



City of Sonora

"Queen of the Southern Mines"

94 North Washington Street
Sonora, California 95370

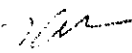
City Hall	
Administration	532-4541
Community Development	532-3508
Finance	532-4541
Human Resources	588-8946
Opera Hall	532-7725
Special Programs	532-7725
Fire	532-7432
Police	532-8143
Public Works	532-2922
Cemetery	532-4492

Area Code 209
www.sonoraca.com

MEMORANDUM

DATE: August 6, 2018

TO: Honorable Mayor, City Council members

FROM: Timothy A. Miller, City Administrator 

SUBJECT: 2017-2018 Tuolumne County Grand Jury Report
Tuolumne County Economic Authority

DISCUSSION:

The 2017-2018 Tuolumne County Grand Jury Report (Report) includes an investigation of the Tuolumne County Economic Development Authority (TCEDA). The Tuolumne County Grand Jury (Jury) focused on the subjects of "general assistance to businesses", "management oversight" and "strategy and direction" for the agency. The Report contains nine Findings and seven Recommendations based on the Jury's review of the TCEDA (see pages 171 through 173).

This item has been agendaized for the City Council to solicit public input and provide direction, if any, to City staff regarding the issues, findings and recommendations contained in the Report.

Findings

- F1. Businesses have an inconsistent awareness of the existence of TCEDA and the services it offers.
- F2. TCEDA's refusal to disclose the specific nature of its activities or the identities of business clients does not allow for independent oversight or auditing and may impact Brown Act compliance.
- F3. TCEDA does not follow best practices for public agencies with regard to transparency in the use of public funds.
- F4. TCEDA Board fails to provide effective operational oversight and does not verify or monitor the accuracy of information presented to the public.
- F5. TCEDA lacks both internal and public transparency regarding the appropriateness of budget expenditures.
- F6. TCEDA policy on entertaining "Clients" is loosely interpreted beyond the original intent of the CEO contract.
- F7. TCEDA lacks sufficient metrics and procedures to evaluate its effectiveness.
- F8. TCEDA Board and Staff serve on multiple boards and appear to be in conflict of interest.
- F9. The CEO's vacation policy allows for both abnormally low use of vacation time and abnormally high cashing out of vacation time.

Recommendations

- R1. TCEDA develop a Business Support Guide (similar to the Incentives and Grants guides) that indicates business support services offered by TCEDA and other local, state, and federal resources. (F1)

R2. The County Auditor retain an independent firm to perform a Management Audit of TCEDA operating policies and practices. The Board of Supervisors and the City Council of Sonora fund the County Auditor in retaining an independent firm. (F2, F3, F4, F5, F7)

The audit will include:

- a. Best practice for comparable agencies with specific recommendations on implementing a check and balance system for pre-approval and post-approval of travel and entertainment.
- b. A set of minimum disclosure requirements that includes the purpose of each meeting/trip/meal, specific entertainment participants and their organizations, who accepted a meal.
- c. Performance metrics and management reporting.
- d. Identification of a process for specific independent review and approval of exceptions to policies.
- e. Policies in regard to TCEDA interactions and disclosures with private businesses.
- f. Policies regarding meals and alcohol.
- g. Identifying whether the CEO is correctly identifying work time on time cards

R3. TCEDA Board consider and implement recommendations that result from the Management Audit. (F2, F3, F4, F5, F7)

R4. TCEDA to obtain Certification by the California Joint Powers Association. (F3)

R5. County Counsel review possible conflicts of interest for TCEDA Board members serving in various capacities on multiple boards. (F8)

R6. TCEDA Board develop, describe and approve a formal policy specifically defining “Clients” and acceptable entertainment of Clients, as well as defining a policy of acceptable entertaining

of Board members and other officials of the City and County.
(F6)

- R7. TCEDA Board establish a maximum amount of accrual of vacation time for the CEO per fiscal year. (F9)

Responses

Pursuant to Penal Code §914.1, the following response is *required* within 60 days:

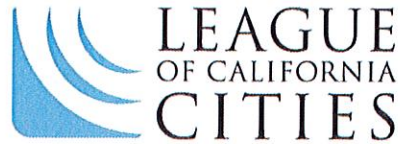
- The Tuolumne County Auditor: **R2**
- The City Council of Sonora: **R2**
- The Tuolumne County Board of Supervisors: **R2**

Pursuant to Penal Code §933c, the following response is *required* within 90 days:

- TCEDA Governing Board: **R1, R3, R4, R5, R6, R7**
- Tuolumne County Counsel: **R5**

Responses are to be submitted to the Presiding Judge of the Tuolumne County Superior Court in accordance with the provisions of Penal Code §933c.

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



LEAGUE OF CALIFORNIA CITIES CENTRAL VALLEY DIVISION

CENTRAL VALLEY MEMBER CITIES

ANGELS CAMP
ATWATER
CERES
CHOWCHILLA
DOS PALOS
ESCALON
GUSTINE
HUGHSON
LATHROP
LIVINGSTON
LODI
LOS BANOS
MANTECA
MERCED
MODESTO
NEWMAN
OAKDALE
PATTERSON
RIPON
RIVERBANK
SONORA
STOCKTON
TRACY
TURLOCK
WATERFORD

WHEREAS, cities and counties own and operate more than 81 percent of streets and roads in California, and from the moment we open our front door to drive to work, bike to school, or walk to the bus station, people are dependent upon a safe, reliable local transportation network; and

WHEREAS, the 2016 California Statewide Local Streets and Roads Needs Assessment, which provides critical analysis and information on the local transportation network's condition and funding needs, indicates that the condition of the local transportation network is deteriorating at an increasing rate; and

WHEREAS, California has more than 1,600 bridges and overpasses that are structurally deficient and unsafe and 89% of counties have roads that are in 'poor' or 'at-risk' condition; and

WHEREAS, according to the National Highway Traffic Safety Association, there were more than 3,600 fatalities on California roads in 2016, with poor road conditions as a major factor in vehicle collisions and accidents; and

WHEREAS, Prop 6 would eliminate more than \$52 billion over the next 10 years in existing transportation funding, including the \$15 billion in direct apportionments, and \$11 billion in available competitive grant funding, to cities and counties statewide; and

WHEREAS, Prop 6 would stop funding for more than 6,500 transportation improvement projects currently underway or planned in every California community; and

WHEREAS, Prop 6 would jeopardize public safety by eliminating thousands of projects to fix unsafe bridges and overpasses, repair crumbling and unsafe roads, and enhance pedestrian safety; and

WHEREAS, voters overwhelmingly passed Prop 69 in June thereby ensuring transportation funds can only be used for transportation purposes and the State and local governments are accountable to taxpayers; and

WHEREAS, Prop 6 would eliminate transportation revenues that are accountable to taxpayers, can't be diverted or borrowed, and that voters overwhelmingly dedicated to fixing our roads.

THEREFORE BE IT RESOLVED, that the Central Valley Division of the League of California Cities hereby opposes Prop 6 on the November 2018 ballot; and

THEREFORE BE IT FURTHER RESOLVED, that the Central Valley Division of the League of California Cities can be listed as a member of the No on Prop 6 coalition, a diverse coalition of local governments, public safety organizations, business, labor, environmental leaders, transportation advocates and other organizations throughout the state.

Division President
Tony Madrigal
City Council Member
City of Modesto

League Staff
Stephen R. Qualls
squalls@cacities.org

Regional Public
Affairs Manager

We direct staff to email a copy of this adopted resolution to Kyle Griffith of the No on Prop 6 campaign at kgriffith@bcfpublicaffairs.com.

PASSED, APPROVED, AND ADOPTED this day 6th of August, 2018.