

Gridley City Council – Regular City Council Meeting Agenda

Monday, April 15th, 2019; 6:00 pm
Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”

CALL TO ORDER - Mayor Johnson

ROLL CALL - Recording Secretary

PLEDGE OF ALLEGIANCE – Councilmember Borges

INVOCATION – Otto Behunin of the Church of Jesus Christ Latter-Day Saints

PROCLAMATIONS – National Sexual Assault Awareness Month, April 2019, being accepted by Cinda Trembath, Outreach/Counselor with Rape Crisis Intervention & Prevention

COMMUNITY PARTICIPATION FORUM - *Members of the public may address the City Council on matters not listed on the agenda. The City Council may not discuss nor take action on any community participation item brought forward by a member of the community. Comments are requested to be limited to three (3) minutes.*

CONSENT AGENDA – *Items on the Consent Agenda are considered routine and acted upon by one motion. Any Council member may request that an item be removed for separate consideration. The City Council may only make minor comments; otherwise the item should be removed from the Consent Agenda and placed as the first item(s) under “Items for Council Consideration”.*

1. City Council minutes dated April 1st, 2019
2. California Water State Revolving Fund Application

PUBLIC HEARING – None

ITEMS FOR COUNCIL CONSIDERATION

3. Annual Independent Financial Audit Report
4. Swearing-in of newly appointed Councilmember, Zachary Torres

CITY STAFF AND COUNCIL COMMITTEE REPORTS - *Brief updates from City staff and brief reports on conferences, seminars, and meetings attended by the Mayor and City Council members, if any.*

POTENTIAL FUTURE CITY COUNCIL ITEMS - (Appearing on the Agenda within 30-90 days):

Oral Update of FEMA and Gridley Camp Fire Community	5/6/2019
Expanded Use of Eagle Meadows Park for Organized Sports	5/6/2019
CAL Fire Contract to add one Additional Firefighter	6/3/2019
Potential Cessation of Net Metering Program	6/17/2019

CLOSED SESSION – None

ADJOURNMENT – adjourning to the next regularly scheduled meeting on Monday, May 6th, 2019

NOTE 1: POSTING OF AGENDA- This agenda was posted on the public bulletin board at City Hall at or before 6:00 p.m., April 12th, 2019, in accordance with Government Code Section 54954.2. This agenda along with all attachments is available for public viewing online at www.gridley.ca.us and at the Administration counter in City Hall, 685 Kentucky Street, Gridley, CA.

NOTE 2: REGARDING UNSCHEDULED MATTERS – In accordance with state law, it shall be the policy of this Council that no action shall be taken on any item presented during the public forum or on unscheduled matters unless the Council, by majority vote, determines that an emergency situation exists, or, unless the Council by a two-thirds vote finds that the need to take action arose subsequent to the posting of this agenda.

NATIONAL SEXUAL ASSAULT AWARENESS MONTH

April 2019

WHEREAS, April is National Sexual Assault Awareness Month (SAAM). This proclamation calls attention to the fact that sexual violence is widespread and impacts every person in this community. The goal of SAAM is to raise public awareness about sexual violence and educate communities on how to prevent it. Rape, sexual harassment and others forms of sexual violence harm our community, and statistics show one in five (5) women and one in sixty-seven (67) men will be raped at some point in their lives.

WHEREAS, child sexual abuse prevention must be a priority to confront the reality that one (1) in six (6) boys and one (1) in three (3) girls will experience sexual assault before age eighteen (18). On campuses, one in five (5) women and one in sixteen (16) men are sexually assaulted during their time in college.

WHEREAS, the theme of this year's SAAM campaign is "I Ask". The campaign informs individuals on how they can use their words to stop sexual violence before it happens by promoting safety, respect, and equality. Our words shape the world around us. Whether you speak out against locker room talk or help someone better understand these issues, your voice is powerful and necessary in this conversation.

WHEREAS, individuals can embrace their voices to show their support for survivors, stand up to victim blaming, shut down rape jokes, correct harmful misconceptions, promote everyday consent, and practice healthy communication with kids.

WHEREAS, I join Sexual Assault Advocates and communities across the country in taking action to prevent sexual violence. April is Sexual Assault Awareness Month and each day of the year is an opportunity to create change for the future.

NOW THEREFORE I, Bruce Johnson, Mayor of Gridley, join Rape Crisis Intervention & Prevention sexual assault advocates and communities across the country in taking action to prevent sexual violence. Along with the United States Government and the State of California, I do hereby proclaim April 2019, as "Sexual Assault Awareness Month" and April 24, 2019, as "Denim Day" in California.

Bruce Johnson, Mayor

Gridley City Council – DRAFT City Council Meeting Minutes

Monday, April 1st, 2019; 6:00 pm
Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”

CALL TO ORDER

Mayor Johnson called the meeting to order at 6:00 p.m.

ROLL CALL

Councilmembers

Present: Johnson, Borges, Williams
Absent: Hall
Arriving after roll call: None

Staff present: Paul Eckert, City Administrator
Tony Galyean, City Attorney
Juan Solis, Finance Director
Al Byers, Police Chief
Daryl Dye, Utilities Director

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Johnson

INVOCATION

Reverend Bill Hammond of the Lighthouse Tabernacle provided the invocation.

PROCLAMATIONS – None

COMMUNITY PARTICIPATION FORUM

The Mayor opened the forum and seeing no one present wishing to speak, closed the forum.

CONSENT AGENDA

1. City Council minutes dated March 18, 2019
2. Revision of the First Time Homebuyer Program Guidelines and Single-Family Housing Rehabilitation Program Guidelines
3. SB 1 Project List to California Transportation Commission for FY 19-20

Consent agenda approved, all in favor.

PUBLIC HEARING – None

ITEMS FOR COUNCIL CONSIDERATION

4. Annual Independent Financial Audit Report

This item was pulled.

5. Approve Resolution No. 2019-R-002: A Resolution of the City Council of the City of Gridley Authorizing the City Administrator to Enter into a Two-Year Extension with Mann, Urrutia, and Nelson for Audit Service for the City of Gridley

Finance Director Juan Solis suggested that with the upcoming change in Finance Directors it would be prudent to extend the contract with the current auditors as they are familiar with Gridley and would make for an easier transition.

6. 2018-2019 Annual Adopted Budget Expenditures Increase Request

Juan Solis briefly reviewed the need for the budget adjustment of \$145,611 and stated it is within the approved Annual Appropriation Limits

Motion to approve Item #6 by Councilmember Borges, seconded by Vice Mayor Williams

ROLL CALL

Ayes: Borges, Williams, Johnson

Motion passed, 3-0

7. Council Appointment of Partial Term Councilmember

Administrator Eckert briefed Council on the process carried out to solicit interest. One application and letter of interest was received from Planning Commissioner Zach Torres.

Motion to appoint Zach Torres by Mayor Johnson, seconded by Councilmember Borges

ROLL CALL

Ayes: Borges, Williams, Johnson

Motion passed, 3-0

CITY STAFF AND COUNCIL COMMITTEE REPORTS

Vice Mayor Williams reported on the positive feedback he heard while at the Little League field regarding the work done by the Electric and Public Works crews. There are new benches, trash cans, concrete and fence work for which parents and visitors expressed appreciation.

Councilmember Borges reported that he attended meetings with Butte County Air Quality Management Board and the Butte County Association of Governments.

POTENTIAL FUTURE CITY COUNCIL ITEMS - (Appearing on the Agenda within 30-90 days):

Swearing-in of New City Councilmember	4/15/2019
Closed Session - Recruitment of Finance Director	4/15/2019
Oral Update of FEMA and Gridley Camp Fire Community	5/6/2019
Expanded Use of Eagle Meadows Park for Organized Sports	5/6/2019
CAL Fire Contract to add one Additional Firefighter	6/3/2019
Potential Cessation of Net Metering Program	6/17/2019

CLOSED SESSION - None

ADJOURNMENT

With no items for further discussion, Council adjourned to the next regularly scheduled meeting on Monday, April 15th, 2019.

Paul Eckert, City Clerk

City Council Agenda Item #2
Staff Report

Date: April 15, 2019

To: Mayor and City Council

From: Paul Eckert, City Administrator

Subject: California Water State Revolving Fund Application Resolutions

X	Regular
	Special
	Closed
	Emergency

Recommendation

Staff respectfully requests that the Mayor and City Council approve and adopt the Pledged Revenues and Funds Resolution and the Reimbursement Resolution for the Little Avenue Force Main and Lift Station Improvements Funding Application submittal.

Background

The Little Avenue sewer lift station and force main are in need of improvements and replacement. The City of Gridley qualifies for and is pursuing funding assistance through the State of California Water Quality Control Board (Water Board) Clean Water State Revolving Fund (CWSRF) for design and construction of improvements to the Little Avenue Sewer Force Main and Lift Station Project. As part of the application process, the aforementioned resolutions are to be submitted to the Water Board to be eligible for funding assistance.

The Authorization Resolution (Res. No. 2018-R-012) was approved for this application on June 18, 2018.

Fiscal Impact

The City is pursuing an SRF grant to fund the project.

Compliance with City Council Strategic Plan or Budget Goals

The Little Avenue Lift Station and Force Main Project is part of the City's Capital Improvement Plan to provide and maintain reliable sewer service.

Attachment

Pledged Revenue and Funds Resolution
Reimbursement Resolution

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRIDLEY PLEDGING REVENUES AND FUNDS AT LEVELS SUFFICIENT TO MEET OBLIGATIONS TO THE STATE WATER BOARD FOR LITTLE AVENUE FORCE MAIN AND LIFT STATION IMPROVEMENTS

WHEREAS, The City of Gridley (the “Entity”) proposes to pledge revenues and funds from the Sewer Funds to meet obligations to the State Water Board for the Little Avenue Force Main and Lift Station Improvements (the “Project”); and

WHEREAS, the Entity proposes a commitment to collect such revenues and maintain such fund(s) throughout the term of financing and until the Entity has satisfied its repayment obligation thereunder unless modification or change is approved in writing by the State Water Resources Control Board; and

WHEREAS, the Entity proposes that the Entity’s pledge hereunder shall constitute a lien in favor of the State Water Resources Control Board on the foregoing fund(s) and revenue(s) without any further action necessary; and

WHEREAS, the Entity proposes to maintain the fund(s) and revenue(s) at levels sufficient to meet its obligations under the financing agreement, so long as the financing agreement is outstanding.

WHEREAS, the City Council has made the following findings with respect to the Project:

1. The City of Gridley hereby dedicates and pledges revenues and funds from the Sewer Funds to payment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for the Project. The Entity commits to collecting such revenues and maintaining such fund(s) throughout the term of such financing and until the Entity has satisfied its repayment obligation thereunder unless modification or change is approved in writing by the State Water Resources Control Board. So long as the financing agreement(s) are outstanding, the Entity’s pledge hereunder shall constitute a lien in favor of the State Water Resources Control Board on the foregoing fund(s) and revenue(s) without any further action necessary. So long as the financing agreement(s) are outstanding, the Entity commits to maintaining the fund(s) and revenue(s) at levels sufficient to meet its obligations under the financing agreement(s).

NOW THEREFORE, BE IT RESOLVED that the City Council does hereby pledge revenues and funds at levels sufficient to meet obligations to the State Water Board for project funds provided for the Little Avenue Force Main and Lift Station Improvements.

I HEREBY CERTIFY the foregoing Resolution was adopted by the City Council of the City of Gridley on the 15th day of April 2019, by the following vote:

AYES: COUNCILMEMBERS

NOES: COUNCILMEMBERS

ABSENT: COUNCILMEMBERS

ABSTAIN: COUNCILMEMBERS

ATTEST:

Paul Eckert, City Clerk

APPROVED:

Bruce Johnson, Mayor

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRIDLEY ADOPTING OBLIGATIONS TO REIMBURSE THE STATE WATER BOARD FOR PROJECT FUNDS PROVIDED FOR THE LITTLE AVENUE FORCE MAIN AND LIFT STATION IMPROVEMENTS

WHEREAS, the City of Gridley ("the Agency") desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water and wastewater system, including certain treatment facilities, pipelines and other infrastructure (the "Project"); and

WHEREAS, the Agency intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board); and

WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"), and

WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds the Agency desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the Agency; and

WHEREAS, the Agency has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Agency for the Expenditures from the proceeds of the Obligations.

WHEREAS, the City Council has made the following findings with respect to the Project:

1. The Agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.
2. The reasonably expected maximum principal amount of the Project Funds is \$1,500,000.
3. This resolution is being adopted no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.
4. Each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.
5. To the best of our knowledge, this Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

6. This resolution is adopted as official intent of the Agency in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.
7. All the recitals in this Resolution are true and correct and this Agency so finds, determines and represents.

NOW THEREFORE, BE IT RESOLVED that the City Council does hereby adopt obligations to reimburse the State Water Board for project funds provided for the Little Avenue Force Main and Lift Station Improvements.

The foregoing Resolution was adopted by the City Council of the City of Gridley on the 15th day of April 2019, by the following vote:

AYES: COUNCILMEMBER

NOES: COUNCILMEMBER

ABSENT: COUNCILMEMBER

ABSTAIN: COUNCILMEMBER

ATTEST:

APPROVED:

Paul Eckert, City Clerk

Bruce Johnson, Mayor

City Council Agenda Item #3

Staff Report

Date: April 15, 2019

To: Mayor and City Council

From: Paul Eckert, City Administrator
Ishrat Aziz-Khan, Accountant

<input checked="" type="checkbox"/>	Regular
<input type="checkbox"/>	Special
<input type="checkbox"/>	Closed
<input type="checkbox"/>	Emergency

Subject: Annual Independent Financial Audit Report

Recommendation

Staff respectfully requests that the Mayor and City Council acknowledge and accept the Annual Audit through adoption of Resolution No. 2019-R-001: A Resolution of the City Council of the City of Gridley Accepting the Independent Audit Report for Fiscal Year 2017-2018.

Background

The City’s third-party Independent Auditor, Mann, Urrutia, Nelson, CPAs & Associates, LLP, has completed the audit of the financial statements for the 2017-2018 fiscal year. The audited financial statements have been distributed to the Mayor and City Council for your review. The Independent Auditor has provided a “clean” audit free of any findings. While the report is lengthy we suggest that the most interesting portions of the audit are the Management Discussion and Analysis on pages 3 through 13 and the accompanying notes to the financial statements on pages 28 through 63.

Derived from the same underlying basic financial statements information as the City’s Budget Reports which are reported on separately, the Audited Financial Statements differ significantly in the presentation of that information. The City’s Budget Reports are presented primarily on a cash basis to show the operating capabilities of each of the operational funds of the City during a single period. The Audited Financial Statements, based on “generally accepted accounting principles” (GAAP), promulgated by the Governmental Accounting Standards Board (GASB), focus more on presenting an overall picture of the financial position of the City.

The primary purpose of an independent audit is to assure the users of the financial statements that they can rely on those statements to accurately present the financial status of the City. The audit is not a guarantee that the statements are absolutely perfect, nor that there have been no defalcations or misappropriation of City resources. The Auditor’s Report states that after studying and analyzing the City’s financial records, using their expertise, accepted standards, and due diligence, they have reached the conclusion that the financial statements “present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gridley...”

The published financial statements also include as Supplementary Information, Budget Comparison Schedules, which are similar to our Final Budget Report, and Combining Statements which details the underlying non-major Fund information that makes up the Governmental Activities

The opinion on the City of Gridley’s Financial Statements was considered unqualified, or in layman’s terms, a clean audit. The auditors have considered the City’s own internal control mechanisms to ensure that financial transactions are reported accurately, and defalcation and malfeasance do not occur. The “Report on Internal Control Over Financial Reporting...” states that this year they “did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness.” A “material weakness” is a deficiency or combination of deficiencies in internal control

such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected in a timely basis.

Additionally, the results of the audit "disclosed no instances of noncompliance or other matters that are required to be reported under Governmental Auditing Standards."

Government code and practice requires that the City Council formally accept the independent auditor's report. By the very nature of the independence of the auditor, the City cannot alter or change the reports, so the purpose of the practice is only to ensure that the governing body has been presented with the report. Staff recommends adoption of Resolution No. 2019-R-001 accepting the audit report.

Fiscal Impact

There are no direct financial impacts associated with the City Council's acceptance of the independent third party annual audit process.

Compliance with City Council Strategic Plan or Budget Goals

The City Council and City staff are committed to provide the best possible financial practices and the highest possible transparency regarding all financial transactions.

Attachments

1. Financial Statements (complete report distributed under separate cover)
2. Proposed Resolution No. 2019-R-001

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRIDLEY ACCEPTING THE
INDEPENDENT AUDIT REPORT FOR FISCAL YEAR 2017 – 2018**

WHEREAS, the City Council has received the published financial statements for the City of Gridley for the 2017-2018 fiscal year; and,

WHEREAS, the Council has received and reviewed the report of the independent auditor, Auditor, Mann, Urrutia, Nelson, CPAs & Associates, LLP on those financial statements; and,

WHEREAS, the Council has reviewed the report of the independent auditor on internal control over financial reporting and other matters accompanying the audit report, and the findings and its own management's response.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Gridley that the published City of Gridley Financial Statements for Fiscal Year ended June 30, 2018, and the Independent Auditor's Report on those statements is accepted and made available to the interested public.

I HEREBY CERTIFY that the foregoing resolution was introduced, passed, and adopted by the City Council of the City of Gridley at a regular meeting held on the April 15th, 2019, by the following vote:

AYES: COUNCILMEMBERS

NOES: COUNCILMEMBERS

ABSTAIN: COUNCILMEMBERS

ABSENT: COUNCILMEMBERS

ATTEST:

APPROVE:

Paul Eckert, City Clerk

Bruce Johnson, Mayor

CITY OF GRIDLEY

OATH OF OFFICE

State of California, County of Butte

I, Zachary Torres, do solemnly swear that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic, that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter, so help me God.

Zachary Torres, Councilmember

Subscribed and sworn before me, this 15th day of April, 2019

Tony Galyean, City Attorney