



CITY OF COLUSA

425 WEBSTER STREET * COLUSA, CA 95932 * (530) 458-4740 * FAX (530) 458-7555

August 2, 2022

The Honorable Jeffrey A. Thompson
Presiding Judge
Superior Court of California, County of Colusa
532 Oak Street
Colusa, California 95932

Dear Judge Thompson,

As required by law, this letter is the City of Colusa's response to the 2021-2022 Colusa County Civil Grand Jury report (the "Report"), dated June 15, 2022, regarding the use of public funds and the City of Colusa's policies and procedures. The City takes this report seriously and appreciates the time the Grand Jury took into the investigation and subsequent report.

The City learned valuable lessons after taking on the task of creating summer events for the community in 2021. Accordingly, the City has adopted new policies and has changed its course for future City-sponsored events.

Findings

F1. Community Event Coordinator permits and Temporary Food Facility permits. Every food vendor at each of the City events noted in the Grand Jury Report held an active business license issued by Colusa County (the "County") and/or the State of California (as applicable).

F2. Food permits and revenue. Because the County expended no staff time coordinating with the City for the aforementioned events, the County experienced no expense and no net loss.

F3. ABC licensing. The City of Colusa City Council has no knowledge that inaccurate information was giving to (ABC) and has learned from that. Because this was the first time running these events, making estimates in terms of attendance was difficult.

F4. Alcohol and permits. Because the City had no policy regarding the purchase of alcohol using the general fund or bank account, no violation of policy regarding public monies occurred. Moreover, the City's intent is to support local businesses as much as possible by shopping locally. The City has updated its policy regarding alcohol purchasing.

F5. City event purchases. The City manager is authorized to spend up to \$25,000 without council approval. The City's purchasing policy has since been amended after learning lessons from these events.

F6. Alcohol purchasing. The City's Purchasing Policy is distinct from California Law. The City's purchasing policy has since been amended.

F7. Former employee's credit card. The City's Credit Card Use Policy is silent to this circumstance. Moreover, it had been common practice for employees to share credit cards as needed. Nonetheless, the City updated its credit card policy.

F8. Negligence and violations. For the reasons above, the City denies any negligence, policy, or procedure violations. Furthermore, it is unreasonable to find the City was exposed to increased liability.

F9. Limited staff oversight. While the City's staff is limited, oversight is not. This was a new experience for us all which the City's learned from.

F10. Public Dissemination. While public dissemination of financial information may have been perceived as delayed, consideration for the City's accounts receivable and accounts payable processed and schedule was not factored in. With limited staff, it took some time to gather and disseminate the financials affiliated with these events.

F11. Good faith effort. As the City's Summer 2021 events were the first of their kind in the City to my knowledge, these events granted the City an opportunity to refine its policies.

F12. Understaffing. Although the City is understaffed, the City is operating well and is executing its duties the best it ever has. With that said, the City tries to keep expenses reasonable when it comes to staffing. Striking the right balance can be difficult.

F13. CDBG CV-1 grant. It is the Council's understanding that the grant was submitted on time it was just delayed in review due to covid-19.

F14. The City has not yet published the asset list yet, but it is our understanding that the business are aware of the assets and some have used them already.

Recommendations

R1. License verification. The City already does this, and has begun asking for a copy of ABC permits.

R2. City event food vendors. The City has already implemented these practices. Moreover, the City is considering modifying its ordinance that allows the City to issue our own temporary food facility permit, in accordance with State law.

R3. Physical equipment list. The asset inventory list and application process has been completed and it should be available to the public within thirty (30) days of this letter.

R4. Donations. The City has a newly adopted policy on this. The City has, and always will, continue to ask for donations. The City has asked for donations for years. The new policy will help make this practice transparent.

R5. City Manager position. The City Manager meets the current job description and has been going to training this year along with having public meetings throughout the City in different locations and times to address the public's concerns and to educate the public on what's happening in Colusa. The City has a history of the City Manager serving multiple roles in order to keep staffing costs for a small city reasonable.

R6. Vacancies. The City cannot hire positions that it cannot afford. The City Council carefully looks at whether new hires are feasible and sustainable.

R7. Transparency. The City has become more transparent over the last two years than it has ever been. Our current legal services already provide this training for council and staff, as required by law.

R8. Training for City staff. This has already been completed. The City has a form that employees fill out and have been trained in what can be charged on the credit card.

R9. Forensic audit. The City is audited by an outside firm each year.

R10. Performance audit. The City hopes to pass a tax initiative if passed this will help out with staffing needs. With the current employees that we have and the lack of employees the City operates very efficiently.

R11. Ombuds committee. This would cost the City money that it does not have, and is unlikely to provide any benefit.

In closing, we the City Council take pride in our community and are very lucky to be living in such a great City. We really do have great staff and employees that serve us. We acknowledge that we aren't perfect, and that constant analysis of best practices is necessary. For example, the City learned a lot from last summer's events and has incorporated changes going forward. I appreciate Your Honor's consideration of this letter.

Respectfully,

Thomas Reische, Mayor
City of Colusa