

YREKA CITY COUNCIL
AGENDA

March 5, 2015 – 6:30 P.M.

Yreka City Council Chamber 701 Fourth Street, Yreka, CA

The full agenda packet can be found on the City's website www.ci.yreka.ca.us/council

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS: This is the time for public comments. Council may ask questions but may take no action during the public comment section of the meeting, except to direct staff to prepare a report or place an item on a future agenda. If you are here to make comments on a specific agenda item, you may speak at that time. If not, this is the time. Please limit your remarks to 5 minutes. Speakers: Please speak from the podium. State your name and mailing address so that City Staff can respond to you in regard to your comments, or provide you with information, if appropriate. You are not required to state your name and address if you do not desire to do so.

(Great Northern Corporation – Presentation)

1. Discussion/Possible Action - Consent Calendar: All matters listed under the consent calendar are considered routine and will be enacted by one motion unless any member of the Council wishes to remove an item for discussion or a member of the audience wishes to comment on an item. The City Manager recommends approval of the following consent calendar items:
 - a. Approval/ratification of payments issued from February 20, through March 5, 2015.
 - b. Approval of Minutes of the meeting held February 19, 2015.
 - c. Adopt Resolution for the Affirmation and Implementation of the Provisions of Section 414(h)(2) of the Internal Revenue Code to Tax Defer Employee Retirement Contributions to CalPERS.
 - d. Acceptance of Treasurer's Report and Budget to Actual for the month of January 2015.
2. Discussion/Possible Action – Consideration of request of Bob Kaster regarding resurfacing the tennis courts at Miner Street Park – Councilmember Mercier.
3. Discussion/Possible Action – Adopt Resolution No. 2015-6 consenting to the formation of the Siskiyou County Tourism Improvement District by the County of Siskiyou.
4. Discussion/Possible Action – Acceptance of the Audited Financial Report Fiscal Year 2013-14.

City Manager Report

Council Statements and Requests: Members of the Council may make brief announcements or reports or request staff to report to Council on any matter at a subsequent meeting.

CLOSED SESSION:

1. Conference with Legal Counsel - Anticipated Litigation
Initiation of litigation pursuant to Subdivision (c) of Section 54956.9 of the Government Code: (Number of cases to be discussed – 1 - The names of the parties are not disclosed as it is believed that that to do so would jeopardize the City's ability to serve process or to conclude existing settlement negotiations to the City's advantage).

2. Conference with Labor Negotiator Government Code Section 54957.6 (a)
Agency negotiator: Steven Baker.
Employee Organizations: The Yreka City Employees Association.
3. Personnel pursuant to Government Code §54957, consider public employee performance evaluation for the position of City Manager.

RETURN TO OPEN SESSION: Announcement of any action taken by the City Council in Closed Session required by the Ralph M. Brown Act. (Government Code Section 54950 et. seq.)

Adjournment.

In compliance with the requirements of the Brown Act, notice of this meeting has been posted in a public accessible place, 72 hours in advance of the meeting.

All documents produced by the City which are related to an open session agenda item and distributed to the City Council are made available for public inspection in the City Clerk's Office during normal business hours.

In compliance with the Americans with Disabilities Act, those requiring accommodations for this meeting should notify the City Clerk 48 hours prior to the meeting at (530) 841-2324 or by notifying the Clerk at casson@ci.yreka.ca.us.

Accounts Payable

Computer Check Proof List by Vendor

User: lysandra
 Printed: 02/25/2015 - 12:56PM
 Batch: 00006.02.2015



Invoice No	Description	Amount	Payment Date	Acct Number	Reference
Vendor: 1527 FPA-87761	ACME COMPUTER INV FPA-87761	3,375.00	03/06/2015	Check Sequence: 1 01-050-0000-525-000	ACH Enabled: False
	Check Total:	3,375.00			
Vendor: 1011 LMED1091262	AMERICAN LINEN INV LMED1091262	25.00	03/06/2015	Check Sequence: 2 01-200-0000-526-000	ACH Enabled: False
	Check Total:	25.00			
Vendor: 1080 506-3448127 506-3462376 506-3477027 506-3491356 506-3505734 506-3519807 506-3534163 506-3548416 506-3562860	ARAMARK UNIFORM SERVICES INC INV 506-3448127 INV 506-3462376 INV 506-3477027 INV 506-3491356 INV 506-3505734 INV 506-3519807 INV 506-3534163 INV 506-3548416 INV 506-3562860	45.68 45.68 52.13 52.13 52.13 52.13 51.06 51.06 51.06	03/06/2015 03/06/2015 03/06/2015 03/06/2015 03/06/2015 03/06/2015 03/06/2015 03/06/2015 03/06/2015	Check Sequence: 3 01-480-0000-525-001 01-480-0000-525-001 01-480-0000-525-001 01-480-0000-525-001 01-480-0000-525-001 01-480-0000-525-001 01-480-0000-525-001 01-480-0000-525-001 01-480-0000-525-001	ACH Enabled: False
	Check Total:	453.06			
Vendor: 4301 6227733 6235769	AT&T CALNET 2 INV 6227733 INV 6235769	629.46 24.45	03/06/2015 03/06/2015	Check Sequence: 4 01-200-0000-517-000 01-200-0000-517-000	ACH Enabled: False
	Check Total:	653.91			
Vendor: 1041 03/06/15	RON BLACK MARCH 2015	696.00	03/06/2015	Check Sequence: 5 01-200-0000-521-004	ACH Enabled: False
	Check Total:	696.00			

Handwritten signature and date: 02/25/15

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
Vendor: 3118	CROSS PETROLEUM			Check Sequence: 6	ACH Enabled: False
229108-IN	INV 229108-IN	163.36	03/06/2015	01-200-0000-518-002	
66515-IN	INV 66515-IN	222.41	03/06/2015	01-350-0000-520-150	
	Check Total:	385.77			
Vendor: 1102	SCOTT DAUGHERTY			Check Sequence: 7	ACH Enabled: False
TRNG 3/16-18	TRNG 3/16-18 MCCLELLAN	431.00	03/06/2015	01-200-6506-513-004	
	Check Total:	431.00			
Vendor: 1106	PATRICK DIRCKSEN			Check Sequence: 8	ACH Enabled: False
TRNG 3/16-18	TRNG 3/16-18 MCCLELLAN	431.00	03/06/2015	01-200-6506-513-004	
	Check Total:	431.00			
Vendor: 2064	ESRI			Check Sequence: 9	ACH Enabled: False
92940247	INV 9290247	1,556.25	03/06/2015	01-150-0000-526-000	
	Check Total:	1,556.25			
Vendor: UB*00191	FEDERAL HOME LOAN MTG OR Refund Check	32.58	03/06/2015	Check Sequence: 10 70-000-0000-950-000	ACH Enabled: False
	Check Total:	32.58			
Vendor: 1916	G & G HARDWARE (POLICE)			Check Sequence: 11	ACH Enabled: False
183628	INV 183628	53.70	03/06/2015	01-200-0000-516-000	
183932	INV 183932	29.01	03/06/2015	01-200-0000-516-000	
183939	INV 183939	8.05	03/06/2015	01-200-0000-516-000	
184269	INV 184269	37.04	03/06/2015	01-200-0000-516-000	
184270	INV 184270	9.65	03/06/2015	01-200-0000-516-000	
	Check Total:	137.45			
Vendor: 1915	G & G HARDWARE (VEHICLE MAINT)			Check Sequence: 12	ACH Enabled: False
183553	INV 183553	16.11	03/06/2015	01-350-0000-520-000	
183570	INV 183570	42.98	03/06/2015	01-350-0000-520-000	
184425	INV 184425	17.19	03/06/2015	01-350-0000-520-000	
	Check Total:	76.28			
Vendor: 1137	GERARD PELLETIER TRANSFER (PW)			Check Sequence: 13	ACH Enabled: False
2487	INV 2487 ACCT 165	38.76	03/06/2015	01-370-0000-518-004	
2764	INV 2764 ACCT 165	18.00	03/06/2015	01-400-0000-518-004	

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
3194	INV 3194 ACCT 165	5.00	03/06/2015	20-311-0000-420-001	
3457	INV 3457 ACCT 165	66.12	03/06/2015	01-370-0000-518-004	
	Check Total:	127.88			
Vendor: 2246	GOLDEN WEST REALTY			Check Sequence: 14	ACH Enabled: False
RFND PERMIT	RFND BUILDING PERMIT - 1405 COMSTOC	30.00	03/06/2015	01-220-0000-870-006	
	Check Total:	30.00			
Vendor: 7091	GREAT NORTHERN CORPORATION			Check Sequence: 15	ACH Enabled: False
190210-0115	INV 190210-0115	178.75	03/06/2015	65-620-0000-525-000	
	Check Total:	178.75			
Vendor: 2142	DOHN HENION			Check Sequence: 16	ACH Enabled: False
03/06/15	MARCH 2015 (1)	1,250.00	03/06/2015	01-040-0000-525-001	
	Check Total:	1,250.00			
Vendor: 1150	RHETTA HOGAN			Check Sequence: 17	ACH Enabled: False
TRNG 1/29	TRNG 1/29 REDDING	115.00	03/06/2015	01-030-0000-512-000	
	Check Total:	115.00			
Vendor: 23080	JIM WILSON MOTORS			Check Sequence: 18	ACH Enabled: False
03/06/15	GIFT CERTIFICATE	-10.00	03/06/2015	01-200-0000-520-360	
39475	INV 39475	82.44	03/06/2015	01-350-0000-520-000	
44486	INV 44486	46.28	03/06/2015	01-200-0000-520-360	
44605	INV 44605	43.07	03/06/2015	01-200-0000-520-360	
INV 43394	DUPLICATE PD INV 43394	-95.00	03/06/2015	01-200-0000-520-360	
	Check Total:	66.79			
Vendor: UB*00190	JEFFREY LADD OR NORTHERN CREDIT SE			Check Sequence: 19	ACH Enabled: False
	Refund Check	21.56	03/06/2015	70-000-0000-950-000	
	Check Total:	21.56			
Vendor: 1400	MADRONE HOSPICE			Check Sequence: 20	ACH Enabled: False
03/06/15	MARCH 2015	5,625.00	03/06/2015	01-090-0000-560-004	
	Check Total:	5,625.00			
Vendor: 1195	EILEEN MAIER			Check Sequence: 21	ACH Enabled: False

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
1759	INV 1759	6.45	03/06/2015	01-350-0000-520-000	
	Check Total:	6.45			
Vendor: 2192	MALLORY SAFETY & SUPPLY LLC			Check Sequence: 22	ACH Enabled: False
3917916	INV 3917916	118.73	03/06/2015	01-200-0000-416-000	
	Check Total:	118.73			
Vendor: UB*00195	DAVID OR BRANDY MAPLES DEN			Check Sequence: 23	ACH Enabled: False
	Refund Check	45.72	03/06/2015	70-000-0000-950-000	
	Check Total:	45.72			
Vendor: 13Y6403	MEEK'S (PUBLIC WORKS)			Check Sequence: 24	ACH Enabled: False
69523	CM 69523	-75.20	03/06/2015	20-312-0000-420-521	
767050	INV 767050	44.05	03/06/2015	01-230-0000-521-000	
767067	INV 767067	8.52	03/06/2015	01-230-0000-521-000	
767177	INV 767177	15.56	03/06/2015	01-230-0000-521-000	
767178	INV 767178	13.73	03/06/2015	01-230-0000-521-000	
767207	INV 767207	31.28	03/06/2015	01-230-0000-521-000	
767443	INV 767443	57.11	03/06/2015	01-230-0000-521-000	
768046	INV 768046	56.95	03/06/2015	24-320-0000-422-000	
768476	INV 768476	2.77	03/06/2015	01-230-0000-521-000	
768548	INV 768548	4.81	03/06/2015	01-230-0000-521-000	
768555	INV 768555	17.16	03/06/2015	01-230-0000-521-000	
	Check Total:	176.74			
Vendor: 1621	MINER POWER			Check Sequence: 25	ACH Enabled: False
RFND DEPOSIT	RFND CLEANING 02/07/15	100.00	03/06/2015	01-480-0000-543-000	
	Check Total:	100.00			
Vendor: 2247	GEORGIA MOLTER			Check Sequence: 26	ACH Enabled: False
RFND DEPOSIT	RFND CLEANING 02/14/15	100.00	03/06/2015	01-480-0000-543-000	
	Check Total:	100.00			
Vendor: UB*00194	FLETA MURPHY			Check Sequence: 27	ACH Enabled: False
	Refund Check	458.05	03/06/2015	70-000-0000-950-000	
	Check Total:	458.05			
Vendor: 22019	OFFICE DEPOT			Check Sequence: 28	ACH Enabled: False

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
755537705001	INV 755537705001	215.75	03/06/2015	01-030-0000-515-000	
755537705001	INV 755537705001	34.23	03/06/2015	70-030-0000-515-000	
755537705001	INV 755537705001	34.23	03/06/2015	80-030-0000-515-000	
755537705001	INV 755537705001	32.30	03/06/2015	01-230-0000-515-000	
	Check Total:	316.51			
Vendor: 15025	OHLUND'S OFFICE SUPPLY			Check Sequence: 29	ACH Enabled: False
194622	INV 194622	90.70	03/06/2015	01-300-0000-516-000	
194622	INV 194622	90.70	03/06/2015	20-300-0000-516-000	
194622	INV 194622	90.70	03/06/2015	70-300-0000-516-000	
194622	INV 194622	90.71	03/06/2015	80-300-0000-516-000	
194661	INV 194661	1.15	03/06/2015	01-020-0000-516-000	
194664	INV 194664	60.47	03/06/2015	01-300-0000-516-000	
194664	INV 194664	60.47	03/06/2015	20-300-0000-516-000	
194664	INV 194664	60.47	03/06/2015	70-300-0000-516-000	
194664	INV 194664	60.47	03/06/2015	80-300-0000-516-000	
	Check Total:	605.84			
Vendor: 16014	PACE ENGINEERING INC			Check Sequence: 30	ACH Enabled: False
23697	INV 23697	8,205.26	03/06/2015	80-560-0000-525-000	
	Check Total:	8,205.26			
Vendor: 1244	PACIFIC MUNICIPAL CONSULTANTS			Check Sequence: 31	ACH Enabled: False
42408	INV 42408	5,304.42	03/06/2015	60-390-6035-525-000	
42418	INV 42418	1,197.50	03/06/2015	01-060-0000-526-000	
	Check Total:	6,501.92			
Vendor: 1630	PERSONNEL PREFERENCE			Check Sequence: 32	ACH Enabled: False
66381	INV 66381	114.08	03/06/2015	70-030-0000-526-000	
66381	INV 66381	114.07	03/06/2015	80-030-0000-526-000	
66381	INV 66381	76.05	03/06/2015	01-030-0000-526-000	
	Check Total:	304.20			
Vendor: 1396	PUBLIC SAFETY CENTER INC			Check Sequence: 33	ACH Enabled: False
5576178	INV 5576178	107.18	03/06/2015	01-200-0000-416-000	
	Check Total:	107.18			
Vendor: 17014	QUILL CORPORATION			Check Sequence: 34	ACH Enabled: False

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
1338327	INV 1338327	543.89	03/06/2015	01-200-0000-515-000	
	Check Total:	543.89			
Vendor: 1275	SACRAMENTO REGIONAL PUBLIC			Check Sequence: 35	ACH Enabled: False
TRNG 3/16-18	TRNG 3/16-18 DAUGHERTY	82.00	03/06/2015	01-200-6506-513-004	
TRNG 3/16-18	TRNG 3/16-18 DIRCKSEN	82.00	03/06/2015	01-200-6506-513-004	
	Check Total:	164.00			
Vendor: 1409	SC COMMUNICATIONS			Check Sequence: 36	ACH Enabled: False
02/10/15	INV 02/10/15	86.86	03/06/2015	01-200-0000-520-000	
	Check Total:	86.86			
Vendor: 1283	SC ECONOMIC DEVELOPMENT COUNCIL			Check Sequence: 37	ACH Enabled: False
03/06/15	MARCH 2015	3,333.33	03/06/2015	01-090-0000-560-001	
	Check Total:	3,333.33			
Vendor: 1904	TIM SHAW			Check Sequence: 38	ACH Enabled: False
03/06/15	PICK UP YPD NEW VEHICLE	53.11	03/06/2015	01-350-0000-520-100	
	Check Total:	53.11			
Vendor: 25035	MICHAEL SIMAS			Check Sequence: 39	ACH Enabled: False
40562	INV 40562	384.85	03/06/2015	01-090-0000-561-026	
	Check Total:	384.85			
Vendor: 1314	SISKIYOU OPPORTUNITY CENTER			Check Sequence: 40	ACH Enabled: False
12152	INV 12152	9.38	03/06/2015	01-200-0000-526-000	
	Check Total:	9.38			
Vendor: 2248	JOAN SMITH FREEMAN			Check Sequence: 41	ACH Enabled: False
TRNG 1/13-16	TRNG 1/13-16 SACRAMENTO	358.47	03/06/2015	01-010-0000-512-000	
	Check Total:	358.47			
Vendor: 1299	STAPLES ADVANTAGE			Check Sequence: 42	ACH Enabled: False
3256871418	INV 3256871418	151.35	03/06/2015	01-350-0000-520-000	
3256871418	INV 3256871418	10.63	03/06/2015	01-350-0000-521-000	
3256871418	INV 3256871418	54.37	03/06/2015	01-350-0000-515-000	

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
	Check Total:	216.35			
Vendor: UB*00193	MARSHALL SUPER OR NORTHERN CREDIT			Check Sequence: 43	ACH Enabled: False
	Refund Check	23.31	03/06/2015	70-000-0000-950-000	
	Check Total:	23.31			
Vendor: 1231	TRANSUNION RISK & ALTERNATIVE			Check Sequence: 44	ACH Enabled: False
DEC 2014	DEC 2014 CONTRACT	70.00	03/06/2015	01-200-0000-525-000	
JAN 2015	JAN 2015 CONTRACT	70.00	03/06/2015	01-200-0000-525-000	
	Check Total:	140.00			
Vendor: 21027	UNITED PARCEL SERVICE			Check Sequence: 45	ACH Enabled: False
9TT484065	INV 9TT484065	18.74	03/06/2015	01-200-0000-516-000	
	Check Total:	18.74			
Vendor: 25090	USPS			Check Sequence: 46	ACH Enabled: False
03/06/15	MARCH 2015	1,400.00	03/06/2015	70-030-0000-515-001	
	Check Total:	1,400.00			
Vendor: UB*00192	COLETTE WHITE			Check Sequence: 47	ACH Enabled: False
	Refund Check	167.85	03/06/2015	70-000-0000-950-000	
	Check Total:	167.85			
Vendor: 1374	YREKA CHAMBER OF COMMERCE			Check Sequence: 48	ACH Enabled: False
03/06/15	MARCH 2015	4,750.00	03/06/2015	01-090-0000-560-000	
	Check Total:	4,750.00			
Vendor: 1770	YREKA MACHINE WORKS INC			Check Sequence: 49	ACH Enabled: False
006527	INV 006527	214.57	03/06/2015	01-350-0000-520-000	
006528	INV 006528	60.50	03/06/2015	01-350-0000-520-000	
	Check Total:	275.07			
Vendor: 25120	YREKA TRANSFER			Check Sequence: 50	ACH Enabled: False
005821 2/15	ACCT 005821 2/15	82.00	03/06/2015	01-200-0000-518-004	
024631 2/15	ACCT 024631 2/15	102.00	03/06/2015	01-200-0000-518-004	
054217 2/15	ACCT 054217 2/15	129.00	03/06/2015	01-200-0000-518-004	

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
	Check Total:	313.00			
	Total for Check Run:	44,953.09			
	Total of Number of Checks:	50			

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF
YREKA HELD IN SAID CITY ON FEBRUARY 19, 2015

On the 19th day of February 2015, the City Council of the City of Yreka met in the City Council Chambers of said City in regular session, and upon roll call, the following were present: Deborah Baird, Bryan Foster, Joan Smith Freeman, John Mercier, and David Simmen. Absent – None.

Consent Calendar: Mayor Mercier announced that all matters listed under the consent calendar are considered routine and will be enacted by one motion unless any member of the Council wishes to remove an item for discussion or a member of the audience wishes to comment on an item:

- a. Approval/ratification of payments issued from February 6, through February 19, 2015.
- b. Approval of Minutes of the meeting held February 5, 2015.
- c. Adopt Resolution No. 2015-5 Opting to affirm an exemption from the requirements of mandatory Commercial Organics Recycling.

Councilmember Simmen requested that item 1c be pulled for discussion.

Following Council discussion, Councilmember Foster moved to approve items 1 a & 1 b on the consent calendar as submitted.

Councilmember Freeman seconded the motion, and upon roll call, the following voted YEA: Baird, Foster, Freeman, Mercier and Simmen.

Mayor Mercier thereupon declared the motion carried.

Adopt Resolution No. 2015-5 Opting to affirm an exemption from the requirements of mandatory Commercial Organics Recycling.

Following Council discussion, Councilmember Simmen moved to adopt Resolution No. 2015-5 as submitted.

Councilmember Foster seconded the motion, and upon roll call, the following voted YEA: Baird, Foster, Freeman, Mercier and Simmen.

Mayor Mercier thereupon declared the motion carried.

Information/Discussion: An Ordinance of the City Council of the City of Yreka, California Establishing the Private Lateral Inspection and Repair Ordinance.

City Manager Baker reported that the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251 et seq. (also known as the Clean Water Act "CWA") is a federal statute regulating and prohibiting pollution of the nation's lakes, rivers and oceans.

The City sewer system sometimes overflows when heavy rainfall exceeds the storage capacity of sewer pipes and/or wastewater treatment plants, and discharge could result in untreated sewage and storm water into local creeks and rivers. These overflows are called sanitary sewer overflows ("SSOs"). The CWA regulates the discharge of SSOs. The Federal government has delegated the regulation of SSO to the California's Regional Water Quality Control Board. Heavy rainfall, insufficient capacity, roots, debris, grease, and infrastructure weaknesses are the primary causes of SSOs. Additionally, the presence of roots and defective connections between houses and the City's sewer mains can allow the exfiltration of sewage into the ground and allow the infiltration of groundwater into our treatment plant that can lead to SSOs and treatment inefficiencies.

SSOs can sometimes result in the exposure of the public to raw sewage, which contains disease-causing pathogens. Parts of the City's sewer system are located near waterways and sewage from defective pipes could contribute to the pollution of those watercourses.

The City has expended significant resources over the past five years to ensure its sewer operations and facilities are in compliance with State law and the CWA, and to reduce SSOs. The City is required by law to notify the Regional Water Quality Control Board whenever an SSO occurs.

The Regional Water Quality Control Board is required by Federal law to fine the City for each SSO. When it fails to do so, the Clean Water Act permits third parties to file litigation in District Court to enforce those penalties on the Board's behalf. These third parties are allowed, under the Clean Water Act, to be reimbursed for the costs of their litigation, together with attorneys' fees, if they are able to prove that a single SSO that occurred for which we have not been fined. Obviously, the attorney's fees alone can be a burden on this city's limited revenue stream from our wastewater enterprise fund. It is not difficult for these third parties to prove that an SSO occurred since the City itself reports that they occurred.

The City was subjected to just such a lawsuit in 2012. We entered a settlement agreement in which the City agreed, among other things, to present to the City Council an ordinance that the City Council consider, prior to March 2015, amendments to the City's Municipal Code to require inspection, repair and/or replacement of sewer laterals by property owners under specified conditions.

When drafting the ordinance it appeared prudent to also provide an effective enforcement process and for the recovery of the City's costs when pursuing enforcement or remediation. This fee component requires a specific statutory process to be followed and we will now be implementing that procedure.

In conclusion, City Manager Steve Baker stated that the preliminary draft of the proposed Ordinance is presented to you tonight as a discussion item only.

Appoint second Councilmember to the Fall Creek Ad Hoc Committee – Councilmember Simmen.

Following Council discussion, Councilmember Simmen moved to appoint Councilmember Freeman to the Fall Creek Ad Hoc Committee.

Councilmember Baird seconded the motion, and upon roll call, the following voted YEA: Baird, Foster, Freeman, Mercier and Simmen.

Mayor Mercier thereupon declared the motion carried.

CLOSED SESSION:

1. Conference with Legal Counsel - Anticipated Litigation
Initiation of litigation pursuant to Subdivision (c) of Section 54956.9 of the Government Code: (Number of cases to be discussed – 1 - The names of the parties are not disclosed, as it is believed that that to do so would jeopardize the City's ability to serve process or to conclude existing settlement negotiations to the City's advantage).
2. Conference with Labor Negotiator Government Code Section 54957.6 (a)
Agency negotiator: Steven Baker.
Employee Organizations: The Yreka City Employees Association.
3. Conference with Real Property Negotiator (Government Code Section 54956.8)
Property: APN: 061-341-140
Third Party Negotiator: Tonya Dowse
City Negotiators: Steve Baker, City Manager
Under Negotiation: Possible transfer, including price, terms of payment.
4. Personnel pursuant to Government Code §54957, consider public employee performance evaluation for the position of City Manager.

RETURN TO OPEN SESSION: Upon return to open session, City Manager Baker reported that direction was given to staff and that no reportable action was taken in closed session.

ADJOURNMENT There being no further business before the Council the meeting was adjourned.

Attest:

John Mercier, Mayor
Minutes approved by Council
Motion March 5, 2015

Elizabeth E. Casson, City Clerk



CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM

To: Yreka City Council
Prepared by: Rhetta Hogan, Finance Director 
Agenda title: Requested action – Adopt a Resolution of the City Council of the City of Yreka for the Affirmation and Implementation of the Provisions of Section 414(h)(2) of the Internal Revenue Code to Tax Defer Employee Retirement Contributions to CalPERS
Meeting date: March 5, 2015

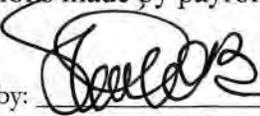
Background and Discussion:

Historically, with few exceptions, the City paid both the member and employer contributions to CalPERS for employees' retirement benefits. This is similar to what many other public agencies did and continued to do up until pension reform was implemented in 2013.

Consistent with the foregoing, the City's bargaining unit contracts were negotiated to reflect that the City would pay most, if not all, of the employee's share of costs to fund their retirement benefits. These amounts were made on pre-tax basis in accordance with Resolution No. 2751 (referred to as the 414(h)(2) Resolution) which was approved at the December 18, 2008, City Council meeting.

As a result of pension reform, the tide began to turn against employers paying the employees' share of costs to fund their retirement benefits. And over the course of the 2014 negotiations, the City and all of its bargaining units negotiated agreements, reflect employees' agreement, to pay their share of costs to fund their retirement benefits. The foregoing relates to classic members only, since new members have been paying their share of retirement benefit costs in accordance with pension reform.

Now that "classic member" employees have agreed to pay their share of costs to fund their retirement benefits, the City wants to ensure the proper IRS resolution is in place so employees can contribute to their retirement benefits on a pre-tax basis. Although City Resolution 2751 meets the requirements of CalPERS and CalPERS has represented to the City that it is sufficient, the City has been advised that the Resolution is technically deficient. Specifically, in defining the types of "employee contributions" that will be made on a pre-tax basis, the Resolution fails to include contributions that are paid by employees pursuant to payroll deduction. While the City adopted the Resolution as instructed by CalPERS, the determination of whether the requirements of Section 414(h)(2) of the Internal Revenue Code are met, and therefore employee contributions are properly treated as pre-tax, is made pursuant to federal tax rules not CalPERS rules. Therefore, in an IRS audit, the City would be at risk to the extent that it treats employee contributions made by payroll deduction as pre-tax without the proper tax language in place.

Approved by: 
Steven Baker, City Manager

This resolution will clarify that in adopting Resolution 2751, the City intended (as represented by CalPERS) that all contributions designated as employee contributions, whether paid by the City or by employees, would be made on a pre-tax basis. It applies to any “employee designated” contribution made to CalPERS regardless of whether it is paid by the City or by employees. The only effect of the attached resolution is to ensure that said contributions are made on a pre-tax basis. It does not change the manner in which the contributions are paid. The intent is to have the pre-tax status extend to contributions paid by employees by payroll deduction.

Staff is recommending approval.

Fiscal Impact: None.

Recommendation:

Adopt a Resolution of the City Council of the City of Yreka for the Affirmation and Implementation of the Provisions of Section 414(h)(2) of the Internal Revenue Code to Tax Defer Employee Retirement Contributions to CalPERS

Attachments

RESOLUTION NO. 2751

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YREKA DESIGNATING
REQUIRED CalPERS EMPLOYEE CONTRIBUTIONS TREATED AS EMPLOYER
CONTRIBUTIONS FOR TAX PURPOSES.

WHEREAS, the City of Yreka has the authority to implement the provisions of section 414(h)(2) of the Internal Revenue Code (IRC); and

WHEREAS, the Board of Administration of the Public Employees' Retirement System adopted its resolution regarding section 414(h)(2) IRC on September 18, 1985; and

WHEREAS, the Internal Revenue Service has stated in December 1985, that the implementation of the provisions of section 414(h)(2) IRC is not required by law, the tax benefit offered by section 414(h)(2) IRC should be provided to its employees who are members of the Public Employees' Retirement System.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Yreka:

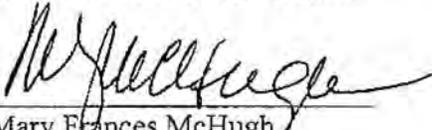
1. That the City of Yreka will implement the provisions of section 414(h)(2) Internal Revenue Code by making employee contributions pursuant to California Government Code section 20691 to the Public Employees' Retirement System on behalf of its employees who are members of the Public Employees Retirement System. "Employee contributions" shall mean those contributions to the Public Employees' Retirement System which are deducted from the salary of employees and are credited to individual employee's accounts pursuant to California Government Code section 20691.
2. That the contributions made by the City of Yreka to the Public Employees' Retirement System, although designated as employee contributions, are being paid by the City of Yreka in lieu of contributions by the employees who are members of the Public Employees' Retirement System.
3. That employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the City of Yreka to the Public Employees' Retirement System.
4. That the City of Yreka shall pay to the Public Employees' Retirement System the contributions designated as employee contributions from the same source of funds as used in paying salary.
5. That the amount of the contributions designated as employee contributions and paid by the City of Yreka to the Public Employees' Retirement System on behalf of an employee shall be the contributions required of the employee by the Public Employees' retirement Law (California Government Code sections 20000, et seq.) and as described in the pertinent Labor Contracts.

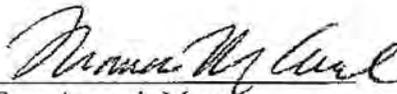
6. That the contributions designated as employee contributions made by the City of Yreka to the Public Employees' Retirement System shall be treated for all purposes, other than taxation, in the same way that member contributions are treated by the Public Employees' Retirement System.

Passed and adopted this 18th day of December 2008, by the following vote:

AYES: AMARAL, GRIFFIN, DARROW & SIMMEN
NAYS: NONE
ABSENT: McNEIL

APPROVED AS TO FORM:


Mary Frances McHugh,
City Attorney


Tom Amaral, Mayor

Attest: 
Elizabeth E. Casson,
City Clerk

RESOLUTION NO. 2015-_____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YREKA
FOR THE AFFIRMATION AND IMPLEMENTATION OF THE
PROVISIONS OF SECTION 414(h)(2) OF THE INTERNAL
REVENUE CODE TO TAX DEFER EMPLOYEE RETIREMENT
CONTRIBUTIONS TO CALPERS**

WHEREAS, the City Council of the City of Yreka ("City") has the authority to implement the provisions of Section 414(h)(2) of the Internal Revenue Code ("IRC") whereby any amount contributed to a public employer pension plan, which is designated as an employee contribution, may be picked up on a pre-tax basis by the public employer and excluded from an employee's gross income if the employer specifies that the contributions, although designated as employee contributions to the plan, are being paid by the employer in lieu of contributions by the employee, and the employee cannot choose to receive the amounts directly instead of having them paid into the plan; and

WHEREAS, the City Council has determined that even though the implementation of the provisions of IRC Section 414(h)(2) is not required by law, the tax benefit offered by IRC Section 414(h)(2) in reducing taxable employee gross income should be provided to all City employees who are members of CalPERS; and

WHEREAS, Internal Revenue Service Revenue Ruling 2006-43 requires an employer take contemporaneous action evidencing an intent to establish a proper pick-up under IRC Section 414(h)(2); and

WHEREAS, the City Council previously adopted Resolution No. 2751 which CalPERS requires in order to tax-defer normal member contributions paid by employees pursuant to salary reduction but which fails to make the distinction between said contributions and the employer paid member contributions paid by the City as permitted by Government Code Section 20691 ("EPMC"); and

WHEREAS, out of an abundance of caution, the City Council has determined it is prudent to adopt this Resolution to distinguish between normal member contributions paid pursuant to employee salary reductions and the EPMC.

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

- (a) Pursuant to IRC Section 414(h)(2), the City Council hereby elects to reaffirm its implementation of an employer pick-up pursuant to Resolution No. 7349 and to implement an employer pick-up pursuant to this Resolution, of employee retirement contributions on behalf of City employees who are members of CalPERS. "Employee retirement contributions" shall mean both those contributions paid by salary reduction and credited to individual employee's account as normal member contributions and normal member contributions paid directly by an employer pursuant to Government Code Section 20691. This provision will apply to all employees of the City that are members of

CalPERS.

- (b) Picked up contributions, although designated as employee contributions to CalPERS, will be picked up on a pre-tax basis, whether paid pursuant to salary reduction or directly by the City pursuant to Government Code Section 20691, in lieu of employee contributions so that such contributions are treated as employer contributions.
- (c) Employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the City to CalPERS.
- (d) Amounts picked up by the City shall be paid from the same sources of funds as used in paying salary.
- (e) Amounts picked up by the City shall be treated for all purposes, other than taxation, in the same way that member contributions are treated by CalPERS. This treatment shall apply to all employees of the City.
- (f) If any section, subsection, clause or phrase in this Resolution is for any reason held invalid, the validity of the remainder of this Resolution shall not be affected thereby. The City Council hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof be held invalid.

The foregoing resolution of the City Council of the City of Yreka was duly introduced, passed and adopted at a regular meeting thereof held on the 5th day of March, 2015.

AYES:
NOES:
ABSENT:

John Mercier, Mayor

ATTEST:

Liz Casson, City Clerk

CITY OF YREKA
TREASURER'S REPORT TO THE CITY COUNCIL
Jan-2015

Fund Type	Fund	Fund Description	Previous Balance	Receipts / Debits	Disbursements / Credits	Cash Balance by Fund	
General-Unrestricted	01	General Operating	\$ 1,985,480.28	\$ 912,462.12	\$ 336,811.73	\$ 2,561,130.67	
General-Designated	01	Comm Art	2,772.56	-	-	2,772.56	
General-Designated	01	Fire Museum	3,322.35	-	-	3,322.35	
General-Designated	01	Planning Deposits	-	-	-	0.00	
General-Designated	01	Sidewalk in Lieu	36,228.46	-	-	36,228.46	
General-Designated	01	Parkland Trust	300.00	-	-	300.00	
General-Designated	01	Police Asset Forfeit	6,436.82	-	-	6,436.82	
General-Designated	01	Parking Fees	63,011.04	-	-	63,011.04	
General-Designated	01	Campbell Tract Redemption	48,020.34	-	-	48,020.34	
General-Designated	01	Baker Tract/Lucas	-	-	-	0.00	
General-Designated	02	Gifts Donations	4,567.80	50.00	-	4,617.80	
General-Designated	02	K-9 Unit	11,542.85	7.32	-	11,550.17	
General-Designated	02	YPD Donated - Hitson	6,616.17	10.38	-	6,626.55	
General-Designated	02	YPD Donated - Travellers	2,786.88	-	-	2,786.88	
General-Designated	02	YPD Donated - Teen Fund	2,651.59	-	-	2,651.59	
General-Designated	02	Greenhorn Park Redevelopment	-	-	-	0.00	
General-Designated	03	YVFD Volunter Fund	63,376.65	-	8,197.54	55,179.11	
General-Restricted	04	Crandell Cash	637,400.08	2,172.88	-	639,572.96	
General-Restricted	04	Morgan Stanely SmithBarney-Crandall	-	-	-	0.00	
General-Designated	08	Grant Projects Reserve	839,207.64	7,896.92	15,667.74	831,436.82	
General-Designated	08	PERS Pension Liability Reserve	(269,244.26)	7,896.92	-	(261,347.34)	
General-Designated	09	Reserves for Cap. Outlay	524,741.13	-	-	524,741.13	
General-Designated	10	Capital Outlay	102,317.26	-	38,458.87	63,858.39	General - All
General-Designated	11	Capital Building Project - YPD	994,402.15	1,000.00	5,760.00	989,642.15	\$ 5,592,538.45
Spec. Rev. -Streets	20	Road and Street Funds including HUTA	212,005.75	15,594.17	31,240.42	196,359.50	
Spec. Rev. -Streets	21	Local Transportation	72,229.58	105.34	-	72,334.92	Streets
Spec. Rev. -Streets	24	Fines - Traffic Safety	134,553.10	1,623.72	3,636.34	132,540.48	\$ 401,234.90
Special Revenue	30	Fire Assessment Spec. Rev	81,569.86	20,971.90	39,887.21	62,654.55	
Special Revenue	31	Landfill Access Fee - Debt Service	(81,118.44)	19,347.03	536.82	(62,308.23)	Special Revenues
Special Revenue	32	Developer Impact Fees	503,807.45	318.09	-	504,125.54	\$ 504,471.86
Special Grants	60	Spec Grants Capital Outlay	(349,233.45)	-	138,060.99	(487,294.44)	Special Grants
Special Grants	65	Community Development Grants	297,715.62	2,046.03	223.04	299,538.61	\$ (187,755.83)
Water Enterprise	70	Water Operating	442,096.96	180,386.16	126,258.16	496,224.96	
Water Enterprise	71	Water Capital Projects	571,591.77	-	1,167.32	570,424.45	
Water Enterprise	72	Water Debt Servicing	109,753.75	-	-	109,753.75	
Water Enterprise	72	USDA COPS 2010	200,000.00	-	-	200,000.00	Water Enterprise
Water Enterprise	74	Water Reserves	5,831,467.30	43,844.89	-	5,875,312.19	\$ 7,251,715.35
Sewer Enterprise	80	Sewer Operating	(31,376.28)	202,071.57	125,228.33	45,466.96	
Sewer Enterprise	81	Sewer Capital Outlay	820,295.78	321,411.31	216,246.37	925,460.72	
Sewer Enterprise	82	Sewer Debt Servicing	217,266.49	-	110,089.32	107,177.17	
Sewer Enterprise	82	USDA COPS 2003	100,000.00	-	-	100,000.00	Enterprise-Sewer
Sewer Enterprise	84	Sewer Reserves	1,484,171.24	52,259.99	-	1,536,431.23	\$ 2,714,536.08
Agency	90	Agency - Cash	(8,226.08)	344,196.78	323,542.15	12,428.55	Agency- Payroll
							\$ 12,428.55
COLUMN TOTALS			\$15,674,508.19	\$ 2,135,673.52	\$ 1,521,012.35	\$ 16,289,169.36	\$ 16,289,169.36
BANK RECAPITULATION			PER BANK	Market Value	PER LEDGER		
		L.A.I.F. 0.262%	15,484,894.55	15,484,894.55			
		Petty Cash Drawers	1,200.00				
		YVFD Petty Cash	100.00				
		TriCounties YVFD DDA	63,559.54				
		Scott Valley Bank - Primary DDA	787,059.71				
		TOTAL PER BANK	16,336,813.80		16,289,169.36		
ADJUSTMENTS							
		Less Outstanding Checks SVB	(37,404.63)				
		Less Outstanding Checks TCB	(8,480.43)				
		SVB DDA Interest 12/30 GL 1/3	(67.86)				
		BRMS ADJ GL 12/12 SVB JAN	(627.02)				
		CC, ACH Batches SVB 2/2 G/L 1/30	605.35				
		CC, ACH Batches SVB 1/30 G/L 2/2	(1,516.84)				
		LP Reversals G/L 1/31 BK 2/2	(153.00)				
		W/O small difference	(0.01)				
		TOTAL PER LEDGER	16,289,169.36		16,289,169.36		


Rhetta Hogan, City Treasurer

John Mercier, City Mayor

**2014-2015 Operating Budget of Revenue and Expenditures
with Actual Results
January 31, 2015**

Fund Analysis		REVENUE			EXPENSE			Excess of Rev over Exp.-Surplus/ (Deficit)		Based on Operating Budget			Current Cash Balance
		Adopted	Operating Budget	Year to Date	Adopted	Operating Budget	Year to Date	Operating Budget	Net Actual Year to Date	Prelim Close Beginning Working Capital	Operating Budget Net Increase / (Decrease)	Ending Working Capital	
Major Grp	Fund												
Investment in LAIF	00	-	-	-	-	-	-	-	-	-	-	-	-
General Operating	01	4,852,126.41	4,852,126.41	2,679,400.73	4,889,013.89	4,889,013.89	2,689,312.79	(36,887.48)	(9,912.06)	2,785,455.12	(36,887.48)	2,748,567.64	2,721,222.24
General Operating Fund		4,852,126.41	4,852,126.41	2,679,400.73	4,889,013.89	4,889,013.89	2,689,312.79	(36,887.48)	(9,912.06)	2,785,455.12	(36,887.48)	2,748,567.64	2,721,222.24
Gifts Donations	02	500.00	500.00	1,103.06	700.00	700.00	254.50	(200.00)	848.56	27,384.43	(200.00)	27,184.43	28,232.99
YVFD Volunter Fund	03	11,000.00	11,000.00	6,907.68	11,000.00	11,000.00	8,169.14	-	(1,261.46)	56,440.57	-	56,440.57	55,179.11
Trusts -Crandell-Stewart	04	8,000.00	8,000.00	5,546.21	87,000.00	87,000.00	58,894.68	(79,000.00)	(53,348.47)	685,196.82	(79,000.00)	606,196.82	639,572.96
General Fund Reserves	08	(213,031.41)	(213,031.41)	(201,414.37)	(149,942.77)	(149,942.77)	(58,348.31)	(63,088.64)	(143,066.06)	713,155.54	(63,088.64)	650,066.90	570,089.48
Reserves for Cap. Outlay	09	100,000.00	100,000.00	100,000.00	152,729.94	152,729.94	152,729.94	(52,729.94)	(52,729.94)	579,236.21	(52,729.94)	526,506.27	524,741.13
Capital Outlay	10	142,600.00	142,600.00	181,911.71	142,600.00	142,600.00	118,053.32	-	63,858.39	-	-	-	63,858.39
Construction Fund	11	2,000.00	2,000.00	6,000.00	950,000.00	950,000.00	6,118.15	(948,000.00)	(118.15)	990,330.30	(948,000.00)	42,330.30	989,642.15
General Fund - Restricted or Designated		51,068.59	51,068.59	100,054.29	1,194,087.17	1,194,087.17	285,871.42	(1,143,018.58)	(185,817.13)	3,051,743.87	(1,143,018.58)	1,908,725.29	2,871,316.21
Total General Fund		4,903,195.00	4,903,195.00	2,779,455.02	6,083,101.06	6,083,101.06	2,975,184.21	(1,179,906.06)	(195,729.19)	5,837,198.99	(1,179,906.06)	4,657,292.93	5,592,538.45
Gas Tax & Traffic Cong.	20	614,963.96	614,963.96	500,491.10	889,963.96	889,963.96	580,928.02	(275,000.00)	(80,436.92)	276,796.42	(275,000.00)	1,796.42	196,359.50
Local Transportation	21	1,609.37	1,609.37	(198,014.17)	283,625.00	283,625.00	83,625.00	(282,015.63)	(281,639.17)	331,999.09	(282,015.63)	49,983.46	72,334.92
Fines - Traffic Safety	24	81,178.06	81,178.06	69,200.74	81,178.06	81,178.06	22,679.86	-	46,520.88	86,328.65	-	86,328.65	132,540.48
Road, Street & Transit - Restricted		697,751.39	697,751.39	371,677.67	1,254,767.02	1,254,767.02	687,232.88	(557,015.63)	(315,555.21)	695,124.16	(557,015.63)	138,108.53	401,234.90
Total Road, Streets and Transit		697,751.39	697,751.39	371,677.67	1,254,767.02	1,254,767.02	687,232.88	(557,015.63)	(315,555.21)	695,124.16	(557,015.63)	138,108.53	401,234.90
Fire Assessment Spec. Rev	30	230,750.00	230,750.00	142,137.06	129,693.66	129,693.66	153,383.46	101,056.34	(11,246.40)	95,243.18	101,056.34	196,299.52	62,654.55
Landfill Access Fee - Debt Service	31	217,000.00	217,000.00	134,954.13	181,189.61	181,189.61	178,512.64	35,810.39	(43,558.51)	4,998.83	35,810.39	40,809.22	(62,308.23)
Developer Impact Fees	32	16,000.00	16,000.00	19,616.92	-	-	-	16,000.00	19,616.92	232,559.62	16,000.00	248,559.62	504,125.54
Special Revenue - Restricted		463,750.00	463,750.00	296,708.11	310,883.27	310,883.27	331,896.10	152,866.73	(35,187.99)	332,801.63	152,866.73	485,668.36	504,471.86
Total Special Revenue		463,750.00	463,750.00	296,708.11	310,883.27	310,883.27	331,896.10	152,866.73	(35,187.99)	332,801.63	152,866.73	485,668.36	504,471.86
Spec Grants Capital Outlay	60	3,277,784.94	3,277,784.94	423,651.93	3,277,784.94	3,277,784.94	803,389.37	-	(379,737.44)	77,518.17	-	77,518.17	(487,294.44)
Community Development Grants	65	6,800.00	6,800.00	5,372.50	5,000.00	5,000.00	805.83	1,800.00	4,566.67	256,590.92	1,800.00	258,390.92	299,538.61
Special Grants - Capital Projects		3,284,584.94	3,284,584.94	429,024.43	3,282,784.94	3,282,784.94	804,195.20	1,800.00	(375,170.77)	334,109.09	1,800.00	335,909.09	(187,755.83)
Special Grants - Operating & Capital Projects		3,284,584.94	3,284,584.94	429,024.43	3,282,784.94	3,282,784.94	804,195.20	1,800.00	(375,170.77)	334,109.09	1,800.00	335,909.09	(187,755.83)
Water Operating	70	1,602,971.61	1,602,971.61	1,078,179.08	1,602,971.61	1,602,971.61	707,383.12	-	370,795.96	-	-	-	496,224.96
Water Capital Projects	71	700,800.00	700,800.00	700,800.00	700,800.00	700,800.00	130,375.55	-	570,424.45	-	-	-	570,424.45
Water Debt Servicing	72	262,880.00	262,880.00	262,800.00	262,880.00	262,880.00	37,046.25	-	225,753.75	200,000.00	-	200,000.00	309,753.75
Water Reserves	74	190,848.39	190,848.39	(311,363.45)	-	-	-	190,848.39	(311,363.45)	5,587,286.97	190,848.39	5,778,135.36	5,875,312.19
Water Enterprise		2,757,500.00	2,757,500.00	1,730,415.63	2,566,651.61	2,566,651.61	874,804.92	190,848.39	855,610.71	5,787,286.97	190,848.39	5,978,135.36	7,251,715.35
Sewer Operating	80	1,653,936.77	1,653,936.77	778,354.06	1,653,936.77	1,653,936.77	607,824.06	-	170,530.00	-	-	-	45,466.96
Sewer Capital Outlay	81	4,719,370.75	4,719,370.75	3,682,034.57	4,719,370.75	4,719,370.75	2,505,679.77	-	1,176,354.80	-	-	-	925,460.72
Sewer Debt Servicing	82	(4,134,354.03)	(4,134,354.03)	(3,097,017.85)	(4,134,354.03)	(4,134,354.03)	32,046.25	-	(3,129,064.10)	100,000.00	-	100,000.00	207,177.17
Sewer Reserves	84	198,046.51	198,046.51	123,670.99	-	-	-	198,046.51	123,670.99	3,153,168.83	198,046.51	3,351,215.34	1,536,431.23
Sewer Enterprise Fund		2,437,000.00	2,437,000.00	1,487,041.77	2,238,953.49	2,238,953.49	3,145,550.08	198,046.51	(1,658,508.31)	3,253,168.83	198,046.51	3,451,215.34	2,714,536.08
Total Enterprise Funds		5,194,500.00	5,194,500.00	3,217,457.40	4,805,605.10	4,805,605.10	4,020,355.00	388,894.90	(802,897.60)	9,040,455.80	388,894.90	9,429,350.70	9,966,251.43
Agency Trust - Cash	90	-	-	-	-	-	(12,493.87)	-	12,493.87	-	-	-	12,428.55
Agency Funds		-	-	-	-	-	(12,493.87)	-	12,493.87	-	-	-	12,428.55
Total Agency Funds		-	-	-	-	-	(12,493.87)	-	12,493.87	-	-	-	12,428.55
All Funds Combined		14,543,781.33	14,543,781.33	7,094,322.63	15,737,141.39	15,737,141.39	8,806,369.52	(1,193,360.06)	(1,712,046.89)	16,239,689.67	(1,193,360.06)	15,046,329.61	16,289,169.36

Approval: _____ John Mercier, City Mayor



**CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM**

To: Yreka City Council
Prepared by: Steve Baker, City Manager
Agenda title: Discussion/Possible Action – Consideration of request of Bob Kaster regarding resurfacing the tennis courts at Miner Street Park - Councilmember Mercier.
Meeting date: March 5, 2015

Discussion:

Councilmember Mercier has requested the following item to be placed on the March 5, 2015 City Council agenda for discussion:

Discussion/Possible Action - Consideration of request of Bob Kaster regarding resurfacing the tennis courts at Miner Street Park.

Approved by: _____

A handwritten signature in black ink, appearing to be "Steven Baker", is written over a horizontal line. The signature is stylized and somewhat messy.

Steven Baker, City Manager

Re: Miner Street Park/Tennis courts

I read with interest this morning's Siskiyou Daily News article. I am fully in agreement with Dave Simmen's proposal to create a master plan for the development of the property to the west recently acquired by the city. I think it dovetails with the idea that the city should have a long range plan for the entire park and all of its amenities. The park, its baseball field and tennis courts, go back a long way, and have historical value, as well as their current value for the use and benefit of the community citizens.

I am focusing this memo specifically on the tennis courts. I am writing this as a frequent user of the courts, and as a member of the Yreka Tennis Club, a nonprofit corporation. You are all no doubt aware of the dilapidated current condition of the courts. Although I am certainly no expert on tennis court surfaces, I firmly believe that within the next couple of years, the courts will be entirely unusable. I picture in my mind a few years down the road an area with cracks and weeds, perhaps suitable for the parking of RV's, like the former tennis court at Lake Shastina.

This fall Yreka High School resurfaced its courts, a process called "Ironcoat Seal and Re Top," at a cost of about \$40,000. YHS administration hopes to get at least seven years from the project, and acknowledge that they understand it is not a permanent fix. The contractor was Beynon Sports.

We all understand that money to do a project like a tennis court repair is in short supply; but if a master plan could be developed to get this done, it might be do-able with a partnership involving the city, user groups, and hopefully, one or more of the charitable foundations that fund projects in Siskiyou County, similar to the theater project.

I propose that two things need to happen in the short term to get this started, if the city agrees that it is worthwhile:

First, the city needs to expressly buy in, and provide whatever support and resources that are available. Also, the city should designate a specific contact person to coordinate.

Second, there needs to be a realistic assessment of the cost. I believe the city is in the best position to get this done. I tried last summer to get YHS's contractor to take a look at the city's courts while they were in town, but it never happened. It is difficult to find somebody willing to travel to Yreka to do an evaluation. The city, as owner of the property, should have more clout, and could perhaps dovetail it with some other projects.

Without the express buy-in of the city, and without a realistic assessment of the cost, I can't imagine that any foundation or charitable donor would be interested in participating.

I appreciate your taking the time to read this. If the city determines that it is worthwhile to proceed, I will do what I can to help.

Bob Kaster

708 500 5001



CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM

To: Yreka City Council
Prepared by: Siskiyou Economic Development Council
Agenda title: ADOPT A RESOLUTION CONSENTING TO THE FORMATION OF THE SISKIYOU COUNTY TOURISM IMPROVEMENT DISTRICT BY THE COUNTY OF SISKIYOU
Meeting date: MARCH 5, 2015

Discussion:

Tourism-related business owners throughout Siskiyou County have been working with the Siskiyou County Economic Development Council to form a funding source for effective tourism marketing programs. The proposed formation of the Siskiyou County Tourism Improvement District (SCTID) is the result of their efforts. The purpose of the SCTID is to increase tourism in Siskiyou County, by marketing it to potential visitors.

The SCTID is a benefit assessment district, to be formed pursuant to the Property and Business Improvement District Law of 1994 ('94 Law). The SCTID will provide funding for marketing efforts, working to attract visitors to lodging establishments and ski resorts throughout Siskiyou County, including in Yreka. If formed, the SCTID will place an assessment of two percent (2%) of gross short-term (stays less than 31 days) room rental revenue on lodging businesses and an assessment of two percent (2%) of ski resort lift ticket revenue on ski resorts. The assessment will be levied on hotels, inns, tourist homes or houses, motels, studio hotels, bachelor hotels, lodging houses, rooming houses, apartment houses, dormitories, public or private clubs, mobile homes, and ski resorts.

The '94 Law allows for the formation of multi-jurisdictional improvement districts, with consent of the included jurisdictions being granted to one "lead" jurisdiction. The County of Siskiyou proposes to act as the lead jurisdiction in forming the SCTID, as shown in the attached Management District Plan. To form the SCTID, the County of Siskiyou will follow the formation proceedings specified in the '94 Act, including accepting petitions, adopting a resolution declaring their intention to form the district, holding a public meeting and public hearing to allow for comments, and adopting a resolution forming the district.

Adopting this Resolution grants the City's permission to the County of Siskiyou to form the SCTID and include the City of Yreka in the proposed district.

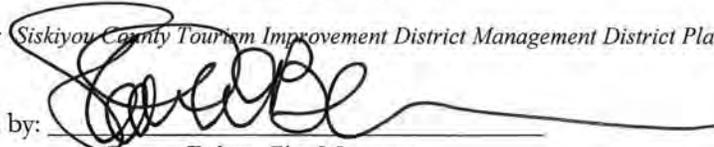
Fiscal Impact:

Adopting this resolution will have no immediate fiscal impact to the City of Yreka. An increase in visitors could increase the City's transient occupancy and sales tax revenues. There will be a increase in administrative costs for the collection of the SCTID, and the City will be paid an administrative fee equal to 1% of the assessment collected to offset this expense.

Recommendation and Requested Action:

That the Council: Adopt a resolution consenting to the formation of the Siskiyou County Tourism Improvement District by the County of Siskiyou.

Attachment: *Siskiyou County Tourism Improvement District Management District Plan*

Approved by: 
Steven Baker, City Manager



SISKIYOU COUNTY
TOURISM IMPROVEMENT
DISTRICT

MANAGEMENT DISTRICT PLAN

NOVEMBER 13, 2014

Prepared pursuant to the Property and Business Improvement District Law of 1994, Streets and Highways Code section 36600 et seq.

2015-2020

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Prepared by
Civitas



(800)999-7781
www.civitasadvisors.com

I. OVERVIEW

The Siskiyou County Tourism Improvement District (SCTID) is an assessment district proposed to provide specific benefits to payors, by funding marketing and sales promotion efforts for assessed businesses. This approach has been used successfully in other destination areas throughout the country to improve tourism and drive additional commerce and room night sales.

Location: The proposed SCTID includes all lodging and ski resort businesses located within the boundaries of the County of Siskiyou; including the unincorporated areas of the County and all incorporated cities: Yreka, Mt. Shasta, Weed, Dunsmuir, Montague, Etna, Fort Jones, Tulelake and Dorris.

Services: The SCTID is designed to provide specific benefits directly to payors by increasing room night sales. Marketing and sales promotions will increase overnight tourism and market payors as tourist, meeting and event destinations, thereby increasing room night sales.

Budget: The total SCTID annual budget for the initial year of its five (5) year operation is anticipated to be approximately \$450,000. This budget is expected to fluctuate as room sales do, but is not expected to significantly change over the SCTID's term.

Lodging: The annual assessment rate is two percent (2%) of gross short-term (stays less than 31 days) room rental revenue. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days, nor on any officer or employee of a foreign government who is exempt by reason of Federal law or international treaty. Assessments pursuant to the SCTID shall not include room rental revenue resulting from stays pursuant to contracts executed prior to April 1, 2015.

Ski Resorts: The annual assessment rate for ski resort businesses is two percent (2%) of lift ticket revenue.

Collection: The County and cities will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging business in their respective jurisdiction. The County and cities shall take all reasonable efforts to collect the assessments from each lodging business. The County shall forward the assessments collected to the Owners' Association.

Duration: The proposed SCTID will have a five (5)-year life. The SCTID assessment will be implemented beginning April 1, 2015 through March 31, 2020. Once per year beginning on the anniversary of the formation of the district there is a 30-day period in which owners paying more than fifty percent (50%) of the assessment may protest and initiate a Board of Supervisors hearing on district termination.

Management: The Siskiyou County Economic Development Council (SCEDC) will serve as the SCTID's Owners' Association. After formation of the SCTID, lodging properties paying the assessment will form a TID Management Committee. The committee shall be comprised entirely of business owners paying the SCTID assessment and is responsible for management of the SCTID assessment, funds, and programs.

II. IMPETUS

There are several reasons why now is the right time to form a TID in Siskiyou County; the most compelling reasons are as follows:

1. The Need to Increase Occupancy

The formation of the SCTID is a proactive effort to provide supplemental funding beyond that provided by the County and cities. The funding will ensure that adequate financing exists for the investment required to increase occupancy in the lodging industry and be competitive in the conference segment of the tourism market. The investment will cover an expanded marketing and promotional budget needed to reach this market segment.

2. An Opportunity for Increasing Tax Revenues

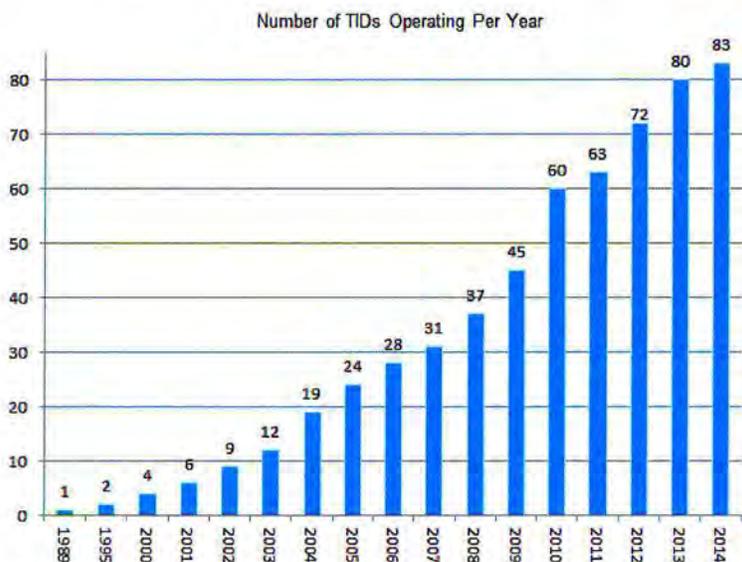
As occupancy rates increase, so too will TOT revenue. With stable public/private funding for tourism marketing efforts, annual occupancy rates should increase significantly as new marketing and sales promotion programs are implemented. Greater occupancy will also produce an increase in sales tax revenues from tourist spending. This represents a substantial return to the County and cities. The formation of the SCTID in partnership with the TIDMC creates a stable funding source tied directly to tourism promotion.

3. Stable Funding for Tourism Promotion

The SCTID will provide a stable source of funding for consistent tourism promotion efforts. The SCTID will provide funding for tourism promotion free of the political and economic circumstances that can reduce or eliminate government funding for tourism promotion.

III. BACKGROUND

TIDs are an evolution of the traditional Business Improvement District. The first TID was formed in West Hollywood, California in 1989. Since then, over eighty California destinations have followed suit. In recent years, other states have begun adopting the California model – Washington, Montana, and Texas have adopted TID laws. Several other states are in the process of adopting their own legislation. And, some cities, like Portland, Oregon, have utilized their charter powers to create TIDs without a state law.



California's TIDs collectively raise over \$150 million for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that Siskiyou lodging businesses invest in stable, lodging-specific marketing programs.

TIDs utilize the efficiencies of private sector operation in the market-based promotion of tourism districts. TIDs allow lodging business owners to organize their efforts to increase room night sales. Lodging business owners within the TID pay an assessment and those funds are used to provide services that increase room night sales.

In California, TIDs are formed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of a benefit assessment district to raise funds within a specific geographic area. *The key difference between TIDs and other benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.*

There are many benefits to TIDs:

- Funds must be spent on services and improvements that provide a specific benefit only to those who pay;
- Funds cannot be diverted to general government programs;
- They are customized to fit the needs of payors in each destination;
- They allow for a wide range of services;
- They are **designed, created and governed by those who will pay** the assessment; and
- They provide a stable, long-term funding source for tourism promotion.

IV. BOUNDARY

The SCTID will include all lodging and ski resort businesses, existing and in the future, available for public occupancy within the boundaries of the County of Siskiyou; including the unincorporated areas of the County and all incorporated cities: Yreka, Mt. Shasta, Weed, Dunsmuir, Montague, Etna, Fort Jones, Tulelake and Dorris.

The boundary, as shown in the map below, currently includes 167 lodging businesses and one ski resort. A complete listing of lodging businesses within the proposed SCTID can be found in Appendix 2.



V. BUDGET AND SERVICES

A. Annual Service Plan

Assessment funds will be spent to provide specific benefits conferred or privileges granted directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the County of conferring the benefits or grating the privileges. The privileges and services provided with the SCTID funds are sales and marketing programs available only to assessed businesses.

A service plan budget has been developed to deliver services that benefit businesses throughout the District. A detailed annual budget will be developed and approved by the TID Management Committee. The table below illustrates the initial annual budget allocations.

Category	%	\$
Sales and Marketing	94%	\$423,000
Administration & Collection	3%	\$13,500
Contingency/Renewal	3%	\$13,500
Total Annual Budget	100%	\$450,000

Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same. However, the County and the TID Management Committee shall have the authority to adjust budget allocations between the categories by no more than fifteen percent (15%) of the total budget per year. A description of the proposed improvements and activities for the initial year of operation is below. The same activities are proposed for subsequent years. In the event of a legal challenge against the SCTID, any and all assessment funds may be used for the costs of defending the SCTID.

Sales and Marketing

A sales and marketing program will promote assessed businesses as tourist, meeting, and event destinations. The sales and marketing program will have a central theme of promoting Siskiyou as a desirable place to visit. The program will have the goal of increasing overnight visitation, room night sales, and lift ticket sales at assessed businesses, and may include the following activities:

- Internet marketing efforts to increase awareness and optimize internet presence;
- Print ads in magazines and newspapers targeted at potential visitors;
- Television ads targeted at potential visitors;
- Radio ads targeted at potential visitors;
- Attendance of trade shows;
- Sales blitzes;
- Familiarization tours;
- Special events highlighting unique aspects of Siskiyou County;
- Preparation and production of collateral promotional materials such as brochures, flyers and maps;
- Attendance of professional industry conferences and affiliation events;
- Lead generation activities designed to attract tourists and group events to Siskiyou County;
- Package deals to promote joint room night and lift ticket sales; and

- Education of lodging and ski resort business management and the TID Management Committee on marketing strategies best suited to meet Siskiyou County's needs.

Administration and Collection

The administration portion of the budget shall be utilized for administrative staffing costs, office costs, other general administrative costs such as insurance, legal, and accounting fees. The collection portion of the budget shall be utilized for paying the County and cities for the costs of collecting the assessment. Each jurisdiction shall be paid a fee equal to one percent (1%) of the amount collected in its respective jurisdiction to cover the costs of collecting the assessment.

Contingency/Renewal

A prudent portion of the budget will be set aside in a contingency fund, to be used for unforeseeable costs in carrying out the sales and marketing programs. If near the expiration of the district there are contingency funds remaining, and business owners wish to renew the district, the remaining contingency funds may be used for renewal costs.

B. Determination of Specific Benefit

State law requires that assessment funds be expended on specific benefits conferred directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the County of conferring the benefits. The services in this Management District Plan are designed to provide targeted benefits directly to assessed lodging and ski resort businesses. These services are tailored not to serve the general public, but rather to serve the specific lodging and ski resort businesses within the District, e.g., the proposed activities are specifically targeted to increase room night sales for assessed lodging businesses and lift ticket sales for assessed ski resorts within the boundaries of the District, and are narrowly tailored. SCTID funds will be used exclusively to provide the specific benefit of increased room night and lift ticket sales directly to the assessees. For example, non-assessed businesses will not be featured in SCTID programs and will not receive sales leads from them. The activities paid for from assessment revenues are business services constituting and providing specific benefits to the assessed businesses.

Further, the assessment may be utilized to provide specific government services directly to the payors that are not provided to those not charged, and which do not exceed the reasonable costs to the County of providing the services. The legislature has recognized that marketing and promotions services like those to be provided by the SCTID are, in the context of assessment districts, government services. Further, the amount of the assessment is no more than necessary to cover the reasonable costs of the proposed activities, and the manner in which the costs are allocated to a business owner bear a fair share or reasonable relationship to the businesses' benefits received from the proposed activities.

District services will be implemented carefully to ensure they do not exceed the reasonable cost of such services. Funds will be managed by the TID Management Committee, and reports submitted on an annual basis to the County. Only assessed businesses will be featured in marketing materials, receive sales leads generated from district-funded activities, be featured in advertising campaigns, and benefit from other district-funded services. Non-assessed businesses will not receive these, nor any other, district-funded services and benefits.

C. Assessment

Lodging: The annual assessment rate is two percent (2%) of gross short term (stays less than 31 days) room rental revenue. Based on the benefit received, assessments will not be

collected on stays of more than thirty (30) consecutive days, nor on any officer or employee of a foreign government who is exempt by reason of Federal law or international treaty. Assessments pursuant to the SCTID shall not include room rental revenue resulting from stays pursuant to contracts executed prior to April 1, 2015.

Ski Resorts: The annual assessment rate for ski resort businesses is two percent (2%) of lift ticket revenue.

The term “gross room rental revenue” as used herein means: the consideration charged, whether or not received, for the occupancy of space in a hotel valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever. Gross room rental revenue shall not include any federal, state or local taxes collected, including but not limited to transient occupancy taxes.

The amount of the assessment, if passed on to each lodging customer, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each customer shall receive a receipt for payment from the lodging business. The assessment shall be disclosed as the “SCTID Assessment.” The assessment shall not be considered revenue for any purposes, including calculation of transient occupancy taxes.

The term “lift ticket revenue” as used herein means: the consideration charged, whether or not received, for a lift ticket at a ski resort valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever. Lift ticket revenue shall not include any federal, state or local taxes collected, including but not limited to transient occupancy taxes.

The amount of the assessment, if passed on to each ski resort customer, shall be included in the lift ticket price. The assessment shall not be considered revenue for any purposes, including the calculation of transient occupancy taxes.

Bonds will not be issued.

D. Penalties and Interest

1. Any business which fails to remit any assessment within the time required shall pay a penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment.
2. Any business which fails to remit any delinquent remittance on or before a period of 30 days following the date on which the remittance first became delinquent shall pay a second delinquency penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment and the ten percent (10%) penalty first imposed.
3. If the collecting agency determines that the nonpayment of any remittance is due to fraud, a penalty of twenty-five percent (25%) of the amount of the assessment shall be added thereto in addition to the penalties state in subsections 1 and 2 of this section.
4. In addition to the penalties imposed, any business which fails to remit any assessment imposed by this chapter shall pay interest at the rate of one-half of one percent (0.5%) per month or fraction thereof on the amount of the assessment, exclusive of penalties, from the date on which the remittance first became delinquent until paid.

5. Every penalty imposed and such interest as accrues under the provisions of this section shall become part of the assessment required to be paid.

E. Time and Manner for Collecting Assessments

The SCTID assessment will be implemented beginning April 1, 2015 and will continue for five (5) years through March 31, 2020. The County and each city will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging business located in their respective jurisdiction. The County and each city shall take all reasonable efforts to collect the assessments from each lodging business. The County and each city shall forward the assessments collected to the Owners' Association.

F. Annual Budget

The total five year improvement and service plan budget is projected at approximately \$450,000 annually, or \$2,250,000 through 2020. This amount may fluctuate as sales and revenue increase at assessed businesses, but is not expected to change significantly over the term.

VI. GOVERNANCE

A. Owners' Association

The Board of Supervisors, through adoption of this Management District Plan, has the right, pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the District. The Board of Supervisors has identified the Siskiyou County Economic Development Council (SCEDC) as the nonprofit that will serve as the Owners' Association, with oversight from the Board of Supervisors. After formation of the SCTID, lodging properties paying the assessment will form a TID Management Committee. The committee shall be comprised entirely of business owners paying the SCTID assessment and is responsible for management of the SCTID assessment, funds, and programs.

B. Brown Act and California Public Records Act Compliance

An Owners' Association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. The Owners' Association is, however, subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act. These regulations are designed to promote public accountability. The Owners' Association is considered a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the TID Management Committee must be held in compliance with the public notice and other requirements of the Brown Act. The Owners' Association is also subject to the record keeping and disclosure requirements of the California Public Records Act pertaining to the SCTID.

C. Annual Report

The TID Management Committee shall present an annual report at the end of each year of operation to the Board of Supervisors pursuant to Streets and Highways Code §36650 (see Appendix 1).

The annual report will include:

- Any proposed changes in the boundaries of the tourism improvement district or in any benefit zones or classification of businesses within the district.
- The improvements and activities to be provided for that fiscal year.
- An estimate of the cost of providing the improvements and the activities for that fiscal year.
- The method and basis of levying the assessment in sufficient detail to allow each business owner, to estimate the amount of the assessment to be levied against his or her business for that fiscal year.
- The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- The amount of any contributions to be made from sources other than assessments levied pursuant to this part.

APPENDIX 1 – LAW

Property And Business Improvement District Law of 1994

Cal Sts & Hy Code § 36600 (2013)

*** This document is current through the 2014 Supplement ***
(All 2013 legislation)

§ 36600. Citation of part

This part shall be known and may be cited as the "Property and Business Improvement District Law of 1994."

§ 36601. Legislative findings and declarations

The Legislature finds and declares all of the following:

(a) Businesses located and operating within the business districts of this state's communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.

(b) It is in the public interest to promote the economic revitalization and physical maintenance of the business districts of its cities in order to create jobs, attract new businesses, and prevent the erosion of the business districts.

(c) It is of particular local benefit to allow cities to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that benefits from those improvements.

(d) Assessments levied for the purpose of providing improvements and promoting activities that benefit real property or businesses are not taxes for the general benefit of a city, but are assessments for the improvements and activities which confer special benefits upon the real property or businesses for which the improvements and activities are provided.

§ 36602. Purpose of part

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within a business improvement area. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

§ 36603. Preemption of authority or charter city to adopt ordinances levying assessments

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

§ 36603.5. Part prevails over conflicting provisions

Any provision in this part that conflicts with any other provision of law shall prevail over the other provision of law.

§ 36604. Severability

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

§ 36605. [Section repealed 2001.]

§ 36606. "Assessment"

"Assessment" means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and promoting activities which will benefit the properties or businesses located within a property and business improvement district.

§ 36607. "Business"

"Business" means all types of businesses and includes financial institutions and professions.

§ 36608. "City"

"City" means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with *Section 6500*) of *Chapter 5 of Division 7 of Title 1 of the Government Code*, the public member agencies of which includes only cities, counties, or a city and county, or the State of California.

§ 36609. "City council"

"City council" means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

§ 36610. "Improvement"

"Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

- (a) Parking facilities.
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
- (c) Trash receptacles and public restrooms.
- (d) Lighting and heating facilities.
- (e) Decorations.
- (f) Parks.
- (g) Fountains.
- (h) Planting areas.
- (i) Closing, opening, widening, or narrowing of existing streets.
- (j) Facilities or equipment, or both, to enhance security of persons and property within the area.
- (k) Ramps, sidewalks, plazas, and pedestrian malls.
- (l) Rehabilitation or removal of existing structures.

§ 36611. "Property and business improvement district"; "District"

"Property and business improvement district," or "district," means a property and business improvement district established pursuant to this part.

§ 36612. "Property"

"Property" means real property situated within a district.

§ 36613. "Activities"

"Activities" means, but is not limited to, all of the following:

- (a) Promotion of public events which benefit businesses or real property in the district.
- (b) Furnishing of music in any public place within the district.
- (c) Promotion of tourism within the district.
- (d) Marketing and economic development, including retail retention and recruitment.
- (e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.
- (f) Activities which benefit businesses and real property located in the district.

§ 36614. "Management district plan"; "Plan"

"Management district plan" or "plan" means a proposal as defined in Section 36622.

§ 36614.5. "Owners' association"

"Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement activities and improvements specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners' association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with *Section 54950*) of *Part 1 of Division 2 of Title 5 of the Government Code*), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with *Section 6250*) of *Division 7 of Title 1 of the Government Code*), for all documents relating to activities of the district.

§ 36615. "Property owner"; "Business owner"; "Owner"

"Property owner" means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. "Business owner" means any person recognized by the city as the owner of the business. "Owner" means either a business owner or a property owner. The city council has no obligation to obtain other information as to the ownership of land or businesses, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this part requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient. Wherever this part requires the signature of the business owner, the signature of the authorized agent of the business owner shall be sufficient.

§ 36616. "Tenant"

"Tenant" means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

§ 36617. Alternate method of financing certain improvements and activities; Effect on other provisions

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500) of this division) is valid and effective and is unaffected by this part.

§ 36620. Establishment of property and business improvement district

A property and business improvement district may be established as provided in this chapter.

§ 36620.5. Requirement of consent of city council

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

§ 36621. Initiation of proceedings; Petition of property or business owners in proposed district

(a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.

(b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:

- (1) A map showing the boundaries of the district.
- (2) Information specifying where the complete management district plan can be obtained.
- (3) Information specifying that the complete management district plan shall be furnished upon request.

(c) The resolution of intention described in subdivision (a) shall contain all of the following:

(1) A brief description of the proposed activities and improvements, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.

(2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

§ 36622. Contents of management district plan

The management district plan shall contain all of the following:

(a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property

and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.

(b) The name of the proposed district.

(c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected lands and businesses included. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.

(d) The improvements and activities proposed for each year of operation of the district and the maximum cost thereof. If the improvements and activities proposed for each year of operation are the same, a description of the first year's proposed improvements and activities and a statement that the same improvements and activities are proposed for subsequent years shall satisfy the requirements of this subdivision.

(e) The total annual amount proposed to be expended for improvements, maintenance and operations, and debt service in each year of operation of the district. If the assessment is levied on businesses, this amount may be estimated based upon the assessment rate. If the total annual amount proposed to be expended in each year of operation of the district is not significantly different, the amount proposed to be expended in the initial year and a statement that a similar amount applies to subsequent years shall satisfy the requirements of this subdivision.

(f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.

(g) The time and manner of collecting the assessments.

(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.

(i) The proposed time for implementation and completion of the management district plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof, including operation and maintenance.

(l) Any other item or matter required to be incorporated therein by the city council.

B 36623. Procedure to levy assessment

(a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with *Section 53753 of the Government Code*.

(b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with *Section 54954.6 of the Government Code*, except that notice shall be mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a

person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business or the authorized representative. A written protest that does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners or authorized representatives of businesses in the proposed district that will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

(c) If a city council proposes to conduct a single proceeding to levy both a new or increased property assessment and a new or increased business assessment, the notice and protest and hearing procedure for the property assessment shall comply with subdivision (a), and the notice and protest and hearing procedure for the business assessment shall comply with subdivision (b). If a majority protest is received from either the property or business owners, that respective portion of the assessment shall not be levied. The remaining portion of the assessment may be levied unless the improvement or other special benefit was proposed to be funded by assessing both property and business owners.

§ 36624. Changes to proposed assessments

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements or activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

§ 36625. Resolution of formation

(a) If the city council, following the public hearing, decides to establish the proposed property and business improvement district, the city council shall adopt a resolution of formation that shall contain all of the following:

(1) A brief description of the proposed activities and improvements, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property, businesses, or both within the district, a statement about whether bonds will be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.

(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the properties, businesses, or properties and businesses in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements and activities to be provided in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district.

(7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements and activities funded by the assessments proposed to be levied.

(b) The adoption of the resolution of formation and, if required, recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

§ 36626. Resolution establishing district

If the city council, following the public hearing, desires to establish the proposed property and business improvement district, and the city council has not made changes pursuant to Section 36624, or has made changes that do not substantially change the proposed assessment, the city council shall adopt a resolution establishing the district. The resolution shall contain all of the information specified in paragraphs (1) to (8), inclusive, of subdivision (b) of Section 36625, but need not contain information about the preliminary resolution if none has been adopted.

§ 36626.5. [Section repealed 1999.]

§ 36626.6. [Section repealed 1999.]

§ 36626.7. [Section repealed 1999.]

§ 36627. Notice and assessment diagram

Following adoption of the resolution establishing district assessments on properties pursuant to Section 36625 or Section 36626, the clerk of the city shall record a notice and an assessment diagram pursuant to Section 3114. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

§ 36628. Establishment of separate benefit zones within district; Categories of businesses

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

§ 36628.5. Assessments on businesses or property owners

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements and activities.

§ 36629. Provisions and procedures applicable to benefit zones and business categories

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a property and business improvement district.

§ 36630. Expiration of district; Creation of new district

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and a new district established pursuant to this part.

§ 36631. Time and manner of collection of assessments; Delinquent payments

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution levying the assessment. Assessments levied on real property may be

collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part shall be charged interest and penalties.

B 36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property

(a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.

(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

(c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

B 36633. Time for contesting validity of assessment

The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36626. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

B 36634. Service contracts authorized to establish levels of city services

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

B 36635. Request to modify management district plan

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

B 36636. Modification of plan by resolution after public hearing; Adoption of resolution of intention; Modification of improvements and activities by adoption of resolution after public hearing

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623. Notice of all other public meetings and public hearings pursuant to this section shall comply with both of the following:

(1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public meeting.

(2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public meeting, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

§ 36637. Reflection of modification in notices recorded and maps

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

§ 36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments

(a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with *Section 6584*) of *Chapter 5 of Division 7 of Title 1 of the Government Code*). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

§ 36641. [Section repealed 2001.]

§ 36642. [Section repealed 2001.]

§ 36643. [Section repealed 2001.]

§ 36650. Report by owners' association; Approval or modification by city council

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

(1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.

(2) The improvements and activities to be provided for that fiscal year.

(3) An estimate of the cost of providing the improvements and the activities for that fiscal year.

(4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.

(5) The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6) The amount of any contributions to be made from sources other than assessments levied pursuant to this

part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.

The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

§ 36651. Designation of owners' association to provide improvements and activities

The management district plan may, but is not required to, state that an owners' association will provide the improvements or activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

§ 36660. Renewal of district; Transfer or refund of remaining revenues; District term limit

(a) Any district previously established whose term has expired, may be renewed by following the procedures for establishment as provided in this chapter.

(b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.

(c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

§ 36670. Circumstances permitting disestablishment of district; Procedure

(a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:

(1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.

(2) During the operation of the district, there shall be a 30-day period each year in which assessees may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of real property or the owners or authorized representatives of businesses in the area who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

B 36671. Refund of remaining revenues upon disestablishment or expiration without renewal of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district

(a) Upon the disestablishment or expiration without renewal of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished or expires. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.

(b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

APPENDIX 2 – ASSESSED BUSINESSES (MAILING ADDRESSES)

BUSINESS	ADDRESS	CITY	STATE	ZIP
303 Modoc House	PO Box 1676	Battle Ground	WA	98604
A-1 Choice Inn	1340 S. Mt. Shasta Blvd.	Mt. Shasta	CA	96067
Abrams Lake Mobile Estates	2110 S Bascom Avenue, Ste 201	Campbell	CA	95008
Accor Hotels Motel 6	466 N. Weed Blvd	Weed	CA	96094
Alderbrook Manor	836 Sawyers Bar Rd	Etna	CA	96027
Alpine Lodge	908 S. Mt. Shasta Blvd.	Mt. Shasta	CA	96067
Angel House	524 Spruce Street	Mt. Shasta	CA	96067
Annette Knox Dba The Mountain House	1393 Camino Peral	Moraga	CA	94556
Antelope Creek Ranch	4140 Churn Creek Rd	Redding	CA	96002
Barbara Kauffman - Vacation Rental	700 Oakway Road	Mt Shasta	CA	96067
Baymont Inn And Suites	148 Moonlit Oaks Avenue	Yreka	CA	96097
Bear Junction	422 Chestnut St	Mt Shasta	CA	96067
Best Western Miners Inn	122 E. Miner Street	Yreka	CA	96097
Best Western Tree House Motor Inn	111 Morgan Way	Mt. Shasta	CA	96067
Blue Heron Rv Park	6930 Copco Rd	Hornbrook	CA	96044
Bodhana	598 Wisconsin	San Francisco	CA	94107
Bomb's Away	5859 Sacramento Ave	Dunsmuir	CA	96025
Broadhead Trout Ranch	5350 Hollister Ave #D	Santa Barbara	CA	93111
Budget Inn	306 N. Main Street	Yreka	CA	96097
Cannar Condo On Caroline	814-A Caroline	Mt. Shasta	CA	96067
Casa De Condor	422 Chestnut St	Mt Shasta	CA	96067
Casa Montana	618 S. Mt. Shasta Blvd.	Mt. Shasta	CA	96067
Castle View Cabin Dba Dunsmuir House Partners	37 First St	Rodeo	CA	94572
Cattuzzo House	111 Patterson Blvd	Pleasant Hill	CA	94523
Cave Springs	4727 Dunsmuir Ave.	Dunsmuir	CA	96025
Cave Springs Resort/Caddis Shack	4727 Dunsmuir Ave	Dunsmuir	CA	96025
Cedar Lodge	4201 Dunsmuir Ave	Dunsmuir	CA	96025
Charming Victorian Cottages - 429 Grove St	PO Box 124	Mccloud	CA	96057
Charming Victorian Cottages - 521 & 433 Grove St	PO Box 124	Mccloud	CA	96057
Chateau On The River	4727 Dunsmuir Ave	Dunsmuir	CA	96025
Chateau Shasta	704 S. Old Stage Rd.	Mt. Shasta	CA	96067
Chestnut Hollow	312 Chestnut Street	Mt. Shasta	CA	96067
Circle 7 Enterprises, Llc Dba The Eagle's Rest Family Hideaway	422 Chestnut St	Mt Shasta	CA	96067
Cloud Nine	422 Chestnut St	Mt Shasta	CA	96067

Cold Creek Cabin	209 Water Street	Mt. Shasta	CA	96067
Cold Creek Farm	345 S Old Stage Rd	Mt Shasta	CA	96067
Cold Creek Inn	724 N. Mt. Shasta Blvd.	Mt. Shasta	CA	96067
Collier Hotel	143 Collier Way	Etna	CA	96027
Comfort Inn	1844 Shastina Dr.	Weed	CA	96094
Comfort Inn Yreka	1804 B Fort Jones Rd	Yreka	CA	96097
Cozy Cabin				
Cr Properties	PO Box 309	Weed	CA	96094
Dale And Linda Simpson	29751 Simpson Lane	Fort Bragg	CA	95437
Dream Inn	326 Chestnut Street	Mt. Shasta	CA	96067
Dunsmuir Inn & Suites	5400 Dunsmuir Ave	Dunsmuir	CA	96025
Dunsmuir Lodge	6604 Dunsmuir Ave.	Dunsmuir	CA	96025
Dunsmuir Lodge & Bjp Hospitality, Llc	6604 Dunsmuir Avenue	Dunsmuir	CA	96025
Dunsmuir Log Cabin		Dunsmuir	CA	96025
Dunsmuir Tin Roof Cottage	5330 Shasta Ave	Dunsmuir	CA	96025
Econo Lodge Inn & Suites	526 S. Main Street	Yreka	CA	96097
Elk Creek Campground & R.V. Park	PO Box 318	Happy Camp	CA	96039
Ellis Motel	PO Box 605	Tulelake	CA	96134
Evergreen Lodge	1312 S. Mt. Shasta Blvd.	Mt. Shasta	CA	96067
Fihn Inn	422 Chestnut St	Mt Shasta	CA	96067
Finlandia Motel	1612 S. Mt. Shasta Blvd.	Mt. Shasta	CA	96067
Flowing Waters Retreat - 4417 Stewart Springs	PO Box 800	Mt Shasta	CA	96067
Flowing Waters Retreat (4317 Stewart Springs)	PO Box 800	Mt Shasta	CA	96067
Forest Lodge Motel, Llc	13305 Meamber Cr Road	Ft Jones	CA	96032
Foxwood	1720 Humphrey Drive	Concord	CA	94519
George & Virginia Ondricek	PO Box 1890	Mccloud	CA	96057
Golden Eagle Motel	100 W. 1St Street	Dorris	CA	96023
Harry & Sheryl Johnson's Vacation Home	422 Chestnut St	Mt Shasta	CA	96067
Heart Of Shasta Retreat	311 W. Alma Street	Mt. Shasta	CA	96067
Holiday Inn Express	707 Montague Road	Yreka	CA	96097
House Of Bass & Lilies	8820 Azul Circle	West Hills	CA	91304
Jade Springs Development	63709 Crumpton Street	Happy Camp	CA	96039
Joanie's Bed & Breakfast	3500 Lower Lock Ave	Belmont	CA	94002
John & Caren Gleave	2850 Romero Dr	Minden	NV	89423
John & Glenda Eachus	PO Box 18	Wheatland	CA	95692
Klamath Motor Lodge	1111 S. Main Street	Yreka	CA	96097
Klamath River Resort Inn And Anglers Motel	PO Box 485	Happy Camp	CA	96039
Klamath River Trailer Park	16730 Hwy 96	Klamath River	CA	96050
Klamath Rv Park & Motel	PO Box 1016	Happy Camp	CA	96039
Lake Shastina Golf Llc	5925 Country Club Dr	Weed	CA	96094

Lake Shastina Reyes Vacation Rental	556 S Helberta Ave	Redondo Beach	CA	90277
Lake Siskiyou Camp-Resort	32392 S Coast Hwy Ste 170	Laguna Beach	CA	92651
Lakeside Lodge	422 Chestnut St	Mt Shasta	CA	96067
Lodging Enterprises	4000 Siskiyou Ave	Dunsmuir	CA	96025
Marble Mountain Guest Ranch	92520 Hwy 96	Somes Bar	CA	95568
Marshall Log Home	6216 Scherrer Ave.	Dunsmuir	CA	96025
Mc Cloud Cabin	PO Box 609	Mc Cloud	CA	96057
Mc Cloud Dance Country Rv Resort	1800 Black Butte Dr	Weed	CA	96094
Mc Cloud Hotel	PO Box 730	Mccloud	CA	96057
Mc Cloud House	422 Chestnut St	Mt Shasta	CA	96067
Mc Cloud River Inn	PO Box 1560	Mccloud	CA	96057
Mc Cloud River Mercantile Hotel	PO Box 658	Mccloud	CA	96057
Mc Cloud Timber Inn	PO Box 271	Mccloud	CA	96057
Mc Cloud Vacation Home	6030 N Sheridan Road #1004	Chicago	IL	60660
Michael's Mystic Mountain Retreat	40 Erin Lane	Half Moon Bay	CA	94019
Motel 6	1785 S. Main Street	Yreka	CA	96097
Motel Etna	137 Collier Way	Etna	CA	96027
Mount Shasta Hotel And Lodge	1142 S. Mt. Shasta Blvd.	Mt. Shasta	CA	96067
Mount Shasta Hotel And Lodge	1121 S. Mt. Shasta Blvd.	Mt. Shasta	CA	96067
Mount Shasta Ski Park	104 Siskiyou Ave.	Mt. Shasta	CA	96067
Mountain Meadow Lake House	8924 Airport Rd	Redding	CA	96002
Mountain View Inn	801 N. Main Street	Yreka	CA	96097
Mountain Village Park	30 Commercial St	Etna	CA	96027
Mountown	812 Carmen, #C	Mt. Shasta	CA	96067
Mt. Shasta Clubhouse	422-A Chestnut	Mt. Shasta	CA	96067
Mt. Shasta Country Home	1119 Dale Ct	Santa Rosa	CA	95401
Mt. Shasta House	623 Pine Street	Mt. Shasta	CA	96067
Mt. Shasta Inn & Suites	710 S. Mt. Shasta Blvd.	Mt. Shasta	CA	96067
Mt. Shasta Ranch Bed & Breakfast	1008 W A Barr Road	Mt. Shasta	CA	96067
Muse Enterprises	8599 Commercial Way	Redding	CA	96002
Oak Tree Inn	4000 Siskiyou Ave.	Dunsmuir	CA	96025
Otter Bar Lodge Inc.	14023 Salmon River Rd	Forks Of Salmon	CA	96031
Park Motel	17100-B Bear Valley Rd	Victorville	CA	92395
Quality Inn Express	1830 Black Butte Dr	Weed	CA	96094
Quigley's General Store & Trailer Park	17736 Hwy 96	Klamath River	CA	96050
Quincy House	PO Box 262	Mc Cloud	CA	96057
Quincy Street Lodge	PO Box 662	Mccloud	CA	95057
Railroad Park Resort	100 Railroad Park Road	Dunsmuir	CA	96025
Railroad Park Resort & Restaurant	100 Railroad Park Rd.	Dunsmuir	CA	96025
Rainbow House	PO Box 23811	Eugene	OR	97402

Rainbow Ranch Vacation Rental	725 Pine Street	Mt Shasta	CA	96067
Randhawa Hotels				
Relax Inn Of Yreka	1210 S. Main Street	Yreka	CA	96097
Rivendell	4727 Dunsmuir Ave	Dunsmuir	CA	96025
River Song				
Rodeway Inn	1325 S. Main Street	Yreka	CA	96097
Rodney's Mobile Park	817 Sutter St	Yreka	CA	96097
R-Ranch Property Owners Association	PO Box 71	Hornbrook	CA	96044
Scott River Lodge	402 Office Park Dr, Suite 310	Birmingham	AL	35223
Shasta International, Llc DbA Stoney Brook Inn	PO Box 1860	Mccloud	CA	96057
Shasta K O A	900 N. Mt. Shasta Blvd.	Mt. Shasta	CA	96067
Shasta Mccloud Vacation Rental	3400 Chinquapin Dr	Willits	CA	95490
Shasta Mountinn Retreat & Spa	203 Birch St. #A	Mt. Shasta	CA	96067
Shasta Song				
Shastina Golf Lodge	55 N W Blvd Ste A	Weed	CA	96094
Sis Q Inn	1825 Shastina Dr.	Weed	CA	96094
Sis Q Ranch Camp	16216 Quartz Valley Road	Fort Jones	CA	96032
Siskiyou Lake Golf Resort Inc.	1000 Siskiyou Lake Blvd.	Mt. Shasta	CA	96067
Stateline R.V. Park	8346 Woodborough Way	Fair Oaks	CA	95628
Steelhead Resort & R V Park	36309 Hwy 96 Via Horse Cr	Hamburg	CA	96050
Stewart Mineral Springs	333 Valencia Street, Suite 333	San Francisco	CA	94103
Summit Inn	90 N Weed Blvd	Weed	CA	96094
Sunrise Lodge	422 Chestnut St	Mt Shasta	CA	96067
Super 8 Motel	136 Montague Road	Yreka	CA	96097
Susan Wilson	436 Monroe Way	Mt Shasta	CA	96067
Sweet Pea Palace	PO Box 1141	Mc Cloud	CA	96057
Swiss Holiday Lodge	2400 S. Mt. Shasta Blvd.	Mt. Shasta	CA	96067
Tc Ranch	PO Box 153	Macdoel	CA	96058
The Chalet At Mount Shasta	121 Fiesta Circle	Orinda	CA	94563
The Dacha	1029 Summit Ave E, Apt 15	Seattle	WA	98102
The Getaway	112 Sheldon Street	Mt. Shasta	CA	96067
The Mccloud Guest House	PO Box 1510	Mccloud	CA	96057
The Oaks Mobile Home-Rv Park-Campground & Apt	2226A Horse Creek Rd	Klamath River	CA	96050
The Old Mill House	3971 Teton Dr	Redding	CA	96001
The Refuge	133 Madison Drive	Mt Shasta	CA	96067
The Rockhouse	505 S. Mt. Shasta Blvd., #1	Mt. Shasta	CA	96067
The Secret Garden	219 N. Mt. Shasta	Mt. Shasta	CA	96067
Thompson Creek Lodge	52431 Hwy 96	Seiad Valley	CA	96086
Three Wives Inn	2221 Center Rd	Novato	CA	94947
Tiura & Dutton				
Toad Hollow	270 Livorna Heights	Alamo	CA	94507
Toland				

Townhouse Motel	157 South Weed Blvd.	Weed	CA	96094
Trailer Lane Rv Park	PO Box 309	Weed	CA	96094
Travel Inn	504 S. Mt. Shasta Blvd.	Mt. Shasta	CA	96067
Trinity Mountain Meadow Resort, Inc.	Star Rt 2 Box 5700	Trinity Center	CA	96091
Trout House	4511 Hart Ave	Dunsmuir	CA	96025
Uptown/Downtown	426 Chestnut	Mt. Shasta	CA	96067
Whitney Cottage	500 S. Mt. Shasta Blvd	Mt. Shasta	CA	96067
Winema Lodge	5215 Hill Rd	Tulelake	CA	96134
Yak's Vacation Rental	416 Chestnut Street	Mt. Shasta	CA	96067
Yak's Vacation Rental	418-A Chestnut Street	Mt. Shasta	CA	96067
Young's River Cabin	6201 Scherrer Ave.	Dunsmuir	CA	96025
Zen View	PO Box 928	Mt Shasta	CA	96067

RESOLUTION NO. 2015-6

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YREKA CONSENTING TO THE FORMATION OF THE SISKIYOU COUNTY TOURISM IMPROVEMENT DISTRICT BY THE COUNTY OF SISKIYOU

WHEREAS, the County of Siskiyou is beginning the process to form the Siskiyou County Tourism Improvement District (SCTID) pursuant to the Property and Business Improvement District Law of 1994, Streets and Highways Code section 36600 et seq., ; and

WHEREAS, the purpose of the SCTID is to promote tourism in Siskiyou County; and

WHEREAS, affected businesses and establishments support the inclusion of the City of Yreka in the SCTID; and

WHEREAS, the Board of Supervisors of the County of Siskiyou has requested consent to act as lead agency in the formation of the SCTID, including the City of Yreka, with the adoption of a Siskiyou Board of Supervisors Resolution on March 3, 2015; and

WHEREAS, pursuant to Title 14 of the California Code of Regulations, Section 15061 (b)(3), this action is exempt from the requirements of the California Environmental Quality Act (CEQA) in that it is not a Project that has the potential for causing a significant effect on the environment.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Yreka, that:

Section 1: The above recitals are true and correct.

Section 2: The County of Siskiyou is authorized to include the City of Yreka in the Siskiyou County Tourism Improvement District for the formation of the SCTID and future renewals.

Section 3: The City Manager is authorized to execute documents necessary to effect the purposes of this resolution.

Section 4: The City Clerk is hereby directed to transmit a certified copy of this Resolution to the Clerk of the County of Siskiyou Board of Supervisors.

Section 5: This Resolution is effective upon its adoption.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Yreka, State of California, held on this 5th day of March, 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

John Mercier, Mayor

(SEAL)

ATTEST:

Elisabeth E. Casson, City Clerk



CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM

To: Yreka City Council
Prepared by: Rhetta Hogan, Finance Director
Agenda title: Acceptance of the Audited Financial Report Fiscal Year 2013-14
Meeting date: March 5, 2015

Discussion:

Oral presentation of the City's 2013-2014 audited financial report by Aiello, Goodrich and Teuscher and Rhetta Hogan, Finance Director.

Highlights from the report state no significant audit findings, and the City did not have any findings pursuant to compliance with the federal single audit act report, commonly referred to as OMB Circular 133A for federal grant awards.

The January 23, 2015, governance letter from Aiello Goodrich and Teuscher recaps:

- Qualitative aspects of Accounting Practices
 - no new accounting policies were adopted
 - no transactions were entered into by the city for which there is a lack of authoritative guidance or consensus
 - all significant transactions were recognized in the financial statements in the proper period
- Difficulties encountered in performing the audit
 - there were none
- Corrected and Uncorrected Misstatements
 - there were none
- Disagreements with management, management representations
 - no such disagreements arose during the course of the audit
- Management Representations
 - the City's management representation letter to Aiello Goodrich and Teuscher is attachment to this staff report
- Management Consultations with Other Independent Accountants
 - there were none
- Other Audit Findings or Issues
 - there were none

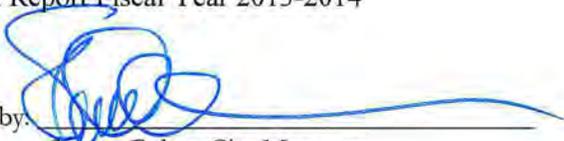
Fiscal Impact:

Required compliance reporting

Recommendation and Requested Action:

Acceptance of Audited Financial Report Fiscal Year 2013-2014

Approved by: _____


Steven Baker, City Manager



January 23, 2015

To the City Council
City of Yreka, California

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate, discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Yreka, California for the year ended June 30, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 30, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management has the responsibility for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Yreka, California are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting City's financial statements was management's estimate of the allowance for doubtful accounts. The estimate is based on the future likelihood of not being able to collect on certain accounts receivable balances. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For the purposes of this letter, a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 23, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves the application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

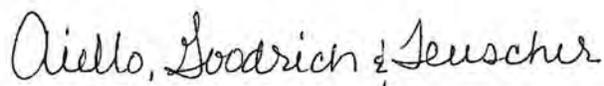
Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis and the Budgetary Comparison Schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restrictions on Use

This information is intended solely for the use of City of Yreka, California's management and City Council, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Aiello, Goodrich & Teuscher
An Accountancy Corporation





City of Yreka
701 Fourth Street • Yreka, CA 96097
(530) 841-2386 • FAX (530) 842-4836



January 23, 2015

Aiello, Goodrich & Teuscher
An Accountancy Corporation
PO Box 158
Mt. Shasta, CA 96067

This representation letter is provided in connection with your audit of the financial statements of City of Yreka, which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of January 23, 2015, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 30, 2013, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for the preparation of the supplementary information in accordance with the applicable criteria
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumption we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

- 7) All adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and question costs.
- 8) The effects of all known actual and possible litigation, claims and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded and disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the City Council, or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the City and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, analysts, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you all known or actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.

Government-specific

- 18) There have been no communication from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives and whether related recommendations have been implemented.
- 20) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 21) The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We have identified and disclosed to you all instances that have occurred, or fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 24) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively material to the financial statements or other financial data significant to the audit objectives.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and related notes and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably with senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the service. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.
- 28) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 31) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
- 32) All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 33) Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 34) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 35) Provisions for uncollectible receivables have been properly identified and recorded.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

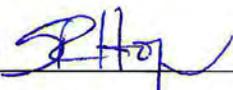
- 38) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 39) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 40) Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.
- 41) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 42) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 43) We acknowledge our responsibility for presenting the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 44) With respect to the budgetary comparison information:
 - a) We acknowledge our responsibility for presenting the budgetary comparison information (supplementary information) in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the budgetary comparison is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 45) With respect to federal award programs:
 - a) We are responsible for understanding and complying and have complied with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, including requirements relating to the preparation of the schedule of expenditures of federal awards.
 - b) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of OMB Circular A-133 section 310.b, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Circular. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.
 - c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
 - d) We have identified and disclosed to you all of our government programs and related activities subject to OMB Circular A-133, and included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative

agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

- e) We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
- f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Circular A-133 Compliance Supplement*, relating to federal awards and have identified and disclosed to you all known noncompliance with the direct and material compliance audit to the requirements of federal awards.
- j) We have disclosed any communications from grantor and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in *OMB Circular A-87, Cost Principles for State, Local, and Tribal Governments*, and *OMB's Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the date as of which compliance was audited.
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t) We have monitored sub recipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of OMB Circular A-133.
- u) We have charged costs to federal awards in accordance with applicable cost principles.
- v) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by OMB Circular A-133 and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- w) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by OMB Circular A-133.
- x) We are responsible for preparing and implementing a corrective action plan for each audit finding.

Signed: _____



Title: Shella Rhetta Hogan, Finance Director

Signed: _____



Title: Steven W. Baker, City Manager