



City of Gridley

685 Kentucky Street

Gridley, CA 95948

August 22, 2012

Honorable Stephen E. Benson, Presiding Judge
c/o Court Administration
Superior Court of California, County of Butte
One Court Street
Oroville, CA 95965

FILED
Superior Court of California
County of Butte
AUG 27 2012
Kimberly Flanet, Clerk
By K. M. [Signature] Deputy

Dear Judge Benson:

Please accept this letter and attachment as the City of Gridley's response to the 2011-2012 Grand Jury's Findings and Recommendations.

The City appreciated the time spent with the Grand Jury and is pleased that the Grand Jury, after a thorough review, was able to debunk a significant number of allegations such as:

- Study sessions conducted in violation of the Brown Act (Not substantiated)
- Redevelopment Agency (RDA) meetings improperly held (Not substantiated)
- Failure to conduct initial and annual asset inventories (unworkable as was written in the municipal code)
- City Administrator waived 2006 electrical fees for Mary's Gone Crackers (Not substantiated)
- City Administrator waived sewer impact fees in 2010 to Mary's Gone Crackers (Not substantiated)
- City submitted false information to FEMA in 2008 for storm damages in 2005-2006 (Not substantiated)
- Complaint regarding the recently completed wastewater upgrade project that alleged since City employees were not involved with planning and design work, the City somehow was not entitled to the USDA loan and grant monies (Not substantiated)

The Grand Jury review will provide an opportunity for the City to review and improve certain policies and practices that will result in better services to the citizens of Gridley and the Council thanks you for your efforts culminating in this year's report.

The City responses are listed below in italics after each finding and recommendation.

Respectfully,


Jerry Ann Fichter
Mayor, City of Gridley

FINDINGS

F1: Some City Council members lacked knowledge of the contents of Municipal Code section 2.03.050 Powers and Duties of the City Administrator.

City Response: Agree with comments: The City accepts this as a "general" observation by the Grand Jury; however, even the Grand Jury would acknowledge that this is a subjective comment that lacks proper framing and hence, perspective. Generally speaking the Council is certainly aware of the duties of the City Administrator and at this point, all council members are thoroughly aware of this section as they have recently approved significant changes to this code section.

F2: Some City Council members lacked knowledge of the contents of Municipal Code Section 2.03.060 Relationship between City Council and Administrative Services.

City Response: Disagree with comments. First, a review of Section 2.03.060 will help frame this discussion:

A. The city council and its members shall deal with the administrative services of the city only through the city administrator, except for purpose of inquiry, and neither the city council, nor any member thereof, shall give orders to any officer or employee of the city under the supervision of the city administrator. The city administrator shall take his orders and instructions only from the city council as a body, and no individual members of the council shall give any orders or instructions to the city administrator. Any subordinate officer or employee receiving orders or instructions contrary to this section shall report the same in writing immediately thereafter to the city administrator and the city administrator shall promptly forward a copy or summary of such report to each member of the city council. He shall likewise promptly advise each member of the city council of any orders or instructions received by him contrary to this section.

B. It is not intended by this section to restrict unduly the privilege of a member of the city council of requesting of the city administrator, but not of any other officer or employee under his supervision, to prepare a report dealing with city business or municipal affairs, if such report can be compiled without undue dislocation of city activities and within the expenditure of considerable quantities of time by city personnel.

(Ord. 429 § 1 (part), 1983).

The Council understands the need to deal through the City Administrator to access administrative services and believes this accurately describes the current relationship. No complaints have surfaced to indicate otherwise and there appear to be no specific findings or Grand Jury comments to indicate anything to the contrary.

F3: Study Sessions are not closed session meetings and as currently conducted are not in violation of the Brown Act.

City Response: Agree. The Study Sessions have never been closed to the public and have been duly agendized. As these meetings have been posted using the same format as the council agenda meetings. This report validates that study sessions are properly noticed.

F4: The City has met the requirements of applicable California Code for convening and conducting RDA meetings.

City Response: Agree The City has and will continue to operate in a transparent manner.

F5: The current City Administrator inherited many problems when he assumed the duties of City Administrator. The City Administrator has been pro-active and in various areas effective in serving the interests of the City of Gridley.

City Response: Agree. Council appreciates the Grand Jury's recognition of the historical issues both in programs, processes, and personnel that needed to be addressed by the current City Administrator. The Council recognized that issues existed within the City and city hall in particular; customer service was lacking, processes and procedures were not in place to the extent needed to best serve the citizens—in short, the culture was not where it needed to be. It was in this light that the current administrator was retained. His direction came from the Council and that direction was to effect the changes needed to make improvements in the areas discussed above. He has done that and more. He exhibits patience, kindness, practices an "open door" policy and is accessible to both citizens and staff alike. He is a decisive leader who solicits opinions of his staff prior to making his final decision.

F6: The Goals and Objectives Workshop model utilized by the City of Oroville in May of 2011 could be very beneficial in facilitating improved administration within the City of Gridley.

City Response: Agree. The City actually conducted a "goals and objectives" workshop in 2010 and is still working off of that document as it remains pertinent to helping the City stay focused on the objectives that need to be accomplished to achieve the City goals. It is a moving, iterative document that needs to be refreshed every few years.

F7: The Grand Jury is concerned that records and document destruction was carried out without "the approval of the legislative body (City Council)" and without "the requisite written consent of the city attorney," as specified within California Government Code section 34090-34095.

City Response: Agree with comments. The California Government Code section 34090-34095 guidelines indicate only 2 years of documents such as past council packets need be retained. The City currently has 5 years on hand; however, the Grand jury is correct with the greater issue: the City needs to have a files and retention plan.

F8: There is no record of the City Administrator having conducted an initial property asset inventory, or annual property asset inventories. The Grand Jury determined there were no annual City property asset inventory records within the files of the City Clerk or within City Council files. As long as Chapter 2.03 of Gridley Municipal Code titled City Administrator remains unchanged, the City Administrator and City department heads are required to complete and record for file annual property asset inventories of all City properties for which they have responsibility.

City Response: Agree with Comments: Council agrees with this and the Grand Jury's comments contained in the Grand Jury Report:

The Grand Jury identified unrealistic duty requirements within Gridley Municipal Code, section 2.03.050, Powers and Duties of the City Administrator, which require the City Administrator and staff heads to "annually inventory and appraise the value of all real estate, buildings, furnishings and fixtures, supplies and moveable property of every kind and nature belonging to the city...."

The City recently adopted Ordinance 803-2012: "An Ordinance of the City Council of the City of Gridley amending various sections of the City Municipal Code pertaining to the Office of the City Administrator". This ordinance deleted the unrealistic requirements identified by the Grand Jury. Blindly following rules that make no sense makes no sense. The fact the City Administrator did not waste valuable City funds by attempting to implement this unrealistic requirement is commendable.

F9: Morale is low among some employees. Yet despite low morale, City employees remain dedicated to serving the City and to performing their duties to the best of their abilities.

City response: Agree in part. The City, as many large, diverse employers, can state that at any given moment, there may a few employees who are less than fully satisfied with aspects of their jobs. The City appreciates the Grand Jury's attempt to make a general statement regarding morale; however, it does a disservice to make a blanket statement not supported by the facts. When dissected, this issue appears to be only minutely valid. The City was aware of morale issues in one small section that contained less than 4 employees. In a City of 55 employees this represents 3.4%. The City maintains that the remaining 96% appear to be happy and of high morale. The City does want 100% of its employees to be satisfied with all aspects of their jobs and will continue to seek opportunities to accomplish just that.

From the Council perspective, their overall morale seems to be positive and high in spite of reduced staffing levels and leaner budgets brought about by the continuing down turn in the economy. The City Administrator's leadership and management skills have been a tremendous asset to this Council and the citizens of Gridley.

F10: Operational efficiency and employee morale are negatively impacted by a lack of effective communication.

City response: Disagree with comments. The Council must disagree on the initial assumption. The Grand Jury report provided no examples of operational efficiency issues or lack of effective communication. On the contrary, the report states, "... the City Administrator has been proactive and in various areas effective in serving the interests of the City of Gridley." The report further cites that significant changes have been made. The City understands that in the past, it has had a few employees who have been disgruntled with the Council's decision that change was needed and the apparent negative comments of these few cannot be accepted as representative of the majority or even a significant minority. See F9 City response regarding the morale issue raised by the Grand Jury.

F11: If the City Administrator would increase and improve awareness of his own communication style, personality type and attributes, and increase and improve his awareness of the attributes of

employees under his supervision, he would strengthen his leadership skills and improve employee morale.

City response: Disagree with comments.

The City Administrator is very aware of his communication style, personality type and attributes. He has been charged by the Council to make changes at City Hall. Some of these changes have been challenging to implement and may have been met with less enthusiasm than desired; however, any employee can meet with the City Administrator and many have done so. Leadership is about leading and less about being popular for the sake of popularity.

F12: Timely City employee annual performance reviews should be conducted. Recognition by supervisors of positive employee job performance through the use of goal oriented annual performance employee reviews would assist in raising employee morale and establishing a record of employee accomplishments and achievements.

City Response: Agree. Annual performance reviews should be conducted and are in progress.

F13: The City of Gridley Personnel Rules document contains no dates of inception or approval by City Council, nor does it contain dates of revision and approval by City Council of revisions it may have undergone. Section 2.40 of the City of Gridley Personnel Rules is lacking, as it does not require the City Administrator to write annual performance reviews on staff heads under his supervision.

City Response: Agree with comments: To the extent the rules need to be reviewed and updated. This will be taken under review.

F14: The City Public Works Director position was vacant during the period of the Grand Jury inquiry, and the current Electric Superintendent has given notice of his intent to retire. Decisions regarding recruitment options for the positions should consider the best use of financial and staff resources.

City Response: Agree. The Electrical Superintendent position has been filled and the Public Works position is under review.

F15: The Finance Officer has developed a property owner over-assessment reimbursement plan which includes City Council passed Resolution No. 2011-R-045, removing the second 2011-12 Maintenance Installment Levied on the Assessment District No. 2 (Eagle Meadows) from Butte County 2011-12 Tax Rolls. The City should complete its property owner reimbursement plan.

City Response: Agree. Finance has been tasked to complete the plan per the resolution. At the August 20, 2012 Council meeting, Council adopted resolutions to further reduce the excess of funds collected for the assessments.

F16: The City has made efforts to resolve the issue of the outstanding AT&T bill. However, the June 21, 2011, letter sent to AT&T requesting a response needed a tracking identification number within the body of the letter and should have been addressed to a specific AT&T point of contact representative by name, title, or both instead of being addressed "To Whom It May Concern."

City Response: Disagree. The salutation "To Whom it may Concern" is a formal and recognized way to address a letter when the specific person's name is not known. Large companies such as AT&T

proved telephone numbers to report complaints to and often do not list a complete name as a point of contact. Such was the case in this matter. As to the needing a tracking number, that was provided in the letter (Re: Dispute of Amount Due on Account Number 816-10D9136 036 6)—the account number serves as the “tracking identification number”

F17: The City does have City Hall, equipment and electric reserve funds. However, the City does not have a General Fund reserve for contingencies and it would be prudent for the City to establish such a fund.

City Response: Disagree with comments. The disagreement is with a factual aspect of the finding as the City does have a reserve for contingencies. The City does agree with the intent of the finding which is to say that having a general fund reserve is prudent. In fact, the City established a General Fund Contingency Fund in the 2010-11 fiscal year. The current balance is \$50,000, with an additional \$40,000 budgeted for 2012-13, for a total of \$90,000. The City needs to continue to increase the monies to this fund until a comfortable level can be reached. The specific amount is a Council policy decision.

F18: When changes to budget information occur, limited communication concerning changes is provided to City staff. When inter-fund withdrawals or deposits occur which effect budget balances within departmental budgets, information which will provide a clear and comprehensive explanation of the reasons for the changes should be provided to department heads in an expeditious and timely manner.

City Response: Agree with comments: The policy has been and shall continue to be that all increases, decreases, and deposits that affect department budgets are authorized by Council. These changes are submitted to the Council via staff reports that provide the explanation for the action. Ample communication is provided to staff regarding significant budget changes if and when they occur. Department heads routinely meet with finance staff if and when they have questions regarding their department’s budget. Additionally, all department heads receive council agendas with all attachments. Further, all department heads have had access to the City financial software and can look up their departmental budgets.

F19: Some staff are limited in operational knowledge of the Multiple Operations Management System (MOMS) and require training in order to maximize effective use of the system. City department heads and Finance Department employees can better serve the City if they receive additional MOMS training.

City Response: Disagree with comments. The City has been using the MOMS financial system since 2000 and the members of the finance department are well versed on the system. Department heads are provided access to their departmental budgets via their computers and have been trained to access their own department accounts. Additionally, the City pays for online/telephone support when unique situations or should any question arise that can’t be readily answered. All finance staff have the capability to contact the software company to get the appropriate response.

F20: Due to the failure of the City Council and Mary’s Gone Crackers to complete a contractual agreement in 2006, and the City’s failure to establish an impact fee collection finance code, the current City Administrator acted correctly by not attempting to collect 2006 water and electric impact fees.

City Response: Disagree in part with comments. During a Council meeting held on March 20, 2006, the Council authorized the City Attorney to prepare a contract between the City and Mary's Gone Crackers regarding electric and water impact fees. The attorney promptly drafted the agreement and provided it to staff. The 2006 City Council gave clear direction to staff regarding this issue. Council obviously wanted to memorialize the agreement and expected staff to take care of the administrative details of getting the appropriate signatures and having the agreement brought back to Council for final approval. Staff failed to bring a signed agreement back to Council for ratification. Council agrees with the Grand Jury comment that the "current City Administrator acted correctly by not attempting to collect the 2006 water and electric impact fees."

F21: That on behalf of the City of Gridley, a waiver of Mary's Gone Crackers sewer capacity fees was, with approval of City Council, carried out by the City and the responsible party for the business Mary's Gone Crackers pursuant to the signing of an agreement on December 20, 2010.

City Response: Agree.

F22: That with the advent of the loss of Redevelopment Agency tax increment funds, the City will be challenged to find alternative sources of funding for projects previously paid for with RDA funds.

City Response: Agree.

F23: No tangible or reliable evidence was found that false information was submitted to FEMA.

City Response: Agree with comments. All but one FEMA grant had expired prior to the arrival of the City Administrator. These expired grants should have been closed out and the retention monies collected. The failure to close these grants out in a timely manner did come at a cost to the City; however, the close out actions still needed to occur. These grants have now been closed out to the satisfaction of the FEMA Agency thanks in large part to the Senior Finance Accountant and the City Administrator.

F24: The City appropriately sought additional monies that remained within the USDA loan grant.

City Response: Agree with comments. This project was languishing due to lack of State funding when the City Administrator arrived in September of 2008. The State Small Communities Grant fund of \$792,172 although awarded, was not available as the State had frozen bond sales to fund these kinds of projects. Realizing the project was in jeopardy, the City Administrator worked with USDA/RUS personnel to get American Recovery and Reinvestment Act funds substituted for the State funds. His successful efforts secured additional grant funds for the project and allowed this project to go forward.

F25: The City has been attempting to identify the cause of the current buildup of sludge within the City's sewer system. However, without adequate quantity and proper placement of sludge flow measuring/monitoring units, the City is unable to determine with absolute certainty the specific sources of the sludge in the City's sewer system.

City Response: Agree with Comments. As this was the third time the City has had to deal with a sludge issue, it was important to ensure it does not happen again. After the last incident (prior to 2011), the

City, assuming it was caused in part by sludge from the food processor, had sensor systems installed that would both alert and divert future sludge flows in the event of flows exceeding established limits. During the latest incident, the records of the food processor were inspected and no anomalies were noted. A closer inspection of the "tamper proof" sensor system (a condition of the processor's industrial discharge permit) revealed the computer keyboard and monitor were accessible and the password to the software program was found to be set at the factory preset. There was no documentation that it had ever been changed. There was no documentation of any site visit or routine inspection performed by the City. These failures assured that it would be impossible to determine if the processor's waste sludge in fact contributed to the sludge issue at the City's wastewater treatment plant.

F26: That adequate quantity and proper placement of sludge flow measuring/monitoring units can be implemented by the City to identify sources (s) of sludge flow into the City sewer system.

City Response: Agree with comments. Historically and in accordance with the City Discharge Order, Total Suspended Solids (TSS) are checked monthly. Sludge surges may go unnoticed if the surge does not happen as the monthly test is taken. As a result of this incident, the City has installed two additional sludge flow measuring/monitoring units (Total Suspended Solids (TSS) meters):

- *one between the food processor's wastewater pretreatment plant and before any other residential or commercial connection*
- *one installed at the wastewater plant head works assembly. All wastewater must flow through this point prior to entering the aeration pond.*

F27: No improper management of the financial interface between the Gridley BID and the City has been found. The Gridley BID is awaiting reinstatement of its corporate business status by the Office of the California Secretary of State. The Gridley BID had no record on file of Internal Revenue Service (IRS) notice, letter or correspondence granting it a non-profit status. As long as the Mayor exercises recusal from all City Council proceedings, actions and decisions relating to interface between the City and the BID, the Grand Jury finds no discernible conflict of interest.

City Response: Agree

F28: The Gridley Animal Control Department is well managed by enthusiastic and dedicated staff.

City Response: Agree with comments. The Gridley Animal Control Department is well managed and the Animal Control Officer does an outstanding job of taking care of the animals recovered. This department is providing a great service to the City.

RECOMMENDATIONS

R1: That City Council members study and become thoroughly knowledgeable of the "Powers and Duties of the City Administrator" as specified within Gridley Municipal Code, section 2.03.050.

City Response: Recommendation has been implemented

R2: That City Council members thoroughly read and comprehend all staff reports and supporting documents prior to voting on an agenda item.

City response: Recommendation has been implemented. Council is aware that all elected officials have a responsibility and a duty to be prepared.

R3: That in all special meeting public notice postings that include study sessions, the City clearly communicate study sessions are open to the public.

City Response: This Recommendation was implemented by adding, "Study Sessions are open to the public".

R4: That the City Administrator continue to apply the successful management practices applied to solving problems and directing actions that have benefited the City of Gridley, and continue to endeavor to solve the remaining problems inherited at the time of assuming his duties.

City response: The City Administrator will continue to implement this recommendation and it will be ongoing.

R5: That the City Administrator and City Council annually conduct a core values and ethics "goals and objectives workshop" as modeled by the Goals and Objectives Workshop conducted by the City of Oroville in May 2011.

City response: City will implement a strategic planning session that will include goals and objectives. This recommendation will be implemented by February 10, 2013.

R6: That all members of the City Council, the City Attorney, and the City Administrator become thoroughly knowledgeable of and familiar with the legal requirements for records and documents retention and destruction as specified within California Government Code sections 34090-34095, and that all records and document retention and destruction actions taken in the future be in compliance with applicable laws.

City Response: City will implement this recommendation by providing a copy of the Government code section to the Council by December 31, 2012.

R7: That the records and document retention and destruction policy created in about the year 2000 titled City of Gridley Records Retention Policy for City Administration, or its equivalent, be approved by vote of the City Council.

City Response: City will not implement this recommendation. The City does need to implement a city-wide records and retention plan. The document referred to above primarily addressed finance records. It would be short-sighted to address this in one department only. The City will implement a city-wide records retention plan by February 10, 2013.

R8: That City Council conduct a thorough review of the Gridley Municipal Codes with a special focus on identifying unrealistic requirements such as the asset inventory requirements in section 2.03.050.

City response: This recommendation will not be implemented. The Municipal code is under continuous review and is modified as needed. The cost of a comprehensive update to the municipal code cannot be determined. At a time when budgets are dwindling, it does not make good financial sense to embark on a project of this magnitude when the municipal code is being updated on an "as needed" basis. The code is available on the City website for reference and comment.

R9: That at a minimum annual leadership instruction, inclusive of ethics training, be given to all supervisory level personnel. Specifically, training in awareness of both the supervisors' and staff's personality types and styles of communication, to develop and enhance effective and open communication.

City Response: This recommendation will not be implemented and is unwarranted. The City routinely encourages staff to seek out and attend training and will continue to do so. The City does concur that providing ethics training would be beneficial.

R10: That supervisory staff complete timely annual goal oriented employee performance reviews that identify and record employee accomplishments and achievements.

City Response: The recommendation will be implemented by December 30, 2012.

R11: That the City of Gridley Personnel Rules policy document be officially adopted and approved by the City Council.

City Response: The recommendation will not be implemented at this time. City is currently researching the records to determine if this policy was in fact adopted. If it is determined it was not, then the matter will be brought to Council for adoption. City anticipates a determination as to whether or not this was adopted in the early 1990's by November 15, 2012.

R12: That Section 2.40 of the City of Gridley Personnel Rules policy contain a provision which requires an annual written performance evaluation review of all department heads by the City Administrator.

City Response: The recommendation requires further analysis as not all department heads work for the City Administrator under this form of government. However, all evaluations under the direct supervision of the City Administrator will be finalized by December 15, 2012, and annually thereafter.

R13: That the cover page of the City of Gridley Personnel Rules policy contain the 'effective date' of authorization, and that all future updates or revisions to the City of Gridley Personnel Rules policy be cited on the cover page, or at a minimum within the contents portion of the document.

City Response: The recommendation will be implemented at the next policy update.

R14: That as soon as possible the City of Gridley select an option under consideration that will either fill the vacancy of the Public Works Director position or otherwise ensure that the duties and responsibilities of the Public Works Director position are accomplished on a day-to-day basis.

City Response: This recommendation has been implemented. The Council and staff, regardless of periodic personnel changes, routinely ensure that all day-to-day operations are properly managed.

R15: That for purposes of workforce management, increased efficiency and reduced cost to the City, the City Council with staff advisement, consider creating a Utility Director position incorporating the positions of Director of Public Works and Electric Superintendent, with the Utility Director serving as liaison representative to the Northern California Power Association (NCPA) of which the City of Gridley is a member.

City Response: The recommendation will be implemented as to a determination of the direction by February 10, 2013. It should be noted the City did fill the Electric Superintendent position.

R16: That before the 2012-2013 budget is adopted, the City Administrator and the Finance Officer follow through on actions taken in the 2011-2012 budget to resolve the Planning Department budget allocation issue as it relates to the 2030 General Plan update by making appropriate inter-fund budget transfers.

City Response: The recommendation was implemented by the adoption of Resolution 2012-R-028: "A Resolution of the City Council of the City of Gridley approving and authorizing the reimbursement of advances to planning fund" adopted on June 18, 2012.

R17: That the City research, reconstruct, and attain an accurate record of the events, inclusive of expenditures and inter-fund transfers, that have either contributed to or caused the ongoing allocation of funds issue pertaining to the Planning Department budget.

City Response: The recommendation was implemented as part of the 2012-2013 budget build and adoption that was approved by Council on June 18, 2012. The City determined that the intent of the City in 2008 was to fund planning and the general plan/environmental report through an inter-fund loan. Council's approval of Resolution 2012-R-028: "A Resolution of the City Council of the City of Gridley approving and authorizing the reimbursement of advances to planning fund" adopted on June 18, 2012 finalized this action and closes out this issue.

R18: That the property owner reimbursement plan for the Eagle Meadows Maintenance Assessment District be implemented by summer of 2012, and that past and present Eagle Meadows subdivision owners be notified by the City of Gridley with an explanation of the details of the reimbursement plan.

City Response: This recommendation will not be implemented as it is unwarranted and contrary to the adopted rules that govern that assessment district. The City will, however, continue to reduce future assessments per the governing document until the accounts have been tried up.

R19: That in order to best serve the public, the plan for reimbursement of Eagle Meadows Maintenance Assessment District overcharged assessment fees be a product of very close coordination between the City Council, City Attorney, City Administrator and City Finance Officer.

City Response: This recommendation will be implemented—see City response to R-18 above.

R20: That the City continue, and intensify, efforts to obtain an adequate response from AT&T, which will allow the City to determine a course of action to bring the outstanding AT&T bill issue to a conclusion.

City Response: This recommendation is being implemented and the City awaits a response from AT&T regarding this issue.

R21: That the City not address its correspondence seeking information from AT&T "To Whom it May Concern," but instead address correspondence to a specific named point of contact.

City Response: This recommendation will not be implemented as it is not warranted. The salutation "To Whom it may Concern" is a formal and recognized way to address a letter when the specific person's name is not known. Large companies such as AT&T provide telephone numbers to report complaints to and often do not list a complete name as a point of contact. Such was the case in this matter. As to the needing a tracking number, that was provided in the letter (Re: Dispute of Amount Due on Account Number 816-10D9136 036 6)—the account number serves as the "tracking identification number."

R22: That the City establish a General Fund reserve for contingencies with a goal of containing and maintaining not less than an amount which would cover contingency cost expectations based upon previous annual General Fund expenditures.

City Response: This recommendation was implemented in part with the passage of the 2012-2013 budget. The City needs to continue to increase the monies to this fund until a comfortable level can be reached. The specific amount is a Council policy decision.

R23: That the City Administrator establish and implement procedures that will inform City staff of reasons for inter-fund transfers and changes in budget allocations as they occur.

City Response: This recommendation is and has been implemented. Inter-fund transfers can only be approved by Council and only at a properly noticed Council meeting. Associated staff reports are available to staff and are posted online before the meetings.

R24: That department heads and Finance Department staff receive additional MOMS training.

City Response: This recommendation will be implemented as needed. Any department head may request additional training on the MOMS software system. Currently, department heads are comfortable with the training previously provided; however, the City will continue to support any additional requests for training in this area.

R25: That prior to providing utility connections and services to businesses, the City properly formalize all connections and services agreements, and create and enter the proper billing codes into the City financial management system.

City Response: This recommendation has been implemented.

R26: That the City identify, evaluate and apply available alternative funding sources to offset RDA funding losses.

City Response: This recommendation has been implemented. It will be an ongoing effort to find offsets to the funding sources lost when the RDA was dissolved.

R27: That the City install a technologically appropriate and efficient sludge flow measuring/monitoring unit with backup at the juncture of the City's sewer system waste water intake point and the waste water outlet point of any party suspected of discharging sludge into the City sewer system.

City Response: This recommendation has been implemented. The City has installed two additional sludge flow measuring/monitoring units (Total Suspended Solids (TSS) meters):

- *one between the food processor's wastewater pretreatment plant and before any other residential or commercial connection*
- *one installed at the wastewater plant head works assembly. All wastewater must flow through this point prior to entering the aeration pond.*

R28: That in the event the City determines the offending party responsible for excessive sludge discharge into the City sewer system, the City seek full reimbursement of all costs incurred by the City.

City Response: This recommendation has been implemented to the extent the City concurs with the recommendation in cases where the offending party can be positively identified.

R29: That the Gridley BID continue to pursue reinstatement of its corporate status with the Office of the California Secretary of State.

The BID response: this recommendation will be implemented: BID has been and will continue to pursue the reinstatement of its corporate status.

R30: That the Gridley BID expeditiously submit a request to the Internal Revenue Service for a copy of the letter or document which grants the Gridley Business Improvement District non-profit status in compliance with section 501(c)(6) of the United States Internal Revenue Code.

The BID response: this recommendation will be implemented.

R31: That as long as the Mayor of the City of Gridley is concurrently serving as both Mayor and as the paid/salaried Executive Director of the Gridley BID, the Mayor avoid all proceedings, actions and decisions relating to interface between the City and BID.

The BID response: this recommendation will be implemented.