

# CITY OF YUBA CITY

## City Council Reference Guide



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## REFERENCE GUIDE

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Your representative owes you, not his industry only, but judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion.

**Edmund Burke**, *Speech to the electors of Bristol*. 3 Nov. 1774  
*Irish orator, philosopher, & politician (1729 - 1797)*

Realizing that the path of conscientious insurgent must frequently be a lonely one, we are anxious to get along with our fellow legislators... We realize, moreover, that our influence...---and the extent to which we can accomplish our objectives and those of our constituents --- are dependent in some measure on the esteem with which we are regarded by our other decision-makers.

**John F. Kennedy**, *Profiles in Courage*, Harper & Brothers, New York, 1956  
*35th President of the United States (1917 - 1963)*

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# OVERVIEW

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In the course of serving as a public official, there are a myriad of issues with which you will become involved. This reference guide aids in centralizing information on common issues related to local government and your role as a member of the Yuba City City Council.

The issues that are addressed in this document can be complex and subjective. This manual is intended to be a guide and is not a substitute for the counsel, guidance, or opinion of the City Attorney.

## **Purpose of City Council Reference Guide**

The City of Yuba City has prepared this Reference Guide to assist the City Council (and members of the public) by documenting accepted practices and clarifying expectations. Administration of City Council affairs is greatly enhanced by the agreement of the City Council and staff to be bound by these practices. While attempting not to be overly restrictive, procedures are established so that expectations and practices can be clearly communicated to guide Councilmembers in their actions.

## **Council-Manager Form of Government**

The City of Yuba City is a Council-Manager form of government. As described in the municipal code, certain responsibilities are vested in the City Council and the City Manager. Basically, this form of government prescribes that a City Council's role is that of a legislative policy-making body which determines not only the local laws that regulate community life, but also determines what the public policy is and gives direction to the City Manager to administer the affairs of the city government in a businesslike and prudent manner.

## **Overview of Basic City Documents**

This reference guide provides a summary of important aspects of City Council activities. However, it cannot incorporate all material and information necessary for undertaking the business of the City Council. Many other laws, plans, and documents exist which bind the City Council to certain courses of action and practices. The following is a summary of some of the most notable documents that establish City Council direction:

- Yuba City Municipal Code

The municipal code contains local laws and regulations adopted by ordinances. Title 2 addresses the role of the City Council and City Manager, describes the organization of City Council meetings and responsibilities, and addresses advisory boards and commissions. In addition to these administrative matters, the municipal code contains a variety of laws including, but not limited to, zoning standards, health and safety issues, traffic regulations, and building standards.

The municipal code can be found on the City's website at [www.yubcity.net](http://www.yubcity.net) or in the City Clerk's office.

- Employee Bargaining Unit Agreements

The City has seven employee bargaining groups: Yuba City Firefighters Local 373, Fire Management Group, First Level Managers Group, Mid-Managers group, Yuba City Police Officers Association, Police Sergeants Group, and Public Employee Union Local 1.

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## OVERVIEW

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Additionally, the City has separate employee contracts with the City Manager and Executive Team.

Copies of Bargaining Unit agreements are available on the City's website at [www.yubacity.net](http://www.yubacity.net) or may be obtained by contacting the Human Resources Department.

- Adopted Operating Budget and Capital Improvement Program

The budget serves as the City's primary financial management tool and is an important expression of policy regarding public services and community priorities. The budget considers the City's short and long-term organizational goals in consideration of available revenue. As such, the budget is utilized as both a financial plan and a communication device. The fund summaries provide an understanding of the financial condition of the funds that comprise the overall budget. The budget includes organizational charts, descriptions of services provided, accomplishments, initiatives, and performance measurements to better explain the functions and program objectives of each department.

The City holds a Budget Study Workshop in May of every year. The Budget and Capital Improvement Program is adopted by the City Council in June. Copies of the Operating Budget and Capital Improvement Program are provided to each Councilmember and are also available online at [www.yubacity.net](http://www.yubacity.net). The City Manager and Finance Director are available to discuss any questions that Council may have.

- Adopted General Plan

The General Plan is a statement for the direction the City is taking as it grows into the future. The General Plan helps the City map out the look and style of new development so that growth is controlled and the City can maintain a high level of service to its customers. A General Plan update happens occurs periodically so that the City never falls out of step with growth.

Copies of the General Plan are available on the City's website at [www.yubacity.net](http://www.yubacity.net) or may be obtained by contacting the Development Services Department.

### **Orientation of New Members**

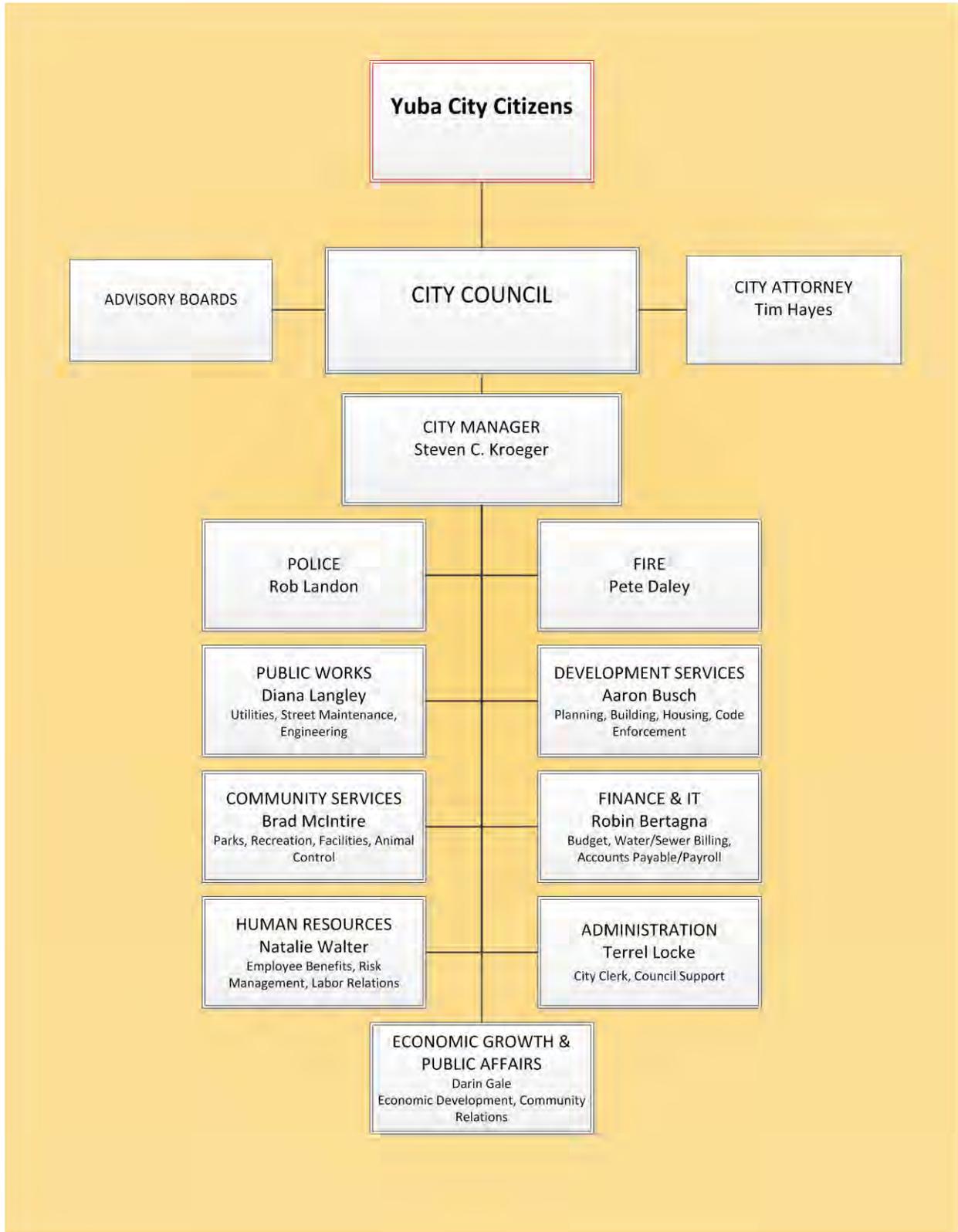
It is important for the members of the City Council to gain an understanding of the full range of services and programs provided by the City. The City Manager's Office will host an orientation program for new members of the City Council that provides an opportunity to tour municipal facilities and meet with key staff. Another training opportunity for new members is the League of California Cities New Mayor and Councilmember Academy held in Sacramento in January. At any time, if there are facilities or programs about which you would like more information, arrangements will be made to increase your awareness of these operations.

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# Organization Chart

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## Administrative Officials

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### **Administration**

Steven C. Kroeger, City Manager  
Darin Gale, Economic Growth & Public Affairs Manager  
Terrel Locke, Assistant to the City Manager

### **City Attorney**

Timothy Hayes, Martinez Hayes & Hill, LLP

### **Community Services**

Brad McIntire, Director  
Diana Barrett, Animal Services Manager  
*Vacant*, Parks, Recreation & Facilities Manager

### **Development Services**

Aaron Busch, Director  
*Vacant*, Principal Planner

### **Finance/IT**

Robin Bertagna, C.P.A., Director  
Devin Barber, IT Manager  
Spencer Morrison, Accounting Manager

### **Fire Services**

Pete Daley, Fire Chief  
Bill Fuller, Administrative Analyst III  
Jim Mathews, Fire Marshall

### **Human Resources**

Natalie Walter, Director

### **Police Services**

Rob Landon, Chief of Police  
Jeremy Garcia, Assistant Chief of Police  
Lincoln Eden Jr., Police Commander  
Chad Lizardo, Lieutenant  
Tom Tappe, Lieutenant  
Shawna Pavey, Operations Support Manager

### **Public Works/Utilities**

Diana Langley, Public Works Director/City Engineer  
Michael Paulucci, Deputy P.W. Director – Utilities  
Gary Marler, Deputy P.W. Director – Maintenance  
Kevin Bradford, Senior Engineer  
Mandeep Chohan, Senior Engineer  
Ben Moody, Senior Engineer

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## Administrative Officials

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### Department Contact List

City Manager	Steve Kroeger	822-4620	skroeger@yubacity.net
City Attorney	Tim Hayes	674-9999	thayes@mh3law.com
City Clerk	Terrel Locke	822-4817	tlocke@yubacity.net
Administration Office	Jessica Mitchell	822-4602	jmitchel@yubacity.net
Community Services Director	Brad McIntire	822-4652	bmcintir@yubacity.net
Development Services Director	Aaron Busch	822-3231	abusch@yubacity.net
Economic Growth & Public Affairs	Darin Gale	822-4762	dgale@yubacity.net
Finance & IT Director	Robin Bertagna	822-4615	rbertagn@yubacity.net
Fire Chief	Pete Daley	822-4698	pdaley@yubacity.net
Human Resources Director	Natalie Walter	822-4765	nwalter@yubacity.net
Police Chief	Robert Landon	822-1010	rlandon@yubacity.net
Public Works Director	Diana Langley	822-4792	dlangley@yubacity.net

### Other Contact Numbers

Accounts Payable	822-4803
Animal Control Facility	822-7375
Building Inspection	822-5190
CDBG/Housing	822-3233
Code Enforcement	822-5702
Customer Service	822-4618
Engineering	822-4638
Fire Administration	822-4687
Gauche Park	822-4655

Human Resources	822-4610
IT Help Desk	822-4916
Park Maintenance	822-4648
Planning & Zoning	822-5145
Police Dispatch	822-4660
Recreation Programs	822-4650
Senior Center	822-4608
Street Supervisor	822-4644
Water/Sewer Supervisor	822-4777

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# General Powers & Responsibilities

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## City Council Generally

Fundamentally, the powers of the City Council are to be utilized for the good of the community and its residents and to provide for the health safety and general welfare of the citizenry. The City Council is the policy making and lawmaking body of the City. As described in the California Government Code § 34851-34859, certain responsibilities are vested in the City Council and City Manager in the prescribed Council-Manager form of government.

It is important to note that the Council acts as a body and speaks with one “corporate voice”. No member has any extraordinary powers beyond those of other members. While the Mayor has some additional ceremonial and presiding officer responsibilities as described below, when it comes to establishing policies, voting, and in other significant responsibilities, all members are equal. It is also important to note that policy is established by at least a majority vote of the Council. While individual members may disagree with decisions of the majority, a decision of the majority does bind the Council to a course of action. Councilmembers should respect adopted Council Policy. In turn, it is staff’s responsibility to ensure the policy of the Council is upheld. Action of staff to pursue the policy direction established by a majority of Council does not reflect any bias against Councilmembers who held a minority opinion on an issue.

## Role of Councilmembers

City Councilmembers are collectively responsible for establishing policy, adopting the annual budget, and providing the vision, priorities and goals to the City Manager. The following briefly outlines a generic list of various duties of City Councilmembers:

- a. Establish Policy
    - a. Adopt goals and objectives
    - b. Establish priorities for public services
    - c. Approve/amend the operating and capital budgets
    - d. Approve contracts over \$50,000
    - e. Adopt resolutions
  - b. Enact Local Laws
    - a. Adopt ordinances
  - c. Supervise Appointed Officials
    - a. Appoint City Manager
    - b. Evaluate performance of City Manager
    - c. Appoint City Attorney
    - d. Establish advisory boards and commissions
    - e. Make appointments to advisory bodies
    - f. Provide direction to advisory bodies
  - d. Provide Public Leadership
    - a. Relate wishes of constituents to promote representative governance
    - b. Mediate conflicting interests while building consensus
    - c. Call special elections as necessary
    - d. Communicate City’s vision and goals to constituents
    - e. Represent the City’s interest at regional, county, state and federal levels
  - e. Decision-Making
    - a. Be prepared at Council Meetings and Committee Meetings
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## **General Powers & Responsibilities**

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- b. Study information and issues presented
- c. Review alternatives
- d. Determine best course of public policy

### **Role of the Mayor**

The Mayor serves as the presiding officer and Chair at all the Council meetings of the City Council. In this role, the Mayor is responsible for maintaining the order and decorum of meetings. The presiding officer shall also maintain control of communications between councilmembers and between the City Council and the public. The Mayor may participate in all discussion of the Council in the same manners as any other member. The Mayor may participate in all discussion of the Council in the same manner as any other member. The Mayor does not possess any power of veto. The Mayor may make or second any motion. The Mayor acts as the signatory to all documents requiring Council execution. The Mayor is the official spokesperson for the Council.

It is the responsibility of the Mayor to act as the City Council's ceremonial representative at public events and functions. The Mayor may assign the Vice Mayor or Councilmember to represent the City in the Mayor's absence.

*[Yuba City Municipal Code Ord. 06-91, Ord. 03-95, Ord. 001-13]*

### **Election of Officers**

The Mayor and Vice Mayor will be elected by a majority vote of a quorum of the City Council. In years when members of the City Council are to be elected, the City Council shall consider the election of a Mayor and Vice Mayor for one (1) year terms at the first regular meeting after certified of results of the general election have been received by the City. In years when no members of the City Council are to be elected, the City Council shall consider the election of the Mayor and Vice Mayor for one (1) year terms at the second regular meeting in November of each year or no later than the succeeding meeting.

The position of Mayor has traditionally followed a sequence based on (a) election date and (b) order of finish within each election.

*[Yuba City Municipal Code Ord. 06-91, Ord. 03-95, Ord. 001-13]*

### **Representing the City, Personal or Other Organization's Interest**

If an elected official appears before another governmental agency, official or organization to give a statement on an issue, the official must clearly state whether his or her statement reflects personal opinion or the official position of the agency. If the elected official is representing the agency's official position, the official must explain and advocate the official agency position on an issue, not a contrary personal viewpoint. If the official feels he/she cannot in good conscience do so, he/she should ask that another official be sent to represent the agency's position.

If the Councilmember is presenting to another organization whose position is different from the City's, then the elected official should consider abstaining on the issue when it comes before the agency if the issue substantially impacts or is detrimental to the interest of the agency and those it serves.

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# General Powers & Responsibilities

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When an organization appears before the decision-making body in which elected officials participate, the elected official should disclose their involvement in the organization. The officials should consider abstaining from the vote on issues if it would appear to a reasonable member of the public that the officials may have conflicting loyalties that might prevent them from putting the interests of the city --- and those it serves --- first.

## Media Relations

The City Council maintains open lines of communication with the media providing any City Councilmember an ability to speak with the media on issues. It is recommended that Councilmembers advise the City Manager when media contact occurs.

## Advisory Bodies

Boards, commission and citizen committees provide a great deal of assistance to the City Council when formulating public policy and transforming policy decisions into action. In addition, special purpose ad hoc committees can be appointed by the City Council to address issues of interest or to conduct background work on technical or politically sensitive issues. Special or ad hoc committees will be dissolved upon completion of the intended task.

Standing Advisory bodies include:

- Planning Commission
- Economic Development Commission
- Parks & Recreation Commission
- Senior Commission
- Youth Commission
- Personnel Board
- Traffic Committee\*
- Accessibility Board of Appeals\*
- Building Board of Appeals\*

\*currently inactive

The City Council appoints a citizen to the following Regional Boards

- Regional Housing Authority Board
- Sutter-Yuba Mosquito Vector Control District

The City also has the following groups that are not appointed by the Council:

- Bicycle Advisory Committee
- Friends of Yuba City Parks and Recreation Foundation
- Friends of Sutter Animal Services Foundation

## Voting Requirements: Absences, Vacancies, Abstentions and Disqualifications

Attending and being prepared for meetings is a major component of an elected official's responsibilities and ethical behavior – so is voting in general. It may be tempting to abstain because of concerns about making an unpopular decision or simply not knowing which decision is best. Nevertheless, making decisions is what officials are elected to do. It is manifestly unfair – and unethical – to abstaining or otherwise put one's colleagues in the position of taking the heat for a necessary but unpopular decision.

*[Leah Goldberg, Western City Magazine June 2014]*

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# General Powers & Responsibilities

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## Quorum Requirements

A quorum of at least three members, which is a majority of the five members, must be present before the council has legal authority to act (Gov. Code § 36810).

Applying the rules governing a quorum, the Council meeting can proceed with only three councilmembers are present, and if two of those three councilmembers vote in favor of a motion, the motion passes unless otherwise provided by law. Voting requirements can vary depending on the action that the council proposes to take. Government code §36936 sets forth an exception to the general rule that a motion will pass on a two to one vote.

The following exceptions require a recorded majority vote of the total membership (3 votes):

1. Ordinances, Resolutions, and Orders for the Payment of Money
2. General Plan and Specific Plan

The following exceptions require a four-fifths vote:

1. Urgency Ordinances
2. Resolution of Necessity
3. Brown Act – (discussion of an item not appearing on the posted agenda)
4. Exceptions to Competitive Bidding
5. Surplus Sale of Property
6. Disposition of Parkland

## Absences

A Councilmember must be physically present at a council meeting to vote on items before the Council for action at that meeting. The Brown Act permits a Councilmember to participate from a teleconference location, but not to cast a vote.

## Abstentions and Disqualifications

Under traditional rule, councilmembers who abstain are counted for purposes of determining a quorum and abstentions are simply not counted in tallying the votes.

When a Councilmember is disqualified from voting because of a conflict of interest, they are no longer counted as part of the quorum, it becomes similar to an absence.

When you disqualify yourself or abstain, you should not participate in any aspect of the decision-making process. A Councilmember with a disqualification must take the following steps:

1. Publically Identify the financial interest or potential conflict of interest in sufficient detail to be understood by the public
2. Refrain from discussion or voting on the matter
3. Leave the room until after the discussion, vote and any other disposition of the matter is concluded unless the matter is on the consent calendar

*[League of California Cities Presentation – Best Best & Kroeger, LLP and Everyday Ethics for Local Officials – Western City Magazine – June 2014]*

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# General Powers & Responsibilities

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## **Elected Officials' Role in Collective Bargaining**

Typically, the most effective role elected officials can play in the labor relations process is to set key financial and other parameters for the negotiating team. Such parameters indicate what kind of final agreement the governing body will be willing to approve at the end of the negotiating process.

Financial parameters include salary and benefit costs, but also costs associated with operational changes that may be proposed in the course of discussions. By setting parameters, as opposed to specific positions or strategies, the governing body provides its bargaining representatives with the flexibility necessary to engage in the give and take characteristic of the bargaining process.

## **Compensation of Councilmembers and reimbursement for expenses.**

1. Pursuant to the express provisions of Government Code § 36514.5, City Council members shall be reimbursed for actual and necessary expenses incurred in the performance of their official duties.
2. The compensation of City Council members is determined pursuant to the express statutory authority in Government Code § 36516(a) in cities over 50,000 up to and including 75,000 in population. The compensation paid to members of the City Council shall be set at a salary of Five Hundred and no/100ths (\$500.00) Dollars per month, plus the sum of One Hundred Dollars and no/100ths (\$100.00) Dollars per month, which represents the total of increases of five (5%) percent a year for each calendar year from the operative date of the last adjustment of salary, for a total of Six Hundred and no/100ths (\$600.00) Dollars per month, payable at the same time in the same manner as salaries are paid to other officers and employees of the City.
3. Any amount paid by the City to Council members for retirement, health and welfare benefits, shall not be included for purposes of determining the salary herein, provided the same benefits are available and paid by City for its employees.

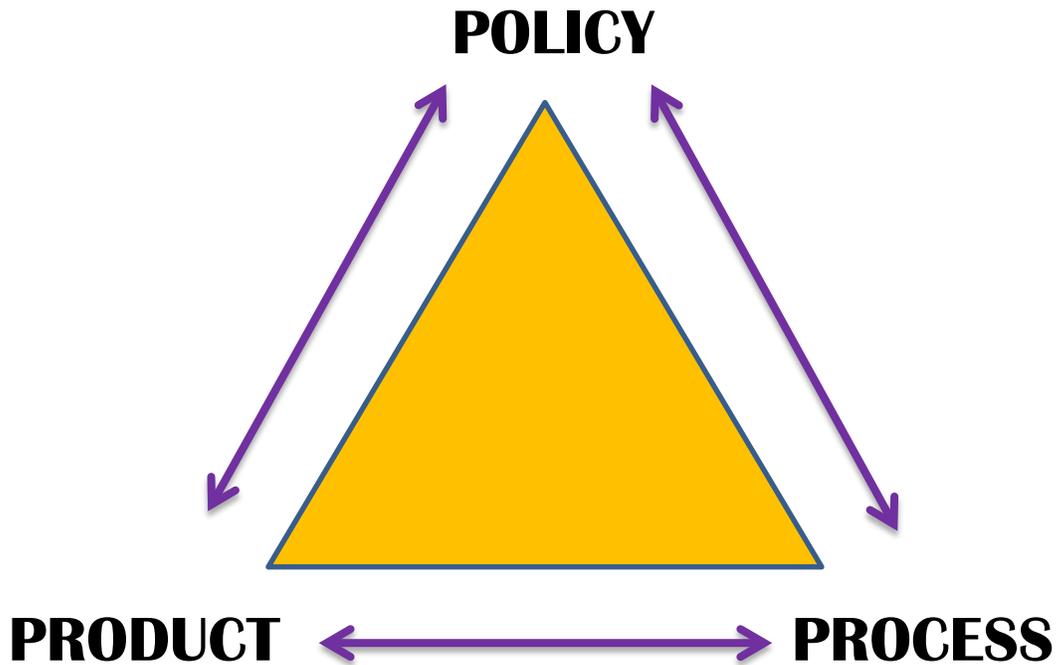
*[Yuba City Municipal Code Ord. 06-91, Ord. 013-04, Ord. 001-08]*

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# PUBLIC POLICY TRIANGLE

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**City Council ▶ Policy ▶**

Establishes vision and direction for the community's future.

**City Manager ▶ Product ▶**

Oversees provisions of services to the taxpayer that that taxpayers cannot (or will not) provide for themselves.

**City Clerk ▶ Process ▶**

Ensures that the decision –making process:

- Is transparent to the public
- Complies with federal, state and local regulations; and
- Is properly recorded



## City Council Boards and Commission

Commission	Members	Date/Time/Location	Contact	700 Form	Stipend
Beale Military Liaison	1 member	12:00 p.m. Tuesday Every Even Month Beale AFB	Janice Nall – Beale AFB (530) 822-9988 <a href="mailto:jnall@c-mp.com">jnall@c-mp.com</a>	n/a	none
Feather River Air Quality Management District (FRAQMD)	1 member 1 alternate	4:00 p.m. Monday Every Odd Month 938 14 <sup>th</sup> St Marysville	LuAnn McKenzie - FRAQMD (530) 634-7659 Ex 204 <a href="mailto:lmckenzie@fragmd.org">lmckenzie@fragmd.org</a>	yes	<b>\$100/meeting</b>
Gilsizer Drainage District	1 member 1 alternate	4:00 p.m. Monthly Every 2 <sup>nd</sup> Wednesday 1201 Civic Center Blvd YC	Tammi Gaschke – Sutter County (530) 822-7450 <a href="mailto:TGaschke@co.sutter.ca.us">TGaschke@co.sutter.ca.us</a>	yes	none
Local Agency Formation Commission (LAFCO)	1 member 1 alternate	4:00 p.m. Monthly Every 4 <sup>th</sup> Thursday 1201 Civic Center Blvd YC	Virginia Perry – Sutter County (530) 822-7400 <a href="mailto:VLPerry@co.sutter.ca.us">VLPerry@co.sutter.ca.us</a>	yes	none
North Sacramento Valley Integrated Regional Water Management Group	1 member	9:00 a.m. Mondays TBD 210 N. Lassen St City Hall - Willows	Dan Peterson, Sutter County (530) 822-7450 <a href="mailto:dwpeterson@co.sutter.ca.us">dwpeterson@co.sutter.ca.us</a>	yes	none
Redevelopment Oversight Board	Mayor Gilsizer Representative	4:00 p.m. Monthly (TBD) Every 1 <sup>st</sup> Thursday 1201 Civic Center Blvd YC	Aaron Busch – Yuba City (530) 822-3231 <a href="mailto:abusch@yubacity.net">abusch@yubacity.net</a>	yes	none
Regional Housing Authority	1 member	12:15 p.m. Twice /Month 1 <sup>st</sup> & 3 <sup>rd</sup> Wednesdays 1455 Butte House Rd	Jennifer Ruiz – Housing Authority (530) 671-0220 Ext 122 <a href="mailto:j.ruiz@cahasc.org">j.ruiz@cahasc.org</a>	yes	<b>\$50/meeting</b>
Regional Waste Management	1 member 1 alternate	4:30 p.m. Monthly Every 3 <sup>rd</sup> Thursday 915 8 <sup>th</sup> Street Marysville	Keith Martin – YSTA (530) 634-6880 <a href="mailto:keith_martin@sbcglobal.net">keith_martin@sbcglobal.net</a>	yes	<b>\$50/meeting</b>
Sacramento Area Council of Governments (SACOG)	1 member 1 alternate	9:00 a.m. Monthly Every 3 <sup>rd</sup> Thursday 1415 L St #300 Sacramento	Rochelle Tilton - SACOG (916) 340-6208 <a href="mailto:rtilton@sacog.org">rtilton@sacog.org</a>	yes	<b>\$100/meeting</b>



## City Council Boards and Commission

Commission	Members	Date/Time/Location	Contact	700 Form	Stipend
School District Liaison	2 members	2:00 Thursday Nov-Feb-May-Aug 750 Palora Ave YC	Nancy Aaberg – YCUSD (530) 822-7601 <a href="mailto:naaberg@ycusd.k12.ca.us">naaberg@ycusd.k12.ca.us</a>	no	none
Screening Committee	Mayor Vice Mayor	As needed – to fill term ending dates June & Dec 1201 Civic Center Blvd YC	Terrel Locke - City Clerk (530) 822-4817 <a href="mailto:tlocke@yubacity.net">tlocke@yubacity.net</a>	no	none
Sutter Butte Flood Control Agency (SBFCA)	2 members 2 alternates	1:30 p.m. Monthly Every 2 <sup>nd</sup> Wednesday 1201 Civic Center Blvd YC	Sarah Modeste – SBFCA (530) 237-9837 <a href="mailto:s.modeste@sutterbutteflood.org">s.modeste@sutterbutteflood.org</a>	yes	none
Sutter Animal Services Authority (SASA)	2 members 1 alternate	1:00 p.m. Monday Jan-Apr-Jun-Sep-Nov. 1201 Civic Center Blvd. YC	Brad McIntire – Yuba City (530) 822-4652 <a href="mailto:bmcintir@yuabcity.net">bmcintir@yuabcity.net</a>	yes	none
Sutter Yuba Mosquito Vector District	1 citizen member appointed to a 4 year term	4:00 p.m. Monthly Every 2 <sup>nd</sup> Thursday 701 Bogue Road YC	Cathy Burns – Mosquito District (530) 674-5456 <a href="mailto:cburnssymvcd@pacbell.net">cburnssymvcd@pacbell.net</a>	yes	<b>\$100/meeting</b>
Yuba Sutter Regional Arts Council	1 member	5:00 p.m. Monthly Every 4 <sup>th</sup> Wednesday 624 E Street Marysville	Marika Garcia – Regional Arts (530) 742-2787 <a href="mailto:Marika@yubasutterarts.org">Marika@yubasutterarts.org</a>	yes	none
Yuba-Sutter Transit Authority (YSTA)	2 members 2 alternates	4:00 p.m. Monthly Every 3 <sup>rd</sup> Thursday 915 8 <sup>th</sup> Street Marysville	Keith Martin – YSTA (530) 634-6880 <a href="mailto:keith_martin@sbcglobal.net">keith_martin@sbcglobal.net</a>	yes	<b>\$50/meeting</b>

**City of Yuba City**  
**Local Board and Commission Appointment List**  
**June 30, 2014**

In compliance with the requirements of the Maddy Act, Government Code 54970, the following appointment list is posted on an annual basis by December 31st. It shows all current members of City Boards and Commissions and the dates of their terms of office as of the time of this posting.

<b>Planning Commission</b>		
<i>7 members - 4 year terms - Meets the 2nd and 4th Wednesday of each month at 6:00 p.m. in the Yuba City Council Chambers - Members must reside within the City limits.</i>		
Commissioner	Date Appointed	Term Ends
George Parker	01/18/11	12/31/14
John Sanbrook	01/18/11	12/31/14
Karm Bains	02/07/12	12/31/15
Daria Ali	12/18/12	12/31/16
Jana Shannon	12/18/12	12/31/16
Paul Basi	02/12/13	Sutter Co. Rep.
Preet Didbal	01/07/14	12/31/17

<b>Economic Development Commission</b>		
<i>5 members - 4 year terms - Meets every other month at 4:00 p.m. at City Hall. Members do not need to reside in City limits. Representatives from diverse businesses &amp; industries and representative agencies recommended</i>		
Commissioner	Date Appointed	Term Ends
David Burrow	01/18/11	12/31/14
Greg Heckman	01/18/11	12/31/14
Nancy Aaberg	12/18/12	12/31/16
Todd Remund	12/18/12	12/31/16
Ivin Rhyne	12/15/12	12/31/16
Christine Ivory (Alternate)	01/07/14	12/31/17

<b>Parks &amp; Recreation Commission</b>		
<i>5 members - 4 year terms - Meets the 3rd Wednesday of each month at 5:30 p.m. at City Hall - Members must reside within the City limits</i>		
Commissioner	Date Appointed	Term Ends
Charles Anderson	01/18/11	12/31/14
Tony Blackwell	01/18/11	12/31/14
Michelle Blake	01/18/11	12/31/14
Gary Hurlbut	12/18/12	12/31/16
Donna Hannaford	12/18/12	12/31/16

### Senior Commission

*7 members - 4 year terms - Meets the 1st Wednesday of each month at 9:00 a.m. in the Yuba City Senior Center - Members must reside in the City of Yuba City and represent a diverse group*

Commissioner	Date Appointed	Term Ends
June Bone	01/18/11	12/31/14
Richard Dettmer	02/07/12	12/31/15
David Gomes	02/07/12	12/31/15
William Paden	12/18/12	12/31/16
Pam Epley	01/07/14	12/31/17
Dr. George Robinson	01/07/14	12/31/17
Tanna Thomas	01/07/14	12/31/17

### Youth Commission

*9 members - 2 year terms - Meets the 3rd Wednesday of each month at 7:00 p.m. in the Sutter Room at City Hall - Members must be between 12 and 19 years of age and reside within the City limits*

Commissioner	Date Appointed	Term Ends
Meaghan Bains	07/16/13	06/30/15
Katie Ettl	08/20/13	06/30/15
Justine Gill	07/16/13	06/30/15
Preya Gill	07/16/13	06/30/15
Lauren Kroeger	07/16/13	06/30/15
Landon Garcia -Floyd	07/01/14	06/30/16
Jaipaul Maan	07/01/14	06/30/16
Ravina Sidhu	07/01/14	06/30/16
Isabella Toche	07/01/14	06/30/16
Alternate:	Vacant	06/30/16

### Personnel Board

*5 members - 4 year terms - Meets on an as needed basis - members must reside in the City limits*

Board Member	Date Appointed	Term Ends
Brian Betschart	06/19/12	06/30/16
Hardial Dulay	06/19/12	06/30/16
Richard Dettmer	07/01/14	06/30/18
David Koll	07/01/14	06/30/18
Anthony Kurlan	07/01/14	06/30/18

### Sutter Yuba Mosquito Vector Control

*1 member appointee from the City of Yuba City to the 7 member Trustee Board- 4 year term. The Board meets on the second Thursday of each month at 4:00 - Member must reside within the City limits*

Board Member	Date Appointed	Term Ends
John Dukes	12/18/12	12/31/14

<b>Regional Housing Authority</b>		
<i>1 citizen member appointed by the City of Yuba City and 1 tenant member appointed by the member agencies for the 7 member Board of Commissioners. Meets the 1st and 3rd Wednesday of each month at 12:15 at the Housing Authority. Citizen member must reside within the City limits</i>		
<b>Board Member</b>	<b>Date Appointed</b>	<b>Term Ends</b>
Martha Griese	02/28/14	12/31/17
Suzanne Gallaty	02/05/13	01/16/15

<b>Traffic Committee (Inactive)</b>		
<i>5 members - 2 year terms - <u>Meets on an as needed basis</u> - Members must reside within the City limits</i>		
<b>Member</b>	<b>Date Appointed</b>	<b>Term Ends</b>
Police Chief	Permanent	N/A
Public Works Director	Permanent	N/A
Vacant		N/A
Vacant		N/A
Vacant		N/A

<b>Accessibility Board of Appeals (Inactive)</b>		
<i>5 members - 2 year terms - <u>Meets on an as needed basis</u> - Board shall have two persons with disabilities, two qualified by experience and training to pass on matters pertaining to all forms of building construction and related building materials and equipment, and one from the general public and reside within the City limits</i>		
<b>Board Member</b>	<b>Date Appointed</b>	<b>Term Ends</b>
Vacant		N/A

<b>Building Board of Appeals (Inactive)</b>		
<i>5 members - 4 year terms - <u>Meets on an as needed basis</u> - Board shall have one qualified person from each of the building, electrical, plumbing, mechanical industries, and an engineer or architect</i>		
Vacant		N/A

This notice is to remain posted until December 31, 2014

/s/ Terrel Locke  
**City Clerk**

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# ADMINISTRATIVE SUPPORT

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## **Council Non-Participation in City Administration**

In order to uphold the integrity of the council-manager form of government, and to provide proper checks and balances, members of the City Council refrain from becoming directly involved in the administrative affairs of the City. As the Council is the policy making body and the maker of local laws, its involvement in enforcement of ordinances would only damage the credibility of the system. Adopted policy specifically prohibits interference by Councilmembers in the city's administration, including the hiring, firing, and work of City staff, with the exception of the City Manager and City Attorney.

*[Resolution No. 05-171 Code of Ethics; Resolution No. 14-056 Rules of Decorum]*

## **Staff Resources**

The City Manager is the liaison between the Council and City staff and determines the protocol for the relationship between Councilmembers and staff. General requests for information may be made directly to Department Heads who will advise the City Manager. The information requested will be copied to all members of the Council so that each member may be equally informed.

There are limited restrictions when information cannot be provided. The City is legally bound not to release certain confidential personnel information. Likewise, certain aspects of police department affairs (i.e., access to restricted or confidential information related to crimes) may not be available to members of the City Council.

Except for the purpose of inquiry, Councilmembers shall not give orders to subordinates of the City Manager. Councilmembers shall not publically criticize or censure any staff member of the City and instead relay any criticism of a staff member privately through the City Manager.

## **Administrative Support Staff**

The City Manager's Office provides primary staff support to the members of the City Council. The Executive Assistant will coordinate and make travel arrangements; maintain appointment schedules and calendars; arrange meetings, conferences and civic functions for the members of the City Council.

## **Council Mail**

Individual mailboxes are maintained for each Councilmember by Administration. In addition, City staff may personally deliver materials that are time-sensitive to a member's home or office, if appropriate. City staff does not open Councilmember's mail unless requested to do so by the Councilmember.

All correspondence, including E-mail, addressed to the City Council or to individual Council members relating to the conduct of the City's business is a public record as defined in Government Code section 6252 and will be retained by the City in accordance with its retention schedule.

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# ADMINISTRATIVE SUPPORT

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## **Equipment and Technology**

With the advancement of technology, Council adopted a “paperless agenda” in 2010, using an in-house automated Agenda Management process. The City Council elected not to have the City provide devices to staff or Councilmembers for this process. Staff is available to Council to discuss and assist new Councilmembers with the process of device selection.

## **Use of Public Resources**

Councilmember shall not use public resources, such as staff time, equipment, supplies or facilities for private gain or personal services.

Mayor’s Office. To enhance the Mayor and Councilmembers service to the community and their ability to communicate with staff and the public, the City provides an office for the Mayor. The Mayor’s office includes a computer, phone and Wi-Fi service.

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# CITY MANAGER

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## **The City Manager**

Most California cities maintain the Council-Manager form of government, with a City Council elected by the people and charged with the basic responsibility of governing the community. A City Manager is appointed by the Council to manage the City's administrative responsibilities and day-to-day operations. In becoming an elected official in a City, it is helpful to review the roles of City officials and examine the nature of their relationship to the City Manager.

### Primary Functions of the City Manager

The City Manager has two distinct, if overlapping, roles:

1. To provide direct staff assistance to the Council as a whole and to its individual members
2. To manage the City organization in the delivery of public services

A City Councilmember normally works on two kinds of matters -- daily constituent needs or specific complaints, and the longer-range issues of public policy, such as what services should be provided by the City government, at what level those services should be provided, and what direction the community should take in its future development. In order to deal effectively with either type of problem, the Councilmember requires staff assistance.

In a real sense, the entire City organization serves as staff to the elected officials, and the City Manager, together with other members of the Executive Team, see to it that the necessary assistance is provided. Perhaps the most common problem experienced is the constituent service problem, i.e., when a citizen contacts a Councilmember with a complaint about City service. The Council member then asks the City Manager to investigate, or resolve the matter, with or without a report back to the Council member.

Individual members of the Council should not expect the City Manager to implement their ideas unless a majority of the Council gives such direction. The City Manager's role is to carry out Council policy as established on a given issue by a majority of its members. A Councilmember who is in the minority on some issue should endeavor to change his/her colleague's position rather than expecting the City Manager to marshal the organization's resources in support of a policy decision that differs from the direction set by the Council majority.

Regardless of the issue area, the City Manager assists the Council in working with staff to facilitate the Council's decision-making role. If the Council is concerned with a land-use planning issue, the City Manager works with the City's planning staff to provide information and/or alternatives for the Council; if the Council is concerned about the level of police service, the manager works with the City's police services staff to do the same, and so forth. The City Manager is directly responsible for the quality of all staff assistance provided to the Council.

In addition to his or her role in providing direct staff assistance to the City Council, the City Manager is responsible for executing Council policies. As the chief executive officer of the City, the City Manager must see to it that the services and programs the Council has decided upon are effectively delivered. In this role, the City Manager supervises the work of the City's Executive Team to make certain that the systems and procedures employed in the delivery of services are the most effective possible in relation to program objectives, and to make equally sure that the people within the City organization are working together as a team.

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# CITY MANAGER

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It is extremely important that the City Manager be well-qualified technically; know how to deliver municipal services in an efficient manner; know when the procedures in use could be strengthened or improved upon; and to suggest techniques or approaches which can work to achieve the objectives set by the Council. It is of at least equal importance that the City Manager knows how to get the most out of the people in the City organization; how to assist them in working well together; and how to realize the best performance of which each is capable.

A professional City Manager has one basic commodity to sell, aside from technical knowledge about City service delivery systems and the management of people in organizations - INTEGRITY. A good City Manager must have the ability and, on occasion, the guts to present what he or she feels is best for the community even when this view may not be popular. His or her ability to always be thorough and forthcoming in providing information and alternatives to the Council is the essence of professionalism. In group processes particularly, trust is vital to effectiveness.

## Relations between the City Council and the City's Management Staff

The determining factor in assessing any relationship between people is the quality of communication between them. The perceptions and expectations that each person has of the other and of their relationship form the basis of the relationship. The transmission of information is dependent upon this foundation, which underlies all human relations in any organization. It is equally applicable to relations between members of the Executive Team, members of the City Council, and between the City Council and appointed staff. Each participant in the City organization, elected or appointed, must work at appreciating the many sets of relationships which exist and which must be accommodated in the process of setting and effecting City policy.

In a well-functioning City government, the City Council and the City staff will demonstrate a genuine respect for each other and each other's roles. This does not necessarily mean that everyone will agree. Rather, there is agreement about how to disagree. Public statements expressing lack of trust or personalized attacks reduces everyone's image, and creates a climate of protecting one's self and defensiveness.

## City Council Goal Setting

The City Council's ability to govern and make progress is very closely related to the Council's ability to provide direction to the City Manager and staff. Only when individual Councilmember desires are "elevated" to a policy or program supported by all or at least a majority of the City Council can one's own agenda be realized.

Unfortunately, there are many forces at work making unity and a team approach difficult for a City Council to achieve. Consequently, many City Councils have found it invaluable to occasionally come together in a facilitated team- building or goal setting workshop. The City of Yuba City holds a public workshop in February or March of every year for the Council and Executive Team to gather together to specifically discuss the priorities and goals of the City and for Council to provide direction in for the preparation of the annual budget and capital improvement program.

*[League of California Cities New Mayors and Council Members Resource Guide]*

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# CITY ATTORNEY

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## **The City Attorney**

The city attorney is a valuable resource to a mayor and city council. In order to facilitate effective communication between the city council and the city attorney, it is helpful to understand a city's options in obtaining legal services and what the city attorney's job entails.

Effective communication between city officials and the city attorney is critical to the smooth operation of the city. Early and frequent communication about proposed city actions can save cities headaches and money in the long run.

### Primary Functions of the City Attorney

The city attorney has several functions, which can be categorized as follows and will be explained in further detail below:

- Serving as chief counsel to the city for both elected officials and staff
- Reviewing and drafting ordinances, resolutions, contracts, deeds, leases and other legal documents
- Representing the city in litigation as a defendant or a prosecutor.

### Chief Counsel to the City/ Elected Officials and Staff

As chief counsel, the city attorney typically attends all city council meetings to provide on-the-spot counsel and to have firsthand information on immediate and contemplated city actions. An important aspect of this job is to render opinions on specific legal issues. These opinions can either be formal (in writing) or informal (oral advice). The city attorney also may serve as the council's parliamentarian.

One of the primary functions of the city attorney is to provide legal advice on whether the city has the authority to engage in a given activity. Cities, of course, share sovereign power with the state and federal governments. There are policy areas in which the state and federal government have reserved authority exclusively to themselves, thereby "preempting" local action on an issue. There are other instances in which the state or federal law has imposed specific obligations on a city if it wants to take action. In either event, the city attorney's advice can prevent costly legal missteps.

In order to render an informed opinion on important legal questions, the city attorney must sometimes analyze several sets of statutes and hundreds of reported cases. The sheer volume of law affecting cities has increased greatly during the last decade.

Further complicating the city attorney's job is the fact that the law is not always clear in a given area. When this occurs, the city attorney must give his or her best judgment on the probable and possible legal consequences of a proposed course of action. The city attorney cannot, however, make the law clear when it is not and would disservice the city by creating a false sense of security in the face of real risk.

### Reviewing and Drafting Legal Documents

In addition to providing counsel to the city, the city attorney is also responsible for the drafting and/or review of important legal documents, such as ordinances or contracts.

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# CITY ATTORNEY

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## Hiring a City Attorney

The voters elect a small number (eleven) of city attorneys in California. The remaining cities with appointed city attorneys obtain legal services in two basic ways. The city can hire one or more attorneys as full-time city staff (the "in-house" city attorney), or, the city may choose to hire a "contract" city attorney to provide legal services.

According to the League of California Cities' records, only about a fourth of California's cities have chosen to have full-time, in-house legal counsel. Numerous cities contract with attorneys in private practice who either represent several cities or represent other, non-municipal clients. The City of Yuba City receives legal services in this way.

## Communication is a Two-Way Street

Effective communication requires a joint effort on the part of the city attorney and city officials to make sure the city attorney is kept informed of the city's activities. This means that council members must sometimes take the initiative in communicating concerns to the city attorney; similarly, the city attorney must communicate concerns to the council as well. It is particularly helpful for a city attorney to receive a "heads up" if the council member knows in advance that a legal question may arise at a public meeting. By alerting the city attorney to the issue beforehand, the city attorney will be prepared to answer any questions that may arise during the meeting.

## A Note about the Attorney-Client Relationship

A client's communications with his or her attorney are protected by the attorney-client privilege, which protects the confidentiality of those communications. Allowances are made for this fact in the Brown Act, which authorizes the council to meet in closed (non- public) session to discuss pending litigation against the city.

One frequently asked question is precisely "who" is the city attorney's client. The answer determines to whom the attorney-client privilege applies. Although there is some debate on the issue, the basic answer is the city attorney's client is the city as a whole, acting through the city manager and city council. The city council therefore holds the attorney- client privilege, which means the city attorney's communications with staff members and individual members of the council cannot be kept confidential from the full city council.

From time to time, a city official may wonder about the advice being given by the city attorney. It is tempting, of course, to seek a second or even third opinion. While such opinions have their place, it is best to include the city attorney in evaluating any such option.

The city attorney is the individual the city has hired to advise the city on legal matters. The city attorney is most familiar with the laws bearing on the city's action, particularly local ordinances, internal procedures and any charter provisions. If the city is sued over a given action, it is the city attorney who will be responsible, in all likelihood, for defending the city in court.

*[League of California Cities New Mayors and Council Members Resource Guide]*

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# Tips for Governing Board Member Success

Institute for Local Government

# Tips for Governing Board Member Success

October 10, 2012 Version

## The Difference of Perspective between Electeds and Staff

Understand and embrace the important but different perspectives that elected officials and staff bring to their respective roles as part of a democratic institution at the local level.

- Elected officials focus on what their constituents value and need from the agency; and
- Staff has technical expertise in policy areas and what can work, given their day-to-day experiences with implementing agency policies, practices and service delivery that can help inform the decision-making process.<sup>1</sup>

Both perspectives are important in making decisions in the community's interests. Elected officials play a key bridging function between the community needs and staff; the chief executive officer in turn plays a bridging function between elected officials and staff.

### Resources on Maximizing the Success of Board/Chief Executive Relations

Companion pieces to this tip sheet are available:

- Board/Executive Staff Communications Strategies
- Chief Executive Strategies
- The Importance of an Annual Evaluation Process

Visit our website at:

<http://www.ca-ilg.org/Board-Chief-Executive-Relations>

## Acknowledgements

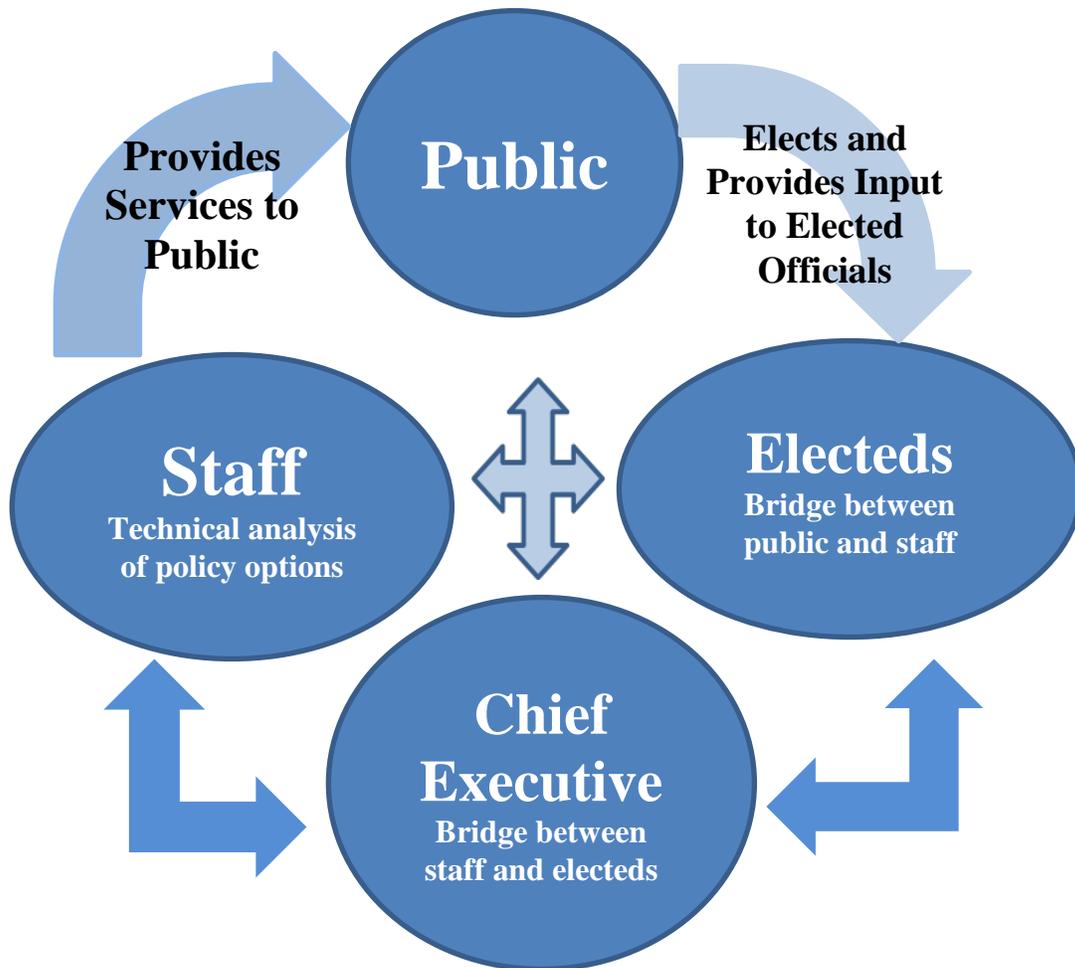
This resource reflects the insights and thoughts of a number of individuals, including Kevin C. Duggan, West Coast Director, International City/County Management Association, Pete Kutras, Retired County Executive, Santa Clara, and Principal Consultant, Municipal Resource Group, LLC, Richard A. Haffey, County Executive Officer, Nevada County, and William Chiat, Director, CSAC Institute for Excellence in County Government.

In addition, the following publications are helpful on this topic:

- International City/County Management Association and National League of Cities, *Working Together: A Guide for Elected and Appointed Officials* (1999); and
- International City/County Management Association and National League of Cities, *Leading Your Community: A Guide for Local Elected Leaders* (2008).

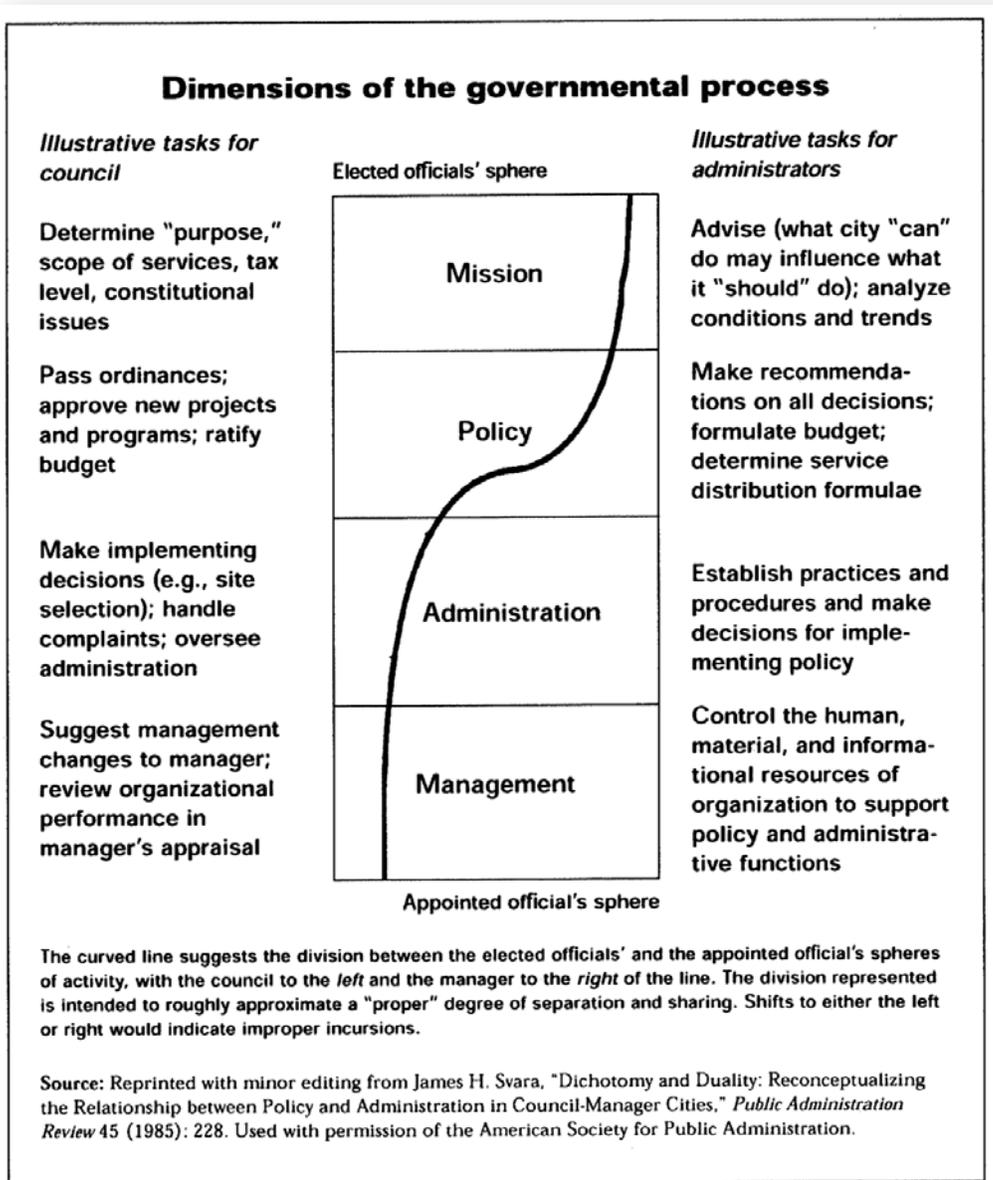
## Bridging Function

Elected officials play an important bridging role between the public and staff; the agency's chief executive plays an important bridging function between staff and elected officials.



## Role Division

Current thinking is that elected and appointed officials operate in all four dimensions of the governance process: mission, policy, administration and management, although to differing degrees.<sup>2</sup> The graphic<sup>3</sup> below illustrates this phenomenon. The curved line illustrates the division of roles between governing boards and executive staff; how this line looks for each local agency varies.



## **Role Clarity**

A shared understanding of the chief executive's role and the governing board's expectations optimizes the working relationship.

- The process of developing such a shared understanding begins with the hiring process and each participant in the process being forthright about their respective expectations.
- An annual evaluation process is an ongoing opportunity for such communication, particularly as governing board members change.

Staff will be most able to perform to expectations if those expectations are clear and mutually acceptable.

## **Setting Goals and Priorities**

A helpful practice is to have the governing board establish priorities and strategic goals for the organization; such goals and priorities are a tool to guide the chief executive and staff on where to focus their efforts.<sup>4</sup>

Establishing an annual time for board reflection on community priorities would also offer an opportunity to discuss decorum among members and the executive-board relationship.

## **Limited Resources Means Difficult Trade-offs**

An unhappy reality is that there are likely insufficient resources to accomplish everything that the community and elected governing board members desire. This reality creates challenges for the chief executive in proposing a budget as well as well as managing the agency work force.

## **Finding Common Ground**

A key skill for a governing board member is finding areas of agreement and common interests with other board members. Within the parameters of the state's open meeting laws, work with the other governing board members to find areas of agreement on what courses of action best serves the public's interests.

In the event that board members disagree, clear ground rules can quell acrimony before it becomes a public spectacle.

## Understanding that Public Policymaking Involves Value Choices

Policy choices tend to be choices among different values, including the values of fairness, compassion, efficiency, individual rights, common good and others. The “correct” answer is likely to be an elusive goal,<sup>5</sup> particularly since members of the community as well as other members of the governing board are likely to give different values different weight.

### Chief Executive Works for the Entire Board

All members of the body were elected by the community to participate in the agency’s decision-making processes. As a result, the chief executive’s responsibility is to strive for positive working relationships with all members of the body equally and provide information equally to all members of the body.

### Communications Needs

Let the chief executive know what kinds of communications work for you. While the chief executive’s job is to share information with all members of the governing body equally (and typically through a combination of written communications and one-on-one meetings), governing body members will often have different communications preferences as to what combination of these two techniques work best for them.

### Transparent Decision-Making

The governing board makes decisions (and gives staff direction) at open and well-publicized governing board meetings. These decisions occur after having listened to, inquired of, and learned from in your interactions with all segments of the community and staff.

### When the Governing Board Changes

Staff’s job is to implement the policies adopted by the governing body. This includes implementing changes in policy direction when the philosophy of the governing board changes.

New majorities on boards sometimes impute the policy preferences of the previous boards to staff. This causes them to worry that staff will not be as diligent in implementing changes to previous policies. They sometimes believe staff has to change in order for policies to change.

This is another area where frank and ongoing communication is helpful. Most professional staff understand that policy directions change and that their role is to implement that change, as long as the policy falls within the bounds of the laws and public service ethics.

Allow a certain amount of time for staff and the new majority to get to know one another and see if a productive working relationship can occur.

## **The Benefits of Collaboration**

Be forthright on your objectives and goals with the chief executive, so he or she can do what is possible to help you achieve them (as opposed to “going around” him or her). A chief executive will try to be as responsive as possible to the needs of individuals on the governing board; however understand that significant tasks are likely to require governing body buy in and some tasks may conflict with priorities and policies adopted by the full governing body.

## **Ground Rules**

A helpful practice is for the governing board as an entity to adopt, regularly review and update how the board will conduct its meetings and make decisions.<sup>6</sup> Such protocols typically address meeting procedures (agenda preparation, how to put issues on the agenda, debate and voting procedures (parliamentary rules), and standards of decorum (civility).<sup>7</sup>

## **Managing Difficult Board Members**

Staff’s role is to provide information to enable elected officials to knowledgeably participate in the decision-making process. However, from time to time, there will be difficult and divisive board members that create a challenging and uncomfortable environment for both the board and staff. There is no one-size-fits-all solution to solve such a problem. In the end, the board must manage its own behavior—not staff.

## **Staff Preparation**

If you have questions, concerns and/or information needs (or know that members of the community do), provide staff a heads up in advance of meetings so staff can be prepared to address them.

## **Unwelcome Information**

One of staff’s least favorite roles is providing information and analysis that will make one or more governing board members unhappy. Typically, providing such information is part of staff’s job to avoid surprising the board. If pursuing a given course of action could have negative outcomes (a lawsuit, unintended consequences or a chance that a given goal will not be achieved), it is staff’s job to let the board know so the board can factor such information and risks into the decision. If possible, staff will also try to identify options and alternatives for reducing the risk of negative outcomes.

## Directing Questions and Criticisms

Question, and if appropriate, criticize ideas, policies, programs or outcomes, but not the individuals involved (whether those individuals are fellow elected officials, staff or members of the public). Remember that staff is your tool to accomplish your objectives. Public praise for things you like will motivate; public criticism and embarrassment will discourage. Criticism or information regarding staff missteps should be directed to the chief executive to address.

## Responding to Mistakes and Disappointing Outcomes

Mistakes are likely to happen in any organization. If something bad happened, ask what measures can and will be taken to prevent such missteps in the future.<sup>9</sup>

This resource is a service of the Institute for Local Government (ILG) whose mission is to promote good government at the local level with practical, impartial, and easy-to-use resources for California communities. ILG is the nonprofit 501(c)(3) research and education affiliate of the League of California Cities and the California State Association of Counties.

For more information and to access the Institute's resources on Local Government 101 go to <http://www.ca-ilg.org/local-government-101>.

The Institute welcomes feedback on this resource:

- *Email:* [info@ca-ilg.org](mailto:info@ca-ilg.org) Subject: *Tips for Governing Board Member Success*
- *Fax:* 916.444.7535
- *Mail:* 1400 K Street, Suite 205 ▪ Sacramento, CA ▪ 95814

## Resources and References

<sup>1</sup> International City/County Management Association and National League of Cities, *Working Together: A Guide for Elected and Appointed Officials* (1999) at 22.

<sup>2</sup> *Working Together: A Guide for Elected and Appointed Officials*, at 19-20.

<sup>3</sup> Based on the work of James H. Svava in “Dichotomy and Duality: Reconceptualizing the Relationship between Policy and Administration in Council-Manager Cities,” *Public Administration Review* 45 (1998): 228. This material is reproduced with permission of John Wiley & Sons, Inc.

<sup>4</sup> Kevin C. Duggan, A Key Ingredient for Success: An Effective City Council/City Manger Relationship, at 9.

<sup>5</sup> Julia Novak and John Nalbandian, Preparing Councils for Their Work, *PM Magazine*, August 2009, available at <http://webapps.icma.org/pm/9107/public/feature3.cfm?author=Julia%20Novak%20and%20John%20Nalbandian&title=Preparing%20Councils%20for%20Their%20Work&subtitle=>

<sup>6</sup> See International City/County Management Association and National League of Cities, *Working Together: A Guide for Elected and Appointed Officials* (1999), at 59. Mike Conduff, Council Relations, *PM Magazine* (June 2012), available at <http://webapps.icma.org/pm/9405/public/council.cfm?author=&title=Council%20Relations&subtitle=>

<sup>7</sup> See International City/County Management Association and National League of Cities, *Leading Your Community: A Guide for Local Elected Leaders* (2008) at 30-33.

<sup>8</sup> Julia Novak and John Nalbandian, Preparing Councils for Their Work, *PM Magazine* ( August 2009), available at <http://webapps.icma.org/pm/9107/public/feature3.cfm?author=Julia%20Novak%20and%20John%20Nalbandian&title=Preparing%20Councils%20for%20Their%20Work&subtitle=>

<sup>9</sup> A Key Ingredient for Success: An Effective City Council/City Manger Relationship, at <http://webapps.icma.org/pm/9107/public/feature3.cfm?author=Julia%20Novak%20and%20John%20Nalbandian&title=Preparing%20Councils%20for%20Their%20Work&subtitle=>

# Elected Official Direction to Staff

Institute for Local Government



*Everyday Ethics for Local Officials*

**Elected Official Direction to Staff**

*December 2004*

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**QUESTION**

*I am a newly elected local official, and I ran on a platform of "taking care of the basics." Being action oriented, I requested a meeting with our public works director immediately after I took office to discuss some concerns my neighborhood has had about the condition of our streets. I think this is a situation that needs addressing **now**.*

*During the meeting, I noticed she was very uncomfortable. Furthermore, I got frustrated because she refused to commit to any plan of action to address my concerns. I lost my temper when she suggested my concerns should be discussed with her boss, the city manager. The public works director has worked for our agency for more than 10 years and should be able to respond to my concerns competently. Frankly this is the kind of nonresponsiveness that I ran against in my campaign. What gives?*

**ANSWER**

First, congratulations on your election and your willingness to spend time engaged in public service for your community. Public service is complex and has some traps for the unwary, as you discovered in your meeting with the public works director. There are probably several things triggering her discomfort.

**How Decisions Regarding Street Repairs/Improvements Are Made**

As an elected official, you are now part of a multi-member governing body that collectively makes policy decisions for our agency. Those policy directives are typically communicated to the city manager, who then provides appropriate direction to staff to follow up.

For example, regarding the street issue, the city may already have a capital improvement program. This program probably has a schedule or agreed-upon standards and/or an engineering evaluation of the condition of city streets. These objective criteria guide staff on how to prioritize repairs for those streets most in need. These criteria likely have already been approved by the council as a whole and are subject to a budget also adopted by the council.

The public works director's discomfort may have resulted from a concern that you were suggesting that the city deviate from its already adopted policies and budgetary priorities. It may be that you don't agree with the city's present approach or priorities, but those concerns need to be addressed to and by the council collectively. You can imagine the chaos that would result if each council member could individually direct the activities of city departments.

This is not to say that staff does not appreciate hearing from council members about conditions of which the city should be aware. The key is to communicate this in a way that does not direct or appear to direct staff to act.

## **The City Manager's Role**

This distinction between providing information to staff and providing direction is key in cities with a council manager form of government. In such cities, the council provides direction to the city manager, who then relays that direction to staff. The general role of the city manager is to promote partnerships among council, staff and the public in developing public policy and building a sense of community.

The reason that the public works director suggested that you talk with the city manager is that, by law, this is the way the council-manager form of government has been set up. Because the manager recruits, hires and supervises the city's staff and carries out the council's policies, it is appropriate for the manager to direct staff.<sup>1</sup> In fact, most staff members are trained to do exactly what the public works director did - suggest you contact the city manager. This enables the manager to hold staff accountable on the council's behalf for implementing the council's policies and directives. The entire council, in turn, holds the manager accountable for staff's overall performance.

This "chain of command" feature of the council-manager form of government is typically embodied in the city's charter or ordinances. Elected officials who have disregarded this feature have found themselves in legal hot water. For example, a mayor in the San Francisco Bay Area was convicted in 2002 of violating this aspect of the city charter by asking that city employees do favors for him that advanced his personal investment objectives.

The issue also came up in litigation involving a Southern California city and a land use matter. Homeowners argued that the city's actions with respect to a nonconforming use were legally flawed because a council member had passed along a constituent's concerns about the structure to the city's planning director.<sup>2</sup> Ultimately the city prevailed on the argument that the council member's communication was an inquiry and not a directive, but it was an arduous process. The court also implied that the result might have been different had the council member's communication been a directive to staff.

This is not to say that lawsuits or criminal prosecutions will follow all communications with staff. However, these two cases do underscore that the particular division of labor

envisioned by the council-manager form of government is one that has the force of law and needs to be respected for the city to operate smoothly. The bottom line is that, if your city has a council-manager form of government, it appears your conversation broke the law.

## **Conflict of Interest Issues**

Another possible reason for the public works director's discomfort may relate to the fact that the street improvements were in your neighborhood. Under the state's conflict of interest rules, you need to be especially careful about becoming involved in city issues that affect your neighborhood if you own or have a long-term lease on property in the vicinity.

The conflict of interest rules preclude you from being involved in governmental actions that affect your economic interests. Under these rules, you have an economic interest in real property in which you, your spouse, your dependent children or anyone acting on your behalf has invested \$2,000 or more, and also in certain leasehold interests. The analysis can be complex and involve determinations of whether your property will receive improved street services (as opposed to merely repaired streets). A conversation with your agency counsel can help you understand the law's application to your specific circumstances.

Remember, too, that the law only sets minimum standards for ethical behavior in public service, and public perception plays an important role in public service ethics. Whether or not you legally need to disqualify yourself from becoming involved in these discussions, think how it will look to the community in general if one of your first priorities as an elected official appears to be one that involves some kind of personal benefit in terms of improved streets in your neighborhood.

This can be an ethical dilemma in and of itself if one of your campaign pledges involved a promise to get the streets fixed for your neighbors. On one hand, you told people you would take steps to address a problem (promise-keeping is an ethical value); on the other, you now have a responsibility to act in the community's best interests as a whole.

One approach to balancing these conflicting ethical values is to learn how decisions concerning street repairs and improvements are made in your city. It may also be that other areas of the city have the same needs as your neighborhood. Talking with the city manager about whether this issue can be put on the agenda for discussion by the council or whether the city can sponsor a community workshop to hear residents' concerns are two options to move forward on your goal of following up on campaign commitments. This also provides your fellow council members an opportunity to participate in the conversation.

### **Communicating With Staff: What's OK and What's Not?**

In cities with a city manager form of government, the typical ordinance provides that elected official inquiries and information exchanges with staff are OK, but "directives" are not. Typically this means that an elected official can share information with staff members and seek facts from them but cannot tell them to do anything. The lines can become blurry, however, when an elected official is inquiring about a problem situation, because there usually is a strong and natural correlation between an elected official's being aware of a problem and wanting that problem addressed.

As an ethical matter, it's best not to try to walk too closely to the line; for example, making it clear in the tone and phrasing of your "inquiry" that you would appreciate/expect some form of action, while carefully avoiding anything that literally would be a "directive" or a request for action. Basically such an approach violates the spirit of the rule against council members issuing directives to staff. Violating the spirit of any rule is rarely, if ever, ethical. If what you want is action on a problem, talk with the city manager.

### **Treatment of Staff**

Staff can be a valuable source of expertise and background on these issues, which is why it is unfortunate you lost your temper with the public works director. Experienced and loyal staff are a precious resource for any organization, and the public sector is no exception. As you can tell from the above analysis, the public works director was trying to do her job and keep you from stepping over legal boundaries by referring you to the city manager.

As a general matter, keep in mind that asking staff for special favors - even those that do not benefit you personally - puts staff in an awkward situation. Staff generally are dedicated to their jobs and want to work with the elected officials to improve their communities. Forcing them to choose between doing something an elected official wants them to do and established city practices, protocols and policy erodes that trust. Add the fact that staff may worry that their livelihoods are on the line no matter which approach they take, and the damage to the relationship goes even deeper.

Why should you care? There are two sets of reasons. In terms of ethics, respect is another key ethical value. There are ways of communicating the depth of one's concern and frustration without giving in to the anger that may accompany that frustration. Sure, you have the power as an elected official to scold staff about something, but ethics is not about what we can do - it's about what we ought to do. This is why most cities have protocols or other requirements that any criticisms of staff members be made only in private to the city manager.

The second set of reasons to care about staff's loyalty is more pragmatic. Your success as an elected official depends on the assistance of capable staff who know your community. Savvy leaders cultivate their relationships with those in a position to help them achieve their goals. You want to motivate staff to apply their expertise, energy and creativity to the problem you want to solve. As management guru Ken Blanchard counsels, "The key to successful leadership today is influence, not authority."

As a steward of the city's resources, you have a responsibility to concern yourself with the long-term implications of city practices in general. On the staff relationship issue, veteran recruiter John Shannon (now with CPS Executive Search) says he has observed the difficulties public agencies have in attracting top-notch individuals if the word is out that the working environment is abusive, unstable or unfair. (And be assured that with e-mail, word travels fast if members of a profession feel that one of their own has been mistreated.) In fact, when organizations have had this problem for awhile, they become subject to a sort of downward spiral of mediocrity that becomes difficult to overcome. This is not the direction in which you want to take your city.

Finally, encouraging talented individuals to make a career in public service is an even more long-term and global issue. The question of where the next generation of city professionals will come from is significant enough that the city managers' organization has a committee dedicated to grappling with it.

## **What to Do?**

Cartoonist Lynn Johnston described an apology as the "superglue of life" because it can repair almost anything. Do what the public works director suggested and talk with the city manager about what happened and explore options. Then ask to meet with the public works director to apologize for losing your temper. Experienced staff appreciate that elected officials may not be accustomed to being part of a collective decision-making body. They also understand that you are just becoming acquainted with how city council members can advance both their policy goals and constituents' concerns. Being a person who acknowledges this can get you off on the right foot with the city's staff in your new position.

## The City Manager's Ethical Obligations

This month's column discusses the ethics of elected officials dealing with staff. What about the city manager's ethical obligations to serve elected officials?

Those who are members of the International City-County Management Association (ICMA) subscribe to a lengthy code of ethics that includes a number of tenets on this topic:

- **Tenet 5.** Submit policy proposals to elected officials, provide them with facts and advice on matters of policy as a basis for making decisions and setting community goals, and uphold and implement local government policies adopted by elected officials.
- **Tenet 6.** Recognize that elected representatives of the people are entitled to credit for the establishment of local government policies; responsibility for policy execution rests with the [ICMA] members.
- **Tenet 7.** Refrain from all political activities that undermine public confidence in professional administrators. Refrain from participation in the election of members of the employing legislative body.

ICMA promotes ethical conduct through its code of ethics, publications on ethics issues and training programs for local government professionals. For more information about ICMA's ethics program, issues and advice, or enforcement of the ICMA Code of Ethics, visit the Ethics Program section of [www.icma.org](http://www.icma.org).

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This piece originally ran in *Western City Magazine* and is a service of the Institute for Local Government (ILG) Ethics Project, which offers resources on public service ethics for local officials. For more information, visit [www.ca-ilg.org/trust](http://www.ca-ilg.org/trust).

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### Endnotes:

<sup>1</sup> See, for example, section 5 of the typical ordinance establishing a council-manager form of government offered on the International City-County Management Association's website: [www.icma.org](http://www.icma.org) (providing that "Except for the purpose of inquiry, the council and its members shall deal with the administration solely through the city manager and neither the council nor any member thereof shall give orders to any subordinates of the city manager, either publicly or privately.")

<sup>2</sup> *Levy v. City of Santa Monica*, 114 Cal. App. 4th 1252, 8 Cal. Rptr. 3d 507 (2d Dist., 2004).

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# MISSION STATEMENT

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## The Mission of Yuba City

To anticipate and provide for the needs of the community through  
***Quality Service, Innovation and Leadership***  
for today and in the future

## Our Vision

As an organization of dynamic, innovative, creative and dedicated people, we focus on continuously improving our ability to provide a variety of public services in a climate of increasing change. We have a diverse work force that actively engages in continuous learning, performance improvement and teamwork. By applying advanced technologies, improving our work processes, and building partnerships, we excel in providing for the needs of our community. We take pride in working for the public, we actively participate in our community and we deliver exceptional value for Yuba City's citizens and businesses.

## Our Values

Committed to delivery of quality service.

Provide a safe community with a high quality of life.

Strive to be proactive and innovative and plan for the future.

Committed to teamwork, empowerment and development of employees.

Encourage broad-based public dialogue and consensus concerning strategic issues.

Protect the financial health of the City and promote the economic viability of the region.

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# STRATEGIC GOALS

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**Strategic Goal # 1**  
Exceptional Public Health & Safety

Provide exceptional services in order to maintain and ensure the health, safety and welfare of our community.

**Strategic Goal # 2**  
Sense of Community

Ensure that the City retains a sense of community through planned development.

**Strategic Goal # 3**  
High Quality of Life

Enhance the quality of life in the City.

**Strategic Goal # 4**  
Organizational Development

Continuously develop the City organization to provide and maintain high quality services with given resources.

**Strategic Goal # 5**  
Quality Service Delivery

Improve communications between citizens and the City and improve the level of customer satisfaction for public services.

**Strategic Goal # 6**  
Use of Technology

Ensure that City employees have access to the technology necessary to provide high quality services.

**Strategic Goal # 7**  
Modern Public Infrastructure

Provide adequate funding and management systems to maintain and enhance City infrastructure.

**Strategic Goal # 8**  
Prudent Financial Management

Operate City government in a fiscally prudent and managerially responsible manner to assure the most efficient expenditure of public funds.

**Strategic Goal # 9**  
Balanced Economic Development

Ensure a well-planned and diverse local economy in order to provide a strong economic base.

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## Adopted Priorities and Goals March 2014

- **Public Safety: Police, Fire, Flood Control**
  - **Provide Police Services to Walton Area**
- **Develop Our Economy**
- **Maintain and Improve Our Infrastructure**
- **Develop Our Organization**
  - **Leadership Development**
- **Prepare for Growth**
- **Enhance Our Image/Reputation**

## Public Safety: Police, Fire, Flood Control

### Provide Police Services to Walton Area

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#### Successes

- Reduction in Part I Violent Crimes
- Reduction in Part I Crimes Overall
- Reduction in Gang Violence
- Addition of SUV's to Patrol Fleet
- Provided Adjustments to Staffing Issues
- Responded to 8,452 Emergency Response Calls (Up from 8,166 in 2012)
- Approved Purchase of Two Type 1 Fire Engines
- Hired Two New Fire Fighters
- Began Yuba Sutter Hazardous Materials Response Team
- Provided Fire and Life Safety Training to 5,055 Children
- Grants Received = \$674,869
- Levee Construction

#### Initiatives/Challenges

- Provide Police Services to Walton Area
- Patrol and Dispatch Staffing Shortages
- Gang Task Force and Net-5 Staffing/Funding
- Police Realignment Issues
- Loss of State Police Training Funds with Same Requirements
- Clean and Safe Yuba City (Private Property Camping, Sit and Lie, Aggressive Panhandling)
- Police Volunteer Expansion into New Areas
- Maintaining the Same Level of Fire and Life Safety Services
- Long-term Vehicle Replacement and Large Ancillary for Fire Services
  - Multi-purpose Unit for Air Light, Hazardous Materials, Rehab

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## Develop Our Economy

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#### Successes

- Yuba-Sutter Chamber of Commerce Tourism Program
- Business Retention & Expansion:
  - Kingsbury
  - Sierra Central
  - Baked Industries
  - Biltek Profits

#### Initiatives/Challenges

- Reduce Vagrancy and Improve Opportunities for New Economic Development through Improved Safety and Blight Removal
- Garden Hwy Industrial Property/Extension of Lincoln, East of Garden Highway
- Highway Property of Commercial Development – Harter Specific Plan
- Establish India Sister City Association
- Five-year Economic Development Work Plan
- Develop Entrepreneur Incubation Resources
- Provide Direct Marketing to Ag Based Businesses

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## Maintain and Improve Our Infrastructure

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### Successes

- Butte House Road/Pease Road Class II Bike Lanes
- Western Parkway/SR 20 Intersection Improvements
- ADA Transition Plan Improvements Project
- Residential Resurfacing Project
- Striping Project 2013
- Fifth Street Bridge Funding – Obtained \$17.1M Gant from SACOG
- Other Grants Received = \$121,500
- Raw Water Intake & Low Lift Pump Station Improvements (Fish Screen)
- Water Intake Access Road
- Replacement of Membrane Filter Modules at WTP
- Computer Maintenance Management Software at WTP
- Discharge Permit
- Computer Maintenance Management Software at WWTF
- Purchased Solar System Project from SunEdison
- *No Odor or Fly Complaints in 2013*
- Laboratory Completed EPA-MUR Requirements
- Installed Variable Frequency Drive at Lift Station #10

### Initiatives/Challenges

- Fire Station 2 – ADA Improvements/Remodel
- Fire Station 1 – 50 year old structure – long-term process for remodel or replacement
- Public Safety Training Center/EOC
- Police Department Capital Improvement Projects
- Fifth Street Bridge Replacement
- Water & Wastewater Rate Study
- Continuing Implementation of Bike Master Plan
- Pavement Management System
- Low Lift Pump Station Security Improvements
- Meet 2020 Target – Water Conservation Bill of 2009
- Water Taste/Odor Control System
- Water Backwash Recovery
- Aquifer Storage Recovery

- Replacement of Water Lines
  - New Outfall Diffuser
  - Digester Rehabilitation and New Cogeneration System
  - Oxygen General Rehabilitation
  - Septic/Grease Receiving Station
  - Bar Screens
  - Solids Dewatering Improvements
  - Chlorine Contact Basing Rehabilitation
  - Electrical/Instrumentation System Improvements
  - Lift Station Assessment and Improvements
  - Compliance with Discharge Permit – Advanced/Tertiary Treatment
  - Grit Basin Improvements
  - Additional (4<sup>th</sup>) Secondary Clarifier
  - WWTF Odor Control System
  - Funding – Balance Water and Wastewater Rates with Infrastructure and Debt Service Needs
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## **Develop our Organization**

### **Leadership Development**

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#### **Successes**

- Leadership Succession – Retirement of Assistant Chief Webster
  - Assistant Chief Garcia
  - Commander Eden
  - Lieutenant Lizardo
  - Sergeant Runyan
- James Rowan “Grow Your Fire Captains” Leadership Training
- Anthony Kastros Nationally Recognized Leadership Training
- Yuba Sutter Training Officers Association
- Hired 27 New Employees
- ICMA Leadership Training Program for 20 managers/supervisors
- Quarterly Management/Supervisor Training

#### **Initiatives/Challenges**

- Budget Imbalance Likely to Remain through FY 18
  - Pension Expenses on the Rise
  - Attracting Qualified Candidates (especially Police & Water/Wastewater)
  - Reestablish New Employee Orientation
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## **Prepare for Growth**

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#### **Successes**

- Purchase of homes on Bridge Street – for future widening of Bridge Street – SR/99 – 5<sup>th</sup> Street Bridge

## Initiatives/Challenges

- Expand Yuba City SOI south – Newkom Ranch
- Bridge Street Corridor – SR/99 to 5<sup>th</sup> Street Bridge
- SR/99 Widening – 6 lanes from SR/20 to Bogue Road
- Lincoln Road Extension East of Garden Highway
- Third Local Bridge
- Installation of New Water Lines to Service Development
- Installation of New Sewer Lines to Service Development
- Address Drought:
  - Evaluation of Treated Effluent as a Water Source
  - Use of Recycled Water

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## Enhance Our Image/Reputation

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## Successes

- 10<sup>th</sup> Annual 4<sup>th</sup> of July Parade
- Purchased Fire Demo/Extinguisher
- Hired New Code Enforcement Officer
- Highway 20 Corridor Grant Received = \$100,000
- Beautification Projects
  - Geweke Landscaping
- Citywide Shopping Cart Round-up – collected 453 abandoned carts
- Adopted a No Camping Ordinance on Public Property
- Installed lights at the downtown Water Tower Park
- Parks & Recreation Grants Received = \$1,736,480
- Updated City's Website
- Improved Citizen Communication Software & Mobile App
- Dynamic Yuba City Facebook Page
- Council Meeting Videos Posted on YouTube
- Online Fillable Documents
- Electronic Bill Pay Options

## Initiatives/Challenges

- Develop partnerships with other organizations such as the Downtown Business Association, Recology, Homeless Consortium, Sutter County to combat vagrancy issues
- Build Business/Police Academy Collaboration
- Focused Enforcement on Plumas Street:
  - Loitering
  - Shopping Carts
  - Unlicensed Dogs
  - Dumpster Diving
  - Bikes and Skateboards on Sidewalks
- Establishment of New Donation Parking Meter On-Street

- Anti-Panhandling Message & Ordinance
- Adoption of a No Camping on Private Property Ordinance
- Opening an Office for Police/Community Service Officer Presence Downtown
- Enhance and Collaboration between K-12 Schools & EDC
  - Junior Achievement
- Abatement of Blighted and Unsafe Properties
- Coordinated Multi-Department Effort to Address Blighted Apartment Projects
- New Ordinance for Cleaning Up Recycling Centers and Graffiti
- Coordinated Sign Enforcement Along Key Street Corridors



**Progress Report  
2014-2015 City Council Goals & Priorities  
August 19, 2014**

- **Public Safety: Police, Fire, Flood Control**
  - **Provide Police Services to Walton Area**
- **Develop Our Economy**
- **Maintain and Improve Our Infrastructure**
- **Develop Our Organization**
  - **Leadership Development**
- **Prepare for Growth**
- **Enhance Our Image/Reputation**

## Public Safety: Police, Fire, Flood Control

### Provide Police Services to Walton Area

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#### Initiatives Progress Report

- Hire the staffing needed to support identified shortages of essential police personnel, with emphasis on Police Officers and Dispatchers
  - Through a testing process in March 2104, Recruits were identified and are being sponsored through the Police Academy. Estimated date of completion is 12/7/14, followed by a four month Field Training Program.
- Ensure Funding is Sufficient to continue the Gang Task Force and Net-5 staffing levels
  - With the adoption of the FY 2014-2015, the program is funded through 2014-2015
- Police Realignment Issues
  - Currently, approximately \$60,000 has been utilized to bring on a new K-9 Unit.
  - Approximately \$100,000 of 2014/2015 Realignment Funding will be considered by Council on August 19, 2014
- Maintaining the Same Level of Fire and Life Safety Services
  - Chief Daley provided information to the City Council at their meeting on March 11, 2013 regarding Fire Department Critical Staffing Levels
- Develop Long-term Vehicle Replacement and Large Ancillary Plans for Fire Services
  - 2013 Assistance to Firefighters Grant in the amount of \$20,425 for replacement of helmets to Council on August 19, 2014

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## Develop Our Economy

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#### Initiatives Progress Report

- Establish India Sister City Association
  - The City is continuing to work with the Department of State and India Embassy based in Washington D.C. to form a relationship with Ludhiana and Jalandhar, India
- Five-year Economic Development Work Plan
  - In April of this year, the City hired Chabin Concepts and appointed a 20 member stakeholder group made up of key business and community members to assist in the drafting of the City's new economic development plan. The group met three times in April and May and through those efforts the Economic Development Commission adopted and recommended approval of the attached Grow Our Economy Work Plan and Implementation Plan for consideration by the Council on August 19th.

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## Maintain and Improve Our Infrastructure

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### Initiatives Progress Report

- Remodel Fire Station 2 for ADA Improvements
  - Phase I construction of offsite improvements has begun and should be completed in the Fall.
- Develop a Plan to bring a Public Safety Training Center/EOC Facility to Yuba City
  - A committee consisting of Fire, Police & Public Works has been formed and is working on a conceptual Site Plan. The committee will do onsite evaluations of EOC facilities in Carlsbad and Reno and is looking for grants.
- Implement Police Department Capital Improvement Projects
  - Bids and quotes are being obtained for various items of work. Construction is estimated to be complete by June 2015
- Advance Fifth Street Bridge Replacement Project
  - Environmental Review and Final Design are currently in progress. Once this is complete, Right of Way Acquisition will begin. Construction is on-track for 2016-2018
- Prepare Water & Wastewater Rate Study
  - The award of the professional services contract will be brought to the City Council in September 2014. Two City Council workshops will be scheduled in January and March 2015.
- Construct Low Lift Pump Station Security Improvements
  - A contract was awarded in April 2014. Construction anticipated to be completed in June 2015.
- Meet 2020 Target – Water Conservation Bill of 2009
  - Introduced the “Every Drop Counts” campaign on June 22, 2014
  - Council approved a Water Conservation Rebate Program on Jul 15, 2014
  - Council approved implementation of the WaterSmart software program on July 15, 2014
- Evaluate Water Taste/Odor Control System
  - Initial Assessment by a contracted consultant performed in July
- Construct New Outfall Diffuser
  - A study to determine placement of the diffuser was completed
  - Hiring a consultant to prepare, design obtain permits, prepare environmental documents will begin in early 2015

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## Develop our Organization

### Leadership Development

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#### Initiatives Progress Report

- Establish Cost Efficient Programs for Employee Professional Development
  - An in-house six month ICMA Effective Supervisory Practices training series that was headed by the City Manager was completed in June 2014. Twenty staff members participated, with representatives from every department
  - Quarterly Management Leadership Training Session have been coordinated by Human Resources
  - The Mid-Manager group is currently developing New Leadership Development Training for employees looking to learn more about advancing their skills and learning about what is involved in becoming supervisors
- Develop an Action Plan to Attract Qualified Candidates (especially Police & Water/Wastewater)
  - After testing and evaluation, two new Police recruits have been sponsored to the Police Academy. The Academy will be complete in December 2014, followed by four months of field training
- Develop a New Employee Orientation Program
  - A New Employee Orientation was held on May 8<sup>th</sup> and attended by employees who have been hired over the past three years. This event was very well received and appreciated by the attendees

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## Prepare for Growth

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#### Initiatives Progress Report

- Facilitate the processing of a new development project which includes the expansion of the City's Sphere of Influence south
  - A Public Outreach meeting was held on Monday August 11<sup>th</sup>. The purpose of the meeting was to invite all of the affected property owners within the subject boundary in order to gain some insight about the SOI expansion process and determine their level of interest in this effort. The focus of the meeting was intended to be solely on the SOI expansion process in this vicinity, and will include: the difference about SOI expansion and annexation; the process for both (in a simplified form); possible environmental challenges to future development (i.e. flood mapping, traffic, etc.); and, a brief mention of the proposed Newkom Ranch project

## Enhance Our Image/Reputation

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### Initiatives Progress Report on Milestones

- Reduce Vagrancy and Improve Opportunities for New Economic Development through Improved Safety and Blight Removal (*Clean & Safe Program*)
  - Contracted with a vendor to collect abandoned shopping carts and working with retailers with the use of financial incentives (fines) for retailers to accept responsibility for collecting their own carts.
  - Implemented an abandoned Shopping Cart Reporting function on the City's Mobile App
- Increase Focus of Law Enforcement of Plumas Street
  - Coordinated efforts were initiated with the Downtown Business Association, Recology, Animal Control, Police Department and other City Departments to enforce current city codes to deter dumpster diving, illegal camping, loitering, etc.
- Adopt an Anti-panhandling Message & Ordinance
  - Council will be considering an anti-aggressive and unsafe panhandling ordinance at the August 19th council meeting
- Adopt a No Camping on Private Property Ordinance
  - Staff will be introducing an Ordinance to the City Council in October 2014
- Enhance and Collaboration between K-12 Schools & EDC
  - A new Junior Achievement Program is actively being developed with an Advisory Committee of over 20 participants with representatives from the City, the School District, and the business community
- Actively utilize Code Enforcement efforts to Abate Blighted and Unsafe Properties
  - Many new abatements are occurring as a result of new code enforcement officer. Monthly abatement reports are being prepared and distributed to Council to illustrate success
- Coordinated Multi-Department effort to address Blighted Apartment Projects
  - Department representatives from Community Development, Fire, Police and Sutter County Health met in June to form a team with the purpose of pursuing action on several blighted apartment projects

This discussion and analysis of the City of Yuba City's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2013. Please read it in conjunction with the preceding transmittal letter and the City's financial statements and related notes, which follow this section.

#### **A. FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$634.5 million. Of this amount, \$55.4 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$9.8 million.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$42.8 million, an increase of \$2.3 million from the prior fiscal year.
- The General Fund reported excess expenditures (and other financing uses) over revenues (and other financing sources) of \$0.01 million.

#### **B. OVERVIEW OF FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements, commonly referred to as the *City's Basic Financial Statements*. Management's Discussion and Analysis introduces these statements and includes two different views of the City's financial activities and position: (1) Government-Wide Financial Statements provide information about the activities of the City as a whole and present a longer-term view of the City's finances; (2) Fund Financial Statements provide detailed information about the individual functions of City government, telling how services were financed in the short-term as well as what remains for future spending.

Each set of statements presents the City's finances in a distinct way. To assist the reader in understanding the differences between them, a brief discussion of each follows, including the relationship of these statements to each other and the significant differences in the information they provide.

##### **Government-Wide Financial Statements**

The Government-Wide Financial Statements provide a broad overview of City finances in a manner similar to private-sector business. These statements separate the City's activities into two areas:

**Governmental Activities** – these services are principally supported by taxes and intergovernmental revenues. Most of the City's basic services are considered to be governmental activities including public safety, community development, public works, parks and recreation, and general administration.

**Business Type Activities** – these services rely upon user fees and charges to help cover all or most of their costs. The City's water and wastewater operations are reported here.

Within the framework of these activities, a Statement of Net Position and a Statement of Activities report information about the City as a whole. These statements include all assets and liabilities of the City (i.e., infrastructure and long-term debt) and use the *full accrual basis of accounting* in which all the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

The two statements can be generally described as follows:

**The Statement of Net Position** presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

**The Statement of Activities** presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows.

Notably, these statements differ from the Fund Financial Statements in that they *include* all assets of the City (including infrastructure) and all liabilities (including long-term debt) and *exclude* certain interfund receivables, payables and other interfund activity as prescribed by GASB Statement No. 34. For an additional reference, a reconciliation between the two is provided on pages 23 and 26 of this report.

### **Fund Financial Statements**

The Fund Financial Statements provide detailed information about each of the City's most significant funds – not the City as a whole. Management establishes funds to help control and manage money for particular purposes. There are three categories of funds: governmental, proprietary, and fiduciary.

**Governmental Funds** – most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using *modified accrual* accounting, which measures cash and all other financial assets that can be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. This information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and the governmental *funds* in a reconciliation at the bottom of the fund financial statements.

The City's major governmental funds include the General Fund, HOME Grant Special Revenue Fund, Streets and Roads Special Revenue Fund, General Capital Improvement Projects Fund, and Impact Fee Capital Improvement Projects Fund. All other funds are combined in a single, aggregated presentation. Individual data for each of these non-major governmental funds is provided in the form of combining statements beginning on page 87 of this report.

**Proprietary Funds** – when the City charges customers for services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds provide the same type of information as shown in the government-wide financial statements (i.e., business type activities), only in more detail. The City has two types of proprietary funds: enterprise funds and internal service funds. The City uses enterprise funds to account for its water and wastewater operations. The City uses internal service funds to account for its general support services, employee benefits, and risk management services – activities that provide supplies and services for the City's other programs and activities. Since they predominantly serve the governmental rather than business type activities, they are included within the governmental activities in the government-wide financial statements.

**Fiduciary Funds** – the City is the trustee, or fiduciary, for certain funds held on behalf of external parties. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Position. These activities are excluded from the City's other financial statements because the resources of the funds are not available to support the City's own programs. The City is responsible for ensuring that the assets reported in these funds are used for the intended purposes. The City also has two Private-Purpose Trust Funds which are used to account for the Successor Agency funds of the former Redevelopment Agency. These Private-Purpose Trust Funds (PPTF) include the RDA Low/Mod Successor PPTF and the RDA Successor Agency PPTF.

### **Notes to Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report presents the following required supplementary information: budgetary comparisons for the City's General Fund, HOME Grant Special Revenue Fund, and Streets and Roads Special Revenue Fund; a description of the City's accounting policies with regard to the annual budget; information regarding any excess of expenditures over appropriations; and schedules of funding progress for the CalPERS Miscellaneous Plan and Other Postemployment Benefits.

**C. GOVERNMENT-WIDE FINANCIAL STATEMENT ANALYSIS**

The City's combined Net Position for the fiscal year ended June 30, 2013, totaled \$634.5 million, a decrease of \$9.8 million from the prior fiscal year (the detail in the table below may not add due to rounding).

**Summary of Net Position**  
(Amounts in Millions)

	Governmental Activities		Business-Type Activities		Total		Total % Change
	2013	2012	2013	2012	2013	2011	
<b>Assets:</b>							
Current and Other Assets	\$ 80.7	\$ 84.7	\$ 29.3	\$ 31.4	\$110.0	\$116.1	-5.2%
Capital Assets	428.3	434.0	199.7	198.7	628.0	632.7	-0.7%
<b>Total Assets</b>	<b>509.1</b>	<b>518.7</b>	<b>229.0</b>	<b>230.2</b>	<b>738.1</b>	<b>748.9</b>	<b>-1.4%</b>
<b>Liabilities:</b>							
Current and Other Liabilities	16.5	16.6	5.4	4.2	21.8	20.8	5.3%
Long-term Liabilities	22.1	22.5	59.6	61.3	81.7	83.8	-2.5%
<b>Total Liabilities</b>	<b>38.6</b>	<b>39.1</b>	<b>65.0</b>	<b>65.4</b>	<b>103.5</b>	<b>104.5</b>	<b>-0.9%</b>
<b>Net Position:</b>							
Net Investment in							
Capital Assets	413.0	419.2	138.2	135.9	551.2	555.0	-0.7%
Restricted	27.6	26.6	0.3	1.6	27.9	28.2	-1.2%
Unrestricted	29.8	33.8	25.6	27.3	55.5	61.1	-9.2%
<b>Total Net Position</b>	<b>\$470.5</b>	<b>\$479.6</b>	<b>\$164.0</b>	<b>\$164.7</b>	<b>\$634.5</b>	<b>\$644.3</b>	<b>-1.5%</b>

At June 30, 2013, a significant portion of net position (87 percent) consisted of the City's net investment in capital assets. This component, which reflects the total amount of funds used to acquire those assets less any outstanding debt used for such acquisition, decreased from the prior fiscal year by \$3.8 million. The decrease is comprised of both a decrease of \$6.1 million in governmental invested in capital assets and an increase of \$2.3 million in business type invested in capital assets.

Governmental net investment in capital assets increased by \$6.6 million due to the City's investment in new capital assets, and decreased \$0.6 million due to the change in the long-term debt associated with capital assets, and the exclusion of deferred amounts, such as costs of issuance and refunding differences, and decreased by \$12.2 million due to depreciation. The largest investments in governmental type assets were the LED Streetlight Conversion Project \$1.4 million, the 2013 Road Rehabilitation Project of \$2.0 million, the Queens Avenue/SR 99 Interchange Improvement Project \$1.8 million and the Feather River Parkway Improvement Project \$1.2 million.

Business type net investment in capital assets increased by \$8.8 million due to an increase in the investment in new assets and \$1.3 million due to the change in long-term debt associated with capital

assets, and the exclusion of deferred amounts, such as costs of issuance and refunding differences, and decreased by \$7.8 million due to depreciation. Increases in business type assets include the 2013 Water Line Replacement Project \$0.8 million and the Wastewater Effluent Outfall Replacement Project \$2.1 million.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets are not generally liquidated for such purposes.

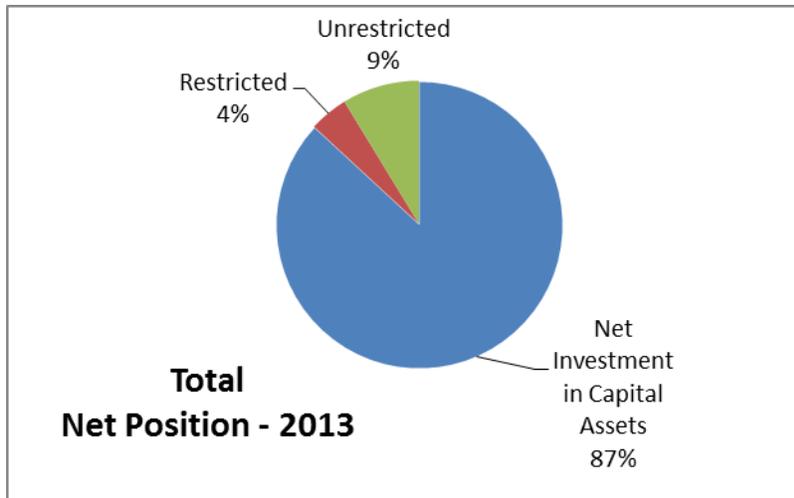
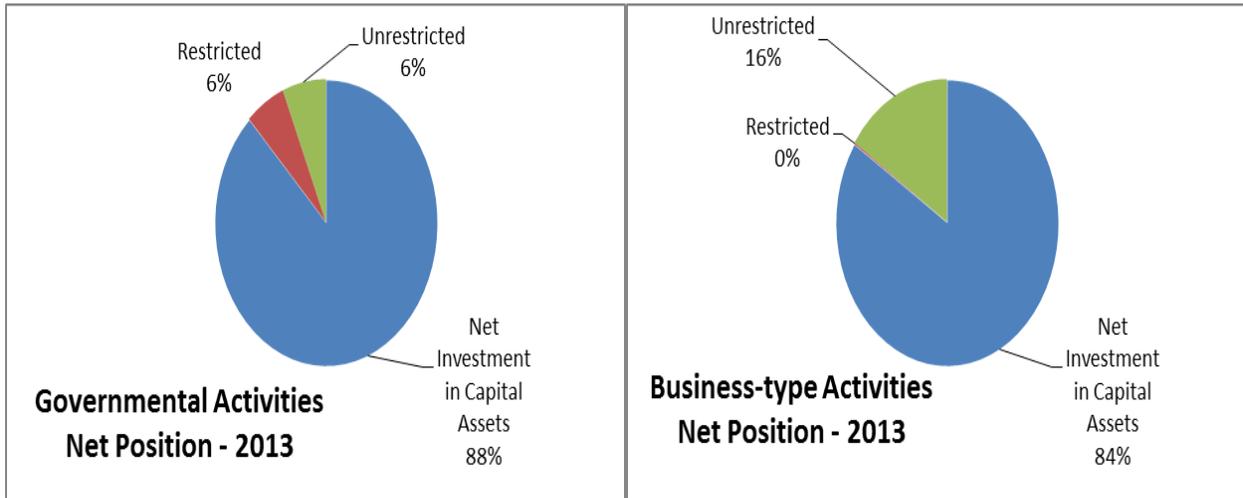
Restricted net position of \$27.9 million (4 percent) represent resources subject to external restrictions as to how they may be used. Of the \$0.3 million decrease in restricted net position, \$1.0 million was increased within governmental activities, which mainly included an increase of \$1.3 million restricted for community development, \$0.9 million restricted for lighting districts, \$0.8 million restricted for debt service, a decrease of \$1.6 million restricted for capital projects, and other decreases of \$0.4 million for separately stated specific purpose restrictions (see page 15 for the detailed listing). \$1.3 million was decreased within the business-type activities due to a decrease in net position restricted for debt service.

Unrestricted Net Assets of \$55.5 million (9 percent) represent amounts that may be used to meet the City's ongoing obligations to its residents, businesses, customers, and creditors have decreased \$5.6 million from the prior fiscal year. Of this decrease, \$4.0 million occurred in the governmental activities mainly due to the prior period adjustment of removing the net pension asset of \$4.7 million. Unrestricted Net Assets for business-type activities decreased \$1.7 million mostly due to a decrease in all types of cash and investments of \$3.0 million and an increase in accounts receivable of \$1.0 million.

The decrease in Current and Other Assets of \$6.1 million included a decrease of \$4.0 million in governmental activities and \$2.1 million in business-type activities. The decrease in governmental activities was mainly related to a decrease in all types of cash and investments of \$2.9 million and net pension asset of \$4.7 million, with an increase in investment in JPA of \$2.9 million. The decrease in business-type activities was mainly due to a decrease in all types of cash and investments of \$3.0 million and an increase in accounts receivable of \$1.0 million.

The increase in Current and Other Liabilities of \$1.0 million is mostly related to an increase of \$0.7 million of accounts payable in governmental activities, a decrease of \$1.0 million of unearned revenue in governmental activities, an increase of \$0.9 million in accounts payable in the business-type activities and an increase of \$0.3 million in non-current liabilities due within one year in the business-type activities.

Long-term Liabilities decreased by \$2.1 million with a decrease of \$0.4 million in governmental activities and a decrease of \$1.7 million in business activities. Governmental activities decreased due to the new street light conversion lease payable increase of \$1.3 million and normal debt service retirement decrease of \$1.6 million, not including the reclassification of non-current long-term debt to current amounts due within one year. The decrease in business activities was due to the new water revenue refunding bonds increase of \$21.7 million and additional loan proceeds of \$1.4 million, with a decrease for the payoff of the 2005 COPs of \$22.7 million, and normal debt service retirement decrease of \$1.9 million, not including the reclassification of non-current long-term debt to current amounts due within one year.



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The following table shows the changes in net position for governmental and business type activities (the detail may not add due to rounding):

**Statement of Activities**  
(Amounts in Millions)

	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total</b>		<b>Total % Change</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	
<b>Revenues:</b>							
Program Revenues:							
Charges for services	\$ 5.2	\$ 5.0	\$22.0	\$19.3	\$27.3	\$24.3	12.0%
Operating Grants and Contributions	4.0	3.6	1.4	0.1	5.4	3.7	49.1%
Capital Grants and Contributions	6.6	4.5	-	-	6.6	4.5	45.8%
General Revenues:							
Property Taxes	13.0	14.3	-	-	13.0	14.3	-8.6%
Sales and Other Taxes	11.2	10.8	-	-	11.2	10.8	3.2%
Investment Income	0.2	0.8	0.5	0.3	0.7	1.1	-35.8%
Other	0.1	1.0	-	-	0.1	1.0	-92.2%
<b>Total Revenues</b>	<b>40.3</b>	<b>40.0</b>	<b>24.0</b>	<b>19.7</b>	<b>64.3</b>	<b>59.7</b>	<b>7.6%</b>
<b>Expenses:</b>							
General Government	4.1	4.0	-	-	4.1	4.0	3.1%
Public Safety	23.8	24.6	-	-	23.8	24.6	-3.2%
Parks and Recreation	2.3	2.4	-	-	2.3	2.4	-1.1%
Public Works and Facilities	14.7	14.4	-	-	14.7	14.4	2.1%
Community Development	2.7	1.8	-	-	2.7	1.8	45.9%
Interest on Long-term Debt	0.9	3.0	-	-	0.9	3.0	-69.0%
Water	-	-	10.9	10.8	10.9	10.8	1.4%
Wastewater	-	-	9.9	10.1	9.9	10.1	-1.4%
<b>Total Expenses</b>	<b>48.6</b>	<b>50.2</b>	<b>20.8</b>	<b>20.8</b>	<b>69.4</b>	<b>71.0</b>	<b>-2.2%</b>
Transfers	3.8	3.3	(3.8)	(3.3)	-	-	n/a
Change in Net Assets Before Extraordinary Item	(4.5)	(6.9)	(0.7)	(4.4)	(5.1)	(11.3)	-54.5%
Gain on Transfers to RDA Successor Trust Funds	-	32.1	-	-	-	32.1	n/a
Change in Net Assets/Position	(4.5)	25.3	(0.7)	(4.4)	(5.1)	20.8	-124.6%
Net Assets/Position - Beginning	479.6	451.1	164.7	169.1	644.3	620.2	3.9%
Prior Period Adjustment	(4.7)	3.3	-	-	(4.7)	3.3	N/A
Net Assets/Position - Beginning, Restated	474.9	454.4	164.7	169.1	639.7	623.5	2.6%
Net Assets/Position - Ending	470.5	479.6	164.0	164.7	634.5	644.3	-1.5%

**Governmental Activities**

The City's governmental activities decreased the City's net position by \$4.5 million (before the prior period adjustment). Revenues increased by 0.8 percent (\$0.3 million), while total expenses decreased by 3.2 percent (\$1.6 million). Revenue Highlights include the following:

- Capital Grants and Contributions increased by \$2.1 million due to an increase transportation development act funding of \$1.3 million and an increase of \$0.7 million in impact fee revenues.
- Operating contributions and grants increased by \$0.4 million mainly due to an increase in community development operating contributions and grants of \$0.9 million (NSP Grant) and a decrease in public works and facilities operating contributions and grants of \$0.4 million.
- Secured and unsecured property tax revenues decreased \$1.3 million due to the elimination of Redevelopment and declines in assessed valuations and Proposition 8 reassessments.
- Charges for services were increased \$0.2 million from the previous fiscal year.

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- Sales and use taxes increased by \$0.4 million due to an increase in taxable sales in the City.
- Miscellaneous revenues decreased by \$0.9 million due to less miscellaneous revenues received in the Streets and Roads Capital Projects Fund and the closing of the RDA related debt service funds which previously had received miscellaneous revenues in the prior fiscal year.
- Investment Income, which is a combination of interest earnings and change in the fair value of investments, decreased by \$0.6 million.
- Total expenses for governmental activities were \$48.6 million, which is a \$1.6 million decrease from the prior fiscal year. General government increased \$0.1 million, Public Safety decreased \$0.8 million, Parks and Recreation decreased \$0.1 million, Public Works increased \$0.3 million and Community Development increased \$0.9 million. Interest on long-term debt decreased by \$2.1 million due to the former RDA long-term debt not being included in the Statement of Activities.
- A prior period adjustment of \$4.7 million from an overstatement of net pension asset which reduced net position.

The following table shows the net cost of governmental activities (the detail may not add due to rounding):

**Net Cost of Governmental Activities**  
(Amounts in Millions)

	Total Cost of Services		Net Cost of Services	
	2013	2012	2013	2012
General Government	\$ 4.1	\$ 4.0	\$ (3.9)	\$ (3.9)
Public Safety	23.8	24.6	(19.8)	(21.6)
Parks and Recreation	2.3	2.4	(1.2)	(1.2)
Public Works and Facilities	14.7	14.4	(7.1)	(7.7)
Community Development	2.7	1.8	0.2	0.3
Interest on Long-term Debt	0.9	3.0	(0.9)	(3.0)
<b>Total Net Cost</b>	<b>\$ 48.6</b>	<b>\$ 50.2</b>	<b>\$ (32.8)</b>	<b>\$ (37.0)</b>

As shown in the Statement of Activities, the amount that taxpayers ultimately financed for governmental activities was \$32.8 million because some of the cost was paid by those who directly benefited from the programs (\$5.2 million), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$4.0 million), and capital grants and contributions (\$6.6 million). Overall, these governmental program revenues totaled \$15.8 million. The City paid for the remaining "public benefit" portion of the governmental activities with \$24.5 million in taxes (some of which could only be used for certain programs) and with other revenues, such as interest and general entitlements. There was also \$3.8 million transferred in from business-type activities.

**Business-type Activities**

The City's business-type activities decreased the City's net position by \$0.7 million. Total revenues increased by 21.8 percent (\$4.3 million), while total expenses stayed the same.

The net revenue increase includes the combination of an increase in service fees (\$2.7 million) and an increase in operating grants and contributions (\$1.3 million). Both the water (\$1.6 million) and wastewater (\$1.1 million) revenue service fee increases were attributable to an increase in charges for services. Operating grants and contributions increased due to an ARRA grant (\$0.8 million), a Proposition 50 State grant (\$0.2 million) and State grant revenue (\$0.4 million).

Operating costs for the water enterprise decreased \$0.5 million and decreased \$0.1 million for the wastewater enterprise. The water fund experienced an increase in depreciation expense (\$0.2 million), a reduction in salaries and benefits (\$0.2 million), and a reduction in maintenance and operation costs (\$0.2

million). The wastewater fund experienced an increase in depreciation (\$0.1 million) and a decrease in salaries and benefits (\$0.1 million).

#### **D. FUND FINANCIAL STATEMENT ANALYSIS**

The fund financial statements provide detailed information about each of the City's most significant funds; not the City as a whole. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

##### **Governmental Funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances that are available for spending. Unassigned fund balance is a measure of the City's net resources available for spending or assigning at the end of the fiscal year.

The General Fund is the chief operating fund of the City. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned and total fund balance to total funding requirements. As of June 30, 2013, the total fund balance of the General Fund was \$19.3 million (of which 58 percent is attributable to a long-term receivable from the City's Successor Agency). The unassigned fund balance of \$4.25 million is equal to 12.5 percent of total General Fund expenditures. Total fund balance increased just slightly over the previous fiscal year.

At the beginning of FY 2008-09 the City transferred \$2.3 million of one-time funds to the General Fund to fund the City's Economic Stabilization Reserve (ESR) fund. The ESR was intended to provide funding to cover revenue shortfalls during the economic downturn. During FY 2008-09, \$0.6 million was utilized to cover funding shortfalls, \$0.3 million was utilized during FY 2009-10, and an additional \$0.6 million was used during FY 2010-11. The remaining balance was replenished with an additional \$4.05 million from reserves to bring the fund balance committed for Economic Stabilization to \$4.675 million as shown in the prior year financial statements. The replenishment of the ESR was intended to fund the City's anticipated structural budget deficits for FY 2011-12 through FY 2013-14. During FY 2011-12 and FY 2012-13, \$0.4 million and \$0.3 million respectively was used from the ESR leaving a remaining balance of \$3.905 million as of June 30, 2013.

At June 30, 2013, the HOME Grant Special Revenue Fund balance increased only slightly from the previous year. There was a decrease of \$0.2 million in the portfolio of notes receivable on home loans made under program guidelines to low and moderate income persons. These loans are also shown as a unearned revenue liability until they are repaid at which time the repayment is program income revenue. Both the notes receivable and unearned revenue were \$5.4 million as of June 30, 2013.

The Streets and Roads Special Revenue fund balance decreased by \$0.2 million due to an increase in project expenditures (shown as transfers out).

The General Capital Improvement Projects fund shows a decrease in fund balance of \$0.1 million. The decrease in fund balance includes the net impact of expending funds on projects (\$1.6 million) and receiving lease proceeds on a California Energy Commission lease for retrofitting street lights to LED (\$1.3 million).

The Impact Fee CIP fund balance is not the best indicator of the fund's financial position since revenues are not realized until spent. However, the unearned revenue of \$10.3 million, a decrease of \$2.3 million from the previous fiscal year, represents the balance available for spending on projects included in the City's Impact Fee Ordinance.

##### **Proprietary Funds**

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning these funds have already been addressed in the discussion of government-wide financial analysis of business-type activities.

**E. GENERAL FUND BUDGETARY HIGHLIGHTS**

A detailed budgetary comparison schedule for the year ended June 30, 2013, is presented as required supplementary information following the notes to the financial statements. The Approved Budget is adopted by the City Council prior to the July 1 start of the fiscal year (the "Original Budget"). The City Council usually makes expenditure and revenue estimate changes during the course of the fiscal year as new information becomes available (resulting in the "Final Budget").

The net increase in budgeted expenditures from the original budget to the final budget is \$1.4 million, which was attributable to: 1) Additional appropriations for carryover expenditures from the previous fiscal year for existing contractual obligations that totaled \$0.2 million; 2) additional appropriations for grant activities in the amount of \$0.9 million, which are not included in the budget until funds are physically received by the City; 3) and supplemental appropriations of \$0.2 million strike team expenditures which were reimbursed by the State. Actual expenditures were \$0.2 million less than the adopted budget and \$1.6 million less than the final budget.

The net increase in budgeted revenues from the original budget to the final budget was \$0.9 million. This was attributable to increasing revenue budgets to account for the receipt of grant funds. Actual revenues were \$2.0 million more than the adopted budget and \$1.1 million more than the final budget.

**F. CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets** – the capital assets of the City are those assets which are used in the performance of the City's functions, including infrastructure. The City has elected to use the "basic approach" as defined by GASB Statement No. 34 for infrastructure reporting. Accordingly, eligible infrastructure assets are depreciated under the straight-line method. At June 30, 2013, net capital assets of the governmental activities totaled \$428.3 million and the net capital assets of business type activities totaled \$199.7 million. Depreciation on capital assets is recognized in the Government-Wide Financial Statements (the detail may not add due to rounding).

**Summary of Capital Assets**  
(Amounts in Thousands)

<b>Governmental Activities:</b>	
Land	\$ 125,347
Buildings and Improvements	49,531
Equipment, Vehicles, Machinery	18,285
Construction in Progress	3,531
Infrastructure	<u>358,542</u>
Total Governmental Capital Assets	555,237
Less: Depreciation	<u>(126,917)</u>
Total Net Governmental Activities:	<u>\$ 428,320</u>
 <b>Business Type Activities</b>	
Land	\$ 1,675
Buildings and Improvements	99,450
Equipment, Vehicles, Machinery	24,209
Construction in Progress	9,856
Infrastructure	<u>146,257</u>
Total Business-Type Capital Assets	281,447
Less: Depreciation	<u>(81,760)</u>
Total Net Business Type Activities:	<u>\$ 199,687</u>

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This fiscal year's major capital asset additions were:

- LED Streetlight Conversion Project \$1.4 million
- Street Rehabilitation and Improvement Projects \$2.5 million
- Queens Avenue/SR 99 Interchange Project \$1.8 million
- Feather River Parkway Project \$1.2 million
- Water Line Replacement Project \$0.8 million
- Wastewater Effluent Outfall Replacement Project \$2.1 million

**Long-Term Debt** – as of June 30, 2013, the City had outstanding debt issues as listed below. Not included in the table are assessment district and community facility district bonds since the City has no obligation for their repayment. Each of the City's other bonds are backed by certain specific revenues or General Fund lease payments. The City received rating changes from Fitch Ratings Agency and Standard & Poor's Rating Agency as follows:

- 1) Fitch Ratings affirmed the AA- rating with a stable outlook related to the City's General Fund 2006 Gauche Aquatics Parks Certificates of Participation in it's Special California Review in October, 2012.
- 2) Fitch Ratings affirmed the AA- rating with a stable outlook related to the City's 2005 Water Revenue Certificates of Participation in January, 2013
- 3) Fitch Ratings assigned a rating of AA- with a stable outlook to the 2013 Water Revenue Refunding Bonds in April, 2013.
- 4) Standard & Poor's assigned a rating of A+ with a stable outlook to the 2013 Water Revenue Refunding Bonds in April, 2013.

**Summary of Long Term Indebtedness**

(not including compensated absences, other post-employment benefits, or deferred amounts)

(Amounts in Thousands)

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Loans Payable	\$ -	\$ -	\$ 24,762	\$ 24,309	\$ 24,762	\$ 24,309
Capital Lease Payable	4,664	4,028	-	-	4,664	4,028
Certificates of Participation	10,945	11,230	-	-	10,945	11,230
Pension Obligation Bonds	3,980	4,770	-	-	3,980	4,770
Water Certificates of Participation	-	-	-	22,180	-	22,180
Water Revenue Refunding Bonds	-	-	21,710	-	21,710	-
Wastewater Revenue Refunding Bonds	-	-	9,270	9,425	9,270	9,425
Wastewater Certificates of Participation	-	-	7,814	8,301	7,814	8,301
Total Indebtedness	<u>\$ 19,589</u>	<u>\$ 20,028</u>	<u>\$ 63,556</u>	<u>\$ 64,216</u>	<u>\$ 83,144</u>	<u>\$ 84,244</u>

The City refinanced the 2005 Water Revenue Certificates of Participation on May 21, 2013 by issuing the 2013 Wastewater Revenue Refunding Bonds in the amount of \$21,710,000. This resulted in an economic gain of \$1.2 million.

The City approved a Project Finance Agreement with the California State Water Resources Control Board for \$7.7 million which includes principal forgiveness up to \$3.0 million as discussed in Note 5, Business-type Activities Loans Payable, on Page 63 of the CAFR.

For more detailed information on Capital Assets and Long-Term Debt, see Notes 3 and 5 to the Basic Financial Statements.

## **G. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

On June 18, 2013, the Council adopted the FY 2013-14 Operating Budget with total appropriations of \$71.1 million. Adequate resources are available to fund the proposed expenditures. The budget reflects the City's short and long-term organizational goals within the framework of projected revenue. It reflects continued budget reductions from that of previous years and a planned use of one-time resources as part of the City's three year budget plan with employee bargaining groups.

The past several years have been ones of tremendous financial change in California and Yuba City. The economic downturn continues to have dramatic effects on local government revenues throughout the State. With the economic recession now in the past, and a slow recovery period in progress, the City has continued the implementation of the multi-year budget plan developed several years ago. The budget plan recognized that the City had limited options in the short term. The City could layoff trained and experienced staff, reduce services to citizens, seek additional employee concessions or draw from a combination of solutions. The City achieved a balance between reductions in expenditures through employee concessions and the use of one-time reserve funds. In exchange for voluntarily increasing the furlough program from five percent to a total of ten percent, City bargaining units were given job guarantees that there would be no layoffs for a three year period. The City retained the right to leave positions that become vacant through attrition, vacant and unfilled.

The City put together a three year budget plan to cover the anticipated operating budget for the three fiscal years of FY 2011-12 through FY 2013-14, the same period of employee bargaining unit contracts.

The FY 2013-14 adopted general fund budget has a \$1.32 million structural deficit that was funded using the City's Economic Stabilization Reserve (ESR) in accordance with the City's three year budget plan. The ESR was replenished at the end of FY 2010-11 with funds to cover the City's anticipated deficit for the three year period including FY 2011-12 through FY 2013-14. The City increased appropriations between FY 2012-13 and FY 2013-14 by approximately \$900,000. These increases were due to cost escalations in healthcare, workers' compensation insurance, retirement, and inclusion of one-half of the debt service for the Gauche Aquatics Park Certificates of Participation that had previously been paid for using Redevelopment tax increment.

The structural deficit declined from \$2.26 million in FY 2012-13 to \$1.32 million in FY 2013-14, a reduction of \$0.9 million. The deficit would have been reduced even further (by \$1.3 million total) if the State Department of Finance had not disallowed the use of Redevelopment Property Tax Trust Funds from the Successor Agency for the Gauche Debt Service (\$0.4 million per year). One half of the Gauche Debt Service had been using Redevelopment tax increment revenues since 2006 when the certificates of participation were issued.

Yuba City has made strides to lessen it's deficit, but yet the deficit continues to exist. This is not unique to Yuba City; most cities throughout California are experiencing similar circumstances. The difference between Yuba City and other cities may very well be the cooperation achieved between City Council, the Executive Team, bargaining unit leaders and all city staff in achieving a balance between reducing expenditures through voluntary concessions and the City's planned use of reserves.

The FY 2013-14 adopted budget projected a 2.0% decline in property taxes. Based upon the final assessed valuation reports from the Sutter County Auditor-Controller's Office, general fund assessed values decreased by 1.95% for the general fund. The City therefore anticipates property tax revenues for the year to be right on track with budget estimates. The five largest components of the change in values are as follows:

- Properties were adjusted by a CPI factor of 2% between 2012-13 and 2013-14, an increase of \$33.0 million in assessed valuations.
- Single family residential increased by \$55.5 million in values due to Proposition 8 recaptures.
- Assessed values declined \$66.9 million due to parcels with negative growth.
- The unsecured roll values declined by \$23.4 million.

- Other net values increased by \$28.1 million related to parcel drops and adds, residential improvements, changes to personal property and non-single family residential Proposition 8 recaptures.

In reviewing the changes in assessed value by use category, the largest changes were as follows:

- Residential values increased by 2.83% (\$77.3 million in assessed valuations).
- Commercial values decreased by 2.66% (\$20.8 million in assessed valuations).
- Unsecured decreased by 6.39% (\$23.4 million in assessed valuations).
- Industrial decreased by 0.76% (\$1.5 million in assessed valuations).

Home sales prices are rebounding in Sutter County and Yuba City. The increase in sales price can be attributable to fewer distressed homes on the market and pent up demand for home ownership combined with very little new construction being built locally. Mortgage rates are still very low compared to historical rates and affordable prices are proving attractive for buyers and finally convincing them to reenter the market. The median price of homes sold in Sutter County increased between July, 2012 and July, 2013 from \$143,500 to \$170,500, an increase of 19 percent. During the same period the median price of homes sold in Yuba City increased from \$147,000 to \$176,250, an increase of 20 percent.

As it relates to sales tax, consumer confidence has returned as the City has had increases in retail sales tax revenues in eleven out of the past fourteen quarters. Revenue projections included in the FY 2013-14 budget include a projected 2% increase for sales tax revenues. On a cash basis the most recent quarterly sales tax results were down 4.15% (July – September, 2013). The two prior quarter receipts were up 0.5% on a cash basis and 5.7% on an adjusted basis (April – June, 2013) and up 7.9% on a cash basis and 6.5% on an adjusted basis (January – March, 2013). Even with the decline in first quarter FY 2013-14 cash receipts for sales tax, the City believes we will still achieve the 2.0% increase included in the budget for the fiscal year.

The state budget will likely continue to be a source of economic uncertainty with the State resolving its budget problems with one-time solutions, transfers, loans and raids of local funds which push the problem out into the future. The use of local resources to help solve State budget problems has unfortunately become all too common. Most recently, the State has declared a projected surplus and is evaluating the potential for setting some aside as a “rainy day fund”, something City of Yuba City did years ago.

The largest impact the State budget has had on local government most recently, was in July, 2012. The State adopted AB 1484 implementing the elimination of Redevelopment agencies. This elimination process required the creation of a separate Oversight Board to wind down the affairs of the former Agency. The Successor Agency is required to file Recognized Payment Obligation Schedule (ROPS) with the State Department of Finance every six months in order to receive tax increment funding to pay the former Agency's obligations. The City went through three separate audit/reviews for Redevelopment. The first was an agreed-upon procedures engagement, and the second two were due diligence reviews. The purpose of the due diligence reviews were for the City to advise the State how much money the former Agency is holding for both Redevelopment activities and for Housing, report any contractual commitments for which these funds must be held on to, and then submit the balance to the County Auditor-Controller for distribution. This process was completed during FY 2012-13. In September, 2013, the City as the Successor Agency, received a Finding of Completion from the State Department of Finance. This now allows the Successor Agency to proceed with preparing a Property Management Plan and begin winding down the affairs of the former Agency by selling off its assets and property.

The largest impact of the elimination of Redevelopment to the City for the foreseeable future is the State's denial of the Gauche Park Certificates of Participation debt as a valid redevelopment enforceable obligation. The annual principal and interest payments on this debt have been paid one-half by developer impact fees and one-half with redevelopment funds since 2006. The City was unable to convince the State Department of Finance that this is a valid obligation of the Agency. Therefore, the general fund had

to take over repayment of one-half of this debt obligation. The only other option was to default on the bonds, which the City was unwilling to do. The impact to the general fund adds approximately \$365,000 to expenditures each year. Over the remaining life of the debt issue, this amounts to approximately \$3.5 million in interest and \$5.6 million in principal for a combined total of \$9.1 million. The City exhausted all options available for obtaining authorization and approval to continue using redevelopment funds for this debt repayment. The first debt service payment made using one-half general funds was made in June, 2013. The expenditure appropriation for one-half of future debt service payments is now incorporated into the City's regular budget process and has been included in the FY 2013-14 Adopted budget.

The City's unemployment rate had increased every year since FY 2007-08 until FY 2012-13. Current data approximates the annualized unemployment rate around 12.1 percent. This is a significant decline from 17.7% in FY 2011-12, and the peak of 21.9% in FY 2010-11. This rate still seems high when compared to a statewide average of 8.7%. The significant decline indicates that the local economic and job outlook has improved. The current rate, although high, is nonetheless predictable and appropriately considered by City management when planning for operational costs and available resources.

Even with the planned use of a portion of its Economic Stabilization Reserve, the City has continually maintained city council's goal of having at least a 10 percent budget reserve. In November, 2013, City Council adopted an updated Fiscal Policy which not only increases the reserve requirement from 10 percent to 15 percent but also requires that the City adopt a balanced budget. On-going expenditures must be paid for using on-going revenues. The City has positioned its operations so that this reserve can be properly maintained into the future. Taking into consideration the impacts of the recession and increases in PERS and healthcare costs, the City continues to closely monitor its revenue projections in comparison with its expenditure commitments; adjusting service levels accordingly in order to provide priority services to its citizens without depleting reserves beyond the level planned in the three year budget plan.

The City's water and wastewater enterprises were not exempt from the negative economic conditions. City staff has reviewed the water and wastewater budgets and reduced them where practical. The City continues to construct necessary capital improvement projects in order to expand or enhance existing infrastructure. Most notable is the recent completion of the Wastewater Effluent Outfall Replacement Project. The City has applied for and received low interest loans from the State of California Department of Public Health to complete infrastructure improvement projects at a cost less than it could borrow using conventional bond financings. The loans will be repaid over a twenty year period from increases in user fees approved by City Council in July, 2012, as part of a Citywide Water and Wastewater rate study and public noticing process in accordance with the requirements of Proposition 218. A priority has been placed on preservation of existing capital connection fee fund balances in order to ensure balances are available to pay debt service during the period where housing development (and therefore receipt of new customer connection fees) has been significantly less than historical levels.

## **H. CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

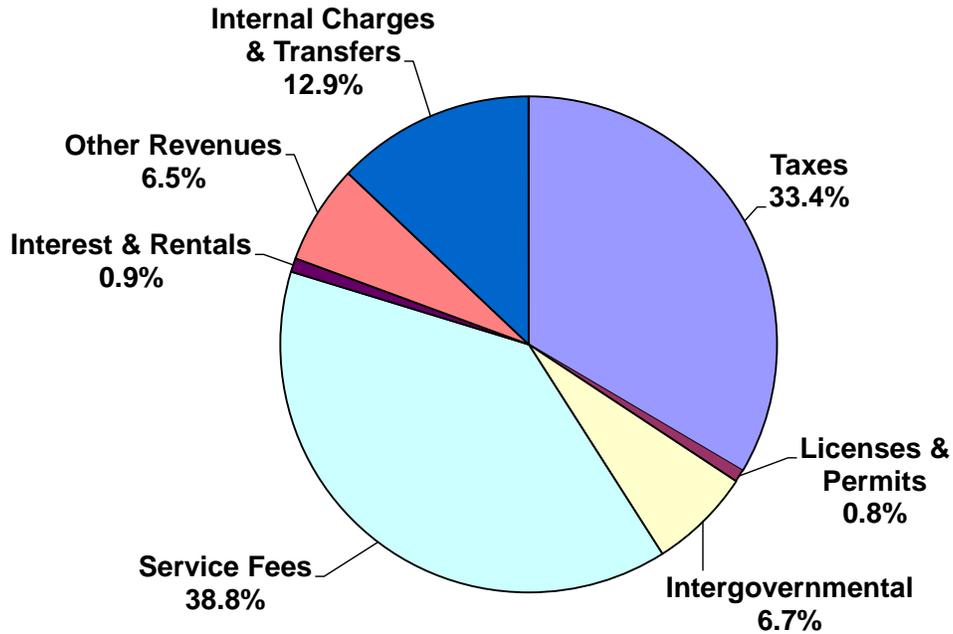
This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, or need any additional financial information, contact the Finance Department at 1201 Civic Center Boulevard, Yuba City, CA 95993, phone 530-822-5196, or email: [lhaile@yubacity.net](mailto:lhaile@yubacity.net).

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# City Wide Source of Funds

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Fiscal Year 2014-15



<b>Taxes</b>	<b>\$ 25,390,600</b>
<b>Licenses &amp; Permits</b>	<b>\$ 615,000</b>
<b>Intergovernmental</b>	<b>\$ 5,052,676</b>
<b>Service Fees</b>	<b>\$ 29,403,596</b>
<b>Interest &amp; Rentals</b>	<b>\$ 684,132</b>
<b>Other Revenues</b>	<b>\$ 4,894,050</b>
<b>Internal Charges &amp; Transfers</b>	<b>\$ 9,789,750</b>
<b>Total Revenues</b>	<b>\$ 75,829,804</b>

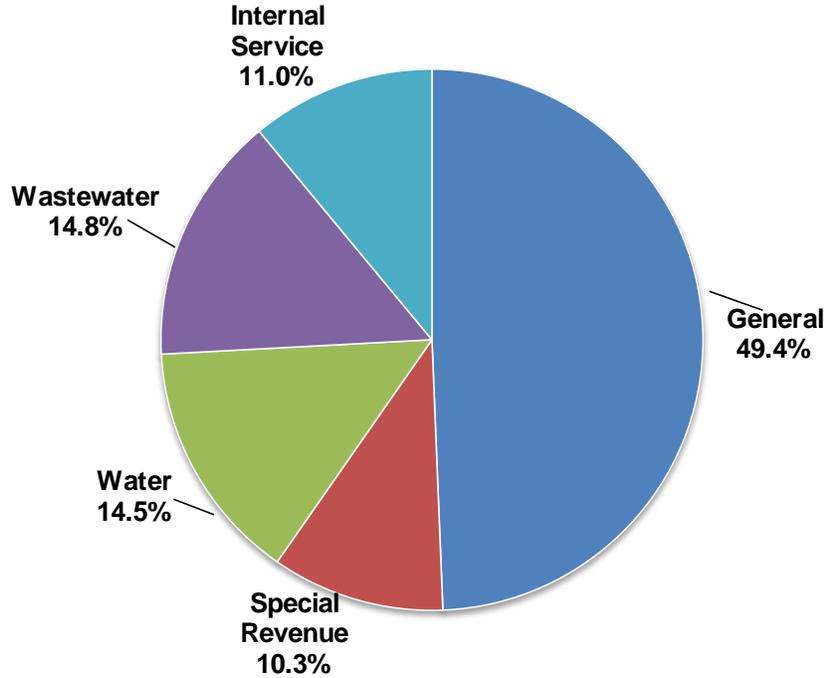
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# City Wide Use of Funds

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Fiscal Year 2014-15



General	\$	36,310,382
Special Revenue	\$	7,588,869
Water	\$	10,649,442
Wastewater	\$	10,922,765
Internal Service	\$	8,094,044
<b>Total Expenditures</b>	<b>\$</b>	<b>73,565,502</b>

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# Financial Policies

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## SUMMARY

1. The City's updated fiscal policy strives to maintain a minimum General Fund balance reserve equal to 15% of its operating budget. City Council approved increasing the level from 10% to 15% in November, 2013.
  2. The City will strive to fund all current expenditures from current revenues, avoiding procedures that balance current budgets by postponing needed expenditures, accruing future revenues or rolling over short-term debt.
  3. One-time funds will not be budgeted or used to pay ongoing operating expenses for the City. Exceptions require City Council approval and a financial plan to get back to covering ongoing expenditures using only ongoing revenues.
  4. Recurring revenue growth (inflation) will be used to pay for recurring expenditures. Recurring expenditure increases should not be approved which exceed recurring revenue growth. Any new or expanded programs will be required to identify new funding sources and/or offsetting reductions in expenditures.
  5. The Water and Wastewater Enterprise Funds will have revenues (customer charges, interest income, and all other income) sufficient to meet all cash operating expenses, capital expenses, prescribed cash reserves, and debt service coverage requirements set forth in related bond covenants.
  6. All Internal Service Funds will have revenues (intra-City user charges, interest income, and other income) sufficient to meet all cash operating expenses and capital expenses. Such revenues shall also be sufficient to maintain cash reserves, which approximate the balance in accumulated depreciation.
  7. The City will maintain appropriate reserves in the Employee Benefits Fund, Dental/Vision Fund, Disability Program Fund, General Liability Insurance Fund, and Workers' Compensation Insurance Fund to meet statutory requirements and actuarially projected needs.
  8. The City will strive to maintain a minimum working capital balance equal to 90 days of operating requirements for the Surface Water and Wastewater Enterprise Funds operating budgets. In addition, a cash capital improvement reserve will be maintained for capital improvement projects.
  9. The City will maintain a long-range fiscal perspective through the use of an Annual Operating Budget, five-year Capital Improvement Program, and multi-year revenue and expenditure forecasting.
  10. Major capital improvement projects will be funded using the most financially prudent method available. Such methods include:
    - ◆ Traditional long-term financing (bond issues).
    - ◆ "Pay As You Go" financing (using recurring revenues only).
    - ◆ Combination of debt financing and "Pay As You Go" financing.
    - ◆ Using cash accumulated in excess of policy requirements.
  11. A Fiscal Impact Statement will be provided with each staff report submitted to the City Council as part of the City Council agenda process.
  12. The City will comply with all the requirements of "Generally Accepted Accounting Principles."
  13. The City will annually review and adopt a formal set of Investment Policies.
  14. The City will annually review and adopt a formal set of Debt Policies.
  15. The City will strive to pay competitive market level compensation to its employees.
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# Financial Policies

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## INVESTMENT POLICY

It is the policy of the City of Yuba City to invest public funds in a prudent manner which will provide maximum security while meeting daily cash flow demands and conforming to all statutes governing the investment of public funds. Within these parameters, funds will be invested to optimize investment return.

The purpose of this document is to set forth the City's policies guiding prudent investment of temporarily idle funds and to establish guidelines and objectives for suitable investments including delegation of authority, prudence, monitoring and reporting, policy review, diversification, eligible securities, safekeeping, collateralization, selection of depositories, brokers/dealers, and glossary of terms.

*A copy the City of Yuba City Investment Policy is available upon request from City Hall.*

## DEBT POLICY

In recognition of its responsibility for the management of debt obligation for itself and its component units, the City of Yuba City has developed a comprehensive set of formal debt policies. Such policies are necessary in order to consolidate information of debt obligations and to maintain good credit standing. These policies will be reviewed annually by the City Treasurer and Chief Financial Officer (the Debt Policies Committee) and then presented to the City Council for approval.

The City of Yuba City shall issue bonds primarily to finance capital improvement projects in accordance with set procedures included in the document. In a few instances, the City may be permitted to issue bonds to finance other projects or purposes, including operating expenses. However, such uses must receive City Council approval. For the purpose of this document, the term "bond" shall also include a variety of debt instruments including notes, commercial paper, certificates of participation, etc.

*A copy the City of Yuba City Debt Policy is available upon request from City Hall.*

## FUND BALANCE POLICY

In June, 2011, City Council adopted a Fund Balance Policy in accordance with the requirements of Governmental Accounting Standard Board Statement No. 54. This Policy establishes procedures for reporting fund balance classifications, establishes prudent reserve requirements, and establishes a hierarchy of fund balance expenditures. The policy also authorizes and directs the Finance Director to prepare financial reports, which accurately categorize fund balance per GASB Statement No. 54. GASB 54 establishes five components of fund balance, each of which identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts and be spent as follows: Non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance.

*A copy the City of Yuba City Fund Balance Policy is available upon request from City Hall.*

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# Budget Policies

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## GENERAL POLICIES

Budgetary emphasis will focus on providing high quality municipal services, recognizing the fundamental importance to the citizens of public safety and properly maintained infrastructure.

The City will strive to fund all current expenditures from current revenues, avoiding procedures that balance current budgets by postponing needed expenditures, accruing future revenues, or rolling over short-term debt.

The budget will provide sufficient funding for adequate maintenance and orderly replacement of capital plant and equipment.

Future maintenance needs for all new capital facilities will be fully costed out, and added costs will be recognized and included in future year budget projections.

Strong customer service and productivity improvements, with a focus on value added services, remain important budgetary goals. Budgetary emphasis will focus on providing high quality municipal services, recognizing the fundamental importance to the citizens of public safety and properly maintained infrastructure.

## BUDGETARY PROCEDURES AND AUTHORITY

The Finance Department notifies all City Departments when monthly reports are ready for review comparing budget vs. year-to-date actual expenditures for their respective department.

The City established a threshold cost of \$5,000 for capitalization of fixed assets. This only applies if the estimated useful life of the asset is two years or more.

The City's Budget Document will include selected performance measures to better describe the workload of the different City programs, to gauge our effectiveness in providing services, and to ultimately be able to compare the City's overall performance with other like agencies.

All budgetary procedures will conform to State regulation and Generally Accepted Accounting Principles (GAAP).

Specific levels of budgetary authority will be maintained:

1. Department heads will be responsible for ensuring that expenditures within departmental budget categories of salaries & benefits; materials, supplies and services; and capital outlay do not exceed appropriations. Budget appropriations will be made at the line-item level; however, the level of control (level at which expenditures may not exceed appropriations) will be total departmental appropriations for each of these budget categories.
2. The City Manager will have the authority to transfer up to \$50,000 in appropriations between capital projects and between funds for capital projects in order to meet the policy intent of the City Council.
3. City Council approval will be required to transfer appropriations between departments.
4. Contract change orders may be handled administratively up to the amount of the contract contingency approved by the City Council and within the appropriations set forth by the City Council.

## REVENUE POLICIES

A diversified and stable revenue system will be maintained to shelter the City from short-run fluctuations in any single revenue source.

The City will estimate revenues using an objective, analytical process; in the case of assumption uncertainty, conservative projections will be utilized. Revenues will be projected for the current year and the next four years, will be updated at least annually, and will be reviewed semi-annually.

Intergovernmental assistance in the form of grants and loans will be used to finance only:

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# Budget Policies

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1. Capital improvements that are consistent with the Five-Year Capital Program priorities and can be maintained and operated over time; or
2. Technological upgrades or enhancements; or
3. Capital acquisition items; or
4. Operating programs which either can be sustained over time or have a limited horizon.
5. Other areas as determined by the City Council to be in the best interest of the City.

One-time revenues will be used for operating programs only after an examination determines whether they are subsidizing an imbalance between operating revenues and expenditures, and only if a long-term forecast shows that the operating deficit will not continue. In general, one-time revenues will be used only to support capital or other non-recurring expenditures.

All fees and charges for each enterprise fund (i.e., Water and Wastewater) will be set at a level that fully supports the direct and indirect cost of the enterprise.

## RESERVE POLICY

The City's enterprise funds shall maintain working capital equal to at least 90 days of operating requirements for the Surface Water and Wastewater operating budgets. This will be evaluated as of June 30<sup>th</sup> of each fiscal year end.

The City's internal service funds shall maintain working capital of at least 60 days of operating requirements. This will be evaluated as of June 30<sup>th</sup> of each fiscal year end.

The City's general fund shall maintain a fund balance equal to 15% of the total expenditures appropriated for the following fiscal year. This will be evaluated and measured as of June 30<sup>th</sup> of each fiscal year end. Historically, any funds in excess of the previously required 10% fund balance were to be placed into the unallocated

general fund capital improvement project account. With the use of the City's Economic Stabilization Reserve Fund during the recession, this practice was discontinued and will be revisited when the City no longer has a general fund operating deficit.

The City strives to maintain its investment in capital equipment for vehicles and computers by utilizing internal service funds which "own" the vehicle or computer and "lease" it back to the user department throughout the useful life of the item. This practice is deemed prudent and will be continued for as long as is reasonably possible. Any action that significantly deteriorates the fund balance available for replacing capital assets must be approved by direction of the City Council.

If it becomes necessary to utilize reserve funds for unique one-time costs, emergencies or maintaining City services during periods of reductions, appropriations should, when feasible, be accompanied by a plan for the replenishment within a reasonable period of time.

Funding of reserves will come generally from one-time revenues, excess fund balance and projected revenues in excess of projected expenditures. They will generally be reserved in the following priority order:

1. Reserve for Economic Contingency or Emergencies
2. Reserve for Capital Improvements
3. Reserve for Future Years' Budgets

However, flexibility will be retained to allocate available funds among the reserves based on the current circumstances and needs of the City's various operating funds.

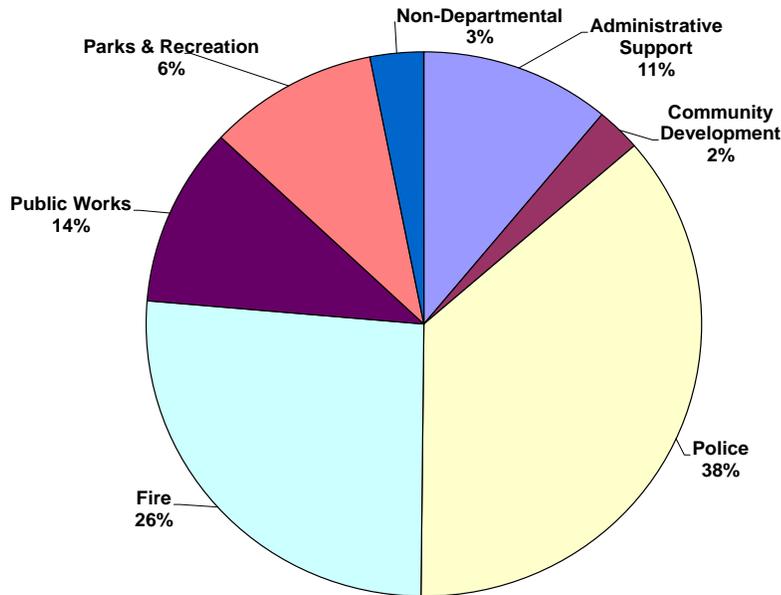
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# The Value of City Services

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Yuba City Residents pay \$46.07/month  
For City Services



**\$46.07 pays for one of these:**

- Almost One Month of Standard Cable Services
- Evening Out - Dinner for Two
- Movie Night for a Family of Four
- A Sacramento Kings Game Ticket for One (Economy Seating)
- One Month of a Health Club
- Two or Three DVD's
- A Tank of Gas

**Or \$46.07 pays for all of these:**

- 24 Hour Police and Fire Protection
- Well Groomed Parks and Trees
- Safety Lighting for Streets
- Street Sweeping and Maintenance
- Community Events
- Community Economic Development
- A Well Planned, Zoned Community
- Professional Management of a Citizen's Tax Investment in the Community

# California City Finance Primer

League of California Cities

# A Primer on CALIFORNIA CITY FINANCE





# A Primer on CALIFORNIA CITY FINANCE

by Michael Coleman

*You've been elected to the city council. You already know that the question of money arises for every local issue. So how does your city pay its bills? While every city is different — each with its own needs, local economy, expectations, protocols, responsibilities and finances — the essential elements of city revenues and spending are the same throughout California.*

## **An Overview of City Revenue Sources**

City officials may ask: What money does our city get and how is it spent? Revenue, the bread and butter of city budgets, comes from a variety of sources. Some is restricted to certain uses by law. Some revenue is payment for a specific service by customers. Other revenue requires voter approval for rate increases. Still other revenue comes from state and federal agencies, and the city has no control over how much it receives. The California Constitution and state law provide some specific distinctions among municipal revenue sources.

### **Taxes**

A tax is a charge for public services and facilities. There need not be a direct relationship between the services and facilities used by an individual taxpayer and the tax paid. Cities may impose any tax not otherwise prohibited by state law (Gov't. Code section 37100.5). The state

## **ABOUT THIS PRIMER**

*Western City* first published "A Primer on California City Finance" in 2002. The passage of Proposition 1A by California voters in 2004 changed key elements of city financing by enhancing the level of control cities will be able to exercise over their property tax, sales tax and vehicle license fee revenues, and minimizing the possibility of state funding take-aways. This updated primer explains these changes, providing a fresh look at the revenue sources that a city budget comprises and the rules and requirements governing the use of these various funds.

prohibits local governments from taxing certain items, including cigarettes, alcohol and personal income; these are taxed by the state for its own purposes.

The California Constitution distinguishes between a general tax and a special tax. General tax revenues may be used for any purpose. A majority of voters must approve a new general tax, its increase or extension in the same election in which city council members are elected. Special

tax revenues must be used for a specific purpose, and two-thirds of voters must approve a new special tax, its increase or extension.

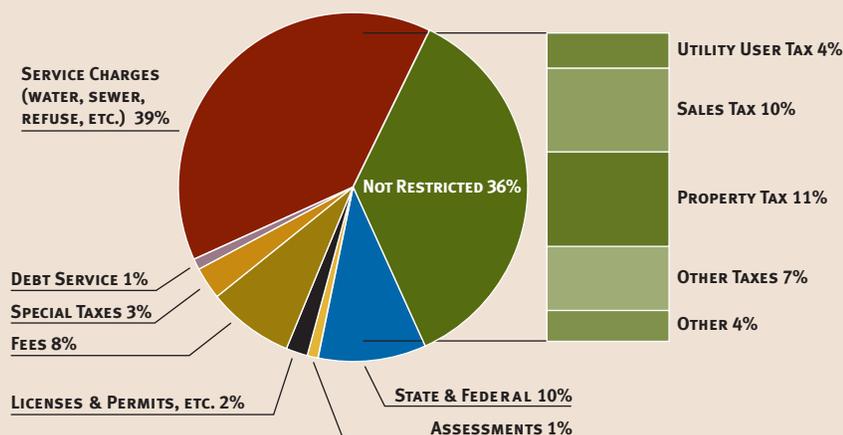
### **Fees, Charges and Assessments**

A fee is a charge imposed on an individual for a service that the person chooses to receive. A fee may not exceed the estimated reasonable cost of providing the particular service or facility for which

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Michael Coleman is principal of Coleman Advisory Services and fiscal consultant to the League. He can be reached at <coleman@cal.net>. More information on city finance is available on Coleman's website at [www.californiacityfinance.com](http://www.californiacityfinance.com).

## TYPICAL CALIFORNIA CITY REVENUES\*



\* Based on total cities statewide

### Other City Revenues

Other sources of revenue to cities include rents, concessions and royalties; investment earnings; revenue from the sale of property; proceeds from debt financing; revenues from licenses and permits; and fines and penalties. Each type of revenue has legal limitations on what may be charged and collected as well as how the money may be spent.

### Putting Money in Its Proper Place

The law restricts many types of city revenues to certain uses. As explained above, a special tax is levied for a specific program. Some subventions are designated by law for specific activities. Fees are charged for specific services, and fee revenue can fund only those services and related expenses. To comply with these laws and standards, finance departments segregate revenues and expenditures into separate accounts or funds. The three most important types of city funds are special revenue funds, enterprise funds and the general fund.

**Special revenue funds** are used to account for activities paid for by taxes or other designated revenue sources that have specific limitations on use according to law. For example, the state levies gas taxes and subvenes some of these funds to cities and counties. A local government deposits gas tax revenue in a special fund and spends the money for streets and road-related programs, according to law.

*continued*

the fee is charged, plus overhead. Examples of city fees include water service, sewer service connection, building permits, recreation classes and development impact fees.

Cities have the general authority to impose fees (charges and rates) under the cities' police powers granted by the state Constitution (Article XI, sections 7 and 9). There are specific procedures in state law for fee and rate adoption. Proposition 218 provides special rules for property-related fees used to fund property-related services.

Special benefit assessments are charges levied to pay for public improvements or services within a predetermined district or area, according to the benefit the parcel receives from the improvement or services. The state Constitution requires property-owner approval to impose a benefit assessment. Other locally raised revenues include licenses and permits; franchises and rents; royalties and concessions, fines, forfeitures and penalties; and investment earnings.

### Intergovernmental Revenue

Cities also receive revenue from other government agencies, principally the state and federal governments. These revenues include general or categorical support monies called subventions, as well as grants for specific projects, and reimbursements for the costs of some state mandates. Intergovernmental revenues provide 10 percent of city revenues statewide.

## CITY RESPONSIBILITIES DIFFER

Comparing revenues and expenditures of different cities can be difficult because cities vary according to the needs of their constituents and the nature of the local economy, as well as the service and financial responsibilities of the city. Less than 25 percent of California cities are full-service cities, responsible for funding all of the major city general fund-supported services such as police, fire, library, parks and recreation, and planning. In about three out of 10 California communities, a special district provides fire services with property tax revenue that would otherwise go to the city. In six out of 10 cities, library services are provided and funded by another public agency. On the revenue side, these differences in financial responsibility among cities are generally reflected in the allocation of property tax revenue. Other city tax rates and allocations are unrelated to service responsibility.

## SALES TAX: HOW MUCH GOES TO YOUR CITY?

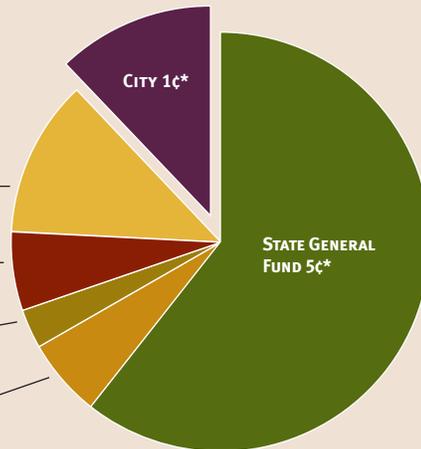
For each taxable dollar spent, sales tax is paid as follows:

**SPECIAL TRANSACTIONS & USE:**  
0-1¢ (VARIES)

**PUBLIC SAFETY (PROP. 172):** 1/2¢

**COUNTYWIDE TRANSPORTATION:** 1/4¢

**COUNTY HEALTH & WELFARE:** 1/2¢



\*Under Prop. 57, beginning in FY 2004–05, the local (city) sales tax rate is reduced by 0.25 percent and the state rate increased by 0.25 percent to repay state fiscal recovery bonds. Cities and counties are reimbursed dollar for dollar with additional property tax. This arrangement, known as the “triple flip,” will last about 10 years until the bonds are repaid.

### NOTES

1. California sales tax revenues are distributed based on the place (“situs”) where each sale occurs.
2. Cities receive about 6 percent and counties get 94 percent of Prop. 172 funds. The funds are restricted for public safety services such as police, fire, district attorney and jails.
3. The state sales tax rate is 6.25 percent, including 0.5 percent for county health and welfare programs, 0.5 percent for Prop. 172 and 0.25 percent for the Prop. 57 “triple flip.”
4. The city portion of sales tax goes to the county if the sales transaction occurs in an unincorporated area of the county.
5. Many counties and some cities add transaction and use rates ranging from 0.25 percent to 1.25 percent. These additional rates cause the total California sales tax to vary from 7.25 percent to 8.75 percent.
6. Some cities share a portion of their 1-cent rate with their county.

Source: California State Board of Equalization, Coleman Advisory Services

**Enterprise funds** are used to account for self-supporting activities that provide services on a user-charge basis. For example, many cities provide water treatment and distribution services to their residents. Users of these services pay utility fees, which the city deposits in a water enterprise fund. Expenditures for water services are charged to this fund.

**The general fund** is used to account for money that is not required legally or by sound financial management to be accounted for in another fund. Major sources of city general fund revenue include sales and use tax, property tax

and local taxes, including business license tax, hotel tax and utility user taxes.

### Major City Revenues

**Sales and Use Tax.** The sales tax an individual pays on a purchase is collected by the state Board of Equalization and includes a state sales tax, the locally levied Bradley-Burns sales tax and several other components. The *sales tax* is imposed on the total retail price of any tangible personal property. (State law provides a variety of exemptions to the sales and use tax, including resale, interstate sales, intangibles, food for home consumption,

candy, bottled water, natural gas, electricity and water delivered through pipes, prescription medicines, agricultural feeds, seeds, fertilizers and sales to the federal government.) A *use tax* is imposed on the purchaser for transactions in which the sales tax is not collected. Sales and use tax revenue received by cities is general purpose revenue and is deposited into a city’s general fund. Although cities vary widely, on average, sales and use tax revenue provides 30 percent of city general purpose revenue and often as much as 45 percent.

Cities and counties may impose additional transaction and use taxes in increments of 0.25 percent with a two-thirds city council approval and majority voter approval. A city may impose more than one transaction and use tax: One might be for a general purpose; a second might be for a special purpose. The combined rate of the city and county transaction and use taxes may not exceed 2 percent.

**Property Tax.** The property tax is an ad valorem (value-based) tax imposed on real property and tangible personal property. (State law provides a variety of exemptions to the property tax, including most government-owned property; non-profit, educational, religious, hospital, charitable and cemetery properties; the first \$7,000 of an owner-occupied home; business inventories; household furnishings and personal effects; timber; motor vehicles, freight and passenger vessels; and crops and orchards for the first four years). California Constitution Article XIII A (Prop. 13) limits the property tax to a maximum 1 percent of assessed value, not including voter-approved rates to fund debt. The assessed value of property is capped at 1975–76 base year plus inflation — or 2 percent per year. Property that declines in value may be reassessed at the lower market value. Property is reassessed to current full value upon change in ownership (with certain exemptions). Property tax revenue is collected by counties and allocated according to state law among cities, counties, school districts and special districts.

The share of property tax revenue allocated to a city varies depending on a variety of factors, including:

- The service responsibilities of the city (for example, if fire services are funded and provided by a fire district, then the district gets a portion that would otherwise go to the city);
- The presence of a redevelopment agency, which retains a portion of revenue growth; and
- The historic (1980) tax rates of the city in relation to other local taxing entities.

City property tax revenues are also affected by local property values.

**Business License Tax (BLT).** Most cities in California levy a business license tax. Tax rates are determined by each city, which collects the taxes. Business license taxes are most commonly based on gross receipts or levied at a flat rate but are sometimes based on the quantity of goods produced, number of employees, number of vehicles, square footage of the business or some combination of factors. In all cases, cities have adopted their tax as a general tax. On average, the business license tax provides about 3 percent of city general revenue and often as much as 6 percent. For businesses that operate in more than one city, state or county, cities can impose a business license tax on only that portion of the business transacted in that city.

**Transient Occupancy Tax (TOT).** Like the business license tax, a TOT may be levied by a city under the police powers granted to cities in the state Constitution. More than 380 cities in California impose TOT on people staying for 30 days or less in a hotel, inn or other lodging facility. Rates range from 4 to 15 percent of the lodging cost. In nearly all cases, cities have adopted these as general taxes, but some cities make a point of budgeting the funds for tourism or business development-related programs. Among cities that impose a TOT, it provides 7 percent of a city's general revenues on average and often as much as 17 percent.

*continued*

## THE EFFECTS OF PROPOSITION 13

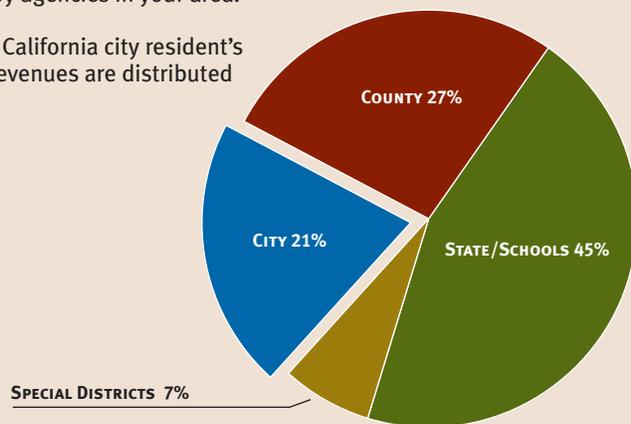
Proposition 13 produced the following results:

- Elderly and low-income homeowners' tax burden was decreased;
- Similarly situated properties are taxed differently;
- Local government property tax revenues were cut by 60 percent;
- Revenue windfalls from personal income tax produce \$1 billion for the state and \$1.6 billion for the federal government annually;
- Cities and counties raised user fees and local taxes;
- The authority to allocate local property tax shifted to the state (Prop. 1A now limits the state's authority);
- Counties and schools rely more heavily on the state general fund with a corresponding shift in power;
- Cities rely more heavily on other general revenues, including locally imposed taxes and the sales and use tax; and
- Tax rates/shares (from 1980) are now out of sync with service demands.

## PROPERTY TAX: HOW MUCH GOES TO YOUR CITY?

The allocation of property taxes to government agencies varies among different areas, depending on historic (pre-Prop. 13) property tax levels and which services are provided by agencies in your area.

On average, a California city resident's property tax revenues are distributed as follows:



### NOTES

1. This is the rate for the average city for properties not in a redevelopment area. Results vary depending on the extent of services provided by your city. Full-service cities may receive slightly more. Cities in which fire services are provided by a special district receive less, with the difference going to the fire district.
2. For properties in the unincorporated area of a county, the county gets a bigger share of the property tax, which would otherwise go to a city. If the area ever incorporates, some of the county share becomes the share for the new city.
3. City and county property tax shares include "property tax in lieu of Vehicle License Fee."
4. This does not include the temporary reimbursement for city sales tax with property tax for sales tax under the Prop. 57 "triple flip."

Source: California State Board of Equalization, Coleman Advisory Services

## THE FACTS ABOUT PROPOSITION 1A

In November 2004, California voters approved Prop. 1A, a ballot measure sponsored by the League and a broad coalition that included Governor Arnold Schwarzenegger, legislators, other local governments, and public safety, business and community organizations. This landmark amendment to the state Constitution was intended to restore predictability and stability to local government budgets. The measure:

1. Strengthens prohibitions against unfunded state mandates by requiring the state to suspend state mandates in any year the Legislature does not fully fund those laws;
2. Expands definition of state mandate to include transfer of responsibility of a program for which the state previously had full or partial responsibility; and
3. Prohibits the state from:
  - Reducing the local Bradley-Burns Uniform Sales & Use Tax rate or altering its method of allocation, except to comply with federal law or an interstate compact;
  - Decreasing Vehicle License Fee revenue from the 0.65 percent rate without providing replacement funding to cities and counties; and
  - Shifting property taxes from cities, counties or special districts, with the following exceptions:
    - a) The state may reallocate among cities, counties and special districts (but not schools or any other local entity) with a two-thirds vote of both houses of the Legislature.
    - b) Beginning in FY 2008–09, the state may borrow up to 8 percent of the property tax revenue within a county (currently about \$1.3 billion on a statewide basis) if:
      - The governor declares a “fiscal hardship”;
      - The Legislature enacts an urgency statute by a two-thirds vote;
      - The funds are repaid within three years;
      - The FY 2003–04 VLF backfill gap has been repaid;
      - Any previous borrowing of this kind has been repaid; **and**
      - The state has not borrowed from the revenues more than twice in 10 years.

**Utility User Tax (UUT).** More than 150 cities (collectively representing a majority of the state’s population) impose a utility user tax. UUT rates vary from 1 to 11 percent and are levied on the users of various utilities, which may include telephone, electric, gas, water and cable television. For cities that impose the UUT, it provides an average of 15 percent of general revenue and often as much as 22 percent.

**Vehicle License Fee (VLF).** The VLF is a tax imposed by the state on the ownership of a registered vehicle in place of taxing vehicles as personal property. Under California Constitution Article XI, section 15, VLF revenue (based upon a rate of 0.65 percent) must go to cities and counties. Since 1948, the VLF tax rate had been 2 percent. In 1998, the Legislature and governor began cutting the tax, backfilling the loss to cities and counties with a like amount of state general fund money. In 2004, the state reduced the rate to 0.65 percent and re-placed the state general fund backfill to cities and counties with additional property tax in lieu of VLF (see paragraph below). The VLF is collected by the state Department of Motor Vehicles (DMV). Most VLF revenue goes to fund county health and welfare programs (75 percent) and DMV administrative charges (14 percent). The allocation to cities is on the basis of population and provides about 1 percent of general revenues to the average city budget.

**Property Tax in Lieu of Vehicle License Fee.** In FY 2004–05, cities and counties began receiving additional property tax to replace VLF revenue that was cut when the state repealed the state general fund backfill for the reduction in the VLF. Beginning in FY 2005–06, this property tax in lieu of VLF grows with the change in gross assessed valuation of taxable property in the jurisdiction from the prior year. Property tax in lieu of VLF allocations are in addition to other property tax apportionments.

Property tax revenue (including property tax in lieu of VLF) accounts for more than one-third of general revenue for the average full-service city. For cities that do

not fund fire service, property tax revenue represents on average 25 percent of general revenue.

**Parcel Tax.** This is a special nonvalue-based tax on property, generally based on either a flat per-parcel rate or a variable rate depending on the size, use or number of units on the parcel. Parcel taxes require two-thirds voter approval and are imposed for a variety of purposes, including police and fire services, parks, libraries and open space protection. Parcel taxes provide less than 1 percent of city revenues statewide.

**Rents, Royalties and Concessions.** Examples of revenues generated through the use of city property include royalties from natural resources taken from city property, the sale of advertising in city publications, payments from concessionaires operating on city property, facility rentals, entry charges, on- and off-street parking charges and even golf fees.

**Franchises.** Franchise fees are collected in lieu of rent for use of city streets from refuse collectors, cable television companies and utilities. Some franchise charges are limited by statute.

**Fines, Forfeitures and Penalties.** Cities receive a share of fines and bail forfeitures from misdemeanors and infractions committed within city boundaries. State law determines the distribution and use

## TRENDS IN CALIFORNIA CITY FINANCE

The following list summarizes trends in California city finance.

- State and federal aid to California cities is declining, down from 21 percent of a city's budget in 1974–75 to 10 percent today.
- The sales tax base is declining, due to a shift toward a service-oriented economy and increasing Internet and catalog retail sales.
- Limitations on taxes and fees that cities can impose are driven by Prop. 13, Prop. 218 and other state laws.
- State population growth is higher in cities.
- Cities must respond to citizens' demand for a greater array of services that bring with them additional costs and new challenges (high tech, cable, transit, etc.).
- Public safety spending is up.
- Infrastructure improvements and maintenance are lagging.

of state-imposed fines and forfeitures, but cities determine penalties for violations of their municipal codes.

**Service Charges and Fees.** Cities have authority to impose fees, charges and rates for services and facilities they provide, such as plan checking or recreation classes. Use of these revenues is limited to paying for the service for which the fees are collected, but may include overhead, capital improvements and debt service.

City utilities and enterprises supported by service fees constitute a substantial portion of most city budgets. These include water, sewer, electricity and solid waste services. In some cities, a public or private agency other than the city provides and funds these services.

### Most Discretionary Dollars Go to Public Safety

In most cities, roughly two-thirds of the total city budget is either earmarked for specific purposes (such as special taxes, restricted state grants and debt obligations like bonds) or is fee revenue used to pay for services provided. In the typical full-service city, three out of five of these discretionary dollars are spent on police and fire services.

### ... And There's More

City budgets can be bewildering. Myriad laws and limitations make city funding a very complicated subject. Understanding the essentials of city finance is critical for any city decision-maker. Elected officials find their job is made easier when they are able to explain the basic elements of municipal finance to their constituents. ■

## FOR MORE INFORMATION

More information about city finance is available from these online sources:

- *California Local Government Finance Almanac*, [www.californiacityfinance.com](http://www.californiacityfinance.com)
- *Primer on California's Tax System*, Legislative Analyst's Office, [www.lao.ca.gov](http://www.lao.ca.gov)
- *The Fiscal Condition of California Cities*, Institute for Local Government, [www.ilsg.org](http://www.ilsg.org)

In addition, the following publications are available from CityBooks. To order, call (916) 658-8257 or visit [www.cacities.org/store](http://www.cacities.org/store).

- *Municipal Revenue Sources Handbook*, League of California Cities. \$25; Item No. 1031
- *Local Government Dollars & Sense* by Len Wood. \$30; Item No. 105

# AFTER PROPOSITION 1A: WHAT'S NEXT FOR CALIFORNIA CITY FINANCE?

California city officials and their partners in the LOCAL (“Leave Our Community Assets Local”) coalition should feel very proud of what they have accomplished in the past few years. Surprising many political pundits, they succeeded in building the grassroots organization and raising the funds needed to qualify a constitutional amendment for the statewide ballot. Then they ran a successful statewide campaign that resulted in passage of Proposition 1A by almost 84 percent — a truly remarkable achievement. As explained in this primer, the passage of Prop. 1A will end the practice of state take-aways of local funds needed to pay for local services.

But even as local officials give themselves a well-deserved pat on the back, now is not the time for complacency. If city officials have learned anything during the past 15 years, it's that they need to be constantly vigilant about state actions that can impact local decision-making. Sometimes proposed legislation is the source of concern. But impacts can also occur as a result of new ballot measures attempting to amend or contradict constitutional provisions that currently protect local funds.

What can local officials do? What can anyone do, if they care about local democracy?

A lot — much remains to be done. The League of California Cities is working hard to ensure that we maintain and build upon the activities that made Prop. 1A possible. All these activities depend upon the active involvement of League members, as well as labor, business and community groups who care about protecting local services.

## How You Can Help Protect Local Services

- **Become an advocate.** Your participation is critical as fiscal issues are debated in the state Capitol or when measures that could undermine local decision-making are placed on the statewide ballot.
- **Help to educate your legislators** on how your city would be impacted by legislative proposals. Contact your League regional representative to volunteer for this and other efforts. Find your regional rep's contact info online at [www.cacities.org/regionalrepresentative](http://www.cacities.org/regionalrepresentative).
- **Sign up for electronic League Action Alerts** that you receive whenever there's a pressing need for your legislator to hear directly from you. Visit the League's online Advocacy Center ([www.cacities.org/advocacy](http://www.cacities.org/advocacy)) to receive alerts that include sample letters you can write and send online, or talking points to use when you call your legislators. It's fast, it's easy — and it's effective!
- **Contribute to CITIPAC**, the League's political action committee. The League needs non-public funds to engage in ballot measure advocacy. Your dollars help make that possible. Learn how you can help by visiting [www.citipac.org](http://www.citipac.org).

**Learn More.** Stay abreast of proposals that would impact local services.

- Make regular visits to the League's website ([www.cacities.org](http://www.cacities.org)). You'll find information on issues affecting California cities and resources to help understand the issues. You can also find out how to get involved with League advocacy activities.
- Subscribe to *Priority Focus*, the League's weekly online newspaper ([www.cacities.org/priorityfocus](http://www.cacities.org/priorityfocus)) and *Western City*, the League's award-winning monthly magazine ([www.westerncity.com](http://www.westerncity.com)).
- If you're a city official, sign up for a League listserv. You'll be better connected with your colleagues in other cities and receive ([www.cacities.org/listserv](http://www.cacities.org/listserv)).

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# The General Plan

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On April 8, 2004 the City Council adopted the new General Plan with Resolution #04-049. The General Plan is a statement for the direction the City is taking as it grows into the future. The General Plan helps the City map out the look and style of new development so that growth is controlled and the City can maintain a high level of service to its customers. The General Plan update happens once every 10 years so that the City never falls out of step with growth.

The City is at a crossroads – regional projections estimate that the population will increase by upwards of 50,000 persons over the next 20 years – effectively doubling the 2002 population. Currently, the residents of Yuba City enjoy the City's small size, the availability and affordability of housing, it's small town feeling, and the surrounding rural landscape. This plan, based on input from Yuba City citizens, business owners, elected officials, and City staff, strives to maintain what is good and desirable about Yuba City as it grows into the future. This plan builds on the quality of current planning work in the City – such as the Buttes Vista Neighborhood Plan, and the Harter and Central City Specific Plans – and to carry through those city-building principles to the City as a whole. It also is coordinated with and supports ideas in the Sutter County General Plan.

The maps and policies presented in the Plan are based on a real need for accommodating a future population and employment base combined with a real vision for the future. The Plan is comprehensive and long-range in scope. It will be used on an on-going basis as many City regulations, requirements, and actions are required by State law to be consistent with the General Plan. The Plan draws its ideas and policies from the many citizens who participated formally and informally in making both difficult and easy choices. The Plan envisions a growing community that preserves much of it's small town feel and social fabric with an improved economy, new job opportunities, affordable housing, improved public services and facilities, new parks, an urban growth boundary that protects the much-prized rural agricultural landscape, and an overall improved quality of life.

The Yuba City General Plan is a document required by State law and adopted by the City Council that addresses issues related to physical development, growth, and conservation of City resources.

The Plan:

- ❖ Outlines a vision of long-range physical planning and land uses in order to address the economic development and resource conservation aspirations of the community;
  - ❖ Provides strategies and specific implementing actions that will allow this vision to be accomplished;
  - ❖ Establishes policies and standards to be used as a basis for judging whether specific development proposals are in concert with the goals of the community;
  - ❖ Provides guidelines and policies by which City departments, public agencies, and private developers can design projects that will enhance the character of the community, preserve and enhance critical environmental resources, and minimize hazards; and
  - ❖ Provides the basis for establishing and setting priorities for detailed plans and implementing programs, such as the Zoning Ordinance, specific plans, impact fee studies, and the Capital Improvement Program.
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# I

## Introduction & Overview

The General Plan describes a vision for the future of Yuba City. At the time of preparation of this plan, the City is at a crossroads – regional projections estimate that the population will increase by upwards of 50,000 persons over the next 20 years – effectively doubling the 2002 population. Currently, the residents of Yuba City enjoy the city’s small size, the availability and affordability of housing, it’s small town feeling, and the surrounding rural landscape. This plan, based on input from Yuba City citizens, business owners, elected officials, and City staff, strives to maintain what is good and desirable about Yuba City as it grows into the future. This plan builds on the quality of current planning work in the City – such as the Buttes Vista, Harter, and Central City Specific plans – and to carries through those city-building principles to the City as a whole. It also is coordinated with and supports ideas in the Sutter County General Plan.

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### **I.1 PURPOSE OF THE GENERAL PLAN**

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The Yuba City General Plan is a document required by State law and adopted by the City Council that addresses issues related to physical development, growth, and conservation of City resources. The Plan:

- Outlines a vision of long-range physical planning and land uses in order to address the economic development and resource conservation aspirations of the community;
- Provides strategies and specific implementing actions that will allow this vision to be accomplished;
- Establishes Plan policies and standards to be used as a basis for judging whether specific development proposals are in concert with the goals of the community;
- Provides guidelines and policies by which City departments, public agencies, and private developers can design projects that will enhance the character of the community, preserve and enhance critical environmental resources, and minimize hazards; and

- Provides the basis for establishing and setting priorities for detailed plans and implementing programs, such as the Zoning Ordinance, specific plans, impact fee studies, and the Capital Improvement Program.

### **WHY HAS THIS PLAN BEEN PREPARED?**

General plans look out 20 years in the future and are typically revised every five to 10 years. Yuba City last adopted a General Plan in 1989 that covered a planning period through 2005. The plan has not been comprehensively updated since that time. Yuba City and Sutter County, through the Local Agency Formation Commission (LAFCO), have agreed on the current Sphere of Influence (SOI) boundary for Yuba City. The 1989 plan plans for a much smaller area than the 2002 SOI.

As of 2002, much of the Yuba City SOI remained undeveloped, with almost half the land in the Yuba City SOI either vacant or agricultural land. All of this land is available for development in order to accommodate projected population increases and the subsequent land demand. This General Plan suggests uses for the previously un-planned for areas.

Thus, this General Plan has been prepared to:

- Respond to the need of having policies to guide Yuba City's growth into previously un-planned for areas;
- Ensure that development remains within the agreed-upon SOI, thereby preserving agricultural land in the surrounding rural areas;
- Ensure that the General Plan reflects Yuba City's current planning efforts, and includes goals, policies, and desires of Yuba City citizens;
- Plan in a manner that meets future land needs based on the projected population and job growth; and
- Meet the City's jobs/housing balance objectives, the need for housing in the community, and State law requirements for Yuba City's allocation of regional housing needs.

### **PLAN PREPARATION PROCESS**

To help prepare this General Plan, a General Plan Advisory Committee (GPAC) was formed. This Committee was charged with serving as ambassadors to the community during the preparation of the new General Plan and with reviewing and commenting on interim products prepared by the project consultant. The committee included representation from the Yuba City Planning Commission and City Council, the Sutter County Board of Supervisors and Planning Commission, Caltrans, and local citizens from both the incorporated and unincorporated areas within the SOI.

The Committee met on a frequent basis to address concerns and guide the process. Two community workshops were held, one in August 2002 and one in



*Community workshops were held in order to obtain feedback from the Yuba City Community on the plan.*

November 2002. These workshops were attended by approximately 150 and 130 people, respectively. The first workshop gathered input and reactions to a Draft Land Use plan. The second workshop presented the refined land use plan and began the process of developing policies for the Plan. A wide variety of viewpoints were expressed by a mix of participants from all segments of the community. This plan is a result of the GPAC guidance and public input received at the Workshops. Special joint Planning Commission and City Council workshops were also held in order to keep those groups informed and to solicit feedback. Finally, newsletters on the General Plan Update were distributed to the citizens of Yuba City and surrounding areas in an effort to inform the public of the planning process and seek public comment.

## **1.2 PLANNING IN CONTEXT: A BRIEF HISTORY OF YUBA CITY**

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Before its founding, the land on which Yuba City is now located was a part of Rancho Nuevo Helvetia (the New Switzerland Ranch), a land grant owned by Swiss emigrant and Mexican citizen John Sutter. Samuel Brannan, Pierson Reading, and Henry Cheever purchased land from Sutter in 1849 to found a town primarily as a distribution center for Gold Rush supplies. Brannan, the Senior Partner, had the town laid out and lots sold. He is honored today as one of the town's founders and has a park named for him.

Yuba City was established as county seat in 1856. The early town was centered at Second Street and the Garden Highway, near the waterfront. The commercial district ran along Bridge Street, south of the present-day Downtown commercial corridor on Plumas Street. Apart from mining-oriented services, the City's industry also focused on agricultural production, with wheat, grains, and cattle being the dominant goods.

Incorporated on January 23, 1908, the City soon found ethnic diversity taking root. Mexican immigration to the Yuba-Sutter region began in the early Twentieth Century, followed by the arrival of traditionally agrarian Sikh Indian immigrants who have come in a small but steady flow since 1924. More than a quarter of City residents and 30 percent of people in the County now claim either Mexican or Indian heritage.

After World War II, Yuba City's population began to grow more quickly, owing to returning veterans, improved access from highway construction, and the constraints placed on development in its sister city across the river, Marysville, which is surrounded by flood-control levees. Growth has continued to be strong, with the population nearly doubling every twenty years since 1940. Pressure toward further expansion is most acute in agricultural areas to the west and south of the City, especially along highway corridors. More recently, with the growth of the Sacramento Capital region, Yuba City remains a fast-growing urban area. New jobs in Yuba City, Sacramento, and Sacramento suburbs such as Roseville and Rocklin combined with affordable home prices and transportation options in Yuba City have fueled the current boom.

## **1.3 GENERAL PLAN REQUIREMENTS**

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State law requires each California municipality to prepare a general plan. A general plan is defined as "a comprehensive, long-term general plan for the physical development of the county or city, and any land outside its boundaries which in the planning agency's judgment bears relation to its planning."

State requirements call for general plans that “comprise an integrated, internally consistent and compatible statement of policies for the adopting agency.”

A city's general plan has been described as its constitution for development – the framework within which decisions on how to grow, provide public services and facilities, and protect and enhance the environment must be made. California's tradition of allowing local authority over land use decisions means that the State's cities have considerable flexibility in preparing their general plans.

While allowing considerable flexibility, State planning laws do establish some requirements for the issues that general plans must address. The California Government Code establishes both the content of general plans and rules for their adoption and subsequent amendment. Together, State law and judicial decisions establish three overall guidelines for general plans:

- *The General Plan Must Be Comprehensive.* This requirement has two aspects. First, the general plan must be geographically comprehensive. That is, it must apply throughout the entire incorporated area and it should include other areas that the City determines are relevant to its planning. Second, the general plan must address the full range of issues that affect the City's physical development.
- *The General Plan Must Be Internally Consistent.* This requirement means that the general plan must fully integrate its separate parts and relate them to each other without conflict. “Horizontal” consistency applies both to figures and diagrams as well as general plan text. It also applies to data and analysis as well as policies. All adopted portions of the general plan, whether required by State law or not, have equal legal weight. None may supersede another, so the general plan must resolve conflicts among the provisions of each element.
- *The General Plan Must Be Long-Range.* Because anticipated development will affect the City and the people who live or work there for years to come, State law requires every general plan to take a long-term perspective.

## **I.4 REGIONAL LOCATION AND PLANNING BOUNDARIES**

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### **REGIONAL LOCATION**

Yuba City lies in the northern portion of California's flat, fertile Central Valley. It is situated in eastern Sutter County on the western bank of the Feather River. Marysville, Yuba City's sister City, is located opposite Yuba City on the eastern bank of the Feather River, and is in Yuba County. Primarily undeveloped agricultural land exists to the north, west, and south of the City. The Sutter Buttes are located to the northwest of the City and frame views in that direction. The primary transportation corridors are Routes 99 and Route 20. Route 99 leads due south to Sacramento and north to Oroville and Chico beyond; Route 20 links Yuba City to Colusa and I-5 to the west and Grass Valley and the Sierra Nevada range to the east. State Routes 70 and 65 lead south from Marysville, connecting the region to Sacramento and to Sacramento's northern suburbs – Roseville and Rockland.

### **PLANNING BOUNDARIES**

According to State law, the City must consider a Planning Area that consists of land within the City and “any land outside its boundaries which, in the planning agency's judgment, bears relation to its planning.”

Figure 1-1 illustrates the overall Planning Area, the Yuba City SOI (as agreed upon by the City with Sutter County), and, for the purposes of this plan, the Urban Growth Boundary (UGB), which is essentially the SOI boundary, with minor exceptions. The area within the UGB includes approximately 24 square miles of land. It is assumed that all areas within the SOI will be annexed and become part of Yuba City.

## **I.5 OBJECTIVES & KEY INITIATIVES**

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### **GENERAL PLAN OBJECTIVES**

Several objectives for the General Plan were identified and considered by the GPAC, based on input by the public and from key stakeholders and City staff. In response to that input, the following six key planning objectives were developed:

- Maintain a cohesive city and protect surrounding rural areas by fostering a compact, rather than a scattered development pattern, with strong urban edges.
- Provide for new employment centers to support economic development.
- Build an interconnected street system with improved north-south and east-west connections into newly developing areas.
- Create livable neighborhoods, with convenient access to parks, schools and neighborhood commercial facilities.
- Locate new retail centers at accessible locations to serve both Yuba City residents and shoppers from other communities.
- Make new parks, schools and open space an integral part of new development, with linkages to existing parks and the planned Feather River park system.

### **KEY INITIATIVES**

Based on the planning objectives that were set forth, ten key initiatives emerged as the plan took shape. These initiatives are big picture ideas that address the planning objectives. The maps and policies in the General Plan are structured around these key initiatives.

- ***Clearly Defined Urban Edges.*** The General Plan offers proposals to create and maintain a contiguous and compact urban form amidst the rural landscape, with clearly defined urban edges. The urban limit boundary is established through three key roadways: Pease Road, Township Road, and Bogue Road as well as the Feather River. Proposals for clearly and appropriately defining and designing the urban edge are included in this plan. Clear edges also create the opportunity for “gateways” as travelers enter or leave the urban areas of Yuba City, adding character to both the City proper and the surrounding countryside. Agreements concerning buffering through landscaping programs and setbacks have been reached between Yuba City and Sutter County; this plan builds off of those agreements. Finally, clearly defining the boundaries of a City requires that projected population influxes be accommodated within those boundaries. This Plan puts forth a set of policies, most specifically with respect to residential densities, that accommodates future populations.

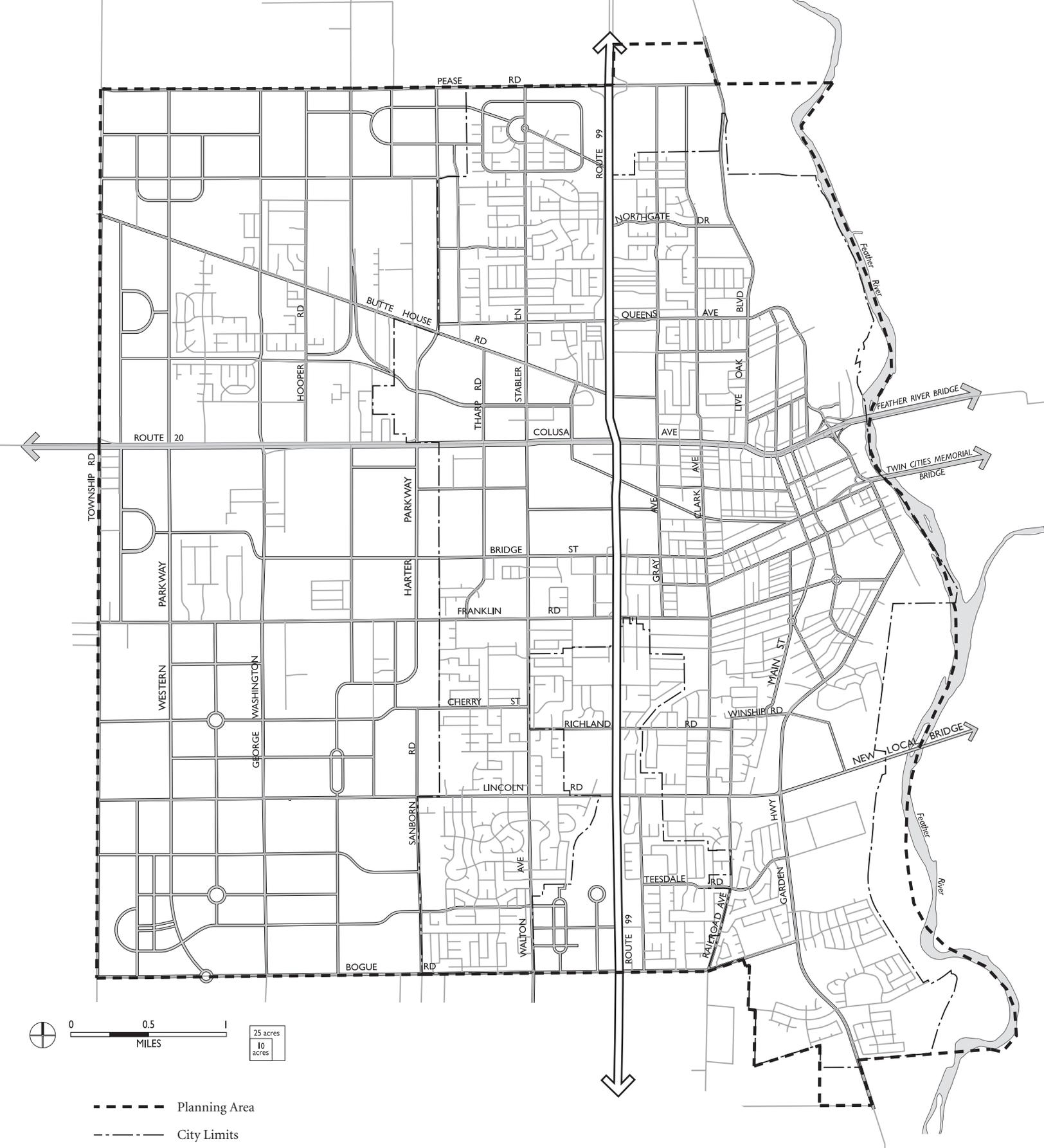


Figure 1-1  
 Planning Area

- ***Economic Development & Jobs.*** City officials and residents alike recognize that if Yuba City is to continue as a desirable and prosperous community, being simply a bedroom community to Sacramento and it's suburbs is not an option. This plan strives for – at minimum – a 1 to 1 jobs/housing ratio. This means that for every household in Yuba City, a job will be available in Yuba City. With this in mind, strides have been taken in the General Plan to attract and maintain quality business and industry. Land has been set aside for businesses, roadway improvements have been designed to meet the needs and requirements of new industry, new educational facilities have been proposed to maintain an educated workforce, and most importantly, the overall upkeep and improvement of Yuba City as a desirable place to live and work has been promoted throughout the Plan.
- ***Large Parks.*** The General Plan uses parkland as a primary creator of community character with two large parks in the undeveloped southwest and northwest portions of the planning area. These parks, highly favored by the public at community meetings, offer several opportunities: they will insure that open space is preserved indefinitely in the Yuba City urban area; they will provide much needed parkland to offset the City's shortage of parkland; they will allow for the preservation of the agricultural history of Yuba City through agricultural-related exhibits and heritage centers; they will offer amenities to the Yuba City public; they will offer sites for cultural and civic institutions; and finally, their amenity value will appeal to both potential employers looking for a place to locate their business and regional residents looking for a place to spend their weekend days (and spend their weekend dollars). Coupled with the proposed Feather River Park, the overall park system in Yuba City will be significantly improved.
- ***A Network of Open Space.*** In addition to the two large parks and the Feather River Park, the General Plan proposes an interconnected network of pathways and trails, as well as community and neighborhood parks. This system is envisioned to connect neighborhoods to one another and also to create pedestrian or bikeway linkages between parks, schools, neighborhood commercial centers, downtown, and the Feather River.
- ***A Complete Roadway System.*** Although the Yuba City urban area has developed on a super grid of roadways spaced north/south and east/west at one mile intervals, many of these roadways do not connect through to the limits of urban development. Also, many roadways are disconnected and new subdivision-style developments have been built with a minimum number of entrances onto collector streets or arterials. The lack of connectivity and a lack of adequate east/west and north/south roadways has resulted in higher than expected traffic volumes for a community the size of Yuba City. Also, streets and thoroughfares in Yuba City lack plantings, trees, berms, pedestrian facilities, and other amenities. These amenities add to the visual character of the most visible part of Yuba City – it's roads – and effect the overall perception of the community. This plan proposes new roadway connections and introduces the “parkway” concept to Yuba City – roadways whose purpose is to function as both a visual corridor and a traffic artery.



*The creation and preservation of parks and open space are a key component of the General Plan.*

- ***Integrated Neighborhoods & Neighborhood Centers.*** Another central idea in this General Plan is the concept of neighborhoods. Neighborhoods are the essential building blocks of good cities. Quality neighborhoods typically mean a quality urban environment. Balanced neighborhoods include a mix of residential opportunities and include activities and facilities that are used on a frequent basis – such as schools, stores and parks. Land uses are designated to ensure balanced neighborhood development with a mix of uses and housing types, provision of parks and schools, and easy access to commercial activity centers.
- ***Enhanced Community Character & Aesthetics.*** Implementation of the General Plan will result in enhanced community character, building on the foundation of work the City has begun in the Town Center Development and the Buttes Vista and Harter Specific Plans. The Plan establishes community design policies at a citywide, neighborhood, and street scale. Overall aesthetic excellence and tree plantings are strongly encouraged.
- ***A Mix of Housing Types.*** A wide demographic base currently populates Yuba City; the future is not expected to be any different. This plan proposes a wide and diverse variety of housing types in order to accommodate home owners and renters of differing housing needs and income categories.
- ***Adequate, Flexible School Sites.*** The growth of Yuba City means additional school age population and a need for additional schools. Developed in concert with the Yuba City Unified School District, the plan identifies new school sites for the school districts projected need and spaces them appropriately throughout the growing urbanized areas, and incorporates sites owned by the school district. The size of these sites is also compatible with the school district’s policy to build new schools for grades K-8 as combined elementary/middle school sites. Finally, the plan places schools in neighborhoods and communities, and, where possible, couples school sites with park sites.
- ***A Range of Commercial & Retail Opportunities.*** Quality communities are often gauged by the quality of retail outlets. With this in mind, combined with the jobs and sales tax revenue that commercial properties produce, the General Plan proposes a mix of retail and office types. These are intended to serve both local residents and a regional population and are to be accessible by both automobiles and pedestrians, depending on type and location.

## **I.6 PLAN ORGANIZATION**

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The Yuba City General Plan is organized into the following chapters:

1. ***Introduction & Overview.*** This includes General Plan objectives and key initiatives, State requirements, and requirements for administration of the Plan.
2. ***Growth & Economic Development.*** This Chapter establishes policies to promote economic expansion and job growth in the city.
3. ***Land Use.*** This chapter provides the physical framework for development in the City. It establishes policies related to the location and intensity of new development and citywide land use policies.

4. *Community Design*. This chapter outlines policies to ensure that new development protects and enhances the community character. Urban form, edges, neighborhoods, buildings, streets, and parks are all addressed.
5. *Transportation*. This chapter includes policies, programs, and standards to maintain efficient circulation. It identifies future street and bikeway improvements, and addresses alternative transportation modes and parking.
6. *Parks, Schools & Community Facilities*. This chapter outlines policies and standards relating to regional and local parks and recreational facilities and preserved open space.
7. *Public Utilities*. This chapter outlines policies and standards relating to schools, libraries, and institutions of higher learning. The chapter also addresses local utilities, such as water and wastewater.
8. *Environmental Conservation*. This chapter outlines policies relating to habitat and biological resources, water quality, air quality, and historic and archaeological resources.
9. *Noise & Safety*. This chapter includes policies to limit the impacts of noise sources throughout the city and addresses the risks posed by seismic and geologic hazards, flooding, as well as other topics, including solid waste management and recycling, hazardous materials, and emergency management.
10. *Implementation & Monitoring*. This chapter details the manner in which the plan is to be implemented.
11. *Housing*. This chapter, which addresses housing availability and affordability according to State requirements, is bound in a separate volume.

## **CORRESPONDENCE TO REQUIRED ELEMENTS**

The General Plan includes the seven elements required by State law (Land Use, Housing, Circulation, Open Space, Conservation, Safety, and Noise) and four other elements that address local concerns (Growth & Economic Development, Community Design, Public Utilities, and Parks, Schools & Community Facilities). Table 1-1 shows how the Yuba City General Plan elements correspond to State-required elements.

**Table I-1: Correspondence Between Required Elements & General Plan Elements**

<i>Required Element</i>	<i>General Plan Element</i>
Land Use	Chapter 3: Land Use
Circulation	Chapter 5: Transportation
Open Space	Chapter 6: Parks, Schools, & Community Facilities
Conservation	Chapter 8: Environmental Conservation
Safety	Chapter 9: Noise and Safety
Noise	Chapter 9: Noise and Safety
Housing	Chapter 11: Housing (separate volume)

**POLICY STRUCTURE**

Each chapter of the General Plan includes brief background information to establish the context for policies in the chapter. This background material is neither a comprehensive statement of existing conditions nor does it contain adopted information. Readers interested in a comprehensive understanding of issues related to a particular topic should refer to the *Existing Conditions and Future Prospects* working paper available at City offices and the library.

This background information is followed by two sets of policies:

- Guiding Policies are the City's statements of its goals and philosophy.
- Implementing Policies represent commitments to specific actions. They may refer to existing programs or call for establishment of new ones.

Together, the guiding and implementing policies articulate a vision for Yuba City that the General Plan seeks to achieve. They also provide protection for the City's resources by establishing planning requirements, programs, standards, and criteria for project review. Explanatory material or commentary accompanies some policies. Commentary provides background information or is intended to guide Plan implementation. The use of "should" or "would" indicates that a statement is advisory, not binding; details will need to be resolved in General Plan implementation. Where the same topic is addressed in more than one chapter, sections and policies are cross-referred.

*Policy Numbering System*

Policies in the General Plan are organized using a two-part numbering system that is intended to give each goal and policy a discrete, easily referenced number. The first part refers to the chapter/element (and the subsection within the chapter), followed by a letter identifying the policy as either a Guiding Policy (G) or Implementing Policy (I), and finally by a second number referring to the specific policy. Thus, the first Guiding Policy in Chapter 4, Section 2, would be "4.2-G-1". The subsequent Implementing Policies in Chapter 4, Section 2 would be "4.2-I-1", "4.2-I-2", etc.

**RELATED DOCUMENTS**

As part of General Plan preparation, several technical studies were conducted to document environmental conditions and analyze alternatives for development and conservation. While these background studies and environmental documents have guided Plan preparation, they do not represent adopted City policy. Documents include:

- Existing Conditions and Future Prospects Report, *December 2001*
- Sketch Plan Workbook, *April 2002*
- Evaluation of Plan Alternatives Report, *June 2002*
- August 22, 2002 Community Workshop Summary Workbook, *October 2002*
- Updated Draft Preferred Plan Report, *October 2002*
- Draft Environmental Impact Report, *October 2003; and*
- Final Environmental Impact Report, *February 2004 (certified on April 8, 2004 by the City Council).*

## **I.7 ADMINISTRATION OF THE GENERAL PLAN**

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The General Plan is intended to be a dynamic document. As such, it may be subject to more site-specific and comprehensive amendments over time, amendments that may be needed to conform to State or federal law passed after adoption, or to eliminate or modify policies that may become obsolete or unrealistic over time due to changed conditions, such as the completion of a task or project, development on a site, or adoption of an ordinance or plan.

### **AMENDMENTS TO THE GENERAL PLAN**

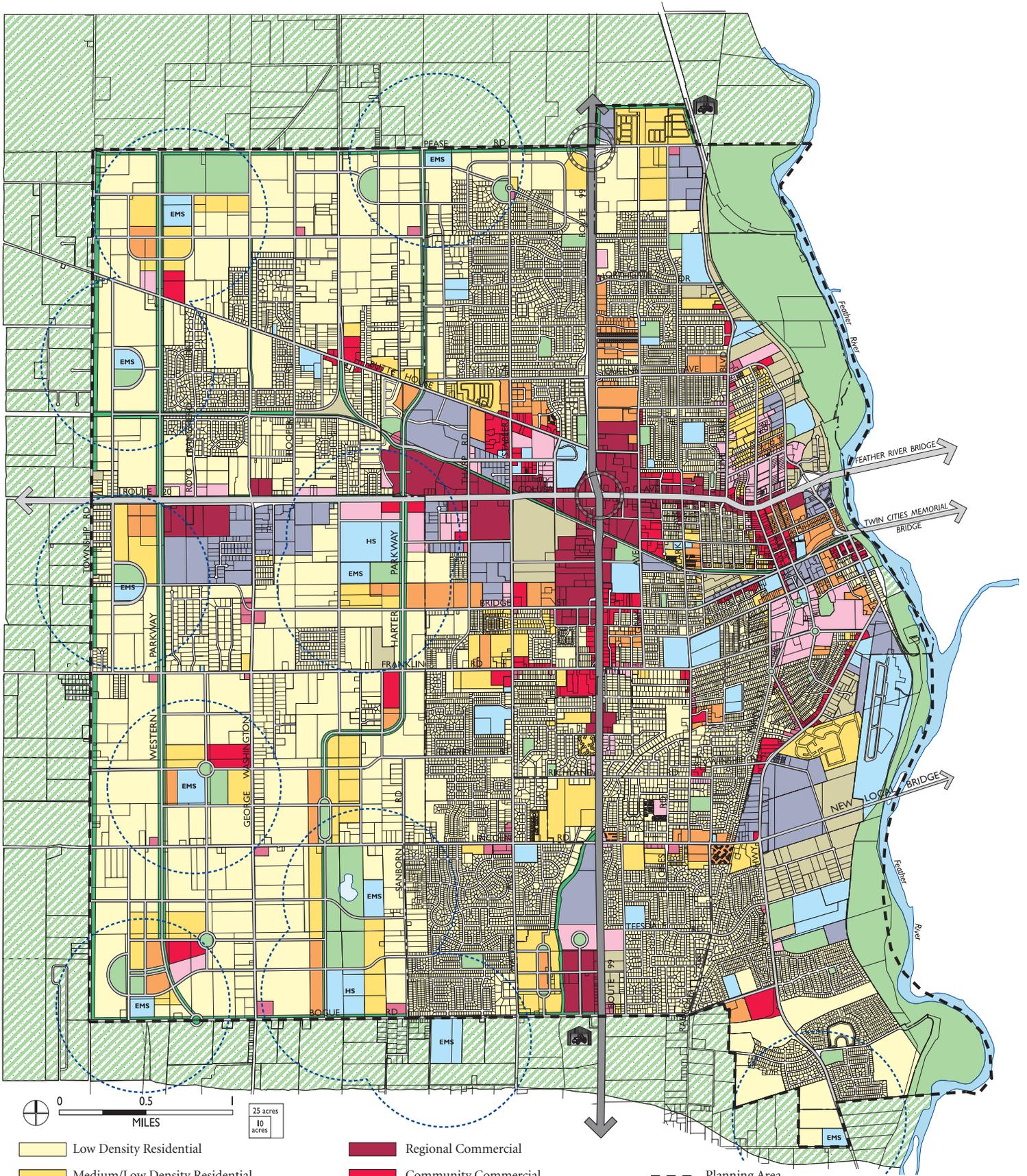
State law limits the number of times a jurisdiction can amend its general plan to generally no more than four times in one year for a mandatory element, although each amendment may include more than one change. This restriction does not apply to optional general plan elements (Growth and Economic Development, Community Design, Parks, Schools and Community Facilities, and Public Utilities), or if the amendment is necessary to allow for the development of workforce housing or to comply with a court decision.

### **ANNUAL REPORT**

The California Government Code requires city staff to “provide an annual report to the legislative body on the status of the general plan and progress in its implementation” (Government Code § 65400(b)). This report must also be submitted to the Governor's Office of Planning and Research and the Department of Housing and Community Development. It must include an analysis of the progress in meeting the city's share of regional housing needs and local efforts to remove governmental constraints to maintenance, improvement, and development of workforce housing (Government Code § 65583, 65584).

In addition, any mitigation monitoring and reporting requirements prescribed by the California Environmental Quality Act (CEQA) identified in the general plan environmental impact report (EIR) should be addressed in the annual report because they are closely tied to plan implementation. Finally, the annual report should include a summary of all general plan amendments adopted during the preceding year and an outline of upcoming projects and general plan issues to be addressed in the coming year, along with a work program.





25 acres  
10 acres

- |  |  |
|--|--|
| Low Density Residential  | Regional Commercial  |
| Medium/Low Density Residential   | Community Commercial                                       |
| Medium/High Density Residential  | Neighborhood Commercial                                    |
| Parks, Recreation & Open Space   | Office & Office Park                                       |
| Agricultural/Rural   | Business, Technology & Light Industry                      |
| Greenway/Bikeway/Pedestrian Link                                       | Manufacturing, Processing & Warehousing                    |
| Public & Semi Public — HS-High School;<br>EMS-Elementary/Middle School | Agricultural/Resource-based<br>Industrial Opportunity Area |

- Planning Area
- 1/2 Mile Radius
- Potential Interchange

4/6/04

Figure 3-1  
General Plan Diagram

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# The General Plan – Growth Policies

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## DEVELOPMENT AGREEMENTS

The Growth policies in the Yuba City General Plan recognize that growth is caused by a wide variety of factors: state of the economy, interest rates, and availability of infrastructure outside of the City's jurisdiction. While most of these factors are out of the control of the City, the City should control the planning of land use and the financing of all new infrastructure including new roads, public improvements, and public safety services. To this end, the City can influence the rate of growth, the location of growth, the timing of growth, level of service, and the provision of municipal services including sewer and water and public safety services.

Within the areas identified as "Specific Plan Area," no preannexation zoning shall be accepted until completion of the specific plan.

Within the areas identified as "Master Plan Areas," preannexation zoning requests may be processed pending approval of a Development Agreement that addresses the 12 policies presented below.

## GROWTH POLICIES

Prior to the City processing a preannexation zoning application, the following policies shall be implemented:

1. Prior to the City finalizing a development agreement, the developer will have a letter from the affected school district stating that the developer has satisfied their requirements for school infrastructure. This would generally apply to any developments over four residential units. The school district would expect, at a minimum, that all residential developments enter into a Mello Roos District and that, depending on the size of development, land dedication and school development may be an alternative subject to negotiation with the District.
2. All residential subdivisions will include an affordable housing component that meets the minimum production standard of affordable housing outlined in the regional

compact adopted by the City of Yuba City in November, 2004. The housing production standard requires all new housing construction supply a minimum of 10% affordability as follows: 4% very low income, 4% low income, and 2% moderate or additional low or very low income (4-4-2).

There are a variety of options of how best to meet the affordable housing requirement. These options would be subject to negotiations between the City and developer.

3. Drainage Plans shall be provided for all subdivisions of land and shall comply with the City and County's master drainage plans.
  4. All developments proposing preannexation zoning to the City will enter into a Development Agreement with the City. At a minimum, the Development Agreement will address the financing of roads, parks, public facilities, sewer, water, drainage, and surrounding infrastructure as established in the General Plan.
  5. All residential subdivisions shall meet the minimum standards for residential design as established by the City Council.
  6. Sewer and water fees, including connection fees and the installation of major trunk lines from both plants, shall be incorporated into the cost of development and shall be part of the Development Agreement.
  7. Development will be required to pay their fair share of major roadwork as part of their development and, in some cases, construct improvements of collectors and arterials that will adequately address infrastructure concurrent with their proposed development. This would be negotiated as part of the Development Agreement.
  8. Payment of impact fees, which incorporate the public improvements necessary to implement the General Plan, will be required and will be part of the Development Agreement. These fees will be estimates
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# The General Plan – Growth Policies

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and final payment will be based on a formally adopted impact fee study approved by the City Council. In addition to the park impact fee, the Quimby Act will apply.

9. Payment of a fee to address levee improvements and potential flood issues will be required as part of the Development Agreement.
10. All developments will enter into a Community Facilities District to assist in funding police, fire and park maintenance.
11. All developments will address the community design policies in the General Plan including walkable, livable concepts and address the village concept as provided for in the General Plan.
12. It will continue to remain the policy of the City of Yuba City that City services will not be extended to unincorporated areas of the Sphere of Influence without first annexing to the City. As in the past, exceptions can be granted for serious health and safety related problems.

## SUMMARY

Once the provisions of the policies have been completed and checked off by the Community Development Department and approved by the City Manager, a hearing for preannexation will be scheduled before the Planning Commission and City Council for consideration. All of these policies are subject to adequate sewer and water capacity and will be processed on a case-by-case basis. Developments completing the process and receiving preannexation zoning and annexation to the City will be issued building permits based on the City's ability to provide sewer and water at that time.

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# Business Incentive Guidelines

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## To Advance Job Creation & Revenue Generation

### 1. Taxes

Sales Tax	Negotiate reimbursement of a Percentage of Net New Sales Tax over a limited time period, not to exceed development fees
Transient Occupancy Tax	Negotiated based upon need and benefit to the community
Property Tax	Negotiate reimbursement of unsecured property tax increase over a limited time period, not to exceed development fees
Enterprise Zone	Actively Promote program to businesses and work at State level to protect current Enterprise Zone State Tax Credit

### 2. Financing Program

SCIP – State Financing Program	Actively promote program and create marketing materials to increase use of SCIP program
CFD & Mello Roos	Allow use of CFD and Mello Roos projects when feasible

### 3. Development

Utilities Infrastructure	Negotiate cost sharing of utilities extension for key employer based development and create impact fee deferral program Water & Sewer impact fees
Permitting	Review existing plan review periods, continue ombudsmen program and create “development team” with the appropriate staff members for future development or business inquiries
Redevelopment	Negotiable based upon cost and benefit to RDA & City
Impact Fees	Negotiate locking in of non-residential impact fees at entitlement and negotiate fees for large manufacturing or industrial job creation

### 4. Promotion

Sign Ordinance	Review sign ordinance and consider specific revisions for highway corridors and electronic billboards
Shop Local	Continue to work with Chamber in promoting “Think Yuba Sutter First” Campaign
CDBG Micro Loans	Create CDBG Micro Loan/Grant Program for adoption by Council and consider additional CDBG allocation depending upon success of program

*Adopted 2/1/11*

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# RULES OF CONDUCT AND DECORUM

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*Adopted July 15, 2014*

## **PURPOSE**

The citizens and businesses of Yuba City are entitled to have fair, ethical and accountable local government. The following protocols are intended to define the City's expectations of interaction and communication between Council, staff, and the public. These guidelines define rules of behavior that guide the decisions, procedures and systems of the City in a way that contributes to the welfare of its citizens and respects the rights of all constituents affected by its operations.

## **ROLES AND RESPONSIBILITIES**

The City of Yuba City has a Council/City Manager form of government. As described in the California Government Code Sections 34851-34859, certain responsibilities are vested in the City Council and City Manager. This form of government prescribes that a City Council's role is that of a legislative policy-making body which determines not only the local laws that regulate community life, but also what public policy gives direction to the City Manager to administer the affairs of the city government in a businesslike and prudent manner.

### **Role of the Mayor**

Presiding Officer. The Mayor serves as the presiding officer and serves as Chair at all meetings of the City Council. In this role, the Mayor is responsible for maintaining the order and decorum of meetings. The presiding officer shall also maintain control of communications between Councilmembers and between the City Council and the public. The Mayor may participate in all discussions of the Council in the same manner as any other member. The Mayor does not possess any power of veto. The Mayor may make or second any motion. The Mayor acts as the signatory to all documents requiring Council execution. The Mayor is the spokesperson for the Council.

Ceremonial Representative. It is the responsibility of the Mayor to act as the City Council's ceremonial representative at public events and functions. The Mayor may assign the Vice Mayor or a Councilmember to represent the City in the Mayor's absence.

### **Role of the Vice Mayor**

In the absence of the Mayor, the Vice Mayor shall possess and perform the powers and duties of the Mayor.

### **Mayor/Vice Mayor Selection and Rotation**

The Mayor and Vice Mayor are elected among and by the presiding City Council. Transition shall occur before or the first Regular Council meeting in December. The position of Mayor follows a sequence based on (a) election date and (b) order of finish within each election.

### **Role of Councilmembers**

City Councilmembers are collectively responsible for establishing policy, adopting the annual budget, and providing priorities and goals to the City Manager. Councilmembers shall request the floor from the presiding officer before speaking. The following briefly outlines a generic list of various duties of City Councilmembers:

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# **RULES OF CONDUCT AND DECORUM**

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1. Establish Policy
2. Enact Local Laws
3. Supervise Appointed Officials
4. Provide Public Leadership
5. Decision-Making

The City Council is responsible for appointing two positions within the City organization: the City Manager and City Attorney.

## **City Manager**

The City Manager serves at the pleasure of the City Council. The City Manager's duty is to direct the daily operations of city government, to prepare and monitor the budget, and to implement the policies and programs initiated by the City Council. The City Manager is responsible to the City Council and directs and coordinates all city operations. The City Manager is responsible for appointing all department directors and authorizing all other personnel positions. The City Council authorizes positions through the budget process; based upon that authorization, the City Manager makes appointments.

## **City Attorney**

The City Attorney represents the City and the City Council in litigation against the City and provides advice and counsel on all matters before the Council. The City Attorney is a contracted position.

## **Use of Public Resources**

Councilmember shall not use public resources, such as staff time, equipment, supplies or facilities for private gain or personal services.

## **Staff Resources - Requests for Research or Information**

The City Manager is the liaison between the Council and City staff and determines the protocol for the relationship between Councilmembers and staff. General requests for information may be made directly to Department Heads who will advise the City Manager. The information requested will be copied to all members of the Council so that each member may be equally informed.

Except for the purpose of inquiry, at no time may a Councilmember give orders to the subordinates of the City Manager. No individual Councilmember shall give orders to the City Manager. Requests for new research or policy direction will be brought to the full Council at a regular or special meeting for consideration. This prohibition does not apply to the position of City Attorney. Councilmembers shall not publically criticize or censure any staff member of the City and instead relay any criticism of a staff member privately through the City Manager.

There are limited restrictions when information cannot be provided. The City is legally bound not to release certain confidential personnel information. Likewise, certain aspects of police department affairs may not be available to members of the City Council.

Councilmembers assigned to committees will observe the City Council Protocols regarding staff assignment of duties. Only the City Manager will assign staff to committees for the purposes of

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# **RULES OF CONDUCT AND DECORUM**

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administrative services, to attend committee meetings, and to assist with committee presentations to the City Council.

## **Media Relations**

The City Council maintains open lines of communication with the media providing any City Councilmember an ability to speak with the media on issues. It is recommended that Councilmembers advise the City Manager when media contact occurs.

## **CITY COUNCIL MEETINGS**

The City Manager sets the agenda. Councilmembers will endeavor to submit questions to the City Manager on Council Agenda items ahead of the meeting so that staff can be prepared to respond at the Council meeting. Any clarification or technical questions that can be readily answered should be handled before the meeting. The City Manager will respond to the entire Council so that everyone is provided the equal information.

## **Resolutions**

The City Council is sometimes requested to take action on matters which lie outside the scope of its jurisdiction. There being better and more appropriate avenues of communication between citizens and other governmental entities, the City Council desires to restrict its own deliberation to problems which most immediately affect the government of the City of Yuba City.

## **Presentations/Proclamations**

Proclamations are typically issued by the Mayor to recognize the importance of a community event, significant achievements by a community member, or to signal Yuba City's role in significant national events. Proclamations may be read at a City Council meetings or at the community event being recognized, depending entirely on the schedule of the Mayor. For reading of a proclamation at a City Council meeting, the recipient or representative must be in attendance.

## **Honoring Residents and Other Worthy Persons**

It is the policy of the City Council to honor citizens who have contributed to the improvement or to the welfare of the City for milestone events. Recommendations may be made by citizens to an appropriate commission, board, or committee or directly to the City Manager or City Council. The Council may request the advice of a commission, board or committee to determine merit. Recognition may also be given to individuals for their personal achievement or for enhancing the image of the City. The accolades could include awards, certificates, resolutions or proclamations.

## **Rules of Decorum**

While the Council is in session, Council members will preserve order and decorum, and a member will neither by conversation or otherwise delay or interrupt the proceedings or the peace of the Council nor disturb a member while speaking or refuse to obey the orders of the presiding officer.

Councilmembers shall accord the utmost courtesy to each other. City employees and the public appearing before the City Council and shall refrain at all times from rude and derogatory remarks, public

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# RULES OF CONDUCT AND DECORUM

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criticism of staff, remarks as to integrity, abusive comments and statements as to motives and personalities.

## **FAILURE TO OBSERVE COUNCIL PROTOCOLS**

The Mayor and City Council recognizes that they and staff must self-regulate each other with respect to adhering to protocols. The Mayor, in consultation with the City Manager and City Attorney, will be responsible for meeting with a member of the Council who violates any of the above provisions. The Vice Mayor, in consultation with the City Manager and City Attorney, will be responsible for meeting with the Mayor in the event of any violations. Any member of the City Council may seek to have a member of the City Council censured at a regular meeting.

These protocols are adopted to expedite the transaction of the business of the Council in an orderly fashion and are procedural only and the failure to strictly observe such rules does not affect the jurisdiction of the Council or invalidate action taken at a meeting that is otherwise held in conformity with law.

*[Adopted Resolution No. 14-056 July 15, 2014]*

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## References:

- *Ordinance No. 06-91 - Adopting and Establishing Rules for the Conduct of its Meeting, Proceedings and Business*
- *Ordinance No. 013-05 - Position of City Manager*
- *Resolution No. 05-171 – Establishing a Code of Ethics for Members of Council, Boards and Commissions*

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# CITY COUNCIL MEETINGS

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## Keep the Tone of the Debate Respectful, Civic and Honest

Creating a climate of distrust and contention is not consistent with your ethical obligations as an elected official, especially if you undermine the public's trust and confidence in the decision-making process simply because your perspective did not prevail. Of course, it is never ethical to misrepresent, distort or "spin" the position of the motivations of the majority for taking the position in question; such an approach is inconsistent with the ethical value of trustworthiness.

John Beauman, Mayor City of Brea, shares his perspective:

*"It is one thing to respectfully differ with a majority opinion, expressing an opposing viewpoint objectively stating why --- but quite another to continue making a public issue of it by badmouthing one's colleagues. Everyone votes on a matter from their respective understanding of the issue, which may differ. We make the best decision we can under the circumstances – which include the date we receive from whom.*

*To argue and publically attack one's colleagues does not persuade anyone of the validity of one's arguments, nor does it win others or public opinion over to one's viewpoint... once a meter is settled by a majority vote, continually attacking the opposing side creases a climate of distrust and contention that carries over to all future business to the point that it tends to become personal, which interferes with conducting the people's business in a professional and orderly manner".*

[ILG - Everyday Ethics for Local Officials]

## Council Meetings

Regular meetings. Regular meetings of the Council shall be held without notice on the first and third Tuesdays of each month, beginning at 6:00. The Agenda must be posted no later than 72 hours prior to the meeting.

Special meetings. Special meetings may be called at any time by the Mayor or by a majority of the members of the Council. No other business shall be considered at the meeting.

Emergency meetings. The notice requirement for a special meeting may be dispensed with under the following emergency conditions:

- 1) Work stoppage or other activity which severely impairs public health, safety, or both, as determined by a majority of the Council.
- 2) A crippling disaster which impairs public health, safety, or both, as determined by a majority of the Council.

Closed sessions. The Council may hold closed sessions during a regular or special meeting, to consider or hear any matter which it is authorized by State law to hear or consider in closed session, and may exclude from any such closed session any person or persons which it is authorized by State law to exclude from such closed sessions.

Cancellation. Any meeting of the Council may be cancelled in advance by a majority vote of the Council. The Mayor may cancel a meeting in the case of an emergency or when a majority

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# CITY COUNCIL MEETINGS

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of members have confirmed in writing their unavailability to attend a meeting.

Attendance by the public. Except as specifically provided by law for closed sessions, all meetings of the Council shall be open and public. All persons desiring to attend shall be permitted to attend any meeting. In the event any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of the meeting unfeasible and order cannot be restored by removal of the offending individual or individuals, the Council may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered during such session.

*[Yuba City Municipal Code Ord. 06-91, Ord. 03-95, Ord. 001-13]*

## **Agenda/Posting - Action on other matters.**

The City Manager shall cause to be prepared an agenda of the Council meeting which agenda shall be prepared and posted at least seventy-two (72) hours before a regular meeting. No action shall be taken on any item not appearing on the posted agenda.

Notwithstanding the above, the Council may take action on items of business not appearing on the posted agenda under any of the following conditions:

- 1) Upon a determination by a majority vote of the Council that an emergency situation exists as defined in the public meeting law (Section 54956.2(b)(1) Government Code);
- 2) Upon a determination by a two-thirds (2/3) vote of the Council or if less than two-thirds (2/3) of the Council members are present, a unanimous vote of those members present that the need to take action arose subsequent to the agenda being posted; and
- 3) The item was posted as hereinbefore required for a prior meeting of the Council occurring not more than five (5) calendar days prior to the date action is taken on the item and at the prior meeting the item was continued to the meeting at which action is being taken.

*[Ord. 06-91, eff. July 2, 1991]*

## **Council Meetings**

Business shall be brought before the Council by motion in accordance with the following standards of conduct:

1. *Obtaining the floor.* Any member of the Council wishing to speak must first obtain the floor by being recognized by the Mayor. The Mayor must recognize any Council member who seeks the floor when appropriately entitled to do so.
  2. *Motions.* The Mayor or any member of the Council may bring a matter of business before the Council by making a motion. Before the matter can be considered or debated it must be seconded. Once the motion has been properly made and seconded, the chair shall open the matter for debate offering the first opportunity to debate to the moving party and, thereafter, to any Council member properly recognized by the chair. Once the matter has been fully debated and the chair calls for a vote, no further debate will be allowed; provided however, Council members may be allowed to explain their vote.
  3. *Voting.* All Council members present at a meeting when a question comes up for a vote, shall vote for or against the measure unless he/she is disqualified from voting and abstains because of such disqualification. If the vote is a voice vote, the chair shall declare the result and note for the record all "aye" votes and all "no" votes. The Council may also vote by roll call vote, ballot or voting machine. Regardless of the manner of voting, the results reflecting
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# CITY COUNCIL MEETINGS

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all “ayes” and “noes” must be clearly set forth for the record.

4. *Procedural rules of order.* Once the main motion is properly placed on the floor, several related motions may be employed in addressing the main motion. These motions take precedence over the main motion, and if properly made and seconded, must be disposed of before the main motion can be acted upon. The following motions are appropriate and may be made by the Mayor or any Council member at any appropriate time during the discussion of the main motion. They are listed in order of precedence. The first three subsidiary motions are non-debatable; the last four are debatable. All subsidiary motions require a simple majority vote for passage.

*Subsidiary motions:*

- 1) Lay on the table. Any Council members, including the Mayor, may move to lay the matter under discussion on the table. This motion temporarily suspends any further discussion of the pending motion without setting a time certain to resume debate. It must be moved and seconded and passed by a majority vote. In order to bring the matter before the Council, a member must move that the matter be taken from the table, seconded and passed. A motion to take from the table must be made at the same meeting at which it was placed on the table or at the next regular meeting of the Council. Otherwise, the motion that was tabled dies, although it can be raised later as a new motion.
  - 2) Move the previous question. Any Council member may move to immediately bring the question being debated by the Council to a vote, suspending any further debate.
  - 3) Limit or extend limits of debate. Any council member may move to put limits on the length of debate.
  - 4) Postpone to a time certain. Any Council member may move to postpone the pending question to a time certain. This motion continues the pending main motion to a future date as determined by the Council at the time the motion is passed.
  - 5) Commit or refer. Any Council member may move that the matter being discussed should be referred to a committee or commission for further study. The motion may contain directions for the committee or commission, as well as, a date upon which the matter will be returned to the Council's agenda. If no date is set for returning the item to the Council agenda, any Council member may move, at any time, to require the time be returned to the agenda.
  - 6) Amend. Any Council member may amend the main motion or any amendment made to the main motion. Before the main motion may be acted upon, all amendments and amendments to amendments must first be acted upon. An amendment must be related to the main motion or amendment to which it is directed. Any amendment which substitutes a new motion rather than amending the existing motion is out of order and may be so declared by the chair.
  - 7) Postpone indefinitely. Any Council member may move to postpone indefinitely the motion on the floor, thus avoiding a direct vote on the pending motion and suspending any further action on the matter.
5. *Public discussion at hearings.* When a matter for public hearing comes before the Council, the Mayor shall open the public hearing. Upon opening the public hearing and before any motion is adopted related to the merits of the issue to be heard, the Mayor shall inquire if there are any persons present who desire to speak on the matter which is to be heard or to present evidence respecting the matter. Any person desiring to speak or present evidence
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# CITY COUNCIL MEETINGS

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shall make his/her presence known to the Mayor and upon being recognized by the Mayor, the person may speak or present evidence relevant to the matter being heard. No person may speak without first being recognized by the Mayor. Members of the Council who wish to ask questions of the speakers or each other, during the public hearing portion may do so but only after first being recognized by the Mayor. The Mayor shall conduct the meeting in such a manner as to afford due process.

All persons interested in the matter being heard by Council shall be entitled to submit written evidence or remarks, as well as other graphic evidence. All such evidence presented shall be retained by the City Clerk and made a part of the Clerk's record. Time limits may be established by the Council, limiting the duration of presentations as set forth herein.

No person shall be permitted during the hearing to speak about matters or present evidence which are not germane to the matter being considered. A determination of relevance of such matters shall be made by the Mayor but may be appealed as set forth here and before.

6. Consideration of Question by Council. After all members of the public desiring to speak upon the subject of the hearing have been given an opportunity to do so, the public hearing shall be closed by the Mayor and the Council may consider what disposition they wish to make of the question or questions presented at the hearing. No member of the public shall be allowed, without consent of the Mayor, to speak further on the question during this period of deliberation, although the

Council members may ask questions of the speakers if so desired. At the conclusion of the Council discussion, an appropriate motion having been made and seconded, the Council shall vote on the matter.

*[Yuba City Municipal Code Ord. 06-91]*

## **Rules of Decorum**

While the Council is in session, the Mayor shall preserve order and decorum. No person in attendance shall either by conversation or otherwise delay or interrupt the proceedings or the peace of the Council or disturb either any Council member or any member of the public while speaking, nor refuse to obey the orders of the Mayor and Council.

Any person making personal, impertinent or slanderous remarks or who shall become boisterous while addressing the Council shall be forthwith by the Mayor barred from further audience before the Council unless permission to continue shall be granted by a majority vote of the Council.

All persons addressing the Council shall step to the designated podium and shall give his her name and address in an audible tone of voice for the record. All remarks shall be addressed to the Council as a body and not to any member thereof. No person other than the Council and the person having the floor shall be permitted to enter into any discussion either directly or through a member of the Council without the permission of the chair. No question shall be asked a Council person except through the chair.

Every person in attendance desiring to speak shall address the Mayor and, upon recognition by the Mayor, shall confine himself/herself to the question under debate avoiding all personalities and indecorous language.

Any person in attendance, once recognized by the Mayor, shall not be interrupted when speaking unless it shall be to call him/her to order or as otherwise here and before provided. If a person, while speaking, shall be called to order he/she shall cease speaking until the

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## CITY COUNCIL MEETINGS

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question of order shall be determined and if in order he/she shall be permitted to proceed. A Council person may request, through the Mayor, the privilege of having a written abstract of his/her statement on any subject under consideration by the Council entered in the minutes. If the Council consents thereto, such statement shall be entered in the minutes.

*[Yuba City Municipal Code Ord. 06-91]*

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# *Parliamentary Motions Guide*

Based on *Robert's Rules of Order Newly Revised (11<sup>th</sup> Edition)*

The motions below are listed in order of precedence. Any motion can be introduced if it is higher on the chart than the pending motion.

<b>YOU WANT TO:</b>	<b>YOU SAY:</b>	<b>INTERRUPT?</b>	<b>2<sup>ND</sup>?</b>	<b>DEBATE?</b>	<b>AMEND?</b>	<b>VOTE?</b>
§21 Close meeting	I move to <b>adjourn</b>	No	Yes	No	No	Majority
§20 Take break	I move to <b>recess</b> for	No	Yes	No	Yes	Majority
§19 Register complaint	I rise to a <b>question of privilege</b>	Yes	No	No	No	None
§18 Make follow agenda	I call for the <b>orders of the day</b>	Yes	No	No	No	None
§17 Lay aside temporarily	I move to <b>lay</b> the question <b>on the table</b>	No	Yes	No	No	Majority
§16 Close debate	I move the <b>previous question</b>	No	Yes	No	No	2/3
§15 <b>Limit or extend debate</b>	I move that debate be limited to ...	No	Yes	No	Yes	2/3
§14 <b>Postpone to a certain time</b>	I move to postpone the motion to ...	No	Yes	Yes	Yes	Majority
§13 <b>Refer</b> to committee	I move to refer the motion to ...	No	Yes	Yes	Yes	Majority
§12 Modify wording of motion	I move to <b>amend</b> the motion by ...	No	Yes	Yes	Yes	Majority
§11 Kill main motion	I move that the motion be <b>postponed indefinitely</b>	No	Yes	Yes	No	Majority
§10 Bring business before assembly (a <b>main motion</b> )	I move that [or "to"] ...	No	Yes	Yes	Yes	Majority

# *Parliamentary Motions Guide*

Based on *Robert's Rules of Order Newly Revised (11<sup>th</sup> Edition)*

**Incidental Motions** - No order of precedence. Arise incidentally and decided immediately.

<b>YOU WANT TO:</b>	<b>YOU SAY:</b>	<b>INTERRUPT?</b>	<b>2<sup>ND</sup>?</b>	<b>DEBATE?</b>	<b>AMEND?</b>	<b>VOTE?</b>
§23 Enforce rules	<b>Point of order</b>	Yes	No	No	No	None
§24 Submit matter to assembly	I <b>appeal</b> from the decision of the chair	Yes	Yes	Varies	No	Majority
§25 Suspend rules	I move to <b>suspend the rules</b> which ...	No	Yes	No	No	2/3
§26 Avoid main motion altogether	I <b>object to the consideration</b> of the question	Yes	No	No	No	2/3
§27 Divide motion	I move to <b>divide the question</b>	No	Yes	No	Yes	Majority
§29 Demand rising vote	I call for a <b>division</b>	Yes	No	No	No	None
§33 Parliamentary law question	<b>Parliamentary inquiry</b>	Yes (if urgent)	No	No	No	None
§33 Request information	<b>Request for information</b>	Yes (if urgent)	No	No	No	None

**Motions That Bring a Question Again Before the Assembly** - no order of precedence. Introduce only when nothing else pending.

§34 Take matter from table	I move to <b>take from the table</b> ...	No	Yes	No	No	Majority
§35 Cancel or change previous action	I move to <b>rescind/ amend something previously adopted...</b>	No	Yes	Yes	Yes	2/3 or maj. w/ notice
§37 Reconsider motion	I move to <b>reconsider</b> the vote ...	No	Yes	Varies	No	Majority

## *Parliamentary Motions Guide*

Based on *Sturgis Standard Code of Parliamentary Procedure (4th Ed.)*

The motions below are listed in order of precedence.

Any motion can be introduced if it is higher on the chart than the pending motion.

<b>YOU WANT TO:</b>	<b>YOU SAY:</b>	<b>INTERRUPT?</b>	<b>2ND?</b>	<b>DEBATE?</b>	<b>AMEND?</b>	<b>VOTE?</b>
(77) Close meeting	I move that we <b>adjourn</b>	No	Yes	No	Yes	Majority
(75) Take break	I move to <b>recess</b> for	No	Yes	Yes	Yes	Majority
(72) Register complaint	I rise to a <b>question of privilege</b>	Yes	No	No	No	None
(68) Lay aside temporarily	I move that the main motion be <b>postponed temporarily</b>	No	Yes	No	No	Varies
(65) Close debate and vote immediately	I move to <b>close debate</b>	No	Yes	No	No	2/3
(62) <b>Limit or extend debate</b>	I move to limit debate to ...	No	Yes	Yes	Yes	2/3
(58) <b>Postpone to certain time</b>	I move to postpone the motion until ...	No	Yes	Yes	Yes	Majority
(55) <b>Refer</b> to committee	I move to refer the motion to ...	No	Yes	Yes	Yes	Majority
(47) Modify wording of motion	I move to <b>amend</b> the motion by ...	No	Yes	Yes	Yes	Majority
(p 32) Bring business before assembly (a <b>main motion</b> )	I move that ...	No	Yes	Yes	Yes	Majority

## *Parliamentary Motions Guide*

Based on *Sturgis Standard Code of Parliamentary Procedure (4th Ed.)*

**Incidental Motions** - no order of precedence. Arise incidentally and decided immediately.

<b>YOU WANT TO:</b>	<b>YOU SAY:</b>	<b>INTERRUPT?</b>	<b>2ND?</b>	<b>DEBATE?</b>	<b>AMEND?</b>	<b>VOTE?</b>
(82) Submit matter to assembly	I <b>appeal</b> from the decision of the chair	Yes	Yes	Yes	No	Majority
(84) Suspend rules	I move to <b>suspend the rule</b> requiring	No	Yes	No	No	2/3
(87) Enforce rules	<b>Point of order</b>	Yes	No	No	No	None
(90) Parliamentary question	<b>Parliamentary inquiry</b>	Yes	No	No	No	None
(94) Request to <b>withdraw motion</b>	I wish to withdraw my motion	Yes	No	No	No	None
(96) <b>Divide motion</b>	I request that the motion be divided ...	No	No	No	No	None
(99) Demand rising vote	I call for a <b>division of the assembly</b>	Yes	No	No	No	None

**Restorative Main Motions** - no order of precedence. Introduce only when nothing else pending.

(36) <b>Amend a previous action</b>	I move to amend the motion that was ...	No	Yes	Yes	Yes	Varies
(38) Reconsider main motion	I move to <b>reconsider</b> ...	Yes	Yes	Yes	No	Majority
(42) Cancel previous action	I move to <b>rescind</b> ...	No	Yes	Yes	No	Majority
(44) Take from table	I move to <b>resume consideration</b> of ...	No	Yes	No	No	Majority

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## RESOURCES AVAILABLE

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### **Fair Political Practices Commission**

428 J Street, Suite 620  
Sacramento, CA 95814  
(916) 322-5660  
<http://www.fppc.ca.gov/>

### **Institute for Local Government**

1400 K Street, Suite 400  
Sacramento CA 95814  
(916) 658-8200  
<http://www.ca-ilg.org/>

### **League of California Cities**

1400 K Street, Suite 400  
Sacramento CA 95814  
(916) 658-8200  
<http://www.cacities.org>

- [Political Reform Act - 2014](#)
  - [Understanding the Basics of City Revenues](#)
  - [Good Governance Checklist](#)
  - [Public Service Ethics Laws](#)
  - [What to do if you Suspect an Ethics Problem](#)
  - [Use of Public Resources: Expenses](#)
  - [Understanding Land Use Planning](#)
  - [Public Records Act Guide](#)
  - [Rosenberg's Rules of Order](#)
  - [Public Officials Guide to the Ralph Brown Act](#)
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# Limitations and Restrictions on Gifts, Honoraria, Travel and Loans

California Fair Political Practices Commission



# Limitations and Restrictions on Gifts, Honoraria, Travel and Loans

## *A Fact Sheet For*

- ♦ Local Elected Officers and Candidates for Local Elective Offices
- ♦ Local Officials Specified in Government Code Section 87200
- ♦ Judicial Candidates
- ♦ Designated Employees of Local Government Agencies

## California Fair Political Practices Commission

Toll-free advice line: 1 (866) ASK-FPPC

Email advice: [advice@fppc.ca.gov](mailto:advice@fppc.ca.gov)

Web site: [www.fppc.ca.gov](http://www.fppc.ca.gov)

Effective January 2014

# Introduction

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The Political Reform Act<sup>1</sup> (the “Act”) imposes limits on gifts, prohibits honoraria payments, and imposes limits and other restrictions on the receipt of travel payments received by:

- Local elected officers and other local officials specified in Government Code Section 87200,<sup>2</sup> excluding judges;<sup>3</sup>
- Designated employees of local government agencies (i.e., individuals required to file statements of economic interests under a local agency’s conflict of interest code); and
- Candidates<sup>4</sup> for any of these offices or positions and judicial candidates. (Sections 89502 and 89503.)

The Act also imposes limits and other restrictions on personal loans received by certain local officials.

This fact sheet summarizes the major provisions of the Act concerning gifts, honoraria, travel, and loans. You should not, however, rely on the fact sheet alone to ensure compliance with the Act. If you have any questions, contact the Fair Political Practices Commission at (866) 275-3772 or [advice@fppc.ca.gov](mailto:advice@fppc.ca.gov) or visit our website at [www.fppc.ca.gov](http://www.fppc.ca.gov). Commission advice letters are available on our website. You may also be subject to local restrictions on gifts, honoraria, or travel.

## Enforcement

**Failure to comply with the laws related to gifts, honoraria, loans, and travel payments may, depending on the violation, result in criminal prosecution and substantial fines, or in administrative or civil monetary penalties for as much as \$5,000 per violation or three times the amount illegally obtained. (See Sections 83116, 89520, 89521, 91000, 91004 and 91005.5.)**

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<sup>1</sup> The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

<sup>2</sup> Local officials specified in Government Code Section 87200 include: members of boards of supervisors and city councils, mayors, city/county planning commissioners, city/county chief administrative officers, city/county treasurers, district attorneys, county counsels, city managers, city attorneys, court commissioners and public officials who manage public investments.

<sup>3</sup> The gift limits and honoraria ban in the Political Reform Act do not apply to a person in his or her capacity as judge. However, candidates for judicial offices are subject to the restrictions contained in the Political Reform Act. (Sections 89502 and 89503.)

<sup>4</sup> For purposes of the gift limit and honoraria prohibition, you become a “candidate” when you file a statement of organization (Form 410) as a controlled committee for the purpose of seeking elective office, a candidate intention statement (Form 501), or a declaration of candidacy, whichever occurs first. If you are an unsuccessful candidate, you will no longer be subject to the gift limit and honoraria prohibition when you have terminated your campaign filing obligations, or after certification of election results, whichever is earlier. (Sections 89502(b) and 89503(b).)

# Gifts

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## Limitations

If you are a local elected officer, a candidate for local elective office, a local official specified in Government Code Section 87200, or a judicial candidate, you may not accept gifts from any single source totaling more than \$440 in a calendar year. (Section 89503.)<sup>5</sup>

If you are an employee of a local government agency who is designated in the agency's conflict of interest code, you may not accept gifts from any single source totaling more than \$440 in a calendar year if you are required to report receiving income or gifts from that source on your statement of economic interests (Form 700). (Section 89503(c).)

## What is a "Gift"?

A "gift" is any payment or other benefit provided to you that confers a personal benefit for which you do not provide payment or services of equal or greater value. A gift includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public. (Section 82028.) (See Regulation 18946 for valuation guidelines.)

Except as discussed below, you have "received" or "accepted" a gift when you know that you have actual possession of the gift or when you take any action exercising direction or control over the gift, including discarding the gift or turning it over to another person. This includes gifts that are accepted by someone else on the official's behalf and gifts made to others at the direction of the official. (Regulation 18941.)

## Gifts to Family Members

Under certain circumstances, a gift to an official's family member\* is considered a gift to the official. (Regulation 18943.) Anything given to a family member is presumed to be a gift to the official if: (1) there is no established relationship between the donor and the family member where it would generally be considered appropriate for the family member to receive the gift or; (2) the donor is someone who lobbies the official's agency, is involved in an action before the official's agency in which the official may foreseeably participate, or engages in business with the agency in which the official will foreseeably participate. (Wedding gifts are treated differently, see below.)

\*For purposes of this rule, an official's "family member" includes the official's spouse; registered domestic partner; any minor child of the official who the official can claim as a dependent for federal tax purposes; and a child of the official who is aged 18 to 23 years old, attends school, resides with the official when not attending school, and provides less than one-half of his or her own support.

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<sup>5</sup> The gift limit is adjusted biennially to reflect changes in the Consumer Price Index. For 2013-2014, the gift limit is \$440. (Section 89503; Regulation 18940.2.) Gifts from a single source aggregating to \$50 or more must be disclosed, and gifts aggregating to \$440 or more during any 12-month period may subject an official to disqualification with respect to the source. (Section 87103(e).) Designated employees should obtain a copy of their conflict of interest code from their agency. Some conflict of interest codes require very limited disclosure of income and gifts. Gifts from sources that are not required to be disclosed on your Form 700 are not subject to the \$440 gift limit but still may subject you to disqualification.

## Source of Gift

Under most circumstances, it is clear who the source of a gift is, but if the circumstances indicate that the gift is being provided by an intermediary, you must determine both the donor and the intermediary in reporting the gift. Regulation 18945 provides the rules for determining the source of the gift.

## Gifts from Multiple Sources

In determining the cumulative value of any reportable gifts, separate gifts from an individual and an entity that the individual controls or where the individual directs the payment of the gift must be aggregated as one source in complying with the reporting and limit requirements. For example, separate gifts from J.R. Ewing and Ewing Oil Company would be treated as if from one source if J.R. owns more than a 50 percent interest in the company unless the making of the gift was determined by someone else in the company. In that case, the gift from Ewing Oil would be aggregated with any gifts made by that individual. (Regulation 18945.1.) Group gifts, where you received a single gift from multiple donors (such as a retirement gift from coworkers) need not be reported unless any person contributes \$50 or more to the total cost of the gift. In that case, you would only report each of those persons. (Regulation 18945.2.)

## Valuation of Gifts

The general rule for determining the value of a gift is to apply the fair market value at the time the gift is received. Fair market value can be determined by finding any local or Internet advertisement for the item. Special exceptions to the fair market value rule are contained in Regulations 18946.1 through 18946.5 covering admission to ticketed and invitation-only events, wedding gifts, attendance at nonprofit and political fundraisers, and air travel. (Regulation 18946.) For example, for ticketed events, the value is the face value of the ticket.

## General Gift Exceptions

Form 700 Reporting	C/I § 87100	Honoraria Ban	\$440 Gift Limit
No	No	No	No

1. Items that are returned (unused) to the donor, or for which you reimburse the donor, within 30 days of receipt. (Section 82028(b)(2); Regulation 18941.)
2. Items that are donated (unused) to a non-profit, tax-exempt (501(c)(3)) organization in which the official (or immediate family member) does not hold a position, or to a government agency, within 30 days of receipt without claiming a deduction for tax purposes. (Section 82028(b)(2); Regulation 18941.)
3. Gifts from your spouse (or former spouse), child, parent, grandparent, grandchild, brother, sister, current or former parent-in-law, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, or first cousin or the spouse of any such person, unless he or she is acting as an agent or intermediary for another person who is the true source of the gift. (Section 82028(b)(3); Regulation 18942(a)(3).) This exception includes great grandparents, great uncles and aunts, great nieces and nephews, and first cousins once removed.
4. Informational material provided to assist you in the performance of your official duties, including books, reports, pamphlets, calendars, periodicals, videotapes, or free admission or discounts to informational conferences or seminars.

“Informational material” may also include scale models, pictorial representations, maps, and other such items. However, if the item’s fair market value is more than \$440, you have the burden of demonstrating that the item is informational. In addition, on-site demonstrations, tours, or inspections, including air flights over an area that is the subject of the information and designed specifically for public officials, are considered informational material. However, this exception does not apply to meals or lodging.

Furthermore, the exception generally does not apply to transportation to the site, except for any portion of the transportation that is not commercially available. (Section 82028(b)(1); Regulations 18942(a)(1) and 18942.1.)

5. A devise or inheritance. (Section 82028(b)(5); Regulation 18942(a)(5).)

6. Campaign contributions to an official, including rebates or discounts received in connection with campaign activities (Section 82028(b)(4); Regulations 18942(a)(4), 18950(a) and 18950.3(a)) and permissible expenditures of campaign funds for campaign-related expenses, including payments for transportation, lodging or food (Regulations 18950(a) and 18950.3(b)), provided they comply and are properly reported in accordance with applicable campaign finance laws.

7. Personalized plaques and trophies with an individual value of less than \$250. (Section 82028(b)(6); Regulation 18942(a)(6).)

8. Free admission to a ticketed event (including any benefits included in the price of the ticket such as a free meal) for the official and one guest at an event where the official performs a ceremonial role, such as throwing out the first pitch at a Dodgers' game, so long as the official's agency complies with the posting provisions set forth in Regulation 18944.1(d). (Regulation 18942(a)(13); Regulation 18942.3; also see discussion of Form 802 below under "Gifts Exceptions Requiring Alternate Reporting.")

9. Free admission, and food and nominal items (such as a pen, pencil, mouse pad, note pad or similar item) available to all attendees, at the event at which the official makes a speech (as defined in Regulation 18950(b)(2)), so long as the admission is provided by the person who organizes the event. (Regulation 18942(a)(11).)

10. Benefits received as a guest attending a wedding reception where the benefits are the same as those received by the other guests at the reception. (Regulation 18942(a)(15).)

11. Bereavement offerings, such as flowers at a funeral received in memory of a close family member. (Regulation 18942(a)(16).)

12. Benefits received as an act of neighborliness such as the loan of an item, an occasional ride, or help with a repair where the act is consistent with polite behavior in a civilized society and would not normally be part of an economic transaction between like participants under similar circumstances. (Regulation 18942(a)(17).)

13. Two tickets for admission, for use by only the official and one guest, to attend a fundraiser for a campaign committee or candidate, or to a fundraiser for an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. The ticket(s) must be received from the organization or committee holding the fundraiser. (Regulation 18946.4.)

14. Passes or tickets that provide admission or access to facilities, goods, services, or other benefits (either on a one-time or repeated basis) that you do not use and do not give to another person. (Regulation 18946.1.)

15. Certain payments for travel as discussed below in the "Travel Payments Exceptions" section.

16. Subject to certain conditions, items provided to a government agency and used by officials in the agency for agency business. This may include passes or tickets to (see Regulation 18944.1) or payments for other types of items or activities (see Regulation 18944). An agency must disclose specified payments on a form provided by the FPPC and post the form on its website. (See discussion of Forms 801 and 802 below under "Gift Exceptions Requiring Alternate Reporting.") Contact the FPPC for detailed information.

17. Leave credits (e.g., sick leave or vacation credits) received under a bona fide catastrophic or emergency leave program established by your employer and available to all employees in the same job classification or position. Donations of cash are gifts and are subject to limits and disclosure. (Regulation 18942(a)(9).)

18. Food, shelter, or similar assistance received in connection with a disaster relief program. The benefits must be received from a governmental agency or charity and must be available to the general public. (Regulation 18942(a)(10).)

19. Items awarded in an employee raffle, received by the agency from an agency employee who is not acting as an intermediary for another donor. This exception applies when an agency holds an employee raffle and the item awarded in the raffle has been obtained with agency funds, or is otherwise an asset of the agency and not donated to the agency by a non-agency source. This exception does not apply to passes or tickets of the type described in Regulation 18944.1. (Regulation 18944.2(a) and (b).)

20. Items received by an employee during an employee gift exchange, so long as the item received is provided by another employee of the agency and the gifts are not substantially disproportionate in value. (Regulation 18944.2(c).)

### Limited Gift Exceptions

Form 700 Reporting	C/I § 87100	Honoraria Ban	\$440 Gift Limit
No	No	No	No

1. Gifts of hospitality including food, drink or occasional lodging that an official receives in an individual's home when the individual or a member of his or her family is present. (Regulation 18942(a)(7).) For this exception to apply, the official must have a relationship, connection or association with the individual providing the in-home hospitality that is unrelated to the official's position and the hospitality must be provided as part of that relationship. Generally, this means functions like children's birthday parties, soccer team parties, neighborhood barbecues, etc., where other guests attend who are not part of the lobbying process. (Regulation 18942.2.)

2. Gifts commonly exchanged between an official and another individual on holidays, birthdays, or similar occasions to the extent that the gifts exchanged are not substantially disproportionate in value. (Regulation 18942(a)(8)(A).)

3. Reciprocal exchanges between an official and another individual that occur on an ongoing basis so long as the total value of payments received by the official within the calendar year is not substantially disproportionate to the amount paid by the official and no single payment is \$440 or more. For example, if two people get together regularly for lunches and rotate picking up the lunch tab so that each pays approximately half the total value over the course of the calendar year, no gift need be reported. (Regulation 18942(a)(8)(B).)

4. Personal benefits commonly received from a dating partner. These gifts are not disclosable or limited but are subject to disqualification under the conflict of interest laws if the dating partner has certain business before the official as set forth in Regulation 18942(a)(18)(D). (Regulation 18942(a)(18)(A).)

5. Acts of Human Compassion. Assistance, financial or otherwise, to offset family medical or living expenses that the official can no longer meet without private assistance because of an accident, illness, employment loss, death in the family, or other unexpected calamity; or to defray expenses associated with humanitarian efforts such as the adoption of an orphaned child, so long as the source of the donation is an individual who has a prior social relationship with the official of the type where it would be common to provide such assistance, or the payment is made without regard to official status under other circumstances in which it would be common to receive community outreach. (Regulation 18942

(a)(18)(B).) This exception does not apply if the person providing the benefit to the official is an individual who otherwise has business before the official as set forth in Regulation 18942(a)(18)(D).

6. Benefits received from a long-time personal friend where the gift is unrelated to the official's duties. The exception does not apply if the individual providing the benefit to the official is involved in some manner with business before the official. (Regulation 18942(a)(18)(C).) This exception does not apply if the person providing the benefit to the official is an individual who otherwise has business before the official as set forth in Regulation 18942(a)(18)(D).

7. Benefits received from an individual where it is clear that the gift was made because of an existing personal or business relationship unrelated to the official's position and there is no evidence whatsoever at the time the gift is made that the official makes or participates in the type of governmental decisions that may have a reasonably foreseeable material financial effect on the individual who would otherwise be the source of the gift. (Regulation 18942(a)(19).)

### Gift Exceptions Requiring Alternate Reporting

Form 700 Reporting	C/I § 87100	Honoraria Ban	\$440 Gift Limit
Yes - As Income	Yes	No	No

A prize or award received in a bona fide contest or competition, or game of chance. **Note: Unlike the other exceptions, payments that fall into this exception must be reported as income if valued at \$500 or more.** To qualify for this exception the contest or competition must be unrelated to the official's duties. (Regulation 18942(a)(14).)

Reporting	C/I § 87100	Honoraria Ban	\$440 Gift Limit
Yes - On 801 or 802	No	No	No

The following exceptions are also applicable to payments made to a government agency that are used by officials in the agency under certain conditions to conduct agency business. These types of payments are not treated as gifts or income to the officials who use them, so long as the payments meet certain conditions and they are reported by the officials' agency. These reports must appear on either a Form 801 or Form 802, instead of the official reporting the items on a statement of economic interests (Form 700).

**Form 801:** This form covers gifts or donations made to an agency and used by one or more officials in the agency for agency business. This may include travel payments, reimbursements, or other uses by an official, but does not cover tickets or passes providing admission to an entertainment or sporting event, which are reported on the Form 802 (discussed below). If the payment meets the requirements of Regulations 18944 or 18950.1, the agency must report it on a Form 801 and the item is not reported on the individual's statement of economic interests (Form 700). (Regulations 18944 and 18950.1.)

**Form 802:** This form covers gifts or donations made to an agency that provide tickets or passes to an agency official for admission to an entertainment or sporting event. For the ticket or pass to be exempt from reporting on the individual's statement of economic interests (Form 700), the agency must have a written policy stating the public purpose for distribution of the tickets. The ticket or pass cannot be earmarked by the original source for use by a particular agency official and the agency must determine, in its sole discretion, which official may use the ticket or pass. (Regulation 18944.1.) The Form 802 is also used to report tickets provided for officials who perform a ceremonial role on behalf of the agency.

Reporting	C/I § 87100	Honoraria Ban	\$440 Gift Limit
Yes - Form 803 Behested Payment	No	No	No

Generally, payments made at the behest of an official that do not confer a personal benefit on an official such as those made by a third party to co-sponsor an event, or that are principally legislative, governmental or charitable in nature, are not gifts. However, when a local elected officer is making the behest, in some cases these payments may be considered “behested payments” under Section 82015(b)(2)(B)(iii) and (b)(3) and require disclosure by that elected officer.

**Form 803:** Behested payments are payments made principally for legislative, governmental, or charitable purposes. These payments are not for personal or campaign purposes. For example, a local elected official may ask a third party to contribute funds to a school in her district, or to a job fair or health fair. Generally, a donation will be “made at the behest” if it is requested, solicited, or suggested by the elected officer or otherwise made to a person in cooperation, consultation, coordination with, or at the consent of, the elected officer. This includes payments behested on behalf of the elected officer by his or her agent or employee. Behested payments totaling \$5,000 or more from a single source in a calendar year must be disclosed by the official on a Form 803, which is filed with the official’s agency within 30 days of the date of the payment(s). (Section 82015; Regulation 18215.3.)

**Very Limited Gift Exception**

Reporting	C/I § 87100	Honoraria Ban	\$440 Gift Limit
Yes - ½ value as gift	Yes	No	No

Wedding gifts are not subject to the \$440 gift limit. However, wedding gifts are reportable, but for purposes of valuing wedding gifts, one-half of the value of each gift is attributable to each spouse. (Regulation 18946.3.)

# Honoraria

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## The Prohibition

Local officials specified in Section 87200 (see page 2) are prohibited from receiving any honoraria payments. Officials and employees of local agencies who file statements of economic interests (Form 700) under the agency's conflict of interest code ("designated employees") may not receive honoraria payments from any source if the employee would be required to report income or gifts from that source on the Form 700, as outlined in the "disclosure category" portion of the conflict of interest code. (Section 89502.)

## What is an "Honorarium"?

An "honorarium" is any payment made in consideration for any speech given, article published, or attendance at any public or private conference, convention, meeting, social event, meal, or like gathering. (Section 89501.)

A "speech given" means a public address, oration, or other form of oral presentation, including participation in a panel, seminar, or debate. (Regulation 18931.1.)

An "article published" means a nonfictional written work: 1) that is produced in connection with any activity other than the practice of a bona fide business, trade, or profession; and 2) that is published in a periodical, journal, newspaper, newsletter, magazine, pamphlet, or similar publication. (Regulation 18931.2.)

"Attendance" means being present during, making an appearance at, or serving as host or master of ceremonies for any public or private conference, convention, meeting, social event, meal, or like gathering. (Regulation 18931.3.)

The Act and Commission regulations provide certain exceptions to the prohibition on honoraria. (Section 89501(b); Regulations 18932 –18933.):

## Honoraria Exceptions that also apply to gifts and income

1. An honorarium that you return (unused) to the donor or the donor's agent or intermediary within 30 days. (Section 89501(b); Regulation 18933.)
2. An honorarium that is delivered to the official's local agency within 30 days for donation to the agency's general fund and for which you do not claim a deduction for income tax purposes. (Section 89501(b); Regulation 18933.)
3. A payment that is not delivered to you but is made directly to a bona fide charitable, educational, civic, religious, or similar tax-exempt, non-profit organization. However:
  - You may not make the donation a condition for your speech, article, or attendance;
  - You may not claim the donation as a deduction for income tax purposes;
  - You may not be identified to the non-profit organization in connection with the donation; and
  - The donation may have no reasonably foreseeable financial effect on you or on any member of your immediate family. (Regulation 18932.5.)
4. A payment received from your spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such

person. However, a payment that would be considered an honorarium is prohibited if one of these persons is acting as an agent or intermediary for someone else. (Regulation 18932.4(b).)

5. Any payment, unless specified otherwise, exempted under any of the “Gift Exceptions” listed above.

6. Payments received for a comedic, dramatic, musical, or other similar artistic performance, and payments received for the publication of books, plays, or screenplays. (Regulations 18931.1 and 18931.2.)

7. Reimbursements for reasonable travel expenses provided to you by a bona fide non-profit, tax-exempt (501(c)(3)) entity for which you provide equal or greater consideration. The payment would also be exempt from the definition of income under Section 82030(b)(2). (See discussion under “Travel Payments” below.)

**Honoraria Exceptions where the payment may still be considered income (or gifts, if consideration of equal or greater value is not provided by the official)**

1. Free admission, and refreshments and similar non-cash nominal benefits, provided to an official during the entire event at which he or she gives a speech, participates in a panel or provides a similar service, and in-California transportation and necessary lodging and subsistence provided directly in connection with the speech, panel or service, including meals and beverages on the day of the activity. (Regulation 18932.4(e).)

2. Income earned and payments for travel made in connection with personal services rendered by the official if the services are provided in connection with a bona fide business, trade, or profession — such as teaching, practicing law, medicine, insurance, real estate, banking, or building contracting — and the services are customarily provided in connection with the business, trade, or profession. (Section 89506(d)(3) and Regulations 18950(a) and 18950.2.)

This exception does not apply if the sole or predominant activity of the business, trade, or profession is making speeches. In addition, you must meet certain criteria to establish that you are conducting or in a bona fide business, trade, or profession (such as maintenance of business records, licensure, proof of teaching position) before a payment received for personal services which may meet the definition of honorarium would be considered earned income and not an honorarium. (Section 89501(b); Regulations 18932 –18932.3.) Earned income is required to be reported. Contact the FPPC for detailed information.

3. Travel payments provided to you by your government agency or by any state, local, or federal government agency which would be considered income and not a gift (i.e., payments for which you provide equal or greater consideration). (Section 89506(d)(2).) See discussion under “Travel Payments” below.

4. Certain payments for transportation, lodging, and subsistence are not considered honoraria but may be reportable as a gift or income and, if a gift, subject to the gift limit. (Sections 89501(c) and 89506.) See discussion under “Travel Payments” below.

# Travel Payments Exceptions

Generally, when an official receives a payment (including reimbursement) for his or her travel, that payment is a reportable gift or income under the Act. The term “travel payment” includes payments, advances, or reimbursements for travel, including actual transportation, parking and related lodging and subsistence. (Section 89506(a).)

If the payment is a gift, it is also normally subject to the Act’s \$440 gift limit. If the payment is income, it may, in some cases, be an honorarium. And whether a payment is a gift or income, the official may be required to disqualify him or herself from any decision that will have a foreseeable materially financial effect on the source.

## Certain Travel Payments are not a Gift, Income or Honorarium

Reporting	C/I § 87100	Honoraria Ban	\$440 Gift Limit
No	No	No	No

The following travel payments are not a gift, income or honorarium under the Act and Commission regulations and are thus not reportable, potentially disqualifying, or subject to any of the Act’s gift limits or the honorarium ban.

1. A payment for travel from a source that is not reportable on the official’s statement of economic interests (Form 700) based on the provisions of the conflict of interest code of the official’s agency.
2. A payment for travel from another local, state, or federal government agency and related per diem expenses when the travel is for education, training or other inter-agency programs or purposes. (Regulation 18950(a) and (c)(2).)
3. A payment for travel provided to the official in a vehicle or aircraft owned by another official or agency when each official is traveling to or from the same location for an event as a representative of their respective offices. (Regulation 18950(a) and (c)(3).)
4. Travel payments provided to the official by any state, local, or federal government agency as part of the official’s employment with that agency or provided to the official by a bona fide non-profit, tax-exempt (501(c)(3)) entity for which the official provides equal or greater consideration. (Section 82030(b)(2).) Any person who claims to have provided consideration has the burden of proving that the consideration received is of equal or greater value.
5. Travel for Official Agency Business (Regulation 18950.1). Certain payments made to an agency to cover the travel expenses of an employee who travels in the course of carrying out agency business are not gifts to the official because these payments do not provide a “personal benefit” to the official. For this exception to apply, the agency must report the payment on a Form 801 and the amount and purpose for using the payments are restricted by the provisions set forth in Regulation 18950.1.
6. A payment for travel that constitutes a campaign contribution to an official (Sections 82015, 82028(b)(4); Regulations 18215, 18942(a)(4), 18950(a) and 18950.3(a)), and permissible expenditures of campaign funds for campaign-related travel (Regulations 18950(a) and 18950.3(b)), provided they comply and are properly reported in accordance with applicable campaign finance laws.

**Certain Travel Payments are Reportable and may Subject the Official to Possible Conflicts of Interest, but are not Subject to the \$440 Gift Limit or Honoraria Ban of the Act.**

Reporting	C/I § 87100	Honoraria Ban	\$440 Gift Limit
Yes	Yes	No	No

1. Travel Subject to Section 89506(a). Any payments for actual transportation expenses and related lodging and subsistence that are made for a purpose reasonably related to: (1) A legislative or governmental purpose, or (2) An issue of state, national, or international policy so long as the travel is either

(a.) In connection with a speech given by the official and the lodging and subsistence expenses are limited to the day immediately proceeding, the day of, and the day immediately following the speech and the travel is within the United States, or

(b.) Provided by a government agency or authority, (including a foreign government), a bona fide public or private educational institution as defined in Section 203 of the Revenue and Taxation Code, or a nonprofit organization that qualifies under Section 501(c)(3) of the Internal Revenue Code or a foreign organization that substantially satisfies the criteria of that section.

These payments are still reportable on the Form 700 and may create a conflict of interest issue for the official.

Reporting	C/I § 87100	Honoraria Ban	\$440 Gift Limit
Yes - as Income	Yes	No	No

1. Payments for travel made in connection with personal services rendered by the official if the services are provided in connection with a bona fide business, trade, or profession — such as teaching, practicing law, medicine, insurance, real estate, banking, or building contracting — and the services are customarily provided in connection with the business, trade, or profession. (Section 89506(d)(3) and Regulations 18950(a) and 18950.2.) **These payments may be reportable as income to the official.**

# Loans

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Personal loans received by certain local officials are subject to limits and other restrictions, and in some circumstances, a personal loan that is not being repaid or is being repaid below certain amounts may become a gift to the official who received it.

## Limitations on Loans from Agency Officials, Consultants, and Contractors

If you are a local elected officer or an official specified in Section 87200 (see page 2), you may not receive a personal loan that exceeds \$250 at any given time from an officer, employee, member, or consultant of your government agency or an agency over which your agency exercises direction and control. (Section 87460(a) and (b).)

In addition, you may not receive a personal loan that exceeds \$250 at any given time from any individual or entity that has a contract with your government agency or an agency over which your agency exercises direction and control. This limitation does not apply to loans received from banks or other financial institutions, and retail or credit card transactions, made in the normal course of business on terms available to members of the public without regard to your official status. (Section 87460(c) and (d).)

## Loan Terms Applicable Only to Elected Officials

In addition to the limitations above, if you are a local elected officer, you may not receive a personal loan of \$500 or more unless the loan is made in writing and clearly states the terms of the loan. The loan document must include the names of the parties to the loan agreement, as well as the date, amount, interest rate, and term of the loan. The loan document must also include the date or dates when payments are due and the amount of the payments. (Section 87461.)

## The following loans are not subject to these limits and documentation requirements:

1. Loans received by an elected officer's or candidate's campaign committee.
2. Loans received from your spouse, child, parent, grandparent, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person unless he or she is acting as an agent or intermediary for another person not covered by this exemption.
3. Loans made, or offered in writing, prior to January 1, 1998. (Sections 87460 and 87461.)

## Loans as Gifts

Under the following circumstances, a personal loan received by **any** public official (elected and other officials specified in Section 87200, as well as any other local official or employee required to file statements of economic interests) may become a gift and subject to gift reporting and limitations:

1. If the loan has a defined date or dates for repayment and has not been repaid, the loan will become a gift when the statute of limitations for filing an action for default has expired.
2. If the loan has no defined date or dates for repayment, the loan will become a gift if it remains unpaid when one year has elapsed from the later of:
  - The date the loan was made;
  - The date the last payment of \$100 or more was made on the loan; or
  - The date upon which you have made payments aggregating to less than \$250 during the previous 12 months. (Section 87462.)

**The following loans will not become gifts:**

1. A loan made to an elected officer's candidate's campaign committee. This loan would, however, be a campaign contribution. Consult the FPPC campaign manual for local candidates (Manual 2) for more details.
2. A loan described above on which the creditor has taken reasonable action to collect the balance due.
3. A loan described above on which the creditor, based on reasonable business considerations, has not undertaken collection action. (However, except in a criminal action, the creditor has the burden of proving that the decision not to take collection action was based on reasonable business considerations.)
4. A loan made to an official who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.
5. A loan that would not be considered a gift as outlined earlier in this fact sheet (e.g., loans from certain family members). (Section 87462.)

# Rules for the Conduct of Meetings, Proceedings, and Business

Yuba City Ordinance No. 06-91

ORDINANCE NO. 06-91ORDINANCE OF THE CITY COUNCIL OF THE CITY OF YUBA CITY  
ADOPTING AND ESTABLISHING RULES FOR THE  
CONDUCT OF ITS MEETING, PROCEEDINGS AND BUSINESS

THE CITY COUNCIL OF THE CITY OF YUBA CITY DOES ORDAIN AS  
FOLLOWS:

Chapter 1 of Title 2 of the Yuba City Municipal Code entitled "Council" as presently constituted is hereby repealed in its entirety. In its place there is hereby adopted and added to Title 2 of the Yuba City Municipal Code a new Chapter 1 entitled "Rules and Regulations Governing the Conduct of Council Meetings, Proceedings and Business" and as so added shall read as follows:

## Section 2-1.01. Meetings

(a) Regular Meetings. Regular meetings of the Council shall be held without notice on the first and third Tuesdays of each month. The meetings shall commence at 7:30 p.m. in the Council Chambers in the City Hall of the City of Yuba City located at 1201 Civic Center Boulevard, Yuba City, California or at such other place as the Council may, from time to time, prescribe. In the event a Tuesday falls upon a legal holiday, the regular meeting which otherwise would have occurred on that date shall be held on the first business day thereafter at 7:30 p.m. In the event that Christmas Eve and/or New Years Eve falls on a Tuesday the regular meeting, which otherwise would have occurred on that day, shall be held on the first business day which is not a holiday thereafter at 7:30 p.m.

(b) Special Meetings. Special meetings of the Council may be called at any time by the Mayor or by a majority of the members of the Council by delivering personally or by mail written notice to each member of the Council and to each local newspaper of general circulation and to any radio or television that has submitted a written request of the City Clerk for such notification. Such notice must be delivered personally or by mail at least 24 hours before the time of such meeting specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered at the meeting. Written notice may be dispensed with for any member who at or prior to the time the meeting convenes files with the City Clerk a written waiver of notice. The waiver may be given by telegram or fax. Written notice shall be dispensed with for any member who is actually present at the meeting at the time it convenes.

(c) Adjournment/Adjourned Meetings. The Council may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. If a quorum is not present, less than a quorum may so adjourn. If all members are absent from any regular or adjourned regular meeting the City Clerk may declare the meeting adjourned to a stated time and place and shall cause a written notice of the adjournment to be delivered personally to each Council member at least three (3) hours before the adjourned meeting. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special or adjourned special meeting was held within twenty-four (24) hours after the time of adjournment. When a regular or

adjourned regular meeting is adjourned as provided in this section the resulting adjourned regular meeting is a regular meeting for all purposes. When an order of adjournment of any meeting fails to state the hour at which the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings.

(d) Emergency Meetings. The notice requirement for a special meeting may be dispensed with under the following emergency conditions:

1. Work stoppage or other activity which severely impairs public health, safety, or both, as determined by a majority of the Council.
2. A crippling disaster which impairs public health, safety, or both, as determined by a majority of the Council.

(e) Closed Sessions. The Council may hold closed sessions during a regular or special meeting, or at any time otherwise authorized by law, to consider or hear any matter which it is authorized by state law to hear or consider in closed session, and may exclude from any such closed session any person or persons which it is authorized by state law to exclude from such closed sessions.

(f) Cancellation. Any meeting of the Council may be cancelled in advance by a majority vote of the Council. The Mayor may cancel a meeting in the case of an emergency or when a majority of members have confirmed in writing their unavailability to attend a meeting.

(g) Chair. The Mayor shall preside over all Council meetings. In his/her absence, the Mayor Pro Tempore shall serve as presiding officer. The Council shall choose one of its members to serve as Mayor and one of its members to serve as Vice Mayor. The Mayor and Vice Mayor shall be selected and seated in the manner following:

In an election year in which Council members are elected, the Mayor and Vice Mayor shall be selected and seated at such time as the election results for Council members so elected have been canvassed and certified to the Council and those results so declared by the Council. The Mayor and Mayor Pro Tempore so selected and seated at that time shall hold their respective offices until the first regular City Council meeting following the first Tuesday of the month in the year following the year in which they were selected and seated. The Mayor shall preserve strict order and decorum at all regular and special meetings of the Council. The Mayor shall state every question coming before the Council, announce the decision of the Council on all subjects and decide all questions of order subject, however, to an appeal to the Council in which event a majority vote of the Council shall govern and conclusively determine such question of order. The Mayor shall vote on all questions, his name being called last.

(h) Attendance by the Public. Except as specifically provided by law for closed sessions, all meetings of the Council shall be open and public. All persons desiring to attend shall be permitted to attend any meeting. In the event any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of the meeting unfeasible and order cannot be restored by removal of the offending individual or individuals, the Council may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered during such session. Representatives of the press, unless participants in the disturbance, shall be allowed to attend such session, and nothing shall prohibit the Council from readmitting individuals not responsible for the disturbance.

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### Section 2-1.02. Order of Business

The business of the Council, at its meetings, shall be conducted in accordance with the following order of business.

- (a) CALL TO ORDER AND ROLL CALL;
- (b) PLEDGE OF ALLEGIANCE/INVOCATION;
- (c) PRESENTATIONS/PROCLAMATIONS;
- (d) WRITTEN COMMUNICATION;
- (e) PUBLIC HEARINGS;
- (f) BID OPENING;
- (g) ORDINANCES - INTRODUCTION AND ADOPTION;
- (h) APPEARANCE OF INTERESTED CITIZENS AND/OR REQUESTS BY THE PUBLIC;

(i) CONSENT CALENDAR: The consent calendar groups together those matters which are considered to be noncontroversial and which require only routine action by the Council. Adoption of the consent calendar may be made by one motion only and by the roll call vote of the Council; provided, however, the chair shall first advise the persons in attendance that the consent calendar matters will be adopted in toto by one action of the Council unless any Council member, any member, any individual or organization interested in one or more consent calendar matters has any question or wishes to make a statement. In that event, the chair may defer action on the particular matter or matters, and the Council shall consider those matters separately;

- (j) REPORTS AND MISCELLANEOUS;
- (k) BUSINESS FROM THE COUNCIL; and
- (l) ADJOURNMENT.

### Section 2-1.03. Agenda/Posting - Action on Other Matters

The City Administrator shall cause to be prepared an agenda of the Council meeting which agenda shall be prepared in accordance with the order of business as provided for in Section 2-1.02 above. A copy of said agenda shall be furnished to each member of the Council, the City Clerk and the City Attorney at least twenty-four (24) hours prior to the Council meeting.

At least seventy-two (72) hours before a regular meeting the City Administrator or his designee shall post the agenda which shall contain a brief general description of each item of business to be transacted or discussed at the meeting. The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public. No action shall be taken on any item not appearing on the posted agenda.

Notwithstanding the above, the Council may take action on items of business not appearing on the posted agenda under any of the following conditions:

1. Upon a determination by a majority vote of the Council that an emergency situation exists as defined in the public meeting law (Section 54956.2(b)(1) Government Code);

2. Upon a determination by a two-thirds vote of the Council or if less than two-thirds of the Council members are present, a unanimous vote of those members present that the need to take action arose subsequent to the agenda being posted; and

3. The item was posted as herein before required for a prior meeting of the Council occurring not more than five (5) calendar days prior to the date action is taken on the item and at the prior meeting the item was continued to the meeting at which action is being taken.

#### Section 2-1.04. Rules of Conduct.

Business shall be brought before the Council by motion in accordance with the following standards of conduct:

(a) Obtaining the Floor. Any member of the Council wishing to speak must first obtain the floor by being recognized by the chair. The chair must recognize any Council member who seeks the floor when appropriately entitled to do so.

(b) Motions. The Mayor or any member of the Council may bring a matter of business before the Council by making a motion. Before the matter can be considered or debated it must be seconded. Once the motion has been properly made and seconded, the chair shall open the matter for debate offering the first opportunity to debate to the moving party and, thereafter, to any Council member properly recognized by the chair. Once the matter has been fully debated and the chair calls for a vote, no further debate will be allowed, provided however, Council members may be allowed to explain their vote.

(c) Voting. All Council members present at a meeting when a question comes up for a vote, shall vote for or against the measure unless he/she is disqualified from voting and abstains because of such disqualification. If the vote is a voice vote, the chair shall declare the result and note for the record all "aye" votes and all "no" votes. The Council may also vote by roll call vote, ballot or voting machine. Regardless of the manner of voting, the results reflecting all "ayes" and "noes" must be clearly set forth for the record.

(d) Procedural Rules of Order. Once the main motion is properly placed on the floor, several related motions may be employed in addressing the main motion. These motions take precedence over the main motion, and if properly made and seconded, must be disposed of before the main motion can be acted upon. The following motions are appropriate and may be made by the Mayor or any Council member at any appropriate time during the discussion of the main motion. They are listed in order of precedence. The first three subsidiary motions are non-debatable; the last four are debatable. All subsidiary motions require a simple majority vote for passage.

#### SUBSIDIARY MOTIONS

1. Lay on the Table. Any Council members, including the Mayor, may move to lay the matter under discussion on the table. This motion temporarily suspends any further discussion of the pending motion without setting a time certain to resume debate. It must be moved and seconded and passed by a majority vote. In order to bring the matter back before the Council, a member must move that the matter be taken from the table,

seconded and passed. A motion to take from the table must be made at the same meeting at which it was placed on the table or at the next regular meeting of the Council. Otherwise, the motion that was tabled dies, although it can be raised later as a new motion.

2. Move the Previous Question. Any Council member may move to immediately bring the question being debated by the Council to a vote, suspending any further debate.

3. Limit or Extend Limits of Debate. Any Council member may move to put limits on the length of debate.

4. Postpone to a Time Certain. Any Council member may move to postpone the pending question to a time certain. This motion continues the pending main motion to a future date as determined by the Council at the time the motion is passed.

5. Commit or Refer. Any Council member may move that the matter being discussed should be referred to a committee or commission for further study. The motion may contain directions for the committee or commission, as well as, a date upon which the matter will be returned to the Council's agenda. If no date is set for returning the item to the Council agenda, any Council member may move, at any time, to require the time be returned to the agenda.

6. Amend. Any Council member may amend the main motion or any amendment made to the main motion. Before the main motion may be acted upon, all amendments and amendments to amendments must first be acted upon. An amendment must be related to the main motion or amendment to which it is directed. Any amendment which substitutes a new motion rather than amending the existing motion is out of order and may be so declared by the chair.

7. Postpone Indefinitely. Any Council member may move to postpone indefinitely the motion on the floor, thus avoiding a direct vote on the pending motion and suspending any further action on the matter.

#### MOTIONS OF PRIVILEGE, ORDER AND CONVENIENCE

The following actions by the Council are to insure orderly conduct of meetings and for the convenience of the Mayor and Council members. These motions take precedence over any pending main or subsidiary motion and may or may not be debated as noted.

1. Call for Orders of the Day. Any Council member may demand that the agenda be followed in the order stated therein. No second is required and the chair must comply unless the Council, by vote, sets aside the orders of the day.

2. Question of Privilege. Any Council member, at any time during the meeting, may make a request of the chair to accommodate the needs of the Council or his/her personal needs for such things as reducing noise, adjusting air conditioning, ventilation, lighting, etc. Admissibility of question is ruled on by the chair.

3. Recess. Any Council member may move for a recess. The motion must be seconded and a majority vote is required for passage. The motion is debatable.

4. Adjourn. Any Council member may move to adjourn at any time, even if there is business pending. The motion must be seconded and a majority vote is required for passage. The motion is not debatable.

5. Point of Order. Any Council member may require the chair to enforce the rules of the Council by raising a point of order. The point of order shall be ruled upon by the chair.

6. Appeal. Should any Council member be dissatisfied with a ruling from the chair, he/she may move to appeal the ruling to the full Council. The motion must be seconded to put it before the Council. A majority vote in the negative or a tie vote sustains the ruling of the chair. The motion is debatable and the chair may participate in the debate.

7. Suspend the Rules. Any Council member may move to suspend the rules if necessary to accomplish a matter that would otherwise violate the rules. The motion requires a second and a majority vote for passage.

8. Division of Question. Any Council member may move to divide the subject matter of a motion which is made up of several parts in order to vote separately on each part. The motion requires a second and a majority vote for passage. This motion may also be applied to complex ordinances or resolutions.

9. Reconsider. Except for votes regarding matters which are quasi-judicial in nature or matters which require a noticed public hearing, the Council may reconsider any vote taken at the same session, but no later than the same or next calendar day, to correct inadvertent or precipitant errors, or consider new information not available at the time of the vote. The motion to reconsider must be seconded and requires a majority vote for passage, regardless of the vote required to adopt the motion being reconsidered. If the motion to reconsider is successful, the matter to be reconsidered takes no special precedence over other pending matters and any special voting requirements related thereto still apply. Except pursuant to a motion to reconsider, once a matter has been determined and voted upon, the same matter cannot be brought up again at the same meeting.

10. Rescind, Repeal or Annul. The Council may rescind, repeal or annul any prior action taken with reference to any legislative matter so long as the action to rescind, repeal or annul complies with all the rules applicable to the initial adoption, including any special voting or notice requirements or unless otherwise specified by law.

(e) Authority of the Chair. Subject to appeal, the chair shall have the authority to prevent the misuse of the legitimate form of motions, or the abuse of privilege of renewing certain motions, to obstruct the business of the Council by ruling such motions out of order. In so ruling, the chair shall be courteous and fair and should presume that the moving party is making the motion in good faith.

(f) Public Hearings. Matters which are required to be heard at a noticed public hearing shall be conducted in the following manner.

1. Time for Consideration. Matters noticed to be heard by the Council shall be heard at the meeting specified and shall commence at the time specified in the notice of hearing, or as soon thereafter as is reasonably possible, and shall continue until the same has been completed or until other disposition of the matter has been made.

2. Continuance of Hearings. Any hearing being held or noticed or ordered to be held by the Council at any meeting of the Council may, by order or notice of continuance, be continued or re-continued to any subsequent meeting in the manner provided herein for adjourned meetings; provided, that if the hearing is continued to a time less than twenty-four (24) hours after the time specified in the order or notice of hearing, a copy of the order or notice of continuance of hearing shall be posted immediately following the meeting at which the order or notice of continuance was adopted or made.

3. Public Discussion at Hearings. When a matter for public hearing comes before the Council, the Mayor shall open the public hearing. Upon opening the public hearing and before any motion is adopted related to the merits of the issue to be heard, the Mayor shall inquire if there are any persons present who desire to speak on the matter which is to be heard or to present evidence respecting the matter. Any person desiring to speak or present evidence shall make his/her presence known to the Mayor and upon being recognized by the Mayor, the person may speak or present evidence relevant to the matter being heard. No person may speak without first being recognized by the Mayor. Members of the Council who wish to ask questions of the speakers or each other, during the public hearing portion may do so but only after first being recognized by the Mayor. The Mayor shall conduct the meeting in such a manner as to afford due process.

All persons interested in the matter being heard by Council shall be entitled to submit written evidence or remarks, as well as other graphic evidence. All such evidence presented shall be retained by the City Clerk and made a part of the Clerk's record. Time limits may be established by the Council, limiting the duration of presentations as set forth herein. No person shall be permitted during the hearing to speak about matters or present evidence which are not germane to the matter being considered. A determination of relevance of such matters shall be made by the Mayor but may be appealed as set forth here and before.

4. Consideration of Question by Council. After all members of the public desiring to speak upon the subject of the hearing have been given an opportunity to do so, the public hearing shall be closed by the Mayor and the Council may consider what disposition they wish to make of the question or questions presented at the hearing. No member of the public shall be allowed, without consent of the Mayor, to speak further on the question during this period of deliberation, although the Council members may ask questions of the speakers if so desired. At the conclusion of the Council discussion, an appropriate motion having been made and seconded, the Council shall vote on the matter.

5. Reports and Resolutions. All committee reports together with all resolutions shall be filed with the City Clerk and shall be entered in the minutes. Minutes of prior Council meetings need not be read nor a synopsis of said minutes provided the City Clerk has previously furnished to each Councilmember a complete copy of said minutes.

#### Section 2.1.05. Rules of Decorum.

While the Council is in session, the chair shall preserve order and decorum. No person in attendance shall either by conversation or otherwise delay or interrupt the proceedings or the peace of the Council or disturb either any Council member or any

member of the public while speaking nor refuse to obey the orders of the Council of the presiding officer except as otherwise provided. Any person making personal, impertinent or slanderous remarks or who shall become boisterous while addressing the Council shall be forthwith by the presiding officer barred from further audience before the Council unless permission to continue shall be granted by a majority vote of the Council. All persons addressing the Council shall step to the designated podium and shall give his/her name and address in an audible tone of voice for the record. All remarks shall be addressed to the Council as a body and not to any member thereof. No person other than the Council and the person having the floor shall be permitted to enter into any discussion either directly or through a member of the Council without the permission of the chair. No question shall be asked a Council person except through the chair. Every person in attendance desiring to speak shall address the chair and, upon recognition by the chair, shall confine himself/herself to the question under debate avoiding all personalities and indecorous language. Any person in attendance, once recognized by the chair, shall not be interrupted when speaking unless it shall be to call him/her to order or as otherwise here and before provided. If a person, while speaking, shall be called to order he/she shall cease speaking until the question of order shall be determined and if in order he/she shall be permitted to proceed. A Council person may request, through the chair, the privilege of having a written abstract of his/her statement on any subject under consideration by the Council entered in the minutes. If the Council consents thereto, such statement shall be entered in the minutes.

Section 2-1.06. Approval of Legislation and Contract.

(a) Preparation of Ordinances. All ordinances shall be prepared or approved as to the form by the City Attorney. No ordinance shall be prepared for presentation to the Council unless ordered by a majority vote of the Council or requested in writing by the City Administrator or his/her designee.

(b) Prior approval. All ordinances and contract documents shall, before presentation to the Council, have been approved as to form and legality by the City Attorney or his authorized representative and shall have been examined and approved for the administration by the City Administrator or his authorized representative when there are substantive matters of administration involved.

(c) Introducing for passage or approval. Ordinances, resolutions, and other matters or subjects requiring action by the Council shall be introduced and sponsored by a member of the Council; provided, however, the Mayor, City Administrator or his/her designee, or City Attorney may present ordinances, resolutions, and other matters or subjects to the Council, and any Council member may assume sponsorship thereof by moving that such ordinances, resolutions, matters, or subjects be adopted; otherwise, they shall not be considered.

Section 2-1.07. Compensation of Council members and Reimbursement for Expenses

Pursuant to the express provisions of Government Code § 36514.5, City Council members shall be reimbursed for actual and necessary expenses incurred in the performance of their official duties.

The compensation of City Council members is fixed pursuant to the express statutory authority in Government Code Section 36516. The compensation paid to members of the City Council shall be set at a salary of Three Hundred and no/100ths (\$300.00) Dollars per month.

Any amount paid by the City to Council members for retirement, health and welfare benefits, shall not be included for purposes of determining the salary herein, provided the same benefits are available and paid by City for its employees.

Section 2

All ordinances, resolutions and/or statements of policy inconsistent with this ordinance or any of its provisions are hereby superseded and repealed.

Section 3

The change in the regular meeting date as herein fixed by this ordinance from the first and third Mondays of each month at 7:30 p.m. to the first and third Tuesdays of each month at the same time shall become effective commencing with the first meeting in July 1991 so that the first regular meeting of the Council in July of 1991 shall be held on the 2nd day of July 1991.

Section 4

This ordinance, following its adoption, shall be published as provided for by law and by its terms herein, shall become effective on the first day of July 1991 and shall thereafter remain in full force and effect unless otherwise changed by appropriate amending ordinance.

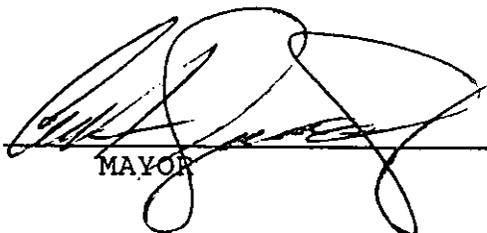
Introduced and read at a regular meeting of the City Council of the City of Yuba City on the 6th day of May, 1991, and passed and adopted at a regular meeting thereof on the 20th day of May, 1991.

AYES: Councilwoman Cartoscelli, Councilmen Barkhouse and Grilione.

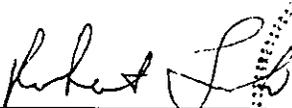
NOES: Councilman Nelson and Mayor Pappageorge.

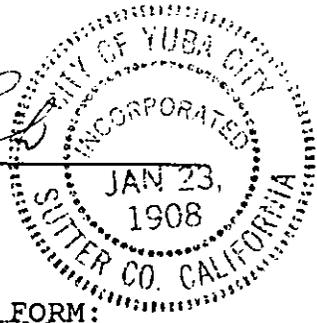
ABSENT: None.

ATTEST:

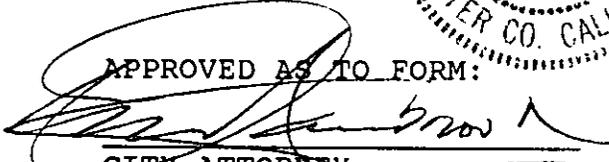
  
MAYOR

ATTEST:

  
CITY CLERK



APPROVED AS TO FORM:

  
CITY ATTORNEY

# Code of Ethics for Members of Council, Boards and Commissions

Yuba City Resolution No. 05-171

RESOLUTION NO. 05-171

**RESOLUTION OF THE CITY OF YUBA CITY COUNCIL  
ESTABLISHING A CODE OF ETHICS FOR MEMBERS OF  
COUNCIL, BOARDS AND COMMISSIONS**

WHEREAS, the City Council of the City of Yuba City is interested in establishing a framework for day-to-day actions and decision-making by members of Council, boards and commissions; and

WHEREAS, a Code of Ethics provides such framework; and

WHEREAS, a Code of Ethics serves:

- a. To increase public confidence in City government; and
- b. To assist members of Council, boards and commissions with decision-making; and
- c. To encourage high standards of behavior by members.

WHEREAS, a Code of Ethics can represent a commitment to uphold a standard of integrity beyond that required by law.

NOW, THEREFORE, BE IT RESOLVED, that the Council of the City of Yuba City approves the Code of Ethics as set forth in Exhibit "A" and further orders that said statement be signed by members of Council, boards and commissions; that it be included in the new member orientation materials packets; and, that it be made available to the public.

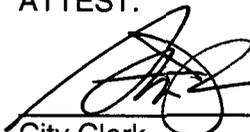
The foregoing Resolution was duly and regularly introduced, passed and adopted by the City Council of City of Yuba City at a regular meeting thereof held on August 16, 2005, by the following vote:

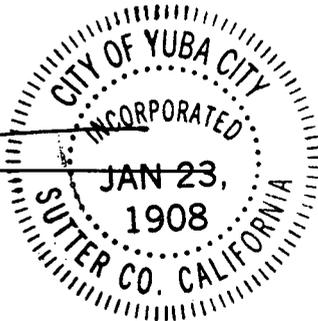
AYES: Councilmembers Doolittle, Hellberg, Miller, Ramirez and Mayor Cartoscelli

NOES: None

ABSENT: None

ATTEST:

  
\_\_\_\_\_  
City Clerk



  
\_\_\_\_\_  
Karen Cartoscelli, Mayor

**CITY OF YUBA CITY  
PERSONAL CODE OF ETHICS  
FOR  
CITY COUNCIL, BOARDS AND COMMISSIONS**

**Preamble**

The citizens and businesses of Yuba City are entitled to have fair, ethical and accountable local government. Such a government requires that public officials:

- Comply with both the letter and the spirit of the laws and policies affecting the operations of government.
- Be independent, impartial and fair in their judgment and actions.
- Use their public office for the public good, not for personal gain.
- Conduct public deliberations and processes openly, unless legally confidential, in an atmosphere of respect and civility.

To this end, the Yuba City City Council adopts this Code of Ethics for City Council, boards and commissions, to advance public confidence in the integrity of local government and its fair and effective operation.

1. Act in the Public Interest

Recognizing that stewardship of the public interest must be their primary concern, members shall work for the common good of the citizens of Yuba City and not for any private or personal interest, and they will assure fair and equal treatment of all persons, claims and transactions coming before the City Council, boards and commissions.

2. Comply with the Law

Members shall comply with the laws of the nation, the State of California and the City in their performance of their public duties. These laws include, but are not limited to: the United States and California constitutions; the Yuba City Municipal Code; laws pertaining to conflicts of interest, election campaigns, financial disclosures, employer responsibilities and open processes of government; and City ordinances and policies.

3. Conduct of Members

The professional and personal conduct of members must be above reproach and avoid even the appearance of impropriety. Members shall refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of other members of the Council, boards, commissions, staff or the public.

4. Respect for Process

Members shall perform their duties in accordance with the processes and rules of order established by the City Council, boards and commissions.

5. Conduct of Public Meetings

Members shall inform themselves of public issues, listen courteously and attentively, with an open mind, to all public discussions before the body and focus on the business at hand.

6. Decisions Based on Merit

Members shall base their decisions on the merits and substance of the matter at hand.

7. Communication

Members shall publicly disclose substantive information that is relevant to a matter under consideration by the Council or boards and commissions (e.g., meetings with vendors, consultants, etc.), which they may have received from sources outside of the public decision-making process.

8. Coordination with City Staff

Appropriate City staff should be involved when members meet with officials from other agencies and jurisdictions to ensure proper staff support as needed and to keep staff informed.

9. Disclosure of Corruption

All City officials shall take an oath upon assuming office, pledging to uphold the constitution and laws of the City, the State and the Federal government. As part of this oath, officials commit to disclosing to the appropriate authorities and/or to the City Council any behavior or activity that may qualify as corruption, abuse, fraud, bribery or other violation of the law.

10. Conflict of Interest

In order to assure their independence and impartiality on behalf of the public good, members shall not use their official positions to influence government decisions in which they have a material financial interest.

In accordance with the law, members shall file written disclosures of their economic interest and if they have a conflict of interest regarding a particular decision, refrain from participating in that decision unless otherwise permitted by law.

11. Gifts and Favors

Members shall not take any special advantage of services or opportunities for personal gain by virtue of their public office that are not available to the public in general. They shall refrain from accepting any gifts, favors or promises of future benefits which might compromise their independence of judgment or action or give the appearance of being compromised.

12. Confidential Information

Members shall respect and preserve the confidentiality of information provided to them concerning the confidential matters of the City. They shall neither disclose confidential information without proper legal authorization, nor use such information to advance their personal, financial or private interests.

13. Use of Public Resources

Public resources not available to the general public (e.g., such as City staff time, equipment, supplies or facilities) shall not be used by members for private gain or personal purposes.

14. Representation of Private Interests

In keeping with their role as stewards of the public trust, members shall not appear on behalf of the private interests of a third-party before the City Council or any board, commission or committee or proceeding of the City.

15. Advocacy

Members shall represent the official policies or positions of the City Council, board or commission to the best of their ability when designated as delegates for this purpose. When presenting their personal opinions or positions, members shall explicitly state they do not represent their body of the City.

16. Improper Influence

Members shall refrain from using their position to influence the deliberations or decisions of City staff, boards, commissions or committees.

17. Policy Role of Members

Members shall respect and adhere to the council-manager structure of Yuba City city government. In this structure, the City Council determines the policies of the City with the advice, information and analysis provided by the public, boards and commissions and City staff.

Members shall deal with the administrative operations of the City only through the City Manager and no member shall give orders to any subordinates of the City Manager, excepting the City Council's relations with the City Attorney. No individual member shall give any orders or instructions to the City Manager. No individual member shall in any manner attempt to influence the City Manager in

the making of any appointment or in the purchase of equipment or supplies. The City Council shall instruct the City Manager in matters of policy. Any action, determination or omission of the City Manager shall be subject to review by City Council.

18. Positive Work Environment

Members shall support the maintenance of a positive and constructive environment for citizens, businesses and City employees. Members shall recognize their special role in dealings with City employees and in no way create the perception of providing direction to City employees.

19. Implementation

The Yuba City Code of Ethics is intended to be self-enforcing. It therefore becomes most effective when members are thoroughly familiar with it and embrace its provisions.

For this reason, ethical standards shall be included in the regular orientations for candidates for City Council, applicants to board and commissions, and newly elected and appointed officials. Members entering office shall sign a statement affirming they read and understood the City of Yuba City Code of Ethics. In addition, the Code of Ethics shall be annually reviewed by the City Council, boards and commissions, and the City Council shall consider recommendations from boards and commissions and update it as necessary.

20. Compliance and Enforcement

Members themselves have the primary responsibility to assure that ethical standards are understood and met and that the public can continue to have full confidence in the integrity of City government.

The chairs or boards and commissions and the Mayor have the additional responsibility to intervene when actions of members appear to be in violation of the Code of Ethics.

The City Council may impose censure on members whose conduct does not comply with the City's Code of Ethics. The City Council may remove members of boards and commissions from office.

A violation of this Code of Ethics shall not be considered a basis for challenging the validity of a Council, board or commission decision.

# Regarding the Position of City Manager

Yuba City Ordinance No. 013-05

**ORDINANCE NO. 013-05**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF  
YUBA CITY REPEALING TITLE 2 CHAPTER 2 OF THE YUBA CITY  
MUNICIPAL CODE  
AND RE-ENACTING TITLE 2 CHAPTER 2 REGARDING THE  
POSITION OF CITY MANAGER**

THE CITY COUNCIL OF THE CITY OF YUBA CITY DOES HEREBY ORDAIN  
AS FOLLOWS:

Section 1. Chapter 2 of Title 2 of the Yuba City Municipal Code is hereby repealed.

Section 2. Chapter 2 of Title 2 is hereby added to the Yuba City Municipal Code to read as follows:

Chapter 2

CITY MANAGER

Sections:

2-2.01	Position Created
2-2.02	References to Administrator
2-2.03	Eligibility
2-2.04	Residence
2-2.05	Compensation
2-2.06	Expense Allowance
2-2.07	Powers and Duties
2-2.08	Relations with City Council
2-2.09	Department Cooperation
2-2.10	Attendance at Commission Meetings
2-2.11	Removal
2-2.12	Agreements with Council Not Limited

Section 2-2.01 Position Created. The office of the City Manager is created and established. The City Manager shall be appointed by the City Council wholly on the basis of his or her administrative and executive ability and qualifications and shall hold office at the pleasure of the City Council.

Section 2-2.02 References to Administrator. Whenever the words "Administrator" or "City Administrator" appear in existing ordinances, they shall be deemed to mean and refer to the City Manager, and all ordinances not expressly repealed by this ordinance and not inconsistent with the provisions of this ordinance, referring to or respecting the rights, duties, powers and obligations of the Administrator, are continued in full force and effect.

Section 2-2.03 Eligibility. No person elected as a member of the City Council of the City of Yuba City shall, subsequent to such election, be eligible for appointment as City Manager until one year has elapsed after such City Council member shall have ceased to be a member of the City Council.

Section 2-2.04 Residence. Residence in the City at the time of appointment of a City Manager shall not be required as a condition of the appointment.

Section 2-2.05 Compensation. The City Manager shall receive such salary and benefits as set forth in an employment agreement between the City Council and City Manager.

Section 2-2.06 Expense Allowance. The City Manager shall be reimbursed for all actual and necessary expenses incurred when traveling on business pertaining to the City.

Section 2-2.07 Powers and Duties. The City Manager shall be the administrative head of the government of the City under the direction and control of the City Council, except as otherwise provided in this chapter, by law or by direction of the City Council. The City Manager shall be responsible for the efficient administration of all the affairs of the City that are under his or her control. In addition to the general powers as administrative head, the City Manager shall have the following specific duties, responsibilities and powers:

- A. To enforce all laws and ordinances of the City and to see that all franchises, contracts, permits and privileges granted by the City Council are faithfully observed;
- B. To control, order and give directions to all heads of departments and to subordinate officers and employees of the City under his or her jurisdiction through their department heads;
- C. To appoint, promote, demote, remove and grant severance packages in an amount authorized by the City Council for all officers and employees of the City, excepting elective officers and the City Attorney;
- D. To establish an organizational structure of offices, departments, positions and units within the City as may be indicated in the interest of efficient, effective and economical conduct of the City's business;
- E. To recommend to the City Council the adoption of such ordinances and resolutions as deemed necessary or appropriate;
- F. To attend all meetings of the City Council or provide for a designated representative;
- G. To prepare and submit the proposed annual budget to the City Council for its approval;

- H. To be responsible for purchasing pursuant to the provisions of Title 2, Chapter 6 of the Yuba City Municipal Code for all the departments of the City;
- I. To approve agreements for contractual services as defined in Title 2, Chapter 6 of the Yuba City Municipal Code and in accordance with administrative policies adopted by the City Council, which shall, among other things, establish the maximum compensation that may be provided for in any such agreement;
- J. To investigate, when necessary, the affairs of the City and any department or division thereof and any contract obligation of the City; further, it shall be the duty of the City Manager to investigate all complaints in relation to matters concerning the administration of the City government and in regard to the service maintained by public utilities in the City;
- K. To exercise general supervision over all public buildings, public parks and all other public properties which are under the control and jurisdiction of the City Council;
- L. To perform such other duties and exercise such other powers as may be delegated to the City Manager from time to time by ordinance or resolution or other official action of the City Council.

Section 2-2.08 Relations with City Council. The City Council and its members shall deal with the administrative services of the City only through the City Manager and neither the City Council nor any member thereof shall give orders to any subordinates of the City Manager, except that this limitation and prohibition does not apply to the City Council's relations with the City Attorney. No individual Councilmember shall give any orders or instructions to the City Manager. The City Council shall instruct the City Manager in matters of policy. Any action, determination or omission of the City Manager shall be subject to review by the City Council.

Section 2-2.09 Department Cooperation. It shall be the duty of all subordinate officers and the City Attorney to assist the City Manager in administering the affairs of the City efficiently, economically and harmoniously.

Section 2-2.10 Attendance at Commission Meetings. The City Manager may attend any and all meetings of the Planning Commission, and any other commission, board or committee created by the City Council, upon his or her own volition or upon direction of the City Council. At such meetings which the City Manager attends, he or she shall be heard by such commission, board or committee as to all matters upon which he or she wishes to address the members thereof. The City Manager shall inform such members as to the status of any matter being considered by the City Council, and he or she shall cooperate to the fullest extent with the members of all commissions, boards or committees appointed by the City Council.

Section 2-2.11 Removal. The City Manager may be removed from his or her position in accordance with this section.

- A. The City Manager shall at all times serve at the pleasure of the City Council and, subject to the provisions below, may be removed from office at any time with a three-fifths vote of the City Council, with or without cause;
- B. The removal of the City Manager shall be effected only by the City Council and shall be done in accordance with all applicable laws and ordinances and in compliance with the City Manager's employment agreement.
- C. The City Manager shall not be removed from office, nor shall notice of removal be determined, during or within a period of ninety days next succeeding any municipal election held in the City at which a member of the City Council is elected. The purpose of this provision is to allow any newly elected member to the City Council or a reorganized City Council to observe the actions and ability of the City Manager in the performance of the office of City Manager.

Section 2-2.12 Agreements with Council Not Limited. Nothing in this chapter shall be construed as a limitation on the power or authority of the City Council to enter into any agreement with the City Manager delineating additional terms and conditions of employment. The terms and conditions of any employment agreement may be inconsistent with, and supersede, this chapter only if expressly provided for in the agreement.

Section 3. Section 2-5.03 of the Yuba City Municipal Code is hereby repealed.

Section 4. Section 2-5.08(e) of the Yuba City Municipal Code is hereby amended to read as follows:

"(e) Provisions covering the appointment, reappointment, and promotion of employees, which shall include the use of various screening and selection techniques to obtain for the City service the best qualified persons available; provided, however, there shall be no discrimination against any person seeking employment because of any considerations of political or religious affiliation or belief, non-affiliation or non-belief, or because of race, sex, or military status. The City Administrator shall be the appointing authority and shall appoint, when necessary for the good of the service, discipline, and remove all employees in the career service, the executive service and employees in the exempt service involved in seasonal, temporary, or part-time employment as defined in the personnel rules, except as he may authorize the head of any department or office to appoint, discipline, or remove subordinates in such department or office;"

Section 5. Section 2-5.08(j) of the Yuba City Municipal Code is hereby amended to read as follows:

"(j) Provide that employees in the career service shall have the right to appeal to the Personnel Board;"

Section 6. Amendment to Personnel Rules and Regulations. Section 1.16 A of the Personnel Rules and Regulations is hereby amended to read as follows:

"1.16 Discipline

A. Exclusions:

1. The City Administrator is exempt from the rules and regulations of this Section, as he/she is employed at the pleasure of the City Council. In addition, there is no right to appeal any disciplinary action imposed by the City Council.
2. Department heads are exempt from the rules and regulations of this Section, as they are employed at the pleasure of the City Administrator. In addition, there is no right to appeal any disciplinary action imposed by the City Administrator.
3. Any seasonal, temporary, extra-help, limited term or part-time (less than half-time) employees may be disciplined and separated from City employment without regard to this section and shall have no right of appeal, and shall be considered employed at the pleasure of the City."

Section 7. This Ordinance shall be effective 30 days from and after its adoption, and after adoption shall be published as provided by law.

Introduced and read at a regular meeting of the City Council of the City of Yuba City on the 4th day of October, 2005, and adopted at a regular meeting thereof held on the 18<sup>th</sup> day of October, 2005.

AYES: Councilmembers Doolittle, Hellberg, Miller, Ramirez, and Mayor Cartoscelli

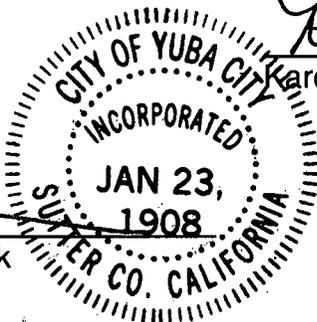
NOES: None

ABSENT: None

ABSTAIN: None

ATTEST:

  
Steve Johnson, City Clerk



  
Karen Cartoscelli, Mayor

APPROVED AS TO FORM:

  
Timothy P. Hayes, City Attorney

# Employment Agreement between the City of Yuba City and Steven C. Kroeger

Effective September 16, 2014

## **Employment Agreement between the City of Yuba City and Steven C. Kroeger**

This Agreement is made and entered into on September 16, 2014, by and between the City of Yuba City, California, a general law city, (herein called "the Employer") and Steven C. Kroeger (hereinafter called "Employee") with respect to employment as the City Manager of Yuba City, California. This Agreement supersedes and replaces the previous Agreement between the City of Yuba City and Steven C. Kroeger dated November 16, 2013. This contract is not meant to supersede any State laws.

### **Section 1: Duties and Authority**

Employer agrees to employ Steven C. Kroeger as City Manager to perform the functions and duties specified in Section 2-2.07 of the Yuba City Municipal Code. Employee shall hold the appointed office as City Manager at will and at the pleasure of the City Council and may be terminated at any time with or without cause by the City Council. Employee understands that he has no constitutionally protected property or other interest in his employment as City Manager.

### **Section 2: Term**

The term of this Agreement shall be from September 16, 2014 through December 31, 2017, or the date of earlier termination in accordance with provisions in this Agreement. City's election not to renew the Agreement shall not entitle Employee to severance as provided in Section 8 of this Agreement. This Agreement shall automatically be renewed for one year unless notice is given at least six months before the expiration date or the Agreement is replaced and/or amended by mutual agreement of both parties in the future.

In the event the Agreement is not renewed, all compensation, benefits and requirements of the Agreement shall remain in effect until the expiration of the term of the Agreement unless Employee voluntarily resigns. The Employee acknowledges he serves in the position of City Manager at the discretion of the City Council and may be terminated at any time and prior to the expiration of the term of this Agreement. In the event that the Employee is terminated, as defined in Section 8 of this Agreement, the Employee shall be entitled to severance as provided for in Section 9 of this Agreement.

### **Section 3: Compensation**

Base Salary: Employer agrees to pay Employee an annual base salary of \$192,780 as the City Manager.

Employee shall be subject to 5% furlough along with cost sharing 4% of Employer's share of PERS until June 30, 2015. Effective July 1, 2015, or when the related PERS contract amendment is established (whichever occurs later), Employee will cost share 8% of Employer's share of PERS and the furlough will cease.

Compensation shall be payable in installments at the same time that the other Executive Management employees of the Employer are paid.

### **Section 4: Health, Disability and Life Insurance Benefits**

1. The Employer agrees to provide for comprehensive medical insurance and vision/dental on a pre-tax basis for the Employee and his dependents equal to that which is provided to all other Executive Management employees of the

Employer.

2. The split for medical costs shall be 80%/20% between the City and the Employee, with the City paying 80% of the total premium cost and the Employee paying 20%. The contribution shall be based on the lowest cost health plan available to the majority of City employees and is subject to Section 8.2.
3. Employee shall pay the same premium amount of the City's dental and vision plan as provided to all other Executive Management employees of the Employer.
4. Cash-in-lieu payments of medical insurance shall be calculated in the same manner as all other City employees.
5. Life insurance benefit amount of \$50,000 shall be maintained for Employee.

### **Section 5: Vacation, Leave, and Holidays**

The Employee shall accrue sick leave and vacation at the rate provided to all other miscellaneous employees of the Employer.

The Employee is entitled to accrue all unused sick leave, without limit, and vacation leave accrual shall have the limits as set forth in the Personnel Rules and Regulations. In the event the Employee's employment is terminated, either voluntarily or involuntarily, the Employee shall be compensated for all accrued vacation time, all paid holidays, executive leave, and other benefits to date.

The Employee shall annually be credited with eighty (80) hours of administrative leave.

Up to forty (40) hours of unused leave time may be converted annually to compensation at the discretion of the Employee. At the end of each calendar year, the Employee may cash out a maximum of 40 hours to be paid in the first pay period of the succeeding calendar year, and/or may carry over their unused balance up to 40 hours, subject to following limitations. Employee shall be allowed to carry over unused administrative leave to the next calendar year, subject to a maximum carry over balance of 80 hours.

Two (2) floating holidays per fiscal year shall be provided which must be used during the fiscal year. These two floating holidays have no cash value and may not be carried over to a subsequent fiscal year.

Holidays with pay will be provided as outlined in Section 2.10 of the City's Personnel Rules and Regulations.

### **Section 6: Retirement**

1. The Employer agrees to enroll the Employee into the Public Employee Retirement System (PERS) and to make all the appropriate contributions on the Employee's behalf, for both the Employer and Employee share required and is subject to Section 8.2.
2. The City shall pay and report 100% of the Employer payment of member contributions (EPMC) to PERS as additional compensation for retirement purposes only and is subject to Section 8.2.

3. Employee shall cost share 4% of Employer's contribution towards PERS. Effective July 1, 2015, or when the related PERS contract amendment is established (whichever occurs later), Employee will cost share 8% of Employer's share of PERS.
4. Employee shall receive a City contribution of two (2) percent of Employee's annual salary paid into a City of Yuba City deferred compensation plan.  
  
The dollar value of this contribution may be used at the Employee's option, to purchase service from another qualified plan.
5. In addition to the Employer's payment to the state or local public retirement system (as applicable) referenced above, Employer agrees to execute all necessary Agreements provided by ICMA Retirement Corporation or other Section 457 deferred compensation plan for Employee's participation in said supplementary retirement plan.
6. If the Employee retires from the City, the Employee shall have the "Employee Only" medical premium paid by the City until such time as the Employee is eligible to receive Medicare. If the Employee receives a disability retirement, this benefit is not available.

The amount of premium paid by the City will be determined each year by what the City's maximum health insurance contribution is for "Employee Only" for First Level Managers. The retiree will be responsible for paying the difference based on the City's contribution. If the retiree selects a health plan that costs less than the City's contribution, he will not be eligible to receive the cash difference. All premium contributions must be received one month in advance and it is the responsibility of the retiree to ensure that the City receives the payment. Failure to pay the retiree's contribution in a timely manner may result in the loss of the benefit.

## **Section 7: General Business Expenses**

1. Employer agrees to budget for and to pay for professional dues and subscriptions of the Employee necessary for continuation and full participation in ICMA and one other professional organization necessary and desirable for the Employee's continued professional participation, growth, and advancement, and for the good of the Employer.
2. Employer agrees to budget for and to pay for travel and subsistence expenses of Employee for professional and official travel, meetings, and occasions to adequately continue the professional development of Employee and to pursue necessary official functions for Employer including, but not limited to, the ICMA Annual Conference, and/or the California League of Cities.
3. The Employer shall provide Employee with a cell phone required for the Employee to perform the job and to maintain communication. Usage of cell phone shall be in accordance with the City's policy on cell phone usage.
4. The Employer shall provide the Employee with an automobile allowance of \$400 per month to provide compensation for auto use within the Yuba-Sutter-Sacramento region. Mileage reimbursement will only be paid outside a 50 mile radius of Yuba City for City business. The auto allowance will be reviewed

annually for adjustments based on use and cost. Any change in auto allowance rate will require an amendment to this Agreement.

## **Section 8: Termination**

**For the purpose of this Agreement, termination shall occur when:**

1. The City Council, by a three-fifths vote, terminates the Employee as the City Manager at a duly authorized public meeting.
2. If the Employer reduces the base salary, compensation or any other benefit of the Employee, unless it is applied in no greater percentage than the average reduction of all Executive Management employees, such action shall constitute a breach of this Agreement and will be regarded as a termination.
3. If the Employee resigns following a formal offer to accept resignation by three members of the City Council, then the Employee may declare a termination as of the date of the resignation offer.

## **Section 9: Severance**

Severance shall be paid to the Employee when the Employee is terminated as defined in Section 8.

If the Employee is terminated, the Employer shall provide a minimum severance payment equal to six months' salary at the current rate of pay. This severance shall be paid in lump sum unless otherwise agreed by the Employer and the Employee.

The Employee shall also be compensated for accrued sick leave in accordance with the Personnel Rules and Regulations, vacation time, all paid holidays, and administrative leave. The Employer agrees to make a contribution to the Employee's deferred compensation account, and PERS, based on the value of this compensation calculated using the rate ordinarily contributed on regular compensation. If the amount of the contribution exceeds the deferred compensation limit, the remainder shall be paid to the Employee in a lump sum as taxable compensation.

For a minimum period of six months following termination, the Employer shall pay the cost to continue the following benefits:

- a) Health insurance for the Employee and all dependents as provided in Section 4.
- b) Employer shall take all necessary actions to insure continuation of benefits and service credits to PERS for the severance period.

Employee shall not be entitled to severance pay pursuant to this section if: a) the Employee voluntarily resigns, or b) the Employee is terminated for willful misconduct, malfeasance, dishonesty for personal gain, conviction of a misdemeanor involving moral turpitude or conviction of a felony.

Pursuant to Government Code 53243.2, if the Employee is terminated, any severance or cash settlement related to the termination that the Employee receives from the City, shall be fully reimbursed to the City if the Employee is convicted of a crime involving an abuse of her office or position.

## **Section 10: Resignation**

In the event that the Employee voluntarily resigns his/her position with the Employer, the Employee shall provide a minimum of 30 days notice unless the parties agree otherwise.

### **Section 11: Performance Evaluation**

Employer shall annually review the performance of the Employee in September of each year starting in 2015 subject to a process, form, criteria, and format for the evaluation which shall be mutually agreed upon by the Employer and Employee. The process at a minimum shall include the opportunity for both parties to: (1) prepare a written evaluation, (2) meet and discuss the evaluation, and (3) present a written summary of the evaluation results. The final written evaluation should be completed and delivered to the Employee prior to October 31<sup>st</sup> of each year. Employer shall review Employee's salary and benefits as part of the performance evaluation process.

### **Section 12: Hours of Work**

It is recognized that the Employee must devote a great deal of time outside the normal office hours on business for the Employer, and to that end Employee shall be allowed to establish an appropriate work schedule.

### **Section 13: Outside Activities**

The employment provided for by this Agreement shall be the Employee's sole employment. Recognizing that certain outside consulting or teaching opportunities provide indirect benefits to the Employer and the community, the Employee may elect to accept limited teaching, consulting or other business opportunities with the understanding that such arrangements shall not constitute interference with nor a conflict of interest with his responsibilities under this Agreement.

### **Section 14: Relations with City Council**

As set forth in Section 2-2.08 of the Yuba City Municipal Code and the City Council's adopted "Rules of Decorum and Conduct", the City Council shall respect the City Manager's administrative authority to faithfully implement the City Council's direction. The City Council and its members shall deal with the administrative services of the City only through the City Manager and neither the City Council nor any member thereof shall give orders to any subordinates of the City Manager, except that this limitation and prohibition does not apply to the City Council's relations with the City Attorney. No individual Councilmember shall give any orders or instructions to the City Manager. The City Council shall instruct the City Manager in matters of policy. Any action, determination or omission of the City Manager shall be subject to review by the City Council.

### **Section 15: Indemnification**

Beyond that required under Federal, State or Local Law, Employer shall defend, save harmless and indemnify Employee against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties as City Manager or resulting from the exercise of judgment or discretion in connection with the performance of program duties or responsibilities, unless the act or omission involved willful or wanton conduct. The Employee may request and the Employer shall not

unreasonably refuse to provide independent legal representation at Employer's expense and Employer may not unreasonably withhold approval. Legal representation, provided by Employer for Employee, shall extend until a final determination of the legal action including any appeals brought by either party. The Employer shall indemnify Employee against any and all losses, damages, judgments, interest, settlements, fines, court costs and other reasonable costs and expenses of legal proceedings including attorneys fees, and any other liabilities incurred by, imposed upon, or suffered by such Employee in connection with or resulting from any claim, action, suit, or proceeding, actual or threatened, arising out of or in connection with the performance of his or her duties. Any settlement of any claim must be made with prior approval of the Employer in order for indemnification, as provided in this Section, to be available. Pursuant to Government Code 53243.1, if any City funds are provided for the legal criminal defense, said funds shall be fully reimbursed to the City if the Employee is convicted of a crime involving an abuse of his office or position.

### **Section 16: Bonding**

Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

### **Section 17: Other Terms and Conditions of Employment**

The Employer, only upon Agreement with Employee, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of the Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the Yuba City Municipal Code or any other law.

### **Section 18: Notices**

Notice pursuant to this Agreement shall be given by depositing in the custody of the United States Postal Service.

Alternatively, notice required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as the date of deposit of such written notice in the course of transmission in the United States Postal Service.

### **Section 19: General Provisions**

1. This Agreement sets forth and establishes the entire understanding between the Employer and the Employee relating to the employment of the Employee by the Employer. Any prior discussions or representations by or between the parties are merged into and rendered null and void by this Agreement. The parties by mutual written Agreement may amend any provision of this Agreement during the life of the Agreement. Such amendments shall be incorporated and made a part of this Agreement.

2. Binding Effect. This Agreement shall be binding on the Employer and the Employee as well as their heirs, assigns, executors, personal representatives and successors in interest.
3. Severability. The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both parties subsequent to the expungement or judicial modification of the invalid provision.
4. Effective Date. This Agreement shall become effective on September 16, 2014.

Dated: 9/16/2014

/s/ Steven C Kroeger

Steven C. Kroeger, City Manager

Dated: 9/16/2014

/s/ Kash Gill

Kash Gill, Mayor

Attest:

Approved as to Form:

/s/ Terrel Locke

Terrel Locke, City Clerk

/s/ Tim Hayes

Timothy P. Hayes, City Attorney

**YUBA CITY**

