



City of Sonora

"Queen of the Southern Mines"

94 North Washington Street
Sonora, California 95370

Area Code 209

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MEMORANDUM

DATE: February 19, 2019

TO: Honorable Mayor, City Council members

FROM: Timothy A. Miller, City Administrator 

SUBJECT: Tuolumne County Economic Development Authority (TCEDA)
Joint Powers Agreement

DISCUSSION

The City had requested to reduce the Joint Powers Agreement withdrawal notice period to 90 days. On December 18, 2018 the County Board approved to reduce the notice period from 180 days to 120 days. The City Council agreed to the 120-day notice at a Special Meeting on December 20, 2018.

The purpose of the extension was to provide time for the City to review the Financial and Management Audits. Based on information provided by the County (see attached staff report) the Financial Audit should be complete by the end of February and the Management Audit may not be complete until mid-March.

The Board of Supervisors will be considering three options at their February 19th meeting including requesting an extension from the City; maintaining the status quo; or providing a notice of intent to withdraw.

OPTIONS

Depending on the Board action, the City has the following options.

- Provide notice to the County of the City's intention to unilaterally withdraw.
- Consider an additional extension of time to provide Notice of Unilateral Withdrawal.



Tracie Riggs
County Administrative Officer

Sarah Carrillo
County Counsel

Office of the County Counsel and County Administrator's Office

MEMORANDUM

DATE: February 14, 2019
TO: Board of Supervisors
FROM: Sarah Carrillo, County Counsel *SC*
Tracie Riggs, County Administrative Officer *TR*
SUBJECT: **Consideration and Direction to Staff Regarding the County's Participation in the Tuolumne County Economic Development Authority Joint Powers Agreement.**

Background Information

As your Board is aware, the City of Sonora and County of Tuolumne agreed to reduce the time for Notice of Unilateral Withdrawal as a member of the Tuolumne County Economic Development Authority (TCEDA) Joint Powers Authority. An amendment to the Joint Powers Authority (JPA) Agreement was signed by both parties and it gives either party the ability to provide notice to the other party of its intent to unilaterally withdraw from the JPA by March 1, 2019. This modification was done under the assumption that the Financial Audit and Management Audit, as recommended by the 2017/18 Grand Jury and directed by the TCEDA Board of Directors, would be completed by the end of January, 2019. If notice is not given by either party by March 1, 2019, the assumption is that both the City and County will continue as partners in the TCEDA for the next fiscal year, which begins July 1, 2019. If Notice is given then the TCEDA will begin the dissolution of the entity and the City and County can separately determine the actions each would like to take regarding provision of economic development services.

In speaking with the County Auditor-Controller Debi Bautista, the audits will not be completed until at the earliest the end of February, 2019. The Financial Audit should be completed by the end of February but the Management Audit may not be completed until the middle to the end of March.

Additionally, pursuant to the TCEDA Joint Powers Agreement the Governing Board of the TCEDA is required by March 1 of each year to prepare a budget estimate of the expense of operating the TCEDA for the next fiscal year. While the TCEDA has a Board meeting scheduled for February 21, 2019, in which a budget discussion will be addressed, the Governing Board is left in a difficult situation given the uncertainty of whether or not the entity will remain in existence. During this same time period the County staff will be preparing a recommended budget for the 19/20 Fiscal Year. It will be important for staff to know whether or not the County will continue to make its contribution to the TCEDA or whether the County will begin to develop its own economic development services as either option has budget implications.

From a workload capacity view, staff has spent a great deal of time assisting the TCEDA with its responses to 17 Public Records Act requests since July of 2019. We understand much of the Executive Director's time has been spent on administrative matters including the Public Records Act requests, as well as the audits.

Further, at the Board of Supervisors Workshop held on January 23-25, 2019, the Board directed staff to place an item on your Board's agenda to further consider its participation in the TCEDA given the above circumstances.

Options

Request of the City an additional extension of time to provide Notice of Unilateral Withdrawal.

Maintain the status quo.

Provide notice to the City of the County's intention to unilaterally withdrawal.

Recommendation

It is recommended your Board provide direction to staff as to the above options or consider other alternatives.