behalf.

#### Section 3.03. Performance Evaluations.

City Manager shall receive annual performance evaluations by the Council.

#### Section 3.04. Independent Authority; Limitation.

Pursuant to pertinent state and local law, City Manager has the right to exercise his independent authority, subject to the general direction of the City Council.

### ARTICLE 4. COMPENSATION OF CITY MANAGER

#### Section 4.01. Compensation.

(a) As compensation for the services to be rendered by City Manager hereunder, City shall pay City Manager the sum of \$150,000.00 per year for the first year of this agreement, \$160,000.00 per year for the second year of this agreement, and \$160,000.00 per year for the third year of this agreement.

(b) City Manager's salary shall in no event be reduced during the term of this Agreement except as included in a general salary reduction applied to City employees for whom the City Council has the authority to set salaries. In the event of such salary reduction, it shall be at the same percentage applied to other employees.

#### Section 4.02. Management Leave.

City Manager shall receive 80 hours of Management Leave annually on April 1 of each year of this Agreement. Any Management Leave not used by March 31 of any year of this Agreement shall be lost and shall not carry over. In consideration of this benefit, City Manager agrees to release and waive any and all claims or potential claims which did accrue or may have accrued for overtime compensation or any other such claims under the Fair Labor Standards Act or the California Labor Code from the date of City Manager's initial hire date through the date of this contract.

### ARTICLE 5. CITY MANAGER BENEFITS

#### Section 5.01. Vacation.

City Manager shall be entitled to annual vacation time each year at the rate of 160 hours per year. Vacation time shall accrue monthly. Total accumulated vacation time and management leave, combined, shall not exceed 200 hours. Vacation time shall not accrue beyond 200 hours for the length of this Agreement. Any such vacation time and management leave beyond 200 hours shall be lost.

#### Section 5.02. Other Benefits.

City Manager shall receive medical insurance, retirement benefits and all other fringe benefits in amounts and types equal to those of City department heads and subject to change as department head benefits may change.

Use of the City Manager's personal motor vehicle for City-related transportation shall be reimbursed at the applicable IRS rate.

City Manager shall submit itemized monthly expense reports and shall be reimbursed for City-related expenses.

### ARTICLE 6. TERMINATION OF EMPLOYMENT

#### Section 6.01. Termination as City Manager for Cause.

The City Manager's status as such and all rights under this Agreement hereunder may be terminated by the Council at any time upon a material breach of this Agreement, for the commission of a felony, for a crime involving moral turpitude or for any conduct bringing substantial discredit to the City. The Council shall not terminate this Agreement pursuant to this section until a written statement of grounds for termination has first been served upon the City Manager. The City Manager shall then be entitled to a meaningful hearing with the Council and shall have the right to have a representative of his choice at said hearing. The hearing with the

Council shall be the City Manager's exclusive right to any hearing otherwise required by law. The hearing process shall be governed by the provisions of the OMC.

#### Section 6.02. Early Termination without Cause

Notwithstanding any other provision of this Agreement, the Council, in its discretion, shall have the option to terminate this Agreement at any time during the term hereof, or upon any extension thereof; provided, however, that if the Council does terminate this agreement, without cause, prior to the expiration of the three (3) year term, the Parties agree that the effective date of such termination shall be 180 days from the date of notice of such termination (notice period). The Council reserves the right to require the City Manager to continue to provide services under this Agreement for up to 90 days during the 180 day notice period. The Council also reserves the right to reject such services during all or part of the 180 day notice period. Upon such rejection, if any, however, the City shall pay to City Manager salary only (no other benefits) through the end of the notice period. This provision shall not be construed to extend the term of this Agreement.

#### Section 6.03. Effect on Compensation If Early Termination

In the event that this Agreement is terminated early, and subject to Section 6.02, City Manager shall be entitled to the compensation and benefits earned by and vested in him prior to the date of termination as provided for in this Agreement, computed pro rata up to and including that date.

#### Section 6.04. Termination by City Manager

The City Manager shall provide City with at least 30 days' notice of termination of this Agreement.

### ARTICLE 7. GENERAL PROVISIONS

#### Section 7.01. Affiliation – Professional and Local Associations.

During the term of this Agreement and any extensions thereof, City Manager shall maintain membership in good standing in the International City Management Association (ICMA) and shall subscribe to and act in accordance with the Associations' ethics codes. City agrees to pay the costs of such membership. City Manager shall also maintain membership in good standing in the City Manager's Department of the League of California Cities.

City Manager is expected to participate in City functions but is not expected to become a member of one or more City organizations. City will consider payment for one such membership upon presentation of such to the Council.

#### Section 7.02. Notices.

Any notices to be given by either party to the other shall be in writing and may be transmitted either by personal delivery or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notice shall be addressed to the City at 815 Fourth St, Orland, CA 95963. Mailed notice shall be addressed to the City Manager at the mailing address then on file with the City Clerk's office. Each party may change their address by written notice in accordance with this section. Notices delivered personally shall be deemed communicated as of the date of actual receipt; mailed notices shall be deemed communicated as of the date of mailing.

#### Section 7.03. Attorney Fees.

If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney fees. This provision shall be construed as applicable to the entire contract.

#### Section 7.04. Agreement an Entirety.

This Agreement supersedes any and all other agreements, either oral or written, between the Parties with respect to the employment of City Manager by City, and contains all of the covenants and agreements between the parties with respect to that employment in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, and which are not embedded herein, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding.

#### Section 7.05. Non-Waiver.

The failure of either party to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement by the other party shall not be deemed a waiver of that term, covenant, or condition, nor shall any waiver or relinquishment of any right or power be for all or any other times.

#### Section 7.06. Effect of Invalidity.

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.

#### Section 7.07. Applicability – California Law and Venue.

This Agreement shall be governed by and construed in accordance with the laws of the State of California. Venue for enforcement shall be the County of Glenn, California.

Section 7.08. Construction with the Orland Municipal Code.

The terms of this Agreement are deemed additional terms and conditions of employment not inconsistent with any provisions of Chapter 2.12 of the OMC, as set forth at OMC section 2.130. In the event of any inconsistency, however, the terms of this Agreement shall prevail over the terms of the OMC.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year last below written.

Dated: \_\_\_\_\_

\_\_\_\_\_  
City of Orland  
Bruce T. Roundy, Mayor

Dated: \_\_\_\_\_

\_\_\_\_\_  
City Manager  
Peter R. Carr

\_\_\_\_\_  
Approved as to form,  
Gregory P. Einhorn, City Attorney