

CITY COUNCIL

Jeff Cobb, Mayor

Terry Taylor-Vodden, Vice Mayor

Larry Domenighini, Council Member

Larry Mello, Council Member

Bill Spears, Council Member

CITY MANAGER

Steve Holsinger

CITY CLERK

Natalie Butler



201 North Lassen Street

Willows, CA 95988

(530) 934-7041

www.cityofwillows.org

CITY COUNCIL REGULAR MEETING AGENDA

Tuesday, January 8, 2013

7:00 p.m.

1. Call to Order Willows City Council Regular Meeting - 7:00 p.m.
2. Pledge of Allegiance
3. Roll Call
4. Agenda Review: (Requested Changes by Council or Staff).
 - a) Consider acceptance, by motion, of City Council January, 8, 2013, Agenda.
5. Presentations & Proclamations:
 - a) Present Certificate of Appreciation to the Lions Club of Willows for their donation and planting of 31 trees.
6. Public Comment / Written Communications: Members of the public wishing to address the Council on any item(s) *not on the agenda* may do so at this time when recognized by the Mayor/Vice Mayor; however, no formal action will be taken unless placed on a future agenda. *(Public Comment is generally restricted to three minutes).*
7. Consent Agenda: Consent items are considered to be routine by the City Council and will be enacted in one motion. There will be no separate discussion on these items unless a Councilperson or citizen requests, in which event the item will be removed from the consent agenda.
 - a) Consider approval of General Check Register.
 - b) Consider approval of Payroll & Direct Deposit Check Registers
8. Public Hearings: *(Persons wishing to speak on a Public Hearing item are asked to approach the microphone to address the Council and limit comments to three minutes. Although not required, it is also requested that you please state your name for the record).*
 - a) Conduct a Public Hearing to receive public input regarding possible CDBG grant projects during the upcoming super NOFA for 2013.
 - b) Conduct a Public Hearing regarding the 2012/2013 Appropriations Limit for the City of Willows and, following closure, consider adoption of a Resolution establishing said limit.

9. Ordinances: NONE.
10. Items introduced by City Council or Administrative Staff for discussion purposes only:
11. New Business:
 - a) Consider accepting the final audited financial statements of the City of Willows and the Willows Community Redevelopment Agency-Successor Entity as of and for the fiscal year ending June 30, 2012.
 - b) Establish, by consensus, a date and time for the 2012/13 Mid-Year Budget Review.
12. Council Member Reports:
13. Adjournment:

CERTIFICATION: Pursuant to Government Code §54954.2 (a), the agenda for this meeting was properly posted on or before January 4, 2013.

A complete agenda packet, including staff reports and back-up information, is available for public inspection during normal work hours at City Hall or the Willows Public Library at 201 North Lassen Street in Willows or on the City's website at www.cityofwillows.org.

In compliance with the Americans with Disabilities Act, the City of Willows will make available to members of the public any special assistance necessary to participate in this meeting. The public should contact the City Clerk's office at 934-7041 to make such a request. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

The City of Willows is an Equal Opportunity Provider

AGENDA ITEM

TO: Members of the Willows City Council
FROM: Tim Sailsbery, Finance Director
SUBJECT: CDBG Funding- General Input Public Hearing

RECOMMENDATION

Conduct Public Hearing and Receive Public Input Regarding Possible CDBG Grant Projects pertaining to the Upcoming Notice of Funding Availability (Super NOFA) for 2013

SITUATION (or BACKGROUND):

The City is required to hold a public hearing to obtain public input in order to make a decision regarding applications for Community Development Block Grant funds. This public hearing is for the CDBG funds the City may apply for during the upcoming 2013 funding cycle.

The major activity categories are General, Economic Development, and Planning and Technical Assistance; Housing-New Construction; Housing-Acquisition; Housing-Rehabilitation; Community Facilities/Public Services; Public Works; and Economic Development. Projects funded with CDBG funds must carry out at least one of the three National objectives as follows: Benefit to Targeted Income Group (TIG) persons, elimination of slums and blight, and emergency and urgent need.

The City anticipates applying for up to the maximum grant amount under the General and Economic Development components, if said funds become available, as well as the maximum grant amount of \$100,000 from the General and Economic Development Planning and Technical Assistance components.

If an appropriate qualifying project arises, the City may also apply under the State Over-The-Counter Economic Development Program for up to \$3,000,000 in funding for project specific, job creation or maintenance business assistance financing.

FINANCIAL CONSIDERATIONS:

None.

NOTIFICATION

Notice of Public Hearing published in local newspaper of general circulation

ALTERNATE ACTIONS

None

RECOMMENDATION

Conduct Public Hearing and Receive Public Input Regarding Possible CDBG Grant Projects pertaining to the Upcoming Notice of Funding Availability (Super NOFA) for 2013

Respectfully submitted,



Tim Sailsbery
Finance Director

AGENDA ITEM

TO: Members of the Willows City Council
FROM: Tim Sailsbery, Finance Director
SUBJECT: 2012/13 Appropriation Limit

RECOMMENDATION

Conduct a Public Hearing regarding the 2012/2013 Appropriation Limit for the City of Willows and adopt resolution establishing said limit.

SITUATION (or BACKGROUND):

The City is required to establish its appropriations limit annually by Council resolution. The appropriation limitation imposed by Propositions 4 and 111 creates a restriction on the amount of revenue that can be appropriated in any fiscal year. The limit is based on the actual appropriations during the 1978-79 fiscal year and is increased each year using the growth of population and inflation. Not all revenues are restricted by the limit, only those that are designated as "proceeds of taxes" are included.

The City's appropriation limit for fiscal year 2011/12 is \$7,879,586. With qualified proceeds of taxes \$2,788,866 for the year, the City is \$5,090,720 under the limit. The City Auditor has applied specified procedures pertaining to the worksheets.

FINANCIAL CONSIDERATIONS:

No direct financial consideration as the City is below the Appropriation Limit for 2012/13.

NOTIFICATION

Notice of Public Hearing published in local newspaper

ALTERNATE ACTIONS

1. Adopt by Resolution
2. Request additional information from staff
3. Reject staff recommendation and/or direct item to be returned at later date.

RECOMMENDATION

Conduct a Public Hearing regarding the 2012/2013 Appropriation Limit for the City of Willows and adopt resolution establishing said limit.

Respectfully submitted,



Tim Sailsbery
Finance Director

Attachments:

Resolution

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS
ESTABLISHING 2012/2013 APPROPRIATION LIMIT

WHEREAS, Proposition 4 which was on the ballot at a special election held on November 6, 1979, added Article XIII B to the Constitution to place various limitations on the fiscal powers of local government; and

WHEREAS, Proposition 111 amended Article XIII B requiring the city to choose adjustment factors annually; and

WHEREAS, the adjustment factors used to determine the 2012/13 appropriation limit are the California per capita income increase and county population growth.

NOW, THEREFORE, BE IT RESOLVED that the City of Willows' 2012/13 Appropriation Limit is \$7,879,586.

PASSED AND ADOPTED by the City Council of the City of Willows this 8th day of January, 2013, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

JEFF COBB, Mayor

ATTEST:

NATALIE BUTLER, City Clerk

AGENDA ITEM

TO: Members of the Willows City Council
FROM: Tim Sailsbery, Finance Director
SUBJECT: Annual Audit of Financial Statements-City of Willows and Willows Community Redevelopment Agency (Successor Entity)

RECOMMENDATION

Accept, by motion, the audited financial statements of the City of Willows, and the Willows Community Redevelopment Agency (Successor Entity) as of and for the fiscal year ending June 30, 2012

SITUATION (or BACKGROUND):

Roy R. Seiler, CPA, has completed the annual audit of the financial statement for the City of Willows and the Willows Community Redevelopment Agency (Successor Entity). As a summary of City of Willows' financial performance and activity for the year ending 6/30/12, please refer to the Management Discussion and Analysis section of the City of Willows financial statements.

Please note, as it pertains to the Willows Community Redevelopment Agency (Successor Entity), that this serves as the final audited financial statements for the entity. As noted in previous communication with Council, the RDA dissolved, by State Statute, effective 2/1/12, and the Successor Entity was automatically formed for purposes of completing the dissolution and liquidation process of the RDA. All steps, including liquidation, have now been completed, and the CA Department of Finance has been notified of the full dissolution of the entity.

FINANCIAL CONSIDERATIONS:

N/A

NOTIFICATION

Upon acceptance of the audits

California State Controller
United States Department of Agriculture
United States Federal Audit Clearinghouse (If Applicable)
Municipal Finance Corporation

ALTERNATE ACTIONS

1. Accept by motion
2. Request additional information from staff
3. Reject staff recommendation and/or direct item to be returned at later date.

RECOMMENDATION

Accept, by motion, the audited financial statements of the City of Willows, and the Willows Community Redevelopment Agency (Successor Entity) as of and for the fiscal year ending June 30, 2012

Respectfully submitted,



Tim Sailsbery
Finance Director

Attachment:

- EXHIBIT A: Auditor's Transmittal Letter
- EXHIBIT B: City of Willows Financial Statements
- EXHIBIT C: Willows Community Redevelopment Agency (Successor Entity) Financial Statements

ROY R. SEILER

CERTIFIED PUBLIC ACCOUNTANT

201 C. North Tehama
Willows, CA 95988

Phone: 530-934-8841

Fax: 530-934-8849

E-mail: Roy.Seiler@yahoo.com

Members of the City Council and
the Management of the
City of Willows
Willows, California

I have audited the financial statements of the City of Willows (the City) for the year ended June 30, 2012, and have issued my report thereon dated December 10, 2012. Professional standards require that I provide you with the following information related to my audit.

My Responsibility under U.S. Generally Accepted Auditing Standards

As stated in my engagement letter dated February 7, 2011, my responsibility, as described by professional standards, is to plan and perform my audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because I did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by me.

As part of my audit, I considered the internal control of the City of Willows. Such considerations were solely for the purpose of determining my audit procedures and not to provide any assurance concerning such internal control.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of my engagement letter, I will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in the notes to the financial statements. I noted no transactions entered into by the City during the year that were both significant and unusual, and of which, under professional standards, I am required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements 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 financial statements were the computation of depreciation expense and fixed asset useful life. Management's estimate of depreciation and fixed asset useful life is based on estimates in determining that it is reasonable in relation to the financial statements as a whole.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in my judgment, may not have been detected except through my auditing procedure. An audit adjustment may or may not indicate matters that could have a significant effect on the City's financial reporting process (that is, cause future financial statements to be materially misstated). In my judgment, none of the adjustments I proposed, whether recorded or unrecorded by the City, either individually or in the aggregate, indicate matters that could have a significant effect on the City's financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to my satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

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 governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, my professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditor

I 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 auditor. However, these discussions occurred in the normal course of my professional relationship and my response was not a condition to my retention.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing my audit.

This information is intended solely for the use of the Council and management of the City of Willows and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Roy R. Seiler, CPA

AGENDA ITEM

TO: Members of the Willows City Council
FROM: Tim Sailsbery, Finance Director
SUBJECT: Mid Year Budget Review-Establish Meeting Date and Time

RECOMMENDATION

By Consensus, Establish Date and Time for 2012-13 Mid-Year Budget Review. Preference is for the Week of February 11 or 18.

SITUATION (or BACKGROUND):

After six months of operations each year, staff provides a mid-year review and update regarding budget activity. This review is held in February each year as an agendaized special meeting held in a workshop format during business hours. Staff requests that Council consider the week of February 11 or 18 in determining the date of the meeting. Specifically, staff is requesting establishment of the meeting on one of the following dates: Feb 12, 13, 14, 20, or 21.

FINANCIAL CONSIDERATIONS:

Establishment of date and time of the mid-year review does not have a financial impact to the City. However, action taken resulting from the review may have financial impacts.

NOTIFICATION

Agenda to be posted in accordance with the Brown Act.

ALTERNATE ACTIONS

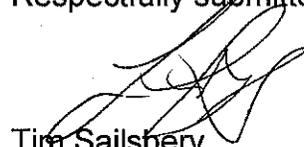
1. Establish Date and Time for Mid Year Review
2. Request additional information from staff
3. Reject holding of Mid Year Review meeting.

January 8, 2013

RECOMMENDATION

By Consensus, Establish Date and Time for 2012-13 Mid-Year Budget Review. Preference is for the Week of February 11 or 18.

Respectfully submitted,



Tim Salsbery
Finance Director
