



CITY OF SEBASTOPOL CITY COUNCIL
AGENDA ITEM REPORT FOR MEETING OF: March 17, 2026

=====

To: Honorable Mayor and City Councilmembers
From: Mary Gourley, Interim City Manager
City Attorney Alex Mog
Subject: Business Improvement District Fiscal Agent

=====

RECOMMENDATION:

That the City Council:

1. Adopt a resolution rescinding resolution No. 6693-2025, terminating the existing agreement with the Sebastopol Chamber of Commerce as Fiscal Agent for the Sebastopol Downtown Association Business Improvement District (BID) and authorizing the City to serve as the fiscal agent for the BID; and that funds are to be used solely for the following purposes as authorized by the BID ordinance and California law:
 - A. Acquisition, construction, and/or maintenance of parking facilities for the benefit of the Business Improvement District;
 - B. Decoration of public places in the Business Improvement District;
 - C. Promotion of public events in public places in the Business Improvement District;
 - D. Furnishing of music in public places in the Business Improvement District;
 - E. Promotion of business activities in the Business Improvement District; and
 - F. Any and all other purposes authorized by law, the ordinance establishing the Business Improvement District, and/or the City Council.

And

2. Direct staff to:
 - Establish a Standing BID Oversight Committee consisting of:
 - One City Councilmember;
 - City staff liaison(s) (e.g., from Administrative Services);
 - 4-5 representatives from downtown businesses, appointed by participating BID-assessed businesses or their association.
 - The Committee shall meet at minimum twice per year:
 - Once to develop and recommend the annual BID budget for Council approval;
 - Once to prepare and present an **Annual Report** summarizing goals, accomplishments, expenditures, and fund balances for the prior calendar year;
 - Additional meetings as needed.

OR, alternatively, direct the Interim City Manager to collaborate directly with downtown business representatives on budget development, reporting, and fund use without forming a formal standing committee.

PROCESS OF AGENDA ITEM:

- a. Presentation of agenda item by Interim City Manager



- b. Questions and discussion from Councilmembers
- c. Public comment period
- d. Council deliberation and motion

EXECUTIVE SUMMARY:

The Sebastopol Chamber of Commerce has withdrawn as fiscal agent for the Sebastopol Downtown Association Business Improvement District (BID) funds. To ensure continuity of BID-funded downtown improvements and promotions, staff recommends the City assume the fiscal agent role. This includes establishing oversight either through a standing committee or direct City Manager coordination with downtown businesses.

BACKGROUND:

The Sebastopol Downtown Business Improvement District was established to fund targeted enhancements in the downtown core through assessments on businesses (collected via business license fees). Historically, the Sebastopol Chamber of Commerce served as fiscal agent under a prior agreement and resolution, managing funds for parking, decorations, events, music, promotions, and other permitted uses.

California law requires the BID funds be used solely for:

- A. Acquisition, construction, and/or maintenance of parking facilities for the benefit of the Business Improvement District;
- B. Decoration of public places in the Business Improvement District;
- C. Promotion of public events in public places in the Business Improvement District;
- D. Furnishing of music in public places in the Business Improvement District;
- E. Promotion of business activities in the Business Improvement District; and
- F. Any and all other purposes authorized by law, the ordinance establishing the Business Improvement District, and/or the City Council.

DISCUSSION:

In recent correspondence (attached: Email from Chamber of Commerce), the Chamber notified the City of its withdrawal as fiscal agent. No successor fiscal agent has been designated, creating a need for interim and long-term administration to avoid delayed use of BID funds. Options include:

Rescind the agreement with the Chamber of Commerce as Fiscal Agent
City Manager to work directly with business representatives or the City Council create a Standing Committee

STAFF (RESPONSIBLE DEPARTMENT) ANALYSIS:

Staff recommends approval of the City as fiscal agent, termination of the Chamber agreement, and establishment of the Standing Committee. This ensures compliance, transparency, and continued support for downtown vitality of the downtown businesses.

CITY COUNCIL GOALS/PRIORITIES/ AND OR GENERAL PLAN CONSISTENCY:



This agenda item represents the City Council goals/priorities as follows:

Goal 4 – High Performance Organization

Achieving staffing/ Program targets that match best standards and efficiency/operational staffing efficiencies/baseline budgets/performance management

FISCAL IMPACT:

No impact to the General Fund. BID funds are special revenue (assessments collected from downtown businesses) and not City General Fund revenues. Minor administrative costs (e.g., staff time for committee support, budgeting, reporting) will be absorbed within existing Administrative Services/Interim City Manager budget. No additional appropriations required. Funds will remain restricted to BID-authorized uses. Annually the City estimates about \$8000 received for BIA funds; and the current balance is \$17,200 as funds have not yet been distributed as there was no fiscal agent for last year.

COMMUNITY OUTREACH:

This item has been noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to schedule meeting date. The City has also used social media to promote and advertise the City Council Meeting Agenda Items.

As of the writing of this agenda item report, the City has not received any public comment. However, if staff receives public comment from interested parties following the publication and distribution of this agenda item report, such comments will be provided to the City Council as supplemental materials before or at the meeting.

RESTATED RECOMMENDATION:

That the City Council:

1. Adopt a resolution rescinding resolution No. 6693-2025, terminating the existing agreement with the Sebastopol Chamber of Commerce as Fiscal Agent for the Sebastopol Downtown Association Business Improvement District (BID) and authorizing the City to serve as the fiscal agent for the BID; and that funds are to be used solely for the following purposes as authorized by the BID ordinance and California law:
 - A. Acquisition, construction, and/or maintenance of parking facilities for the benefit of the Business Improvement District;
 - B. Decoration of public places in the Business Improvement District;
 - C. Promotion of public events in public places in the Business Improvement District;
 - D. Furnishing of music in public places in the Business Improvement District;
 - E. Promotion of business activities in the Business Improvement District; and
 - F. Any and all other purposes authorized by law, the ordinance establishing the Business Improvement District, and/or the City Council.

And

2. Direct staff to:



Establish a Standing BID Oversight Committee consisting of:

- One City Councilmember;
- City staff liaison(s) (e.g., from Administrative Services);
- 4-5 representatives from downtown businesses, appointed by participating BID-assessed businesses or their association.
- The Committee shall meet at minimum twice per year:
- Once to develop and recommend the annual BID budget for Council approval;
- Once to prepare and present an Annual Report summarizing goals, accomplishments, expenditures, and fund balances for the prior calendar year;
- Additional meetings as needed.

OR, alternatively, direct the Interim City Manager to collaborate directly with downtown business representatives on budget development, reporting, and fund use without forming a formal standing committee.

CITY COUNCIL OPTION(S):

Deny and maintain status quo (not recommended due to Chamber withdrawal);
Request Downtown Association find another fiscal agent

ATTACHMENT:

Email from Chamber of Commerce (withdrawal notification).
Former Agreement between Chamber of Commerce and City of Sebastopol
Resolution Rescinding Agreement

APPROVALS:

Department Head Responsible for Agenda Item:	Approval Date: 3-11-2026
CEQA Determination (Community Development/Planning):	Approval Date: 3-11-2026
The action is not a project under the California Environmental Quality Act (CEQA).	
Administrative Services (Financial):	Approval Date: N/A

Costs authorized in City Approved Budget: Yes No N/A

Account Code:

City Attorney Approval	Approval Date: 3-11-2026
City Manager Approval:	Approval Date: 3-11-2026

From: [Myriah Volk](#)
To: [Jennifer Koelemeijer](#)
Cc: [Melena Moore](#); [Andrea Caron](#); [Erin Hillmer](#); [Mary Gourley](#)
Subject: RE: Fw: Business Improvement District Budget
Date: Tuesday, January 20, 2026 3:10:46 PM

Dear Committee Members,

Over the past three years, the Sebastopol Chamber of Commerce has worked in good faith to support the Downtown Committee and explore a potential merger. Our involvement was based on the understanding that the Committee would develop clear financial planning, transparency, and a defined strategy for the annual funds it receives from the City for downtown marketing and promotion.

The Chamber has consistently expressed the importance of a formal budget and plan, which were recently presented. Unfortunately, the submitted budget reflects a projected deficit of approximately \$5,000 and does not include sufficient detail or explanation of expenditures. As presented, the Chamber is not comfortable endorsing or presenting a budget that lacks clarity and financial sustainability.

The Chamber stepped into this role with the intention of strengthening downtown efforts and supporting responsible stewardship of public funds. However, continuing under the current circumstances places the Chamber in a position that could negatively impact its credibility and reputation.

For these reasons, the Sebastopol Chamber of Commerce will be withdrawing from its role in presenting or overseeing the Downtown Committee's budget and related duties. This decision is necessary to maintain organizational integrity and accountability.

We remain supportive of a strong and successful downtown and encourage the Committee to move forward with a clear, balanced budget and strategic plan aligned with the purpose of the City's annual allocation.

Myriah Volk

Executive Director

Sebastopol Chamber of Commerce

707.484.7504 cell

707.823.3032

myriah@sebastopol.org

www.sebastopol.org

RESOLUTION NO. 6693-2025

Resolution approving Agreement with City of Sebastopol and Sebastopol Chamber of Commerce for Delegation of Certain Duties to the Sebastopol Chamber of Commerce for the purposes of specific use of funding received from the Business Improvement District and Repealing Resolutions Inconsistent Therewith.

=====
WHEREAS, the City Council of the City of Sebastopol had adopted Ordinance No. 666 creating a business improvement district; and

WHEREAS, the City Council of the City of Sebastopol amended said Ordinance for the purposes of specific use of funding received from the Business Improvement District; and

WHEREAS, the City Council of the City of Sebastopol in 1987, delegated certain duties to the Downtown Association of Sebastopol relating to administration of these funds; and

WHEREAS, at that time, the Downtown Association delegated authority to the Sebastopol Area Chamber of Commerce for administration of said funds; and

WHEREAS, the Sebastopol Downtown Association was re-established in 2011 and since that time has been administrating the funds from the Business Improvement Area; and

WHEREAS, the City was informed that the Downtown Association's status of a non profit has been revoked effective December 2024, and the City wishes to delegate authority to the Sebastopol Area Chamber of Commerce for administration of said funds; and

WHEREAS, the City Council believes it is in the best interests of the City to re-delegate these advisory functions to the Sebastopol Area Chamber of Commerce.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sebastopol desires and requests that the City enter into an agreement for Delegation of Certain Duties to the Sebastopol Area Chamber of Commerce as listed in the agreement "Exhibit" which is attached to this resolution; and

BE IT FURTHER RESOLVED that any other resolutions inconsistent herewith are repealed upon the effective date of this Resolution.

The above and foregoing Resolution was duly passed, approved, and adopted at a meeting by the City Council on the 2nd day of September, 2025.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

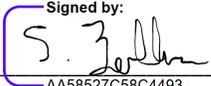
VOTE:

Ayes: Councilmembers Carter, Hinton, Maurer, Vice Mayor McLewis and Mayor Zollman

Noes: None

Abstain: None

Absent: None

APPROVED:  Signed by:

AA58527C58C4493
Mayor Stephen Zollman

ATTEST:  Signed by:

44C0774260FE430...
Mary Gourley, Interim City Manager/City Clerk, MMC

APPROVED AS TO FORM:  Signed by:

66BDB79D572A4EB
Alex Mog, City Attorney

**AGREEMENT BETWEEN
THE CITY OF SEBASTOPOL, A MUNICIPAL CORPORATION, AND THE
SEBASTOPOL AREA CHAMBER OF COMMERCE FOR THE MANAGEMENT OF THE
BUSINESS IMPROVEMENT DISTRICT FUNDS**

This Agreement is made between the City of Sebastopol, a municipal corporation, and the Sebastopol Area Chamber of Commerce, a Non Profit Organization, 501 (3) (6)

RECITALS

WHEREAS, Ordinance No. 666 established and defined a Business Improvement District; and

WHEREAS, pursuant to Ordinance No 666, the City collects a special charge from business owners in the Business Improvement District to be used for the promotion of, and improvement to, the Business Improvement District; and

WHEREAS, Ordinance 666 was amended to reduce use of said funds for specific purposes; and

WHEREAS, pursuant to Council Resolution 6019 adopted and approved at their meeting of January 6, 2015, the City Council wishes to designate an entity to carry out the business district improvement program; and

WHEREAS, subject to annual administrative review and approval by the City Council of the Sebastopol Chamber of Commerce budget requests, to be submitted to the City Council at the first City Council Meeting in February of each year, specifying the authorized activities and improvements to be undertaken with the assessments for the purpose of making general improvements in the Business Improvement District and solving problems of the Business Improvement District, including the:

- A. acquisition, construction, and/or maintenance of parking facilities for the benefit of the Business Improvement District;
- B. decoration of public places in the Business Improvement District;
- C. promotion of public events in public places in the Business Improvement District;
- D. furnishing of music in public places in the Business Improvement District;
- E. promotion of business activities in the Business Improvement District; and
- F. any and all other purposes authorized by law, the ordinance establishing the Business Improvement District, and/or the City Council
- G. The Chamber of Commerce shall create a sub-committee of appointed members who are within the former Sebastopol Downtown Association to develop and administer the budget for use of funds and shall submit that budget to the City Council for review and approval

WHEREAS, the Sebastopol Chamber of Commerce shall be representative of businesses in the Business Improvement District for utilization of said funds, and is qualified and willing to provide the services described herein; and

WHEREAS, the services to be performed by the Sebastopol Area Chamber of Commerce contribute to the economic and promotional well-being of the Business Improvement District.

NOW, THEREFORE, in consideration of the above conditions set forth in this Agreement, the City of Sebastopol and the Sebastopol Area Chamber of Commerce agree as follows:

EFFECTIVE DATE OF AGREEMENT:

This agreement shall be effective as of September 3, 2025 and shall continue for five years until September 3, 2030, unless terminated earlier in accordance with the terms of this Agreement.

OBLIGATION OF THE CITY OF SEBASTOPOL

The City of Sebastopol shall submit Business Improvement District Assessment funds to the Sebastopol Area Chamber of Commerce. The total payments provided each fiscal year to the Sebastopol Area Chamber of Commerce under this Agreement shall not, under any circumstances, exceed the amount of funds received through the collection of Business Improvement District assessment funds for the expenditures as authorized and approved by City Council in the Budget Report for each fiscal year.

City will disburse to the Sebastopol Area Chamber of Commerce the assessment funds received by the City of Sebastopol through the fees collected by the City of Sebastopol annually but no later than March 1st of each year the funds received to date; and then monthly thereafter any assessment fees received.

OBLIGATION OF THE SEBASTOPOL AREA CHAMBER OF COMMERCE

Sebastopol Area Chamber of Commerce shall maintain its active California non-profit corporate status and the membership shall include all businesses within the District holding current business tax certificates that have also paid the appropriate BID assessment.

The Sebastopol Area Chamber of Commerce shall submit an annual budget report to include an outline of the proposed improvements and activities within the Business Improvement District, as well as the estimated cost, by category, of providing those improvements and activities for Fiscal Year ("FY") 2025-2026, and for each subsequent fiscal year through the Term of this Agreement. The report shall be delivered to the City no later the first City Council meeting of February of each year, for the coming fiscal year to be submitted to the Council for their administrative review and approval.

The Sebastopol Area Chamber of Commerce shall prepare an Annual Report, summarizing the goals, accomplishments, and expenditures for each calendar year through the Term of this Agreement. The report shall be delivered to the City with the annual budget report and distributed to every business assessed in the District.

The Sebastopol Area Chamber of Commerce shall use Business Improvement District assessment funds doe items listed below and budget shall be approved for and listed in the City of Sebastopol City Budget.

- A. acquisition, construction, and/or maintenance of parking facilities for the benefit of the Business Improvement District;
- B. decoration of public places in the Business Improvement District;
- C. promotion of public events in public places in the Business Improvement District;
- D. furnishing of music in public places in the Business Improvement District;
- E. promotion of business activities in the Business Improvement District; and

- F. any and all other purposes authorized by law, the ordinance establishing the Business Improvement District, and/or the City Council
- G. The Chamber of Commerce shall create a sub-committee of appointed members who are within the Sebastopol Downtown Business Improvement Assessment District to develop and administer the budget for use of funds and shall submit that budget to the City Council for review and approval

INSURANCE REQUIRED

Sebastopol Area Chamber of Commerce shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury, and personal & advertising injury with limits no less than \$2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
3. Workers' Compensation insurance, as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
(Not required if consultant provides written verification that it has no employees)
4. Professional Liability (Errors and Omissions) Insurance appropriate to the Consultant's profession, with limit no less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work. A copy of the claims reporting requirements must be submitted to the City of Sebastopol for review. If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, the City of Sebastopol requires, and shall be entitled to, the broader coverage and/or higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City of Sebastopol.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

The City of Sebastopol, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations.

General liability coverage can be provided in the form of an endorsement to the Consultant's insurance at least as broad as one of the following ISO ongoing operations Forms: CG 20 10 or CG 20 26 or CG 20 33 (not allowed from subcontractors), or CG 20 38; and one of the following ISO completed operations Forms: CG 20 37, 2039 (not allowed from subcontractors), or CG 20 40.

Primary Coverage

For any claims related to this contract, the Consultant's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City of Sebastopol, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City of Sebastopol, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

Notice of Cancellation

Consultant shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; (3) or the deductible or self-insured retention is increased. In the event of any cancellation or reduction in coverage or limits of any insurance, Consultant shall forthwith obtain and submit proof of substitute insurance.

Waiver of Subrogation

Consultant hereby grants to the City of Sebastopol a waiver of any right to subrogation which any insurer of said Consultant may acquire against the City of Sebastopol by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Sebastopol has received a waiver of subrogation endorsement from the insurer. However, the Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City of Sebastopol for all work performed by the Contractor, its employees, agents, and subcontractors.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City of Sebastopol. The City of Sebastopol may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or the City of Sebastopol.

Acceptability of Insurers

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City of Sebastopol.

Verification of Coverage

Consultant shall furnish the City of Sebastopol with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to the City of Sebastopol before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City of Sebastopol reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Subcontractors

Consultant shall require and verify that all subcontractors maintain insurance, meeting all the requirements stated herein, and Contractor shall ensure that the City of Sebastopol is an additional insured on insurance required from subcontractors.

Special Risks or Circumstances

The City of Sebastopol reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

INDEMNIFICATION

A. Consultant shall indemnify and hold harmless City, its agents, officers, officials, employees, and volunteers from any and all claims, demands, suits, loss, damages, injury, and/or liability (including any and all costs and expenses in connection therewith), incurred by reason of any negligent or otherwise wrongful act or omission of Consultant, its officers, agents, employees and subcontractors, or any of them, under or in connection with this Agreement; and Consultant agrees at its own cost, expense and risk to defend any and all claims, actions, suits, or other legal proceedings brought or instituted against City, its agents, officers, officials, employees and volunteers, or any of them, arising out of such negligent or otherwise wrongful act or omission, and to pay and satisfy any resulting judgments.

B. When Consultant under this Agreement is duly licensed under California Business and Professions Code as an architect, landscape architect, professional engineer, or land surveyor ("design professional"), the provisions of this section regarding Consultant's duty to defend and indemnify apply only to claims that arise out of or relate to the negligence, recklessness, or willful misconduct of the design professional.

C. If any action or proceeding is brought against Indemnitees by reason of any of the matters against which Consultant has agreed to indemnify Indemnitees as provided above, Consultant, upon notice from City, shall defend Indemnitees at Consultant's expense by counsel acceptable to City, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to Indemnification in order to be so indemnified. The insurance required to be maintained by Consultant shall ensure Consultant's obligations under this section, but the limits of such insurance shall not limit the liability of Consultant hereunder. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

D. The provisions of this section do not apply to claims to the extent occurring as a result of the City's sole negligence or willful acts or misconduct.

No Political Activity. Sebastopol Area Chamber of Commerce shall not use and require its agents, officers, employees, or volunteers not to use, any of the funds received pursuant to this Agreement, or any personnel or material paid for with funds pursuant to this agreement, for political activity. The term "political activity" shall mean a communication made to any electorate in support of, or in opposition to, a ballot measure or candidate in any federal, state or local government election.

Open Meetings and Brown Act Compliance. The Sebastopol Area Chamber of Commerce shall comply with the Ralph M. Brown Act, California Government Code section 54950 et. seq. An agenda containing the date, time, and location of the meeting, and a general description of each item of business to be discussed or transacted, shall be posted in a place freely accessible to the public at least 72 hours prior to the meeting. The agenda shall also be sent to every member of the public requesting notification of the meetings, by facsimile, via the United States Postal Service, or electronic mail, at the time of the posting of the agenda.

California Public Records Act. Sebastopol Area Chamber of Commerce shall comply with the provisions of the California Public Records Act, codified in California Government Code sections 6250- 6270, for all documents and records pertaining to all matters in connection with this Agreement.

This Agreement represents the entire understanding of the City and Sebastopol Area Chamber of Commerce as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder.

All exhibits and attachments referenced in this Agreement are incorporated into the Agreement by this reference.

This Agreement shall not be modified, altered or amended unless the modification, alteration or amendment is in writing and signed by all parties to this Agreement.

Conflicts Between Terms. If an apparent conflict or inconsistency exists between the main body of this Agreement and the exhibits or attachments, the main body of this Agreement shall control. If a conflict exists between an applicable federal, state, or local law, rule, regulation, order, or code and this Agreement, the law, rule, regulation, order, or code shall control. Varying degrees of stringency among the main body of this Agreement, the exhibits or attachments, and laws, rules, regulations, orders, or codes are not deemed conflicts, and the most stringent requirement shall control. Each Party shall notify the other immediately upon the identification of any apparent conflict or inconsistency concerning this Agreement.

Neither the City nor Sebastopol Area Chamber of Commerce may unreasonably withhold or unreasonably delay any consent or approval required by this Agreement.

Whenever required under this Contract, City's consent or approval shall mean be written consent or approval of the Mayor of Sebastopol, or his/her designee, unless otherwise expressly provided. City's discretionary acts hereunder shall be made in the Mayor's discretion, unless otherwise expressly provided.

Each individual executing this Agreement on behalf of another person or legal entity represents and warrants that he/she is authorized to execute and deliver this Agreement on behalf of such person or entity in accordance with duly adopted resolutions or other authorizing actions necessary and proper and under such legal entity's articles, charter, bylaws, or other written rules of conduct or governing agreement, and that this Agreement is binding upon such person or entity in accordance with its terms. Each person executing this Agreement on behalf of another person or legal entity shall provide the City with evidence, satisfactory to the City that such authority is valid, and that such entity is a valid, qualified corporation, in good standing and qualified to do business in California.

All nonprofit corporations contracting with the City shall provide, within 30 days of execution of an agreement, a list of the names of all board members and their business affiliations. In the event that the board membership changes, the corporation shall provide the City with an updated list.

It is important for the City and its citizens to have confidence in the integrity of nonprofit corporations which contract with the City to administer programs, and which receive funding from or through the City.

This agreement is not intended to supersede, negate or otherwise invalidate any statute, ordinance or policy, but is intended to supplement existing authorities governing these subjects.

EXECUTED ON THIS 3RD DAY OF SEPTEMBER, 2025 BY THE FOLLOWING:

SEBASTOPOL AREA CHAMBER OF COMMERCE

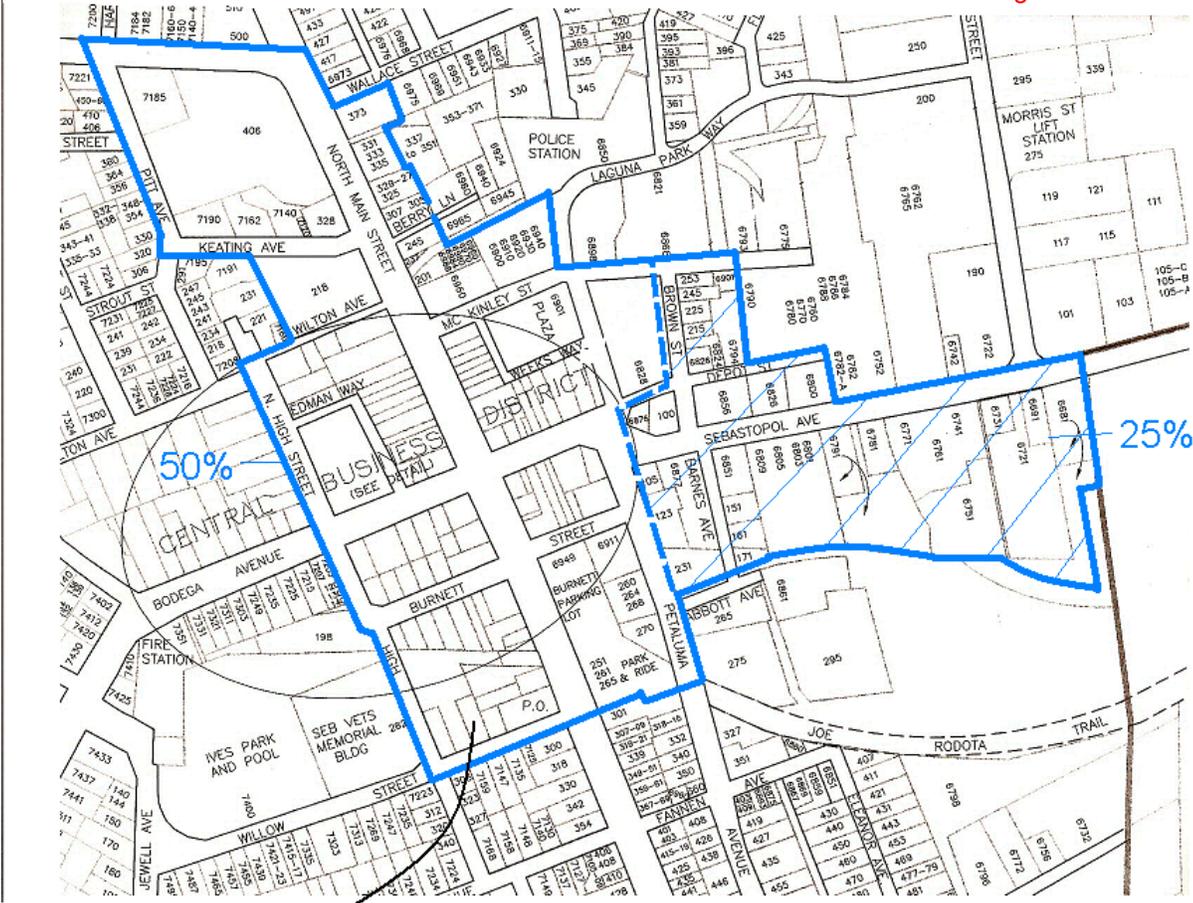
DocuSigned by:
Myriah Volk
893DB33B9656420
EXECUTIVE DIRECTOR
MYRIAH VOLK

DATED: 9/3/2025

CITY OF SEBASTOPOL

Signed by:
S. Zollman
AA58627C58C4403...
MAYOR
STEPHEN ZOLLMAN

DATED: 9/3/2025



City of Sebastopol

BUSINESS IMPROVEMENT AREA

— Area Boundary

RESOLUTION NO. [XXXX-2026]

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL RESCINDING RESOLUTION NO. 6693-2025, TERMINATING THE AGREEMENT WITH THE SEBASTOPOL AREA CHAMBER OF COMMERCE AS FISCAL AGENT FOR THE SEBASTOPOL DOWNTOWN ASSOCIATION BUSINESS IMPROVEMENT DISTRICT FUNDS, AND AUTHORIZING THE CITY TO ASSUME THE FISCAL AGENT ROLE

WHEREAS, pursuant to Ordinance No. 666 (as amended), the City of Sebastopol established the Sebastopol Downtown Business Improvement District (BID) and collects special assessments from businesses within the district for the purpose of funding improvements and promotions, including parking facilities, public decorations, events, music, business promotion, and other authorized purposes; and

WHEREAS, on September 2, 2025, the City Council adopted Resolution No. 6693-2025, approving an Agreement between the City of Sebastopol and the Sebastopol Area Chamber of Commerce (the "Chamber") for delegation of certain duties, including serving as fiscal agent for the administration and management of BID funds (the "Agreement"), effective September 3, 2025, and continuing until September 3, 2030 unless terminated earlier; and

WHEREAS, the Agreement authorized the Chamber to develop and administer budgets for BID funds, subject to annual City Council review and approval, and to carry out authorized activities in the BID; and

WHEREAS, the Sebastopol Area Chamber of Commerce has notified the City of its withdrawal as fiscal agent for the BID funds; and

WHEREAS, to ensure continuity of administration, compliance with BID law, transparency in fund use, and support for downtown businesses and vitality, it is necessary and in the best interest of the City and the BID-assessed businesses for the City to rescind the prior resolution, terminate the Agreement, and assume the fiscal agent role; and

WHEREAS, rescission of Resolution No. 6693-2025 and termination of the Agreement will operate prospectively, preserving any prior lawful expenditures or actions taken under the Agreement, and allowing for orderly transfer of any remaining BID funds and records to the City.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sebastopol as follows:

1. The City Council hereby rescinds Resolution No. 6693-2025 in its entirety, effective immediately upon adoption of this Resolution.
2. The City Council hereby terminates the Agreement between the City of Sebastopol and the Sebastopol Area Chamber of Commerce for delegation of duties and fiscal agent responsibilities related to the Sebastopol Downtown Association Business Improvement District funds, effective immediately upon adoption.
3. The City of Sebastopol hereby assumes the role of fiscal agent for the BID funds, to hold, administer, budget (with input from downtown business representatives or a Standing Committee as directed), and disburse such funds solely for purposes authorized by Ordinance No. 666, California law, and future City Council direction.
4. The Interim City Manager (or designee) is authorized and directed to:

- Notify the Sebastopol Area Chamber of Commerce in writing of the termination and request prompt transfer of any remaining BID funds, financial records, budgets, reports, and other relevant documents to the City.
 - Coordinate an orderly transition, including any necessary accounting reconciliation.
 - Implement mechanisms for receiving input on BID expenditures as previously directed by the City Council.
 - Take all other actions necessary to effectuate this Resolution.
5. This Resolution shall take effect immediately upon adoption.
 6. Any prior resolutions or actions inconsistent herewith are repealed to the extent of such inconsistency.

IN COUNCIL DULY PASSED, APPROVED AND ADOPTED this 17th day of March, 2026.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

VOTE:

Ayes:

Noes:

Absent:

Abstain:

APPROVED:

Jill McLewis, Mayor

ATTEST:

Mary Gourley, Interim City Manager/City Clerk, MMC

APPROVED AS TO FORM:

Alex Mog, City Attorney