



STAFF REPORT

TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
MEETING DATE: MARCH 2, 2026
FROM: CITY MANAGER TOM DUBOIS
SUBJECT: ADOPTION OF AGREEMENT TO DISSOLVE ACRA

RECOMMENDATION:

Staff recommends that Council make a motion to approve the dissolution of ACRA and authorize signing the dissolution agreement.

BACKGROUND:

The Amador County Recreation Association (ACRA), a JPA that ran parks and recreation activities throughout the county, is dissolving due to management challenges and insufficient finances. It has already effectively disbanded, this is the final step to dissolve the legal structure and account for remaining funds.

DISCUSSION:

Since about October 2025, ACRA has been working on winding down its affairs. Barring any unforeseen circumstances, the ACRA Board held its final meeting on Monday, February 2, 2026.

At that meeting, the ACRA Board took several final steps and gave necessary direction and authorization regarding the final activities of the agency. Those actions include the following:

- Established Friday February 6, 2026 as ACRA's last formal operational day, with its last remaining employee working and being paid through that date.
- Designated Tacy Oneto Rouen, the Amador County Auditor Controller as a signatory on ACRA's bank accounts. Despite 2/2/26 being ACRA's last formal day of operations, there nevertheless will be additional actions that must be taken on ACRA's behalf. The County Auditor has offered and agreed to take on those obligations for ACRA, which include the paying of ACRA's final bills, distribution of the remaining assets to members, closing the accounts, and ensuring financial reporting requirements are met, including issuing W-2s for employees in January or February of 2027.
- Approved the formula for distribution of any funds remaining in ACRA's account after all outstanding bills have been paid. As required by the JPA Agreement, those funds are returned to members in proportion to the funds furnished by the members. The attached Excel document depicts the amount and proportion of the membership fees paid by each agency for

the most recent fiscal year. Those percentages will be used to determine the distribution of the remaining cash assets. However, the ACRA Board also made it clear that the value of personal property assets received by the County must be accounted for as part of the return of the remaining cash assets. As such, the total value of the personal property (anything individually valued at over \$200) received by the County will count against the County's share of the assets. When the time comes to make the distributions, we will provide a draft proposal to this group for review and comment. The County does not know exactly when the final funds will be ready for distribution. The Auditor has indicated that we must wait a reasonable time to ensure all bills have been received and that payroll taxes have been paid.

- Authorized the Amador County Community Fund to distribute from time to time in the form of community grants the approximately \$21,335 in bingo revenue that the Community Foundation already managed for ACRA. The bingo funds are separate and not part of ACRA's general operating funds and may only be used for limited purposes. The Board's Resolution is attached.

Since ACRA's last operational day, the Auditor has continued with the activities of winding down ACRA; however, additional unanticipated issues have arisen that the Auditor has had to address. Last week, a letter from the Social Security Administration (attached) was received stating that there is a large discrepancy (\$45,164.18) between IRS records and Social Security Records for Tax Year 2024 regarding both Social Security Wages and Medicare Wages/Tips (see attached letter) which requires an "Immediate Reply." It is likely that the Auditor, or her staff, will have to investigate why and hopefully correct the discrepancy, assuming all the necessary records can be located. Also, the Auditor has discovered that ACRA was unable to timely submit its required 2024-2025 Annual Financial Transactions Report to the State Controller. The Auditor will now have to prepare and submit that report to the best of her ability. It is also potentially possible that ACRA may be fined for the late Report.

BUDGET IMPACT:

The City of Sutter Creek has already received a refund of recent impact fees (approximately \$20,000). A portion of the "per capita" activity fee may be refunded if any funds remain after ACRA liabilities are paid off.

ATTACHMENT:

1. ACRA dissolution Agreement
2. ACRA 2018 JPA Amendment
3. Member fee percentage calculation
4. ACF Bingo resolution
5. Executed Bank Resolution
6. Letter to ACRA from Social Security