

# **COUNTY OF AMADOR**

## **CIVIL GRAND JURY**



**Amador County, California**

**June 23, 2026**

**2025-2026 CONSOLIDATED REPORT**



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**Note: All images courtesy of undisclosed sources.**

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## **AMADOR COUNTY CIVIL GRAND JURY**

MAIL: P.O. Box 249, Jackson, CA 95642 – Phone: (209) 223-2574

EMAIL: [grandjury@amadorcounty.gov](mailto:grandjury@amadorcounty.gov)

May 25, 2026

The Honorable Judge J.S. Hermanson, Presiding Judge  
Amador Superior Court  
500 Argonaut Lane  
Jackson, CA 95642

Dear Judge Hermanson,

On behalf of the Amador County Civil Grand Jury for 2025-2026, I am pleased to present our final consolidated report to you and the citizens of Amador County. Throughout this term, our jurors have diligently investigated matters impacting the county, city, and district agencies, and compiled findings and recommendations in accordance with our statutory responsibilities.

The consolidated report addresses a variety of topics, including operational and fiscal practices, election observation, and compliance with detention facility standards. We trust these documents will contribute meaningfully to the improvement of local governance and public service.

The 2025-2026 Grand Jury would like to thank everyone who was interviewed and provided information. Thank you for your oversight and commitment to the integrity of the grand jury process. Sabrina Pierce, County Counsel, provided invaluable advice and thorough review of multiple report drafts during challenging moments. We also wish to express our sincere gratitude to Heather Gardella, Executive Coordinator, for her support and consistent professionalism.

Respectfully,

A handwritten signature in black ink, reading "Linda Renzelman". The signature is written in a cursive, flowing style.

Linda Renzelman, Foreperson  
Amador County Civil Grand Jury 2025-2026



**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF AMADOR**

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500 ARGONAUT LANE • JACKSON, CA 95642  
(209) 257-2686

*ANDREA C. SEXTON, COURT EXECUTIVE OFFICER*

May 19, 2026

Linda Renzelman  
Amador County Civil Grand Jury  
P.O. Box 249  
Jackson, CA 95642

Re: Civil Grand Jury 2025-2026

Dear Foreperson Renzelman, Foreperson Pro Tem Richard Brandt, and members of the 2025-2026 Civil Grand Jury:

Thank you for dedicating the past year in service of Amador County. Your thorough investigation and insightful reporting on issues that are important to all are immensely appreciated.

Foreperson Renzelman, your leadership in producing this report is apparent and appreciated. The dedication and commitment of the panel to the citizens of Amador County is evident.

Please enjoy your retirement from service on the Civil Grand Jury knowing that your contribution has had a positive impact on all of us.

Sincerely,

J.S. Hermanson  
Judge, Amador Superior Court



**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF AMADOR**

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500 ARGONAUT LANE • JACKSON, CA 95642  
(209) 257-2686

*ANDREA SEXTON, COURT EXECUTIVE OFFICER*

May 18, 2026

Linda Renzelman, Foreperson  
Amador County Grand Jury  
P. O. Box 249  
Jackson, CA 95642

RE: 2025-2026 Final Report

Dear Ms. Renzelman and Members of the 2025-2026 Grand Jury:

The Court has reviewed and approved the following reports:

**Health and Human Services: Social Services Department**

**Response Compliance Report**

**Other Activities: Election Observer Panel**

**Detention Facilities Inquiry Statement**

Thank you for your time and insight into the matters reported.

Sincerely,

A handwritten signature in black ink, appearing to read "J.S. Hermanson".

J.S. Hermanson  
Presiding Judge, Amador Superior Court



**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF AMADOR**

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500 ARGONAUT LANE • JACKSON, CA 95642  
(209) 257-2686

*ANDREA SEXTON, COURT EXECUTIVE OFFICER*

May 29, 2026

Linda Renzelman, Foreperson  
Amador County Grand Jury  
P. O. Box 249  
Jackson, CA 95642

RE: 2025-2026 Final Report

Dear Ms. Renzelman and Members of the 2025-2026 Grand Jury:

The Court has reviewed and approved the following reports:

**Amador Transit: Our County's People Mover Resource**

**City of Plymouth: Financial Audit Status**

**City of Ione: Reading The Tea Leaves**

Thank you for your time and insight into the matters reported.

Sincerely,

A handwritten signature in blue ink, appearing to read "J.S. Hermanson", followed by a long horizontal line.

J.S. Hermanson  
Judge, Amador Superior Court



Amador County

**2025-2026 Amador County  
Civil Grand Jurors**

Margaret Berry  
Richard Brandt  
Virginia Brazil  
Tracy Buckingham-Peterson  
Shirley Corsaletti  
Mara Feeney  
Kenneth Guffey  
William Hanley  
Doreen Hicks  
Olena Nehanova

John Perry  
Glory Potts  
Linda Renzelman  
Savana Rios  
Robert Robinson  
Colleen Rogers  
Brian Rottweiler  
Sarah Spitzer  
Jonathan Zebroski

## **Functions of the Grand Jury**

The Grand Jury, as mandated by the California Constitution, is part of the Judicial Branch and is an arm of the court. The Civil Grand Jury has two responsibilities: to act as a civil watchdog conducting investigations and to answer citizen complaints.

The Grand Jury investigates city and county government, as well as special districts, to ensure the interests of Amador County citizens are being served. Procedures, methods, and systems are reviewed to determine if more efficient programs might be employed as well as being more economical for the county.

## **Amador County Citizens Complaints**

The Grand Jury is empowered to investigate complaints from citizens, civic groups, government employees, and others about the procedures or conduct of its officers or employees. The Grand Jury's primary function is the examination of all aspects of local government, including cities, special districts, and school districts. The goal is to ensure honest, efficient government in the best interests of all citizens in Amador County.

## **Complaint Process**

While the Grand Jury will investigate complaints presented to it in any form, it is preferred the Complaint Form is used whenever possible. Please identify the specific problem and describe the circumstances. Document your complaint with all available evidence and submit copies of all available documents.

The Complaint Form may be downloaded at:

<https://www.amadorcourt.org/divisions/civil/grandjury/complaint-form.pdf>

## **Mail your complaint to:**

AMADOR COUNTY GRAND JURY  
P.O. BOX 249  
JACKSON, CA 95642

## **Final Reports**

The findings and recommendations of those complaints and issues the Grand Jury chooses to study are published in a final report. Statutes require the entities reported on to respond.

## **Confidentiality**

All Grand Jury proceedings and investigations are confidential. The Grand Jurors are sworn to maintain secrecy. The Grand Jury applies the same objective standard of conduct and responsibility to all persons, and charged to avoid being influenced by sympathy, public feelings, passion, or prejudice.

## **Notice to Respondents**

The legal requirements for responses to the Grand Jury findings and recommendations are contained in California Penal Code 933.05. Each respondent should become familiar with these legal requirements and, if in doubt, consult legal counsel before responding.

### **Responding to Findings**

The responding person or entity shall indicate one of the following:

1. The respondent agrees with the finding.
2. The respondent disagrees wholly or partially with the finding. The response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons for the disagreement.

### **Reporting Action in Response to Recommendation**

Recommendations by the Grand Jury require action. The responding person or entity must report action on all recommendations in one of four ways:

1. The recommendation has been implemented, including a summary of the implemented action.
2. The recommendation has not been implemented but will be implemented in the future. This response should include a timeframe for implementation.
3. The recommendation requires further analysis. The law requires a detailed explanation of the analysis or study and the timeframe not to exceed six months. In this response, the analysis or study must be submitted to the officer, director, or governing body of the agency being investigated.
4. The recommendation will not be implemented because it is not warranted, or is not reasonable, with an explanation.

## **Final Report Response Format**

The following standard format is to be used when responding to the Grand Jury Report and is to be used by all agencies when responding:

*Title of the Grand Jury Report*

*Responding Agency Response by Finding(s)*

Finding Number X:

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(Governing Body, Department Head)

State the Findings as written in the Grand Jury Report. Include your detailed response to the Finding. Attach any supporting documentation.

Recommendation Number X:

State the Recommendation as written in the Grand Jury report. Include your detailed response to the Recommendation. Response should include progress on your planned action. Attach any supporting documentation.

Follow the same procedures for each Finding and Recommendation as written in the Grand Jury Report for this agency.

## Penal Code §§ 933 and 933.05

### PENAL CODE - PEN

#### PART 2. OF CRIMINAL PROCEDURE [681 - 1620] *(Part 2 enacted 1872.)*

#### TITLE 4. GRAND JURY PROCEEDINGS [888 - 939.91] *(Title 4 repealed and added by Stats. 1959, Ch. 501.)*

#### CHAPTER 3. Powers and Duties of Grand Jury [914 - 939.91] *(Chapter 3 added by Stats. 1959, Ch. 501.)*

#### ARTICLE 2. Investigation of County, City, and District Affairs [925 - 933.6] *(Heading of Article 2 amended by Stats. 1973, Ch. 1036.)*

#### 933.

(a) Each grand jury shall submit to the presiding judge of the superior court a final report of its findings and recommendations that pertain to county government matters during the fiscal or calendar year. Final reports on any appropriate subject may be submitted to the presiding judge of the superior court at any time during the term of service of a grand jury. A final report may be submitted for comment to responsible officers, agencies, or departments, including the county board of supervisors, when applicable, upon finding of the presiding judge that the report is in compliance with this title. For 45 days after the end of the term, the foreperson and his or her designees shall, upon reasonable notice, be available to clarify the recommendations of the report.

(b) One copy of each final report, together with the responses thereto, found to be in compliance with this title shall be placed on file with the clerk of the court and remain on file in the office of the clerk. The clerk shall immediately forward a true copy of the report and the responses to the State Archivist who shall retain that report and all responses in perpetuity.

(c) No later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body, and every elected county officer or agency head for which the grand jury has responsibility pursuant to Section 914.1 shall comment within 60 days to the presiding judge of the superior court, with an information copy sent to the board of supervisors, on the findings and recommendations pertaining to matters under the control of that county officer or agency head and any agency or agencies which that officer or agency head supervises or controls. In any city and county, the mayor shall also comment on the findings and recommendations. All of these comments and reports shall forthwith be submitted to the presiding judge of the superior court who impaneled the grand jury. A copy of all responses to grand jury reports shall be placed on file with the clerk of the public agency and the office of the county clerk, or the mayor when applicable, and shall remain on file in those offices. One copy shall be placed on file with the applicable grand jury final report by, and in the control of the currently impaneled grand jury, where it shall be maintained for a minimum of five years.

(d) As used in this section "agency" includes a department.

*(Amended by Stats. 2002, Ch. 784, Sec. 538. Effective January 1, 2003.)*

**933.05.**

(a) For purposes of subdivision (b) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:

(1) The respondent agrees with the finding.

(2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.

(b) For purposes of subdivision (b) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:

(1) The recommendation has been implemented, with a summary regarding the implemented action.

(2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.

(3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.

(4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.

(c) However, if a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the board of supervisors shall respond if requested by the grand jury, but the response of the board of supervisors shall address only those budgetary or personnel matters over which it has some decision making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

(d) A grand jury may request a subject person or entity to come before the grand jury for the purpose of reading and discussing the findings of the grand jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release.

(e) During an investigation, the grand jury shall meet with the subject of that investigation regarding the investigation, unless the court, either on its own determination or upon request of the foreperson of the grand jury, determines that such a meeting would be detrimental.

(f) A grand jury shall provide to the affected agency a copy of the portion of the grand jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report.

(Amended by Stats. 2002, Ch. 784, Sec. 538. Effective January 1, 2003.)

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**AMADOR COUNTY  
2025-2026 GRAND JURY**



Downtown Lone, 2026

## **2025-2026 Amador County Grand Jury**

# **City Of Lone: Reading The Tea Leaves**

June 23, 2026

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# **City Of Ione: Reading The Tea Leaves**

2025-2026 Amador County Grand Jury

## **SUMMARY**

The 2025-2026 Amador County Civil Grand Jury (Grand Jury) received multiple complaints with over 150 pages of supporting documentation related to the City of Ione's (City) government operations and leadership. This is the sixth time the Grand Jury has investigated Ione since 2010. Some of the complaints investigated this year are like those of previous Grand Jury investigations and include problems maintaining reliable financial records and failure to follow the City's adopted policies, procedures, and protocols. These issues are manifest in delays in adopting annual budgets, failures to complete financial audits on time, approval of expenses without proper backup or budget adjustments, and mounting legal expenses. They are worsened by the lack of decorum evident at city council (Council) meetings, which contributed to low staff morale, high staff turnover rates, and loss of residents' trust in their City's leadership (Council and city manager).

The current City leadership is actively addressing some of these issues by prioritizing reduction of the audit backlog and improving staff retention. These efforts include recognizing employees through verbal acknowledgement of staff contributions during public meetings and enhancing severance packages to discourage abrupt firings. Other problems persist, such as the city manager not following established bidding and purchasing protocols and councilmembers frequently violating codes of conduct.

The investigation focused on the actions of the City's councilmembers and city manager and their impact on current government operations. Through a lengthy investigation and material review, the Grand Jury identified opportunities to improve government operations, transparency, and fiscal management, as well as to foster more cooperative working relationships among the councilmembers, the city manager, and the public.

## **METHODOLOGY**

The methodology the Grand Jury followed for this investigation began by verifying the complaints submitted. The Grand Jury conducted more than thirty interviews with community representatives and completed extensive research using the resources listed below:

### **Materials Reviewed**

- California Government Codes 18700, 53234, 53891, 54950, 54952, 54953, and 54957.1
- Amador County Grand Jury Complaints and Attached documentation
- Lone City Council and Other Lone Committees' Agendas and Meeting Minutes
- City of Lone Debt Services and Financial Policies and Procedures Handbook
- City of Lone Purchasing and Bidding Policy
- City of Lone Employee Handbook
- City of Lone City Council Protocol Manual
- City of Lone Code of Ordinances
- City of Lone Code of Ethics for Lone City Council Members
- City of Lone Employment Contracts and Agreements
- Agreements and Payments for Attorney Services
- Censure Policy, Complaints, Emails, Memorandums, and Investigative Reports
- Amador County Grand Jury Reports, Responses, and Follow-Up Reports for the City between 2010 and 2014
- Other California Counties' Grand Jury Reports, Responses, and Follow up Reports
- Conflict of Interest Material
- The City's Adopted Budgets, Audit Reports, and Financial Reports between 2010 and 2025
- Organization Charts
- Administration, Finance, and Human Resources Duty Statements
- Hundreds of additional pages of information submitted voluntarily by interviewees or in response to specific information requests

## **Interviews Conducted**

- Complainants
- Current and Former City Councilpersons and Committee Members
- Current and Former City Employees and Contractors
- Representatives of Other Agencies Providing Services in Lone
- Lone Community Residents

## **Websites/Digital Posts Consulted**

- California State Controller's Office
- Live and Recorded Lone City Council, Commission, and Committee Meetings
- News: *Ledger Dispatch* and KVGCRadio.com
- Social Media Platforms: Facebook, Instagram, YouTube
- AmadorCounty.gov
- lone.ca.gov
- Fair Political Practices Commission
- California League of Cities
- Institute for Local Government
- California Grand Jury Association

## BACKGROUND

lone served as a major supply center during the California Gold Rush and incorporated as a city in 1953. It retained its character as a small, rural community until the beginning of the 21<sup>st</sup> century. In recent decades, the construction of new subdivisions has



lone, 2026

substantially increased the population.

According to the Amador County 2021-2029 Housing Element (Countywide 6<sup>th</sup> Cycle Housing Element, DeNovo Planning Group, September 2024, Part 3, Annex to the Background Report—lone, p. 2), the number of households in Amador County increased by 23 percent from 2000 to 2021, while the number of households in lone increased by 83 percent during the same period. With this growth, lone has surpassed Jackson to become the biggest city in the county. The City's current population hovers just above 5,000 people, not including the almost 4,000 inmates housed at Mule

Creek State Prison. Some friction between long-time residents and relative newcomers is evident in arguments that take place at public council meetings over doing things the old way, through volunteerism and community spirit, versus wanting clear policies and more transparency in local government.

It is no secret to the public that the City's elected and appointed officials have been entangled in ongoing controversy in recent years. This is evident in media headlines and from readily accessible print and online sources. In this age of immediate access to information, anyone can observe public meetings by simply watching the City's video broadcasts of its Council meetings or by reading community Facebook pages like "lone Politics" or "lone News and Safety" discussions of current events and local politics. Another indication of internal challenges is that, between 2010 and 2026, the City has appointed 12 interim and permanent city managers, while the next two largest cities in the county—Jackson and Sutter Creek—each had only 3 city managers during the same timeframe.

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

The City operates under the council-manager form of government (City of lone, City Council Protocol Manual 2008 (Protocol Manual), § 1.01, app. A). The council-manager form of government requires the election of a city council to guide local governance.

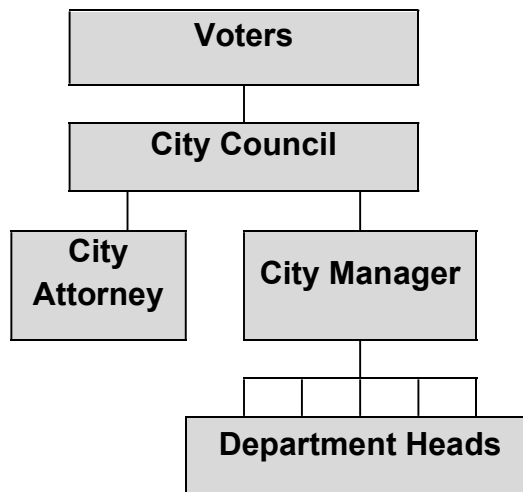
The mayor presides over meetings and suggests items for meeting agendas but otherwise has no more authority than any other councilmember. As stated in city code:

The city manager shall take his or her orders and instructions from the city council only when sitting in a duly held meeting of the city council and no individual council member shall give any orders or instructions to the city manager (Res. 1582 (2007) § 2 (part); Ord. 300 (1989) § 1 (part)).

The five-member Council is the governing body of the City, with the authority to establish policy, enact local laws, adopt an annual budget, and provide vision and goals to the city manager (Protocol Manual 2008 § 2.02, app. A). The Council establishes priorities for public services, approves contracts over \$15,000, and establishes boards, commissions, committees, and task forces. Committees and task forces are purely advisory to the Council. They give well-qualified, responsible, and willing citizens the opportunity to participate in the governance of their community and serve the City (Protocol Manual 2008 § 2.08, app. A). The Council appoints the city manager and city attorney, who serve at the pleasure of the Council.

The city manager is the chief executive of the City. The city manager enforces the City's laws and ordinances, makes recommendations to the Council, and implements the policies through daily operations, staff hiring and supervision, and managing budgets. City managers and city councils hold fiduciary duties to manage assets with loyalty, obedience, and care. Together, they must ensure transparency and act solely in the best interest of the public.

The council-manager form of government is depicted in Figure 1.



**Figure 1: Council-Manager Form of Government**

Councilmembers are elected for four-year terms, with staggered elections occurring every two years. The mayor and vice mayor are elected each year by fellow councilmembers. A current list of councilmembers, along with their terms and roles, is depicted in Table 1.

Councilmember	First Elected	Term Expires	Mayor	Vice Mayor
Jody Maita	2025	2028	2026	2025
Stacey Rhoades	2019	2028	2021, 2023, 2025	2020, 2026
Dominic Atlan	2015	2026		
Jack Mitchell	2023	2026		2023
Alison LaFayne	2023	2026	2024	

**Table 1: Ione’s Current City Councilmembers**

Prior to taking office, councilmembers swear an oath of office as specified in California’s Constitution. Once sworn in, they must comply not only with California laws, but also with local laws and adopted ordinances aimed at guiding Council authority and actions. Pertinent policy documents and laws that guide councilmember actions are described below.

### **Municipal Code**

The Council’s actions are guided by the municipal code, which is continuously updated to incorporate ordinances adopted by the Council. Much of the municipal code pertains to land use, zoning, and building standards but it also addresses city administration. Title 2 (2013) of the Municipal Code addresses the role of the Council, describing the organization of Council meetings and Council responsibilities, as well as rules of order.

Municipal Code 2013 section 2.04.120, app. B, contains rules of conduct for councilmembers:

Members of the council shall confine themselves to the question before the council and avoid personal or indecorous language. No discussion of a sectarian or political nature shall be allowed. No member shall interrupt another while speaking, except to make a point of order, the point to be briefly stated to the mayor or presiding officer. No member shall, while the council is sitting, interrupt or hinder its business by standing, moving about, talking, expressing approval or

disapproval of any of the proceedings, or by any conduct tending to disorder or confuse.

Municipal Code section 2.04.100 states, “The mayor shall enforce the rules of the council and preserve order and decorum,” placing the responsibility for maintaining decorum at Council meetings squarely on the mayor (Municipal Code 2013 § 2.04.100, app. B).

### ***Rosenberg’s Rules of Order***

Parliamentary procedures set the agreed-upon standard for conducting Council meetings. Municipal Code section 2.04.090 states that *Rosenberg’s Rules of Order* (2011) shall be used as a guideline to govern the proceedings of the Council (Municipal Code 2013 § 2.04.090, app. B; *Rosenberg’s Rules of Order* (2011), app. C). The Protocol Manual section 8.11 (discussed below) states the Council will follow *Rosenberg’s Rules of Order* to facilitate the orderly processing of the business of Council meetings (Protocol Manual 2008 § 8.11, app. A). The rules of order are meant to create an atmosphere of courtesy, decorum, and where all present can attend to business efficiently, fairly, and with full participation. The mayor is responsible for running Council meetings but can refer to the city attorney to act as the parliamentarian as needed.

### **Protocol Manual**

Council adopted the Protocol Manual on August 5, 2008. [Note: this manual received only very minor updates until 2026, when the current Council completed its review of the entire document during two Council meetings and subsequently adopted a revised Protocol Manual on May 5, 2026. By that time, the Grand Jury had substantially completed their investigation. Thus, discussion of the Protocol Manual below is based on the 2008 policy document unless otherwise noted]. The purpose of the Protocol Manual is to assist the Council by documenting accepted practices and clarifying expectations. The agreement of Council and staff to be bound by these practices greatly enhances the administration of Council affairs. Expectations and practices are articulated to guide Council’s actions (Protocol Manual 2008 § 1.02, app. A).

As outlined in the Protocol Manual section 8.12, during the debate and decision-making, the Council will (Protocol Manual 2008 § 8.12, app. A):

- Fully participate in city council meetings and other public forums while demonstrating respect, trust, kindness, consideration, and courtesy of others;
- Prepare in advance of city council meetings and be familiar with the issues on the agenda;

- Be respectful of other people’s time. Stay focused and act efficiently during public meetings;
- Serve as a role model of leadership and civility to the community;
- Inspire public confidence in the City of Lone government;
- Demonstrate honesty and integrity in every action statement; and
- Be responsible and accountable for your words and actions.

## **Code of Ethics**

The Council adopted a Code of Ethics for members of the Council (Resolution 1383, (2003), app. D) to set forth standards as a means of reaching ethically sound decisions, with a commitment to conducting business according to the highest achievable ethical standards, based on the following:

- We shall serve equally all members of the community without prejudice or favoritism toward any individual, group, organization or economic interest;
- We shall promote and protect the health and safety of all members of the community;
- We shall serve with efficiency, respect legality and heed the commands of due diligence and morality;
- We shall recognize that we are agents of public purpose not owners of authority;
- We shall deal with all employees, fellow officers, and members of the public without regard to political partisanship;
- We shall promote and affirm equal opportunity for appointments and promotions of all persons without regard to race, color, religion, national origin, gender, age, or physical or mental disability;
- We shall recognize the obligation to participate fully and responsibly in matters and organizations concerned with the betterment of life in the City of Lone;
- We shall exercise our authority and prestige for the benefits of the City of Lone and all members of the community and never for personal or private advantage;
- We shall always consider how our official actions and personal behavior might be interpreted by the public; and
- We shall avoid personal invectives in public or closed forums.

## **Political Reform Act**

California’s Political Reform Act (Act) prohibits public officials from using their official position to influence any government decision that could affect any personal financial interest they may have (CA Government Code §18700). Financial interests can include

employment or other sources of income such as investments, real estate, and gifts. The Fair Political Practices Commission (FPPC), whose regulations prohibit officials from participating in such decisions, enforces the Act. Although individual City councilmembers typically make their own decision regarding whether they should recuse themselves from participating in particular deliberations, the city attorney may provide advice to a councilmember. Legal advice, however, may not provide a defense if the FPPC brings an enforcement action against the councilmember. A councilmember may seek a formal written opinion from the FPPC (Protocol Manual 2008 § 6.02(F), app. A); CA Government Code § 1097.1(c)(1)-(2)).

### **The Brown Act**

The Ralph M. Brown Act mandates that public bodies such as councils, boards, and commissions conduct their business openly in public sessions, with adequate advance notice and opportunities for members of the public to witness and comment on deliberations and decision making (CA Government Code § 54950, app. E). The Brown Act requires that meeting agendas be posted in advance, discussion be limited only to those items on the agenda, and public be given opportunities to comment on matters on or off the agenda. Closed sessions are permitted but are limited to specific topics such as pending litigation, personnel matters, and real estate negotiations. A description of the items to be discussed shall be included in the published agenda (CA Government Code § 54954.2, app. E).

### **City Manager Turnover**

According to a 2025 survey conducted by the California City Management Foundation, the average tenure of city managers in the State of California is approximately 4.5 years (Rose Institute of State and Local Government 2025, 14). As shown in Table 2 below, the City’s tenure rate is far below average. The challenging nature of the job is reflected in the fact that the City has had five city managers since 2020.

Name	Title	Year
Lori McGraw	Interim City Manager	2020 - 2021
Michael Rock	Interim City Manager	2021 - 2022
Michael Rock	City Manager	2022 - 2023
John Alfred	Acting City Manager	2023
Amy Gedney	Interim City Manager	2023 - 2024
George Lee	City Manager	2024 - current

**Table 2: City of Lone City Manager Turnover, 2020 to present**

## **Budgetary Oversight**

In addition to its general governance and policy making functions, the Council is responsible for ensuring the City's financial assets are properly managed. One of its most important functions is adopting an annual City budget to guide expenditures. The city manager presents the annual budget for the fiscal year beginning July 1 and ending June 30 to the Council for adoption in June. The annual budget is the City's primary fiscal guide, providing the necessary structure and funding to execute its core mission and provide for public services. By adopting the annual budget, the Council makes policy decisions, sets priorities, allocates resources, and provides the framework for government operations (Protocol Manual 2008 § 1.03(D), app. A).

The duty to prepare the City's budget is described in the City's Municipal Code, Title 2—Administration and Personnel (Municipal Code 1989, § 2.10.150, app. B):

It shall be the duty of the city manager to prepare and submit the proposed annual budget and the proposed annual salary plan to the city council for its approval.

Financial decisions made by Council and city manager about use of City funds are guided by policies approved by Council, as described below.

## **Financial Policies and Procedures Handbook**

Council adopted the City's Financial Policies and Procedures Handbook (Financial Policies) on June 16, 2015, to achieve a long-term stable and positive financial condition. "The watchwords of the City's financial management include integrity, prudent stewardship, planning, accountability, and full disclosure" (Financial Policies 2015 § 1.I, app. F).

Amendments to the Financial Policies include Resolution 2015-25 (app. G), which establishes policies on interfund transfers, consolidating funds and eliminating funds, and Resolution 2018-18 (app. H), which establishes debt policies and other financing obligations.

## **Purchasing and Bidding Policy**

The Purchasing and Bidding Policy (Purchasing Policy) provides a fair and equitable process for vendors to provide a bid to the City and for the City to make an award. Exceptions must be approved by Council as Council may, by majority vote and in accordance with its fiduciary responsibilities, approve expenditures of any amount, for any length of term, consistent with applicable laws (Purchasing Policy 2019, Ch. 2.44, app. I).

Pertinent Purchasing Policy guidelines in section 2.44 include:

2.44.130,1. Vendor Limit

Combined purchase orders without a formal bid cannot exceed \$50,000 per vendor, per fiscal year.

2.44.140D. Expenditures of \$10,001 to \$15,000

Authorized by the city manager, require a purchase order plus a city contract, and three informal bids (verbal, written, telephone or email).

2.44.140E. Expenditures over \$15,000

Authorized by City Council, require a purchase order, formal bids, and a city contract.

2.44.150 Procurement Procedures

Expenditures over \$50,000 require an invitation for bids or Requests for Proposals (RFP) or Requests for Qualifications (RFQ), a city contract, and city council approval.

2.44.150A.8.

When no bids are received, the City Council may accomplish the project in any manner it sees fit.

“The watchwords of the City’s financial management include integrity, prudent stewardship, planning, accountability, and full disclosure.”

Financial Policies 2025 § 1.1

The Council and city manager are assisted by a finance manager to maintain the City’s records of revenues and expenditures. The finance manager reports to the city manager and is assisted by additional staff as needed. Similar to the frequent turnover in the position of the city manager, the finance department has had five finance managers in recent years.

Table 3 below details recent staffing for the City’s finance manager position.

<b>Name</b>	<b>Title</b>	<b>Year</b>
Lori McGraw	Finance Manager	May 2017 – May 2021
Chris Hancock	Acting Finance Manager	August 2022 – June 2023
Jodi Steneck	Finance Manager	June 2023 – September 2024
Michael Ormsby	Finance Manager	October 2024 – March 25
Andrea Bonham	Interim Finance Manager	March 2025 – July 2025
Andrea Bonham	Finance Manager	August 2025 – current

**Table 3: City of Ione Finance Manager Turnover, 2017 to Present**

## **DISCUSSION**

In this section, the Grand Jury provides further information about its observations and research findings regarding recent Council and city manager performance in two areas: financial management (fiduciary responsibilities) and general governance (including issues such as communications and meeting decorum). Since the Grand Jury received multiple complaints regarding excessive legal fees charged to the City and this has been a contentious topic at numerous Council meetings over the past year, the Grand Jury also presents information and findings on that topic below.

### **Financial Management**

The Grand Jury initiated an investigation into the Council’s management of public funds and oversight responsibilities to ensure that the principles of integrity, prudent stewardship, planning, accountability, and full disclosure (Financial Policies 2015 § 1.1) guide budget decisions and resource allocation. These core principles are necessary to promote transparency, foster public trust, and ensure the City’s long-term financial sustainability.

## **Annual Budget**

The annual budget, beginning on July 1 and ending June 30, aligns financial resources to complete the City's short-term and long-term goals set by Council. The Protocol Manual section 1.03(D) establishes study sessions or budget workshops "held in May and public hearings in June with adoption at the second Council meeting in June." The budgetary process is also described in the Financial Policies section 1.IV, Operating Budget (Financial Policies 2015 § 1.IV, app. F).

Adopting an annual city budget on time provides a clear, approved framework for spending to avoid making rushed financial decisions. An adopted budget is important for operational continuity and legal authority to spend money. Meeting fiscal deadlines builds public confidence by showing a city is organized, accountable, and transparent.

The city manager is charged with preparing and submitting an annual proposed budget, administering it upon adoption, and keeping Council fully advised of the financial condition of the City and its future needs (Protocol Manual 2008 § 7.02, app. A). This can be done through Council meeting reports and agenda packets, as well as through special workshops or study sessions to present more detailed information on important matters.

The City's Finance Committee is a two-member sub-committee of the Council responsible for providing fiscal oversight, guidance, and policy recommendations to the full Council. According to Financial Policies section 1.IV.3, the city manager and finance manager will present the draft preliminary budget to the Finance Committee for its review and recommendations (Financial Policies 2015 § 1.IV.3, app. F).

The Finance Committee met six times during fiscal year 2023-2024 to examine areas including the budget, financial reports, budget amendments, audits, salary schedule, and revenues/expenses. On June 18, 2024, the Council adopted the fiscal year 2024-2025 operating budget (Res. 2014-15, effective July 1, 2024).

Council discussed a draft fiscal year 2025-2026 budget plan at the April 1, 2025, Council meeting. On July 15, 2025, the Council approved to extend the fiscal year 2024-2025 budget (Res. 2025-20) until the fiscal year 2025-26 budget could be adopted.

Failure to present the draft preliminary budget to the Finance Committee violated Financial Policies section 1.IV.3. Failure to hold public hearings and adopt the budget in June violated Protocol Manual section 1.03(D). Council adopted the fiscal year 2025-2026 budget on September 30, 2025 (Resolution 2025-32). The Finance Committee

has not had a public meeting since July 25, 2024, nor has the City formed an ad-hoc committee to address major financial issues.

During the April 21, 2026, Council meeting, the proposed budget process and schedule for fiscal year 2026-2027 was presented and included budget workshops during regular Council meetings in June and July. The presentation, public hearing, and adoption of the proposed budget is scheduled for the July 21, 2026, Council meeting, violating timeframes required in policy. The finance manager explained the short timeframe for the budget workshops and adoption date is due to ongoing work on the outstanding financial audits.

### **Budget Amendment**

At any time during the fiscal year, the city manager may recommend amendments to the adopted budget (Financial Policies 2015 § 1.IV.5, app. F). All budget adjustments that increase or decrease total appropriations must identify an equal offsetting increase/decrease. Proposed budget amendments are submitted with the Council meeting agenda to Council and the public and approved by Council. Once approved, a budget amendment resolution is used to increase or decrease estimated revenues or appropriations, establish new funds, enable access to new funds, and transfer funds (Financial Policies 2015 § 11, app. F).

On April 2, 2024, the Council unanimously selected Mr. George Lee as the new city manager. Mr. Lee was to be paid a salary of \$135,000 in line with the City's adopted 2023-2024 Salary Schedule. Less than a year later, Mr. Lee requested consideration of new contract terms for his appointment. On January 21, 2025, an agenda item with negotiated contract terms was presented to Council. Council voted 3-1 to increase Mr. Lee's salary to \$180,000, well beyond the maximum step allowed in the fiscal year 2024-2025 Salary Schedule, extend employment to 2029, increase severance pay to 18 months, and fully pay for his healthcare plan premiums. The Grand Jury recognizes the higher than maximum salary and generous benefit package may have been intended both to reward performance and to address the significant retention issue (i.e., high turnover in the city manager position). However, the salary increase exceeded the adopted budget without an approved budget amendment.

During the August 19, 2025, Council meeting, Council approved the purchase of property for its new police headquarters (contingent upon an appraisal). The cost was \$880,000, with \$150,000 down payment from the police budget. Improvements that were needed for the property were estimated at \$125,000 to \$150,000 with no identified source of funding other than potential grant funding and fundraisers. The purchase lacked an approved budget amendment.

During the September 2, 2025, Council meeting, Council approved a consulting services contract for building inspections, with Weber Ghio, without a budget amendment. Invoices totaling approximately \$25,000 were paid between July and October 2025.

During the last two years, two councilmembers vigorously protested repeated violations of the City's Financial Policies. Members of the public similarly reported these violations to Council during this same timeframe, but the Council majority continued to cast three votes to approve the contracts and monthly warrants (invoices to be paid) with little discussion. During its investigation, the Grand Jury found the Council consistently approved contracts and monthly warrants without an approved budget amendment, violating Financial Policies 2015, section 11.II (app. F).



Ione, 2026

## **Audits and Financial Statements**

Outstanding financial audits or delayed financial statements may signify that financial information has not been verified for accuracy or compliance. This can result in loss of credibility, increased risk of misstatements of records, and the financial statements may not be fully relied upon.

***“The biggest hurdle the City has right now is we can’t borrow money ... we can’t borrow money because the audits aren’t done.”***

Mr. Lee, 8/19/2025 Council Meeting

The Grand Jury received complaints detailing a significant multi-year backlog of financial audits and financial statements. Requirements pertaining to the annual audit are contained in several policy documents:

- It is Council’s responsibility to hire an independent auditor to perform the annual financial audit and prepare accurate financial statements of the City for the fiscal year (Protocol Manual 2008 § 1.03(E), app. A).
- The audits must be conducted by a Certified Public Accounting (CPA) firm and completed in accordance with Generally Accepted Auditing Standards within 180 days of end of the City’s fiscal year (Financial Policies 2015 § 1.III.B, app. F).
- The City’s basic financial statement shall be prepared in accordance with Generally Accepted Accountings Principles (GAAP) and the Governmental Accounting Standards Board and provided within 180 calendar days of the end of the City’s fiscal year (Financial Policies 2015 § 1.III.C1, app. F).

The fiscal year 2020-2021 audit was completed by Richardson & Company, LLP, and the Independent Auditor’s Report (app. J) was issued October 15, 2025, approximately 1,383 days overdue. Timely audit completion for the City has not been achieved since fiscal year 2016-2017. Audits are still outstanding for fiscal years 2021-2022, 2022-2023, 2023-2024, and 2024-2025.

Table 4 below shows the City’s financial audit status and days overdue (as of March 31, 2026).

<u>Fiscal Year</u>	<u>Due Date</u>	<u>Date Completed</u>	<u>Days Overdue</u>
2016-17	1/1/2018	11/24/2017	0
2017-18	1/1/2019	3/2/2019	60
2018-19	1/1/2020	2/15/2022	776
2019-20	1/1/2021	5/11/2023	860
2020-21	1/1/2022	10/15/2025	1,383
2021-22	1/1/2023		1,185
2022-23	1/1/2024		820
2023-24	1/1/2025		454
2024-25	1/1/2026		89

**Table 4: City of Ione's Annual Financial Audit Status and Days Overdue by Fiscal Year (As of March 31, 2026)**

Grand Jury research, witness testimony, and Council meeting videos support evidence of prevalent late or incomplete audits. This has severely impacted the City financially over the years, both operationally and reputationally. At the August 19, 2025, Council meeting, while contemplating a property purchase, Mr. Lee informed the Council that the “biggest hurdle the City has right now is we can’t borrow money” and the City could not “borrow money because the audits are not done.”

California Government Code section 53891(a) (app. E) requires a Financial Transactions Report due to the State Controller’s Office (SCO) within seven months of end of fiscal year, based on audited financial statements in accordance with GAAP, if this data is available. The Grand Jury has determined the last seven years of the City’s data reported in the SCO’s Financial Transactions Reports contain unaudited financial data and is likely inaccurate.

In the past two years, the Council has made it a priority to resolve outstanding audits. During the December 2, 2025, Council meeting, Council approved Mr. Larry Bain, CPA, to complete bookkeeping services for fiscal years 2021-2022 and 2022-2023. Key points of the Engagement Letter, dated November 5, 2025, include:

- “Bookkeeping services will be performed based on the information” the City provides to them, they “will not verify or audit this information”, nor will they “perform an audit, review, or compilation” of the City’s financial statements;
- “No accountant’s report will be prepared or submitted.” The “engagement does not include any procedures to detect errors, fraud, or theft;” and
- They “have no responsibility to identify and communicate deficiencies or material weaknesses” in the internal control system as part of the engagement.

The substitution of bookkeeping for an independent external financial audit constitutes a material deviation from established municipal financial protocols. As a condition of the bookkeeping services, the City agreed they are responsible for the proper recording of transactions, accuracy of the financial data, and establishing and maintaining internal controls over the bookkeeping processes. Financial statements have become effectively useless for decision-making because the City’s data is unverified.

In the same December 2nd meeting, the Council also approved an engagement letter with Mr. Bain, CPA, for fiscal year 2023-2024 audit services. The Council agreed the audits were so far behind that it is in the City’s best interest to bring the backlog of audits current as quickly as possible. The current 4-year audit backlog is the direct result of unaddressed issues neglected by past Councils.

The Grand Jury reviewed correspondence during the previous one-year period between the City and the California Infrastructure and Economic Development Bank (IBank), the loan servicer for the City's Infrastructure State Revolving Fund Loan. IBank sent two dozen requests to check on the status of the outstanding annual comprehensive financial reports from fiscal years 2020-2021, 2021-2022, 2022-2023, along with a request to expedite completion of the report for fiscal year 2023-2024. One witness said IBank has consistently requested status updates for years; responses from City personnel have been limited to assurances of ongoing work with little progress evident.

During the last two audits, current financial staff spent much of their time researching and attempting to complete and correct prior-year records to the best of their ability so that auditors could attempt to bring the City current. City finance staff could not find important financial records and the records contained errors. It is challenging to correct years-old financial records when the staff who complete them are no longer on the City's payroll. As a result, less attention is paid to managing the current year budget and to providing the other vital services such as issuing payroll in a timely and accurate manner and processing personnel documentation. These problems and findings are discussed in detail below. The City fell far behind in completing required annual audits, unable to borrow funds from conventional lending sources and tarnishing the City's reputation for fiduciary responsibility.

## Internal Controls

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned

***“I’ve never seen that many items not able to be found in an audit and I’ve been auditing for over 30 years.”***

Brian Nash, CPA,  
10/21/2025

functions, to prevent, or detect and correct misstatements on a timely basis. (Richardson and Company, LLC, October 15, 2025, Management Letter, 1, app. J). To understand the long-term trends regarding weaknesses in internal controls, the Grand Jury conducted a comprehensive review of independent auditor reports, management discussions, and schedules of findings from 2010 through 2020. This review also included previous Grand Jury reports between 2010 and 2014 to evaluate the effectiveness of corrective actions over the past 15 years.

The independent auditor's recommendations in fiscal year 2018-2019 and 2019-2020 audit reports (app. K) include: post audit adjustments, reconcile to the 2019 (or 2020) financial statements, create a closing checklist and chart of accounts, maintain consistent evidence of the performance of the internal controls, label and document transactions, and organize and label electronic copies of financial records so they are easy to find. Many of these recommendations are included in

Financial Policies section 16 (app. F) but not implemented, resulting in a cascading effect, directly impacting the City's ability to close out subsequent outstanding audits.

The fiscal year 2020-2021 audit opinion (app. J) was modified, which means an auditor cannot issue a "clean" or unqualified audit because financial statements are materially misstated or sufficient evidence was unavailable.

In the October 21, 2025, Council meeting, Mr. Brian Nash, CPA, from Richardson and Company, LLC, presented the fiscal year 2020-2021 audit report and stated, in part, "The audit was difficult...the City was not ready for the scheduled audit dates...the scope of the audit changed...staff had difficulties finding and providing requested hard copies or digital copies of documents to the auditors."

Two material weaknesses in internal controls over financial reporting were identified: first, restatements and a significant number of audit adjustments and closing entries (33) were required to complete the financial statements, indicating ineffective year-end controls; second, there were a number of internal control exceptions and missing documentation in detailed testing (app. J). Mr. Nash said, "I think it's really significant to have that many items. I've never seen that many items not able to be found in an audit and I've been auditing for over 30 years."

### **Interfund Loans and Payments**

Interfund loans are temporary, repayable cash advances from one fund to another designed to manage short-term cash flow needs. They often require interest and must have a defined repayment schedule.

The City took out several long-term interfund loans between 2001 and 2018, transferring money from restricted funds to the general fund. The loans were to be paid back within 10 years, but the

City failed to make a payment. Resolution 2015-25 established a formalized interfund loan repayment plan on June 2, 2015, with proposed annual payments of \$103,123 over 25 years. The City has not followed the repayment plan and to date less than 3% of the loans have been repaid. Page 35 and 36 in the Note C of the June 30, 2021, audit report, identify outstanding interfund advances of over \$3 million (app. J).

***"It's really not appropriate to borrow restricted funds without a plan and ability to pay it back. Make sure you do return those funds back to the restricted funds where they were borrowed."***

Brian Nash, CPA, 10/21/2025

During his October 21, 2025, presentation to Council, Mr. Nash stated, “It’s really not appropriate to borrow restricted funds without a plan and ability to pay it back. Make sure you do return those funds back to the restricted funds where they were borrowed.”

The interfund borrowing is complicated. Despite multiple inquiries from councilmembers and members of the public during 2024 and 2025 Council meetings, the City has not provided a status update or substantive response regarding the outstanding interfund loans. During its investigation, the Grand Jury requested, but the City could not provide, the status of the interfund loans, the need for them, or how some accounts will repay the loans if they do not have sufficient funds.

### **Retiree Healthcare Obligations**

The Governmental Accounting Standards Board Statement No. 75 was implemented in fiscal year 2017-2018 and set new rules for state and local governments to report liabilities for Postemployment Benefits Other Than Pensions (OPEB), such as retiree health insurance. Many governments were shocked there was a large liability that existed and have since found ways to fund these benefits.

As required by law, the City began tracking and reporting its OPEB obligations in fiscal year 2017-2018. When they realized the size of this financial obligation, the City stopped offering these benefits to employees hired after July 1, 2019. According to Note I in the June 30, 2021, auditor’s report, the amount of City’s net OPEB liability was \$1.71 million, and 0% funded (app. J).

It is a policy goal of the City to reduce the unfunded liabilities for OPEB (Res. 2018-18, Financial Debt Issuance and Management Policy, § 8iii, app. H). During his October 21, 2025, presentation to Council, Mr. Nash recommended the City “take a look at retiree health insurance benefits they promised employees and how to fund it.” No further action has been taken by Council to address this unfunded obligation.

### **Finance Manager**

The finance manager plans and manages the finance functions of the City, assists the city manager with the coordination and preparation of the City’s budget, manages payroll, accounting activities, purchasing, internal controls, ensures audit compliance, prepares financial reports, sensitive customer relations situations, and other fiscal officer duties (Job Announcement May 2025, Finance Manager, app. L).

In addition to the current duties of the finance manager, the Grand Jury investigation revealed the City’s current finance manager directly performs most of the daily transactional personnel functions which include maintaining employee files; keying pay, hours, and California Public Employees’ Retirement benefits; and performing other

personnel functions. The finance manager also prepares annual tax rolls and performs daily operational tasks related to accounts payables and receivables, audits, and finance. This workload is unsustainable and may lead to burnout and errors.

High turnover in the finance manager and city manager positions over many years has put the City in a very difficult situation. The Grand Jury found that this instability is reflected in years of outstanding audits and internal control weaknesses, missing and incomplete financial and administrative records, delayed budgets, outdated financial and purchasing policies, and other shortcomings described in this report.

### **Administration, Finance, and Human Resources**

The City's Financial Policies section 1.XII, Staffing and Training, states in part, "Staffing levels will be adequate for the fiscal functions of the City to operate effectively" (Financial Policies 2015 § 1.XII, app. F).

The Grand Jury reviewed the City's organization chart, policy manuals, and duty statements. Administration, Finance, and Human Resources employees are responsible for the core operational, fiscal, and personnel functions supporting City services. Functions include, but are not limited to, budgeting, accounts payables and receivables, cash receipts, capital assets, grants, financial reporting, audits, utilities and licenses, special events, general administrative support, payroll, workers compensation, recruitment, and benefits.

Administration, Finance and Human Resources employees include the finance manager described above, two account clerks, one grant coordinator, and a retired annuitant.

Account Clerk – Finance. Key responsibilities of this position include accounts payable, accounts receivable, cash receipts, tracking and support.

Account Clerk – Front Desk. Key responsibilities of this position include customer service, sewer accounts and billing, intake, special events, cash receipts, and general administrative support.

Grant Administrator. This position was created about a year ago to manage and research various state and federal grants for the City to fund infrastructure, public safety, and community development.

Retired Annuitant. In 2017, the City hired a retired former City finance manager as a retired annuitant. Retired annuitants are allowed to work a maximum of 960 hours per calendar year. The City's retired annuitant continues to work for the City, and their current workload consists of audits, research, reports, accruals, journal entries, and special projects.

***“I am respectfully asking the city to look closely at medical benefit costs, enrollment transparency, payroll accuracy, and how errors are handled...when these issues go unaddressed, they affect morale, retention, and the long-term health of this organization.”***

Public Comment, 2/3/2026 Council Meeting

The Grand Jury investigation determined that long-term retired annuitants could fill critical gaps, providing specialized skills and institutional memory for addressing backlogs. They are best utilized for specific, intermittent project work rather than a permanent replacement for staffing needs. In this case, the retired annuitant is used for long-term audit and finance work. The City has no transition plan to

replace the services of the retired annuitant, nor is a permanent successor being trained.

To prevent recurrence of issues identified in this report related to internal controls, audits and financial statements, and missing or incomplete financial records, it is critical to transition knowledge, management oversight, records, and procedural continuity to an in-house City staff. This includes documentation of processes and key responsibilities and mentoring a successor.

Human Resources and Personnel Records. The City does not have a dedicated position for human resources, timekeeping, or staff training, resulting in the finance manager completing these functions. This includes tasks and assignments related to employee relations, return to work, benefits, and hiring. Witness testimony described many inaccuracies in deductions, payments, and delays in processing personnel documents, directly affecting employee morale and retention.

During public comment at the February 3, 2026, Council meeting, the wife of an lone Police Corporal said that errors with her husband’s paycheck have been a constant problem and is an issue that places stress on real families. While the City contributes \$1,700 a month for medical, their medical deduction is \$1,324.60 per month. His take home pay after deductions is \$1,656.43. On top of that, he was recently informed they were undercharged for medical insurance last year and expected to pay that money back, even though they did not make an error or process the payroll paperwork. She said if they were given the opportunity to review medical plan options or participate in open enrollment, they would have chosen medical coverage through her employer for only \$632 per month. She concluded by saying,

I am respectfully asking the City to look closely at medical benefit costs, enrollment transparency, payroll accuracy, and how errors are handled. Not just for my husband, but for all City employees. Because when these issues go unaddressed, they affect morale, retention, and the long-term health of this organization.

The City lacks a cohesive, formal personnel policy and does not maintain centralized personnel or recruitment files. Regarding the April 2, 2024, hiring of the current city manager, City staff were unable to provide fundamental documentation of the hiring process, other than a proposal from the headhunting firm. In response to requests from the Grand Jury, they could not produce copies of the job advertisement, information about where the advertisement was placed, the number of responses received, or any summary information as to findings and recommendations of the search firm or the two review committees.

Grand Jury interviews with City staff indicate a recent significant shift in organizational culture, specifically stating morale has greatly improved since the appointment of the current city manager and finance manager. While the current finance manager has not earned a Bachelor of Arts in Finance, she is actively working toward it, has extensive experience working for the City, served on the Council in the past, and appears to be well respected and praised for the job she is doing.

### **Adherence to Purchasing and Bidding Policy**

Purchasing Policy section 2.44.010:

The City of Lone hereby establishes a purchasing and bidding policy under the direction of the city manager and finance office director. (Ord. No. 505, 11-16-2019)

Purchasing Policy section 2.44.020 - Intent:

The purchase and bidding policy provides a fair and equitable process for all interested and qualified vendors in providing a bid to the city. The city will make an award in a manner consistent with the city purchase and bidding policy. Any exceptions to this policy must be approved by the city council. The city council may, by majority vote and in accordance with its fiduciary responsibilities, approve expenditures of any amount, for any length of term, not otherwise inconsistent with any applicable law.

According to the Purchasing Policy section 2.44:

The City will make an award in a manner consistent with the Purchasing Policy. Any exceptions to this policy must be approved by Council.

The city manager makes and provides all purchases of materials and services for the City as required and requested in the regularly adopted budget and authorized by Council, whether or not in the budget.

Combined purchase orders without a formal bid cannot exceed \$50,000 per vendor per fiscal year. Expenditures over \$15,000 must be authorized by City Council and require a purchase order, formal bids, and a city contract. Expenditures over \$50,000 require an invitation for bids, RFP or RFQ, a city contract.

It is Council's responsibility to consider, reject, approve, and award contracts and bids over \$50,000; award or reject contracts negotiated by City staff; and approve exemptions to any procurement method.

Over the course of the investigation, the Grand Jury found there were violations of the City's adopted purchasing policies. Examples of purchasing policy violations are detailed below.

March 18, 2025, Council meeting. Councilmember Alison LaFayne questioned building inspection invoices for Weber Ghio when the City already had a contract for building inspections. Mr. Lee said it is under his purview of \$15,000. She asked, "When they go over \$15,000 are we going to see a contract?" Mr. Lee said he was "going to bring to the Council probably next month an RFP." An RFP was not issued.

During the September 2, 2025, Council meeting, the city attorney presented an agreement with Weber Ghio "based on previous comments it seems we're past the \$15,000 threshold, so Council has to approve the agreement at this stage." Councilmember LaFayne said the city attorney drafted the agreement in January, there were \$66,000 on the contract in invoices this year, and the only reason the contract was here for Council approval was because the warrants were questioned again, and "then we got a 9-month-old contract that had been in place for 9 months. You can see my issue with that. We did not put out an RFP, and we have two city engineers."

The vendor did in fact sign the Weber Ghio contract on January 13, 2025, and the current city attorney and city manager signed it on February 5, 2025, without Council approval or an RFP, in violation of Purchasing Policy section 2.44.150. The city manager exceeded his designated spending authority, in violation of Purchasing Policy sections 2.44.130 and 2.44.140. A staff report was not included in the agenda for the request for contract approval, despite repeated inquiries by councilmembers during the previous six months of Council meetings, and the Council majority approved \$66,000 in invoices along with the contract with little discussion about the failure to follow Purchasing Policies.

June 3, 2025, Council meeting. Mr. Lee attempted to allocate \$50,000 for a basketball court project without seeking input from the Parks and Recreation or Planning Commissions or discussing the project with direct neighbors. Defending his decision not to involve the Parks and Recreation Commission, he stated at a public Council meeting, “It was my decision to expedite things because summer’s coming up and so forth, so again I don’t think I have to bring anything to Parks and Rec, it is at my discretion, I’m trying to save some time and I am more interested in getting things done as opposed to spending a lot of time on the process.”

During the July 1, 2025, Council meeting. Mr. Lee requested that Council allocate \$50,000 for a horse arena improvement project. When asked if the Planning Commission was consulted. Mr. Lee said, “I did not take it to the Planning Commission primarily because I read the tea leaves...why should I waste the City’s time...to go through something that I knew was going to get turned down? I chose another route to save time and not lose out on the funds.”

October 7, 2025, Council meeting. Councilmember LaFayne asked if they put out an RFP for bid for Amador Tree Service \$35,000. Mr. Lee said, “We did not put out an RFP because we did not have time.”

December 2, 2025, Council meeting. Council debated contracting with the auditor to do limited, combined audit for fiscal years 2021-2022 and 2022-2023 to catch up on audits, rather than get further behind. Council discussion indicated that, “once again” they had not used the proper bidding process. The city attorney advised that, given lack of proper procedure, it might be possible that someone could sue to have the decision

overturned, but in his opinion the likelihood of that happening was low. In the interest of moving forward quickly to catch up on audits, the Council voted 3-1 (with one abstention and one no vote due to not following adopted procedure) in favor of proceeding with the limited multi-year audit, allowing quicker completion of the fiscal year 2023-2024 full audit.

“I did not take it to the Planning Commission primarily because I read the tea leaves...why should I waste the City’s time...to go through something that I knew was going to get turned down? I chose another route to save time and not lose out on the funds.”

Mr. Lee, 7/1/2025 Council Meeting

The Grand Jury found that throughout 2025 and 2026 Council meetings, two councilmembers, Councilmember LaFayne and Councilmember Dominic Atlan, regularly identified failures to follow the

City's Purchasing Policy and questioned the validity of warrants for those purchases. The three other councilmembers and the city manager largely ignored the issues raised.

At the April 21, 2026, Council meeting, Mr. Lee presented a staff report on improvements needed at the amphitheater in Howard Park. He requested Council's approval of two contracts—one for the installation of shade sails for \$25,750 and the other for the construction of Americans with Disabilities Act (ADA) parking improvements for \$26,870. However, Mr. Lee had already approved both contracts, and the work had been completed. Both contracts exceeded the \$15,000 limit specified in Purchasing Policy section 2.44.140. This resulted in a heated discussion, with councilmembers stating that the process had not been followed correctly and community residents complaining that the City does not enforce penalties for such administrative mistakes.

Nonetheless, community members expressed appreciation for recent improvements to Howard Park—including making parking and pathways more accessible and developing the Picnic Hill amphitheater—where a recent opening event featuring a music concert was well attended and enjoyed by residents.

Over the past two years, the Council majority voted to approve purchases despite two councilmembers' persistent protests of violations of the City's Purchasing Policy. Members of the public also notified the Council of the policy violations during this same timeframe, but the Council majority continued to cast three votes to approve the purchases with little discussion. Failure to address these policy violations creates an environment of deliberate indifference for the City's established rules.

During its investigation, the Grand Jury found the city manager repeatedly violated the City's Purchasing Policy section 2.44 when he exceeded the authorized expenditure limit, obtained retroactive approval from Council, requested the Council approve a contract that was already signed by City officials, failed to issue an RFP/RFQ, and failed to obtain proper bids.

Council and the city manager have failed to follow their own adopted purchasing policies and procedures, resulting in numerous material deviations from established municipal financial protocols.

## **Legal Expenses**

The city attorney is the legal advisor for Council, its citizen commissions and committees, city manager, and City staff (Protocol Manual 2008 § 7.06, app. A). The city attorney provides routine legal services and specialized tasks like real property transactions, contract negotiations, and litigation matters.

The City has had four city attorneys since 2015, as shown in Table 5 below:

<b>City Attorney</b>	<b>Law Firm</b>	<b>Date</b>
James Maynard	Maynard Law	Ended Sept 2015
David Prentice	Prentice Long, LLC	Jan 2016-April 2023
Andy Pinasco	Neumiller & Beardslee	May 2023-Dec 2024
Josh Varinsky	White Brenner, LLC	Dec 2024-present

**Table 5: Lone City Attorneys, 2015 to Present**

The city attorney is a contract employee appointed by Council. The City entered into an agreement with White Brenner, LLP, for City Attorney Services on January 7, 2025, (effective December 17, 2024). Mr. Josh Varinsky was named the primary city attorney and Mr. Douglas White deputy city attorney for the City, with additional White Brenner, LLP, staff available to provide additional municipal support as needed.

In the past two years, legal expenses have risen substantially in part due to non-routine activities such as the sale of Castle Oaks Golf Course, censure proceedings, litigation, and redactions related to public records requests. The escalating legal fees have sparked significant community concern and questions over the lack of transparency and justification for mounting legal expenses.

The Grand Jury reviewed warrants for 2024, 2025, and 2026. From January 2024 through December 2024, the previous city attorney Neumiller and Beardslee’s legal expense averaged \$15,000 per month. As of March 1, 2026, White Brenner’s average monthly legal expense was \$31,000 for the previous 12 months, over twice the amount.

The authorized fiscal year 2024-2025 budget for legal services was \$157,500; the projected year-end legal expenditures were \$336,472, more than double the approved budget. A budget amendment to identify funding for these increased expenditures was never formally presented to or approved by Council, a violation of Financial Policies section 11.

The authorized fiscal year 2025-2026 budget for legal services is \$230,000: current year legal expenditures through April 2026 are over \$300,000. A budget amendment was not officially submitted or approved to cover these increased costs, violating Financial Policies section 11.

Over the past two years, councilmembers and members of the public have requested details for legal expenditures. The city attorney stated there would be a considerable redaction expense if invoices were made public by attaching them to the Council meeting agenda, but councilmembers could review the invoices in City Hall. The public could submit a public records request. The Grand Jury requested attorney invoices but withdrew the request when informed it would cost the City thousands of dollars to redact privileged information.

On March 4, 2025, Mr. Varinsky presented a Staff Report and formal policy for censure of councilmembers. The City's Censure Policy states in addition to admonishment, informal warning, or formal resolution of censure, the Council is encouraged to take steps to de-escalate the behavior and consider addressing the complaint informally. The Grand Jury investigation found that the city attorney and Council bypassed informal de-escalation, warnings, or other lower-level actions in favor of jumping directly to a costly formal censure. The City spent \$28,038 to hire an attorney to investigate the censure allegations against Councilmember LaFayne. The City spent an additional \$17,000 over about a 3-month period for city attorney expenditures associated with the censure.

In the November 18, 2025, Council meeting, Councilmember Stacey Rhoades asserted that email correspondence from councilmembers to the city attorney were responsible for driving legal costs up. Mr. Varinsky prepared Resolution 2025-40 and an accompanying staff report proposing a new policy *Use of City Attorney and Communications Between the City Council and the City Attorney*. In summary, to save money, councilmembers were to cease direct communication with the city attorney, and his services were to be directed through the city manager. However, attorney invoices remained high and this policy failed to yield results months later.

At the January 6, 2026, Council meeting, the Council discussed potentially putting together a committee to update the Protocol Manual, last updated in 2008. Mayor Maita wanted a couple of councilmembers, "One of us three and one of them two, here together, to work towards this goal." Council was encouraged to bring changes they would like to the next Council meeting. However, a special meeting was called by Mayor

***"If you think that attorney isn't spending time trying to dig up trash on each other from members of this board, well, then you are sadly, sadly mistaken... Let's break the Brown act on social media, let's violate closed session, let's run up a tab with an attorney. It's sick. Sickening. And you disgust me."***

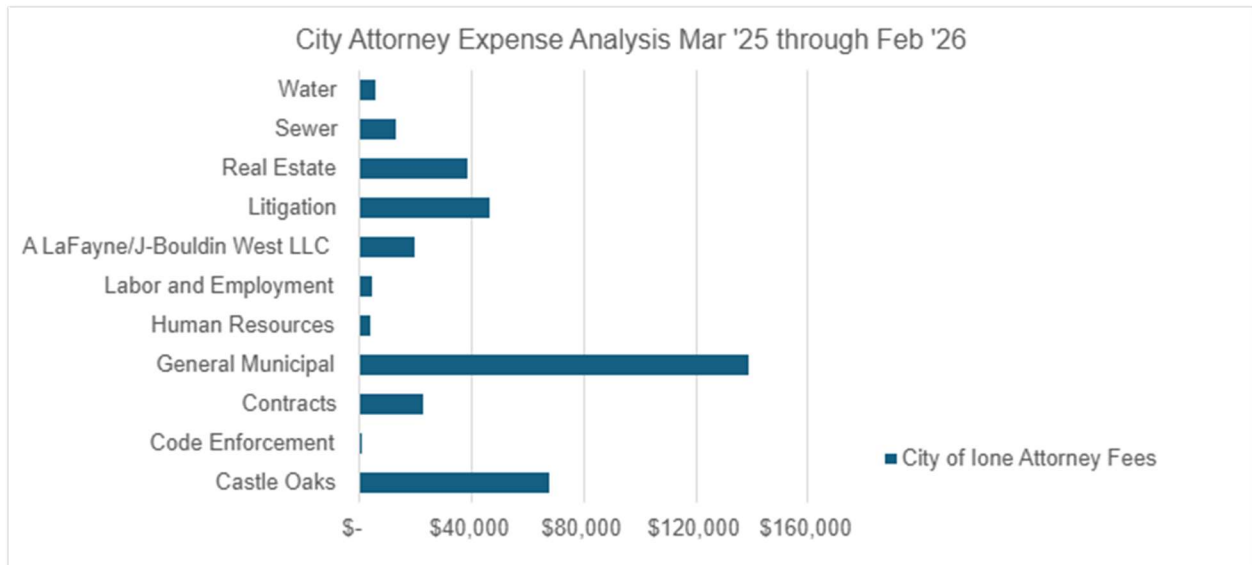
Councilman Mitchell, 2/17/26 Council Meeting

Maita, held on January 28, 2026, to consider the city attorney’s proposed revisions to the Protocol Manual; two councilmembers and members of the public voiced concerns that the city attorney was not given authorization to update the Protocol Manual. On May 5, 2026, Council adopted the updated Protocol Manual, at which time several councilmembers mentioned that the city attorney had never been authorized to do this work himself, though the majority were generally pleased with the result. The estimated cost to the City for the city attorney to revise and update the Protocol Manual is \$8,500.

In the February 17, 2026, Council meeting, the city attorney explained that redactions required in response to public records requests were the reason for a huge spike in the prior month’s legal costs. Councilmember Jack Mitchell suggested that infighting among his fellow councilmembers was a major cause of legal expenditures, stating:

If you think that attorney isn’t spending time trying to dig up trash on each other from members of this board, well, then you are sadly, sadly mistaken. And you guys are a busy, busy group. Let’s break the Brown Act on social media, let’s violate closed session. Let’s run up a tab with an attorney. It’s sick. Sickening. And you disgust me.

Legal invoices are broken down by categories on the list of paid and unpaid warrants attached to Council agendas. Figure 2 (below) provides itemized categories of the City’s legal fees over the 12-month period from March 2025 through February 2026.



**Figure 2: City of Ione Itemized Legal Fees**

As Figure 2 shows, the largest percentage of legal expenditures was for general municipal legal services, with other smaller amounts for civic matters such sewer, water, human resources, etc. The second biggest expenditure category was Castle Oaks, related to renewing the management agreement. If, however, the litigation and censure categories were combined, these would exceed the amount spent on Castle Oaks golf course issues.

During the Grand Jury's investigation, it was determined the city attorney drafts administrative or operational documents such as third-party contracts, staff reports, and policy edits. It would be more cost effective for City staff to complete these administrative tasks and have the city attorney complete a legal review.

Members of the public have asked for transparency for attorney billing as legal costs rise and cost estimates and actual expenditures for new, nonroutine tasks are not provided. The Grand Jury found there is a lack of transparency with legal costs, there are no cost control measures in place, and increased oversight is needed to control legal expenses.

## **Governance and Decorum Issues**



lone City Hall

### **Council Meetings**

The City's regular Council meetings take place on the first and third Tuesday of every month. They are streamed live via Zoom, and a recording is usually uploaded and available for replay from the City's website. The Council, city clerk, city manager, and city attorney sit at the U-shaped dais to face the public during meetings.

Early in each Council meeting, public comments are allowed (up to four minutes) on items that are not on the agenda. Members of the public may also address Council in person or via Zoom for up to four minutes following the conclusion of their discussion on each agenda item.

### **Developing Meeting Agendas**

According to the Protocol Manual section 8.06(A) (app. A), items may be placed on the Council meeting agenda by any councilmember, advisory bodies and civic organizations, or members of the public, by submitting a written request to the city manager or city clerk. The written request must, at a minimum, contain all the following:

- a substantive outline or summary of the information that will be presented to the Council;
- specific actions the Council will be asked to take on the item; and
- a statement of the reasons why the requesting party believes it is appropriate and within the jurisdiction of the Council to consider the subject matter and take the requested action.

Members of the public may also request an item be placed on a future agenda while addressing the Council during a regular meeting.

Should two councilmembers request the same item, that item will automatically go on the next agenda. The councilmembers will provide the same written information as shown above (addendum to the Protocol Manual 2015 § 8.06, app. A). Ultimately, the mayor, city manager, and city attorney review and discuss potential agenda items and finalize Council meeting agendas.

A staff report is required for each topic of discussion on the Council agenda (Protocol Manual 2008 § 8.07, app. A). In addition, monthly budget-to-actual reports will be prepared for the city manager to monitor and control the budget as authorized by Council. These executive summary reports will be presented to Council at the second meeting of each month (Financial Policies 2015 § 1.IV.D, app. F).

***“Per agenda policy, you are supposed to make a written request with some detail supporting the agenda item request. We don’t follow that policy too strictly.”***

City Attorney, 3/4/26 Council Meeting

After reviewing dozens of online Council meetings, the Grand Jury determined the Council, city attorney, and the city manager often do not follow established City policy for agendizing items or providing staff reports, including financial status information. Witness testimony indicates Councilmember Rhoades, Councilmember Maita, and Councilmember Mitchell do not submit written agenda requests, in violation of current City policy, while Councilmember LaFayne and Councilmember Atlan are required to submit their agenda requests in writing, in accordance with adopted City policy. For example, at the end of the February 4, 2025, Council meeting, Councilmember Rhoades mentioned he would like to see dismissal of the Planning Commission Chair and potential censure of a councilmember considered in future. Both items appeared on the February 18, 2025, Council agenda with detailed staff reports prepared by the city attorney.

In contrast, during a discussion of future agenda items during the February 17, 2026, meeting, Councilmember Atlan asked why an item he had requested weeks earlier had not been included on the agenda. The city manager informed him that the request must be made by two councilmembers—in two separate written requests—to be considered for inclusion. [It should be noted that the Council adopted Protocol Manual revisions on May 5, 2026. The revised Protocol Manual clarifies rules about agenda setting, making this the responsibility of the city manager in consultation with the mayor].

At the March 4, 2025, Council meeting, an agenda item was included to consider adoption of a new policy for audio/video recordings of closed session meetings. When asked if a written agenda request with a justification was provided for this item, the city attorney replied, “not thoroughly in the beginning.” When asked to explain how the Council meeting agendas are developed and who writes them, the city attorney replied,

It is a team effort in a way but it’s the city manager that creates the agenda, the mayor has control over which items go and which are held back...Per agenda policy, you are supposed to make a written request with some detail supporting the agenda item request. We don’t follow that policy too strictly, the Council can take that up if they want to enforce that more, but generally if councilmembers have agenda item requests, we consider them the representatives of the City, and they have the right to bring those items up for discussion among the rest of the Council.

The September 2, 2025, Council meeting agenda includes items L.1. and L.2.—presentations and updates related to the Howard Park Master Plan and Wastewater/Tertiary Plant Operations. No written staff reports or presentation materials were included with the meeting agendas, although the meeting video shows that detailed information regarding these agenda items was presented during the meeting. Similarly, no staff report is provided for regular agenda item L.4., professional services agreement.

During the October 7, 2025, Council meeting, Councilmember LaFayne stated she received Weber Ghio invoices and requested (with support from a second councilmember) a priority agenda item, and to bring the invoices before the Council for discussion. This request was ignored and not acted upon.

***“I’d like this to go on record that the Council voted to violate City policy.”***

Councilwoman LaFayne,  
01/06/2026 Council Meeting

On the January 6, 2026, Council meeting agenda, regular agenda items I. 1, 2, and 3—Review/Discussion of Protocol Manual and Rules of Order for Meetings, Discussion/Direction on Preparation and Adoption of Social Media for Elected Officials, and Consider Reducing Time Limit for Public Comments—did not include staff reports as required by Protocol Manual section 8.07. Councilmember Atlan requested these items be pulled from the agenda as they violated the City’s Protocol Policy. His motion failed 3-2. Councilmember LaFayne requested that “the record reflect the fact that the Council had just voted to violate City policy.”

The Grand Jury found failure to properly and consistently agendize items and provide supporting information not only violate elements of the Protocol Manual and Code of Ethics but are also a major cause of conflict in the Council meetings, leading to frustration, interruptions, personal invectives, and meeting disruption. It fosters an impression of unequal treatment among councilmembers, increases public distrust in city leadership, and often results in unproductive, inefficient, and combative public meetings. Failure to address these policy violations creates a culture where rules are treated as optional.

## **Transparency**

There are a variety of ways information is shared with councilmembers. The City’s Protocol Manual section 7.08 (app. A) states that the city manager is to provide Council with regular, comprehensive memoranda concerning all aspects of City operations to assist them in their policymaking role. Pertinent information includes project status reports, executive summaries, and agendas of all weekly senior staff meetings—in addition to internal financial reports sufficient to plan, monitor and control the City’s financial affairs, including monthly budget-to-actual reports (Financial Policies 2015 §§ 1.III.C.2 and 1.IV.D, app. F).

The Protocol Manual section 7.07(B) (app. F) specifies that the city manager is the information liaison between the Council and City staff. Requests from councilmembers for information are to be directed to the city manager and will be responded to promptly. The information requested will be copied to all members of the Council so that each member may be equally informed. This sharing of information with the Council is one of the city manager’s highest priorities.

The Grand Jury observed in a number of Council meetings that Council and the city manager claim they are being transparent. However, evidence and witness testimony suggest otherwise:

- It is difficult to determine how some Council meeting items are agendized
- Staff reports are missing from many Council meeting agendas

- PowerPoint slides or other presentation materials are not consistently included in Council meeting agenda packets, making it difficult for attendees and online viewers to fully comprehend the presentation
- Hard copies of documents passed out during Council meetings are unavailable to Zoom participants or viewers who watch recorded meetings
- Information is not provided on the implementation status of approved motions
- Approved resolutions and City policies can be difficult to find online

Interviews and Council meeting recordings reveal that City information is not always provided to all members of the Council. Information gets to some the councilmembers but not all five equally. The Grand Jury observed Councilmembers LaFayne and Atlan consistently request status reports of projects approved by the Council, financial updates, and updates on pending items, yet received little to no response or follow-up information from the city manager. During final comments at the end of the April 21, 2026, Council meeting, both expressed their frustration. Councilmember LaFayne listed numerous requests for information pertaining to contracts, RFPs, and code violations she had requested. "I have asked for multiple items to come back on these agendas, using a second councilmember...All of those requests have been denied... for any agenda item, even with a second councilmember...all of which have been denied."

Similarly, Councilmember Atlan complained about having asked multiple times for a copy of Amador Water Agency's (AWA) agreement to send water to the City's wastewater plant for treatment. He was referring to recent discussions about granting an easement to AWA to send backwash wastewater across Howard Park to the US Mine property, claiming that if they did not grant the easement, AWA would send all the water they were permitted to under their current contract and that this would overwhelm plant capacity. "The first time I asked, I was told that I didn't get a second in writing. So, I got a second in writing. Okay? Then I was told it was going to be put on the next agenda, but it wasn't. Then it was going to be put on the next agenda, but it wasn't...I'm tired of asking for stuff and I never get it." Atlan admitted that he had filed an information request with AWA and learned that no such contract exists.

Transparency requires considerable effort and planning but is essential for fostering public trust as it makes the reasons for policy decisions and spending clear. Openness protects the public's right to know and helps citizens understand the actions of Council and the city manager. Proactive transparency reduces staff time spent managing public records requests by facilitating easy access to information.

## **Adherence to the Brown Act**

As previously mentioned, the Brown Act requires councils to conduct their business openly. Prohibited serial meetings occur when a majority of councilmembers use a chain of communication to reach a consensus on City business outside of the Council meetings. The Grand Jury received several complaints regarding Brown Act violations.

The Grand Jury investigated allegations that councilmembers engaged in a number of Brown Act violations, including closed session leaks and "daisy-chain" violations. Serial meetings involve only a portion of the Council but eventually involve a majority and may occur by either a "daisy-chain" or a "hub-and-spoke" steps. A "daisy-chain" meeting is where Member A contacts Member B and Member B contacts Member C. Similarly, "hub-and-spoke" serial meetings is when a person acts as the hub of a wheel (Member A) and communicates individually with the various spokes (Members B and C). These meetings use "a series of communications of any kind, directly or through intermediaries, to discuss, deliberate, or take action on any item of business that is within the subject matter jurisdiction of the legislative body" (CA Government Code § 54952.2, app. E).

The investigation confirmed that three councilmembers were careful to avoid meeting together as a majority of Council but participated in serial meetings. They discussed issues or ideas individually in the "daisy-chain" manner described above. During the March 25, 2025, Special Council Meeting for the censure of Councilmember LaFayne, Councilmember Rhoades stated, "Myself, Vice Mayor Maita, and Councilmember Jack Mitchell have convened this meeting tonight to review what we think are important disclosures that we had to bring to the public's attention. We are here tonight for the censure of Alison LaFayne and what we think are absolute and indisputable breaches of her oath..." The Grand Jury confirmed separate discussions had occurred among the three councilmembers mentioned prior to the Special Council Meeting.

The Council did strengthen policy on confidential information. The recently updated Protocol Manual 2026 section 7.07(C) states:

Confidential issues, which may arise in closed session or in other conversations or communications with the City Manager or City Attorney, shall not be disclosed to any member of the public, including the press, without approval of the City Council. Confidential issues include but are not limited to anticipated or existing litigation, personnel matters, or other information relevant to City business that is confidential in nature. The release of any confidential information obtained or discussed in closed session may be subject to injunctive relief or referred to the grand jury or District Attorney's office as a Brown Act violation.

The Brown Act requires all votes, including closed session votes, to be recorded publicly (CA Government Code § 54953 and 54957.1). Meeting minutes outline the motions made and actions taken, so posting the meeting minutes makes it easy for the public to access Council meeting decision making and discussions. The Grand Jury reviewed agendas and meeting minutes for 2024, 2025, and 2026. Meeting minutes were not posted for September through December 2025. The Grand Jury commends the City for exceptional transparency in now publishing Council meeting audio/video to the City's YouTube channel within 24 hours of adjournment.

## **Training**

The City's Protocol Manual section 1.04 (app. A) describes the orientation process for newly elected councilmembers. The city manager meets with them to acquaint them with the City's policies, procedures, and protocols. The city manager provides a tour of City facilities, key department heads brief them on current projects, and the city attorney meets with them to explain laws they must comply with and important legal matters the City is involved in currently.

Recent Brown Act revisions effective January 1, 2026, require that every newly elected councilmember and appointed commission or committee member be given a copy of the Brown Act. Additional training requirements currently in effect include:

- **AB 1234 Ethics Training**: Requires two hours of training every two years for local agency officials (CA Government Code 53234, app. E).
- **SB 827 Fiscal Training**: Approved in October 2025, this new legislation expands the ethics training requirement to include department heads and similar key administrators and requires mandatory two-hour fiscal and financial training every two years for these individuals (including elected councilmembers) (CA Government Code 53238, app. E).

The Grand Jury requested all training records for the Council and Mr. Lee. As of January 2026, there were no training records on file for Mr. Lee, Councilmember Atlan, or Councilmember Maita, nor were there any records of the Brown Act or financial management training for the councilmembers or the city manager.

### **Ethics (AB 1234)**

Councilmember LaFayne 2023

Councilmember Mitchell Jan 2023, Oct 2024

Councilmember Rhoades Oct 2019, Sept 2022, Mar 2024

### **Harassment Prevention (AB 1825, AB 2053, AB 1661)**

Councilmember LaFayne Jan 2023

Councilmember Mitchell Jan 2023

**Harassment Prevention (AB 1661)**

Councilmember Rhoades Sept 2022

**New Mayor and Council Academy**

Councilmember Maita Jan 2026

Mr. Lee Jan 2026

During Grand Jury interviews, witnesses stated training was not viewed as a priority and they could not recall taking any training except the mandatory Ethics. They opined that additional training could help everyone better understand roles and responsibilities, manage public funds, and improve Council decorum and fiscal accountability.

While there are some guidelines for training and orientation for newly elected councilmembers, the City does not have a formal training policy or an onboarding process for employees and Council. In addition, there is a lack of consistent tracking and documentation of completed training requirements. Councilmembers are less effective because they lack formal, ongoing training, do not follow established policies, protocols, and procedures, and ignore accepted professional codes of conduct, transparency, and accountable processes. An enhanced training plan for elected officials, department heads, and administrative officers could improve compliance and effective governance. Professional organizations such as the League of California Cities offer numerous relevant training and educational opportunities for elected and appointed officials.

***“These meetings are frankly a circus because of what happens. You’re constantly interrupted. You’re constantly talked over.”***

Councilman Atlan,  
01/06/26 Council  
Meeting

**Behavior on the Dais**

The powers of the Council are to be utilized for the good of the community and its residents. It is important the Council acts as a body (Protocol Manual 2008 § 2.01, app. A). Constituents generally expect their elected leaders to serve in a professional and honorable manner while in office deliberating on local government business and voting on policy issues. While the City does not have a dedicated “Code of Conduct” policy, Council conduct standards are incorporated into the City’s governing documents, including:

- Code of Ethics (2003)
- Protocol Manual (2008) section 8.12
- Municipal Code (2013) section 2.04.120

Despite the existence of these policy documents addressing conduct standards, the City has gained a reputation for the notable incivility of its Council meetings. Over the past five years, councilmembers have split into two (changing yet distinct) factions. There is obvious animosity between the majority and minority factions and among individual councilmembers, a situation worsened by ongoing lawsuits and recent calls for censure. As Councilmember Atlan stated in the January 6, 2026, Council meeting, “These meetings are frankly a circus because of what happens. You’re constantly interrupted. You’re constantly talked over.” The tensions and ill will evident on the dais impede the conduct of City business, to the point where recesses are sometimes needed to stop the infighting when the mayor loses control of the meeting.

The Grand Jury’s investigation focused on Council meetings, social media discussions, documented evidence, and witness testimony that took place in 2024, 2025, and the first four months of 2026. The Grand Jury observed and heard testimonies about numerous instances where professional disagreement escalated into a breakdown in decorum and violation of adopted protocols, as in the examples below.

During the August 19, 2025, Council meeting, Councilmember Rhoades said to Councilmember LaFayne, “Why don’t you just be quiet? ... you have no idea what you are talking about, as normal.”

During the October 7, 2025, Council meeting, Councilmember LaFayne asked several questions about the warrants that took about eight minutes. Councilmember Rhoades said, “Just so you know some of us do have questions on the warrants, but what I do is come down to City Hall and to get the answers, so I don’t waste an hour going over the warrants.” Councilmember Rhoades, Councilmember LaFayne, and eventually Mr. Lee argued for another few minutes with Councilmember Rhoades (serving as Mayor at that time) threatening to remove Councilmember LaFayne and others calling to restore order.

The November 18, 2025, Council meeting was a particularly raucous one, with discussion of mounting legal fees and a proposal to limit Council communication with City staff sparking particularly hostile, argumentative commentary. Mayor Rhoades called for brief recesses multiple times to stop the infighting among councilmembers. The number of recesses prompted one audience member to comment that this Council needed more timeouts than his daughter’s preschool. The recesses did seem to calm people down and lower the temperature of the debate, but at the cost of extending the evening meeting time, inconveniencing all participants.

During the February 17, 2026, Council meeting, two councilmembers violated *Rosenberg’s Rules of Order* for common courtesy and decorum. A contracted public

works employee made a presentation related to City business during public comments time. Councilmember LaFayne called for a Point of Order. The city attorney confirmed the public comment was not appropriate as it must be agendaized. Per *Rosenberg's Rules of Order*, the chair would ask the interrupter to "state your point." Instead, Mayor Maita said, "Everybody knows what the facts are. Okay, so let her do what she wants to do. Okay, say what you want, you made a Point of Order."

Councilmember Rhoades said, "We call it a tantrum."

Councilmember LaFayne said, "Excuse me Mr. Rhoades?"

Councilmember Rhoades said, "We call that a tantrum."

During the May 5, 2026, Council meeting, the Councilmember LaFayne repeatedly interrupted discussion of an agenda item pertaining to awarding a sewer and tertiary plant contract, prompting Mayor Maita to say, "I wish there was a way I could have you removed...You just disrupt every meeting." The city attorney admonished her for frequently interrupting the speaker. When she continued to criticize the action after the Council voted on the matter, the mayor asked the city attorney to intervene. Mr. Varinsky reprimanded her again, saying, "Councilmember LaFayne, you're out of order. The item's over, you haven't been recognized, I could go down the list. It's over!"

On occasion, the mayor made inappropriate comments to members of the public. During the February 18, 2025, Council meeting, for example, then-Mayor Rhoades rudely addressed a long-serving appointed commissioner who had just learned of her proposed dismissal on the radio on her way home from work. She was not given an opportunity to speak as part of the agenda, so taking four minutes during the routine public comment period was the only way she could address Council about the matter. The mayor interrupted her and told her to "Shut up and sit down."

During the June 3, 2025, Council meeting, Mayor Rhoades again disrupted public comment, from one of the more recently arrived residents, by blurting out, "The problem is you people move here and ruin our damn town is the damn problem."

The exchanges documented above fail to meet standards stated in the Protocol Manual that direct councilmembers to "be respectful," "serve as a role model of leadership and civility to the community," "inspire public confidence," and "demonstrate honesty and integrity." They also violate Code of Ethics provisions calling for the council to reach ethically sound decisions and by conducting business according to the "highest achievable ethical standards" by avoiding use of "personal invectives" in public forums and always considering "how official actions and personal behavior might be interpreted by the public."

These rude and hostile exchanges among elected councilmembers often inspire members of the public to use a similar tone in their remarks to Council or even shout remarks from the audience when it is not time for public comment. Most witnesses interviewed by the Grand Jury agreed the lack of decorum on the dais, constant bickering, and disrespectful language from councilmembers have turned public meetings into a public embarrassment.

The Grand Jury listened to recordings and watched videos of dozens of Council meetings during which public commentators implored the Council to “do better,” “stop bickering,” “set aside your personal differences” and “do the job you were elected to do.” Such pleas have not resulted in any noticeable improvement in councilmember interactions, affecting constituents’ respect for and trust in their elected leaders.

During public comments at the March 4, 2025, Council meeting, one community member voiced disappointment over a Council vote, stating:

This got out of hand by the spectacle of councilmembers on social media, the unprofessional hypocritical airing of dirty laundry on Facebook has been extremely embarrassing to lone for years. With all the crap going around how can anyone have confidence in our city council? It’s time for our city council to remain in City Hall and not on Facebook or social media.

Table 6 is a compilation of similar comments concerning the lack of civility at Council meetings the Grand Jury heard during the course of this investigation.

#### **Community Member Comments Concerning Lack of Civility at Council Meetings**

*"The city is backsliding. People are giving up!"*

*"This is worse than it's ever been. It's got to stop."*

*"It's the city leadership culture that results in staff turnover and financial record keeping in a shambles."*

*"Their interpersonal hatred shows."*

*"Council behavior is shameful. It gets worse and worse."*

*"The city has a culture of intimidation and harassment."*

*"It's just sad. Some residents care so much..."*

*"We can do so much better than this."*

*"I hate to see what's happening in Council meetings. It's sickening."*

*"They are losing touch with the integrity they are tasked with."*

*"I'd like to see some stability and civility in City Council meetings. Snide comments and fighting don't help the town."*

*"It's always a majority/minority split."*

*"It's the Mayor's way or the highway."*

*"I come to a lot of the city council meetings, and I want to say that the Park & Rec is run very respectfully. And coming here and seeing the disrespect toward each other is very disheartening. You guys are leaders of this community, and it is hard to come here and hear the way you speak to each other the way you do."*

*"You're all elected. And I am for not electing any of you ever again. It's ridiculous."*

*"We have so many important matters in this city that need to be taken care of and need to be done in an accurate manner. and the fighting...doesn't help at all."*

### **Table 6: Community Member Comments Concerning Lack of Civility at Council Meetings**

Council meetings developed a combative and divisive style before the current Council was in place, as indicated by the photo below (used with permission of the Ledger Dispatch). This was printed as part of the Ledger Dispatch's coverage of a City Council meeting held on April 22, 2022, where the proposed censure of Councilmember



The shirt of an attendee at Tuesday's Lone City Council meeting says it all!

Rhoades was on the agenda. At that time, the Council also had a majority of 3 members who often voted as a bloc, resulting in frequent 3-2 split votes on important policy issues.

A 3-2 split vote determines Council policy, as is clear under *Rosenberg's*

*Rules of Order* and the adopted Protocol Manual. When public commentators express dismay over the fact that only three councilmembers frequently decide on policy,

effectively silencing the other two voices, long-time residents of the City will remind everyone that this 3-2 split voting has been going on for years—as a member of the public did during the May 5, 2026, Council meeting. The frequent 3-2 votes are not a reflection of partisan loyalty, but rather a pattern of voting as a bloc. It is not this split voting but the behavior on the dais and the vengeful tone of Council deliberations over the past five years that clearly violates the City’s own adopted policies and procedures.

Local media coverage of the City’s public meetings regularly highlights the contentious relationships and lack of decorum among councilmembers. Local media coverage on the City is not entirely negative.

Some articles and news stories do highlight positive activities or civic events, but more often they report discouraging news, as illustrated in Table 7 below.

<b>Media Headlines of Ione City Council Behavior (2025 and 2026)</b>
<p><b><i>Amador Ledger Dispatch:</i></b></p> <p>“Ione’s New Year, New Leadership, Same Quarrels”. January 20, 2026.</p> <p>“Ione City Council division continues despite pleas.” Nov 21, 2025.</p> <p>“City of Ione residents growing weary of council divisiveness.” Nov 10, 2025.</p> <p>“Ione Council Continues Confrontational Course.” June 4, 2025.</p> <p>“Accusations fly at special meeting to censure City of Ione Mayor Stacey Rhoades.” June 5, 2025.</p> <p>“Allegations fly, frustrations grow in City of Ione.” March 28, 2025.</p>
<p><b><i>KVGC Radio:</i></b></p> <p>“Hostility Continues Among Ione City Council.” May 19, 2026</p> <p>“Litigation With Council Member Wafts Heavy Air in Ione’s Meeting.” April 21, 2026.</p> <p>“Legal Fees Scrutinized in Ione.” January 20, 2026.</p> <p>“Ione's New Year, New Leadership, Same Quarrels.” January 6, 2026.</p> <p>“Ione Council Continues Clashing.” August 19, 2025.</p> <p>“Ione City Council Continues Confrontational Course.” June 4, 2025.</p> <p>“Tensions Mount at Ione City Council.” February 18, 2025.</p>

**Table 7: Recent media headlines concerning Ione Council Behavior.**

These examples indicate that the Council's failure to follow the City's adopted policies and protocols governing communications and decorum not only inhibits the orderly conduct of city business but also affects constituents' respect for their elected leaders and their confidence in local government.

Throughout this report, the Grand Jury identified non-compliance related to financial, purchasing, decorum, and Council protocol and policies. The persistent lack of formal reprimands, or even constructive discussion, has effectively transformed adopted City policies into mere suggestions, where compliance is optional, rather than mandatory. Until the Council demands accountability for policy and protocol violations and establishes a transparent commitment to meaningful self-correction, the cycle of non-compliance and rude behavior will undoubtedly persist.

## **FINDINGS**

**F1:** The Council failed to hold public hearings in May 2025 and ensure a timely fiscal year 2025-2026 budget was adopted in June 2025 (per adopted financial policy), highlighting a significant failure in governance, financial oversight, and attention to fiduciary responsibilities.

**F2:** The city manager and finance manager failed to present the draft preliminary fiscal year 2025-2026 budget to the Finance Committee for its review and recommendations, violating Financial Policies.

**F3:** The Council authorized expenditures and approved contracts without following adopted Financial Policies.

**F4:** After nine months of employment, Council approved a significant city manager pay increase and augmented benefits, substantially exceeding the City's adopted Fiscal Year 2024-2025 Salary Schedule with no proposed budget adjustment to cover this expenditure, violating the City's Financial Policies.

**F5:** Council approved an enhanced severance and benefit package for the city manager to minimize turnover.

**F6:** The Finance Committee has not met since July 2024, at a time when oversight and advice on the City's financial record keeping and budget matters have been critically needed.

**F7:** The City has experienced a multi-year breakdown in audits and resulting financial statements, with significant reporting delays from fiscal year 2018-2019 through fiscal

year 2021-2022 and a complete failure to report thereafter, violating its own financial policies and protocols.

**F8:** Years of Council failure to ensure the City's financial audits and financial statements are completed annually creates a critical vulnerability to waste, fraud, and abuse, indicating a severe systemic failure and breach of fiduciary duties.

**F9:** The Financial Transactions Report due to the State Controller's Office contains unaudited financial data.

**F10:** Incomplete implementation of recommendations from prior audits slowed the completion of subsequent audits and caused a number of internal control exceptions.

**F11:** Ongoing significant deficiency and/or material weakness in internal controls related to financial transactions resulted in the auditor issuing a fiscal year 2020-2021 modified audit opinion (financial statements may not be entirely accurate or reliable).

**F12:** Chronic delays and a failure to finalize financial audits since 2021 have severely compromised the City's fiscal transparency and its ability to borrow funds.

**F13:** Council approved expedited bookkeeping and audit services because it was in the City's best interest to bring the backlog of audits current as quickly as possible.

**F14:** Outstanding audit recommendations related to significant internal control weaknesses described in the fiscal year 2018-2019, 2019-2020, and 2020-2021 audit reports resulted in a decision to suspend formal audits for fiscal years 2021-2022 and 2022-2023, and replace with remedial, contracted bookkeeping services performed by an auditor, a material deviation from established municipal financial protocols.

**F15:** Neglect of interfund loan repayments since 2015 highlights a fundamental governance breakdown masking financial accuracy resulting in lack of transparency.

**F16:** Despite adopting a Debt Policy in 2018 with a policy goal to reduce the City's sizable unfunded liability for OPEB, no action has been taken to address the unfunded debt obligation.

**F17:** The finance manager performs current duties in addition to daily transactional personnel functions and other operational tasks, which may lead to burnout and errors.

**F18:** High turnover in the city manager and finance manager positions impacted fiscal transparency, delayed the completion of audits, and the City's ability to qualify for loans.

**F19:** High turnover in the city manager, finance manager, and other City staff positions leads to serious losses of institutional knowledge that hinders City operations.

**F20:** The Finance Department has relied upon a retired annuitant for multiple years to complete outstanding audits, indicating a failure to address the underlying staffing shortage that can significantly impact operations.

**F21:** Morale of City staff has greatly improved since the hire of the city manager and finance manager.

**F22:** The reliance on a retired annuitant to perform core functions over a multi-year period without a transition plan creates a dependency on one special hire, jeopardizing the retention of institutional knowledge.

**F23:** The City does not employ a dedicated Human Resource position to manage personnel paperwork, benefits, enrollment, and workers compensation, creating significant legal, financial, and liability risks for the City.

**F24:** The City lacks formal, written policies or procedures regarding recruitment, interview, selection, and centralized filing for personnel files.

**F25:** The City's recruitment and hiring process for the most recent city manager position was characterized by a lack of fundamental documentation of the hiring process.

**F26:** The lack of a hiring policy, a dedicated Human Resources position, and adequate filing system contributes to an absence of administrative oversight.

**F27:** Council updated its Protocol Manual, replacing the prior version dating back to 2008.

**F28:** The Council and city manager have frequently bypassed or inconsistently applied established administrative and operational policies.

**F29:** The city manager frequently made decisions based on expediency over adopted City protocols, bypassing necessary financial oversight and the intended role of advisory bodies.

**F30:** The city manager presented a contract previously signed by the city manager, city attorney, and city clerk without Council approval, eight months after services started, violating City policies.

**F31:** Failure by Council and the city manager to address documented policy violations fosters an attitude that compliance is optional rather than mandatory.

**F32:** The public appreciates the tangible results and overall progress of city projects such as improvements to Howard Park infrastructure and completion of the amphitheater at Picnic Hill.

**F33:** The city attorney performs tasks—without Council direction—that could be handled by internal staff or a Council subcommittee, i.e., revising the protocol manual.

**F34:** Despite public and councilmember criticisms of rising legal fees and requests to review itemized attorney invoices, Council failed to provide rigorous, consistent, proactive scrutiny of monthly invoices. This systemic failure in oversight allowed expenses to exceed budgeted amounts without appropriate authorization or adequate justification.

**F35:** There is a lack of transparency to the public and Council regarding spending on legal services, specifically general municipal and estimated cost vs actual.

**F36:** There are no cost control measures in place to preauthorize or closely track high legal expenditures, and increased oversight is needed to control these expenses.

**F37:** The city manager failed to uphold fairness and accountability by responding to verbal requests from some councilmembers to include items on future meeting agendas while requiring others to provide such requests in writing, in violation of agendaing rules contained in the 2008 Protocol Manual.

**F38:** Staff reports are missing from many Council meeting agenda packets, a violation of adopted policy.

**F39:** Information to be provided in staff reports, such as who requested the agenda item, fiscal impact, and the specific action the Council is asked to take, has not been consistently presented in the agenda.

**F40:** The city manager fails to provide current financial data to Council as required by policy as part of Council meeting agenda packets despite numerous requests from councilmembers and the public.

**F41:** A culture of non-responsiveness exists during Council meetings where the city manager and the mayor ignore repeated and frequent information requests from councilmembers and the public.

**F42:** Council meeting minutes were not posted or provided to the public for September, October, November, and December 2025 (as of March 31, 2026).

**F43:** The City demonstrates a high level of transparency by publishing Council meeting audio/video to the City's YouTube channel within 24 hours of adjournment.

**F44:** Oral presentations made during Council meetings typically do not include written presentation materials or staff reports. The absence of visual aids (e.g. PowerPoint slides or written handouts) makes it difficult for attendees and online viewers to fully comprehend, analyze, and retain presentation information and hampers transparency.

**F45:** The city manager does not provide regular, comprehensive reports concerning all aspects of City operations to Council as required in protocol manual.

**F46:** The Council lacks policy mechanisms and enforcement tools to detect or prevent serial "daisy-chain" violations.

**F47:** The City has no formal, mandatory onboarding or ongoing training program for elected officials.

**F48:** The absence of training, particularly on the code of conduct, meeting protocols, and financial management, contributes to continued lack of decorum on the dais and impacts City operations.

**F49:** The City has kept inconsistent and incomplete training records.

**F50:** The lack of financial training by elected officials and the city manager has contributed to a failure in exercising proper fiduciary control over City funds, exemplified by weak internal controls, poor file management, and inconsistent record keeping.

**F51:** During Council meetings, the mayor has ignored councilmember calls for a Point of Order, violating City policy and causing disruption and conflict among meeting participants.

**F52:** During Council meetings, the councilmembers frequently talk over each other, engage in arguments, use inappropriate language, or mutter asides that disrupt deliberations, without consequences, violating the adopted Protocol Manual and Code of Ethics.

**F53:** During public comments, the public has requested the Council "do better," "stop bickering," and "do the job you were elected to do," but the Council has failed to respond to these requests. The rampant lack of civility evident at most Council meetings undermines Council credibility and constituents' trust in their local government.

**F54:** Councilmembers have used print and social media to vent about alleged inappropriate Council activities instead of discussing the issues during public meetings, in part because the mayor cut short their opportunities to speak in public meetings.

**F55:** Council's open animosity, personal attacks, and demonstrated lack of decorum on social media and on the dais, fails to set an example of credible leadership and civility to the community.

**F56:** When addressed, breaches of protocol are often treated with the most extreme measures (censure or litigation) rather than a progressive, tiered approach to corrective action, i.e. first using verbal warnings, written warnings, fines, or reprimands that would be much less inflammatory and costly.

**F57:** A lack of decorum on the dais, constant bickering, and disrespectful language from councilmembers have turned public meetings into a public embarrassment, discouraging members of the public from engaging in City government.

**F58:** There is no consistent process for tracking and reporting to the public the implementation status of approved Council motions.

**F59:** Council and city manager do recognize employee and staff contributions during public meetings.

**F60:** Council approved invoices for contracts the city manager had signed that substantially exceeded his authorization limit of \$15,000 for non-emergency spending with no reprimand or consequences for the violation.

## **RECOMMENDATIONS**

### **The Amador County Grand Jury recommends that:**

**R1:** The Council direct the city manager to adopt an annual budget cycle calendar detailing key dates for departmental submissions, reviews, work sessions, public hearings, and adoption, by December 31, 2026. [F1, F2, F6, F41]

**R2:** The Council charge the Finance Committee with assisting the Council and city manager with fiscal oversight, transparency, and major financial transactions, by September 1, 2026. [F1, F2, F3, F4, F6, F7, F8, F10, F11, F12, F14, F15, F16, F28, F29, F30, F34, F35, F36, F41]

**R3:** The Council monitor non-essential spending pending adoption of a current year budget, beginning July 1, 2026. [F3, F4]

**R4:** The Council implement a detailed plan to address the observations, comments, areas for improvement, and the internal control findings discussed in the October 15, 2025, audit report and October 21, 2025, Council meeting presentation by Richardson and Company, LLC, and provide quarterly status updates until completed, by December 31, 2026. [F7, F8, F9, F10, F11, F12, F14, F15, F16]

**R5:** The Council ensure the completion of the fiscal year 2024-2025 and 2025-2026 financial audits within 12 months of completion of the 2023-2024 audit. [F7, F8, F10, F11, F12, F13, F41]

**R6:** The Council direct the city manager to address the outdated version of the Financial Policies and Procedures Handbook, strengthen internal controls and financial reporting compliance, and bring a plan to the Council for consideration, by December 31, 2026. [F11, F14, F41]

**R7:** The Council direct the city manager to develop a plan to repay all interfund loan agreements, with interest, proposing viable alternatives to repay the loans if there are

insufficient funds, and provide status reports to Council annually, beginning December 31, 2026. [F15, F41]

**R8:** The Council direct the city manager to establish a framework for recruitment and hiring to standardize documentation of outreach, advertising and vetting, and bring to the Council for consideration by December 31, 2026. [F24, F25, F26]

**R9:** The Council direct the city manager to establish a secure, centralized personnel filing system for all current employee files by October 1, 2026. [F24, F25, F26]

**R10:** The Council direct the city manager to investigate availability of resources to hire two additional administrative positions in the Finance Department; one dedicated Human Resources position and one position to perform audit and other duties completed by the retired annuitant, by December 31, 2026. [F17, F18, F19, F20, F22, F23, F24, F25, F26]

**R11:** The Council direct the city manager to ensure desk procedures are in place for all finance and administrative functions, by December 31, 2026. [F11, F15, F17, F19, F20, F22, F23, F24, F25]

**R12:** The Council direct the city manager to certify availability of funds or propose a budget amendment for every agenda item requiring a financial expenditure before it is presented to Council for vote, as required by existing Financial Policies, beginning September 1, 2026. [F3, F4, F6, F28, F29, F31, F34, F35, F36, F39, F41]

**R13:** The Council verify all city attorney invoices are reviewed for contractual compliance, identify any billing discrepancy or excessive charges prior to approval, and report findings at public meetings, beginning October 1, 2026. [F29, F30, F31, F33, F34, F35, F36, F37]

**R14:** The Council direct the city manager to review the Agreement for City Attorney Services and the Scope of Work—to ensure it clearly defines the desired general counsel services, explicitly lists tasks the attorney should not perform without Council approval, and sets budgetary controls for special counsel legal services—and report findings and any recommendations to Council for consideration by October 1, 2026. [F30, F31, F33, F34, F35, F36, F37, F56]

**R15:** The Council direct the Finance Committee to prepare a cost-benefit analysis of a contracted vs in-house city attorney and report to Council, by November 1, 2026. [F33, F34, F35, F36]

**R16:** The Council direct the city manager to improve future agenda packets by agendaizing all informative staff presentations, providing staff reports for substantive items or a written explanation of why they are missing, and include copies of

presentation materials for all oral presentations, by October 1, 2026. [F28, F29, F30, F37, F38, F39, F41, F44]

**R17:** The Council direct the city clerk to ensure that any PowerPoint presentation or written materials handed out during the Council meetings are appropriately posted to comply with the Brown Act and increase transparency for the public, by September 1, 2026. [F44]

**R18:** The Council require the city manager to comply with the Protocol Manual section 7.08 and the Financial Policies section IV.D and provide regular written reports to the Council concerning all aspects of City operations and monthly financial reports, by October 1, 2026. [F1, F2, F3, F4, F7, F8, F10, F12, F14, F15, F16, F17, F18, F28, F29, F30, F31, F33, F34, F35, F36, F37, F38, F40, F41, F45]

**R19:** The Council direct the city manager to establish and maintain a process to provide regular status updates at a public meeting on all approved motions, to include actions taken, anticipated next steps, and any changes to timelines or funding, due by November 1, 2026, and quarterly thereafter. [F12, F15, F16, F28, F29, F30, F31, F33, F34, F35, F36, F41, F45, F52, F53, F55, F57, F58]

**R20:** The Council direct the city clerk to post meeting minutes on the City's website no later than 10 days of the Council meeting and provide a separate link to the minutes, so they are easily accessible, starting October 1, 2026. [F42]

**R21:** The Council establish a formal plan and framework for training, to include onboarding materials for elected officials, department heads, and administrative officers, to meet the requirements of AB 1234 and SB 827 (ethics, the Brown Act, conflict-of-interest, fiscal and financial training), by December 31, 2026. [F3, F7, F8, F11, F12, F14, F28, F29, F30, F31, F37, F39, F40, F41, F45, F46, F47, F48, F50, F51, F52, F53, F54, F55, F56, F57]

**R22:** The Council require the city manager to develop an enhanced training plan for elected officials, department heads, and administrative officers to build a strong, more effective leadership, and to comply with existing laws and adopted City policies, and make results available to the public, by December 31, 2026. [F3, F7, F8, F11, F12, F14, F28, F29, F30, F31, F37, F41, F45, F46, F47, F48, F50, F51, F52, F53, F54, F55, F56, F57]

**R23:** The Council direct the city manager to provide newly elected officials with onboarding materials within 30 days of hire so they are aware of existing laws and adopted City policies, and provide proof of completion to Council, beginning January 1, 2027. [F3, F7, F8, F11, F12, F14, F28, F29, F30, F31, F37, F41, F45, F46, F47, F48, F50, F51, F52, F53, F54, F55, F56, F57]

**R24:** The Council require the city manager to complete public purchasing, contracting, and municipal budget training now required by the Brown Act and provide proof of completion to Council, by October 1, 2026. [F1, F3, F5, F7, F8, F10, F11, F12, F14, F15, F16, F28, F29, F30, 31, F37, F40, F41, F45, F48, F50, F53, F54, F55, F56, F57]

**R25:** The Council direct the city manager to facilitate specialized training for all councilmembers on conflict resolution, professional decorum, Brown Act, financial management, Conflict of Interest, *Rosenberg's Rules of Order*, and procedural fairness, by October 1, 2026. [F28, F29, F30, F31, F37, F41, F46, F47, F48, F50, F51, F52, F53, F54, F55, F56, F57]

**R26:** The Council direct the city manager to identify and designate a staff person to establish and maintain a formal tracking system to log mandatory training, send reminders to councilmembers and officials with training deadlines and upcoming opportunities, and make results available to the public, by December 31, 2026. [F47, F48, F49, F50]

**R27:** The Council submit, upon completion, copies of all training certificates to a secure, centralized repository, to ensure accuracy and ease of retrieval, by October 1, 2026. [F48, F49, F50]

**R28:** The Council establish a plan to address the lack of a Code of Conduct policy, separate from the Code of Ethics, that clearly outlines acceptable interaction protocol, with specific consequences for violations, by December 31, 2026. [F52, F53, F54, F55, F57]

**R29:** The Council to follow *Rosenberg's Rules of Order* to preserve order and decorum at every Council meeting as specified in the municipal code, beginning September 1, 2026. [F52, F53, F54, F55, F57]

**R30:** The Council establish a plan for a progressive, tiered approach to corrective action before considering formal censure, by December 31, 2026. [F56]

**R31:** The Council establish a plan to hold staff accountable for policy and protocol violations, by December 31, 2026. [F60]

## REQUIRED RESPONSES

Pursuant to Penal Code sections 933 and 933.05, the following response is *required*:

- The Lone City Council: respond to Findings F1 through F60 and Recommendations R1 through R31 within 90 days of receipt of this report.

## INVITED RESPONSES

The Grand Jury *invites* the following individual to respond:

- The City Manager of Lone: respond to Findings F2, F6-F24, F26-F45, F47-F50, F52-F60, and Recommendations R1-R16, R18, R19, R21-R26, and R31, within 60 days of this report.

Mail or deliver a hard copy response to:

The Honorable J.S. Hermanson  
Amador County Superior Court  
500 Argonaut Lane  
Jackson, CA 95642

Responses must be submitted to the presiding judge of the Amador County Superior Court in accordance with the provisions of Penal Code section 933.05. Responses must include the information required by Penal Code section 933.05.

## DISCLAIMER

Two grand jurors recused themselves from all meetings and discussions regarding this investigation and abstained from voting for its approval.

***Reports issued by the grand jury do not identify the individuals interviewed. Penal Code section 929 requires that reports of the Civil Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Civil Grand Jury.***

Note: The APPENDIX prepared for this investigation is on page 106.

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**AMADOR COUNTY  
2025-2026 GRAND JURY**

# 2025-2026 Amador County Grand Jury

## City of Plymouth: Financial Audit Status

June 23, 2026



Amador County

# **City Of Plymouth: Financial Audit Status**

2025-2026 Amador County Grand Jury

## **SUMMARY**

The 2025-2026 Amador County Civil Grand Jury (Grand Jury) received five complaints concerning the lack of regular financial audits of the City of Plymouth. The complaints stated the last completed audit was for fiscal year ending 2021.

## **METHODOLOGY**

During the investigation, the Grand Jury interviewed two witnesses, analyzed five written complaints, and reviewed documentation provided by authorized officials and complainants, as well as pertinent laws (California (CA) Government Code (GC) §§ 1236 and 53891) and the City of Plymouth regular public city council meeting minutes.

## **BACKGROUND**

Plymouth is fourth-largest city in Amador County, CA. The City of Plymouth's population is constantly growing and currently stands just under 1,200 residents. Plymouth is a general law city and uses a council-manager form of government. The city council, consisting of five members, is elected for a term of four years. The councilmembers rotate the responsibility of mayor and vice mayor every year. The chief administrative officer is the city manager, responsible for implementing the policies and priorities of the city council. The city council is the legislative and political body of the city. The city council appoints the city manager and all members of other boards and commissions that serve in an advisory capacity to the city council. The city council determines policy on all major issues of the city and adopts an annual budget that funds approved programs, projects, and services for the year.

CA GC section 53891 requires each city to submit a Financial Transaction Report to the State Controller's Office within seven months of the close of its fiscal year. CA GC section 1236 requires every city in CA to complete an annual internal audit using

accepted auditing standards to confirm the accuracy of its Financial Transaction Reports.

After reviewing the complaint, the Grand Jury conducted a full investigation focusing on the issue of the lack of financial audits over the past four years.

## **DISCUSSION**

The city council currently has five members, three of whom have served for less than a year, and two for less than six months. The city council appointed the current interim city manager in 2025.

The primary purpose of a financial audit is to render an opinion on whether the city's financial statement reports are presented fairly in conformity with applicable generally accepted accounting standards (CA GC § 1236). State law requires the city's financial statements be audited annually by external auditors who are certified public accountants and independent of city functions.

The last audit in the City of Plymouth was conducted in 2021. The City of Plymouth has taken steps to correct the lack of audits by hiring an accountant who is responsible for conducting the past missing audits and maintaining the future audits in a timely manner. The 2021-2022 audit is in the process of being conducted and should be completed in 2026. According to the City of Plymouth, the rest of the missing audits would follow the completion of 2021-2022 audit and should be completed in a timely manner.

Based on this investigation, the Grand Jury concludes that the City of Plymouth has not conducted the required financial audits since the 2020-2021 fiscal year.

## **FINDINGS**

**F1.** The Grand Jury finds the City of Plymouth failed to conduct required audits during the years of 2021 through 2025 as required by CA GC section 53891.

**F2:** The city mayor, city council, city manager and the City of Plymouth's Finance Department have begun to conduct the missing audits.

## RECOMMENDATIONS

**R1.** To ensure transparency and verify that audits are being conducted, the Amador County Civil Grand Jury recommends that the city management establish a quarterly, “Audit Status Tracker” publicly presented to the city council. This tracker would clearly list all ongoing and completed audits, their status, and progress, by November 1, 2026. [F1, F2]

## REQUIRED RESPONSE

Pursuant to Penal Code sections 933 and 933.05, the following response is *required*:

- The City of Plymouth City Council: respond to Findings F1 and F2 and Recommendation R1 within 90 days of receipt of this report.

Mail or deliver a hard copy response to:

The Honorable J.S. Hermanson  
Amador County Superior Court  
500 Argonaut Lane  
Jackson, CA 95642

Responses must be submitted to the presiding judge of the Amador County Superior Court in accordance with the provisions of Penal Code section 933.05. Responses must include the information required by Penal Code section 933.05.

## DISCLAIMER

***Reports issued by the grand jury do not identify the individuals interviewed. Penal Code section 929 requires that reports of the Civil Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Civil Grand Jury.***

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**AMADOR COUNTY  
2025-2026 GRAND JURY**

**2025-2026 Amador County Grand Jury**

**Health and Human Services:  
Social Services Department**

June 23, 2026



# **Health and Human Services: Social Services Department**

2025-2026 Amador County Grand Jury

## **SUMMARY**

The 2025-2026 Amador County Civil Grand Jury (Grand Jury) investigated allegations within the Department of Social Services (DSS) regarding unfair hiring and promotions, hostile work conditions, and inadequate access to policies.

## **METHODOLOGY**

The Grand Jury performed the following actions:

- Conducted interviews with complainants
- Reviewed the Department of Social Services Policy and Procedures
- Reviewed Amador Co. Memorandum of Understanding (2024-2026)
- Reviewed County of Amador Policies and Procedures Manuals
- Examined records and documents
- Conducted interviews within the Department of Social Services
- Conducted interview with the Director of Social Services

## **BACKGROUND**

The 2025-2026 Grand Jury received complaints regarding unfair and inconsistent hiring practices and promotions, a hostile work environment, and inadequate availability of policies and procedures for staff within the DSS, Amador County Health and Human Services. The Grand Jury formed a subcommittee to investigate these allegations. The investigation found that, while there had been past claims regarding hostile work conditions, these were appropriately addressed and corrected. The Grand Jury found no evidence of unfair hiring or promotion practices, or of ongoing issues with regard to accessibility of adopted policies or procedures.

## DISCUSSION

The Grand Jury conducted a comprehensive investigation in response to complaints regarding hiring and promotion practices, workplace environment issues, and the accessibility of departmental policies and procedures within the Amador County Health and Human Services' DSS.

As part of this inquiry, the Grand Jury conducted interviews with multiple complainants to understand the specific allegations related to unfair hiring practices, perceived bias in promotions, and concerns about a hostile work environment. These interviews focused on gathering firsthand accounts, clarifying timelines, and identifying any patterns or recurring issues. Additional interviews were conducted with DSS staff to obtain a broader understanding of internal processes, workplace expectations, and employee experiences. A separate, in-depth interview was also held with the Director of DSS to review management practices, oversight responsibilities, and any corrective measures implemented in response to internal concerns.

The Grand Jury also conducted a detailed examination of relevant documentation, including the DSS Policy and Procedures Manual, the Amador County Memorandum of Understanding (2024–2026), and County of Amador Policies and Procedures Manuals. These materials were reviewed to evaluate whether guidelines were clear and aligned with county standards. Records and internal documents were examined to identify hiring practices, promotional processes, and workplace incident responses. This procedural review allowed the Grand Jury to verify whether established policies were followed and whether documented actions accurately reflected departmental and county requirements.

By thoroughly examining interview information, relevant documents, and policy and procedural guidelines, the Grand Jury determined that the DSS maintains consistent hiring and promotion policies that were actively in use and properly followed at the time of the investigation. Allegations of improper conduct of hiring practices and promotional bias were not supported by the evidence reviewed.

The investigation confirmed that there were prior instances of hostile work environment conditions. These incidents, however, were addressed appropriately through corrective disciplinary actions and management intervention. The disciplinary actions and related communications were already underway prior to the start of our investigation. This information was confirmed through documentation that was provided to us by the Director of DSS.

The pertinent policies and procedures for DSS currently in place were found to be sufficient, accessible, and supported by the department's ongoing transition to an updated in-house system. The policies and procedures were previously saved online through Google Drive made available to use by the county. The department started migrating from Google to M365 in June of 2025. The complaint was determined to be based on a temporary disruption that occurred when the department was in the process of transferring all policies and procedures to an in-house Microsoft SharePoint system. This transition was nearing completion during this investigation, and policy and procedure files are now fully accessible through this system to all staff.

## **FINDINGS**

### **F1. Hiring and Promotion Policies Applied.**

The DSS's hiring and promotion policies are clearly presented and were consistently followed during the period reviewed. The Grand Jury found no evidence of bias, favoritism, or improper conduct in hiring or promotions.

### **F2. Compliance With County Requirements.**

Hiring practices, promotional processes, and workplace response procedures are being carried out in accordance with applicable county guidelines and adopted policy and procedure manuals.

### **F3. Hostile Work Environment Issues Addressed.**

Previously reported hostile work environment incidents were addressed through corrective disciplinary actions and management intervention already underway prior to this investigation. Documentation provided by department leadership substantiated these actions.

### **F4. Policies Accessible; System Transition Nearing Completion.**

Department policies and procedures are clear, appropriate, and readily accessible. The interruption to access was temporary during the period of documents being transferred to an in-house SharePoint system. This transfer was nearing completion at the time of this investigation and was completed prior to submission of this investigation report.

## **RECOMMENDATIONS**

**R1.** The Grand Jury commends the DSS for its work to ensure that its policies and procedures are clear, accessible, and consistently followed. Thus, the Grand Jury has no recommendations for further action.

## **REQUIRED RESPONSE**

No response is required.

## **DISCLAIMER**

***Reports issued by the grand jury do not identify the individuals interviewed. Penal Code section 929 requires that reports of the Civil Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Civil Grand Jury.***

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**AMADOR COUNTY  
2025-2026 GRAND JURY**



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# **Amador Transit: Our County's People Mover Resource**

2025-2026 Amador County Grand Jury

## **SUMMARY**

Amador Transit's mission is to provide safe, reliable transportation services to all. They accomplish their mission by providing fixed route bus service within Amador County as well as paratransit "Dial-a-Ride" service in the most populous parts of the county.

The Amador County Grand Jury's (Grand Jury) decision to conduct an investigation into compliance with Amador Transit's procurement policy was prompted by a complaint submitted to the Grand Jury by a citizen. The primary focus of this investigation is related to Amador Transit's compliance with its own adopted policies and procedures relevant to professional service agreements for bus-side advertising, or "bus wraps".

## **METHODOLOGY**

### **Interviews Conducted**

The Grand Jury interviewed a citizen complainant and conducted six interviews with four senior ranking administrators/managers of Amador County organizations with extensive knowledge and experience with state, county, and organizational procurement procedures and policies.

### **Materials Reviewed**

- Transportation Development Act Statutes and California Code of Regulations, Division of Rail and Mass Transportation, July 2018
- Amador Transit Yearly Audited Financial Statements and Compliance Reports
- Amador County Regional Transportation Plan, August 2024
- State and local procurement laws, regulations, and policies
- Amador County Transportation Commission Board Meetings website
- Amador Transit Board Meeting Agendas, Packets, and Minutes
- Internet searches for available bus-wrap service providers

- The advertising Professional Services Agreement (contract) with the current bus wrap provider Hellen & Company Advertising, Inc., in effect prior to 2026
- Monthly Income Statements for payments from the advertising contract to Amador Transit
- Annual audits of Hellen & Company Advertising, Inc., for fiscal years 2023, 2024, and 2025
- Contract technical specifications for the advertisements and workmanship
- The “advertising” certificates of insurance and policy endorsements for the current work period
- Amador Transit Board Resolution listings for the years 2010 through 2025
- Federal Transit Administration, Third Party Contracting Guidance

It should be noted that current Amador Transit management was very responsive and accommodating to the Grand Jury’s documentation requests. The Grand Jury requested, but was not provided, copies of sole source justification documentation or request for proposal documentation for prior or current contracts.

## **BACKGROUND**

At the outset of investigation, the Grand Jury endeavored to understand Amador Transit's overall mission, processes, procedures, and contracting practices. To this end, the Grand Jury reviewed the agency's mission statement and its procurement policies and procedures. The Grand Jury investigated Amador Transit's implementation of said policies and procedures. Additionally, the Grand Jury wanted to understand how the Amador Transit organization fits into overall Amador County government's organization, who they report to, their organizational structure, and how they are funded.

### **Amador Transit Operations**

Amador County utilizes two organizations to meet its transportation needs: the Amador County Transportation Commission (ACTC) and Amador Transit bus operations. ACTC is the designated the Regional Transportation Planning Agency for the County of Amador. As the lead transportation planning agency, ACTC is responsible for acquiring Government funding that is used by Amador Transit to supplement Fare Box collections for capital asset acquisition and maintenance, in addition to transit operations. Amador Transit began operation in December 1976 with funding provided from Senate Bill 325, the Local Transportation Fund (ACTC Organization and Procedures Manual (Bylaws), October 2, 2025). Amador Transit's operations were consolidated in July 1998 via a Joint Powers Agreement (JPA) forming the Amador Regional Transit System (JPA-3rd Amendment).

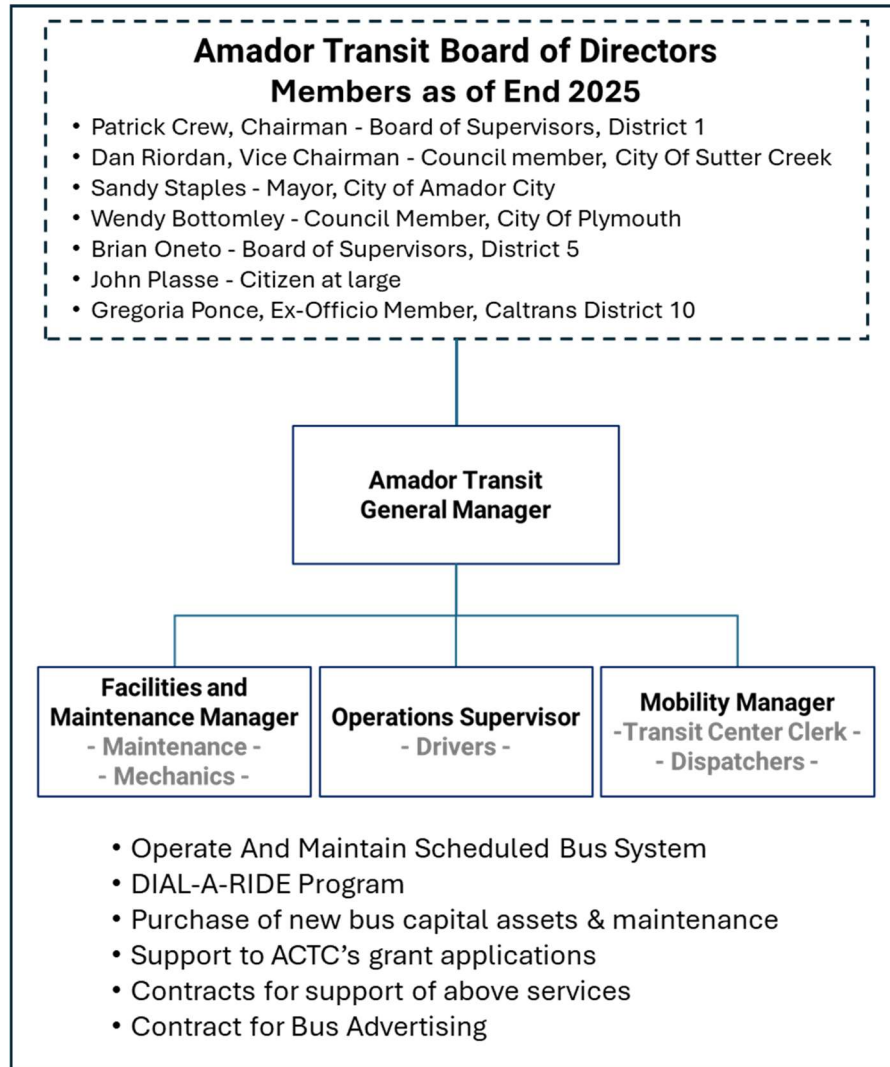
Amador Transit is the officially designated Consolidated Transit Service Agency in Amador County. The agency currently provides Monday through Friday fixed route service (with up to  $\frac{3}{4}$  mile deviations upon prior request) within Amador County from the Sutter Hill Transit Center to Jackson, Sutter Creek, Plymouth, Lone, and along the Highway 88 corridor through Pine Grove and Pioneer, ending at Amador Station. ADA Paratransit "Dial-a-Ride" curb-to-curb service operates in the most populated areas of the county—Jackson, Sutter Creek, Pine Grove, Pioneer, Lone, and Plymouth [Amador Transit Home web page-<https://amadortransit.com/>]. Amador Transit also provides paratransit equipped shuttle buses in the county's core areas—Jackson, Martell, and Sutter Creek.

### **Amador Transit Organizational Structure**

Amador Transit is a separate and distinct legal entity from other member agencies. Oversight of Amador Transit is performed by a Board of Directors composed of three members appointed by the Board of Supervisors of the County of Amador and three members of the city councils of the member cities as chosen by the Amador County Mayors' Select Committee (see Figure A). Amador Transit employs its own staff to

manage in-house transit planning as well as dedicated operations personnel consisting of dispatchers, bus drivers, and mechanics.

## Amador Transit Oversight and Organization



**Figure A. Amador Transit Oversight and Organization**

### Amador Transit Sources of Revenue

California’s Transportation Development Act (TDA), enacted in 1971, encompasses both Local Transportation Funds and State Transit Assistance (STA) funds (TDA 2018). As the sole STA-eligible operator in the county, Amador Transit claims Local Transportation Funds under the TDA Article 4 or Article 8 for transit operations, maintenance, and capital projects (ACTC Agenda Packet, February 5, 2026). In addition to operating the above transportation services, Amador Transit is intimately involved

with supporting ACTC's efforts to secure government funding from several state agencies.

As shown below, Amador Transit also receives revenues from several Fare and Non-Fare sources, both Operating and Nonoperating (Amador Transit System, Audited Financial Statements and Compliance Reports, June 30, 2023; Amador Transit System, Audited Financial Statements and Compliance Reports, June 30, 2024; Amador Transit Board Packet, March 5, 2026).

### **Fare Box Revenue**

- Fixed Route Revenue
- Dial-A-Ride Revenue
- Non-emergency medical transportation

### **Non-Fare Revenues**

- Low Carbon Transit Operations Program
- Local Transportation Fund
- State of good repair
- Fleet Reimbursement
- Expanded Mobility
- Bus Side Advertising Contracts
- STA - Capital Allocation
- STA - Capital Reserves
- STA - Operating Assistance
- Refunds & Reimbursements
- Contributions
- Interest on revenue

### **Amador Transit Procurement Policies**

As a public entity, Amador County agencies are required by state and/or county policies for the fair and open procurement of goods and services. For example, the TDA Statutes and California Code of Regulations (CCR) Title 21, reads as follows (TDA 2018):

#### **CCR section 6683 – Contract Service Providers**

The consolidated transportation service agency may contract with any entity to provide service. The contract shall be awarded on the basis of competitive bidding.

### **CCR section 6684 – Competitive Bidding**

The award of a service contract pursuant to Section 6683 shall be made on the basis of the procurement procedures of the county or other competitive bidding procedures approved by the transportation planning agency.

At a minimum, the opportunity to submit a bid shall be afforded to any entity that has made its availability and interest known to the consolidated transportation service agency.

Amador Transit has adopted similar policies and procedures for procuring goods and services regarding both the competitive bidding process and requirements for documenting sole source procurements. Relevant sections of Amador Transit Procurement Policy, August 9, 2023, include:

#### **Ch. 1 section 1.2 COMPETITION**

In the absence of extenuating circumstances, all procurements will be placed only after determining that the competitive forces of the marketplace are present and that the market has been afforded the opportunity to respond to Amador Transit's needs. Extenuating circumstances would include emergency actions related to issues of safety, cases where sole source procurement can be adequately justified and documented, cases where the procurement cost to seek competition is deemed greater than the potential savings, and cases where delay would cause a material loss or loss of services provided by Amador Transit.

#### **Ch. 1 section 1.6 DELEGATION OF AUTHORITY**

The following Amador Transit employees are authorized to purchase or issue purchase orders for supplies, materials, and services up to \$5,000 Transit Manager (TM) (and) \$2,500 for the Office Manager (OM) and the Maintenance Manager. The TM has delegated additional authority by the Amador Transit Board to execute all procurement documents for goods and/or services and public works contracts up to \$25,000. The provisions of the board approved annual budget limit this procurement authority to those items in the board approved annual budget. In executing their authorities as delegated above, individuals will be responsible for:

- Determining need and providing justification (all).
- Technical specifications or adequate item description (all).
- Obtaining at least 3 bids (from email, website, fax, or phone call) to ensure the price is fair and reasonable.
- Conducting price analysis (TM/OM).
- Providing sole source justifications (TM/OM).

- Purchasing or issuing a purchase order with the appropriate authorized signature, estimated costs, price quotes, and any special terms (all).

**For procurements under \$25,000:**

**Ch. 2 section 2.1 SMALL ITEMS PURCHASE**

Small items purchase usually involve relatively standard, easily specified, readily available goods or services. Small items purchase procedures are those relatively simple and informal procurement methods that are sound and appropriate for purchases/purchase orders relating to services, supplies and other property costing in the aggregate not more than \$24,999.

**For procurements between \$25,000 to \$99,999:**

**Ch. 2 section 2.1.1 \$25,000 to \$99,999**

For items or services procurements in excess of \$25,000, but less than \$100,000, price competition is obtained by solicitation of at least three quotes or (3) written description of services and costs. In the event three (3) bids are unattainable, documentation as outlined for 'Sole Source Justification' as outlined by the California Department of Transportation, Division of Mass Transportation.

**For procurements of \$100,000 and over, the following sections are applicable:**

**Ch. 2 section 2.2.1 SOLICITATION OF BIDS**

If the procurement is expected to cost more than \$100,000, it will be brought before the Amador Transit Board for approval to solicit bids.

**Ch. 2 section 2.3 REQUESTS FOR PROPOSALS**

In a competitively negotiated procurement, a Request for Proposals is publicized, and proposals are requested from a number of sources.

**Sole source procurements are permitted given the following stipulations:**

**Ch. 2 section 2.4 NON-COMPETITIVE NEGOTIATED PROCUREMENT**

Procurement by non-competitive proposals will be used only when the award of a contract is infeasible under small purchase procedures, sealed bids, or competitive proposals and at least one of the following circumstances applies:

- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay; resulting from competitive solicitation;
- The Federal Transit Administration authorizes a noncompetitive negotiation; or
- After solicitation of a number of sources, competition is determined inadequate.

A non-competitive procurement must be accompanied by a justification and be authorized by the OM. The OM has the responsibility of questioning the justification to preserve the integrity of the procurement process. In all cases, the decision to seek sole source procurement will be decided by the TM. This method of procurement involves the following steps: cost estimate, solicitation of bid, negotiating with proposer, price or cost analysis, and contract award.

## **DISCUSSION**

The Grand Jury received a complaint from a local business owner regarding procurement activities as they relate specifically to bus wrap vendor services. The complaint was documented in email correspondence provided by the complainant. Beginning in late 2019, the complainant made multiple requests to be included as a bidder for the next bus wrap services procurement cycle but was excluded from doing so by prior Amador Transit management.

The Grand Jury's research and interviews with various agency management personnel confirmed that Amador Transit has established processes and procedures regarding the competitive procurement of products and services. As delineated above, Amador Transit Procurement Policy has special "competition" provisions when the value of a contract is expected to exceed defined thresholds—in the case of Amador Transit, that threshold is \$25,000 and above.

The Grand Jury reviewed independent auditor reports of Amador Transit financials, the bus wrap vendor financial statements, the income transfer ledgers from the bus wrap vendor to Amador Transit, and the Board of Director presentations by the Amador Transit General Manager and Amador Transit Accountant. These sources indicate that since 2023 the bus wrap contracts have generated from \$88,000 to over \$100,000 in revenue to the contractor, of which Amador Transit receives 50%. These dollar figures trigger requirements for either competitive procurements or sole source justifications that must be approved by the Amador Transit Board of Directors (Amador Transit Procurement Policy 2023 § 2.2.1 Solicitation of Bids).

To protect the procurement process, the OM is required to critically review and question the justification of a non-competitive procurement. And, in all cases, it is the TM's decision to seek a sole source procurement approval from the Amador Transit Board of Directors.

Amador Transit management was unable to provide the Grand Jury with the requested copies of sole source justification documentation or of Request for Proposal documentation for previous and the current bus wrap contracts, as required by the established Amador Transit Procurement policies for contracts exceeding \$25,000 (Amador Transit Procurement Policy 2023 §§ 2.11, 2.2, 2.3, 2.4). Furthermore, a review of the Amador Transit Board of Directors Resolution listings from 2010 through 2025, did not reveal any discussions or approval of requests to authorize Amador Transit to proceed with competitive procurements nor for sole source contracts with the bus wrap contractor as required by Amador Transit Procurement Policy, 2023.

Amador Transit's current advertising contract had expired but was still being utilized and lacked the sole source justification specified by procurement and bidding policies.

During the investigation, the Grand Jury found that Amador Transit's contracts for bus wrap services between 2011 and January 2027:

- lacked required approvals
- expired contracts were still being utilized
- contracts were renewed without following required competitive bidding procedures
- required sole source justification documentation was missing

## **FINDINGS**

### **F1. Contract Value.**

Amador Transit's contracts for bus wrap advertising services currently result in annual revenue of over \$100,000 to the contractor and thus require either an approved sole source justification or competitive bidding procurement.

### **F2. Required Documentation Not Provided.**

Neither Requests for Bids nor Request for Proposal packages were developed, approved by the Amador Transit Board of Directors, or released to the public for competitive bidding for the bus wrap services contracts in effect from 2011 through January 2027, in violation of policy.

### **F3. Contracts Issued Sole Source.**

Amador Transit management failed to provide the Grand Jury with approved sole source justification for the Amador Transit's bus wrap services contracts between 2011 and January 2027, as required for noncompetitive contracts.

### **F4. Other Vendors Excluded.**

Amador Transit management prevented qualified vendors from competing for Amador Transit bus wrap services, risking loss of reputation and exposing the county to potential litigation.

## **RECOMMENDATIONS**

### **The Amador County Grand Jury recommends that:**

**R1.** The Amador Transit Board of Directors direct all Amador Transit personnel to strictly adhere to established purchasing policies and procedures prior to issuing any future contracts for outside services, by October 1, 2026. [F1, F2, F3, and F4]

**R2.** The Amador Transit Board of Directors direct Amador Transit management to provide training for all procurement personnel on the Amador Transit Procurement Policy's procurement of outside services, by December 1, 2026. [F1, F2, F3, and F4]

**R3.** The Amador Transit Board of Directors direct Amador Transit management to develop and implement a process to issue either sole source or Request for Proposal documentation for the procurement of bus wrap services, to include the Amador Transit Board's approval prior to public issuance, consistent with Amador Transit Procurement Policy, and report on status to the Board, by December 1, 2026. [F1, F2, F3, and F4]

## REQUIRED RESPONSES

Pursuant to Penal Code sections 933 and 933.05, the following response is *required*:

- The Amador Transit Board of Directors: respond to Findings F1, F2, F3, and F4 and Recommendations R1, R2, and R3 within 90 days of receipt of this report.

## INVITED RESPONSES

The Grand Jury *invites* the following individual to respond:

- The Amador Transit General Manager: respond to Findings F1, F2, F3, and F4 and Recommendations R1, R2, and R3 within 60 days of this report.

Mail or deliver a hard copy response to:

The Honorable J.S. Hermanson  
Amador County Superior Court  
500 Argonaut Lane  
Jackson, CA 95642

Responses must be submitted to the presiding judge of the Amador County Superior Court in accordance with the provisions of Penal Code section 933.05. Responses must include the information required by Penal Code section 933.05.

## DISCLAIMER

***Reports issued by the grand jury do not identify the individuals interviewed. Penal Code section 929 requires that reports of the Civil Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Civil Grand Jury.***

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**AMADOR COUNTY  
2025-2026 GRAND JURY**

# 2025-2026 Amador County Grand Jury

## Other Activities: Election Observer Panel

June 23, 2026

Ballot Drop Off, Jackson, CA



Official Ballot Drop Box

## **Other Activities: Election Observer Panel**

2025-2026 Amador County Grand Jury

### **SUMMARY**

The Amador County Civil Grand Jury (Grand Jury) was invited by the Amador County Registrar of Voters, to participate in the Election Observer Panel, for the Statewide Special Election held on November 4, 2025.

Members of the Election Observer Panel were provided with the opportunity to observe activities related to the administration of the election. The Elections Office routinely informs the public about these procedures and encourages community participation.

Individuals who wish to participate as Election Observers, may attend key events, including testing of ballot processing machines for accuracy, ballot envelope processing, voter registration and signature verification, polling site operations, vote tabulation, and the recording and transmission of election results.

### **METHODOLOGY**

Members of the Grand Jury observed the following activities:

- **Logic and Accuracy Testing** on October 7, 2025
- **Signature Verification Testing** on October 15, 2025
- **Tabulation Testing** on October 21, 2025
- **Polling Site Operations** on November 4, 2025

### **DISCUSSION**

Members of the Grand Jury were present at the Amador County Administration Center's Election Polling site on Election Day, November 4, 2025. They observed election operations from opening through final closing of the polls, including the receipt of ballots collected from remote ballot-drop locations and the secure handling of all ballots processed.

Members of the Grand Jury monitored the post-election processing of ballots and reviewed the Certification of the Election issued by the Elections Office on December 2, 2025.

The Vote Center provides accessible parking and is fully compliant with Americans with Disabilities Act (ADA) requirements. Staff ensure that each site is equipped with the necessary materials and technology to meet accessibility standards. The Amador County Elections Office maintains up-to-date policies and security procedures. Staff and Poll Worker Training Manuals are updated regularly to be in full compliance with current California state election laws and established procedures. These procedures are very specific and effectively carried out by trained elections staff.

Elections office staff maintain their California State Elections Official Certification by attending training offered by the Office of the Secretary of State, allowing them to collaborate with local, state, and federal election and security personnel to maintain up-to-date county election procedures and security protocols.

## **Commendation**

The Grand Jury commends the Amador County Elections Department for exemplary performance in all aspects of election operations, including ballot preparation, election system configuration, publication of voter materials, community outreach, maintenance of updated training manuals for Election and Vote Center workers, voting-system security and management, and technical support. Their efforts reflect a strong and continued commitment to ensuring voting integrity within Amador County.

Elections staff demonstrated comprehensive knowledge of regulations and procedures and exhibited a high level of professionalism throughout the election cycle. Their performance reflects positively on Amador County and underscores their dedication to safeguarding the integrity of local elections.

The Registrar of Voters conducts all elections in accordance with the Election Code and maintains effective management controls across all election processes and procedures.

The Grand Jury further commends all employees of the Amador County Registrar of Voters Office and the citizen poll workers who contribute significant time and effort to ensuring that county elections are conducted openly, accurately, and impartially.

The Elections Department staff are recognized for their outstanding professional performance in elections operations, voter assistance, tabulation accuracy, procedural integrity, and overall dedication to the election process. Their professionalism and impartiality, and depth of knowledge are a credit to Amador County.

## **FINDINGS**

**F1:** The Vote Center provides accessible parking and is compliant with ADA requirements, equipped with the necessary materials and technology to meet accessibility standards.

**F2:** The Elections Office operates in full compliance with current California state election laws and established procedures, maintaining up-to-date policies and security procedures.

**F3:** Elections office staff have maintained their California State Elections Official Certification.

**F4:** The Amador County Elections Department demonstrated exemplary performance in all aspects of election operations, including ballot preparation, election system configuration, publication of voter materials, community outreach, maintenance of updated training manuals for Election and Vote Center workers, voting-system security and management, and technical support.

**F5:** The Elections Department maintained effective election management controls, reflecting a strong and continued commitment to ensuring voting integrity within Amador County.

**F6:** The employees of the Amador County Registrar of Voters Office and the citizen poll workers contributed significant time and effort to ensure county elections are conducted openly, accurately, and impartially.

## **RECOMMENDATIONS**

**R1.** The Grand Jury recognizes the outstanding professional performance in elections operations, voter assistance, tabulation accuracy, procedural integrity, and overall dedication to the election process. Thus, the Grand Jury has no recommendations for action at this time.

## **REQUIRED RESPONSE**

No response is required.

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**AMADOR COUNTY  
2025-2026 GRAND JURY**

# Detention Facilities Inquiries Statement

2025-2026 Amador County Grand Jury

June 23, 2026

## OVERVIEW

Penal Code section 919(b) obligates the grand jury to “inquire into the condition and management of the public prisons within the county.” In 2022, the California Attorney General issued an opinion (No. 18-103) stating the term “public prisons” includes “local detention facilities,” and that a county or city jail is a typical example of such a local detention facility.

The purpose of this document is to provide information about how the 2025-2026 Amador County Grand Jury fulfilled this duty. While Penal Code section 919(b) requires this inquiry, it does not require the grand jury to conduct an investigation or to write a report about local detention facilities. In fact, a report cannot be written based solely upon an inquiry. To write a report, a full investigation is required and all the facts in the report must be verified (Penal Code § 939.9).

### **Local Detention Facilities Within Amador County**

As required by California Penal Code section 919(b), the 2025-2026 Amador County Civil Grand Jury inquired into the conditions and management of the following public prisons within the county:

- Mule Creek State Prison—Visited on January 13, 2026, and February 3, 2026
- Amador County Jail—Visited on December 15, 2025
- Pine Grove Youth Conservation Camp—Visited on November 12, 2025

## CONCLUSION

The 2025-2026 Amador County Grand Jury’s legal obligation to inquire into the condition and management of each local detention facility within the county was satisfied during the above-mentioned visits.

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**AMADOR COUNTY  
2025-2026 GRAND JURY**

**2025-2026 Amador County Grand Jury**

# Response Compliance Report

June 23, 2026



# Response Compliance Report

2025-2026 Amador County Grand Jury

## SUMMARY

Governing boards of local government entities and elected county officials are required by law to respond to the findings and recommendations in reports the grand jury directs to them. The responses must be submitted to the superior court within a given timeframe and must include legally mandated wording.

The 2025-2026 Amador County Grand Jury issued one report on June 25, 2025, that required a response from three entities. We found that one entity responded for all three entities in one letter dated October 7, 2025, two weeks beyond the 90-day deadline.

## METHODOLOGY

The 2025-2026 Amador County Grand Jury evaluated responses to the findings and recommendations to determine their compliance with Penal Code sections 933 and 933.05. The following criteria were considered:

**Timeframe:** Were responses submitted to the judge in the timeframe required by the law?

**Findings:** Did the governing board or elected county official indicate their agreement or disagreement with each finding? If there was disagreement, did they explain the reason for the disagreement?

**Recommendations:** Did each response include one of the four statements required under Penal Code section 933.05(b) (1-4)? Did the response also contain the required content?

- If a response stated a recommendation had been implemented, did the response include a summary of what had been done? (Penal Code section 933.05(b)(1))
- If a response stated a recommendation would be implemented, did the response include a summary and timeframe for what would be done? (Penal Code section 933.05(b)(2))
- If a response stated a recommendation required further analysis or study, did the response include an explanation of the scope and parameters of the analysis or study, and a timeframe (within six months of receipt of the report)

for the matter to be prepared for discussion by the applicable public official, department head, or governing body? (Penal Code section 933.05(b)(3))

- If a response stated a recommendation would not be implemented because it was not warranted or not reasonable, did the respondent include an explanation supporting that position? (Penal Code section 933.05(b)(4))

## **BACKGROUND**

Responses to grand jury reports must adhere to California Penal Code sections 933 and 933.05.

For each finding, required respondents must either agree or disagree. If the respondent disagrees, they must explain what part of the finding they disagree with and explain the reasons for the disagreement.

For each recommendation, respondents must choose one of the following four responses:

1. That the recommendation has been implemented, with a summary of actions taken; or
2. That it will be implemented within a specified timeframe; or
3. That the recommendation needs further analysis, with an explanation, the scope of the analysis, and the timeframe (not to exceed six months from issuance of the report) as to when the response will be considered by the respondent; or
4. That the recommendation will not be implemented because it is not warranted or not reasonable, with an explanation (Penal Code section 933.05(a)(1)-(4).)

The 2024-2025 Amador County Grand Jury issued two reports during its term from July 2024 through June 2025. One report required no response and the second report, "Poorly Maintained and Deteriorating County Roads," (County Roads) contained 12 Findings and 7 Recommendations (see Table 1).

This report does not comment on the merit or wisdom of any disagreements expressed by any respondent to last year's reports, but merely upon whether the responses complied with legal requirements.

**Table 1. Summary of 2024-2025 Amador County Grand Jury Findings and Recommendations**

COUNTY OF AMADOR CIVIL GRAND JURY REPORTS ISSUED FOR 2024-2025	
<b>PARKING ENFORCEMENT IN JACKSON</b>	
Complaint received concerning Jackson Police Department's enforcement and citation of illegal parking in handicap spaces.	
<b>FINDINGS</b>	<b>RECOMMENDATIONS</b>
F1. After investigating the City of Jackson's parking enforcement practices, we find that parking laws are investigated and enforced in a timely manner.	The Grand Jury has no recommendations.
<b>POORLY MAINTAINED AND DETERIORATING COUNTY ROADS</b>	
Numerous newspaper articles and social media postings where citizens complained about poorly maintained and deteriorating roads.	
<b>FINDINGS</b>	<b>RECOMMENDATIONS</b>
F1. Amador County's lack of sufficient funding to complete necessary road repairs, maintenance and paving has resulted in the deterioration of county roads. (R1), (R2)	R1. Amador County Public Works evaluate current internal road work costs versus outsourced road work for labor and material to determine ways to improve cost efficiencies. Evaluation to be completed by January 1, 2026. Execute any process changes by June 1, 2026. (F1)
F2. Due to Amador County's limited use of existing personnel to more proactively seek available road grants, opportunities for funding have potentially been missed. (R2)	R2. The Amador County General Services Administration and/or Public Works allocate more ongoing personnel time to seeking available road grants. To be implemented by November 1, 2025. (F1) (F2)
F3. The Amador County Public Works' current shortage of staff limits the quantity and timeliness of road maintenance and repair work that can be completed. (R3), (R4)	R3. To increase efficiency, the Public Works Director identify the training needs of current department staff, including that of road crews, and develop a training plan. To be completed by January 1, 2026. Implement plan by March 1, 2026. (F3)
F4. Amador County's lack of short-term and long-term planning for the repair and maintenance of roads has resulted in a reactive rather than proactive approach, leading to an ineffective system in which repairs and maintenance occur mainly in response to complaints, rather than being guided by strategic prioritization. (R7), (R8), (R9)	R4. The County Administrative Officer and the Public Works Director evaluate current Public Works Department staffing numbers, skill levels, and job responsibilities to make any necessary changes to maximize productivity. To be completed by January 1, 2026. (F3)
F5. The Amador County Public Works' lack of a comprehensive method to assess and document road conditions on an ongoing basis has resulted in the Department's inability to conduct remedial action effectively. (R5), (R6)	R5. The Public Works Director develop and implement a process to routinely survey and document current County road conditions, based on the Pavement Condition Index (PCI), in the Pavement Management Program on an ongoing basis. Process implementation to begin by April 1, 2026. (F5)
F6. The Amador County Public Works' lack of producing ongoing, informative reports to County managers hampers the ability to effectively determine staffing requirements, road work priorities and funding needs for Public Works. (R9), (R10)	R6. The Public Works Director determine, from road condition surveys and updated Pavement Management Program data, the roads that require immediate repair. Initial report to be completed by June 1, 2026. (F5)
F7. Amador County's lack of effective communication to inform the public about planned road repairs, the response to complaints, and the funding mechanisms for road improvements has led to widespread frustration. (R11), (R12)	R7. The Amador County Board of Supervisors oversee the development of a 5-year strategic plan, updated annually, for how the County will work to improve County roads to an overall Good condition, per the rating criteria in Table A in the Road Conditions section of this report. To be completed in time for the 2026/2027 Fiscal Year Budget planning. (F4)
	R8. The Amador County Board of Supervisors oversee the development of a short-term action plan, to be developed by the Public Works Director, to improve the County's roads that incorporates current road conditions, prioritizes road projects, includes a forecasted schedule of road work, to be updated at least semi-annually. To be completed by November 1, 2025. (F4)
	R9. The County Administrative Officer and the Public Works Director oversee the development of an electronic database for entering and tracking road service/work requests and complaints received - from initiation to resolution. To be implemented by October 1, 2025. (F6), (F4)
	R10. The Public Works director oversee the development of reports, to be provided to the County Administrative Officer monthly and quarterly to the Amador County Board of Supervisors, that includes data for the month and fiscal year-to-date: -Road Work Scheduled - Including which road and type of work -Road Work Completed - Including which road and type of work -The number and type of road service/work requests received and those completed -The number and type of citizen road complaints and damage claims received and the resolution (F6) Above to be completed by April 1, 2026.
	R11. The Amador County Board of Supervisors oversee the development and execution of a communication plan for enhancing information provided to the public about roads. To be completed by January 1, 2026. (F7)
	R12. The County Administrative Officer and Public Works Director oversee enhancements to the County website so that County road information is on the home page, including direct links to a road maintenance schedule and the online Work Request form. To be completed by December 31, 2025. (F7)

## DISCUSSION

The law requires county elected officials to respond to a grand jury report in writing. The elected official's response must be submitted to the presiding judge within 60 days of receiving the report. Governing boards have 90 days after receiving a grand jury report to submit their response to the presiding judge. Although their response was due no later than September 23, 2025, responses from the County Administrative Officer, Public Works Director, and the Amador County Board of Supervisors were combined in one letter from the Board of Supervisors dated October 7, 2025.

The respondents agreed with 4 of the 7 findings, as shown in Table 2. All "Disagree" responses to the 2024-2025 Amador County Grand Jury findings included what they specifically disagreed with and why.

**Table 2. County Roads Findings Response Summary**

	F1	F2	F3	F4	F5	F6	F7
Agree	X	X	X				X
Disagree				X	X	X	

Respondents do not plan to implement any of the 12 recommendations made in the grand jury report. Table 3 breaks down why each recommendation was rejected.

**Table 3. County Roads Recommendation Response Summary**

	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10	R11	R12
Not Warranted	X	X	X	X	X	X		X	X	X		X
Not Feasible							X					
Not Reasonable											X	

## **FINDING**

**F1.** The County Administrative Officer, Public Works Director, and the Amador County Board of Supervisors failed to respond to the Grand Jury report “Poorly Maintained and Deteriorating County Roads,” by September 23, 2025, the required 90-day response period.

## **RECOMMENDATION**

No recommendation is required.

## **REQUIRED RESPONSE**

No response is required.

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**AMADOR COUNTY  
2025-2026 GRAND JURY**

# **APPENDIX**

## **CITY OF IONE: READ THE TEA LEAVES**

# CITY COUNCIL PROTOCOL MANUAL

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ADOPTED AUGUST 5, 2008

# **CITY OF IONE CITY COUNCIL PROTOCOL MANUAL**

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## **Chapter 1 Introduction and Overview**

As a City Councilmember, you not only establish important and often critical policies for the community of Ione, you are also a board member of a public corporation having an annual budget of several million dollars. The scope of services and issues addressed by the city organization go well beyond those frequently reported in the newspaper or discussed at City Council meetings.

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

The City of Ione has a Council-Manager form of government. As described in the Municipal Code and the Government Code of California, 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 public policy and gives direction to the City Manager to administer the affairs of the city government in a businesslike and prudent manner. (Ione Municipal Code Title II and Government Code §34100 et seq.)

The City of Ione was incorporated in 1953. At that time, the separately elected City Clerk was the administrative officer for municipal affairs. There was also a separately elected City Treasurer. The City Council established Ione as a Council-Administrator form of government in \_\_\_\_ and hired its first City Administrator that year. In 2007, the City Council changed the form of government to Council-Manager and hired a City Manager.

### **1.02 Purpose of City Council Protocol Manual**

The City of Ione has prepared its own Protocol Manual to assist the City Council 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 articulated to guide Councilmembers in their actions.

### **1.03 Overview of Basic City Documents**

This Protocol Manual 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. A complete list of City plans and implementation programs is provided in the Appendix.

# CITY OF IONE CITY COUNCIL PROTOCOL MANUAL

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## *A. Ione Municipal Code*

The Municipal Code contains local laws and regulations adopted by resolutions and ordinances. Title II of the Code address the role of the City Council, describe the organization of City Council meetings and responsibilities, and appointment of certain City staff positions, 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, building standards, and revenue and finance issues.

## *B. Goals*

The City Council sets both long-term and short-term goals for the City each spring. The goal-setting process includes a review of the previous year's goals including progress toward completion and updating. The budget is then written with the objective of working toward completion of those goals.

## *C. Codes of the State of California*

The state laws contain many requirements for the operation of city government and administration of meetings of city councils throughout the state. Ione is a "general law city" which means it operates under applicable general laws of the state. As a general law city of the state of California, Ione is vested with all the powers of incorporated cities as set forth in the California Constitution and the applicable California state laws. Conversely, there are a number of cities within California that are "charter cities" and have adopted local provisions that establish basic governing procedures for local government. (Government Code §§ 34100-34102) Ione is not a charter city.

## *D. Annual Budget*

The annual budget is set for the fiscal year beginning July 1st and ending June 30th. It is the primary tool and road map for accomplishing the goals of the City. The budget document is the result of one of the most important processes the City undertakes. By adopting the annual budget, the City Council makes policy decisions, sets priorities, allocates resources, and provides the framework for government operations. Study sessions on the budget are held in May and public hearings in June with adoption at the second City Council meeting in June.

## *E. Annual Financial Audit*

The annual financial audit includes the financial statements of the City for a fiscal year. It includes the financial condition of the City as reflected in the balance sheet, the results of operations as reflected in income statements, an analysis of the uses of City funds, and related footnotes. The annual financial audit includes statements for the various groups of funds and a consolidated group of statements for the City as a whole. The City Council has the responsibility

# CITY OF IONE CITY COUNCIL PROTOCOL MANUAL

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of hiring an independent auditor, and of reviewing and accepting the audit.

## *F. General Plan*

A state-mandated General Plan addresses the City's long-range planning needs relative to land use, transportation, economic development, and other planning elements. The City's General Plan is reviewed on an ongoing basis, but mandatory elements may only be revised four times a year; however, certain amendments necessary for affordable housing development are not subject to this limitation. (Government Code § 65350 et seq.)

## *G. Five-year Capital Improvement Program*

The Five-year Capital Improvement Program serves as a guide for determining priorities, planning, financing, and construction of capital projects which add to, support, or improve the physical infrastructure, capital assets, or productive capacity of City services.

## *H. Disaster Preparedness Plan*

The City maintains a disaster preparedness plan that outlines actions to be taken during times of extreme emergency. The City Council may be called upon during an emergency to establish policies related to a specific incident. The chain of command is as follows:

The City Manager is the Director of Emergency Services

The City Manager may appoint an Assistant Director of Emergency Services  
(Ione Municipal Code Title II, Chapter 2.48, §§ 2.48.010 to 2.48.120)

## **1.04 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. As new members join the City Council, the following will be provided in a timely manner.

- The City Manager will host an orientation program to distribute materials outlining City policy, protocol and updates on labor negotiations.
- The City Manager will facilitate a meeting with the City Attorney for conflict-of-interest training, review of current legal matters, and review of parliamentary procedure.
- The City Manager will arrange a meeting with Finance prior to the first pay period to cover information reviewed with all City employees, (e.g., benefits elections, I-9, retirement options, etc.)
- The City Manager will arrange meetings with key Department Heads to be briefed on current projects within his/her Department and to tour City facilities.
- The City Manager will arrange an opportunity for "ride alongs" with the Ione Police Department.
- The City Manager's assistant will arrange a meeting for a briefing on various aspects of City Hall, including, but not limited to, travel procedures, phone service, etc.

## **CITY OF IONE CITY COUNCIL PROTOCOL MANUAL**

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- The City Manager will provide information for attendance at the League of California Cities' New Mayors and Council Members Academy.

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## Chapter 2 Ione City Council: General Powers and Responsibilities

### 2.01 City Council, Generally

Fundamentally, the powers of the City Council are to be utilized for the good of the community and its residents; to provide for the health, safety, and general welfare of the citizenry. The City Council is the policy-making and law-making body of the City. State law and local ordinances define the powers and responsibilities of the Council.

It is important to note that the Council acts as a body. 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 areas, 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 majority of the Council is upheld. Actions of staff to pursue the policy direction established by a majority of Council do not reflect any bias against Councilmembers who held a minority opinion on an issue.

#### *A. Council Non-Participation in 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 shall refrain from becoming directly involved in the administrative affairs of the City, unless directed by a majority of the Council to participate in a policy or project.

### 2.02 Role of Councilmembers

Members of the Ione City Council are collectively responsible for establishing policy, adopting an annual budget, and providing vision and goals to the City Manager. The following outline is a brief description of the various duties of Councilmembers. The description is not intended to be comprehensive, but rather it is an effort to summarize the primary responsibilities of the Council.

#### *A. Summary of Council Duties and Responsibilities as Provided in State Law:*

1. Councilmembers serve as the:  
City Council

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2. Establish Policy
  - Adopt goals and objectives
  - Establish priorities for public services
  - Approve/amend the operating and capital budgets
  - Approve contracts over \$5,000
  - Adopt resolutions
3. Enact Local Laws
  - Adopt ordinances
4. Supervise Appointed Officials
  - Appoint City Manager and City Attorney
  - Evaluate performance of City Manager and City Attorney
  - Establish boards, commissions, committees and task forces
  - Make appointments to such bodies
  - Provide direction to advisory bodies
5. Make Decisions
  - Study problems
  - Review alternatives
  - Determine best course of public policy
  - Call special elections as necessary

## 2.03 Role of Mayor

### A. Presiding Officer

The Council selects the Mayor on the third Tuesday of December. The Vice Mayor can be selected to be the Mayor or the City Council can select from the remaining members of the City Council at their discretion. It is recommended that the Mayor should have served at least one full year on the City Council prior to being selected as the Mayor.

The Mayor serves as the presiding officer, unless otherwise delegated, and acts as chair at all meetings of the City Council. The Mayor sets the Agenda for regular and special Council meetings. The Mayor may participate in all deliberations of the Council in the same manner as any other member and is expected to vote in all proceedings, unless a conflict of interest exists. During Council proceedings, the Mayor facilitates discussion, gauges direction, and listens for majority support prior to calling for a vote on a motion. The Mayor does not possess any power of veto. State law allows the Mayor to move or second an action. As a matter of Ione tradition, the Mayor does not make a motion and will only second a motion in rare and unusual circumstances. (Government Code §§ 36801–36815)

# CITY OF IONE CITY COUNCIL PROTOCOL MANUAL

## 2.08 Boards, Commissions, Committees, and Task Forces

### A. *Appointments Made by the Council*

Boards, commissions, committees, and task forces provide a great deal of assistance to the Ione City Council when formulating public policy and transforming policy decisions into action. The City has several standing commissions and committees. In addition, special purpose task forces are often appointed by the City Council to address specific issues of interest on a limited duration basis. These ad hoc committees will be dissolved upon completion of the intended task. Committees and task forces are purely advisory to the Council, and, in some situations, staff. Commissions pursuant to the powers and duties specified by the City Council may have final decision-making authority, subject to appeal to the Council, but may also serve in an advisory capacity in certain situations.

The procedures established in this Manual reflect the policy of the City Council regarding the appointment of volunteer citizens to the various bodies of the City. The establishment of these procedures ensures that well-qualified, responsible, and willing citizens are given the opportunity to serve the City and participate in the governance of their community.

The City Council is specifically empowered to create all boards, commissions, committees and task forces, pursuant to the provisions of the Ione Municipal Code, as the Council deems necessary or advisable. In the exercise of this power, it is the desire of the City Council to establish a consistent policy in its decision-making role to fairly and equitably evaluate those citizens of the community who demonstrate a desire to serve on such boards, commissions, committees, or task forces. (Ione Municipal Code Title 2, Chapters 2.17, 2.36, and 2.62)

For full-term vacancies, the filing period is as determined by Ordinance. The City Clerk shall:

- Publicly announce the position vacancy and filing period by publication of same in the official newspaper of the City of Ione and set forth the qualifications required, if any.
- Notify the incumbent(s) of whose terms are expiring, of such term expiration and invite the incumbent(s) to consider being reappointed.
- Advertise the position and accept applications when an incumbent's term expires on the Planning Commission, Park and Recreation Commission, and any other Commission.

### B. *Selection*

1. **Mayor Interview Period:** The Mayor may personally interview each applicant individually, at a time and place to be designated by the Mayor.

However, after reviewing applications, the Mayor reserves the right to make appointments without conducting interviews.

# CITY OF IONE CITY COUNCIL PROTOCOL MANUAL

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## Chapter 6 Conflicts of Interest

### 6.01 Ethics, AB 1234 Ethics Training

The City maintains a commitment to conducting business according to the highest achievable ethical standards. Recognizing that ethical dilemmas may arise and that public officials must make difficult choices after careful consideration of competing public, personal and/or private interests at stake, the Council has adopted a code of ethical conduct, which is contained in the Appendix.

The City Manager is subject to a professional code of ethics as a member of the International City/County Management Association (ICMA). These principles appear in the Appendix of this manual. It should be noted that this code binds the City Manager to certain practices that are designed to ensure actions are in support of the City's best interests. Violations of such principles can result in censure by the ICMA.

State law (Government Code § 53234, et seq.) requires public officials to complete two hours of training in ethics principles and laws every two years. In addition to Councilmembers, Ione requires the training of all of its Commissioners (Planning and Park and Recreation), its City Manager, its Department Directors, its mid-managers when they staff a City Commission, and the Chairperson and Vice Chairperson of each committee or board. Additionally, the City Council encourages all committee and board members to complete the training. At present, the League of California Cities offers AB 1234 training, often in conjunction with League conferences or other training workshops, and on-line training is offered for a nominal fee through the Institute for Local Government and the Fair Political Practices Commission. Certificates of course completion are kept on file by the City Clerk. (Ione Resolution #1385.)

### 6.02 Conflicts of Interest

There are numerous sources of conflicts of interest that may require a Councilmember to disqualify himself or herself from participating in decision-making. The Political Reform Act (PRA) controls financial conflicts of interest of public officials. The PRA is one of the most complicated laws affecting local government. This law is implemented and enforced by the Fair Political Practices Commission (FPPC) which has issued comprehensive implementing regulations. To understand the PRA's impact on a Councilmember's actions, it is suggested that members discuss the law and potential conflicts with the City Attorney or a private attorney.

In general, under the PRA, public officials are prohibited from making, participating in or in any way attempting to use their official position to influence a government decision in which they know or have reason to know they have a financial interest. (Government Code § 87100, 2 California Code of Regulations §§ 18700, 18702-18702.4.) A "public official" is defined as including every member, officer, employee or consultant of the state or local government agency. (Government Code § 82048; 2 California Code of Regulations § 18700).

## CITY OF IONE CITY COUNCIL PROTOCOL MANUAL

### *A. Applicability*

Under the PRA, an official has a financial interest if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the official, a member of his or her immediate family, or on any of the following:

1. Any business entity in which the public official has a direct or indirect investment worth \$2,000 or more. (Government Code §§ 82034, 82035; 2 California Code of Regulations § 18703.1)
2. Any real property in which the public official has a direct or indirect interest worth \$2,000 or more. (Government Code § 82033)
3. Any source of income other than gifts or certain loans aggregating \$500 or more provided to the public official within 12 months prior to the time of the decision. (Government Code § 82030; 2 California Code of Regulations § 18703.3)
4. Any business entity in which the public official is a director, officer, partner, trustee, employee, or holds any position of management. (2 California Code of Regulations §§ 18703.1, 18704.3)
5. Any gift totaling \$360 (adjusted biannually by the FPPC) or more provided to, received by or promised within 12 months prior to the decision. (2 California Code of Regulations §§ 18703.4, 18794-18961)

### *B. Analysis*

In general, the FPPC suggests that an eight-part analysis be followed in determining whether a conflict of interest exists:

- Is the person involved a public official? The PRA applies to “public officials at any level of state or local government.” (Government Code § 87100)
- Is the public official making, participating in making, using, or attempting to use his/her official position to influence governmental decision? (2 California Code of Regulations §§ 18700, 18702-18702.4)
- What are the actual economic interests of the official potentially impacted by the decision? (Government Code § 87103, 2 California Code of Regulations §§ 18704-18704.5)
- Is the economic interest directly or indirectly involved in the governmental decision? (2 California Code of Regulations §§ 18704-18704.5)
- Is the financial affect on the economic interest material? (2 California Code of Regulations §§

## CITY OF IONE CITY COUNCIL PROTOCOL MANUAL

18702-18702.6)

- Is it “reasonably foreseeable” that the governmental decision will have a material financial effect on the economic interest? (2 California Code of Regulations §§ 18700-18706)
- Will the decision’s effect on the official’s economic interest differ from that of the public generally? (2 California Code of Regulations §§ 18707-18707.2)
- Is participation by the public official legally required in order to create a quorum to vote on the matter?

### *C. Disqualification and Disclosure*

When the agenda item is called, a City Councilmember who has a conflict of interest is required to publicly state that a conflict of interest exists, describe the nature of the economic interest giving rise to the conflict, disqualify himself or herself, and leave the room. Ideally, Councilmembers will become familiar enough with the sources of conflicts to determine in advance whether disqualification is necessary. However, if a Councilmember becomes aware of a potential conflict only during the meeting, it is perfectly appropriate for the Councilmember to ask for a break in order to discuss the matter with the City Attorney, if necessary. If any Councilmember questions a potential conflict of interest related to another Councilmember, a recess may be called at the request of the Councilmember who may have a conflict to allow discussion of the issue with the City Attorney to determine if there is a conflict. If the Councilmember decides a conflict exists, that Councilmember may not participate in any aspect of the decision-making, including discussing the matter with City staff. When a conflict of interest arises involving a matter on the consent portion of the agenda, the Councilmember is not required to leave the room, unless that item is pulled from the consent agenda for separate discussion.

### *D. Legally Required Participation*

In the event that a decision cannot be made because a majority of the Council is disqualified due to conflicts of interest, the PRA allows the minimum number of Councilmembers necessary to constitute a quorum to return and participate in the decision to the minimum extent required. The Councilmembers permitted to participate must be chosen through a random process. (Government Code § 87101)

### *E. Conflict of Interest Code*

The City is required to adopt and maintain a Conflict of Interest Code. This Code is found in the Ione Municipal Code at Title 2, Chapter 8. Under state law, the code must be reviewed every two years and amended as circumstances change. The City’s code must be consistent with minimum requirements of the PRA. (Government Code §§ 87300-87313)

## CITY OF IONE CITY COUNCIL PROTOCOL MANUAL

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### *F. Advice on Conflict of Interest*

The City Attorney may provide advice to a Councilmember about the existence of a conflict of interest. However, advice given by the City Attorney does not protect the Councilmember from an enforcement action by the FPPC. A Councilmember may seek a formal written opinion from the FPPC on a particular set of facts. Such an opinion letter would provide protection from an enforcement action arising under the same set of facts.

### *G. Other Sources of Conflict*

In addition to the PRA, State law prohibits Councilmembers from entering into contracts with the City. (Government Code §1090 et. seq.) In general, this type of conflict is not subject to remedy through the disqualification of the interested Councilmember, but must instead be entirely avoided by the Council. There are, however, numerous exceptions to this provision that will allow the Council to enter into certain contracts after disqualification of the interested Councilmember and those should be reviewed with the City Attorney on a case-by-case basis. (Government Code §1090 et. seq.)

### *H. Revolving Door Policies*

For a period of one year after leaving office, state law prohibits Councilmembers and chief administrators from accepting employment with the City, or from acting as agent or attorney for any other person by appearing formally or informally, orally or in writing before the Council or any of its commissions, or committees if the appearance or communication is made for the purpose of influencing administrative or legislative action, or influencing any action or proceeding involving the issuance of, amendment to, award of, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property. (Government Code §87406.3)

# CITY OF IONE CITY COUNCIL PROTOCOL MANUAL

## Chapter 7 Interaction with City Staff/Officials

### 7.01 Overview

City Council policy is implemented through dedicated and professional staff. Therefore, it is critical that the relationship between Council and staff be well understood by all parties so policies and programs may be implemented successfully. To support effective relationships, it is important that roles are clearly recognized.

### 7.02 Council-Manager Form of Government

Ione has a Council-Manager form of government. Basically, with this structure, the City Council's role is to establish City policies and priorities. The Council appoints a City Manager to implement those policies and undertake the administration of the organization.

The City Manager is appointed by the City Council to enforce its laws, to direct the daily operations of city government, to prepare and monitor the principal budget, and to implement the policies and programs initiated by the City Council. The City Manager is responsible to the City Council, rather than to individual Councilmembers, and directs and coordinates the various departments. The City Manager is responsible for appointing all department directors and authorizing all other personnel positions except the City Clerk, City Attorney, and City Treasurer (Ione Municipal Code §2.10.100). The City Council authorizes positions through the budget process; based upon that authorization, the City Manager makes the appointments.

The Council-Manager form of government is outlined in the Government Code. The powers and duties of the City Manager include:

- Generally supervise over the administrative affairs of the city
- Appoint and remove at any time any department directors and employees
- Attend all meetings of the Council at which the Manager's attendance may be required by that body [IMC §2.10.130]
- See that all laws and ordinances are faithfully executed, subject to the authority which the Council may grant the Mayor to maintain law and order in times of emergency
- Recommend for adoption by the Council such measures as the Manager may deem necessary or expedient
- Prepare and submit to the Council such reports as may be required by that body, or as deemed advisable to be submitted
- Keep the Council fully advised of the financial condition of the City and its future needs
- Prepare and submit to the Council a proposed budget for the fiscal year, and be responsible for its administration upon adoption
- Perform such other duties as the Council may determine by ordinance or resolution
- Implement and administer City Council policy

## **CITY OF IONE CITY COUNCIL PROTOCOL MANUAL**

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### **7.05 City Council/City Staff Relationship**

City Councilmember contact with City staff members, inclusive of the City Manager, will be during regular business hours, except in the case of an emergency.

### **7.06 City Council/City Attorney Relationship**

Pursuant to recommendation of the City Manager, the City Council shall make provision for obtaining legal counsel for the City, either by appointment of a City Attorney on a full-time or part-time basis, or by any reasonable contractual arrangement for such professional services. The City Attorney is a contract employee appointed by the City Council. The City Attorney is the legal advisor for the Council, its committees, commissions and boards, the City Manager, and all City officers and employees with respect to any legal question involving an official duty or any legal matter pertaining to the affairs of the City. The general legal responsibilities of the City Attorney are to:

1. Provide legal assistance necessary for formulation and implementation of legislative policies and projects;
2. Represent the City's interest, as determined by the City Council, in litigation, administrative hearings, negotiations, and similar proceedings;
3. Prepare or approve as to form ordinances, resolutions, contracts, and other legal documents to best reflect and implement the purposes and intentions of the City Council; and
4. Keep City Council and staff apprised of court rulings and legislation affecting the legal interest of the City.

It is important to note that the City Attorney does not represent individual members of the Council, but rather the City Council as a whole. Accordingly, with the exception of conflict of interest inquiries, in questions involving pending or upcoming matters, or protocol and procedure, the City Attorney's services are engaged and directed through the City Manager. Individual Councilmembers may seek advice or assistance from the City Attorney on other matters exercising best judgment on the most efficient and appropriate use of her resources. The City Attorney's performance is reviewed as provided by the services retention contract.

### **7.07 Roles and Information Flow**

#### *A. Council Roles*

The full City Council retains the authority to accept, reject, or amend the staff recommendation on policy matters.

Members of the City Council must avoid intrusion into those areas that are the responsibility of

## **CITY OF IONE CITY COUNCIL PROTOCOL MANUAL**

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staff. Individual Councilmembers may not intervene in staff decision-making, the development of staff recommendations, scheduling of work, and executing department priorities without the prior knowledge and approval of the City Council as a whole. This is necessary to protect staff from undue influence and pressure from individual Councilmembers, and to allow staff to execute priorities given by management and the Council as a whole without fear of reprisal. If a Councilmember wishes to influence the actions, decisions, recommendations, workloads, work schedule, or priorities of staff, that member must prevail upon the Council to do so as a matter of Council policy.

### *B. Access to Information*

The City Manager is the information liaison between the Council and City staff. Requests from Councilmembers for information are to be directed to the City Manager and will be responded to promptly. The information requested will be copied to all members of the Council so that each member may be equally informed. The sharing of information with the City Council is one of the City Manager's highest priorities.

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

### *C. Staff Roles*

The Council recognizes the primary functions of staff as executing Council policy and actions taken by the Council, and in keeping the Council informed. Staff is obligated to take guidance and direction only from the City Manager or Department Director. This direction follows the policy guidance of the City Council as a whole. Staff is directed to reject any attempts by individual Councilmembers to unduly direct or otherwise pressure them into making, changing, or otherwise influencing recommendations.

City staff will make every effort to respond in a timely and professional manner to all requests for information or assistance made by individual Councilmembers provided that, in the judgment of the City Manager, the request is not of a magnitude, either in terms of workload or policy, which would require that it would be more appropriately assigned to staff through the direction of the full City Council.

### **7.08 Dissemination of Information**

In addition to regular, comprehensive memoranda written by the City Manager directly to City Council concerning all aspects of City operations (exclusive of confidential personnel issues), all Councilmembers receive copies of all correspondence received by the City Manager that will assist them in their policy-making role. The City Manager also provides other documents to

## **CITY OF IONE CITY COUNCIL PROTOCOL MANUAL**

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Council on a regular basis, such as status reports, executive summaries, and agendas of all weekly senior staff meetings.

A variety of methods are used to share information with Council. Workshops and study sessions are held to provide detailed presentations of matters. The City Manager's open-door policy allows individual Councilmembers to meet with the Manager on an impromptu or one-on-one basis.

### **7.09 Magnitude of Information Request**

Any information, service-related needs, or policy positions perceived as necessary by individual Councilmembers that cannot be fulfilled based upon the above guidelines should be considered as an item for the agenda of a City Council meeting. If so directed by action of the Council, staff will proceed to complete the work within a Council-established timeline.

### **7.10 Staff Relationship to Advisory Bodies**

Staff support and assistance may be provided to the City's boards, commissions, committees and task forces. These bodies, however, do not have supervisory authority over City employees. While staff may work closely with advisory bodies, staff members remain responsible to their immediate supervisors and, ultimately, the City Manager. The members of the commissions, boards, or committees are responsible for the functions of the advisory body. The chairperson is responsible for committee compliance with the municipal code and/or committee bylaws. Staff members are to assist the advisory body chair to ensure appropriate compliance with state and local laws and regulations.

Staff support includes: (1) preparation of a summary agenda and appropriate notice after approval by the chairperson; (2) preparation of reports providing a brief background of the issues, a list of alternatives, recommendations, and appropriate backup materials, if necessary; and (3) preparation of minutes of advisory body meetings. Advisory body members should have sufficient information to reach decisions based upon a clear explanation of the issues.

Advisory bodies wishing to communicate recommendations to the City Council shall do so through the City Manager's Office. In addition, when an advisory body wishes to correspond with an outside agency, correspondence shall be reviewed and approved by the City Council.

### **7.11 Restrictions on Political Involvement by Staff**

Ione is a nonpartisan local government. Professional staff formulates recommendations in compliance with Council policy for the good of the community, not influenced by political factors. For this reason, it is very important to understand the restrictions of political involvement of staff.

# CITY OF IONE CITY COUNCIL PROTOCOL MANUAL

## Chapter 8 City Council Meetings

The City Council's collective policy and law-making powers are put into action at the council meetings. It is here that the Council conducts its business. The opportunity for citizens to be heard, the availability of local officials to the citizenry, and the openness of council meetings all lend themselves to the essential democratic nature of local government.

### 8.01 Meeting Schedule

Regular meetings are held the first and third Tuesdays of each month at 6:00 p.m., in the Council Chambers, 1 E. Main Street, Ione. By a majority vote of the Council, meetings not completed by 10:30 p.m. will be continued to the following Wednesday at 6:00 p.m. in the Council Chambers.

### 8.02 Public Notice of Meetings and Hearings

Pursuant to the Government Code, cities are charged with establishing a procedure for notifying the public of upcoming hearings and the preliminary agenda for the forthcoming council meeting. The procedure followed by the City of Ione is as follows:

#### *A. Notices*

Except where a specific means of notifying the public of a public hearing is otherwise provided by law or ordinance, notice of upcoming public hearings before the City Council or the City's Boards and Commissions shall be given by one publication of a notice containing the time, place, date, subject, and body before whom the hearing is to be held, in the City's official newspaper consistent with State law.

#### *B. Preliminary Agenda of Council Meeting*

The public shall be notified of the preliminary agenda for the forthcoming regular City Council meeting by posting a copy of the agenda in the following public places in the City at least 72 hours in advance of the meeting:

- Ione City Hall Outside Bulletin Board 1 E. Main Street, Ione, CA 95640
- United States Post Office Bulletin Board, Ione, CA
- Electronic Posting City of Ione Web Page

#### *C. Duties of City Clerk*

The City Clerk is directed to publish notices and post agendas as required by § 8.02 of the Ione City Council Protocol Manual.

# Agenda Item

# 5

DATE: July 29, 2015  
TO: Lone City Council  
FROM: Jon G. Hanken, City Manager  
SUBJECT: Draft Update to the Council Procedure Manual

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**RECOMMENDED ACTION:** There is no recommended action requested.  
Motion: \_\_\_\_\_/\_\_\_\_\_.

**FISCAL IMPACT:** None

**BACKGROUND:** At the last Council meeting, Council reviewed and discussed the process for placing items on the Council agenda. Council requested modifying Chapter 8.06 Placing Items on the Agenda so that an item would be automatically placed on the next Council agenda if two councilors requested it.

Attached is Section 8.06 Placing Items on the Agenda with the new proposed language added for Council consideration. The new language is underlined. Council can accept the language as presented or modify it. Any change to the procedure would come back at Council's August 18<sup>th</sup> meeting for adoption. Adoption would be in the form of a resolution.

**Attachments:** Draft update to the Lone City Council Protocol Manual Chapter 8.06 Placing Items on the Agenda.

## 8.06 Placing Items on the Agenda

### A. City Council Agenda Planning

Any Councilmember may request that an item be placed on a City Council agenda by submitting a written request to the City Manager/City Clerk. The written request must, at a minimum, contain all of the following:

1. A substantive outline or summary of the information that will be presented to the City Council;
2. A concise statement of the specific action the City Council will be asked to take on the item; and,
3. A statement of the reasons why the requesting party believes it is appropriate and within the jurisdiction of the City Council to consider this subject matter and to take the requested action.

All matters to be presented to the City Council at its regular meeting are reviewed by the Mayor and City Manager. The item shall be placed on the agenda as soon as possible with consideration for scheduling issues.

Should two City Council members, either independently or working cooperatively, request the same item be placed on the agenda that item will automatically go on the agenda at the next scheduled meeting. Councilors will provide the same written topic information as outlined earlier in this section.

## CITY OF IONE CITY COUNCIL PROTOCOL MANUAL

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### **8.05 Study Sessions (Workshops)**

The City Council may meet informally in a study session. The study session is the forum used by Council to review forthcoming programs of the City, to receive progress reports on current issues, or to receive similar information from the City Manager and others. All discussions and conclusions held during a workshop are of an informal nature. Although no final action is taken while in a study session, a majority of the Council may give City staff preliminary direction on what to bring back to the Council for later consideration. Such direction given at a study session does not in any way obligate a Councilmember to vote in a particular way if the item is later brought back to the Council for further review.

### **8.06 Placing Items on the Agenda**

#### *A. City Council Agenda Planning*

Any Councilmember may request that an item be placed on a City Council agenda by submitting a written request to the City Manager/City Clerk. The written request must, at a minimum, contain all of the following:

1. A substantive outline or summary of the information that will be presented to the City Council;
2. A concise statement of the specific action the City Council will be asked to take on the item; and,
3. A statement of the reasons why the requesting party believes it is appropriate and within the jurisdiction of the City Council to consider this subject matter and to take the requested action.

All matters to be presented to the City Council at its regular meetings are reviewed by the Mayor and City Manager. The item shall be placed on the agenda as soon as possible with consideration for scheduling issues.

#### *B. Advisory Bodies and Civic Organizations*

Advisory bodies of the City Council and other civic agencies (e.g., Chamber of Commerce, Ione Main Street) may submit items for Council consideration by submitting a written request, as outlined in paragraph *A. City Council Agenda Planning*—1, 2, and 3 above, to the City Manager/City Clerk at least 15 working days prior to the meeting, to be considered by the Mayor and City Manager for placement on an agenda.

#### *C. Members of the Public*

A member of the public may request an item be placed on a future agenda while addressing the

## **CITY OF IONE CITY COUNCIL PROTOCOL MANUAL**

City Council during a regular meeting and/or by submitting a written request to the City Manager/ City Clerk as outlined in paragraph *A. City Council Agenda Planning*—1, 2, and 3 above. In order to allow sufficient time for the Council to review, and staff to research the matter, the request should be submitted at least 15 working days prior to the meeting for which the item is requested to be placed on the agenda. If the issue is placed on the agenda, the City Clerk will notify the requester so that he or she may plan to attend the meeting.

### *D. Emergency or Other Items Added to the Agenda*

Emergency items may be added to an agenda in accordance with state law. The reason(s) for adding an emergency item to the agenda shall be announced publicly at the meeting, and the issue shall be included in the minutes of the meeting. Placing emergency items on the agenda requires a majority vote of the Council and the items are taken up as the last item on the agenda. Additionally, the Council may add items to the agenda upon a 4/5ths vote determining that there is need to take immediate action and that the need for action came to the City's attention after posting the agenda. (Government Code §54954.2(b))

### **8.07 Development of the Agenda**

Staff is required to submit a Staff Report for each topic of discussion on the City Council agenda to the City Manager. The deadline for submitting these reports is 9:00 a.m. on Tuesday of the week prior to the date of the meeting for which the item is scheduled.

The Agenda Packet will be available for the Councilmembers, staff, public and media by 3:00 p.m. on the Friday prior to the Council Meeting.

### **8.08 Order of Business**

The City Council, by adoption of an ordinance or resolution, establishes the general order of meetings. This section summarizes each meeting component. The Council may, at any time, by simple majority of those present, vote to consider items in a different order.

#### *I. Roll Call*

#### *II. Closed Session*

The City Council will move to Closed Session on any matter on the agenda, such as litigation, personnel or real estate matters.

#### *III. Call to Order & Pledge of Allegiance*

The Mayor, or in the Mayor's absence the Vice-Mayor, presides over all meetings of the City Council, and after determining that a quorum is present, calls the meeting to order. In the absence of the Mayor and Vice-Mayor, the City Clerk shall call the Council to order, whereupon a

## **CITY OF IONE CITY COUNCIL PROTOCOL MANUAL**

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a quasi-judicial capacity when it acts on matters that implicate constitutionally protected property and liberty interests. These types of actions generally involve land use entitlements and other types of permits, licenses, etc.

The distinction between legislative and quasi-judicial activity is especially important because of the rights that are given to the applicant. Specifically, an applicant in a quasi-judicial matter is entitled to due process of the law. This includes a right to have a decision made on the record by a fair and impartial Council. In order to ensure these rights are satisfied, the Council must disclose all ex parte communication it receives; that is, information or evidence a Councilmember obtains from outside the Council hearing on the matter. Additionally, Councilmembers may be called upon to answer questions about potential bias.

### **8.11 General Parliamentary Procedure**

Parliamentary procedures set the agreed-upon standard for conducting business. For general guidance, the Council will follow Rosenberg's Rules of Order, as attached. Certain processes are subject to state code and must be complied with. The Council will accept direction from the City Manager/City Clerk and the City Attorney on the code. For other matters, the Ione City Council has a tradition that adheres to the common parliamentary practices used by similar institutions to facilitate the orderly processing of the business of its meetings. When necessary to resolve issues that may arise over the process, the Mayor will refer to the City Attorney who will act as the Parliamentarian. Upon such advice, the Council will vote and follow the decision of the majority.

### **8.12 City Councilmembers Conduct and Participation at Meetings**

In the process of debate and decision-making, each member of the City Council will:

- Fully participate in City Council meetings and other public forums while demonstrating respect, trust, kindness, consideration, and courtesy of others;
- Prepare in advance of Council meetings and be familiar with the issues on the agenda;
- Be respectful of other people's time. Stay focused and act efficiently during public meetings;
- Serve as a role model of leadership and civility to the community;
- Inspire public confidence in the City of Ione government;
- Demonstrate honesty and integrity in every action and statement; and
- Be responsible and accountable for your words and actions.

### 2.04.040 - Disorderly behavior.

The council may, by a majority vote of its whole number, punish one of its own members for disorderly behavior by a fine not exceeding \$50.00 and may expel a member of its own body for the member's conviction of a felony or of any offense involving a violation of his or her official duties. A member shall be deemed to have been convicted under this section when trial court judgment is entered. Fines imposed under this section shall be collected in such manner as fines imposed by the Amador County Courts.

(Ord. No. 464, § 1, 4-16-2013)

### 2.04.050 - Departure from order of business.

There may be a departure from the order of business as set out in Section 2.04.190 of this chapter, as long as the departure is in accordance with Rosenberg's Rules of Order and the Lone Municipal Code. Additionally, the mayor may determine to change the order of closed session for any meeting so long as the posted agenda for that meeting reflects the changed order of closed session.

(Ord. No. 464, § 1, 4-16-2013)

### 2.04.090 - Rosenberg's Rules of Order: Simple Parliamentary Procedures for the 21st Century (Rosenberg's Rules of Order).

Rosenberg's Rules of Order as revised from time to time, except as otherwise specifically provided in this chapter, shall be used as a guideline to govern the proceedings of the council.

(Ord. No. 464, § 1, 4-16-2013)

### 2.04.100 - Enforcement of rules—Preservation of decorum.

The mayor shall enforce the rules of the council and preserve order and decorum.

(Ord. No. 464, § 1, 4-16-2013)

### 2.04.110 - Members withdrawing without leave.

After a member of the council has at any meeting been recorded as present, he or she shall not, without permission of the council, absent himself or herself from such meeting until its adjournment.

(Ord. No. 464, § 1, 4-16-2013)

### 2.04.120 - Conduct in addressing the council.

Members of the council shall confine themselves to the question before the council and avoid personal or indecorous language. No discussion of a sectarian or political nature shall be allowed. No member shall interrupt another while speaking, except to make a point of order, the point to be briefly stated to the mayor or presiding officer. No member shall, while the council is sitting, interrupt or hinder its business by standing, moving about, talking, expressing approval or disapproval of any of the proceedings, or by any conduct tending to disorder or confuse.

(Ord. No. 464, § 1, 4-16-2013)

#### 2.04.120 - Nonmember addressing the council.

No person who is not a member of the council shall orally address it, until the mayor announces the public comment period is open, and has invited speakers to make public comment. Public comment may be made until the mayor announces the public comment period is closed. Speaker cards shall be available to the public: cards completed by the public are turned in to the city clerk who shall provide such cards to the presiding officer. However, completing a speaker card is not necessary to speak before the council. Members of the public are not required to provide a name or address before making public comment though the public is encouraged to do so.

(Ord. No. 464, § 1, 4-16-2013)

#### 2.04.140 - Communications to be in writing.

No petition or request to the council shall be entertained, unless the same is in writing, which must be filed with the city manager.

(Ord. No. 464, § 1, 4-16-2013)

#### 2.04.170 - Dissent or protest.

Any member of the council has the liberty to dissent from or protest against, any ordinance, resolution or order of the council and have the reason of his or her dissent entered upon the record.

(Ord. No. 464, § 1, 4-16-2013)

#### 2.04.180 - Calendar of unfinished business.

A calendar of all new, referred and deferred petitions and communications to the council shall be kept by the city clerk who shall deliver to the city manager seven days before any regular council meeting of such calendar.

#### 2.10.070 - Powers and duties—Generally.

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. He or she shall be responsible for the efficient administration of all the affairs of the city which are under his or her control. In addition to his or her general powers as administrative head, and not as a limitation thereon, it shall be his or her duty and he or she shall have the powers set forth in Sections 2.10.080 through 2.10.210.

(Res. 1582 § 2(part), 2007; Ord. 300 § 1(part), 1989)

#### 2.10.080 - Powers and duties—Law enforcement.

It shall be the duty of the city manager 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.

(Res. 1582 § 2(part), 2007; Ord. 300 § 1(part), 1989)

#### 2.10.090 - Powers and duties—Authority over employees.

It shall be the duty of the city manager and he or she shall have the authority 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, except the city clerk, city attorney and city treasurer, through their department heads.

(Res. 1582 § 2(part), 2007; Ord. 300 § 1(part), 1989)

#### 2.10.120 - Powers and duties—Ordinances.

It shall be the duty of the city manager and he or she shall recommend to the city council for adoption such measures and ordinances as he or she deems necessary or expedient.

(Res. 1582 § 2(part), 2007; Ord. 300 § 1(part), 1989)

#### 2.10.140 - Powers and duties—Financial reports.

It shall be the duty of the city manager to keep the city council at all times fully advised as to the financial conditions and needs of the city. The city manager shall assume the duties of the director of finance as set forth in Section 2.08.040.

(Res. 1582 § 2(part), 2007; Ord. 300 § 1(part), 1989)

#### 2.10.150 - Powers and duties—Budgets.

It shall be the duty of the city manager to prepare and submit the proposed annual budget and the proposed annual salary plan to the city council for its approval.

(Res. 1582 § 2(part), 2007; Ord. 300 § 1(part), 1989)

#### 2.10.160 - Powers and duties—Purchasing.

It shall be the duty of the city manager and he or she shall be responsible for the purchase of all supplies for all of the departments or divisions of the city. No expenditures shall be submitted or recommended to the city council except on report and approval of the city manager.

(Res. 1582 § 2(part), 2007; Ord. 300 § 1(part), 1989)

#### 2.10.220 - Council-manager relations.

The city council and its members shall deal with the administrative services of the city only through the city manager, except for the purpose of inquiry, and neither the city council nor any member thereof shall give orders to any subordinates of the city manager. The city manager shall take his or her orders and instructions from the city council only when sitting in a duly held meeting of the city council and no individual council member shall give any orders or instructions to the city manager.

(Res. 1582 § 2(part), 2007; Ord. 300 § 1(part), 1989)



# Rosenberg's Rules of Order

REVISED 2011

*Simple Rules of Parliamentary Procedure for the 21st Century*

*By Judge Dave Rosenberg*



## MISSION AND CORE BELIEFS

To expand and protect local control for cities through education and advocacy to enhance the quality of life for all Californians.

## VISION

To be recognized and respected as the leading advocate for the common interests of California's cities.

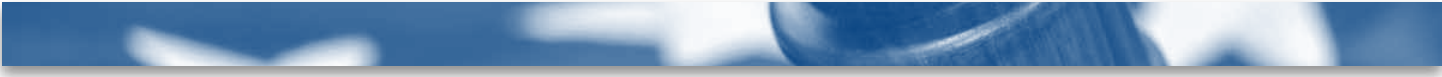
### About the League of California Cities

Established in 1898, the League of California Cities is a member organization that represents California's incorporated cities. The League strives to protect the local authority and autonomy of city government and help California's cities effectively serve their residents. In addition to advocating on cities' behalf at the state capitol, the League provides its members with professional development programs and information resources, conducts education conferences and research, and publishes Western City magazine.

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### ABOUT THE AUTHOR

Dave Rosenberg is a Superior Court Judge in Yolo County. He has served as presiding judge of his court, and as presiding judge of the Superior Court Appellate Division. He also has served as chair of the Trial Court Presiding Judges Advisory Committee (the committee composed of all 58 California presiding judges) and as an advisory member of the California Judicial Council. Prior to his appointment to the bench, Rosenberg was member of the Yolo County Board of Supervisors, where he served two terms as chair. Rosenberg also served on the Davis City Council, including two terms as mayor. He has served on the senior staff of two governors, and worked for 19 years in private law practice. Rosenberg has served as a member and chair of numerous state, regional and local boards. Rosenberg chaired the California State Lottery Commission, the California Victim Compensation and Government Claims Board, the Yolo-Solano Air Quality Management District, the Yolo County Economic Development Commission, and the Yolo County Criminal Justice Cabinet. For many years, he has taught classes on parliamentary procedure and has served as parliamentarian for large and small bodies.



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## INTRODUCTION

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The rules of procedure at meetings should be simple enough for most people to understand. Unfortunately, that has not always been the case. Virtually all clubs, associations, boards, councils and bodies follow a set of rules — *Robert's Rules of Order* — which are embodied in a small, but complex, book. Virtually no one I know has actually read this book cover to cover. Worse yet, the book was written for another time and for another purpose. If one is chairing or running a parliament, then *Robert's Rules of Order* is a dandy and quite useful handbook for procedure in that complex setting. On the other hand, if one is running a meeting of say, a five-member body with a few members of the public in attendance, a simplified version of the rules of parliamentary procedure is in order.

Hence, the birth of *Rosenberg's Rules of Order*.

What follows is my version of the rules of parliamentary procedure, based on my decades of experience chairing meetings in state and local government. These rules have been simplified for the smaller bodies we chair or in which we participate, slimmed down for the 21st Century, yet retaining the basic tenets of order to which we have grown accustomed. Interestingly enough, *Rosenberg's Rules* has found a welcoming audience. Hundreds of cities, counties, special districts, committees, boards, commissions, neighborhood associations and private corporations and companies have adopted *Rosenberg's Rules* in lieu of *Robert's Rules* because they have found them practical, logical, simple, easy to learn and user friendly.

This treatise on modern parliamentary procedure is built on a foundation supported by the following four pillars:

1. **Rules should establish order.** The first purpose of rules of parliamentary procedure is to establish a framework for the orderly conduct of meetings.
2. **Rules should be clear.** Simple rules lead to wider understanding and participation. Complex rules create two classes: those who understand and participate; and those who do not fully understand and do not fully participate.
3. **Rules should be user friendly.** That is, the rules must be simple enough that the public is invited into the body and feels that it has participated in the process.
4. **Rules should enforce the will of the majority while protecting the rights of the minority.** The ultimate purpose of rules of procedure is to encourage discussion and to facilitate decision making by the body. In a democracy, majority rules. The rules must enable the majority to express itself and fashion a result, while permitting the minority to also express itself, but not dominate, while fully participating in the process.

### Establishing a Quorum

The starting point for a meeting is the establishment of a quorum. A quorum is defined as the minimum number of members of the body who must be present at a meeting for business to be legally transacted. The default rule is that a quorum is one more than half the body. For example, in a five-member body a quorum is three. When the body has three members present, it can legally transact business. If the body has less than a quorum of members present, it cannot legally transact business. And even if the body has a quorum to begin the meeting, the body can lose the quorum during the meeting when a member departs (or even when a member leaves the dais). When that occurs the body loses its ability to transact business until and unless a quorum is reestablished.

The default rule, identified above, however, gives way to a specific rule of the body that establishes a quorum. For example, the rules of a particular five-member body may indicate that a quorum is four members for that particular body. The body must follow the rules it has established for its quorum. In the absence of such a specific rule, the quorum is one more than half the members of the body.


### The Role of the Chair

While all members of the body should know and understand the rules of parliamentary procedure, it is the chair of the body who is charged with applying the rules of conduct of the meeting. The chair should be well versed in those rules. For all intents and purposes, the chair makes the final ruling on the rules every time the chair states an action. In fact, all decisions by the chair are final unless overruled by the body itself.

Since the chair runs the conduct of the meeting, it is usual courtesy for the chair to play a less active role in the debate and discussion than other members of the body. This does not mean that the chair should not participate in the debate or discussion. To the contrary, as a member of the body, the chair has the full right to participate in the debate, discussion and decision-making of the body. What the chair should do, however, is strive to be the last to speak at the discussion and debate stage. The chair should not make or second a motion unless the chair is convinced that no other member of the body will do so at that point in time.

### The Basic Format for an Agenda Item Discussion

Formal meetings normally have a written, often published agenda. Informal meetings may have only an oral or understood agenda. In either case, the meeting is governed by the agenda and the agenda constitutes the body's agreed-upon roadmap for the meeting. Each agenda item can be handled by the chair in the following basic format:



**First**, the chair should clearly announce the agenda item number and should clearly state what the agenda item subject is. The chair should then announce the format (which follows) that will be followed in considering the agenda item.

**Second**, following that agenda format, the chair should invite the appropriate person or persons to report on the item, including any recommendation that they might have. The appropriate person or persons may be the chair, a member of the body, a staff person, or a committee chair charged with providing input on the agenda item.

**Third**, the chair should ask members of the body if they have any technical questions of clarification. At this point, members of the body may ask clarifying questions to the person or persons who reported on the item, and that person or persons should be given time to respond.

**Fourth**, the chair should invite public comments, or if appropriate at a formal meeting, should open the public meeting for public input. If numerous members of the public indicate a desire to speak to the subject, the chair may limit the time of public speakers. At the conclusion of the public comments, the chair should announce that public input has concluded (or the public hearing, as the case may be, is closed).

**Fifth**, the chair should invite a motion. The chair should announce the name of the member of the body who makes the motion.

**Sixth**, the chair should determine if any member of the body wishes to second the motion. The chair should announce the name of the member of the body who seconds the motion. It is normally good practice for a motion to require a second before proceeding to ensure that it is not just one member of the body who is interested in a particular approach. However, a second is not an absolute requirement, and the chair can proceed with consideration and vote on a motion even when there is no second. This is a matter left to the discretion of the chair.

**Seventh**, if the motion is made and seconded, the chair should make sure everyone understands the motion.

This is done in one of three ways:

1. The chair can ask the maker of the motion to repeat it;
2. The chair can repeat the motion; or
3. The chair can ask the secretary or the clerk of the body to repeat the motion.

**Eighth**, the chair should now invite discussion of the motion by the body. If there is no desired discussion, or after the discussion has ended, the chair should announce that the body will vote on the motion. If there has been no discussion or very brief discussion, then the vote on the motion should proceed immediately and there is no need to repeat the motion. If there has been substantial discussion, then it is normally best to make sure everyone understands the motion by repeating it.

**Ninth**, the chair takes a vote. Simply asking for the “ayes” and then asking for the “nays” normally does this. If members of the body do not vote, then they “abstain.” Unless the rules of the body provide otherwise (or unless a super majority is required as delineated later in these rules), then a simple majority (as defined in law or the rules of the body as delineated later in these rules) determines whether the motion passes or is defeated.

**Tenth**, the chair should announce the result of the vote and what action (if any) the body has taken. In announcing the result, the chair should indicate the names of the members of the body, if any, who voted in the minority on the motion. This announcement might take the following form: “The motion passes by a vote of 3-2, with Smith and Jones dissenting. We have passed the motion requiring a 10-day notice for all future meetings of this body.”

## Motions in General

Motions are the vehicles for decision making by a body. It is usually best to have a motion before the body prior to commencing discussion of an agenda item. This helps the body focus.

Motions are made in a simple two-step process. First, the chair should recognize the member of the body. Second, the member of the body makes a motion by preceding the member’s desired approach with the words “I move . . .”

A typical motion might be: “I move that we give a 10-day notice in the future for all our meetings.”

The chair usually initiates the motion in one of three ways:

1. **Inviting the members of the body to make a motion**, for example, “A motion at this time would be in order.”
2. **Suggesting a motion to the members of the body**, “A motion would be in order that we give a 10-day notice in the future for all our meetings.”
3. **Making the motion**. As noted, the chair has every right as a member of the body to make a motion, but should normally do so only if the chair wishes to make a motion on an item but is convinced that no other member of the body is willing to step forward to do so at a particular time.

## The Three Basic Motions

There are three motions that are the most common and recur often at meetings:

**The basic motion.** The basic motion is the one that puts forward a decision for the body’s consideration. A basic motion might be: “I move that we create a five-member committee to plan and put on our annual fundraiser.”

**The motion to amend.** If a member wants to change a basic motion that is before the body, they would move to amend it. A motion to amend might be: “I move that we amend the motion to have a 10-member committee.” A motion to amend takes the basic motion that is before the body and seeks to change it in some way.

**The substitute motion.** If a member wants to completely do away with the basic motion that is before the body, and put a new motion before the body, they would move a substitute motion. A substitute motion might be: “I move a substitute motion that we cancel the annual fundraiser this year.”

“Motions to amend” and “substitute motions” are often confused, but they are quite different, and their effect (if passed) is quite different. A motion to amend seeks to retain the basic motion on the floor, but modify it in some way. A substitute motion seeks to throw out the basic motion on the floor, and substitute a new and different motion for it. The decision as to whether a motion is really a “motion to amend” or a “substitute motion” is left to the chair. So if a member makes what that member calls a “motion to amend,” but the chair determines that it is really a “substitute motion,” then the chair’s designation governs.

A “friendly amendment” is a practical parliamentary tool that is simple, informal, saves time and avoids bogging a meeting down with numerous formal motions. It works in the following way: In the discussion on a pending motion, it may appear that a change to the motion is desirable or may win support for the motion from some members. When that happens, a member who has the floor may simply say, “I want to suggest a friendly amendment to the motion.” The member suggests the friendly amendment, and if the maker and the person who seconded the motion pending on the floor accepts the friendly amendment, that now becomes the pending motion on the floor. If either the maker or the person who seconded rejects the proposed friendly amendment, then the proposer can formally move to amend.

### Multiple Motions Before the Body

There can be up to three motions on the floor at the same time. The chair can reject a fourth motion until the chair has dealt with the three that are on the floor and has resolved them. This rule has practical value. More than three motions on the floor at any given time is confusing and unwieldy for almost everyone, including the chair.

When there are two or three motions on the floor (after motions and seconds) at the same time, the vote should proceed *first* on the *last* motion that is made. For example, assume the first motion is a basic “motion to have a five-member committee to plan and put on our annual fundraiser.” During the discussion of this motion, a member might make a second motion to “amend the main motion to have a 10-member committee, not a five-member committee to plan and put on our annual fundraiser.” And perhaps, during that discussion, a member makes yet a third motion as a “substitute motion that we not have an annual fundraiser this year.” The proper procedure would be as follows:

**First**, the chair would deal with the *third* (the last) motion on the floor, the substitute motion. After discussion and debate, a vote would be taken first on the third motion. If the substitute motion *passed*, it would be a substitute for the basic motion and would eliminate it. The first motion would be moot, as would the second motion (which sought to amend the first motion), and the action on the agenda item would be completed on the passage by the body of the third motion (the substitute motion). No vote would be taken on the first or second motions.

**Second**, if the substitute motion *failed*, the chair would then deal with the second (now the last) motion on the floor, the motion to amend. The discussion and debate would focus strictly on the amendment (should the committee be five or 10 members). If the motion to amend *passed*, the chair would then move to consider the main motion (the first motion) as *amended*. If the motion to amend *failed*, the chair would then move to consider the main motion (the first motion) in its original format, not amended.

**Third**, the chair would now deal with the first motion that was placed on the floor. The original motion would either be in its original format (five-member committee), or if *amended*, would be in its amended format (10-member committee). The question on the floor for discussion and decision would be whether a committee should plan and put on the annual fundraiser.

### To Debate or Not to Debate

The basic rule of motions is that they are subject to discussion and debate. Accordingly, basic motions, motions to amend, and substitute motions are all eligible, each in their turn, for full discussion before and by the body. The debate can continue as long as members of the body wish to discuss an item, subject to the decision of the chair that it is time to move on and take action.

There are exceptions to the general rule of free and open debate on motions. The exceptions all apply when there is a desire of the body to move on. The following motions are not debatable (that is, when the following motions are made and seconded, the chair must immediately call for a vote of the body without debate on the motion):

**Motion to adjourn.** This motion, if passed, requires the body to immediately adjourn to its next regularly scheduled meeting. It requires a simple majority vote.

**Motion to recess.** This motion, if passed, requires the body to immediately take a recess. Normally, the chair determines the length of the recess which may be a few minutes or an hour. It requires a simple majority vote.

**Motion to fix the time to adjourn.** This motion, if passed, requires the body to adjourn the meeting at the specific time set in the motion. For example, the motion might be: “I move we adjourn this meeting at midnight.” It requires a simple majority vote.

**Motion to table.** This motion, if passed, requires discussion of the agenda item to be halted and the agenda item to be placed on “hold.” The motion can contain a specific time in which the item can come back to the body. “I move we table this item until our regular meeting in October.” Or the motion can contain no specific time for the return of the item, in which case a motion to take the item off the table and bring it back to the body will have to be taken at a future meeting. A motion to table an item (or to bring it back to the body) requires a simple majority vote.

**Motion to limit debate.** The most common form of this motion is to say, “I move the previous question” or “I move the question” or “I call the question” or sometimes someone simply shouts out “question.” As a practical matter, when a member calls out one of these phrases, the chair can expedite matters by treating it as a “request” rather than as a formal motion. The chair can simply inquire of the body, “any further discussion?” If no one wishes to have further discussion, then the chair can go right to the pending motion that is on the floor. However, if even one person wishes to discuss the pending motion further, then at that point, the chair should treat the call for the “question” as a formal motion, and proceed to it.

When a member of the body makes such a motion (“I move the previous question”), the member is really saying: “I’ve had enough debate. Let’s get on with the vote.” When such a motion is made, the chair should ask for a second, stop debate, and vote on the motion to limit debate. The motion to limit debate requires a two-thirds vote of the body.

**NOTE:** A motion to limit debate could include a time limit. For example: “I move we limit debate on this agenda item to 15 minutes.” Even in this format, the motion to limit debate requires a two-thirds vote of the body. A similar motion is a *motion to object to consideration of an item*. This motion is not debatable, and if passed, precludes the body from even considering an item on the agenda. It also requires a two-thirds vote.

## Majority and Super Majority Votes

In a democracy, a simple majority vote determines a question. A tie vote means the motion fails. So in a seven-member body, a vote of 4-3 passes the motion. A vote of 3-3 with one abstention means the motion fails. If one member is absent and the vote is 3-3, the motion still fails.

All motions require a simple majority, but there are a few exceptions. The exceptions come up when the body is taking an action which effectively cuts off the ability of a minority of the body to take an action or discuss an item. These extraordinary motions require a two-thirds majority (a super majority) to pass:

**Motion to limit debate.** Whether a member says, “I move the previous question,” or “I move the question,” or “I call the question,” or “I move to limit debate,” it all amounts to an attempt to cut off the ability of the minority to discuss an item, and it requires a two-thirds vote to pass.

**Motion to close nominations.** When choosing officers of the body (such as the chair), nominations are in order either from a nominating committee or from the floor of the body. A motion to close nominations effectively cuts off the right of the minority to nominate officers and it requires a two-thirds vote to pass.

**Motion to object to the consideration of a question.** Normally, such a motion is unnecessary since the objectionable item can be tabled or defeated straight up. However, when members of a body do not even want an item on the agenda to be considered, then such a motion is in order. It is not debatable, and it requires a two-thirds vote to pass.

**Motion to suspend the rules.** This motion is debatable, but requires a two-thirds vote to pass. If the body has its own rules of order, conduct or procedure, this motion allows the body to suspend the rules for a particular purpose. For example, the body (a private club) might have a rule prohibiting the attendance at meetings by non-club members. A motion to suspend the rules would be in order to allow a non-club member to attend a meeting of the club on a particular date or on a particular agenda item.

## Counting Votes

The matter of counting votes starts simple, but can become complicated.

Usually, it’s pretty easy to determine whether a particular motion passed or whether it was defeated. If a simple majority vote is needed to pass a motion, then one vote more than 50 percent of the body is required. For example, in a five-member body, if the vote is three in favor and two opposed, the motion passes. If it is two in favor and three opposed, the motion is defeated.

If a two-thirds majority vote is needed to pass a motion, then how many affirmative votes are required? The simple rule of thumb is to count the “no” votes and double that count to determine how many “yes” votes are needed to pass a particular motion. For example, in a seven-member body, if two members vote “no” then the “yes” vote of at least four members is required to achieve a two-thirds majority vote to pass the motion.

What about tie votes? In the event of a tie, the motion always fails since an affirmative vote is required to pass any motion. For example, in a five-member body, if the vote is two in favor and two opposed, with one member absent, the motion is defeated.

Vote counting starts to become complicated when members vote “abstain” or in the case of a written ballot, cast a blank (or unreadable) ballot. Do these votes count, and if so, how does one count them? The starting point is always to check the statutes.

In California, for example, for an action of a board of supervisors to be valid and binding, the action must be approved by a majority of the board. (California Government Code Section 25005.) Typically, this means three of the five members of the board must vote affirmatively in favor of the action. A vote of 2-1 would not be sufficient. A vote of 3-0 with two abstentions would be sufficient. In general law cities in

California, as another example, resolutions or orders for the payment of money and all ordinances require a recorded vote of the total members of the city council. (California Government Code Section 36936.) Cities with charters may prescribe their own vote requirements. Local elected officials are always well-advised to consult with their local agency counsel on how state law may affect the vote count.

After consulting state statutes, step number two is to check the rules of the body. If the rules of the body say that you count votes of “those present” then you treat abstentions one way. However, if the rules of the body say that you count the votes of those “present and voting,” then you treat abstentions a different way. And if the rules of the body are silent on the subject, then the general rule of thumb (and default rule) is that you count all votes that are “present and voting.”

Accordingly, under the “present and voting” system, you would **NOT** count abstention votes on the motion. Members who abstain are counted for purposes of determining quorum (they are “present”), but you treat the abstention votes on the motion as if they did not exist (they are not “voting”). On the other hand, if the rules of the body specifically say that you count votes of those “present” then you **DO** count abstention votes both in establishing the quorum and on the motion. In this event, the abstention votes act just like “no” votes.

*How does this work in practice?*

*Here are a few examples.*

Assume that a five-member city council is voting on a motion that requires a simple majority vote to pass, and assume further that the body has no specific rule on counting votes. Accordingly, the default rule kicks in and we count all votes of members that are “present and voting.” If the vote on the motion is 3-2, the motion passes. If the motion is 2-2 with one abstention, the motion fails.

Assume a five-member city council voting on a motion that requires a two-thirds majority vote to pass, and further assume that the body has no specific rule on counting votes. Again, the default rule applies. If the vote is 3-2, the motion fails for lack of a two-thirds majority. If the vote is 4-1, the motion passes with a clear two-thirds majority. A vote of three “yes,” one “no” and one “abstain” also results in passage of the motion. Once again, the abstention is counted only for the purpose of determining quorum, but on the actual vote on the motion, it is as if the abstention vote never existed — so an effective 3-1 vote is clearly a two-thirds majority vote.

Now, change the scenario slightly. Assume the same five-member city council voting on a motion that requires a two-thirds majority vote to pass, but now assume that the body **DOES** have a specific rule requiring a two-thirds vote of members “present.” Under this specific rule, we must count the members present not only for quorum but also for the motion. In this scenario, any abstention has the same force and effect as if it were a “no” vote. Accordingly, if the votes were three “yes,” one “no” and one “abstain,” then the motion fails. The abstention in this case is treated like a “no” vote and effective vote of 3-2 is not enough to pass two-thirds majority muster.

Now, exactly how does a member cast an “abstention” vote?

Any time a member votes “abstain” or says, “I abstain,” that is an abstention. However, if a member votes “present” that is also treated as an abstention (the member is essentially saying, “Count me for purposes of a quorum, but my vote on the issue is abstain.”) In fact, any manifestation of intention not to vote either “yes” or “no” on the pending motion may be treated by the chair as an abstention. If written ballots are cast, a blank or unreadable ballot is counted as an abstention as well.

Can a member vote “absent” or “count me as absent?” Interesting question. The ruling on this is up to the chair. The better approach is for the chair to count this as if the member had left his/her chair and is actually “absent.” That, of course, affects the quorum. However, the chair may also treat this as a vote to abstain, particularly if the person does not actually leave the dais.

## The Motion to Reconsider

There is a special and unique motion that requires a bit of explanation all by itself; the motion to reconsider. A tenet of parliamentary procedure is finality. After vigorous discussion, debate and a vote, there must be some closure to the issue. And so, after a vote is taken, the matter is deemed closed, subject only to reopening if a proper motion to consider is made and passed.

A motion to reconsider requires a majority vote to pass like other garden-variety motions, but there are two special rules that apply only to the motion to reconsider.

First, is the matter of timing. A motion to reconsider must be made at the meeting where the item was first voted upon. A motion to reconsider made at a later time is untimely. (The body, however, can always vote to suspend the rules and, by a two-thirds majority, allow a motion to reconsider to be made at another time.)

Second, a motion to reconsider may be made only by certain members of the body. Accordingly, a motion to reconsider may be made only by a member who voted in the majority on the original motion. If such a member has a change of heart, he or she may make the motion to reconsider (any other member of the body — including a member who voted in the minority on the original motion — may second the motion). If a member who voted in the minority seeks to make the motion to reconsider, it must be ruled out of order. The purpose of this rule is finality. If a member of minority could make a motion to reconsider, then the item could be brought back to the body again and again, which would defeat the purpose of finality.

If the motion to reconsider passes, then the original matter is back before the body, and a new original motion is in order. The matter may be discussed and debated as if it were on the floor for the first time.

## Courtesy and Decorum

The rules of order are meant to create an atmosphere where the members of the body and the members of the public can attend to business efficiently, fairly and with full participation. At the same time, it is up to the chair and the members of the body to maintain common courtesy and decorum. Unless the setting is very informal, it is always best for only one person at a time to have the floor, and it is always best for every speaker to be first recognized by the chair before proceeding to speak.

The chair should always ensure that debate and discussion of an agenda item focuses on the item and the policy in question, not the personalities of the members of the body. Debate on policy is healthy, debate on personalities is not. The chair has the right to cut off discussion that is too personal, is too loud, or is too crude.

Debate and discussion should be focused, but free and open. In the interest of time, the chair may, however, limit the time allotted to speakers, including members of the body.

Can a member of the body interrupt the speaker? The general rule is “no.” There are, however, exceptions. A speaker may be interrupted for the following reasons:

**Privilege.** The proper interruption would be, “point of privilege.” The chair would then ask the interrupter to “state your point.” Appropriate points of privilege relate to anything that would interfere with the normal comfort of the meeting. For example, the room may be too hot or too cold, or a blowing fan might interfere with a person’s ability to hear.

**Order.** The proper interruption would be, “point of order.” Again, the chair would ask the interrupter to “state your point.” Appropriate points of order relate to anything that would not be considered appropriate conduct of the meeting. For example, if the chair moved on to a vote on a motion that permits debate without allowing that discussion or debate.

**Appeal.** If the chair makes a ruling that a member of the body disagrees with, that member may appeal the ruling of the chair. If the motion is seconded, and after debate, if it passes by a simple majority vote, then the ruling of the chair is deemed reversed.

**Call for orders of the day.** This is simply another way of saying, “return to the agenda.” If a member believes that the body has drifted from the agreed-upon agenda, such a call may be made. It does not require a vote, and when the chair discovers that the agenda has not been followed, the chair simply reminds the body to return to the agenda item properly before them. If the chair fails to do so, the chair’s determination may be appealed.

**Withdraw a motion.** During debate and discussion of a motion, the maker of the motion on the floor, at any time, may interrupt a speaker to withdraw his or her motion from the floor. The motion is immediately deemed withdrawn, although the chair may ask the person who seconded the motion if he or she wishes to make the motion, and any other member may make the motion if properly recognized.

## Special Notes About Public Input

The rules outlined above will help make meetings very public-friendly. But in addition, and particularly for the chair, it is wise to remember three special rules that apply to each agenda item:

**Rule One:** Tell the public what the body will be doing.

**Rule Two:** Keep the public informed while the body is doing it.

**Rule Three:** When the body has acted, tell the public what the body did.

**RESOLUTION NO. 1384**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IONE  
ADOPTING A CODE OF ETHICS FOR MEMBERS  
OF THE CITY COUNCIL**

**WHEREAS**, the Ione City Council desires to achieve public faith in the ethical ideals of American democratic government; and

**WHEREAS**, the Ione City Council, as a public body, desires to maintain high standards.

**BE IT RESOLVED**, that this Ione City Council adopt a CODE OF ETHICS for its members, setting forth standards as a means of reaching ethically sound decisions, based on the following:

- 1) We shall serve equally all members of the community without prejudice or favoritism toward any individual, group, organization or economic interest.
- 2) We shall promote and protect the health and safety of all members of the community.
- 3) We shall serve with efficiency, respect legality and heed the commands of due diligence and morality;
- 4) We shall recognize that we are agents of public purpose not owners of authority;
- 5) We shall deal with all employees, fellow officers, and members of the public without regard to political partisanship;
- 6) We shall promote and affirm equal opportunity for appointments and promotions of all persons without regard to race, color, religion, national origin, gender, age, or physical or mental disability;
- 7) We shall recognize the obligation to participate fully and responsibly in matters and organizations concerned with the betterment of life in the City of Ione;
- 8) We shall exercise our authority and prestige for the benefits of the City of Ione and all members of the community and never for personal or private advantage;
- 9) We shall always consider how our official actions and personal behavior might be interpreted by the public;

10) We shall avoid personal invectives in public or closed forums;

11) We shall conduct Regular Council meeting in accordance with the Parliamentary Procedure set down in Robert's Rules of Order (Revised Edition).

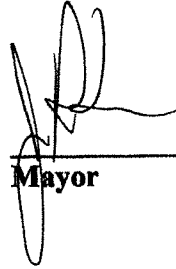
**PASSED AND ADOPTED** this 21st day of January 2003, by the following vote:

**AYES: Ulm, Thomas, Germolus, Podesta, Sinclair**

**NOES:**

**ABSENT:**

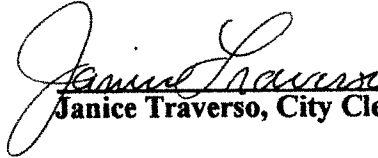
**ABSTAIN:**



A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above a solid horizontal line.

**Mayor**

**ATTEST:**



A handwritten signature in black ink, written in a cursive style, positioned above the printed name.

**Janice Traverso, City Clerk**

## **State of California**

### **GOVERNMENT CODE**

#### **Section 54950**

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54950. In enacting this chapter, the Legislature finds and declares that the public commissions, boards and councils and the other public agencies in this State exist to aid in the conduct of the people's business. It is the intent of the law that their actions be taken openly and that their deliberations be conducted openly.

The people of this State do not yield their sovereignty to the agencies which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created.

(Added by Stats. 1953, Ch. 1588.)

## State of California

### GOVERNMENT CODE

#### Section 54954.2

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54954.2. (a) (1) At least 72 hours before a regular meeting, the legislative body of the local agency, or its designee, shall post an agenda that meets all of the following requirements:

(A) The agenda shall contain a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. A brief general description of an item generally need not exceed 20 words.

(B) 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 and on the local agency's internet website, if the local agency has one.

(C) (i) If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.

(ii) The agenda shall include information regarding how, to whom, and when a request for disability-related modification or accommodation, including auxiliary aids or services, may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting.

(2) For a meeting occurring on and after January 1, 2019, of a legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state that has an internet website, the following provisions shall apply:

(A) An online posting of an agenda shall be posted on the primary internet website home page of a city, county, city and county, special district, school district, or political subdivision established by the state that is accessible through a prominent, direct link to the current agenda. The direct link to the agenda shall not be in a contextual menu; however, a link in addition to the direct link to the agenda may be accessible through a contextual menu.

(B) An online posting of an agenda, including, but not limited to, an agenda posted in an integrated agenda management platform, shall be posted in an open format that meets all of the following requirements:

(i) Retrievable, downloadable, indexable, and electronically searchable by commonly used internet search applications.

(ii) Platform independent and machine readable.

(iii) Available to the public free of charge and without any restriction that would impede the reuse or redistribution of the agenda.

(C) A legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state that has an internet website and an integrated agenda management platform shall not be required to comply with subparagraph (A) if all of the following are met:

(i) A direct link to the integrated agenda management platform shall be posted on the primary internet website home page of a city, county, city and county, special district, school district, or political subdivision established by the state. The direct link to the integrated agenda management platform shall not be in a contextual menu. When a person clicks on the direct link to the integrated agenda management platform, the direct link shall take the person directly to an internet website with the agendas of the legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state.

(ii) The integrated agenda management platform may contain the prior agendas of a legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state for all meetings occurring on or after January 1, 2019.

(iii) The current agenda of the legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state shall be the first agenda available at the top of the integrated agenda management platform.

(iv) All agendas posted in the integrated agenda management platform shall comply with the requirements in clauses (i), (ii), and (iii) of subparagraph (B).

(D) The provisions of this paragraph shall not apply to a political subdivision of a local agency that was established by the legislative body of the city, county, city and county, special district, school district, or political subdivision established by the state.

(E) For purposes of this paragraph, both of the following definitions apply:

(1) "Integrated agenda management platform" means an internet website of a city, county, city and county, special district, school district, or political subdivision established by the state dedicated to providing the entirety of the agenda information for the legislative body of the city, county, city and county, special district, school district, or political subdivision established by the state to the public.

(2) "Legislative body" means a legislative body that meets the definition of subdivision (a) of Section 54952.

(3) No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3. In addition, on their own initiative or in response to questions posed by the public, a member of a legislative body or its staff may ask a question for clarification, make a brief announcement, or make a brief report on their own activities. Furthermore, a member of a legislative body, or the body itself, subject to rules or procedures of the legislative body, may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

(b) Notwithstanding subdivision (a), the legislative body may take action on items of business not appearing on the posted agenda under any of the conditions stated below. Prior to discussing any item pursuant to this subdivision, the legislative body shall publicly identify the item.

(1) Upon a determination by a majority vote of the legislative body that an emergency situation exists, as defined in Section 54956.5.

(2) Upon a determination by a two-thirds vote of the members of the legislative body present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted as specified in subdivision (a).

(3) The item was posted pursuant to subdivision (a) for a prior meeting of the legislative body occurring not more than five 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.

(c) This section is necessary to implement and reasonably within the scope of paragraph (1) of subdivision (b) of Section 3 of Article I of the California Constitution.

(d) For purposes of subdivision (a), the requirement that the agenda be posted on the local agency's internet website, if the local agency has one, shall only apply to a legislative body that meets either of the following standards:

(1) A legislative body as that term is defined by subdivision (a) of Section 54952.

(2) A legislative body as that term is defined by subdivision (b) of Section 54952, if the members of the legislative body are compensated for their appearance, and if one or more of the members of the legislative body are also members of a legislative body as that term is defined by subdivision (a) of Section 54952.

(Amended (as amended by Stats. 2023, Ch. 131, Sec. 92) by Stats. 2025, Ch. 327, Sec. 16. (SB 707) Effective January 1, 2026.)

## State of California

### GOVERNMENT CODE

#### Section 53891

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53891. (a) The officer of each local agency who has charge of the financial records shall furnish to the Controller a report of all the financial transactions of the local agency during the preceding fiscal year. The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available. The report shall be furnished within seven months after the close of each fiscal year or within the time prescribed by the Controller, whichever is later, and shall be in the form and manner required by the Controller. A local agency shall submit to the Controller information on annual compensation, as described in subdivision (l) of Section 53892, for the previous calendar year no later than April 30th.

(b) The Controller shall prescribe uniform accounting and reporting procedures that shall be applicable to all local agencies except cities, counties, and school districts, and except for local agencies that substantially follow a system of accounting prescribed by the Public Utilities Commission of the State of California or the Federal Energy Regulatory Commission. The procedures shall be adopted under Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2. The Controller shall prescribe the procedures only after consultation with and approval of a local governmental advisory committee established pursuant to Section 12463.1. Approval of the procedures shall be by majority vote of the members present at a meeting of the committee called by the chairperson thereof.

(Amended by Stats. 2021, Ch. 224, Sec. 4. (SB 813) Effective January 1, 2022.)

## State of California

### GOVERNMENT CODE

#### Section 54952.2

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54952.2. (a) As used in this chapter, “meeting” means any congregation of a majority of the members of a legislative body at the same time and location, including teleconference location as permitted by Section 54953, to hear, discuss, deliberate, or take action on any item that is within the subject matter jurisdiction of the legislative body.

(b) (1) A majority of the members of a legislative body shall not, outside a meeting authorized by this chapter, use a series of communications of any kind, directly or through intermediaries, to discuss, deliberate, or take action on any item of business that is within the subject matter jurisdiction of the legislative body.

(2) Paragraph (1) shall not be construed as preventing an employee or official of a local agency, from engaging in separate conversations or communications outside of a meeting authorized by this chapter with members of a legislative body in order to answer questions or provide information regarding a matter that is within the subject matter jurisdiction of the local agency, if that person does not communicate to members of the legislative body the comments or position of any other member or members of the legislative body.

(3) (A) Paragraph (1) shall not be construed as preventing a member of the legislative body from engaging in separate conversations or communications on an internet-based social media platform to answer questions, provide information to the public, or to solicit information from the public regarding a matter that is within the subject matter jurisdiction of the legislative body provided that a majority of the members of the legislative body do not use the internet-based social media platform to discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body. A member of the legislative body shall not respond directly to any communication on an internet-based social media platform regarding a matter that is within the subject matter jurisdiction of the legislative body that is made, posted, or shared by any other member of the legislative body.

(B) For purposes of this paragraph, all of the following definitions shall apply:

(i) “Discuss among themselves” means communications made, posted, or shared on an internet-based social media platform between members of a legislative body, including comments or use of digital icons that express reactions to communications made by other members of the legislative body.

(ii) “Internet-based social media platform” means an online service that is open and accessible to the public.

(iii) “Open and accessible to the public” means that members of the general public have the ability to access and participate, free of charge, in the social media platform

without the approval by the social media platform or a person or entity other than the social media platform, including any forum and chatroom, and cannot be blocked from doing so, except when the internet-based social media platform determines that an individual violated its protocols or rules.

(c) Nothing in this section shall impose the requirements of this chapter upon any of the following:

(1) Individual contacts or conversations between a member of a legislative body and any other person that do not violate subdivision (b).

(2) The attendance of a majority of the members of a legislative body at a conference or similar gathering open to the public that involves a discussion of issues of general interest to the public or to public agencies of the type represented by the legislative body, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specified nature that is within the subject matter jurisdiction of the local agency. Nothing in this paragraph is intended to allow members of the public free admission to a conference or similar gathering at which the organizers have required other participants or registrants to pay fees or charges as a condition of attendance.

(3) The attendance of a majority of the members of a legislative body at an open and publicized meeting organized to address a topic of local community concern by a person or organization other than the local agency, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(4) The attendance of a majority of the members of a legislative body at an open and noticed meeting of another body of the local agency, or at an open and noticed meeting of a legislative body of another local agency, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled meeting, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(5) The attendance of a majority of the members of a legislative body at a purely social or ceremonial occasion, provided that a majority of the members do not discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(6) The attendance of a majority of the members of a legislative body at an open and noticed meeting of a standing committee of that body, provided that the members of the legislative body who are not members of the standing committee attend only as observers.

(Amended (as amended by Stats. 2020, Ch. 89, Sec. 1) by Stats. 2025, Ch. 327, Sec. 1. (SB 707) Effective January 1, 2026.)

## State of California

### GOVERNMENT CODE

#### Section 53234

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53234. For purposes of this article, the following definitions apply:

(a) “Legislative body” has the same meaning as specified in Section 54952.

(b) “Local agency” means a city, county, city and county, charter city, charter county, charter city and county, school district, county office of education, charter school, or special district.

(c) “Local agency official” means any of the following:

(1) A member of a local agency legislative body or an elected officer of a local agency who receives any type of compensation, salary, or stipend or reimbursement for actual and necessary expenses incurred in the performance of official duties.

(2) A department head or other similar administrative officer of a local agency.

(A) For a local educational agency, a “department head or other similar administrative officer” means the superintendent of a school district, the county superintendent of schools, or the chief administrator of a charter school.

(B) For purposes of subparagraph (A), a “local educational agency” means a school district, county office of education, or charter school.

(3) An employee designated by a local agency governing body to receive the training specified under this article.

(4) A member of the governing board of a school district, a county board of education, or the governing body of a charter school, whether or not that member receives any type of compensation, salary, or stipend or reimbursement for actual and necessary expenses incurred in the performance of official duties.

(d) “Ethics laws” include, but are not limited to, the following:

(1) Laws relating to personal financial gain by public servants, including, but not limited to, laws prohibiting bribery and conflict-of-interest laws.

(2) Laws relating to claiming perquisites of office, including, but not limited to, gift and travel restrictions, prohibitions against the use of public resources for personal or political purposes, prohibitions against gifts of public funds, mass mailing restrictions, and prohibitions against acceptance of free or discounted transportation by transportation companies.

(3) Government transparency laws, including, but not limited to, financial interest disclosure requirements and open government laws.

(4) Laws relating to fair processes, including, but not limited to, common law bias prohibitions, due process requirements, incompatible offices, competitive bidding requirements for public contracts, and disqualification from participating in decisions affecting family members.

(Amended by Stats. 2025, Ch. 661, Sec. 1. (SB 827) Effective January 1, 2026.)

## State of California

### GOVERNMENT CODE

#### Section 53238

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53238. For purposes of this article:

(a) “Fiscal and financial training” includes, but is not limited to, training in all of the following:

(1) Laws and principles relating to financial administration and short- and long-term fiscal management, including, but not limited to, the role and responsibilities of financial administration, financial policies, municipal budgets and budget processes, and financial reporting and auditing.

(2) Laws and principles relating to, but not limited to, capital financing and debt management, mechanisms for local agency revenues, pensions and other postemployment benefits, cash management and investments, the prudent investor standard, and the ethics of safeguarding public resources.

(3) General fiscal and financial planning principles and any pertinent laws relevant to the local agency official’s public service and role in overseeing the local agency’s operations and relevant to the local agency’s procurement and contracting practices and responsibilities.

(b) “Legislative body” has the same meaning as in Section 54952.

(c) “Local agency” means a city, county, city and county, charter city, charter county, charter city and county, or special district.

(d) “Local agency official” means any of the following:

(1) Any member of a local agency legislative body or any elected officer of a local agency.

(2) Any official who is appointed by the governing body who, as part of their official duties, makes decisions or recommendations regarding financial administration, budgeting, or the use of public resources.

(3) A local agency executive, as defined in subdivision (d) of Section 3511.1, or other similar administrative officer of a local agency.

(4) An employee designated by a local agency governing body to receive the training specified under this article.

(Added by Stats. 2025, Ch. 661, Sec. 4. (SB 827) Effective January 1, 2026.)

**CITY OF IONE  
FINANCIAL POLICIES AND  
PROCEDURES HANDBOOK**

**June 2015**

# City of Ione

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## FOREWARD

This handbook provides information and guidelines to staff on the financial principles of the City of Ione. It is intended to help the City achieve a long-term stable and positive financial condition. The document was developed with the assistance of the City's accountant and finance personnel.

As City Manager, I want to stress the importance of revisiting these guidelines every few months or so during the first year to ensure accuracy. After the first year, the document should be revisited annually to incorporate recommendations by the City Auditor and to update procedures to meet the objective of maintaining a positive financial condition.

This document will be used by the City Manager, Department Heads, the Financial Manager, and the City Treasurer in planning and directing the City's day to day financial affairs.

The scope of these procedures generally spans accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash and investment management, expense control, and debt management.

Full participation, cooperation, and support of City personnel are vital to ensure sound fiscal activities.

June 16, 2015

Jon G. Hanken  
City Manager

# City of Ione

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## SECTION 1- FINANCIAL POLICIES AND PROCEDURES

### I. STATEMENT OF PURPOSE

This Financial Handbook is to enable the City of Ione to achieve a long-term stable and positive financial condition. The watchwords of the City's financial management include integrity, prudent stewardship, planning, accountability, and full disclosure.

The more specific purpose is to provide guidelines to the Finance Manager and City Treasurer in directing the day-to-day financial affairs, and in developing recommendations to the City Manager and City Council.

The scope of these procedures generally spans, among other issues, accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, expense control, debt management, and planning concepts in order to:

- Present fairly, and with full disclosure, the financial position and results of financial operations of the City in conformity to Generally Accepted Accounting Principles (GAAP), and
- Determine and demonstrate compliance with finance-related legal and contractual issues as required by state and federal law.

This directive is distributed to all City personnel.

### II. GENERAL IMPLEMENTATION AND COMPLIANCE GUIDELINES

#### A. Implementation, compliance, accountability, and review

The Finance Manager will be accountable for implementing these procedures and will, to the best of his or her knowledge make the City Manager aware of any variances in practice from these procedures or any other deviation from prudent financial practices in accordance with GAAP, federal laws, state laws, or ethics of the profession. Any variances will be presented as soon as the variance is determined.

#### B. Annual Review

The Financial Handbook will be reviewed annually and updated, if necessary.

# City of Ione

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## III. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

### A. Accounting

The City is solely responsible for preparing its financial affairs, both internally and externally. The Finance Manager is responsible for establishing the Chart of Accounts and for properly recording financial transactions in the General Ledger.

#### 1. Reconciliation

All balance sheets and revenue accounts are reconciled monthly.

### B. External Auditing

#### 1. Annual Audit

The City will be audited annually by external independent accountants (Auditor). The Finance Manager will be the contracting officer technical representative for the annual audit. The Auditor will meet with the City's Finance Committee prior to starting the audit and when the draft audit report is prepared.

#### 2. Auditor Reputation

The external auditor must be a CPA firm and must demonstrate that it has the breadth of experience and depth of staff to conduct the City's audit in accordance with generally accepted auditing standards and contractual requirements.

#### 3. Schedule

The external Auditor's report on the City's financial statements will be completed within 180 days of the City's Fiscal Year end.

#### 4. Management Letter

The external auditor will prepare and will jointly review the Management Letter with the Finance Committee, Finance Manager, and City Manager. Within 30 days of this receipt, the Finance Manager shall respond in writing to the City Manager regarding the auditor's Management Letter, addressing the issues therein. The City Manager, upon acceptance of the recommendations from the Finance Manager concerning the Management Letter, shall forward the Management Letter and the response to the City Council.

## City of Ione

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### 5. External Auditor's Accountability to City Council

The external auditor is accountable to the City Council and will have access to the City Council members as the external auditor considers such communication necessary to fulfill its legal and professional responsibilities.

### 6. Rotation of External Auditor

The City does not require an external auditor rotation, but may circulate requests for proposal for audit services.

### 7. External Auditor Accountability to Staff

The following will be provided to City Staff by the external auditor:

Copies of all work papers, including diskettes and schedules, will be furnished to the City upon completion of the audit. Originals will be maintained at the auditor's office

## C. Financial Reporting

### 1. External Reporting

a. Scope- The City's basic financial statement shall be prepared in accordance with GAAP and the Governmental Accounting Standards Board (GASB).

b. Schedule- The City's basic financial statement shall be provided to the City Council within 180 calendar days of the City's Fiscal year end. The Finance Manager will inform the City Manager of any delay and the reasons therefore.

### 2. Internal Reporting

The Finance Manager will prepare internal financial reports sufficient to plan, monitor, and control the City's financial affairs.

a. Scope/ Format- The level of detail presented should be line item. Information included should be current month budget and actual; budget and actual year-to-date; and variance from budget.

b. Schedule- On a monthly basis, the Finance Manager shall prepare a summary of the City's financial affairs. The report shall be submitted to the City Manager following the end of each calendar month for his or her review. Each such report shall accurately reflect the City's current cash position, revenue, and

# City of Ione

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expense performance as well as any additional information that reflects the City's fiscal position.

c. Reconciliations- Reconciliation of all balance sheet and revenue accounts shall be performed monthly.

## IV. OPERATING BUDGET

### A. Preparation

Budgeting is an essential element of the financial planning, control, and evaluation process of the City. The City's "Operation and Maintenance Budget" is the City's annual financial operating plan.

#### 1. Budget Scope and Format

The annual budget process shall begin by the City manager reviewing the current year's budget status, and any changes in policy requested by the City Council. A proposed budget shall be prepared by the City Manager and Finance Manager reflecting the guidelines set by the City Manager and City Council, with the participation of all the City's departments. The budget shall include three basic segments for review and evaluation. These segments are: (1) Financial Overview/Summaries of all Funds, including statements of operations, (2) Operation and Maintenance Program for the General Fund, Special Funds, and Enterprise Funds, and (3) Capital Maintenance and Improvement Program (CMIP). A five-column format should be used such that 2-years prior actual, prior year actual, current year adopted, current year estimate, and next year adopted are all clearly shown.

#### 2. Basis of Budgeting

The basis of budgeting will conform to a full accrual basis, except where adjustments for capital expenses, work in process or other financial adjustments are involved. These adjustments will be accommodated at year-end financial reporting.

#### 3. Budgetary Process

The budget is prepared by the City Manager based on guidelines outlined by the City Manager and City Council with the cooperation of all City departments. The budget is started by the Finance Manager using information compiled from prior year activity, current year, year-to-date activity, and information gathered for future projections. Departments are responsible for submitting budget requests including any capital purchases to be utilized in the preliminary budget

# City of Ione

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preparation. The City Manager and the Finance Manager will review all budget details to assure compliance with City policy and will present the draft preliminary budget to the Finance Committee for its review and recommendations. The City Manager and Finance Manager will make any adjustments as recommended and will present the draft final budget to the City Council at a Public Hearing. The City Council will review the budget presented and make recommendations if any to staff. If recommendations are made the adjustments will be implemented and the final budget will be brought back for official adoption at the City Council's regular June meeting (or at a special meeting in the month of June if circumstances so require). The City Manager will inform the departments of the approval, denial, or modifications to their budget submissions.

#### 4. Budget Adoption

Upon presentation of a proposed budget to the City Council, it is the goal that it can be acted upon and approved by the City Council in the month of June.

#### 5. Budget Amendments

Any time during the fiscal year, the City Manager may recommend amendments to the adopted budget. Budget amendments are submitted to the City Council for approval and adoption.

#### B. Balanced Budget

It is intended that the operation and maintenance budget be balanced with current revenues, exclusive of beginning resources, greater than or equal to current expenses. The City's share of net remaining revenue, depending on the fund, shall be transferred to the City's Capital Fund or General Fund Contingency for use in establishing the budget, for other capital expenses, or held in reserve.

#### C. Financial Plans

Before the start of the new fiscal year, the departments will prepare financial plans based on the approved Operation and Maintenance Budget. Financial plans will be updated quarterly or semi-annually to reflect changes in priorities as the fiscal year progresses. The Finance Manager will inform the departments of changes to their plans, including approvals, denials, and/or modifications to requested line items. The departments will track the execution of the Operation and Maintenance Budget using the latest approved revision to their financial plans.

# City of Ione

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## D. Reporting

Monthly budget to actual reports will be prepared to enable the departments to manage their budgets and to enable the City Manager to monitor and control the budget as authorized by the City Council. These reports will be presented to the City Council for review and comments at the second meeting of each month. Summary financial reports will be presented to the City Council annually. Such reports will be in a format appropriate to enable the City Council to understand the budget status at a level of summary executive detail.

## E. Control

Operating Expense Control is addressed in Section 6.

## F. Operating Position

The guidelines that the City should be following to assure fiscal stability are those outlined in Financial Conditions, Reserves, and Stability Ratios (Section 9).

## V. REVENUE MANAGEMENT

### A. Characteristics

The City will strive for the following optimum characteristics in its revenue system:

#### 1. Simplicity

The City, where possible and without sacrificing accuracy, will strive to keep the revenue system simple in order to reduce compliance costs and to make it more understandable.

#### 2. Certainty

A thorough knowledge and understanding of all revenue sources increases the reliability of the revenue system. The City will understand its revenue sources and enact consistent collection procedures to provide assurances that the revenue base will materialize according to budgets and plans.

#### 3. Equity

The City shall make every effort to maintain fairness in its revenue system structure. The City shall require that there be a balance in the revenue system; i.e. the revenue base will have the characteristic of fairness and neutrality.

#### 4. Administration

## City of Ione

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3. The planning, design and construction of major improvements at the City facilities are budgeted, by project in the CCP budget (i.e., construction of new police station or reconstruction of roadway.)

### B. Budget Preparation

The City's Budget will be prepared annually on a fiscal year basis, including one section for O&M expenses and capital expenses shown in one of the three categories identified in the preceding paragraph.

The budgetary requirements for the equipment and small facility projects referred to in Section VIII.A.1 will be addressed in the preparation of the O&M Budget.

The CMIP and CCP Budgets will be prepared independently and included with the O&M Budget with a notation of the source of funding for each project. Generally, funding for CMIP projects will be from fund revenues or reserve funds of the City while funding for CCP projects will be from debt financing and facility fees.

### C. Budgetary Control

The City Manager must verify the availability of funds within the appropriate Budget before any equipment or capital facility project contract is presented to the City Council for approval.

### D. Program Planning

The CCP Budget will be derived from the Engineering plans that will typically have a planning time frame of at least 5 years into the future. The budgetary requirements for replacement and maintenance of capital items should also be projected for the next 5 years. Future operation and maintenance costs will be considered, so that these costs can be included in the O&M Budget.

### E. Financing Programs

Where applicable, sewer fees should include the debt service for capital projects which have a primary benefit to sewer infrastructure.

Any City funds expended should be recovered over a reasonable time period and include an amortization factor. When debt is issued, it will be used to acquire major assets with expected life that equal or exceed the average life of the debt issue. The exceptions to this requirement are the traditional costs of marketing and issuing the debt, capitalized labor for design and construction of capital projects, and small component parts which are attached to major equipment purchases. The full cost of debt should be recovered from the project's beneficiary.

## City of Ione

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### E. Legal Requirements

The City will maintain procedures to comply with grant requirements, arbitrage rebate, and State and Federal requirements.

## XI. INTERNAL CONTROLS

### A. Written Procedures

Wherever possible, written procedures will be established and maintained by the Finance Manager for all functions involving cash handling and/or accounting throughout the City. These procedures will embrace the general concepts of fiscal responsibility set forth in this financial handbook.

### B. Department Head Responsibility

Each department is responsible for ensuring that good internal controls are followed throughout his or her department, that all internal controls are implemented, and that all internal control recommendations made by the internal and external auditors are addressed.

## XII. STAFFING AND TRAINING

### A. Adequate Staffing

Staffing levels will be adequate for the fiscal functions of the City to operate effectively. As a general rule, overtime shall be used only to address temporary or seasonal demands that require excessive hours. Workload shedding alternatives will be explored before adding staff.

### B. Training

The City will support the continuing education efforts of all financial staff including the investment in time and materials for maintaining a current perspective concerning financial issues. Staff will be encouraged and expected to communicate, teach, and share with other members all information and training materials acquired from seminars, conferences, and related education efforts.

### C. Credentials and Recognition

The City will support staffs efforts which result in meeting standards and receiving exemplary recitations on behalf of any of the City's fiscal policies, practices, processes, products, or personnel. Staff certifications may include, but are not limited to Certified Public Accountant, Management Accountant, Certified Internal Auditor, and Certified Cash Manager.

# City of Ione

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## SECTION 11- BUDGET AMENDMENT RESOLUTION

### I. PURPOSE

The budget amendment resolution is used to adjust or change the final adopted budget.

The Budget Amendment Resolution is used to:

- Increase/decrease estimated revenue and appropriations in a budget unit.
- Establish new funds.
- Transfer from fund balances.
- Transfer from other funds.

### II. PREPARATION

Resolutions to increase/decrease estimated revenue and appropriations shall identify the specific accounts to be adjusted by the full 10-digit account string for each account as well as the account names. All budget adjustments that increase/decrease total appropriations must identify an equal amount of offsetting increase/decrease in either total estimated revenues or fund balance available.

Departments wishing a budget amendment will submit the draft budget amendment resolution to the Finance Department. The Finance Manager will review the draft resolution to ensure that:

- The resolution properly reflects the numbers and names of the specific accounts to be adjusted and that the accounts designated appear appropriate given the justification for the budget amendment.
- Any impact on the estimated revenues appears reasonable and realistic.

If approved, the Finance Manager will sign the Budget Amendment Resolution and forward it to the City Manager for review. The City Manager will determine whether the amendment is appropriate and consistent with the City's priorities and, sign the resolution if approved, and submit with the Agenda through the City Clerk who provides the agenda to City Council and the general public.

Upon approval by City Council, the resolutions will be signed and will be distributed to the originating department and the Finance department. The City Clerk will keep the original resolution on file for the permanent record.

# City of Ione

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## SECTION 16 – YEAR END CLOSING AND FINANCIAL REPORTING

For a period of two months following the end of the fiscal year on June 30, Finance Staff will review both incoming payments that are not posted to accounts receivable and all cash disbursements to determine whether the transactions related to events that occurred prior to June 30. Copies of any such items identified will be made and placed in the Finance Manager's accrual file and an entry will be made to add the items to the accrual list. After August 31, the Finance staff will post a journal entry to the financial system to record the accounts payable and receivable at June 30 for all items identified in the preceding two months. The Finance Manager will then review the budget to actual report after posting this entry and confer with the City Manager to identify any additional amounts that are expected to be either paid or received that are related to the preceding fiscal year. The Finance Manager will also continue to monitor cash receipts and payments until approximately two weeks prior to finalizing the trial balance for audit and post any adjustments as necessary.

The Finance Manager or designee will then review the City's various balance sheet accounts to determine that the appropriate, most up-to-date balances are reflected. Although changes in applicable accounts occur from time to time that impact what procedures will be required, the following represents a partial list of suggested procedures:

- ◆ Ensure that the beginning fund balance for each fund matches the audited ending balances displayed in the previous year's audit.
- ◆ Ensure the cash balances have been reconciled to the bank statements, including the cash balances held with the fiscal agent.
- ◆ Prepare an analysis calculating the new liability for other post-employment benefits.
- ◆ Prepare an analysis updating the pension liability.
- ◆ Review cash receipts and disbursements after year end, as noted above, to ensure amounts related to the prior fiscal year are properly adjusted.
- ◆ Review developer deposit accounts, as noted elsewhere in this policy.
- ◆ Reconcile liabilities owed between funds to ensure that the amounts owed equal the amounts receivable. Post interest if required.
- ◆ Ensure that any interfund reimbursements are posted.
- ◆ Ensure that interfund transfer and reimbursement accounts balance to zero among all funds.
- ◆ Review each of the city's loan and other long-term liability balances to ensure that they have been reduced by the proper amount of current year principal payments and that interest expense has been properly calculated. Principal payments should be posted against the loan balance in enterprise funds (such as the sewer) and in a principal expenditure account in governmental

## City of Ione

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funds. A government-wide adjustment should be prepared and given to the auditor to reflect the correct principal balance for governmental fund long-term liabilities.

- ◆ Review the compensated absences (vacation and comp time) balances and post an adjustment to ensure the liability is correctly recorded in the enterprise funds for these. Prepare government-wide adjusting entries to furnish to the auditor for the portion of the liability that relates to governmental funds.
- ◆ Reconcile total payroll expenses to the amounts shown on the City's 941 payroll tax forms or PayChex payroll registers and to the amounts reported to CalPERS.
- ◆ Review payroll liability balances to ensure that they properly reflect the amounts owed by the City at June 30.
- ◆ Compare balances to budget and prior year figures to identify any odd or unusual differences.
- ◆ For cost reimbursement grants, compare the expenditures on the grant during the fiscal year to the revenues received and post a receivable for any outstanding balance, where appropriate.
- ◆ Ensure that deferred revenue has been recorded in governmental funds for receivables that will not be received by the City within 60 days of June 30.
- ◆ Ensure that any capital assets (items or projects with a useful life extending beyond one year and an initial cost exceeding \$5,000 per asset or project) are reflected in capital outlay accounts in governmental funds or are added to the appropriate capital asset account in enterprise funds.
- ◆ Add any new assets acquired during the year to the depreciation schedule, reconcile to the previous year financial statements and the current year capital asset balances in the enterprise fund, and compute current year depreciation.

Update schedules on CDBG loans receivable to show interest earned on the loans for the current year and account for any repayments. Prepare and post a journal entry to record any activity not yet recognized and agree the balances to the loans receivable schedules.

RESOLUTION NO. 2015 - 25

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IONE  
ESTABLISHING POLICIES ON INTERFUND TRANSFERS,  
CONSOLIDATING FUNDS AND ELIMINATING FUNDS**

**WHEREAS**, City revenues come in at various times and from various sources during the fiscal year that do not correlate with the time that certain expenditures are required; and

**WHEREAS**, certain revenues received by the City are of a restricted nature that can only be expended for certain purposes; and

**WHEREAS**, from time-to-time it is necessary to transfer funds from one fund to another to meet City cash-flow requirements; and

**WHEREAS**, when these restricted revenue sources need to be transferred over a time period that spans more than one fiscal year the funds must be accounted for separately to insure that the funds are properly expended; and

**WHEREAS**, the City Council wishes to establish policies to insure that the funds received by the City are properly accounted for and expended properly; and

**WHEREAS**, the forgoing policies create a framework to properly account for the use of these restricted funds.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Ione, as follows:

1. That the City Council adopts the Fund Transfer Policy provided herein as ATTACHMENT 1.
2. Authorizes the City Manager to take such other actions as may be necessary to implement the purpose of this Resolution.

The foregoing resolution was duly introduced and adopted by the City Council of the City of Ione at their regular meeting held on June 2<sup>nd</sup>, 2015 by the following vote:

**AYES: Epperson, Smylie, Atlan, Haney**

**NOES: None**

**ABSTAIN: None**

**ABSENT: Weart**

  
\_\_\_\_\_  
**Dan Epperson, Mayor**

**Attest:**  
  
\_\_\_\_\_  
**Janice Traverso, City Clerk**

ATTACHMENT 1

TO

RESOLUTION NO. 2015 - 25

ESTABLISHING POLICIES ON INTERFUND TRANSFERS, CONSOLIDATING FUNDS AND ELIMINATING FUNDS

1. Impact Fees – General Plan Transfers. The following *Interfund Transfers* are hereby approved:

<u>From:</u>	<u>Amount</u>	<u>To:</u>	<u>Amount</u>
2111 Gas Tax Fund	\$43,000	9515 Impact Fees – General Plan	\$43,000
9515 Impact Fees – General Plan	\$21,000	9514 Impact Fees – Parks	\$21,000
9515 Impact Fees – General Plan	\$22,000	9517 Capital Projects – City Drainage	\$22,000

2. Impact Fee Revenue – General Plan Reimbursement Priority. Upon receipt of *General Plan Impact Fee* revenue through new construction fees paid or through the pre-payment of fees, such revenue shall reimburse the appropriate fund in priority order, with those funds listed first being paid back first, as follows:

<u>From:</u>	<u>Amount</u>	<u>To:</u>	<u>Amount</u>
9515 Impact Fees – General Plan	\$43,000	2111 Gas Tax Fund	\$43,000
9515 Impact Fees – General Plan	\$180,000	9513 Impact Fees – Police	\$180,000
9515 Impact Fees – General Plan	\$375,000	1111 General Fund	\$375,000

3. Impact Fee Revenue – Fire Reimbursement Priority. Upon receipt of *Fire Impact Fee* revenue through new construction fees paid or through the pre-payment of fees, such revenue shall reimburse the appropriate fund in priority order, with those funds listed first being paid back first, as follows:

<u>From:</u>	<u>Amount</u>	<u>To:</u>	<u>Amount</u>
9511 Impact Fees – Fire	\$25,000	9516 Impact Fees – General Admin.	\$25,000
9511 Impact Fees – Fire	\$329,384	1111 General Fund	\$329,384
9511 Impact Fees – Fire	\$616,804	9513 Impact Fees – Police	\$616,804

4. Consolidation of Local Transportation Commission Fund. The following funds are hereby consolidated into one fund:

<u>From:</u>	<u>Amount</u>	<u>To:</u>	<u>Amount</u>
1111 General Fund	\$137,269	4211 Local Transportation Commission	\$137,269
1111 General Fund	\$426,087	4211 Local Transportation Commission	\$426,087

**Revised Fund:**

4211 Local Trans. Commission	\$563,356	1111 General Fund	\$563,356
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5. General Fund Transfers. The City Council shall approve such payments of General Funds to the Funds below on an annual basis during the Budget process as may be approved and in accordance with this policy.

<u>From:</u>	<u>Amount</u>	<u>To:</u>	<u>Amount</u>
1111 General Fund	\$208,230	2111 Gas Tax Fund	\$208,230
1111 General Fund	\$364,107	9613 Measure M Fund	\$364,107
1111 General Fund	\$69,155	8231 ARSA Fund	\$69,155*

\* Per Audit Finding 14-4

6. Interest on Transferred Funds. In June of each year beginning in 2015 the City Manager shall direct that an interest payment be made to each fund from which funds were transferred from, provided such sum was approved by the City Council in the annual budget. Such interest shall accrue at a rate of the average interest rate paid to the City by the Local Agency Investment Fund (LAIF) for the previous calendar year. An estimate of the proposed interest owed shall be presented annually in the budget for consideration of adoption by the City Council.

7. Railroad Depot & CDBG Funds. The following *Interfund Transfers* are hereby approved:

<u>From:</u>	<u>Amount</u>	<u>To:</u>	<u>Amount</u>
7121 Self Help Housing	\$48,434	9520 Railroad Depot	\$48,434
7111 Community Development Block Grant (CDBG)	\$25	7112 Rehab Housing	\$25

8. Park & Ride Grant Closeout. The Finance Manager is authorized to conduct an audit of this fund and the following *Interfund Transfer* is hereby approved and the fund closed out:

<u>From:</u>	<u>Amount</u>	<u>To:</u>	<u>Amount</u>
2111 Gas Tax Fund	\$118,187.12	5112 CMAQ – Park & Ride	\$118,187.12

9. ARSA Fund Transfers. The following *Interfund Transfers* are hereby approved:

<u>From:</u>	<u>Amount</u>	<u>To:</u>	<u>Amount</u>
3111 Sewer Fund – Sewer Operations	\$25,000	8231 ARSA	\$25,000
2111 Gas Tax Fund	\$14,560	8231 ARSA	\$14,560*

\* Per Audit Finding 14-4

10. Elimination of Funds. The following funds are hereby eliminated as no longer necessary:

- 5112 CMAQ Grant – Park & Ride
- 5115 Energy Grant
- 5116 Community Based Transportation Grant (Downtown Plan)
- 7111 Community Development Block Grant (CDBG)

11. Annual Principal and Interest Payment. In addition to the annual interest charges under Section 6 above, a principal payment shall be presented annually in the budget for consideration of adoption by the City Council as follows:

- No principal or interest payment shall be made to those funds subject to repayment by Impact Fees (see policy #'s 2 & 3)

- To the extent that revenue is available to make payment to those remaining non-impact fee funds; a lump sum payment shall be made to each of the remaining funds' outstanding balance in the following priority order 1.) Prior-year interest charges, 2.) Current-year interest charges, 3.) The greater of 1% of the remaining principal or \$1000, 4.) Such additional sums as may be approved by the City Council.

# Agenda Item

# 2

DATE: April 26, 2018

TO: Lone City Council

FROM: Jon G. Hanken, City Manager

SUBJECT: Resolution No. 2018-18: A Resolution of the City Council of the City of Lone Resolution Amending the City of Lone Financial Policies and Procedures Handbook - June 2015

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**RECOMMENDED ACTION:** Council is being asked to approve Resolution No. 2018-18: A Resolution of the City Council of the City of Lone Resolution Amending the City of Lone Financial Policies and Procedures Handbook (June 2015)

Motion: *Epperson / Whatten*

**FISCAL IMPACT:** None

**BACKGROUND:** In 2015, the City Council adopted a Financial Policies and Procedures Handbook as identified as an issue in previous audits. As the City is moving forward with refinancing the Community Facilities District No. 2005-2, it was identified that our debt policies are not up to date with current California law and needs to be amended.

The purpose of this Debt Policy is to establish guidelines and parameters for the effective governance, management and administration of debt and other financing obligations issued by the City of Lone and its related entities (such as, but not exclusive to, the City-formed Community Facilities Districts and any entities for which the City Council serves as the governing board or legislative body). This Debt Policy is intended to improve and direct decision making, assist with the structure of debt issuance, identify policy goals, and demonstrate a commitment to long-term financial planning, including the City of Lone's five-year Capital Improvement Program (the "Capital Improvement Program"). Adherence to a debt policy helps to ensure the City of Lone's debt is issued and managed prudently in order to maintain a sound financial position and credit worthiness. When used in this Debt Policy, "debt" refers to all indebtedness and financing obligations of the City of Lone and its related entities (together referred to as "City").

This Debt Policy is intended to comply with the requirements of Senate Bill 1029 (SB 1029), codified as part of California Government Code Section 8855(i), effective on January 1, 2017 and shall govern all debt undertaken by the City. The primary objectives of the City's debt and financing related activities are to:

- A. Maintain the City's sound financial position;
- B. Ensure the City has the flexibility to respond to possible changes in future service obligations, revenues, and operating expenses;
- C. Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the City;
- D. Minimize debt service commitments through efficient planning and cash management;
- E. Protect the City's credit worthiness and achieve the highest practical credit ratings, when applicable; and
- F. Ensure the City is in compliance with all relevant State and Federal securities laws and other applicable laws and regulations.

This resolution would amend Section 1 X. Treasury and Debt Management by removing paragraphs B, C and D and replacing it with the language in Attachment A of the resolution.

**Attachments:** Resolution No. 2018-18: A Resolution of the City Council of the City of Lone Resolution Amending the City of Lone Financial Policies and Procedures Handbook (June 2015)

City of Lone Financial Policies and Procedural Handbook – June 2015

**RESOLUTION NO. 2018-18**

**A Resolution of the City Council of the City of Lone Amending the City of Lone Financial Policies and Procedures Handbook - June 2015**

**WHEREAS**, the City of Lone adopted a Financial Policies and Procedures Handbook - June 2015 to meet the requirements of the City Auditor; and

**WHEREAS**, the Financial Policies and Procedures Handbook contains the City's Debt Policies; and

**WHEREAS**, the purpose of the Debt Policy is to establish guidelines and parameters for the effective governance, management and administration of debt and other financing obligations issued by the City of Lone; and

**WHEREAS**, the policies and procedures in the Financial Policies and Procedures Handbook need to be updated from time to time; and

**WHEREAS**, staff has provided an update to the City's Debt Policy that is consistent California Government Code Section 8855(i), which went into effect on January 1, 2017.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Lone hereby amends the City of Lone Financial Policies and Procedures Handbook.

1. The foregoing recitals are true and correct.
2. The City's Financial Policies and Procedures Handbook: Section 1 X. Treasury and Debt Management, Paragraphs B, C and D are replaced with the language in Attachment A.

The foregoing resolution was duly introduced and adopted by the City Council of the City of Lone at their regular meeting held on May 1, 2018 by the following vote:

**AYES: Atlan, Epperson, Reed, Wratten, Lord**

**NOES: None**

**ABSTAIN: None**

**ABSENT: None**

  
\_\_\_\_\_  
**Dominic Atlan, Mayor**

**Attest:**

  
\_\_\_\_\_  
**Janice Traverso, City Clerk**

Friedland 2

# **Debt Issuance and Management Policy**

## **City of Ione**

### **1. Introduction**

On May 1, 2018 the City Council of the City of Ione ("City Council") reviewed and considered this Debt Issuance and Management Policy ("Debt Policy") of the City of Ione and this Debt Policy was approved by action of the City Council on May 1, 2018. This Debt Policy provides guidelines for debt issuance, management and post-issuance related policies and procedures for the City. This Debt Policy may be amended by the City Council as it deems appropriate from time-to-time in the prudent management of the debt and financing needs of the City of Ione.

### **2. Purpose**

The purpose of this Debt Policy is to establish guidelines and parameters for the effective governance, management and administration of debt and other financing obligations issued by the City of Ione and its related entities (such as, but not exclusive to, the City-formed Community Facilities Districts and any entities for which the City Council serves as the governing board or legislative body). This Debt Policy is intended to improve and direct decision making, assist with the structure of debt issuance, identify policy goals, and demonstrate a commitment to long-term financial planning, including the City of Ione's five-year Capital Improvement Program (the "Capital Improvement Program"). Adherence to a debt policy helps to ensure the City of Ione's debt is issued and managed prudently in order to maintain a sound financial position and credit worthiness. When used in this Debt Policy, "debt" refers to all indebtedness and financing obligations of the City of Ione and its related entities (together referred to as "City").

### **3. Debt Policy Objective**

This Debt Policy is intended to comply with the requirements of Senate Bill 1029 (SB 1029), codified as part of California Government Code Section 8855(i), effective on January 1, 2017 and shall govern all debt undertaken by the City. The primary objectives of the City's debt and financing related activities are to:

- A. Maintain the City's sound financial position;
- B. Ensure the City has the flexibility to respond to possible changes in future service obligations, revenues, and operating expenses;
- C. Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the City;
- D. Minimize debt service commitments through efficient planning and cash management;
- E. Protect the City's credit worthiness and achieve the highest practical credit ratings, when applicable; and

F. Ensure the City is in compliance with all relevant State and Federal securities laws and other applicable laws and regulations.

#### **4. Acceptable Uses of Debt Proceeds**

The City will consider the use of debt financing primarily for assets and capital projects only if the term of debt shall not exceed the asset(s) or project's useful life or will otherwise comply with Federal tax law requirements. An exception to this long-term driven focus is the issuance of short-term instruments, such as tax and revenue anticipation notes, which are to be used for reasonable cash management purposes, as described below. Bonded debt should not be issued to finance normal operating expenses. General Fund debt will not be issued to support ongoing operational costs unless such debt issuance achieves net operating cost savings and such savings are verified by independent analysis.

##### *A. Long-Term Debt.*

i. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment, and land to be owned and/or operated by the City. Long-term debt financings are appropriate when any of the following conditions exist:

- (1) When the project to be financed is necessary to provide basic municipal services;
- (2) When the project to be financed will provide benefit to the City's constituents over a duration of more than one year;
- (3) When the total debt financing would not impose an unreasonable burden on the City and its taxpayers and/or ratepayers, as applicable; or
- (4) When the debt is used to refinance outstanding debt in order to produce debt service savings or to benefit from debt restructuring.

ii. The City may use long-term debt financings subject to each of the following conditions:

- (1) The project to be financed has been or will be considered and approved by the City Council;
- (2) The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%;
- (3) The City estimates that sufficient revenues will be available to service the debt through its maturity; and
- (4) The City determines that the issuance of the debt will comply with the applicable requirements of State and Federal law.

B. *Short-term Debt.* Short-term debt may be issued to provide financing for the City's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance the City's short-lived capital projects, such as undertaking lease-purchase financing for equipment.

C. *Financings on Behalf of Other Entities.* The City may also issue debt on behalf of other governmental agencies or private third parties in order to further the public purposes of the City. In such cases, the City shall take reasonable steps to confirm the financial feasibility of the project to be financed, the financial solvency of any borrower, and that the issuance of such debt is consistent with the policies set forth herein.

## **5. Standards for Use of Debt Financing**

The City recognizes that there are numerous types of financing structures and funding sources available, each with specific benefits, costs, and risks. The City will consider debt issuance only in those cases where public policy, equity and economic efficiency favor debt financing over cash funding. Prior to the issuance of debt or other financing obligations, the City will carefully consider the overall long-term affordability of the proposed debt issuance by conducting an objective analysis of the City's ability to support additional debt service payments. The City will consider its long-term revenue and expenditure trends, the impact on operational flexibility and the overall debt burden on the taxpayers/ratepayers. The evaluation process shall include a review of generally accepted measures of affordability and will strive to achieve and/or maintain debt levels consistent with its current operating and capital needs.

## **6. Types of Debt**

In order to maximize the financial options available to benefit the public, it is the City's policy to allow the consideration of issuing all generally accepted types of debt, including, but not exclusive to the following:

A. *Revenue Bonds/Certificates of Participation (COPs).* Revenue Bonds and COPs are limited-liability obligations tied to a specific enterprise or special fund revenue stream where the projects financed clearly benefit or relate to the enterprise or are otherwise permissible uses of the special revenue. Generally, no voter approval is required to issue this type of obligation but in some cases, the City must comply with proposition 218 regarding rate adjustments.

B. *Joint Powers Authority (JPA) Lease Revenue Bonds.* As an alternative to COPs, the City may obtain financing through the issuance of debt by a joint exercise of powers agency with such debt payable from amounts paid by the City under a lease, installment sale agreement, or contract of indebtedness.

C. *General Obligation (GO) Bonds.* GO Bonds are suitable for use in the construction or acquisition of improvements to real property that benefit the public at large. The California Government Code, Division 4, Chapter 4, Article 1 commencing with section 43600 authorizes cities to finance certain municipal improvements through GO bonds when a city determines the public interest and necessity demands the acquisition, construction or completion of such municipal improvements, including property or structures necessary or convenient to carry out the objects, purposes, and powers of a city. Examples of projects include but are not limited to

libraries, parks, and public safety facilities. All GO bonds shall be authorized by the requisite number of voters in order to pass.

D. *Loans.* The City is authorized to enter into loans, installment payment obligations, or other similar funding structures secured by a prudent source or sources of repayment.

E. *Special Assessment/Special Tax Debt.* The City will consider requests from developers for the use of debt financing secured by property-based assessments or special taxes in order to provide for necessary infrastructure for new development under guidelines adopted by City Council, which may include minimum value-to-lien ratios and maximum tax burdens. Examples of this type of debt are Assessment Districts (ADs) and Community Facilities Districts (CFDs), also known as Mello-Roos Districts. In order to protect bondholders as well as the City's credit rating, the City will also comply with all State guidelines regarding the issuance of special tax or special assessment debt.

F. *Tax Allocation Bonds.* Tax Allocation Bonds are special obligations that are secured by the allocation of tax increment revenues that are generated by increased property taxes in the designated (now former) redevelopment project areas. Tax Allocation Bonds are not debt of the City. California Health and Safety Code, Division 24, Parts 1.8 and 1.85 limit the authority to issuance of tax allocation bonds only as to refunding of bonds properly and timely issued prior to January 1, 2011; such laws are referred to as the "Dissolution Law" and govern successor agencies to now dissolved redevelopment agencies.

G. *Short-Term Debt.* Short-term borrowing, such as commercial paper, Tax and Revenue Anticipation Notes (TRANS), and lines of credit, may be considered as an interim source of funding in anticipation of long-term borrowing and may be issued to generate funding for cash flow needs. The final maturity of the debt issued to finance the project shall be consistent with the useful life of the project. Short-term debt may also be used to finance short-lived capital projects such as lease-purchase financing for equipment.

H. *Refunding Bonds.* The City shall refinance debt pursuant to the authorization that is provided under California law, including but not limited to Articles 9, 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, as market opportunities arise. Refundings may be undertaken in order:

- (1) To take advantage of lower interest rates and achieve debt service costs savings;
- (2) To eliminate restrictive or burdensome bond covenants; or
- (3) To restructure debt to lengthen the duration of repayment, relieve debt service spikes, reduce volatility in interest rates or free up reserve funds.

Generally, the City shall strive to achieve a minimum of 3% net present value savings. The net present value assessment shall factor in all costs, including issuance, escrow, and foregone interest earnings of any contributed funds on hand. Refundings which produce a net present value savings of less than 3% will be considered on a case-by-case basis. Upon the advice of the City Manager or the Finance Manager and with the assistance of a financial advisor and bond counsel, the

City will consider undertaking refundings for other than economic purposes based upon a finding that such a restructuring is in the City's overall best financial interest.

The City may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

Debt shall be issued as fixed rate debt unless the City makes a specific determination as to why a variable rate issue would be beneficial to the City in that circumstance.

#### **7. Relationship to Capital Improvement Program and Operating Budget**

The City intends to issue debt for the purposes stated in this Debt Policy and the decision to incur new indebtedness should be integrated with the City Council-adopted annual Operating Budget and Capital Improvement Program Budget. Prior to issuance of debt, a reliable revenue source shall be identified to secure repayment of the debt and the annual debt service payments shall be included in the Operating Budget.

The City shall integrate its debt issuances with the goals of its Capital Improvement Program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the City's public purposes.

#### **8. Policy Goals Related to Planning Goals and Objectives**

This Debt Policy has been adopted to assist with the City's goal of financial sustainability and financial prudence. In following this Debt Policy, the City shall pursue the following policy goals:

- i. The City is committed to financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The City intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the City's annual Operating Budget;
- ii. It is a policy goal of the City to protect taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings, if applicable, and the lowest practical borrowing costs;
- iii. It is a policy goal of the City to reduce the unfunded liabilities for employee pension and other post-employment benefits (OPEB);
- iv. The City will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges; and
- v. When refinancing debt, it shall be the policy goal of the City to achieve, whenever possible and subject to any overriding non-financial policy, minimum aggregate net present value debt service savings of at least 3% of the refunded principal amount.

**9. Internal Control Procedures**

When issuing debt, in addition to complying with the terms of this Debt Policy, the City shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The City will periodically review the requirements of and will remain in compliance with the following:

- i. Federal securities law, including any continuing disclosure undertakings under SEC Rule 15c2-12;
- ii. Any federal tax compliance requirements including without limitation arbitrage and rebate compliance, related to any prior bond issues;
- iii. The City's investment policies as they relate to the investment of bond proceeds; and
- iv. Government Code section 8855(k) and the annual reporting requirements therein.

The City shall be vigilant in using bond proceeds in accordance with the stated purpose at the time that such debt was issued. The City Manager, the Finance Manager or designee will monitor the expenditure of bond proceeds to ensure they are used only for the purpose and authority for which the bonds were issued. Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the City will submit written requisitions for such proceeds. The City will submit a requisition only after obtaining the signature of the City Manager or the Finance Manager.

**10. Amendment and Waivers of Debt Policy**

This Debt Policy will be reviewed and updated periodically as needed. Any amendments to this Debt Policy are subject to specific City Council approval.

While adherence to this Debt Policy is required in all applicable circumstances, on rare occasions there might be circumstances when strict adherence to a provision of this Debt Policy is not possible or not in the best interest of the City. If the City staff has determined that a waiver of one or more provisions of this Debt Policy should be considered by the City Council, it will prepare an analysis for the City Council describing the rationale for the waiver and the impact of the waiver on the proposed debt issuance and on taxpayers, if applicable. Upon a majority vote of the City Council, one or more provisions of this Debt Policy may be waived for a debt financing.

The failure of a debt financing to comply with one or more provisions of this Debt Policy shall in no way affect the validity of any debt issued by the City in accordance with applicable laws.

**11. SB 1029 Compliance**

SB 1029, signed by Governor Brown on September 12, 2016, and enacted as Chapter 307, Statutes of 2016, requires issuers to adopt debt policies addressing each of the five items below:

A. *The purposes for which the debt proceeds may be used.* Section 4 (Acceptable Uses of Debt Proceeds) addresses the purposes for which debt proceeds may be used.

B. *The types of debt that may be issued.* Section 6 (Types of Debt) provides information regarding the types of debt that may be issued.

C. *The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable.* Section 7 (Relationship to Capital Improvement Program and Operating Budget) provides information regarding the relationship between the City's debt and Capital Improvement Program and annual Operating Budget.

D. *Policy goals related to the issuer's planning goals and objectives.* Section 3 (Debt Policy Objective) and Section 8 (Policy Goals Related to Planning Goals and Objectives) address some of the City's policy goals and how this Debt Policy has implemented them.

E. *The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.* Section 9 (Internal Control Procedures) provides information regarding the City's internal control procedures designed to ensure that the proceeds of its debt issues are spent as intended.

This Debt Policy, as written, complies with and meets the requirements of SB 1029.

2.44.010 - Established.

## Appendix I

The City of Lone hereby establishes a purchasing and bidding policy under the direction of the city manager and finance office director.

(Ord. No. 505, 11-16-2019)

2.44.050 - Duties.

The duties of the city manager and/or finance office director, or their designee, shall be to make and provide all purchases of materials and services for the city:

- A. As are required and requested by the various departments and activities of the city which are usual, normal and necessary for the achievement of the end objective of said departments and are within and contemplated by the regularly adopted budget of the city for said department or departments; and
- B. As requested by various departments and as specifically authorized by the city council, whether included within or without the then valid budget for said city.

(Ord. No. 505, 11-16-2019)

2.44.060 - Rules, regulations and definitions.

The city purchasing department will set up and submit to the city council, for its approval, and within 60 days after the appointment by the city council of the purchasing agent, proposed rules and regulations with respect to the policy of purchasing, the manner of purchasing and the coordination of such purchases with budgetary provisions and limitations, and, when such rules and regulations have been adopted by the city council, then, and continuing from the date of said adoption until otherwise modified, such rules and regulations shall afford direction to the city purchasing department and to the city purchasing agent in the exercise of the duties, responsibilities and authority granted by this chapter.

Definitions:

"City manager" means the appointed city manager or a designee authorized to act on behalf of the city manager.

"Department director" means the city employee or consultant authorized to act as the head of a city department or authorized designee acting on behalf of the director, regardless of title.

(Ord. No. 505, 11-16-2019)

2.44.130 - Administrative guidelines.

- A. Vendor Limit. Combined purchase orders cannot exceed \$50,000.00 per vendor, per fiscal year except in the case of major expenditures in which a vendor has participated in a public formal bidding process.
- B. Change Orders or Amendments. A change order or amendment is a change in a contract term, other than as specifically provided for in the contract, that authorizes or necessitates any increase or decrease of the cost of the contract or in the time of completion that can be authorized by the city manager or department director. A valid request for a change order or amendment must meet the following criteria:
  - 1. The change was not reasonably foreseeable at the time that the contract was signed;
  - 2. The change must be relevant to the original contract; and
  - 3. The change is authorized by the contract provisions and in the best interest of the city.
- C. Conflict of Interest. No employee, officer, councilmember, or agent shall participate in the selection, award, or administration of a contract if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, councilmember, agent, or any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated, herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

Nothing in this policy does or is to be construed as limiting the applicability of any other federal, state, or local laws and regulations governing prohibitions against financial conflicts of interest, including but not limited to the Political Reform Act (Government Code Section 81000 et seq.) and implementing regulations from the Fair Political Practices Commission (Title 2, Section 18110 et seq., of the California Code of Regulations), and Government Code Sections 1090—1999 and 1126. All such laws and regulations shall apply to every employee, officer, councilmember, and agent of the city.

- D. Local Vendors. Purchasing goods and services from local vendors which stimulate the local economy is encouraged but not required.
- E. Green Purchasing Practices. The city is committed to green purchasing practices in obtaining goods and services. The city shall consider environmentally-preferable products when appropriate. Nothing in this policy requires the procurement of products that do not adequately perform their intended use, requires procurement that excludes adequate competition, or requires the procurement of products that are unavailable at a reasonable price or at a reasonable time. An environmentally-preferable product means a product that meets any of the following criteria:
  - 1. Is durable, repairable, reusable, or recyclable;
  - 2. Has minimal packaging, toxic content, or chemical-hazard potential;
  - 3. Is resource or energy efficient in any or all phases of its manufacture, use, or disposal; or

4. Its use or disposal minimizes or eliminates the city's potential environmental liability.

(Ord. No. 505, 11-16-2019)

2.44.140 - Expenditure categories.

Purchases, which include those made by purchase order (PO), written agreement, amendment or change order that require city expenditures, are classified into five categories based on the anticipated expenditure amount. Each category establishes an authorization level, procurement method, and maximum term, which shall apply unless specifically exempted in accordance with this policy.

A. Expenditures of \$50.00 or less	(petty cash)
B. Expenditures of \$51.00 to \$5,000.00	(operational)
C. Expenditures of \$5,001.00 to \$15,000.00	(minor)
D. Expenditures of \$15,001.00 to \$50,000.00	(intermediate)
E. Expenditures over \$50,001.00	(major)

A. Expenditures of \$50.00 or Less.

Authorization:	Department director, who may delegate to a department manager
Procurement:	No bids or PO necessary; petty cash advances or reimbursement
Term Limit:	N/A

Note: These transactions take the place of ordinary ongoing purchases and shall be limited in use.

A cash disbursement or reimbursement may be obtained from the finance department and must not exceed \$50.00. A petty cash request form shall be completed and signed by the department director before submittal. The form shall include the date, description of the item

to be purchased, and account number. Petty cash amounts will be advanced to accommodate miscellaneous minor expenditure amounts of \$50.00 or less and for which normal payment provisions are not practical. The finance department will periodically audit petty cash expenditures as to form and regulations and may confirm purchases.

B. Expenditures of \$51.00 to \$5,000.00 During the Initial Term. <sup>[5]</sup>

Authorization:	Department director, who may delegate to a department manager <sup>[6]</sup>
Procurement:	No PO necessary; three informal bids/proposals <sup>[7]</sup> whenever possible
Term limit:	Three years plus one three-year extension

C. Expenditures of \$5,001.00 to \$10,000.00 During the Initial Term.

Authorization:	Department director
Procurement:	PO required plus three informal bids/proposals
Term Limit:	Three years plus one three-year extension

D. Expenditures of \$10,001.00 to \$15,000.00 During the Initial Term.

Authorization:	City manager
Procurement:	PO required plus three informal bids/proposals plus city contract <sup>[8]</sup>
Term limit: Three years plus one three-year extension	

E. Expenditures over \$15,001.00.

Authorization:	City council
Procurement:	PO required plus formal bids/proposals plus city contract
Term limit:	No limit, any term approved by majority vote of the city council

F. Report to City Council. Any and all expenditures by department director or city manager in excess of \$1,000.00 shall be reported to the city council at the next regular council meeting following said expenditure. Said report may be in the form of a list provided by the city manager describing the purpose and the amount of the expenditure.

(Ord. No. 505, 11-16-2019)

*Footnotes:*

--- (5) ---

*For purposes of this policy, the "initial term" shall be either: (i) a term under the contract or PO not to exceed one year, or (ii) a term longer than one year but not to exceed the maximum number of years authorized under a "Term limit" (set forth below) as long as the contract includes a continuing obligation for performance by a contracting party and the city has an obligation for payment only for the services actually performed and accounted for by invoice or other monthly or regular periodic documentation acceptable to the city. Under any contract or PO, either the contracting party or city may terminate the contract or PO prior to the expiration of the initial term for the other party's nonperformance.*

--- (6) ---

*Designee must have signature authorization form on file with the finance department, or active designation letter for a specific date range.*

--- (7) ---

*"Informal" bid/proposal means verbal or written, via telephone, e-mail or other casual medium.*

--- (8) ---

*The city's templates for contracts, agreements, amendments and change orders shall be used for category D and E purchases. The city manager may allow for modifications of these templates or use of other contracts, agreements, amendments and change orders, or may require use of city templates for category B and C purchases when the city manager determines it is prudent due to the level of risk exposure to the city, the need to spell out a complex scope of work, or any other reason s/he believes to be in the best interest of the city. To meet prevailing wage requirements any maintenance or repair project over \$15,000.00 or construction project over \$25,000.00 will require a written contract.*

A. Formal Bids for Major Public Works Projects and Major Supplies and Equipment Purchases. Major public works projects and supplies and equipment are defined as purchases and projects having an actual or estimated value of greater than \$50,001.00. The solicitation and selection of bids and award of contracts shall comply with the Lone Municipal Code (public works contracts), and this policy, and shall be administered through each city department, according to the following procedures:

1. Invitation for Bids. An invitation for bids (the "invitation") shall be published at least two times in a newspaper, electronic bulletin board or online submission source, city website, or other generally-recognized source of local public works contract information, at least ten days and at least five days prior to the date of the opening of bids. Invitations shall include general descriptions of the work to be performed, the time and place of the opening of bids, the place where bidders may obtain bid documents, the amount of bid security required, and the amount and nature of performance and labor materials security that will be required.
2. Form of Bids. Bids conforming to the requirements of the invitation shall be submitted to the department director (the "director") in sealed packages or by other means which will prevent the divulging of bids prior to the stated time for opening of bids, all as specified in the invitation or the bid documents. Unopened bids should be clearly marked or otherwise identifiable as bids for the project to which they apply.
3. Bid Security for Public Works Projects. Bids for public works projects shall be accompanied by cash, cashier's check, certified check, surety bond, or other form of security stated in the invitation or bid documents, in a sum equal to at least ten percent of the amount of the bid.
4. Opening of Bids. At the time and place stated in the invitation, the bids shall be publicly opened and announced. The bid amounts shall be tabulated and the tabulation shall be available for public inspection at the public works department during regular business hours for a period of not less than 30 calendar days after the bid opening.
5. Review of Bids. The director shall review all bids received for completeness, accuracy, responsiveness to the invitation and the bid documents, and the city's experience with or knowledge of the qualification and reliability of each bidder and shall prepare a recommendation to the city council. Written amounts shall take precedence over associated numeric amounts. Mathematical errors, if found, shall be corrected and shall not disqualify a bid. The corrected total shall be the bid amount considered in determining the lowest responsible bidder and shall be the contract amount awarded if the bid is selected.
6. Award of Contract. Contracts shall be awarded by the city council to the lowest responsible bidder. Determination of the lowest responsible bidder shall be at the sole discretion of the city council pursuant to findings and recommendations presented by the director at the time of the award of contract.

7. Equal Bids. If two or more equal low bids are received, the city council may award the contract to any one of the equal low bidders by the following:
  - a. Select one bid;
  - b. Reject all bids and re-solicit for bids;
  - c. Reject all bids and authorize negotiated agreement if consistent with federal and state laws;
  - d. Select one bid, which is the most responsible bidder; or
  - e. Take any other action that the city council deems to serve the best interest of the city.
8. No Bids. When no bids are received from responsible firms, the city council may accomplish the project in any manner it sees fit.
9. Rejection of Bids. The city council may reject any or all bids presented and may then direct that the project be re-advertised, may authorize negotiation of a contract with one or more responsible firms, or may resolve that the project can be performed more economically by city forces, day labor, time and materials contract, or other method.
10. Execution of Contract. The successful bidder shall execute the contract and furnish required performance security and labor and materials security when required pursuant to the bid document.
11. Forfeiture of Bid Security for Public Works Projects. If the successful bidder fails to execute the contract and furnish security within the stated time, and said failure is not primarily due to actions or omissions of the city or to acts of god, the bidder shall forfeit the bid security provided. The city council may then consider the bid of the next lowest responsible bidder.
12. Release of Bid Security for Public Works Projects. Bidders are entitled to the return of their bid security unless forfeited as provided herein. The city shall retain all bid security until a contract has been executed or until the city council rejects all bids at which time all bid security not forfeited shall be returned to the appropriate bidders.
13. Disposition of Forfeited Bid Security for Public Works Projects. The city shall retain forfeited bid security until a contract is awarded to another firm or the project is cancelled. The city shall retain an amount equal to the difference between the forfeiting firm's bid and the new contract amount, if any, and an additional amount equal to administrative and other costs incurred as a result of the failure of the forfeiting bidder to enter into a contract and provide required security, and shall return any remaining amount of the bid security to the forfeiting bidder.
14. Performance Security and Labor and Materials Security for Public Works Projects. The bidder to whom the contract is awarded (the "successful bidder") shall furnish performance security and labor and materials security in amounts specified in the invitation or bid documents.

B. Formal Proposals for Major Professional and Technical Services. Major professional and technical services are defined as services having an actual or estimated value of greater than \$50,001.00. The solicitation and selection of proposals and award of contracts shall comply with the lone Municipal Code, and this policy, and shall be administered through each city department, according to the following procedures:

1. Maintenance and Repair Services. Services intended to preserve and/or restore a public work to a clean, safe, efficient, and/or continually usable condition. Maintenance and repair services include, but are not limited to: carpentry, electrical, painting, plumbing, glazing, and other craftwork to preserve a facility in the condition for which it was intended; repairs, cleaning and other operations on machinery and other equipment permanently attached to a facility as fixtures; the mowing, pruning, and trimming of lawns, grass, trees, shrubs, bushes and hedges; and the regular removal or relocation of by-products or waste products accumulated at city facilities as the result of ongoing environmental processes.
2. The city manager shall approve the preparation and release of all requests for proposals (RFP) and requests for qualifications (RFQ).
3. City staff shall determine, based on professional judgment, whether an RFP or an RFQ process best suits its needs and city staff, or a city-authorized consultant, shall prepare the RFP/RFQ document.
4. City staff, or a city-authorized consultant, or both shall prepare a list of suitable firms from known registries, professional organizations, and/or any other source.
5. City staff shall issue the RFP/RFQ to suitable firms, and may also advertise for competitive proposals.
6. City staff shall form a selection committee, which may include private consultants, to review the RFPs/RFQs received, and the selection committee may conduct interviews and/or hold discussions with proposing firms.
7. The selection committee shall rank the proposing firms according to the criteria specified in the RFP/RFQ and city staff shall notify firms of their position in the ranking.
8. City staff, or a city-authorized consultant, shall negotiate with the top-ranked firm to arrive at mutually-acceptable contract terms.
9. City staff, or its authorized consultant shall terminate negotiations and begin negotiations with the next-ranked firm if an agreement cannot be reached and continue this process until negotiations are successfully concluded or until the list of qualified firms submitting proposals is exhausted and an agreement cannot be reached.
10. The city council shall award or reject the contract negotiated by city staff.

C. Procurement Procedures—Non-Major Expenditures (\$50,000.00 and Under).

Informal Bids or Proposals. Intermediate, minor, and operational expenditure category projects, including minor public works projects, supplies, goods, equipment and minor services are defined as projects having an actual or estimated value of \$50,000.00 or less. The solicitation and selection of bids and award of contracts shall comply with the Lone Municipal Code for public works projects, service contracts, and this Policy, and shall be administered through each city department, according to the following procedures:

1. Informal bids shall be obtained verbally or in writing as dictated by this policy from the open market and a written record of informal bids shall be kept with the related PO.
  2. Bid Security. Security and labor and material security shall conform to the requirements for major public works projects but may be modified or waived by the city staff person authorized to make the purchase if warranted and in the best interest of the city.
  3. Execution and Award of Contracts. The city council may award contracts, or the city manager, or designated city director, or staff personnel may award and execute contracts, set forth in Categories A, B, C or D above, and may waive competitive bidding requirements if in the best interest of the city, provided there are unencumbered appropriations in the fund accounts against which the expenses are to be charged.
- D. Exemption to Any Procurement Method. Justification for exemption to any required procurement method may be submitted to the city manager or in the case of a major expenditure, to the city council under the following circumstances:
1. Sole-Source or Select-Source Purchase. To determine that a sole-source or select-source purchase exists, rationale and/or proof must be provided in the purchase requisition.
    - a. Acquisition of brand name to insure compatibility with other city products and equipment. For example standardization of fleet inventory (select-source).
    - b. Change orders additions to an original scope of work when the original source is the only reasonable one to provide the additional goods, construction work or service needed (select-source).
    - c. Only one manufacturer or vendor makes and/or sells the required equipment (sole-source).
  2. State, county, or other public agency cooperative purchasing program or contracts utilizing funding or other participation from agencies which require conformance with state, federal or other contracting regulations.
  3. The city does not require a contract for equipment purchases such as a specific type or brand of supply or part necessary for acceptable operation of a machine or device, or as required by warranty or contract on the machine or device; written documentation supporting a purchase must be provided.

4. Emergency purchases made necessary by an immediate threat to life or property or a substantial disruption of a vital public service.
  - a. In advance of any local emergency, the city seeks to retain a list of available local businesses willing to provide necessary supplies, materials, equipment, services, food, care or shelter to the city through the office of emergency management. Once the emergency operations center (EOC) is activated, these memorandums will be activated.
  - b. In the event of an emergency, the city manager or designee may make immediate purchases of goods and services. Emergency purchases include any purchase required to prevent imminent danger or to prevent or mitigate the loss or impairment of life, health, property, or essential public services. Every effort shall be made to obtain advance approvals or to obtain approvals as soon as possible following the purchase.
  - c. The city is not required to engage in either formal or informal competitive bidding in an emergency. The city council delegates to the city manager and city manager's designee the authority to waive any procedures in the policy that are not statutorily mandated when making emergency purchase of supplies, equipment, materials or services.
  - d. The city council shall ratify emergency suspension of procedures at the next properly noticed council meeting following the emergency procurement and consider whether further suspension of procedures is required to abate the impacts of the emergency.
5. The awarding officer(s) may waive irregularities in formal or informal bids received provided that it is in the best interest of the city to do so, and it does not result in unfair advantage to any bidder.
6. The city council may authorize the award and execution of contracts without competitive bidding provided that such award is in the best interest of the city, or of the public health, safety and welfare.

(Ord. No. 505, 11-16-2019)

## Chapter 2.46 - INFORMAL BIDDING PROCEDURES

### Sections:

#### 2.46.010 - Informal bid procedures.

Public projects, as defined by the Act and in accordance with the limits listed in Section 22032 of the Public Contract Code, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Public Contract Code.



**CITY OF IONE**  
**IONE, CA 95640**

**Appendix J**  
**Agenda Item J. 1.**

**DATE: OCTOBER 21, 2025**

**TO: IONE CITY COUNCIL**

**FROM: ANDREA BONHAM, FINANCE MANAGER**  
**JANE WRIGHT, FINANCE CONSULTANT**

**SUBJECT: 2020-21 AUDIT UPDATE**

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**RECOMMENDED ACTION:**

That the City Council receives and accepts the City of Ione's Audited Financial Statements for Fiscal Year ending June 30, 2021 and approve Audit Resolution 2025-36.

**FISCAL IMPACT:**

Audit expenses are budgeted and charged to the general, gas and sewer operations and capital funds.

**BACKGROUND:**

Governmental entities are required to have a financial audit. A primary reason for an independent audit is to assist decision makers who are affected by financial representations to know whether the information that is provided by management is fair and reliable. As a result, an independent auditor is hired to provide government officials and the public with an unbiased expert opinion as to whether the statements are fairly presented.

In July 2023 the City received the final audit for 2019-20 with the auditors adjusted journal entries (AJEs) that needed to be posted in our financial software, along with the Trial Balance for June 30, 2020. We posted the AJE's and compared the Trial Balance received from the auditors to our financial software and made the necessary corrections. This allowed us to start the 2020-21 audit with a beginning balance that matches the auditors.

The Interim Preparation List provided by the auditors include items for each of the following categories; cash receipts, cash disbursements, payroll disbursements, risk assessment, capital assets, receivables, liabilities, revenue, interfund transactions, and general information. During the Interim Preparation portion of the audit, documents are selected by the auditors for City Staff to provide further detailed information.

Staff encountered difficulties with providing the requested items to the auditors as finding hard copies or digital copies has been challenging. We have completed this task with the documents that we could locate.

**DISCUSSION:**

Richardson & Company, LLP has completed the FY 2020-21 audit and Brain Nash, CPA and Partner at Richardson & Company, LLP is attending via Zoom to present the audit and answer questions.

Copies will be sent to the Amador County Auditor Controller's Office, the State Controller's Office and Capital One Public Funding, LLC.

**ATTACHMENTS:**

- 1.A Auditor Presentation Agenda
- 1.B City of Ione AFS 2021
- 1.C City of Ione Management Letter 2021
- 1.D City of Ione Governance Letter 2021
- 1.E City of Ione App Limit Report 2021
- 1.F Audit Resolution 2025-36

**CITY OF IONE**  
**AUDITOR PRESENTATION AGENDA**  
October 21, 2025

The following communications are required by Generally Accepted Auditing Standards:

Reports issued:

- June 30, 2021 financial statements, management letter, governance letter
- City appropriations limit report

Auditor's responsibility under generally accepted auditing standards

- Opinion provided on major funds, all other funds combined and full accrual statements
- Modified opinions due to missing information.
- Compliance report discloses material weaknesses

Scope changed and difficulties were encountered due to City not being ready for dates scheduled and finding 33 adjustments that increased time to complete audit. There were no disagreements with management, no conditions for retention or consultation with other auditors

Financial Statements

- Government-wide statement of net position on page 10 shows restricted net position and negative unrestricted for governmental funds and \$1.22 million unrestricted in enterprise fund.

- Govt-wide statement of activities shows net income existed in governmental and business-type activities.

- Restatement in govt activities/HOME Program Grant Fund is due to a foreclosure of collateral on loan in 2014 that was not removed from loan detail/GL.

- Net pension liability was \$2.97 million and net OPEB liability was \$1.71 million.

- On page 12, General Fund deficit of \$915K at June 2020 and \$469K at June 2020. This is before ARPA revenue was recognized.

- Interfund advances from restricted funds should be limited. Not appropriate if not able to be repaid according to Vallejo Bankruptcy. 25-year repayment plan exists. Future Councils need to implement that plan.

- Major govt funds due to size are General, HOME, CDBG and Local Traffic Mitigation. All major funds had net income in 2021 per page 14. General Fund had net income of \$446K.

- Sewer Fund unrestricted net position of \$1.22 million, which was about 9 months of expenses less depreciation.

- All other governmental funds are nonmajor funds. Nonmajor funds with deficits (p62-65) include SAFER Grant (\$1.8K), Railroad Depot Fund (\$141K), Fire Impact (\$895K) and Governmental Impact Funds (\$471K) due to past borrowings.

- Pages 19 and 20 shows Fiduciary Funds – money held for CFD bondholders, other governments or police seizure funds. GASB 84 was implemented so statement of changes in net position was required, which was broken out with adjustments. City needs to do that for new auditor in 2022.

- Page 35 and 36 includes purpose and amounts of interfund advances.

- Note M on pages 53 and 54 shows subsequent events, including the \$2 million ARPA grant, other grants received and new contracts approved.

- Page 56 shows General Fund budget vs actual. Revenues were over budget and expenses under budget.

- Page 58 and 59 shows the pension plan is 70% funded and the OPEB plan is unfunded pay-as-you-go.

- Page 74 is Schedule of Findings and Responses.

Significant estimates include the fair value of investments, allowance for uncollectable receivables, lives used for depreciation, qualifying expenses for grants receivable and the computation of the net other postemployment benefits and net pension liability.

Management letter



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Sacramento, California 95825

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the City Council  
City of Ione, California

### **Report on the Financial Statements**

#### ***Qualified and Unmodified Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Ione, California (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### ***Qualified Opinions on the Governmental Activities, Business-type Activities, the General Fund, the Home Program Grant Special Revenue Fund, the CDBG Program Grant Special Revenue Fund, the Sewer Enterprise Fund and the Aggregate Remaining Fund Information***

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the General Fund, the Home Program Grant Special Revenue Fund, the CDBG Program Grant Special Revenue Fund, the Sewer Enterprise Fund and the aggregate remaining fund information of the City as of June 30, 2021 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Unmodified Opinions on the Measure M Special Revenue Fund and Local Traffic Mitigation Capital Projects Fund.***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure M Special Revenue Fund and the Local Traffic Mitigation Capital Projects Fund of the City as of June 30, 2021 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Qualified and Unmodified Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

To the City Council  
City of Ione, California

***Matter Giving Rise to the Qualified Opinions on the Governmental Activities, Business-type Activities, the General Fund, the Home Program Grant Special Revenue Fund, the CDBG Program Grant Special Revenue Fund, the Sewer Enterprise Fund and the Aggregate Remaining Fund Information***

Management was not able to provide supporting documentation requested for a number of transactions selected for testing, as described in finding 2021-002 in the schedule of findings and responses accompanying the financial statements. The amounts by which the missing documentation would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund balances or net position of the governmental activities, business-type activities, the General Fund, the Home Program Grant Special Revenue Fund, the CDBG Program Grant Special Revenue Fund, the Sewer Enterprise Fund and the aggregate remaining fund information of the City has not been determined.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Emphasis of Matters**

As discussed in Note N to the financial statements, during the year ended June 30, 2021, the City corrected an error in loans receivable as of July 1, 2020. Our opinion is not modified with respect to this matter.

As discussed in Note N to the financial statements, during the year ended June 20, 2021 the City adopted Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities. Our opinion is not modified with respect to this matter.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

To the City Council  
City of Ione, California

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures response to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, consider in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions to the Pension Plan and Schedule of Changes in the OPEB Liability and Related Ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the City Council  
City of Ione, California

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Richardson & Company, LLP*

October 15, 2025

CITY OF IONE, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021

NOTE B – CASH AND INVESTMENTS (Continued)

Investment Type	Total	Minimum Rating	Rating as of Year End	
			AAA	Not Rated
LAIF	\$ 808,142	N/A	\$ -	\$ 808,142
Certificates of deposit	156,382	N/A	-	156,382
Money market mutual funds	549,231	AA	549,231	-
Total Investments	<u>\$ 1,513,755</u>		<u>\$ 549,231</u>	<u>\$ 964,524</u>

Fair Value Measurements: The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The City’s investment in LAIF, non-negotiable certificates of deposit and money market mutual funds are not subject to fair value measurements or are measured at the net asset value of the underlying investments.

NOTE C – INTERFUND TRANSACTIONS

Current Interfund Balances

Due From Other Funds	Due to Other Funds	Amount
General Fund	Nonmajor Governmental Funds	<u>\$ 99,759</u>

This balance resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur. All interfund receivables are expected to be repaid within the next fiscal year.

Long-Term Interfund Advances

At June 30, 2021, the funds below had made advances which were not expected to be repaid within the next year. The funds with the advance to other funds report nonspendable fund balance to indicate the amounts are not available for appropriation.

Advances to Other Funds	Advances From Other Funds	Amount
General Fund	Nonmajor Governmental Funds	\$ 662,453 (a)
Measure M Fund	General Fund	339,521 (b)
Local Traffic Mitigation Fund	General Fund	180,000 (c)
Sewer Enterprise Fund	General Fund	307,955 (d)
Nonmajor Governmental Funds	General Fund	721,155 (e)
	Nonmajor Governmental Funds	864,804 (f)
		<u>\$ 3,075,888</u>

CITY OF IONE, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021

NOTE C – INTERFUND TRANSACTIONS (Continued)

- (a) The General Fund advanced \$375,000 to the Governmental Impact Fees Fund and \$287,453 to the Fire Services Impact Fees Fund to fund construction and expansion of capital facilities. A resolution approved on June 2, 2015 indicated reimbursement from the General Plan Impact Fees Fund and Fire Impact Fees Fund is expected to be made from future development impact fees.
- (b) The Measure M Fund advanced \$364,107 to the General Fund to cover the structural deficit in the General Fund. A resolution approved on December 6, 2011 indicates that total amount of advanced monies owed to the Measure M Fund will be repaid on a semi-annual basis over the next ten years at an interest rate of 1% per annum. As of June 30, 2021, \$24,587 was paid on the advance and the outstanding balance was \$339,521.
- (c) On October 2, 2018, \$180,000 was advanced from the Local Traffic Mitigation Fund to the General Fund to cover a legal settlement. Currently no repayment schedule has been approved by the City Council to reimburse the Traffic Mitigation Fund.
- (d) On June 12, 2014 the Sewer Enterprise Fund advanced \$244,800 to the General Fund to be reimbursed by the General Fund when the Howard Property Trust provides sewer connection fee credits and/or annexation fees per the agreement between the City and Howard Property Trust. Also, \$69,155 of Amador Regional Sanitation Agency Funds were transferred by the Sewer Fund to the General Fund to be repaid as funds become available per a resolution approved on June 2, 2015. As of June 30, 2021, \$5,000 was paid on the advance and the outstanding balance was \$63,155.
- (e) Various nonmajor governmental funds advanced \$771,586 to the General Fund as follows:
  - (1) A resolution approved June 2, 2015 indicated \$208,230 was advanced to the General Fund from the Gas Tax Fund to cover the structural deficit in the General Fund, which is subject to interest payments at the LAIF yield. As of June 30, 2021, \$15,209 of payments were made on the advance and the outstanding balance was \$196,021.
  - (2) \$563,356 was advanced to the General Fund to cover the City's structural deficit in the General Fund from the Transportation Development Act Fund. A resolution adopted on December 6, 2011 indicates the total amount of advanced monies owed to the City's Transportation Development Act Fund will be repaid on a semi-annual basis over the next ten years at the LAIF yield. As of June 30, 2021, \$38,223 was paid on the advance and the outstanding balance was \$525,133.
- (f) Various nonmajor governmental funds advanced \$864,804 to other nonmajor governmental funds as follows:
  - (1) A resolution approved June 2, 2015 indicated the Gas Tax Fund advanced \$43,000 to Governmental Impact Fees Fund to fund a structural deficit the Fund.
  - (2) A resolution approved June 2, 2015 indicated the Police Services Impact Fees Fund advanced \$180,000 to the Governmental Impact Fees Fund and \$616,804 to the Fire Services Impact Fees Fund to fund fire station construction.
  - (3) A resolution approved June 2, 2015 indicated the Governmental Impact Fees Fund advanced \$25,000 to Fire Services Fees Impact Fund to fund fire station construction.

CITY OF IONE, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021

NOTE H – PENSION PLAN AND DEFERRED COMPENSATION PLANS (Continued)

	Miscellaneous Risk Pool	Safety Risk Pool	Total
1% Decrease Net Pension Liability	\$ 1,809,669	\$ 2,479,652	\$ 4,289,321
Current Discount Rate Net Pension Liability	\$ 1,279,410	\$ 1,695,477	\$ 2,974,887
1% Increase Net Pension Liability	\$ 841,273	\$ 1,051,988	\$ 1,893,261

Pension Plan Fiduciary Net Position: Detailed information about each risk pool’s fiduciary net position is available in the separately issued CalPERS financial reports.

**C. Payable to the Pension Plan**

There were no significant payables to the Plan at June 30, 2021.

**D. Deferred Compensation Plan**

City employees may defer a portion of their compensation under a City sponsored deferred compensation plan created in accordance with the Internal Revenue Service Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed; distributions are defined under the plan. The contribution is made by the participant and the City does not match any portion of the contribution. The City does make contributions to certain management employee deferred compensation accounts as authorized under individual employment contracts. The plan trustee is the California Public Retirement System.

The laws governing deferred compensation plans requires plan assets to be held in trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under this plan are not the City’s property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements.

NOTE I – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan: The City offers a single employer defined benefit OPEB plan (Plan) to eligible employees and their dependents under a City Council Resolution. Health insurance benefits are provided by CalPERS under the Public Employees’ Medical and Hospital Care Act (PEMHCA). The City pays the benefits described in the Plan Description paragraph below. The City also pays the CalPERS percent of premiums administrative fee. The City does not offer vision, dental or life insurance benefits to retirees. No publicly available financial statements are available for the Plan.

In September 2022, the City Council approved participation in the Public Agency Retirement Solutions (PARS) Post-Employment Benefits Trust Program, allowing the City to contribute funds to a trust fund for OPEB benefits.

Plan Description: The City of Ione’s Post-Retirement Healthcare Plan is an agent multiple employer defined benefit healthcare plan administered by CalPERS. CalPERS provides medical insurance benefits only to eligible retirees and their eligible dependents. The City approved post-retirement health insurance

CITY OF IONE, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021

NOTE I – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

benefits for all of its employees under the Public Employees’ Medical and Hospital Care Act (PEMHCA). Active employees are entitled to receive benefits after required service of five years if they retire from active City service. Employees hired prior to July 1, 2019: The City will reimburse the retiree for elected coverage (employee only, employee plus one or employee plus family) up to a cap of \$1,400 for Police Department employees and \$1,250 for all other employees. After the retiree’s death, the City continues to cover a percentage of the cost of spousal supplemental or medical premiums that ranges from 50% after 5 years of services up to 100% after 20 years of service. Employees hired on or after July 1, 2019: The City will pay the CalPERS statutory minimum, will deduct the balance of premiums from the retiree’s retirement payment and does not cover the cost of any spousal supplemental or medical premiums. The CalPERS statutory minimum was \$143 for the year ended June 30, 2021. For employees who retired directly from the City prior to July 1, 2019 under CalPERS, the retiree receives a benefit up to a specified cap per month towards paying retiree medical premiums. The cap increased \$50 per year under the unequal method until 2020 when it reached \$1,000.

Funding Policy: As of June 30, 2021 the City Council has not adopted a funding policy. The City is on the pay as you go basis for paying the OPEB benefits. No benefits are held in a trust that meets the criterial in GASB 75, paragraph 4.

Employees Covered By Benefit Terms: At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

Inactive plan members and beneficiaries currently receiving benefit payments	5
Active plan members	<u>12</u>
Total	<u><u>17</u></u>

Contributions: The City Council has the authority to establish and amend contribution requirements of the City and employees under its municipal code and employment agreements. The total City contributions, on the pay as you go basis, for the year ended June 30, 2021 was \$37,379 plus an implied subsidy payment of \$8,212 for total contributions of \$45,591.

Net OPEB Liability: The City’s OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation at July 1, 2019. At June 30, 2021 the City reported a net OPEB liability of \$1,709,064.

Actuarial Assumptions: The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions:

Valuation date	July 1, 2019
Measurement date	June 30, 2020
Actuarial cost method	Entry-age normal cost method
Actuarial assumptions:	
Discount rate	2.45%
Salary increases	3.00%
Inflation	3.00%
Healthcare cost trend rate	5.00% for 2023, 5.20% for 2024-2069 and 4% for 2070 and later years. Medicare ages: 4.0% for all years.
Investment rate of return	N/A

CITY OF IONE, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021

NOTE I – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Pre-retirement mortality was determined using RP-2014 Employee Mortality, without projection. Post-retirement mortality was determined using RP-2014 Healthy Annuitant Mortality, without projection. Actuarial assumptions used in the valuation were based on a review of plan experience during the period September 1, 2016 to June 30, 2017.

Change in Assumptions: The discount rate at the June 30, 2020 measurement date was changed from 3.13% to 2.45%.

Discount Rate: The discount rate used to measure the total OPEB liability was 2.45%, which was the Fidelity GO AA 20 Years Municipal Index rate. The projection of cash flows used to determine the discount rate assumed the City’s contributions will continue based upon the current OPEB funding policy. Based on those assumptions, there will be no fiduciary net position available to make future benefit payments.

Changes in the Net OPEB Liability: The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position (i.e. fair value of Plan assets), and the net OPEB liability during the measurement period.

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020	\$ 1,377,555	\$ -	\$ 1,377,555
Changes in the year:			
Service cost	179,554	-	179,554
Interest on the OPEB liability	48,182	-	48,182
Changes in benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Change in assumptions	139,525		139,525
Contributions	-	35,752	(35,752)
Benefit payments	(35,752)	(35,752)	-
Net changes	<u>331,509</u>	<u>-</u>	<u>331,509</u>
Balance at June 30, 2021	<u>\$ 1,709,064</u>	<u>\$ -</u>	<u>\$ 1,709,064</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the City’s share of the net OPEB liability if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease 1.45%	Discount Rate 2.45%	1% Increase 3.45%
Net OPEB liability	\$ 1,949,338	\$ 1,709,064	\$ 1,509,595

Sensitivity of the Net OPEB Liability to Changes in the Health Care Trend Rates: The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate:

CITY OF IONE, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021

NOTE I – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

	Current Healthcare		
	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 1,572,125	\$ 1,709,064	\$ 1,834,915

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB: For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$31,565. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, and actuarial assumptions or methods. At June 30, 2021, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 119,593	\$ (307,629)
Difference between expected and actual experience	-	(754,798)
City contributions subsequent to measurement date	45,591	-
Total	<u>\$ 165,184</u>	<u>\$ (1,062,427)</u>

The deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense over the 7.0-year remaining service life of participants as follows:

<u>Year Ended June 30</u>	
2022	\$ (196,171)
2023	(196,171)
2024	(196,171)
2025	(196,171)
2025	(178,083)
Thereafter	19,933
	<u>\$ (942,834)</u>

Payable to the OPEB Plan: There were no payables to the OPEB Plan at June 30, 2021.

NOTE J – INSURANCE

The City is a member of the Northern California Cities Self Insurance Fund (NCCSIF) along with twenty other northern California cities. The NCCSIF is a joint powers authority (JPA) organized in accordance with Article I, Chapter 5, Division 7, Title I of the California Government Fund Programs. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers' compensation benefits for their employees and to provide excess liability insurance. The NCCSIF provides claims processing administrative services, risk management services and actuarial studies. A member from each city governs the NCCSIF. The City Council members do not have significant oversight



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and  
Members of the City Council  
City of Ione, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Ione, California (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 15, 2025. Our report includes a modification of our opinions on the governmental activities, business-type activities, the General Fund, the Home Program Grant Special Revenue Fund, the CDBG Program Grant Special Revenue Fund, the Sewer Enterprise Fund and the aggregate remaining fund information of the City due to management not being able to provide supporting documentation requested for a number of transactions selected for testing, as described in finding 2021-002 in the schedule of findings and responses.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the

To the Honorable Mayor and  
Members of the City Council  
City of Ione, California

accompanying schedule of findings and responses as findings 2020-001 and 2020-002, that we consider to be material weaknesses.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters are required to be reported under *Government Auditing Standards*.

### **The City of Ione's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Richardson & Company, LLP*

October 15, 2025

CITY OF IONE, CALIFORNIA  
SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2021

INTERNAL CONTROL OVER FINANCIAL REPORTING

MATERIAL WEAKNESSES

**Finding 2021-001**

**Condition:** Restatements and a significant number of audit adjustments and closing entries were required to report the City's financial statements in accordance with generally accepted accounting principles (GAAP).

**Criteria:** Internal controls over financial reporting should exist to ensure the financial statements are complete and accurate.

**Cause:** The City experienced turnover in the Finance Director position prior to the start of the audit, which slowed the closing process. The City's chart of accounts also does not use fund numbers that help identify the fund type, includes stale terminology that makes it difficult to classify entries and is missing certain accounts necessary to report financial transactions.

**Effect:** 33 audit adjustments and closing entries were required to complete the financial statements, which slowed the completion of the audit and resulted in the audit taking more time to complete than expected.

**Recommendation:** We recommend the City post all of the audit adjustments provided during the audit, reconcile fund balance and net position in each fund to the 2021 financial statements, create a closing checklist that includes reconciliations necessary to identify adjustments identified during the audit and use the adjustments and suggested changes to the chart of accounts provided to make the chart of accounts complete and account names consistent with the financial statements.

**Management's Response:** The City now has a Finance Manager and Account Clerk to share the workload. These positions along with better documentation of the finance system and procedures will ensure that audit adjustments and supporting reconciliations are completed prior to the audit.

**Finding 2021-002:**

**Condition:** We noted a number of internal control exceptions and missing documentation in our detail testing of financial transactions, including the following:

- Cash Disbursements Tests of Controls – No evidence could be found of management review of check registers on the sample of check runs tested.
- Payroll Disbursements Tests of Controls – No Personnel Action Forms could be found on two payroll disbursements selected for testing. We noted different versions of the Personnel Action Forms were being used by different departments. We noted the City Manager and Finance Director payroll disbursements tested had no timesheets. In addition, no evidence could be found of management review of the payroll register/reconciliation of the payroll register to the general ledger on the sample of payroll runs tested.
- We were told that credit card bills were reviewed by the Finance Director, but no evidence of the review was available.

CITY OF IONE, CALIFORNIA  
 SCHEDULE OF FINDINGS AND RESPONSES  
 For the Year Ended June 30, 2021

Missing documentation included the following:

Description of Document	GL Entry Date	Transaction/ Check Number	Transaction Type	Amount	Fund	Account Number
Xpress Deposit Account Statement	May 2021	N/A	Bank Statement	N/A	Numerous Funds	N/A
Deposits (asset)	Prior to 2019	N/A	Deposits	\$ 46,614.00	General Fund	1111-00-2222
Borrower Name Provided to City	6/30/2021	N/A	Loan Principal	107,500.00	Home SR Fund	7117-00-1261
Borrower Name Provided to City	6/30/2021	N/A	Loan Interest	39,035.75	Home SR Fund	
Borrower Name Provided to City	3/19/2021	N/A	Loan Principal	81,917.00	Home SR Fund	7117-00-1261
Borrower Name Provided to City	3/19/2021	N/A	Loan Interest	30,560.65	Home SR Fund	
Borrower Name Provided to City	3/19/2021	N/A	Loan Principal	63,583.19	CDBG SR Fund	7118-00-1261
Borrower Name Provided to City	1/31/2021	N/A	Loan Principal	55,000.00	Home SR Fund	7119-00-1261
Borrower Name Provided to City	1/31/2021	N/A	Loan Interest	15,261.37	Home SR Fund	
PKG Group	6/30/2021	2244	Accts Payable/Exp/Capital Asset	23,500.00	General Fund /GW	1111-70-8814
Beeler Tractor Co.	6/17/2021	2262	Accts Payable/Exp/Capital Asset	19,318.69	General Fund /GW	1111-92-8814
Perc Water	6/5/2021	2300	Accounts Payable/Expenses	32,370.90	Sewer Fund	3111-50-6222/3131-50-622
					Aggregate Remaining	
BYO Recreation	4/30/2021	2267	Accts Payable/Exp/Capital Asset	23,419.63	Funds	9520-50-8813
Perc Water	8/26/2021	2385	Accounts Payable/Expenses	67,019.90	Sewer Fund	3111-50-6120
Hours on compensated absences detail	6/30/2021	N/A	Compensated absences	300,991.00	Sewer Fund/GW	9900-00-2100/9900-00-2150
Clary Bus Machines	12/24/2021	0232	Disbursement on Credit Card	2,021.85	General	1111-75-6111
Amazon.com*121FM9TU3	2/10/2021	6623	Disbursement on Credit Card	64.50	General	1111-75-6190
					Aggregate Remaining	
Central Valley Hardware	5/3/2021	0019	Disbursement on Credit Card	3,700.54	Funds	9520-50-8813

**Criteria:** Internal controls over financial transactions should be in place and documented to ensure evidence exists that the control was implemented and operating effectively, and evidence exists that duties are separated to limit the possibility of errors and fraud occurring and not being detected by the City’s internal controls.

**Cause:** The City did not maintain adequate evidence of the completion of internal controls or did not maintain consistent documentation that was easy for new staff to locate to support the controls performed over these transactions.

**Effect:** Errors and fraud could occur and not be detected by the City’s internal controls.

**Recommendation:** We recommend the City review the transactions above and maintain consistent evidence of the performance of the internal controls. The City should review employee files to ensure an approved and complete Personnel Action Form exists for each employee documenting the approved pay rate, step, etc. Timesheets should be completed by all employees and contract employees with pay that is assigned to restricted revenue sources or that are subject to vacation to support vacation used. Documentation of transactions should be maintained in a consistent manner that is well labeled and easy to find by City staff. A transition to high quality, well labeled electronic copies of financial records on the City’s server should be the City’s goal to organize documentation, which is easier to find in future years. All office staff and the City Manager should be trained on documentation policies so staff are available to train new staff in the event that employee turnover occurs.

**Management’s Response:** The City has taken measures to ensure documents including approvals are easily retrievable: approval sign-off sheets have been implemented for Warrants, Payroll and Credit Cards which document transaction review and authorizations: a standardized Personnel Action Form is completed, approved, and filed when employee payroll changes are made; paper and electronic files are being reorganized to ensure retention of required documents.

CITY OF IONE, CALIFORNIA  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended June 30, 2021

COMPLIANCE AND OTHER MATTERS

None

PRIOR YEAR FINDINGS

INTERNAL CONTROL OVER FINANCIAL REPORTING

MATERIAL WEAKNESSES

**Finding 2020-001**

**Condition:** A significant number of audit adjustments and closing entries were required to report the City's financial statements in accordance with generally accepted accounting principles (GAAP).

**Current Status:** Finding 2021-001 is a continuation of this finding.

**Finding 2020-002:**

We noted a number of internal control exceptions in our detail testing of financial transactions, including the following:

- Cash Disbursements Tests of Controls – No evidence could be found of management review of check registers on the sample of check runs tested.
- Payroll Disbursements Tests of Controls – No Personnel Action Forms could be found on two payroll disbursements selected for testing. We noted different versions of the Personnel Action Forms were being used by different departments. We noted the City Manager and Finance Director payroll disbursements tested had no timesheets. In addition, no evidence could be found of management review of the payroll register/reconciliation of the payroll register to the general ledger on the sample of payroll runs tested.
- The 2018 audit findings indicated the City was over withholding health insurance and in lieu payments from employees and a payable for this amount appeared on the balance sheet at June 20, 2019 and 2020.
- We were told that credit card bills were reviewed by the Finance Manager, but no evidence of the review was available.

**Current Status:** Finding 2020-002 is a continuation of this finding.

COMPLIANCE AND OTHER MATTERS

None



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## MANAGEMENT LETTER

City Council and Management  
City of Ione  
Ione, California

In planning and performing our audit of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Ione (the City) for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies reported as Finding 2021-001 and 2021-002 in the schedule of findings and responses in the financial statements to be material weaknesses. Recommendations on how to address those findings are discussed in the schedule of findings and responses in the financial statements.

We also noted the following items that are included for your consideration:

### Risk Assessment Process

Considering the staff turnover, we recommend the City develop a risk assessment process where the City's activities are analyzed to determine where fraud risks exist and implement controls to address these risks. Some risks may require a consultant to address, such as risks of theft of customer data from the information system. A risk assessment is often reported to a Finance or Audit Committee so Council members assigned to this task can devote full attention to financial matters.

### Development Deposits

The City needs to ensure that as part of the year-end closing process, impact fees for permits issued prior to June 30 are recognized as impact fee revenue on developments that do not prepay impact fees.

To the City Council and Management  
City of Ione, California

### Capital Assets

The City should document the depreciable lives that should be used to depreciate each type of capital asset owned and a description of capital versus noncapital expenditures/expenses in its Financial Policies and Procedures Handbook.

The capital asset detail list should be re-sorted to have assets in order of the capital asset footnote with subtotals to match the footnote to make it easier to reconcile the capital assets detail list to the financial statements. Separate accumulated depreciation accounts should be added for each governmental activities depreciable asset type to support the footnote.

### Vacation and Sick Leave Payment at Separation

The City should more clearly document in the Employee Handbook whether sick leave and vacation is fully or partially payable at separation. It was assumed the vacation is payable at separation, which is generally the case.

### Other Recommendations

We noted a capital fee was discussed in the Sewer Fund rate study that was not approved in the resolution approving the current Sewer Fund charges for service rates. If a capital fee is necessary, it should be approved separately when Sewer Rates are approved. This is typically accomplished by creating a rate schedule and attaching the rate schedule to the Council Resolution approving the rates.

We recommend a table be added to the budget document showing each fund name, fund number and a description of the purpose of the fund, including the fund type and purpose of any revenue recorded in the fund.

The City established a fund to account for government-wide adjustments for governmental activities as we recommended last year. The City should continue to refine how it records government-wide entries by recording restrictions of net position, net investment in capital assets and other items on the trial balance we provided during the audit.

We recommend the City add a direct link to the approved Council meeting minutes on the City's website on the date of the meeting to make it easier to find approved minutes. Currently minutes are attached to the agenda of subsequent Council meetings, which takes time for a user to find. A recent trend is to have a transparency page on the website with a link to transparency related documents.

We noted as part of our testing last year that the city has incomplete employee records related to the census data provided to CalPERS. We recommend the city update all employee files to include information for census data in addition to payroll information.

It was difficult to reconcile receivables and payables to detail lists during the audit. The City should consider recording all receivable and payable entries in its receivable and payables subsidiary systems so the detail list tie directly to the general ledger. If any receivables and payables are recorded outside of the subsidiary systems by journal entry, the City should consider using separate receivable and payable general ledger accounts for amounts posted by journal entry.

\* \* \* \* \*

This communication is intended solely for the information and use of the City Council, management, and others within the organization, and is not intended to be, and should not be, used by any other than these specified parties.

*Richardson & Company, LLP*

October 15, 2025



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## GOVERNANCE LETTER

To the City Council  
City of Ione  
Ione, California

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Ione, California (the City), for the year ended June 30, 2021, and have issued our report thereon dated October 15, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards*), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated February 28, 2019 and to a member of the City Council during the audit. Professional standards also require that we communicate to you the following information related to our audit.

### Our Responsibility under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated February 28, 2019, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the internal control of the City. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to management's discussion and analysis, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on combining and individual fund schedules which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole

### Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involves judgment about the number of transactions to be examined and the areas to be tested.

Our audit includes obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note A to the financial statements. The City adopted Governmental Accounting Standards Board Statement No. 94, *Fiduciary Activities*. The implementation of this statement resulted in the City's agency funds being classified as custodial funds, which report both a statement of fiduciary net position as agency funds do and a statement of changes in fiduciary net position, which required a restatement to record initial net position. The application of existing policies were not changed during the year. We noted no transaction entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statement prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were determining the depreciable lives used for capital assets, the determination of the need for an allowance for uncollectible accounts, the determination of qualifying expenses under grant agreements and the determination of net pension and OPEB liabilities. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The net pension liability was determined by an actuarial valuation performed by CalPERS and net OPEB liability was determined by an actuary.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures in the financial statements were the disclosures about advances between funds in Note C, long-term liabilities in Note F, the pension plan in Note H, the OPEB plan in Note I, and commitments and contingencies in Note K to the financial statements.

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

### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit. However, the significant number of audit adjustments identified and delays in the City providing audit documentation slowed the completion of the audit.

#### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We posted thirty-three adjustments and closing entries during the audit, which are attached to this letter.

The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

#### Disagreements with Management

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

#### Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 15, 2025.

#### Management Consultations with Other Independent Accountants

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

#### Issues Discussed Prior to Retention of Independent Auditors

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

#### Other Matters

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

We were engaged to report on the Combining and Individual Fund Schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is

To the City Council  
Page 4

appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

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

*Richardson & Company, LLP*

October 15, 2025



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES  
RELATED TO THE ARTICLE XIII-B APPROPRIATIONS LIMIT CALCULATION

To the City Council  
City of Ione, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit Worksheet of the City of Ione, California (City) for the fiscal year ended June 30, 2021. The City's management is responsible for the appropriations limit calculation for the fiscal year ended June 30, 2021.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the City in evaluating the appropriations limit calculation in accordance with the requirements of Section 1.5 of Article XIII-B of the California Constitution. The procedures are recommended by the California Committee on Municipal Accounting (CCMA), as presented in the CCMA publication titled *Agreed-Upon Procedures Applied to the Appropriations Limit Prescribed by Article XIII-B of the California Constitution*. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and our findings were as follows:

1. We obtained the completed appropriations limit calculation for the fiscal year ended June 30, 2021 and compared the limit and annual adjustment factors included in the worksheet to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation factors included in the aforementioned worksheets to those that were selected by a recorded vote of the City Council.

Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying appropriations limit calculation, we added the appropriations limit for the fiscal year ended June 30, 2020, to the annual adjustment amount, and compared the resulting amount to the appropriations limit for the fiscal year ended June 30, 2021.

Finding: No exceptions were noted as a result of our procedures.

3. We compared the current year information presented in the accompanying appropriations limit calculation to the worksheets described in procedure No. 1 above.

Finding: No exceptions were noted as a result of our procedures.

4. We agreed the prior year appropriations limit presented in the accompanying appropriations limit calculation to the prior year appropriations limit adopted by the City Council.

Finding: The appropriations limit computed for the years ended June 30, 2021, 2020 and 2019 agreed to the amounts approved by the City Council. However, we noted the appropriations limit calculation for the year ended June 30, 2018 was not reviewed by the City's previous auditor and an agreed-upon procedures report was not issued as required by Article XIII B, Section 1.5 of the California Constitution.

Recommendation: We recommend the City have an agreed-upon procedures report prepared for any prior years for which a report was not issued as required by the California Constitution.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We are not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on appropriations limit calculation for the year ended June 30, 2021. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriations limit for the base year, as defined by *Article XIII-B* of the California Constitution.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City Council and management of the City and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

*Richardson & Company, LLP*

October 15, 2025

## SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2019

## INTERNAL CONTROL OVER FINANCIAL REPORTING

## MATERIAL WEAKNESSES

**Finding 2019-001**

Condition: Restatements and a significant number of audit adjustments and closing entries were required to report the City's financial statements in accordance with generally accepted accounting principles (GAAP).

Criteria: Internal controls over financial reporting should exist to ensure the financial statements are complete and accurate.

Cause: The City implemented a new accounting system and experienced turnover in the Finance Director position prior to the start of the audit, which slowed the closing process. The City's chart of accounts also does not use fund numbers that help identify the fund type, includes stale terminology that makes it difficult to classify entries and is missing certain accounts necessary to report financial transactions.

Effect: 50 audit adjustments and closing entries were required to complete the financial statements, which slowed the completion of the audit and resulted in the audit taking more time to complete than expected.

Recommendation: We recommend the City post all of the audit adjustments provided during the audit, reconcile fund balance and net position in each fund to the 2019 financial statements, create a closing checklist that includes reconciliations necessary to identify adjustments identified during the audit and use the adjustments and suggested changes to the chart of accounts provided to make the chart of accounts complete and account names consistent with the financial statements.

Management's Response: The City now has an Accountant with recruitments underway for Management Analyst and Finance Manager. These positions along with better documentation of the finance system and procedures will ensure that audit adjustments and supporting reconciliations are completed prior to the audit.

**Finding 2019-002:**

Condition: We noted a number of internal control exceptions in our detail testing of financial transactions, including the following:

- Cash Receipts Tests of Controls – Several cash receipts selected for testing were charged rates for services from a rate schedule that could not be located by City staff and supporting documentation for one transaction selected for testing could not be located by City staff. No support existed for the number of fixtures billed to commercial sewer fund accounts.
- Cash Disbursements Tests of Controls – Three of 25 cash disbursements selected for testing were missing checks or other supporting documentation. Also, no evidence could be found of management review of check registers on the sample of check runs tested.
- Payroll Disbursements Tests of Controls – No Personnel Action Forms could be found on eight of 25 payroll disbursements selected for testing and five additional Personnel Action Forms selected for testing were missing information. We noted different versions of the Personnel Action Forms were being used by different departments. We noted eight of 25 payroll disbursements tested had unsigned timesheets. In addition, no evidence could be found of management review of the

CITY OF IONE, CALIFORNIA  
SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2019

payroll register/reconciliation of the payroll register to the general ledger on the sample of payroll runs tested.

- The 2018 audit findings indicated the City was over withholding health insurance and in lieu payments from employees and a payable for this amount appeared on the balance sheet at June 20, 2019.

Criteria: Internal controls over financial transactions should be in place and documented to ensure evidence exists that the control was implemented and operating effectively, and evidence exists that duties are separated to limit the possibility of errors and fraud occurring and not being detected by the City's internal controls.

Cause: The City did not maintain adequate evidence of the completion of internal controls or did not maintain consistent documentation that was easy for new staff to locate to support the controls performed over these transactions.

Effect: Errors and fraud could occur and not be detected by the City's internal controls.

Recommendation: We recommend the City review the transactions above and maintain consistent evidence of the performance of the internal controls. The City should review employee files to ensure an approved and complete Personnel Action Form exists for each employee documenting the approved pay rate, step, etc. Payroll tax and withholding payable accounts should be reconciled to the subsequent payment each pay period and any differences investigated and cleared. Documentation of transactions should be maintained in a consistent manner that is well labeled and easy to find by City staff. A transition to high quality, well labeled electronic copies of financial records on the City's server should be the City's goal to organize documentation, which is easier to find in future years.

Management's Response: The City has taken measures to ensure documents including approvals are easily retrievable: a Personnel Action Form is completed, approved, and filed when employee payroll changes are made; review and approval processes have been implemented throughout the City which document transaction authorizations; paper and electronic files are being reorganized to ensure retention of required document.

#### COMPLIANCE AND OTHER MATTERS

##### **Finding 2019-003:**

Condition: A number of issues were noted related to the SAFER grant by the predecessor auditor as noted in Finding 2018-06, including the lack of an approved employment agreement for the volunteer coordinator, a relative of the volunteer coordinator was approving timesheets of the volunteer coordinator, claims were submitted prior to the volunteer coordinator being paid, which may not be allowable under the grant agreement, grant receivables were not accrued by the Finance Department, the volunteer coordinator was reimbursed for fringe benefits directly from grant funds rather than by the City, and it was unclear whether the volunteer coordinator worked over 1,000 hours and was eligible for the City's pension plan with CalPERS and contributions were required to be made to CalPERS for the volunteer coordinator.

Criteria: Internal controls over grants should exist to ensure the expenditures incurred and claimed under the grant agreement are approved, complete and accurate.

CITY OF IONE, CALIFORNIA  
SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2019

Cause: Certain controls were not in place over grant activity to ensure expenditures were approved, complete and accurate.

Effect: Grant expenditures could be disallowed by the grantor.

Recommendation: We understand the City will bring an employment agreement for the volunteer coordinator to the City Council for approval in a future Council meeting and management will address the issues brought up by the predecessor auditor. We recommend each finding be addressed in that meeting.

Management's Response: The referenced Grant Procedure Policy has not yet been established; however, will be in the near future and incorporated in the Financial Policy and Procedure Manual. The City Council approved creation of a Grant Coordinator as part of the grant; however, the position was omitted from the Salary Range Schedule and is in the process of being incorporated noting that it dates back to the time of grant approval.

PRIOR YEAR FINDINGS

**Finding 18-1:**

Condition: At June 30, 2018, we noted the general fund had a deficit fund balance of \$797,514, the Fire Service Impact Fee Fund had a \$1,298,772 deficit fund balance, the Government Impact Fees fund had a deficit fund balance of \$606,972, the Rail Road Depot fund had a deficit fund balance of \$27,000 and the Safer Grant fund had a deficit fund balance of \$9,913.

We noted improvement in the Sewer Capital Fund with an increase of net position of \$654,513 and ending accumulated deficit of \$2,975,875. The Sewer Tertiary Fund had an increase in net position during the 2017/19 fiscal year of \$1,822 and an ending accumulated deficit of \$467,306. We have noted these conditions in prior audits.

Recommendation: We recommend the City continue to evaluate the tertiary plant operations and prepare a plan of how the tertiary fund will pay back the \$487,187 borrowed from other funds. During the 2017/18 fiscal year the fund generated \$1,822 which will not be sufficient to repay the amount borrowed from other funds. While the City expects current financial resources will be sufficient to cover current liabilities, we recommend close attention to resolving the accumulated deficit in the general fund and all funds with deficit fund balances/accumulated deficits.

Current Status: The General Fund and three other City funds continue to report deficit fund balances as reported in the Fund Balance Deficit paragraph of Note A of the financial statements. A financial plan to address these deficits should be prepared by management and approved by the City Council. The Sewer Fund was separated into a number of sub-funds that were combined for reporting purposes during the year ended June 30, 2019 because there did not appear to be any requirement for any of the sub-funds to be reported separately, such as paying separate debt agreements. The deficits for the Sewer Fund reported in the June 30, 2019 financial statements are no longer reported separately as a result. The City should address any structural deficits in its Sewer Rate Plan in the future to ensure the Sewer Fund has adequate resources to perform required services. Although it is important to ensure these deficits are addressed, we do not believe this item meets the definition of a finding under audit standards and was not included in the 2019 schedule of findings.

CITY OF IONE, CALIFORNIA  
SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2019

**Finding 18-2:**

Condition: We noted the City had a lack of segregation of duties, as one person is capable of handling all aspects of processing certain transactions from beginning to end. A lack of segregation of duties increases the risk of potential error or irregularities occurring without being detected; however, due to a limited number of personnel in the finance department as a result of downsizing an adequate segregation of duties is not possible without incurring additional costs. We have noted this finding in prior audits.

Recommendation: We recommend the City segregate duties to the greatest extent possible given the limited number of personnel in the Finance Department.

Current Status: The City hired an administrative staff that allows duties to be separated. However, we noted lack of adequate documentation of internal controls being performed to prove separation of duties occurred during the year ended June 30, 2019. See Finding 2019-002 for a continuation of this finding and recommendations.

**Finding 18-3:**

Condition: During our testing of sewer commercial accounts, we noted the City is charging based on the number of fixtures, however the City did not have files for commercial properties documenting the number of fixtures so that we could recalculate the charges. We noted this condition in prior audits.

Recommendation: We recommend the City perform a site inspection of all commercial properties and document the number of fixtures that are being charged. The City should then compare that data to the actual charges and make adjustments where needed to verify that the current charges are valid. The City should also verify that there is an approved rate schedule for all sewer fees being charged.

Current Status: We noted differences between Sewer Fund billings and the rate per the rate schedule during our testing of cash receipts in 2019 that appeared to be related to a number of fixtures being billed to commercial customers. See Finding 2019-002 for a continuation of this finding and recommendations.

**Finding 18-4:**

Condition: During our testing of the prior year deposit liability account, we noted Ryland (now Axios) pulled building permits, however, the City did not adjust their deposit liability balance to reduce the liability for the 2016/17 FY activity.

Recommendation: We recommend the City adjust the deposits liability balance each time Axios uses one of the prepaid building permits. We recommend the City allocate the remaining prepaid developer fees to each fund based on the funds prepaid developer deposit (liability) balance.

Current Status: The deposit accounts referenced were development impact fees paid prior to the permit being approved that should have been recognized when the related development agreement was approved under generally accepted accounting principles rather than deferring the amounts as deposits and recognizing them when permits were pulled. See the restatement discussed in Note L of the financial statements to correct this error.

CITY OF IONE, CALIFORNIA  
SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2019

**Finding 18-5:**

Condition: During our prior year testing of health insurance and in lieu payments, we noted there were some employees with insurance deduction over withheld/under withheld from their paychecks. We also noted on the health in lieu payouts some of the employees were also overpaid/underpaid. We also noted this condition in the prior audit.

Recommendation: We recommend the City periodically review these deductions or payments to ensure accuracy and that all requirements are met. We recommend agreeing the health in lieu payouts and the health insurance deductions to agree with the City policy amounts.

Current Status: We noted no resolution of this issue. See Finding 2019-002 for a continuation of this finding and recommendations.

**Finding 18-6:**

Condition: During our testing of the SAFER federal grant we noted the following conditions:

- A related party to the SAFER grant volunteer coordinator is authorizing the timesheets as supervisor.
- The volunteer coordinator is submitting the invoices to the granting agency for reimbursement and no receivable is recorded in the general ledger by the finance department.
- The invoice submitted to the grant agency to reimburse the period of April 2018 through September 2018 was submitted in January 2019 prior to the City paying for the services rendered for that period. We did not see language in the grant agreement that advances were allowed under the program.
- While it appears the City Manager and the Mayor appointed the volunteer coordinator to run the SAFER grant program, the City did not adopt a job description for the position that would have included a rate of pay, if this was a full-time or part-time position and benefits package.
- We noted the volunteer coordinator was submitting reimbursement requests for fringe benefits. The payments were being made directly to the volunteer coordinator. The grant agreement allowed for the cost of fringe benefits for things such as social security, Medicare, health insurance and worker's compensation to be included as a reimbursable expense to the City. There was no mention in the grant agreement that the grant would pay the volunteer coordinator for fringe benefits in lieu of the volunteer coordinator receiving these benefits.
- We noted the volunteer coordinator might have worked over 1,000 hours during the 2017/18 fiscal year for this program and was not enrolled in the City's retirement program with CalPERS. Under the terms of the contract between the City and CalPERS retirement program, if an employee works over 1,000 hours in a fiscal year then they should be enrolled as a member of CalPERS. Because the grant coordinator was recording salary and not actual hours worked on several timesheets it is not certain that the 1,000 hours was exceeded.

Recommendation: We recommend that a fire district employee, other than a related party to the volunteer coordinator, with knowledge of the volunteer coordinators working hours authorize the timesheets. We recommend the City review if a job description, salary schedule and benefits package should be approved by the City Council. We recommend that invoices submitted to the granting agency for reimbursement be reviewed by the Finance Department, sent to the granting agency by the Finance Department and

CITY OF IONE, CALIFORNIA  
SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2019

recorded as a receivable in the general ledger. We recommend the City request reimbursement from the granting agency for fringe benefits actually paid as opposed to paying the volunteer coordinator in lieu of paying fringe benefits and requesting reimbursement for those in lieu payments. We recommend the City reconcile the actual hours worked by the volunteer coordinator and if it is determined that the 1,000 hours was exceeded contact CalPERS to determine if the volunteer coordinator should have been enrolled in the CalPERS retirement plan and take action to enroll the employee in the retirement plan.

Current Status: We noted management was working on the resolution of this finding but it was not resolved during the audit. See current year finding 2019-003, which is a continuation of this finding.

CITY OF IONE, CALIFORNIA  
SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2020

INTERNAL CONTROL OVER FINANCIAL REPORTING

MATERIAL WEAKNESSES

**Finding 2020-001**

Condition: Restatements and a significant number of audit adjustments and closing entries were required to report the City's financial statements in accordance with generally accepted accounting principles (GAAP).

Criteria: Internal controls over financial reporting should exist to ensure the financial statements are complete and accurate.

Cause: The City implemented a new accounting system and experienced turnover in the Finance Director position prior to the start of the audit, which slowed the closing process. The City's chart of accounts also does not use fund numbers that help identify the fund type, includes stale terminology that makes it difficult to classify entries and is missing certain accounts necessary to report financial transactions.

Effect: Although improvement was noted, 33 audit adjustments and closing entries were required to complete the financial statements, which slowed the completion of the audit and resulted in the audit taking more time to complete than expected.

Recommendation: We recommend the City post all of the audit adjustments provided during the audit, reconcile fund balance and net position in each fund to the 2020 financial statements, create a closing checklist that includes reconciliations necessary to identify adjustments identified during the audit and use the adjustments and suggested changes to the chart of accounts provided to make the chart of accounts complete and account names consistent with the financial statements.

Management's Response: The City now has a Finance Manager and Administrative Analyst to share the workload. These positions along with better documentation of the finance system and procedures will ensure that audit adjustments and supporting reconciliations are completed prior to the audit.

**Finding 2020-002:**

Condition: We noted a number of internal control exceptions in our detail testing of financial transactions, including the following:

- Cash Disbursements Tests of Controls – No evidence could be found of management review of check registers on the sample of check runs tested.
- Payroll Disbursements Tests of Controls – No Personnel Action Forms could be found on two payroll disbursements selected for testing. We noted different versions of the Personnel Action Forms were being used by different departments. We noted the City Manager and Finance Director payroll disbursements tested had no timesheets. In addition, no evidence could be found of management review of the payroll register/reconciliation of the payroll register to the general ledger on the sample of payroll runs tested.
- The 2018 audit findings indicated the City was over withholding health insurance and in lieu payments from employees and a payable for this amount appeared on the balance sheet at June 20, 2019 and 2020.

CITY OF IONE, CALIFORNIA  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended June 30, 2020

- We were told that credit card bills were reviewed by the Finance Manager, but no evidence of the review was available.

Criteria: Internal controls over financial transactions should be in place and documented to ensure evidence exists that the control was implemented and operating effectively, and evidence exists that duties are separated to limit the possibility of errors and fraud occurring and not being detected by the City's internal controls.

Cause: The City did not maintain adequate evidence of the completion of internal controls or did not maintain consistent documentation that was easy for new staff to locate to support the controls performed over these transactions.

Effect: Errors and fraud could occur and not be detected by the City's internal controls.

Recommendation: We recommend the City review the transactions above and maintain consistent evidence of the performance of the internal controls. The City should review employee files to ensure an approved and complete Personnel Action Form exists for each employee documenting the approved pay rate, step, etc. Timesheets should be completed by all employees and contract employees with pay that is assigned to restricted revenue sources or that are subject to vacation to support vacation used. Payroll tax and withholding payable accounts should be reconciled to the subsequent payment each pay period and any differences investigated and cleared. Documentation of transactions should be maintained in a consistent manner that is well labeled and easy to find by City staff. A transition to high quality, well labeled electronic copies of financial records on the City's server should be the City's goal to organize documentation, which is easier to find in future years.

Management's Response: The City has taken measures to ensure documents including approvals are easily retrievable: a Personnel Action Form is completed, approved, and filed when employee payroll changes are made; review and approval processes have been implemented throughout the City which document transaction authorizations; paper and electronic files are being reorganized to ensure retention of required document.

COMPLIANCE AND OTHER MATTERS

None

PRIOR YEAR FINDINGS

INTERNAL CONTROL OVER FINANCIAL REPORTING

MATERIAL WEAKNESSES

**Finding 2019-001**

Condition: Restatements and a significant number of audit adjustments and closing entries were required to report the City's financial statements in accordance with generally accepted accounting principles (GAAP).

Current Status: This finding was not resolved. Finding 2020-001 is a continuation of this finding.

CITY OF IONE, CALIFORNIA  
SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2020

**Finding 2019-002:**

Condition: We noted a number of internal control exceptions in our detail testing of financial transactions, including the following:

- Cash Receipts Tests of Controls – Several cash receipts selected for testing were charged rates for services from a rate schedule that could not be located by City staff and supporting documentation for one transaction selected for testing could not be located by City staff. No support existed for the number of fixtures billed to commercial sewer fund accounts.
- Cash Disbursements Tests of Controls – Three of 25 cash disbursements selected for testing were missing checks or other supporting documentation. Also, no evidence could be found of management review of check registers on the sample of check runs tested.
- Payroll Disbursements Tests of Controls – No Personnel Action Forms could be found on eight of 25 payroll disbursements selected for testing and five additional Personnel Action Forms selected for testing were missing information. We noted different versions of the Personnel Action Forms were being used by different departments. We noted eight of 25 payroll disbursements tested had unsigned timesheets. In addition, no evidence could be found of management review of the payroll register/reconciliation of the payroll register to the general ledger on the sample of payroll runs tested.
- The 2018 audit findings indicated the City was over withholding health insurance and in lieu payments from employees and a payable for this amount appeared on the balance sheet at June 20, 2019.

Current Status: Although rate schedules were able to be found for cash receipts tested, this finding was not resolved. Finding 2020-002 is a continuation of this finding.

COMPLIANCE AND OTHER MATTERS

**Finding 2019-003:**

Condition: A number of issues were noted related to the SAFER grant by the predecessor auditor as noted in Finding 2018-06, including the lack of an approved employment agreement for the volunteer coordinator, a relative of the volunteer coordinator was approving timesheets of the volunteer coordinator, claims were submitted prior to the volunteer coordinator being paid, which may not be allowable under the grant agreement, grant receivables were not accrued by the Finance Department, the volunteer coordinator was reimbursed for fringe benefits directly from grant funds rather than by the City, and it was unclear whether the volunteer coordinator worked over 1,000 hours and was eligible for the City's pension plan with CalPERS and contributions were required to be made to CalPERS for the volunteer coordinator.

Management's Response: The referenced Grant Procedure Policy has not yet been established; however, will be in the near future and incorporated in the Financial Policy and Procedure Manual. The City Council approved creation of a Grant Coordinator as part of the grant; however, the position was omitted from the Salary Range Schedule and is in the process of being incorporated noting that it dates back to the time of grant approval.

Current Status: The City Council approved a Salary Range Schedule that included the Grant Coordinator position in March 2022. The City Council approved the response to the finding when taking this action. This issue is considered resolved.



*City of Ione  
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Ione, CA 95640*

Appendix L

## **JOB ANNOUNCEMENT**

### **Finance Manager**

**The application deadline is 4:00 P.M. on May 19<sup>th</sup>, 2025 or until filled.**

The City of Ione is accepting applications for the position of full-time, benefited Finance Manager.

The Finance Manager works under general supervision of the City Manager and oversees Administrative Analysts, Administrative Assistants, and Account Clerks.

This position plans and manages the Finance functions of the City including accounting, budgeting, payroll, purchasing, successor agency, CDBG program, and special studies and programs as assigned by the City Manager; manages internal and external audits; oversees revenue and expenditure projections; performs other related duties as required.

This is a single-incumbent managerial level class in the professional Accounting series. Positions at this level are distinguished from the Accountant by the higher level of responsibility assumed, scope of job impact, degree of autonomy, and the complexity of duties assigned. Positions at this level possess specialized, technical, and functional expertise within the area of assignment and perform the most difficult and responsible types of duties assigned to positions within this series. Incumbents assigned to this class work independently, and exercise high degree of judgment and initiative. Positions at this level are expected to determine the work methods to achieve desired outcomes and goals.

#### **Knowledge/Skills/Abilities**

Knowledge of: All facets of municipal finances; GASB accounting practices and Successor Agency finances; accounting principles, practices, and methods and the applicability of data; ordinances, resolutions, policies and laws affecting municipal financial operations; principles and practices of public administration including finance accounting, investments, budgeting, auditing, information technology and debt financing; financial planning, cash management and investments; research methods and techniques and methods of report presentation; financial computer skills, including modern office practices, procedures, methods, and equipment; and modern principles and practices of purchasing.

Ability to: Communicate clearly and concisely, orally and in writing; analyze and interpret fiscal and accounting records and data; devise and implement new and improved accounting and record-keeping procedures; prepare accurate financial and statistical reports; make accurate revenue and expenditure forecasts; analyze statistical and fiscal material and reduce the analysis



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to layman's language; establish and maintain cooperative relationships with those contacted in the course of work; properly interpret and make decisions in accordance with laws, rules and regulations; elect, supervise, train and evaluate assigned staff; maintain highly effective interpersonal management skills with colleagues and subordinates; make presentations of complex and difficult issues to the public and to the City Council; operate a computer, 10-key adding machine, and other office-related equipment; work evenings, weekends, and attend night meetings when required; and ensure adherence to safe work practices and procedures.

**EXAMPLES OF ESSENTIAL FUNCTIONS: (Illustrative Only):** *Management reserves the right to add, modify, change or rescind the work assignments of different positions and to make reasonable accommodations so that qualified employees can perform the essential functions of the job.*

- Develops and implements goals, objectives and priorities, working closely with the City Manager related to the City's finances; provides general supervision over staff engaged in finance and accounting related work; assists the City Manager in the administration of the City-wide budget;
- Assists the City Manager in the coordination and preparation of the City's annual operating budget; prepares City revenue estimates; checks revenue and expenditure estimates and forecasts; participates in budget meetings with City staff; compiles proposed and adopted budget for publication.
- Manages the City's financial administration, investing, payroll, and purchasing for the City.
- Monitors and participates in the City's accounting activities, including accounts payable, receivable, purchasing, and payroll; reviews purchases and contracts for compliance with City ordinances, rules and procedures, and to determine that expenditures are made in accordance with the terms of the contract.
- Serves as the fiscal officer for the City's Successor Agency, Plans and develops accounting procedures for bookkeeping and processing of claims, expenditures, purchases, budget data, salary warrants, receipts and subventions, journal entries, and the general ledger.
- Supervises assigned staff; reviews work of assigned employees; performs staff evaluations; instructs staff in policies and procedures.
- Assists department heads, managers and supervisors in financial matters pertaining to City operations.
- Compiles and prepares required state and federal reports for various governmental agencies; reviews, analyzes, evaluates, and implements improvements to fiscal control systems and procedures; works with independent auditors on annual audit compliance.
- Reviews, evaluates and recommends improvements to the City's administrative and financial internal control systems and procedures and ensures audit compliance.



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- Prepares monthly financial reports for City Council, City Manager, and staff.
- Checks appropriation balances and recommend transfer of funds to other appropriation funds as necessary.
- Oversees the investment of City funds and revenue bonds.
- Participates in cross training and provides back up to other staff; assists other office personnel in performing related administrative support functions; serves as a back-up to other finance and/or City functions.
- Establishes positive working relationships with City staff and the general public.
- Assumes responsibility for ensuring the duties of the position are performed in a safe and efficient manner.
- Assists with sensitive customer relations situations and requests for information.
- Performs other duties as assigned.

### **Minimum Qualifications**

#### **EDUCATION AND EXPERIENCE:**

Education: Graduation from an accredited college or university with a Bachelor's degree or equivalent in Finance, Business or Public Administration, Accounting, or related field.

OR

Experience: Five (5) years of increasingly responsible experience in finance, with at least three (3) years of administrative supervisory experience in municipal public administration. Strong management skills and experience managing a municipal finance department are desirable.

Licenses and Certificates: Possession of a valid State of California Class C driver's license.

#### **Supplemental Information:**

**PHYSICAL DEMANDS:** While performing the duties of this classification, an incumbent is regularly required to use hands and fingers to handle or feel. The employee is frequently required to talk, hear, and to sit and reach with hands and arms. The employee is occasionally required to stand, walk, climb, or balance and stoop, kneel, crouch, or crawl. The employee must regularly lift and/or move up to ten (10) pounds, frequently lift and/or move up to twenty-five (25) pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception and ability to adjust focus.

**ENVIRONMENTAL ELEMENTS:** The employee typically works in an office environment. Non-traditional work hours may be required in order to accommodate the City's needs including attendance at City Council meetings, special City events, and matters requiring the presence of the incumbent. These hours may include, but are not limited to: weekends, evenings, and



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holidays. Generally clean work environment with limited exposure to conditions such as dust, fumes, odors, or noise.

### **SELECTION PROCESS:**

The selection process will consist of an evaluation of the applicant's training and experience based on the required employment application. Applicants are also required to provide their resume upon applying. Only the candidates whose backgrounds best match the position will be invited to proceed in the oral interview process.

### **COMPENSATION AND BENEFITS**

The salary range is \$88,400.83-\$107,451.76 per year. The City contributes up to \$1250/ month towards medical insurance premiums for approved health plans through CalPERS.

Dental and Vision Insurance coverage is provided to full-time regular employees at no cost to employees.

The City provides Term life insurance coverage of \$50,000 for each full-time regular employee at no cost to employees.

Employees new to the CalPERS retirement system will be PEPRA eligible (2% at 62 formula). For more detail, please refer to the Employee Handbook.

**The application deadline is 4:00 PM on May 19<sup>th</sup>, 2025 or until filled.**