

SECTION 3B_{2B}

Winding Down the Agreement for CVB Services between the Turlock Chamber of Commerce and the City of Turlock Including All Correspondence, Financial Information, and All Contractually Related Items Update and Discussion.

Section 1 Background Information

Section 2 Contracts

Section 3 Correspondence



KELLIE JACOBS-HUNTER
ADMINISTRATIVE SERVICES DIRECTOR
kjacobs-hunter@turlock.ca.us

ADMINISTRATIVE SERVICES

156 S. BROADWAY, SUITE 230 | TURLOCK, CALIFORNIA 95380 | PHONE 209-668-5540 EXT 1104 | FAX 209-668-5668

MEMORANDUM

TO: HONORABLE MAYOR AND MEMBERS OF THE TURLOCK CITY COUNCIL

FROM: KELLIE JACOBS-HUNTER 

DATE: April 24, 2015

RE: 3. B. 2. B. WINDING DOWN THE AGREEMENT FOR CVB SERVICES BETWEEN THE TURLOCK CHAMBER OF COMMERCE AND THE CITY OF TURLOCK

BACKGROUND INFORMATION:

On February 10, 2015 at the City Council Meeting, the Turlock Chamber of Commerce elected to terminate the Agreement for Tourism Services with the City of Turlock. The Chamber of Commerce submitted a formal 90-day notice of termination with an effective date of May 3, 2015.

On April 1, 2015 The City Attorney emailed a letter to the Turlock Chamber of Commerce requesting financial and accounting information as outlined in the Agreement for Tourism Services between the Turlock Chamber of Commerce and the City of Turlock.

On April 2, 2015 the City of Turlock received a call from Berger and Company Certified Public Accountants offering to meet and discuss the accounting for the Convention and Visitors Bureau. Berger and Company provides accounting services to the CVB for the Chamber of Commerce.

On April 6, 2015 Vice Mayor Bublak and City staff met with Berger and Company Certified Public Accountants to discuss the accounting for the Convention and Visitors Bureau for calendar years 2009 through 2014. Mr. Kevin Berger supplied copies of the General Ledger, Balance Sheet, and Profit & Loss Statements for the CVB for calendar years 2009 through 2014.

On April 14, 2015 The City Attorney emailed a letter to the Turlock Chamber of Commerce requesting further accounting for certain transactions on the General Ledger from the CVB for calendar years 2009 through 2014. The letter requested delivery of the documents on or before April 24, 2015. The City of Turlock received an email acknowledging receipt of letter from The Turlock Chamber of Commerce on April 14, 2015.

On April 23, 2015 Turlock Chamber of Commerce supplied the City of Turlock with additional documentation for the transactions set forth in the City's letter dated April 14, 2015.

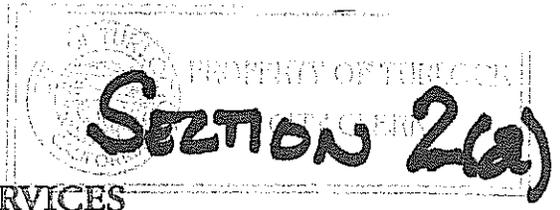
HONORABLE MAYOR AND MEMBERS OF THE TURLOCK CITY COUNCIL

April 24, 2015

Page 2

On April 24, 2015 City staff reviewed the documentation received from the Turlock Chamber of Commerce and identified certain potentially unallowable transactions under the Agreement for Tourism.

On April 24, 2015 the City Attorney emailed and hand delivered a letter the Turlock Chamber of Commerce outlining the potentially unallowable transactions and offered to meet with the Chamber Executive and/or Chamber Board on or before April 29, 2015 to discuss the City's preliminary determination of the potentially unallowable transactions.



CONTRACT FOR TOURISM SERVICES

THIS CONTRACT, entered into as of the first day of December, 1991 by and between the City of Turlock, a municipal corporation ("City"), and the Turlock Chamber of Commerce ("Chamber")

WITNESSETH

WHEREAS, City desires to promote tourism within the City of Turlock in order to enhance the economic well-being of the community; and

WHEREAS, Chamber desires to aid City by managing a Convention and Visitors Bureau ("CVB"); and

WHEREAS, the City Council has previously indicated its desire that some portion of the transient occupancy tax be used to promote and encourage tourism within the City of Turlock, finding that such was to the financial benefit of the general welfare; and

WHEREAS, the Turlock City Council has previously directed that negotiations be initiated leading to an agreement for visitor and tourism promotion services, as requested by Chamber's Visitors and Tourism Task Force, to be effective December 1, 1991.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. SCOPE OF SERVICES:

The Chamber shall manage a CVB which shall be a part of Chamber but a separate corporation for accounting purposes only. The CVB shall perform marketing services for City. These services shall include, but not be limited to: participation in trade shows; publication of brochures; newspaper, billboard, and magazine advertising; and related services which promote tourism for City.

In carrying out the services for City, Chamber shall prepare and follow a budget as submitted to City concurrently with this agreement and by October 15th of each subsequent year this agreement is in effect. A plan of work with goals will be included with said budget to aid the parties in evaluating the effectiveness of expenditures made pursuant this agreement. Chamber will submit the final plan for the initial year by February 15, 1992.

2. TIME OF PERFORMANCE AND TERMINATION:

This contract shall be effective as of December 1, 1991 and shall continue thereafter until terminated, with or without cause, by either party hereto giving ninety (90) days prior written notice to the other party. Upon termination of this agreement, Chamber shall be paid for services rendered through the date of termination. After all services have been paid for, any funds remaining in said CVB account, along with all equipment and supplies purchased with City funds, shall be delivered to City within sixty (60) days of said termination.

3. COMPENSATION:

For services rendered, Chamber shall be paid the equivalent of one-third (1/3) of City's Transient Occupancy Tax proceeds. Amounts based upon collections during the prior quarter shall be transmitted from the City to the Chamber on or about March 1, June 1, September 1, and December 1 of each year.

Chamber shall place said monies in a "Tourism Fund" and shall make an accounting of monies expended from said Fund at least annually, each February, during the term of this agreement. Such accounting is to be in a form acceptable to City and is to be submitted to City by Chamber's auditor.

It being understood that Chamber is responsible for administering the CVB, Chamber agrees to accept responsibility for receiving, replying to, and/or complying with any audit exceptions directly related to the provisions of this agreement. Chamber agrees to pay to City the full amount of liability resulting from audit exceptions.

4. CERTIFICATION OF NON-USE OF CITY FUNDS FOR CHAMBER ACTIVITIES:

By execution of this agreement, Chamber certifies that City funds received by Chamber shall not be used to replace funds that would otherwise be made available by Chamber for the activities identified in this agreement.

5. INDEMNITY AND INSURANCE:

The Chamber agrees to indemnify, defend and save harmless the City, its officers, agents, and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, materialmen, laborers and any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the performance of this agreement. Said indemnity shall specifically extend to the intentional or negligent acts or to the errors and omissions of Chamber or its employees during the performance of this agreement.

Chamber agrees to obtain and maintain insurance for the life of this agreement in a single-limit amount of not less than \$1,000,000 for bodily injury and property damage covering the scope of services of this agreement. Said insurance shall name the City of Turlock, its officers, and employees as additional insureds and shall provide thirty (30) days written notice to City prior to the termination or expiration of the insurance.

6. INDEPENDENT CONTRACTOR:

The Chamber, and the agents and employees of Chamber, in the performance of this agreement, shall act in an independent capacity and not as officers, employees, or agents of the City.

7. ASSIGNABILITY:

Without the prior written consent of the City, this agreement is not assignable by Chamber either in whole or in part.

8. ALTERATIONS:

No alteration or variation of the terms of this agreement shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto.

9. NOTICES:

All notices, pamphlets, press releases, research reports, and similar documents prepared and released by the Chamber shall include the statement: "This activity is funded by the City of Turlock under an agreement with the City of Turlock."

10. GENERAL PROVISIONS:

A. This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement, shall be deemed to exist or to bind any of the parties hereto.

B. City may duplicate, use, and disclose in any manner and for any purpose whatsoever, and have others so do, all data developed or delivered under this agreement.

C. Chamber hereby grants to the City a royalty-free, non-exclusive, and irrevocable license to publish, translate, reproduce, deliver, perform, dispose of, and to authorize others so to do, all data now or hereafter covered by this agreement, provided, that with respect to data not originated in the performance of this agreement, such license shall be only to the extent that the Chamber has the right to grant such license without becoming liable to pay compensation to others because of such grant.

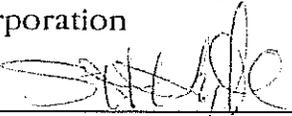
D. Chamber shall not affix any restrictive markings upon any data, and if such markings are affixed, the City shall have the right at any time to modify, remove, obliterate, or ignore such markings.

E. This agreement shall be governed and construed in accordance with all the laws of the State of California.

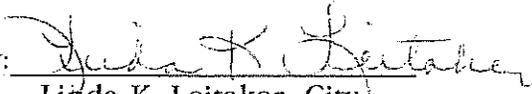
F. The Chamber certifies that it does not discriminate and shall refrain from discrimination against any person or group of persons, on account of race, color, creed, religion, sex, marital status, ancestry or national origin; furthermore, Chamber shall require all contractors performing services or supplying materials hereunder to so certify.

G. In the event any provision of this Agreement shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

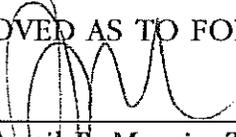
CITY OF TURLOCK, a municipal corporation

By: 
Steven H. Kyte, City Manager

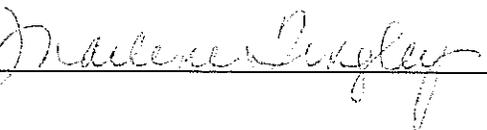
ATTEST:

By: 
Linda K. Leitaker, City Clerk, CMC

APPROVED AS TO FORM:

By: 
Angil P. Morris, Turlock City Attorney

TURLOCK CHAMBER OF COMMERCE

By: 

ATTEST:

By: _____

APPROVED AS TO FORM:

By: _____

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF APPROVING)
A CONTRACT FOR TOURISM }
SERVICES WITH THE TURLOCK }
CHAMBER OF COMMERCE }

RESOLUTION NO. 91-292

WHEREAS, the Turlock City Council desires to promote tourism within the City in order to enhance the economic well-being of the community; and

WHEREAS, the City derives direct revenue from taxes paid by visitors as well as benefits to the business community and the City which result from purchases of services and products by visitors; and

WHEREAS, there is an important financial incentive to the City and to its private businesses to promote continued and increased tourism in Turlock; and

WHEREAS, the City Council has previously directed the preparation of an agreement for visitor and tourism promotion services, as requested by the Turlock Chamber of Commerce Visitors and Tourism Task Force.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Turlock that the City Manager is hereby authorized and directed to execute the attached Contract for Tourism Services, effective as negotiated, beginning December 1, 1991; and

BE IT FURTHER RESOLVED that a separate account is hereby established into which one-ninth of the City's 9% Transient Occupancy Tax will be placed in order to defray costs of visitor services on General Fund activities, including but not limited to police supervision and traffic control of events, provision for barricades and markers, and maintenance of entryway corridors.

PASSED AND ADOPTED by the City Council of the City of Turlock at a regular meeting this 17th day of December 1991 by the following roll call vote:

AYES: Councilmembers Ratto, Palmberg, Hillberg and Mayor Andre

NOES: Councilmember Howard

ABSTAIN: None

ABSENT: None

ATTEST:


LINDA K. LEITAKER, CMC
City Clerk, City of Turlock,
County of Stanislaus, State of
California



City
COUNCIL
City
SECTION 2(b)

AGREEMENT FOR TOURISM SERVICES
between the
CITY OF TURLOCK
and the
TURLOCK CHAMBER OF COMMERCE

THIS AGREEMENT is entered into as of this 12th day of February, 2002, by and between the CITY OF TURLOCK, a municipal corporation (hereinafter referred to as "City") and the TURLOCK CHAMBER OF COMMERCE (hereinafter referred to as "Chamber").

WHEREAS, City desires to promote tourism within the City of Turlock in order to enhance the economic well-being of the community; and

WHEREAS, Chamber desires to aid City by managing a Convention and Visitors Bureau (hereinafter referred to as "CVB"); and

WHEREAS, the City Council has previously indicated its desire that some portion of the transient occupancy tax be used to promote and encourage tourism within the City of Turlock, finding that such was to the financial benefit of the general welfare; and

WHEREAS, the City Council has previously directed that negotiations be initiated leading to an agreement for visitor and tourism promotion services;

NOW, THEREFORE, the parties hereto agree as follows:

1. SCOPE OF SERVICES

Chamber shall manage a CVB which shall be a part of Chamber but a separate corporation for accounting purposes only. The CVB shall perform marketing services for City, which shall include, but not be limited to: participation in trade shows, publication of brochures, newspaper, billboard and magazine advertising, and related services which promote tourism for City.

In carrying out the services for City, Chamber shall prepare and follow a budget as submitted to City concurrently with this Agreement and by October 15th of each subsequent year this Agreement is in effect. A plan of work with goals will be included with said budget to aid the parties in evaluating the effectiveness of expenditures made pursuant to this Agreement.

2. TIME OF PERFORMANCE AND TERMINATION

This Agreement shall be effective as of January 1, 2002, and shall continue thereafter until terminated, with or without cause, by either party hereto giving ninety (90) days prior written notice to the other party. Upon termination of this Agreement, Chamber shall be paid for services rendered through the date of termination. After all services have been paid for, any funds remaining in said CVB account, along with all equipment and supplies purchased with City funds, shall be delivered to City within sixty (60) days of said termination.

3. COMPENSATION

For services rendered, Chamber shall be paid the equivalent of two-ninths of City's Transient Occupancy Tax proceeds. Amounts based upon collections during the prior quarter shall be transmitted from City to Chamber on or about March 1, June 1, September 1, and December 1, of each year.

Chamber shall place said monies in a "Tourism Fund" (hereinafter referred to as "Fund") and shall make an accounting of monies expended from said Fund at least annually, each February, during the term of this Agreement. Such accounting is to be in a form acceptable to City and is to be submitted to City by Chamber's auditor.

It being understood that Chamber is responsible for administering the CVB, Chamber agrees to accept responsibility for receiving, replying to, and/or complying with any audit exceptions directly related to the provisions of this Agreement. Chamber agrees to pay to City the full amount of liability resulting from audit exceptions.

4. CERTIFICATION OF NON-USE OF CITY FUNDS FOR CHAMBER ACTIVITIES

By execution of this Agreement, Chamber certifies that City funds received by Chamber shall not be used to replace funds that would otherwise be made available by Chamber for the activities identified in this Agreement.

5. INDEMNITY AND INSURANCE

Chamber agrees to indemnify, defend and save harmless, City, its officers, agents, and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, materialmen, laborers and any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the performance of this Agreement. Said indemnity shall specifically extend to the intentional or negligent acts or to the errors and omissions of Chamber or its employees during the performance of this Agreement.

Chamber agrees to obtain and maintain insurance for the life of this Agreement in a single-limit amount of not less than \$1,000,000 for bodily injury and property damage covering the scope of services of this Agreement. Said insurance shall name the City of Turlock, its elective and appointive boards, officers, agents,

employees, and volunteers as additional insureds and shall provide thirty (30) days written notice to City prior to the termination or expiration of the insurance.

6. INDEPENDENT CONTRACTOR

Chamber, its agents and employees, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of City.

7. ASSIGNABILITY

Without the prior written consent of City, this Agreement is not assignable by Chamber either in whole or in part.

8. ALTERATIONS

No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto.

9. NOTICES

All notices, pamphlets, press releases, research reports, and similar documents prepared and released by Chamber shall include the statement: "This activity is funded by the City of Turlock under an agreement with the City of Turlock."

10. GENERAL PROVISIONS

This Agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

City may duplicate, use, and disclose in any manner and for any purpose whatsoever, and have others do so, all data developed or delivered under this Agreement.

Chamber hereby grants to the City a royalty-free, non-exclusive and irrevocable license to publish, translate, reproduce, deliver, perform, dispose of, and to authorize others so to do, all data now or hereafter covered by this Agreement; provided however, that with respect to data not originated in the performance of this Agreement, such license shall be only to the extent that the Chamber has the right to grant such license without becoming liable to pay compensation to others because of such grant.

Chamber shall not affix any restrictive markings upon any data, and if such markings are affixed, City shall have the right at any time to modify, remove, obliterate, or ignore such markings.

This Agreement shall be governed and construed in accordance with the laws of the State of California.

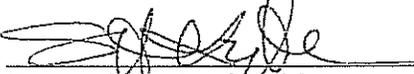
Chamber certifies that it does not discriminate and shall refrain from discrimination against any person or group of persons, on account of race, color, creed, religion, sex, marital status, ancestry or national origin; furthermore, Chamber shall require all contractors performing services or supplying materials hereunder to so certify.

In the event any provision of this Agreement shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by and through their respective officers thereunto duly authorized on the date first written above.

CITY OF TURLOCK, a municipal corporation

TURLOCK CHAMBER OF COMMERCE

By: 
Steven H. Kyte, City Manager

By: 

APPROVED AS TO FORM:

By: 
Richard C. Burton, City Attorney

ATTEST:

By: 
Rhonda Greenlee, City Clerk, CMC



SECTION 2(c)

**AGREEMENT FOR TOURISM SERVICES
Between the
CITY OF TURLOCK
and the
TURLOCK CHAMBER OF COMMERCE**

THIS AGREEMENT is entered into as of this 10th day of December 2002, by and between the **CITY OF TURLOCK**, a municipal corporation (hereinafter referred to as "City") and the **TURLOCK CHAMBER OF COMMERCE** (hereinafter referred to as "Chamber").

WHEREAS, City desires to promote tourism within the City of Turlock in order to enhance the economic well-being of the community; and

WHEREAS, Chamber desires to aid City by managing a Convention and Visitors Bureau (hereinafter referred to as "CVB"); and

WHEREAS, the City Council has previously indicated its desire that some portion of the transient occupancy tax be used to promote and encourage tourism within the City of Turlock, finding that such was to the financial benefit of the general welfare; and

WHEREAS, the City Council has previously directed that negotiations be initiated leading to an agreement for visitor and tourism promotion services;

NOW, THEREFORE, the parties hereto agree as follows:

1. SCOPE OF SERVICES

Chamber shall manage a CVB which shall be a part of Chamber but a separate corporation for accounting purposes only. The CVB shall perform marketing services for City, which shall include, but not be limited to: participation in trade shows, publication of brochures, newspaper, billboard and magazine advertising, and related services which promote tourism for City.

In carrying out the services for City, Chamber shall prepare and follow a budget as submitted to City concurrently with this Agreement and by October 15th of each subsequent year this Agreement is in effect. A plan of work with goals will be included with said budget to aid the parties in evaluating the effectiveness of expenditures made pursuant to this Agreement.

2. TIME OF PERFORMANCE AND TERMINATION

This Agreement shall be effective as of January 1, 2003, and shall continue thereafter until terminated, with or without cause, by either party hereto giving ninety (90) days prior written notice to the other party. Upon termination of this Agreement, Chamber shall be paid for services rendered through the date of termination. After all services have been paid for, any funds remaining in said CVB account, along with all equipment and supplies purchased with City funds, shall be delivered to City within sixty (60) days of said termination.

3. COMPENSATION

For services rendered, Chamber shall be paid the equivalent of three-ninths of City's Transient Occupancy Tax proceeds. Amounts based upon collections during the prior quarter shall be transmitted from City to Chamber on or about March 1, June 1, September 1, and December 1, of each year.

Chamber shall place said monies in a "Tourism Fund" (hereinafter referred to as "Fund") and shall make an accounting of monies expended from said Fund at least annually, each February, during the term of this Agreement. Such accounting is to be in a form acceptable to City and is to be submitted to City by Chamber's auditor.

It being understood that Chamber is responsible for administering the CVB, Chamber agrees to accept responsibility for receiving, replying to, and/or complying with any audit exceptions directly related to the provisions of this Agreement. Chamber agrees to pay to City the full amount of liability resulting from audit exceptions.

4. CERTIFICATION OF NON-USE OF CITY FUNDS FOR CHAMBER ACTIVITIES

By execution of this Agreement, Chamber certifies that City funds received by Chamber shall not be used to replace funds that would otherwise be made available by Chamber for the activities identified in this Agreement.

5. INDEMNITY AND INSURANCE

Chamber agrees to indemnify, defend and save harmless, City, its officers, agents, and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, materialmen, laborers and any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the performance of this Agreement. Said indemnity shall specifically extend to the intentional or negligent acts or to the errors and omissions of Chamber or its employees during the performance of this Agreement.

Chamber agrees to obtain and maintain insurance for the life of this Agreement in a single-limit amount of not less than \$1,000,000 for bodily injury and property damage covering the scope of services of this Agreement. Said insurance shall name the City of Turlock, its elective and appointive boards, officers, agents,

employees, and volunteers as additional insureds and shall provide thirty (30) days written notice to City prior to the termination or expiration of the insurance.

6. INDEPENDENT CONTRACTOR

Chamber, its agents and employees, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of City.

7. ASSIGNABILITY

Without the prior written consent of City, this Agreement is not assignable by Chamber either in whole or in part.

8. ALTERATIONS

No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto.

9. NOTICES

All notices, pamphlets, press releases, research reports, and similar documents prepared and released by Chamber shall include the statement: "This activity is funded by the City of Turlock under an agreement with the City of Turlock."

10. GENERAL PROVISIONS

This Agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

City may duplicate, use, and disclose in any manner and for any purpose whatsoever, and have others do so, all data developed or delivered under this Agreement.

Chamber hereby grants to the City a royalty-free, non-exclusive and irrevocable license to publish, translate, reproduce, deliver, perform, dispose of, and to authorize others so to do, all data now or hereafter covered by this Agreement; provided however, that with respect to data not originated in the performance of this Agreement, such license shall be only to the extent that the Chamber has the right to grant such license without becoming liable to pay compensation to others because of such grant.

Chamber shall not affix any restrictive markings upon any data, and if such markings are affixed, City shall have the right at any time to modify, remove, obliterate, or ignore such markings.

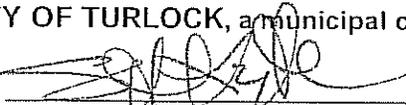
This Agreement shall be governed and construed in accordance with the laws of the State of California.

Chamber certifies that it does not discriminate and shall refrain from discrimination against any person or group of persons, on account of race, color, creed, religion, sex, marital status, ancestry or national origin; furthermore, Chamber shall require all contractors performing services or supplying materials hereunder to so certify.

In the event a court of competent jurisdiction shall hold any provision of this Agreement invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision hereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by and through their respective officers thereunto duly authorized on the date first written above.

CITY OF TURLOCK, a municipal corporation

By: 
Steven H. Kyte, City Manager

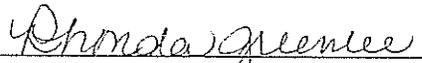
TURLOCK CHAMBER OF COMMERCE

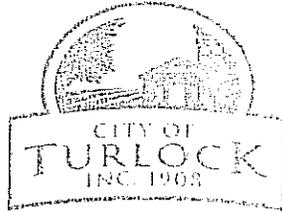
By: 

APPROVED AS TO FORM AND LEGALITY:

By: 
Richard C. Burton, City Attorney

ATTEST:

By: 
Rhonda Greenlee, CMC, City Clerk



SECTION 2 (d)

AMENDMENT NO. 1
TO
AGREEMENT FOR TOURISM SERVICES
Between the
CITY OF TURLOCK
and the
TURLOCK CHAMBER OF COMMERCE

THIS AMENDMENT NO. 1, dated June 23, 2009, is entered into by and between the CITY OF TURLOCK, a municipal corporation (hereinafter "City") and the TURLOCK CHAMBER OF COMMERCE (hereinafter "Chamber").

WHEREAS, the parties hereto previously entered into an Agreement dated December 10, 2002 (hereinafter the "Agreement") whereby Chamber will manage a Convention and Visitors Bureau ("CVB").

NOW, THEREFORE, the parties hereto mutually agree to amend said Agreement as follows:

1. Paragraph 1 of the Agreement is amended to read as follows:

"1. SCOPE OF SERVICES

Chamber shall manage a CVB which shall be a part of Chamber but a separate corporation for accounting purposes only. The CVB shall perform marketing services for City, which shall include, but not be limited to: participation in trade shows, publication of brochures, newspaper, billboard and magazine advertising, and related services which promote tourism for City.

In carrying out the services for City, Chamber shall prepare and follow a budget as submitted to City concurrently with this Agreement and by October 15th of each subsequent year this Agreement is in effect. A plan of work with goals will be included with said budget to aid the parties in evaluating the effectiveness of expenditures made pursuant to this Agreement.

In addition to the plan of work with goals required by this section, Chamber will present, on a quarterly basis, an activities update report to the City Council at its regularly scheduled meeting. The report shall, at a minimum, include a statistical summary that identifies the goals, activities, and achievements of that quarter."

2. Paragraph 3 of the Agreement is amended to read as follows:

"3. COMPENSATION

For services rendered, Chamber will be paid up to a maximum annual sum of Ninety-eight Thousand and no/100^{ths} Dollars (\$98,000.00) for Chamber administrative fees, which include fixed expenses, salary, and benefits as set forth in the Turlock Convention and Visitors Bureau administrative fee breakdown. Payment will be transmitted from City to Chamber on or about March 1, June 1, September 1, and December 1 of each year.

Chamber shall place said monies in a "Tourism Fund" (hereinafter referred to as "Fund") and shall make an accounting of monies expended from said Fund at least annually, each February, during the term of this Agreement. Such accounting is to be in a form acceptable to City and is to be submitted to City by Chamber's accountant.

It being understood that Chamber is responsible for administering the CVB, Chamber agrees to accept responsibility for receiving, replying to, and/or complying with any audit exceptions directly related to the provisions of this Agreement. Chamber agrees to pay to City the full amount of liability resulting from audit exceptions.

Upon written request from the CVB, the City Council may, in its discretion, allocate additional proceeds to fund special projects, events, or activities that are not set forth in the CVB annual plan but which further the annual plans stated goals and objectives. If the City Council allocates funding for a special project, event, or activity, CVB shall, at a regularly scheduled meeting of the City Council, provide the City Council, with a detailed accounting and informational report for the project, event, or activity. The informational report should identify the goals and achievements of the event. Said accounting and informational report should be provided as soon as practical but in no event later than forty-five (45) days from the conclusion of the project, event, or activity."

3. All other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by and through their respective officers thereunto duly authorized on the date first written hereinabove.

CITY OF TURLOCK, a municipal corporation

TURLOCK CHAMBER OF COMMERCE

By: Roy W. Wasden
Roy W. Wasden, City Manager

By: Sharon Silva
Sharon Silva, President and CEO

APPROVED AS TO FORM:

By: Phaedra A. Norton
Phaedra A. Norton, City Attorney

ATTEST:

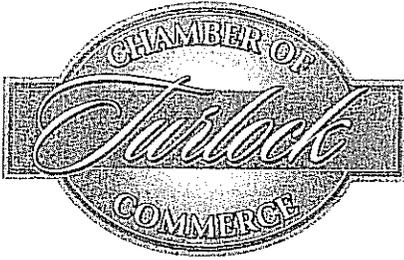
By: Rhonda Greenlee
Rhonda Greenlee, CMC, City Clerk



CVB 2009 Administrative Fees Breakdown

	2007			2008			2009		
	Allocation %	Per Month	Annual	Allocation %	Per Month	Annual	Allocation %	Per Month	Annual
FIXED EXPENSES:									
Accounting	20%	\$ 320.00	\$ 3,840.00	20%	\$ 360.00	\$ 4,320.00	20%	\$ 360.00	\$ 4,320.00
Copier (Based on 500 at c.06)	20%	\$ 30.00	\$ 360.00	20%	\$ 30.00	\$ 360.00	20%	\$ 30.00	\$ 360.00
Insurance	20%	\$ 139.67	\$ 1,676.04	20%	\$ 167.00	\$ 2,004.00	20%	\$ 163.00	\$ 1,956.00
Office Supplies	20%	\$ 171.67	\$ 2,060.04	30%	\$ 259.00	\$ 3,108.00	30%	\$ 200.00	\$ 2,400.00
Personal Property Tax	20%	\$ 20.00	\$ 240.00	20%	\$ 20.00	\$ 240.00	0%	\$ -	\$ -
Postage Meter	20%	\$ 58.33	\$ 699.96	20%	\$ 100.00	\$ 1,200.00	20%	\$ 67.00	\$ 804.00
Repairs/Maintenance	20%	\$ 100.00	\$ 1,200.00	20%	\$ 200.00	\$ 2,400.00	20%	\$ 200.00	\$ 2,400.00
Telephone	20%	\$ 92.50	\$ 1,110.00	20%	\$ 100.00	\$ 1,200.00	20%	\$ 100.00	\$ 1,200.00
Utilities	20%	\$ 68.33	\$ 819.96	20%	\$ 97.00	\$ 1,164.00	20%	\$ 97.00	\$ 1,164.00
TOTAL		\$ 1,000.50	\$ 12,006.00		\$ 1,333.00	\$ 15,996.00		\$ 1,217.00	\$ 14,604.00
SALARIES/BENEFITS:									
CVB Manager/Associate Director	100%	\$ 3,062.50	\$ 36,750.00	100%	\$ 3,062.50	\$ 36,750.00	100%	\$ 3,062.50	\$ 36,750.00
Office Assistant/ Receptionist	50%	\$ 812.50	\$ 9,750.00	50%	\$ 1,459.00	\$ 17,508.00	50%	\$ 1,459.00	\$ 17,508.00
President & CEO/ Chamber	15%	\$ 818.75	\$ 9,825.00	15%	\$ 921.00	\$ 11,052.00	15%	\$ 921.00	\$ 11,052.00
Office Manager/Administrative Asst.	15%	\$ 418.75	\$ 5,025.00	20%	\$ 553.00	\$ 6,636.00	20%	\$ 553.00	\$ 6,636.00
Payroll Tax	25%	\$ 359.58	\$ 4,314.96	0%	\$ -	\$ -		\$ 525.45	\$ 6,305.40
Health	25%	\$ 187.50	\$ 2,250.00	25%	\$ 240.00	\$ 2,880.00	25%	\$ 240.00	\$ 2,880.00
Workers Compensation	25%	\$ 70.00	\$ 840.00	25%	\$ 83.00	\$ 996.00	25%	\$ 84.00	\$ 1,008.00
Retirement Match							3%	\$ 98.00	\$ 1,176.00
TOTAL		\$ 5,729.58	\$ 68,754.96		\$ 6,318.50	\$ 75,822.00		\$ 6,942.95	\$ 83,315.40
			\$ 80,760.96			\$ 91,818.00			\$ 97,919.40
Yearly Administration Fee =			\$ 81,000.00			\$ 93,000.00			\$ 98,000.00

SECTION 3 (a)



SUPPORT A STRONG LOCAL ECONOMY
PROMOTE THE COMMUNITY
PROVIDE NETWORKING OPPORTUNITIES
REPRESENT THE INTERESTS OF BUSINESS WITH GOVERNMENT
ENGAGE IN POLITICAL ACTION

February 9, 2015

Mr. Roy Wasden, City Manager
City of Turlock
1560 S. Broadway
Turlock, CA 95382

RE: Turlock Chamber of Commerce – Notice of Cancellation CVB Management Contract

Dear Roy,

This is to serve ninety (90) day notice that the Turlock Chamber of Commerce is terminating the Turlock Convention and Visitors Bureau management agreement with the City of Turlock effective May 3, 2015. The Chamber Executive Board of Directors has decided that it is in the best interest of the Chamber to discontinue providing this service.

Over the past twenty plus years, the partnership between the Chamber, City, and CVB has served the community well as evidenced by the addition of new restaurants and hotels, increased use of sports venues, and improved hotel room utilization rates. It has always been the goal of the Chamber and CVB to promote Turlock and showcase our community to all that have visited for either pleasure, educational opportunities, or work.

Thank you for your past efforts and best wishes for continued success.

Respectfully

Sharon R. Silva
President/CEO

Kyle Kirkes
Chairman of the Board

Phaedra Norton

From: Phaedra Norton
Sent: Wednesday, April 01, 2015 3:34 PM
To: 'Sharon Silva'
Cc: 'kyle@kirkeselectric.com'; 'pirotrading@pirotrading.com'; 'Porter, Paul'; Roy Wasden; Gary Soiseth; Amy Bublak
Subject: CVB Financial Accounting - Tourism Fund
Attachments: Chamber ltr 040115 re notice given 021115 winding up.pdf

Dear Ms. Silva,

Please find attached a letter regarding the above referenced matter. Please acknowledge receipt of this letter by replying to all. If you have any questions, please feel free to contact Vice Mayor Bublak at 209-346-9344.

Sincerely,

Phaedra A. Norton
Turlock City Attorney



PHAEDRA A. NORTON
pnorton@turlock.ca.us

CITY ATTORNEY

156 S. BROADWAY, SUITE 240 | TURLOCK, CALIFORNIA 95380-5456 | PHONE 209-668-5579 | FAX 209-668-5110

April 1, 2015

Sharon Silva, CEO/President
Turlock Chamber of Commerce
115 South Golden State Boulevard
Turlock, California 95380

Dear Ms. Silva:

On February 9, 2015, the Turlock Chamber of Commerce provided the City with written notice that it was terminating the agreement between the Turlock Chamber of Commerce and the City of Turlock for management of the Convention and Visitors Bureau. Mayor Soiseth has directed Vice Mayor Bublak to oversee the winding down of that agreement.

Paragraph 3 of the agreement provides, in part, as follows:

Chamber shall place said monies in a "Tourism Fund" ... and shall make an accounting of monies expended from said Fund at least annually, each February, during the term of this Agreement. Such accounting is to be in a form acceptable to City and is to be submitted to City by Chamber's auditor.

The City is in receipt of the financial statement for the year ending December 31, 2014, prepared by Berger and Company, which was submitted on March 7, 2015. Unfortunately, the documentation provided is not a detailed enough accounting of the monies that were expended for the period set forth in the financial statement.

In accordance with paragraph 3 of the above referenced agreement, the City is hereby requesting an accounting which includes, but is not limited, to the following:

1. Copies of paid invoices and detailed expenditure ledger by expense category for Calendar Year 2009 through 2014 (January through December).
2. Copies of paid invoices and detailed expenditure ledger by expense category for Calendar Year 2015 (January through May 3).

Please provide the documents related to request 1 to the City on or before April 17, 2015 and the documents related to request 2 to the City on or before July 3, 2015.

Sharon Silva, CEO/President
Turlock Chamber of Commerce
April 1, 2015
Page 2 of 2

If you would like Vice Mayor Bublak and City staff to meet with your accountant, Berger and Company, we will be happy to do so.

In addition, paragraph 2 of the Agreement provides:

After all services have been paid for, any funds remaining in said CVB account, along with all equipment and supplies purchased with City funds, shall be delivered to City within sixty (60) days of said termination.

Please furnish all equipment, cash, supplies, a detailed fixed asset ledger for all equipment and property, and a reconciliation for current assets by July 3, 2015.

Sincerely,



PHAEDRA A. NORTON
Turlock City Attorney

PAN:lk

cc: Gary Soiseth, Mayor
Amy Bublak, Vice Mayor
Roy Wasden, City Manager
Turlock Chamber of Commerce Executive Board



PHAEDRA A. NORTON
pnorton@turlock.ca.us

CITY ATTORNEY

156 S. BROADWAY, SUITE 240 | TURLOCK, CALIFORNIA 95380-5456 | PHONE 209-668-5579 | FAX 209-668-5110

April 14, 2015

Sharon Silva, CEO/President
Turlock Chamber of Commerce
115 South Golden State Boulevard
Turlock, California 95380

Re: Further Accounting and Financial Winding down of the Agreement for CVB Services

Dear Ms. Silva:

On Monday, April 6, 2015, Vice Mayor Bublak and City staff met with your accountant, Kevin Berger at Berger and Company, to discuss the accounting for the Convention and Visitors Bureau for calendar years 2009 through 2014 and the financial winding down of the CVB Agreement through May 3, 2015¹. During the course of that meeting and pursuant to the City of Turlock's letter dated April 1, 2015, the City was provided with the following accounting documents:

1. A fixed asset list
2. Convention & Visitors Bureau Balance Sheets for calendar years 2009 through 2014
3. Convention & Visitors Bureau Profit & Loss Statements for calendar years 2009 through 2014
4. Convention & Visitors Bureau General Ledgers (GL) for calendar years 2009 through 2014

FURTHER ACCOUNTING

The information set forth in the above referenced documents has been reviewed by Vice Mayor Bublak and City staff. Based upon that review, we are requesting further accounting for the following expenditures/journal entries/transactions:

Calendar Year 2009

1. GL, Page 1, 2/2/09, Check 1479, "cash for conference," 7705 Training Seminar, \$200.00
2. GL, Page 1 and 9, 4/1/2009, Check 1491, 7235 "Promotional Items," \$500.00
3. GL, Page 8, 8/24/2009, Check 1542, Turlock Chamber of Foundation, "map - to pay for scholarships," 1000 F&M Checking, \$7,000.00
4. GL, Page 13, 7/27/2009, Check 1536, Stanislaus County Fairgrounds, "advance on fees to pay Fairgrounds," 1000 F&M Checking, \$3,000.00

¹ Final accounting for January 1, 2015 through May 3, 2015 is to be completed once all documents requested by City in its letter dated April 1, 2015 have been received, reviewed, and reconciled.

Calendar Year 2010

1. GL, Page 2, 12/23/10, Check 1636, Costco Wholesale, "computer equipment," Split, \$945.68
2. GL, Page 6, 03/23/10, Check 1582, Cash, 1000 F&M Checking, \$300.00
3. GL, Page 7, 11/24/2010, Check 1628, The Creation Lab, "promotional video of facilities and services," 1000 F&M Checking, \$10,765.00
4. GL, Page 8, 12/23/2010, Check 1636, Costco Wholesale, "new camera," 1000 F&M Checking, \$238.41
5. GL, Page 9, 8/10/2010, Check 1607, Card Services, "staples," 1000 F&M Checking, \$327.39
6. GL, Page 9, 12/23/2010, Check 1636, Costco Wholesale, "keyboard and mouse," 1000 F&M Checking, \$59.60
7. GL, Page 10, 10/27/2010, Check 1615, Richard K. Miller & Associates, "2010 travel & tourism market research handbook," 1000 F&M Checking, \$385.00
8. GL, Page 10, 10/27/2010, Check 1616, Turlock Chamber of Commerce, "retreat," 1000 F&M Checking, \$361.48
9. GL, Page 11, 12/23/2010, Card Services, "best of turlock stuff," 2000 Accounts Payable, \$1,353.00

Calendar Year 2011

1. GL, Page 3 and 11, 12/31/11, General Journal, Turlock Chamber of Commerce, "to reclassify admin fees advanced," 7900 Chamber Administration, \$6,929.81

Calendar Year 2012

1. GL, Page 3, 7/31/2012, General Journal, 49, Turlock Chamber of Commerce, "per Silva-should be reclassified in 2011 as com. . .," 2960, "Temp. Restricted," \$7,062.28
2. GL, Page 5, 7/31/12, General Journal, 49, "per Silva-should be reclassified in 2011 as com. . .," 1100 Acct. Receivable, \$7,062.28
3. GL, Page 11, 09/27/2012, Check 1785, Budget Self Storage, "paid storage bill for Chamber," 1000 F&M Checking, \$429.58
4. GL, Page 12, 12/31/12, General Journal, 70, "reclassify pmt for MAP," 7200 Official City Map, \$1,800.00
5. P&L, Page 1, 7008 Chamber Administration Fees, \$118,690.17.
CITY ATTORNEY NOTE: The City Council approved a budget for Administrative Fees of \$99,000.00

Calendar Year 2013

1. GL, Page 4, 01/01/2013, General Journal, 82, "reclassify adm pmts made in advance," 7900 Chamber Administ. . . . \$19,690.17
2. GL, Page 7, Check 1852, Cash, 1000 F&M Checking, \$200.00
3. GL, Page 9, Check 1813, Cash, 1000 F&M Checking, \$200.00
4. GL, Page 10, 09/30/2012, General Journal, 99, "Reclassify City Map advertising," 7200 Official City Map, \$2,500.00
5. GL, Page 10, 11/30/2013, General Journal, 103, "per ss-CVB expense, not TCC," 7330 "Print Material Sub. . .," \$3,000.00
6. GL, Page 7 and 10, 12/31/13, General Journal, 107, "for various Chamber events funding," 7003 Community Support, \$10,000.00
7. GL, Page 3 and 10, 12/31/13, General Journal, 116, "Reclassify fees paid," 1300 Prepaid Expenses, \$34,230.15

Calendar Year 2014

1. GL, Page 1 and 9, 02/11/2014, Check 1862. Turlock Chamber of Commerce, "reimbursement for computer," 7610 Hardware/Software, \$320.73
2. GL, Page 4, 12/31/14, General Journal, 181, "2960 Temp Restricted. . . ." \$71,415.49
3. GL, Page 9, 03/07/2014, Check 1867, Cash, "spending money for conference," 1000 F&M Checking, \$500.00
4. GL, Page 10, 08/01/2014, Check 1887, Cash, "WACE Academy," 1000 F&M Checking \$200.00
5. GL, Page 10, 01/01/2014, General Journal, "Reclassify fees paid," 1300 Prepaid Expenses, \$34,230.15
6. GL, Page 10, 05/02/2014, General Journal, 129, "paid to MD Event Productions from TCF," 7400 Community Funding, \$1,500.00
7. GL, Page 10, 06/23/2014, Check 1878, Monterey Plaza Hotel, "Chamber to repay CVB," 1000 F&M Checking, \$3,500.00
8. GL, Page 11, 9/22/2014, General Journal, 135, "to record credit card charges paid for by TCC," 7000 Technology, \$103.44

9. GL, Page 11, 09/30/2014, General Journal, 136, Card Services, "To apply payable to reduce advances to TCC," 2000 Accounts Payable, \$199.68
10. GL, Page 11, 11/11/2014, General Journal, 139, "TO RECORD REMAINDER OF DIRECTORY FEE," 7205 Directory & Visitors Guide, \$5,970.00
11. GL, Page 11, 11/17/2014, General Journal, 144, "to record c/c paid by chamber," 7610 Hardware/Software, \$294.68
12. GL, Page 11, 11/26/2014, General Journal, 143, "to record c/c paid by TCC," 7610 Hardware/Software, \$82.44
13. GL, Page 11, 11/30/2014, General Journal, 146, "To reclassify additional costs for CVB Marketing fo. . .," 7001 Marketing, \$12,534.01
14. GL, Page 11, 11/30/2014, General Journal, 148, "To reclassify remaining overage from 2013," 2960 "Temp. Restricted. . .," \$18,320.68
15. GL, Page 11, 12/31/2014, General Journal, 158, "To apply funds received for Val to reduce expens. . .," 1300 Prepaid Expenses, \$8,027.34
16. GL, Page 11, 12/31/2014, General Journal, 160, "To reclassify December marketing costs," 7001 Marketing, \$1,423.71
17. GL, Page 11, 12/31/2014, General Journal, 156, "Loss on Disposal of Fixed Asset," 1700 Accumulated Dep. . ., \$792.00

Calendar Years 2009 through 2015

1. Lamar contract/leases for each calendar year from 2009 through 2015
2. Any and all transactions/expenses/journal entries related to the Official Map
 - a. 2009 – GL, Page 8
 - b. 2010 – GL, Page 6
 - c. 2011 – GL, Page 5
 - d. 2012 – GL, Page 6
 - e. 2013 – GL, Page 5
 - f. 2014 – GL, Page 5
3. Any and all transactions/expenses/journal entries related to the Directory and Visitors Guide
 - a. 2009 – GL, Page 8
 - b. 2010 – GL, Page 6
 - c. 2011 – GL, Page 5
 - d. 2012 – GL, Page 6
 - e. 2013 – GL, Page 5
 - f. 2014 – GL, Page 5 and 6

Sharon Silva, CEO/President, Turlock Chamber of Commerce
Re: Further Accounting and Financial Winding down of the Agreement for CVB Services
April 14, 2015
Page 5 of 6

Further accounting for the above referenced items includes, but is not limited to, any and all back up documentation including receipts, contracts, invoices, etc.

TRANSFER OF FIXED ASSETS TO CITY

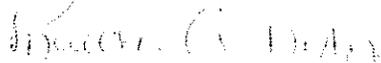
As set forth in the City's letter dated April 1, 2015 and pursuant to paragraph 2 of the Agreement between the City of Turlock and the Turlock Chamber of Commerce, all equipment and supplies purchased with City funds shall be delivered to City within sixty (60) days of the termination date of the parties' agreement. The parties' agreement terminates on May 3, 2015; therefore, all equipment and supplies purchased with City funds including, but not limited to, those set forth in Exhibit A shall be delivered to City by July 3, 2015.

PAYMENT FOR SERVICES RENDERED

Based upon the Financial Statements prepared by Berger and Company for Year Ending December 31, 2014, it appears that there are, at a minimum, current cash assets of \$71,415.49 in the CVB checking account at Farmers and Merchants Bank. In addition, actual expenditures for January 1, 2015 through March 5, 2015, plus proposed fixed expenses and other proposed and potentially allowable administrative expenses from January 1, 2015 through May 3, 2015, are anticipated to total approximately \$54,000.00. Based upon the foregoing, it appears that there are sufficient City cash assets on hand in the CVB checking account to fulfill any potential contractual obligations the City may have to pay for services rendered through May 3, 2015; therefore, further disbursements of any additional Transient Occupancy Tax are not necessary, at this time, to meet any of the City's contractual obligations to the Turlock Chamber of Commerce.

Please provide any and all documentation requested herein on or before April 24, 2015. As always, Vice Mayor Bublak, myself, and our Administrative Services Director are happy to meet with you and/or your board to complete the further accounting requested herein and to complete the financial winding down of the CVB Agreement between the City of Turlock and the Turlock Chamber of Commerce.

Sincerely,



PHAEDRA A. NORTON
Turlock City Attorney

PAN:lk

cc: Gary Soiseth, Mayor
Amy Bublak, Vice Mayor
Roy Wasden, City Manager
Turlock Chamber of Commerce Executive Board

EXHIBIT A
FIXED ASSETS – EQUIPMENT AND SUPPLIES

Miscellaneous

50	CVB-PA System	11/01/01	\$3,500.00
51	CVB-Copy Machine	6/27/03	\$8,065.00
52	CVB-Scanner	4/13/04	\$242.00
60	Printer	1/01/08	\$20,713.00
65	Computer and any replacement	12/10/09 – 12/31/14 Replace	\$1,060.00
68	Computer and any replacement	2/01/11 – 12/31/14 Replace	\$919.00
71	Panasonic 65" TV System	11/24/10	\$8,456.00
72	Amplifier/Speaker System	11/24/10	\$1,494.00
73	2 Flat Screen TVs	12/23/10	\$648.00
74	Printer	12/23/10	\$427.00
77	Computer	6/21/13 – 12/31/14	\$689.00
81	Computer	7/14/14	\$660.00
	Camera; Check#1636	12/23/10	\$238.41
	Promotional video of facility & services, Check #1628	11/24/10	\$10,765.00
	Keyboard/iMouse, Check #1636	12/23/10	\$59.60
	Amazon Book GL, Page 8	9/6/12	\$24.95
	Cooling fan/power cord for laptop	9/6/12	\$16.27
	2010 Travel & Tourism Market Research Handbook, Check #1615	10/27/10	\$385.00

Phaedra Norton

From: Sharon Silva <sharonsilva@turlockchamber.com>
Sent: Tuesday, April 14, 2015 5:18 PM
To: Phaedra Norton
Cc: kyle@kirkeelectric.com; pirotrading@pirotrading.com; 'Porter, Paul'; Gary Soiseth; Amy Bublak
Subject: RE: Further Accounting for Calendar Years 2009 through 2014 and Financial Winding Down of the Agreement for CVB Services

We have received the letter..

Thank you
Sharon

From: Phaedra Norton [mailto:PNorton@turlock.ca.us]
Sent: Tuesday, April 14, 2015 2:22 PM
To: 'Sharon Silva'
Cc: kyle@kirkeelectric.com; pirotrading@pirotrading.com; 'Porter, Paul'; Gary Soiseth; Amy Bublak
Subject: Further Accounting for Calendar Years 2009 through 2014 and Financial Winding Down of the Agreement for CVB Services

Dear Ms. Silva,

Please find attached a letter regarding the above referenced matter. Please acknowledge receipt of this letter by replying to all. If you have any questions, please feel free to contact Vice Mayor Bublak at 209-346-9344.

Sincerely,

Phaedra A. Norton
Turlock City Attorney



PHAEDRA A. NORTON
pnorton@turlock.ca.us

CITY ATTORNEY

156 S. BROADWAY, SUITE 240 | TURLOCK, CALIFORNIA 95380-5456 | PHONE 209-668-5579 | FAX 209-668-5110

April 24, 2015

Sharon Silva, CEO/President
Turlock Chamber of Commerce
115 South Golden State Boulevard
Turlock, California 95380

Re: Further Accounting

Dear Ms. Silva:

We are in receipt of copies of the further accounting documents you delivered yesterday, April 23, 2015.

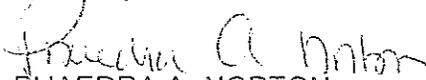
Please be advised that the City has reviewed all of the documents that were provided. Based upon our review of all of the documents that have been submitted to date, the City has made a preliminary determination that certain expenditures/journal entries/transactions for calendar years 2009 through 2014¹ set forth in Exhibit B (attached) appear to be contractually unallowable².

Based upon the City's preliminary determination, it appears that the total amount due the City from 2009 through 2014, including potentially unallowable expenditures/journal entries/transactions is \$241,297.07.

Vice Mayor Bublak, myself, and the City's Administrative Services Director would be happy to meet with you and/or your board, on or before April 29, 2015, to review each transaction which has preliminarily been determined by the City to be unallowable, and the reasons therefore. In addition, the City is willing to discuss any objections the Chamber may have to the City's preliminary determination.

If the City's preliminary determination becomes final, as set forth in footnote 3, the unallowable expenditures/journal entries/transactions should be corrected and the amount related to each transaction should be transferred back into the Convention and Visitor's Bureau Fund (hereinafter "CVB Fund") immediately. Please provide proof to the City by May 1, 2015, no later than 12:00 p.m., that each transaction designated as unallowable has been corrected and, where appropriate, the amount was transferred back into the CVB Fund.

Sincerely,


PHAEDRA A. NORTON
Turlock City Attorney

cc: Gary Soiseth, Mayor
Amy Bublak, Vice Mayor
Roy Wasden, City Manager
Turlock Chamber of Commerce Board

¹ Please note the financial accounting for January 1, 2015 through May 3, 2015 has not been completed. The final accounting will occur as set forth in the City's letters dated April 1, 2015 and April 14, 2015.

² The transactions identified and the amounts set forth herein are subject to change based upon new information provided by the Chamber.

³ The City's preliminary determination shall become the final determination unless additional documentation/information is provided at the meeting identified in paragraph 4.

EXHIBIT B

YEAR	REVENUE			EXPENDITURES			CHAMBER ADMINISTRATION				BALANCE DUE TO CITY
	BUDGET ESTIMATE	ACTUAL	OVER/(UNDER)	BUDGET - APPROVED	ACTUAL	OVER/(UNDER)	APPROVED BY	CHARGED TO GL	FINAL AFTER	OVER/(UNDER)	BASED UPON BUDGET
	APPVD BY CITY OF TURLOCK	RECEIVED FROM CITY		BY CITY OF TURLOCK	EXPENDITURES		CITY OF TURLOCK	BEFORE ADJUST	J/E ADJUST		ONLY
2009	\$197,000.00	\$193,459.00	(\$3,541.00)	\$196,930.00	\$182,432.99	(\$14,497.01)	\$95,000.00	\$98,000.00	\$98,000.00	\$3,000.00	\$14,026.01
2010	See Notes	\$195,379.74	\$0.00	\$191,940.00	\$225,476.45	\$33,536.45	\$98,000.00	\$88,153.00	\$88,153.00	(\$9,847.00)	\$30,096.71
2011	See Notes	\$218,210.00	\$0.00	\$211,445.00	\$197,070.53	(\$14,374.47)	\$98,000.00	\$105,429.81	\$98,000.00	\$0.00	\$21,139.47
2012	See Notes	\$229,157.81	\$0.00	\$211,645.00	\$239,082.63	\$27,437.63	\$99,000.00	\$123,230.17	\$118,690.17	\$19,690.17	\$27,437.63
2013	\$211,445.00	\$201,344.19	(\$10,100.81)	\$211,645.00	\$206,851.27	(\$4,793.73)	\$99,000.00	\$148,730.15	\$99,000.00	\$0.00	(\$5,507.08)
2014	\$211,645.00	\$212,101.00	\$456.00	\$211,645.00	\$223,518.64	\$11,873.64	\$109,000.00	\$162,456.18	\$109,000.00	\$0.00	\$11,417.64
									Total	2009-2014	\$98,610.38

Notes: No detailed revenue budget attached to synopsis

Expenditures that need documentation/receipts	Potential Unallowable cost	Cost of Fixed Asset/item to return to City	Description	included above "balance due to City"
2009 Ck 1479 "cash for conference"	\$200.00			no
" " Ck 1542 "Turlock Chamber Foundation-map to pay for scholarships"	\$7,000.00			no
" " Ck 1536 "Stanislaus City Fair-grds-adv fees to pay fairgrounds"	\$3,000.00			\$3,000.00
2010 Ck 1636 Costco "computer Equipment"- split		\$945.68	Computer	no
" " Ck 1582 "Cash" promo items?	\$300.00			no
" " Ck 1628 "The Creation Lab"		\$10,765.00	Video/DVD	no
" " Ck 1636 "Costco Wholesale" - Camera		\$238.41	Camera	no
" " Ck 1607 card services "Staples" hardware/software		\$327.39	Hardware/software	no
" " Paid Chambers "Constant Contact"	\$76.88			
" " Ck 1636 "Costco Wholesale" - keyboard & mouse		\$59.60	keyboard & mouse	no
" " Ck 1615 "Richard K. Miller & Assoc- 2010 Travel Book		\$385.00	2010 Travel & Tourism Market Research handbook	no
" " Ck 1616 "Turlock Chamber" - retreat	\$361.48			no
" " Ck 1637 Card Services -Best of Turlock Stuff-per Desc	\$1,353.00			no
2011 J/E reclassify admin fees advanced	\$6,929.81			no
2012 J/E 49- Per Silva should be reclassified in 2011 as com			\$7062.28 could be part of 2011 J/E for \$6,929.81	no
" " Ck 1785 Budget Self-Storage-pd storage bill for Chamber	\$429.58			\$429.58
" " J/E 70- reclassify from admin to pymt for map	\$1,800.00			\$1,800.00
2013 J/E 82 -reclassify adm pymts made in advance			\$19,690.17 expensed to Chamber Admin on 1/1/13	
" " Ck 1852 Cash - expensed to Community Support	\$200.00			\$200.00
" " Ck 1813 Cash - expensed to conferences	\$200.00			\$200.00
" " J/E 99- reclassify from Chamber Admin to Official Map	\$2,500.00			
" " J/E 103-reclassify from Chamber Admin to Print Material				
note says: per SS-CVB expense, not TCC	\$3,000.00			
" " J/E 107- reclassify from Chamber Admin to Com Support				
Note says: for various chamber events funding	\$10,000.00			\$10,000.00
" " J/E 116- Reclassify from Chamber Admin to Pre-pd Exp			\$34,230.15 moved from chamber Admin to pre-paid expense because they were over approved amount	
2014 Ck 1862 to Chamber of Com for relm of 1/2 computer		\$320.73	return computer to City or reimburse City \$320.73	
" " J/E 161 - booked cash at 12/31/14 payable to Chamber			per agmt all remaining funds (\$71,415.49) are returned to City at end of contract.	
" " Ck 1867 Cash - Spending money for conference	\$500.00			\$500.00
" " Ck 1887 Cash - WACE Academy	\$200.00			\$200.00
" " J/E 116R- expensed the \$34,230.15 to chamber Admin				
" " J/E 129 - reclassified from Chamber Admin				
" " Ck 1878- Monterey Plaza Hotel- charged to Chamber Admin				
Note says: chamber to repay CVB	\$3,500.00		Cannot find anywhere where funds were reimbursed.	
" " J/E 136 - reclassify from chamber Admin to AP	\$199.68			\$199.68
" " J/E 139 - reclassify from chamber Admin to Directory				
Note says: to record remainder of directory fee	\$5,970.00			
" " J/E 144 reclassify from chamber Admin to hardware/sw				
Note says: to record c/c paid by chamber	\$294.88			
" " J/E 143 reclassify from chamber admin to hardware/sw				
Note says: to record c/c paid by TCC	\$82.44			
" " J/E 155 -Loss on disposal of fixed asset -Accum Dep		\$792.00	Why was there a loss? Which fixed asset was disposed of?	
ALL REMAINING J/E'S WERE BOOKED TO RECLASSIFY CHAMBER ADMIN CHARGES TO EXPENSE ACCOUNTS SO THEY DIDN'T EXCEED THE APPROVED ADMIN OF \$109,000 (see table at top of page)				
" " J/E 146- to reclassify additional costs for CVB marketing	\$12,534.01			\$11,417.54
" " J/E 14B-to reclassify remaining overage from 2013	\$18,320.68			
" " J/E 158- to apply funds recvd for Val to reduce expenses	\$8,027.34			
" " J/E 160- to reclassify December marketing costs	\$1,423.71			
Total	\$88,403.49			\$27,946.80
LESS: amt included in budget table above	(\$27,946.80)			
sub-total	\$60,456.69			
PLUS amt in budget table above	\$98,610.38			
sub-total	\$159,067.07			
PLUS amounts trans to Chamber for City Map & Directory & Visitors Guide				
2009	\$0.00	already included above		
2010	\$15,500.00			
2011	\$17,000.00			
2012	\$18,200.00	total \$20K, \$1800 was included above		
2013	\$17,500.00	total \$20K, \$2500 was included above		
2014	\$14,030.00	total \$20K, \$5970 was included above		
Grand Total	\$241,297.07			