



CITY COUNCIL REGULAR MEETING

Clearlake City Hall Council Chambers

14050 Olympic Dr, Clearlake, CA

Thursday, March 16, 2023

Closed Session 5:00 PM

Regular Meeting 6:00 PM

The City Council meetings are viewable in person in the Council Chambers, via livestreaming on the City's YouTube Channel (https://www.youtube.com/channel/UCTyifT_nKS-3woxEu1ilBXA) or "Lake County PEG TV Live Stream" at <https://www.youtube.com/user/LakeCountyPegTV/featured> and the public may participate through Zoom at the link listed below. The public can submit comments and questions in writing for City Council consideration by sending them to the Administrative Services Director/City Clerk at mswanson@clearlake.ca.us. To give the City Council adequate time to review your questions and comments, please submit your written comments prior to 4:00 p.m. on the day of the meeting.

AGENDA

MEETING PROCEDURES: *All items on agenda will be open for public comments before final action is taken. Citizens wishing to introduce written material into the record at the public meeting on any item are requested to provide a copy of the written material to the Administrative Services Director/City Clerk prior to the meeting date so that the material may be distributed to the City Council prior to the meeting. Speakers must restrict comments to the item as it appears on the agenda and stay within a three minutes time limit. The Mayor has the discretion of limiting the total discussion time for an item.*

AMERICANS WITH DISABILITY ACT (ADA) REQUESTS

If you need disability related modification, including auxiliary aids or services, to participate in this meeting, please contact Melissa Swanson, Administrative Services Director/City Clerk at the Clearlake City Hall, 14050 Olympic Drive, Clearlake, California 95422, phone (707) 994-8201, ext 106, or via email at mswanson@clearlake.ca.us at least 72 hours prior to the meeting, to allow time to provide for special accommodations.

AGENDA REPORTS

Staff reports for each agenda item are available for review at www.clearlake.ca.us. Any writings or documents pertaining to an open session item provided to a majority of the City Council less than 72 hours prior to the meeting, shall be made available for public inspection on the City's website at www.clearlake.ca.us.

Zoom Link: <https://clearlakeca.zoom.us/j/82030731123>

5:00 PM

A. CLOSED SESSION

- (1) Conference with Labor Negotiators: Pursuant to Government Code Section 54957.6: Agency designated representatives: City Manager Flora, Finance Director Wells, Administrative

Services Director Swanson; Employee Organization: Clearlake Middle Management Association

- (2) Pursuant to Government Code Section 54957: Public Employee Performance Evaluation: Title: City Manager
- (3) Conference with Legal Counsel: Existing Litigation: Pursuant to Government Code Section 54956.9(d)(1): Case No. CV-423786; Koi Nation of Northern California v. City of Clearlake, et al., Lake County Superior Court
- (4) Conference with Legal Counsel- Existing Litigation: Pursuant to Government Code Section 54956.9(d)(1): Case No. CV-421697; Name of Case: City of Clearlake v. Testate & Intestate Successors of Bailey Lumbers Co., et al., Lake County Superior Court

6:00 PM

B. ROLL CALL

C. PLEDGE OF ALLEGIANCE

D. INVOCATION/MOMENT OF SILENCE: *The City Council invites members of the clergy, as well as interested members of the public in the City of Clearlake, to voluntarily offer an invocation before the beginning of its meetings for the benefit and blessing of the City Council. This opportunity is voluntary and invocations are to be less than three minutes, offered in a solemn and respectful tone, and directed at the City Council. Invocational speakers who do not abide by these simple rules of respect and brevity shall be given a warning and/or not invited back to provide a subsequent invocation for a reasonable period of time, as determined appropriate by the City. This policy is not intended, and shall not be implemented or construed in any way, to affiliate the City Council with, nor express the City Council's preference for, any faith or religious denomination. Rather, this policy is intended to acknowledge and express the City Council's respect for the diversity of religious denominations and faith represented and practiced among the citizens of Clearlake. If a scheduled invocational speaker does not appear at the scheduled meeting, the Mayor will ask that the City Council observe a moment of silence in lieu of the invocation. More information about the City's invocation policy is available upon request by contacting the Administrative Services Director/City Clerk at (707) 994-8201x106 or via email at mswanson@clearlake.ca.us.*

E. ADOPTION OF THE AGENDA *(This is the time for agenda modifications.)*

F. ANNOUNCEMENT OF ACTION FROM CLOSED SESSION

G. PRESENTATIONS

5. Presentation of March's Adoptable Dogs
6. Presentation of the Annual Financial Report for Fiscal Year 2020-21
7. Presentation of the Public, Education and Government (PEG) Channel of the PEG Board Annual Report

H. PUBLIC COMMENT: *This is the time for any member of the public to address the City Council on any matter not on the agenda that is within the subject matter jurisdiction of the City. **The Brown Act, with limited exceptions, does not allow the Council or staff to discuss issues brought forth under Public Comment.** The Council cannot take action on non-agenda items. Concerns may be referred to staff or placed on the next available agenda. Please note that comments from the public will also be taken on each agenda item. Comments shall be limited to three (3) minutes per person.*

I. CONSENT AGENDA: *All items listed under the Consent Agenda are considered to be routine in nature and will be approved by one motion. There will be no separate discussion of these items unless a member of the Council requests otherwise, or if staff has requested a change under Adoption of the Agenda, in which case the item will be removed for separate consideration. Any item so removed will be taken up following the motion to approve the Consent Agenda.*

8. Approval of a Professional Services Contract With Downey Brand for Legal Services
Recommended Action: Authorize the City Manager to Execute a Contract Amendment with Downey Brand for a New Contract total of \$250,000

9. Clearlake Waste Solutions 2022 Annual Solid Waste and Recycling Report
Recommended Action: Receive and file

10. Warrants
Recommended Action: Receive and file

11. Acceptance of the Annual Financial Report for Fiscal Year 2020-21; Resolution No. 2023-15
Recommended Action: Adopt resolution

J. BUSINESS

12. Norms and Procedures and Brown Act Review

13. Discussion Regarding Community Project Funding Request Through Congressman Mike Thompson
Recommended Action: Adopt Resolution

K. CITY MANAGER AND COUNCILMEMBER REPORTS

L. FUTURE AGENDA ITEMS

M. ADJOURNMENT

POSTED: March 10, 2023

BY:



Melissa Swanson, Administrative Services Director/City Clerk

CITY OF CLEARLAKE

City Council



STAFF REPORT

SUBJECT: Approval of a Professional Serviced Contract with Downey Brand for Legal Services

MEETING DATE: Mar. 16, 2023

SUBMITTED BY: Alan Flora, City Manager

PURPOSE OF REPORT: Information only Discussion Action Item

WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

Approve contract for legal services for representation.

BACKGROUND/DISCUSSION:

In 2023 the City Manager executed a contract with Downey Brand to provide legal services, primarily related to the recent onslaught by the Koi Nation to challenge all economic development projects in the City of Clearlake. On March 3, 2023 the Koi filed a lawsuit against the City, challenging the CEQA determination for the 18th Avenue Road Improvement Project. While the City believes this lawsuit and the tribe's actions to be an overreach and frivolous, significant taxpayer funds will nonetheless be required to defend this project.

FISCAL IMPACT

Staff request approval of up to \$250,000 for contract legal services.

OPTIONS:

1. Authorize the City Manager to Execute a Contract Amendment with Downey Brand for a New Contract total of \$250,000
2. Other direction

FISCAL IMPACT:

None \$250,000 Budgeted Item? Yes No

Budget Adjustment Needed? Yes No If yes, amount of appropriation increase: \$

Affected fund(s): General Fund Measure P Fund Measure V Fund Other: 240 Capital Project Funds

Comments:

STRATEGIC PLAN IMPACT:

- Goal #1: Make Clearlake a Visibly Cleaner City
- Goal #2: Make Clearlake a Statistically Safer City
- Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- Goal #4: Improve the Image of Clearlake
- Goal #5: Ensure Fiscal Sustainability of City
- Goal #6: Update Policies and Procedures to Current Government Standards
- Goal #7: Support Economic Development

Attachments:



March 1, 2023

Alan Flora
City Manager
City of Clearlake
14050 Olympic Drive
Clearlake, CA 95422

RE: 2022 Annual Solid Waste & Recycling Report

Dear Mr. Flora,

We are pleased to submit the attached report for 2022 that summarizes CWS activities during the previous year.

Throughout 2022 we have worked hard to recover from the impacts of COVID-19, in relation to reaching our customers through in-person public Education. For the majority of 2022, we relied heavily on website, social media, mailed public education. During the second half of the year, we made a return to in-person Public Education as we were able.

As always, we are proud to serve the citizens and businesses of Clearlake. If you have any questions, please do not hesitate to call me at 707-234-6400.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bruce McCracken".

Bruce McCracken
Clearlake Waste Solutions

Attachments:

- CWS Spring and Fall 2022 Newsletters
- ClearlakeRecycles.com Annual Analytics
- Residential Customer List – CONFIDENTIAL
- Commercial Customer List – CONFIDENTIAL



- ✓ CWS Presented about Solid Waste, Recycling, and Green Waste to the 1st Grade Class at Burns Valley School in October of 2022.

- ✓ At service sign-up, new customers continue to receive comprehensive written and verbal information about CWS services - including full-color recycling and green waste guides - to provide education on proper recycling and how to avoid contamination and overfill charges.

- ✓ For the 6th year, CWS provided Citizens Caring 4 Clearlake (CC4C) with free hauling services on a regular basis.

- ✓ Drivers and operational staff routinely check customers recycling carts for contamination. When contamination is discovered, CWS calls the customer and mails them a recycling information packet.

As required per the Franchise Agreement, the current customer list with addresses is enclosed. **Please note the customer lists are confidential from third parties.**

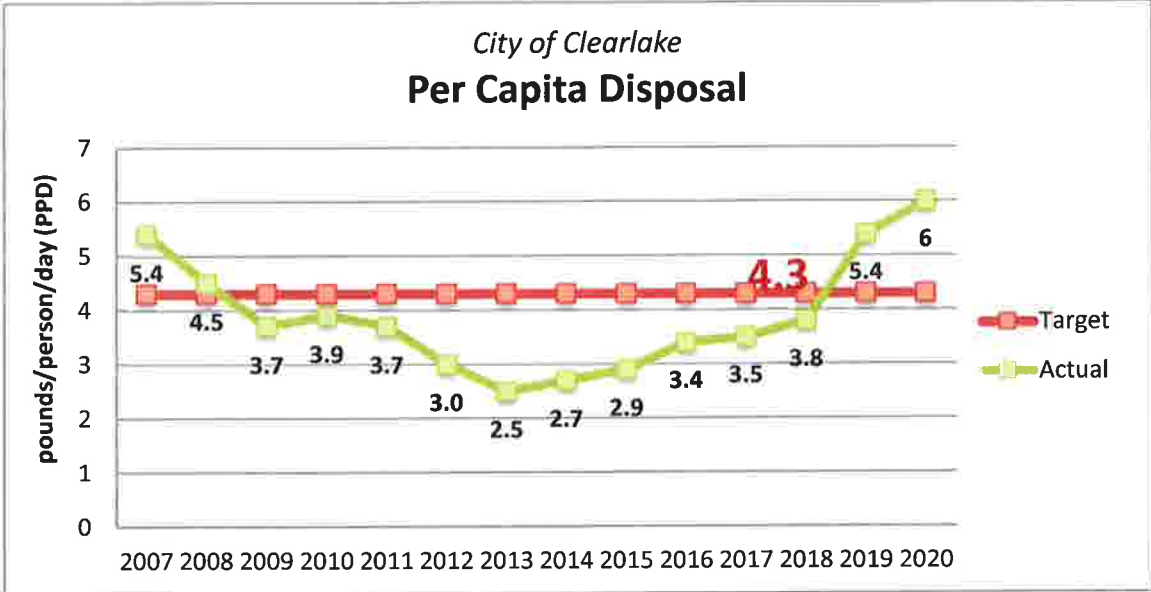
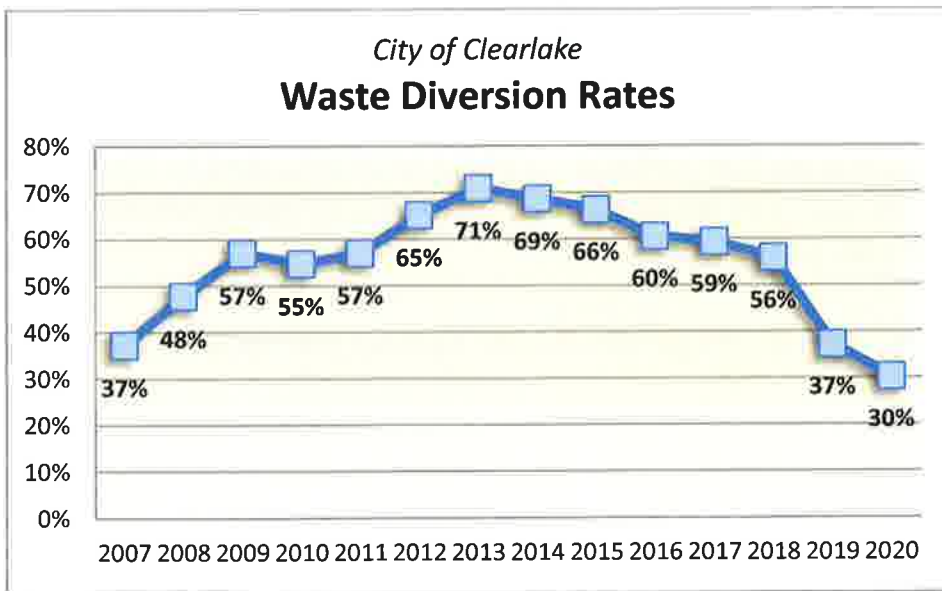


Chart 3. Diversion Rate, 2007-2020

As the per capita disposal rate *decreases*, the landfill diversion rate *increases* as shown in the chart below.





Clearlake Recycling News

Section 1, Item 9.

Fall 2022

Friendly Reminders

2022 HHW Drop-Off Events

Household hazardous waste drop-off events are planned for the following dates between 9:00 am and 1:00 pm.

- October 8th **ONLY** – Hidden Valley Lake
- October 14/15 – Lakeport
- November 18/19 – Clearlake
- December 17th **ONLY** – Lakeport

Lakeport

Lake County Waste Solutions
Transfer Station & Recycling Center
230 Soda Bay Road

Clearlake

Quackenbush Mountain Resource
Recovery & Compost Facility
16520 Davis Street (next to Eastlake Landfill)

Hidden Valley Lake

Hidden Valley Lake Fire Station #63
19287 Hartmann Rd. (by Post Office Boxes)

Lucerne Harbor

Lucerne Harbor Park
6225 East Highway 20

Holiday Collection Schedule

Collection is delayed by one day for customers whose service day falls on or after the following holidays when they occur on a weekday:

- **MEMORIAL DAY**
- **THANKSGIVING DAY**
- **JULY 4TH**
- **CHRISTMAS DAY**
- **LABOR DAY**
- **NEW YEAR'S DAY**

The Lake County Transfer Station & Recycling Center will also be closed on these holidays. For a complete description of the holiday schedule, visit us at www.candswaste.com.

Christmas Tree Collection

Christmas trees can be placed in green waste carts for curbside collection. Make sure all decorations are removed and the tree fits inside the cart with the lid closed. Flocked trees are not accepted.

Free Christmas tree recycling is also available at the Lake County Transfer Station during the three weeks following Christmas. Please remove all lights and decorations.

COMMERCIAL CORNER

If you are a commercial business or multifamily complex that produces 4 cubic yards or more of solid waste every week, you are required to participate in a recycling program. Recycling options include weekly service from your local hauler, self-hauling of your recycling, back haul, or baling of products. Call us today if you are interested in these services.

Did you know?

SIX SIMPLE WAYS TO REDUCE FOOD WASTE

Did you know that reducing food waste fights climate change by reducing methane gas emissions? There are several tips and tricks that can easily be incorporated into shopping, cooking, and cleaning practices that reduce the amount of food waste generated. See below for some tips that will allow you to start reducing food waste and your carbon footprint today.



PLAN YOUR MEALS

Take some time each week to plan meals in advance. Make a list of the required ingredients and check whether you already have the items on hand. Consider having a leftover night or incorporating leftovers into new and different entrees later in the week.



SHOP SENSIBLY

Take inventory of the pantry and fridge before heading to the grocery store. Make a shopping list so you buy only what you will eat.



STORE FOOD PROPERLY

Properly storing foods can extend their useful life. Keep meat, eggs, and dairy near the back of the fridge to stay coolest. Breads can stay at room temperature in paper bags to keep the crust crisp. Baked goods, nuts, beans, and grains can be stored at room temperature in airtight containers. Most fruits and vegetables are fine in the refrigerator, however potatoes are best in a cool, dark pantry, and onions, garlic and tomatoes are fine on the countertop out of direct sunlight.



FREEZE OR FERMENT

If time is running out for food items in your kitchen, store items in the freezer for future use. You can also try fermenting foods to create new condiments. During fermentation, bacteria feed on sugars and starches in food and produce lactic acid. The lactic acid preserves the food, sometimes up to a year. Fermenting foods increases nutrition and requires little effort. Recipes and instructions are easy to find in cookbooks and on the Internet.



SHARE EXTRA FOOD

Share food with others if you find leftovers boring. Create a meal exchange group in which each member cooks multiple servings of one entrée and exchanges with other group members. Host a weekly "leftover potluck" with friends or coworkers in which everyone brings leftovers to share. Or try a food sharing app. There are quite a few food sharing apps that connect individuals with local restaurants and grocery stores willing to sell extra meals or food ingredients at discount prices.



DONATE

Nonperishable food items can be donated to local food banks if you are not able to eat them before they expire. This is a great option for canned and dry goods, which are long shelf life foods. Often times such items are sold in bulk, providing too much to eat before going bad. Contact Redwood Empire Food Bank at (707) 523-7900, Clear Lake Gleaners at (707) 263-8082, and Lake County Helping Hand at (707) 278-8855.

DEBRIS BOXES

REMODELING | CONSTRUCTION | MAJOR CLEAN-UPS

707-234-6400

In 3 to 30 cubic yard sizes. Great for property clean outs, yard & garden clean ups, remodeling your home or business, & more.



For more information, or to schedule a delivery, give us a call.

CASH FOR SCRAP METAL

Aluminum, Brass, Copper, Insulated Wire, Iron, Lead, Radiators, Stainless Steel & More...

**ONSITE SCRAP METAL REMOVAL.
BINS, BOXES AND TRAILERS AVAILABLE.**

3515 Taylor Drive, Ukiah

Monday - Friday: 7:30 am - 4 pm

707-234-6425

Call to Schedule Today



Noticias de Reciclaje del Clearlake

Section 1, Item 9.

otoño 2022

Recordatorios amistosos

2022 EVENTO DE ENTREGA DE RESIDUOS PELIGROSOS

Los eventos de entrega de desechos domésticos peligrosos están planificados para las siguientes fechas entre las 9:00 a. m. y la 1:00 p. m.

- 8 de octubre **SOLAMENTE** – Hidden Valley Lake
- 14/15 de octubre – Lakeport
- 18/19 de noviembre – Clearlake
- 17 de diciembre **SOLAMENTE** – Lakeport

Lakeport

Lake County Waste Solutions
Estación de transferencia y centro de reciclaje
230 Soda Bay Road

Clearlake

Quackenbush Mountain Resource
Instalación de recuperación y compostaje
16520 Davis Street (next to Eastlake Landfill)

Hidden Valley Lake

Hidden Valley Lake estación de bomberos #63
19287 Hartmann Rd. (by Post Office Boxes)

Lucerne Harbor

Lucerne Harbor parque
6225 East Highway 20

Calendario de recogida de vacaciones

El cobro se retrasa un día para los clientes cuyo día de servicio cae en o después de los siguientes días festivos cuando ocurren en un día laborable:

- **DÍA DE LOS CAÍDOS**
- **DÍA DE ACCIÓN DE GRACIAS**
- **4 DE JULIO**
- **DÍA DE NAVIDAD**
- **DÍA DEL TRABAJO**
- **AÑO NUEVO**

La Estación de Transferencia y el Centro de Reciclaje de Lake también estarán cerrados durante estos días festivos. Para obtener una descripción completa del programa de vacaciones, visítenos en www.candswaste.com.

Colección de árboles de Navidad

Los árboles de Navidad se pueden colocar en carros de basura verde para su recolección en la acera.

Asegúrese de quitar todas las decoraciones y que el árbol quepa dentro del carrito con la tapa cerrada. No se aceptan árboles flocados.

El reciclaje gratuito de árboles de Navidad también está disponible en la estación de transferencia del condado de Lake durante las tres semanas posteriores a la Navidad. Retire todas las luces y decoraciones.

ESQUINA COMERCIAL

Si usted es un negocio comercial o un complejo multifamiliar que produce 4 yardas cúbicas o más de desechos sólidos cada semana, debe participar en un programa de reciclaje. Las opciones de reciclaje incluyen el servicio semanal de su transportista local, el autotransporte de su reciclaje, el transporte de regreso o el empacado de productos. Llámenos hoy si está interesado en estos servicios.

¿Sabías?

SEIS FORMAS SENCILLAS DE REDUCIR EL DESPERDICIO DE ALIMENTOS

¿Sabías que reducir el desperdicio de alimentos combate el cambio climático al reducir las emisiones de gas metano? Hay varios consejos y trucos que se pueden incorporar fácilmente en las prácticas de compra, cocina y limpieza que reducen la cantidad de desperdicio de alimentos generado. Vea a continuación algunos consejos que le permitirán comenzar a reducir el desperdicio de alimentos y su huella de carbono hoy.



PLANIFIQUE SUS COMIDAS

Tómese un tiempo cada semana para planificar las comidas con anticipación. Haga una lista de los ingredientes necesarios y verifique si ya tiene los artículos a mano. Considere tener una noche de sobras o incorporar las sobras en entradas nuevas y diferentes más adelante en la semana.



COMPRE CON SENSATEZ

Haga un inventario de la despensa y el refrigerador antes de dirigirse a la tienda de comestibles. Haz una lista de compras para que compres solo lo que vas a comer.



ALMACENE LOS ALIMENTOS CORRECTAMENTE

El almacenamiento adecuado de los alimentos puede prolongar su vida útil. Mantenga la carne, los huevos y los productos lácteos cerca de la parte posterior del refrigerador para mantenerse frescos. Los panes pueden permanecer a temperatura ambiente en bolsas de papel para mantener la corteza crujiente. Los productos horneados, nueces, frijoles y granos se pueden almacenar a temperatura ambiente en recipientes herméticos. La mayoría de las frutas y verduras están bien en el refrigerador, sin embargo, las papas están mejor en una despensa fresca y oscura, y las cebollas, el ajo y los tomates están bien en la encimera, fuera de la luz solar directa.



CONGELAR O FERMENTAR

Si se está acabando el tiempo para los alimentos en su cocina, guárdelos en el congelador para usarlos en el futuro. También puede intentar fermentar alimentos para crear nuevos condimentos. Durante la fermentación, las bacterias se alimentan de los azúcares y almidones de los alimentos y producen ácido láctico. El ácido láctico conserva los alimentos, a veces hasta un año. La fermentación de los alimentos aumenta la nutrición y requiere poco esfuerzo. Las recetas y las instrucciones son fáciles de encontrar en libros de cocina y en Internet.



COMPORTE COMIDA EXTRA

Comparta la comida con otras personas si encuentra aburridas las sobras. Cree un grupo de intercambio de comidas en el que cada miembro cocine varias porciones de un plato principal e intercambie con otros miembros del grupo. Organice una "comida compartida de sobras" semanal con amigos o compañeros de trabajo en la que todos traigan sobras para compartir. O pruebe una aplicación para compartir alimentos. Hay bastantes aplicaciones para compartir alimentos que conectan a las personas con restaurantes locales y tiendas de comestibles dispuestas a vender comidas adicionales o ingredientes de alimentos a precios de descuento.



DONAR

Los alimentos no perecederos se pueden donar a los bancos de alimentos locales si no puede comerlos antes de que caduquen. Esta es una excelente opción para productos enlatados y secos, que son alimentos de larga vida útil. A menudo, estos artículos se venden a granel, proporcionando demasiado para comer antes de echarse a perder. Comuníquese con Redwood Empire Food Bank al (707) 523-7900, Clear Lake Gleaners al (707) 263-8082 y Lake County Helping Hand al (707) 278-8855.

ALQUILER DE CAJAS DE ESCOMBROS

REMODELACIÓN | CONSTRUCCIÓN | GRANDES LIMPIEZAS

707-234-6400

En tamaños de 3 a 30 yardas cúbicas. Ideal para limpiezas de propiedades y jardines, remodelación de su hogar o negocio, y más.



Llámenos para obtener más información o para programar una entrega.

EFFECTIVO PARA CHATARRA

aluminio, latón, cobre, alambre aislado, hierro, plomo, radiadores, acero inoxidable y más...

ELIMINACIÓN DE CHATARRA EN SITIO.
CONTENEDORES, CAJAS Y REMOLQUES DISPONIBLES.

3515 Taylor Drive, Ukiah

lunes - viernes: 7:30 am - 4 pm

707-234-6425

Llame para programar hoy



Clearlake Recycling News

Section 1, Item 9.

Spring 2022



KEEP DANGEROUS & HAZARDOUS ITEMS OUT OF YOUR BLUE CART

To understand why certain items should not be put in your blue cart, it's important to know what happens to the material in your cart. When you put all different kinds of recyclable material in one blue cart, that is called *single-stream recycling*. When the material is collected at the curb, this mixed material is delivered to a Material Recovery Facility (MRF) located in Ukiah. The MRF is responsible for sorting this mixed recycling into separate groups (by material type) to be recycled.



like garbage, large ridged plastic, wood, metal, e-waste and "tangles" (e.g. clothing, plastic bags, hoses, cords, wires, etc.).



Remaining material continues along the belt, and next, the system automatically sorts cardboard, paper and glass from the belt off the line into separate piles. The end of the line uses magnets to pull tin cans, eddy currents to separate aluminum cans, and recycling workers to sort plastic bottles and containers by hand. Your single-stream cart has now been sorted into individual groups of materials through a combination of automation and manual labor.

When mixed material arrives at the MRF, it is loaded onto a conveyor belt to first go through what is known as the "pre-sort" line. Multiple recycling workers physically pull out items by hand that did not belong in the blue cart



Sorted materials that have a recycling market are baled and shipped to their final destination. Garbage collected from both the pre-sort and end of the line is known as residual and is disposed of at a landfill.



HERE ARE SOME COMMONLY FOUND ITEMS THAT ARE HARMFUL TO BOTH THE MACHINERY AS WELL AS THE RECYCLING WORKERS.

We Tangle Machines

Tanglers are generally long stretchy items including plastic bags, clothing/textiles, bedding, bungee cords, garden hoses, electrical cords, and Christmas lights. When these items get caught in the MRF line, there is increased risk for fire, worker injury and permanent damage to equipment. Tanglers from blue carts will shut down the sort line, forcing workers to scale machinery and cut them out. This jeopardizes the equipment and endangers the health and safety of recycling workers. Keep these items out of your blue cart. See ClearlakeRecycles.com to learn how to dispose of these items properly.



We are Hazardous

Real people sort through your recyclables. Keeping recycling workers safe is the top priority at material processing facilities. Batteries can cause fire, needles can pierce even the strongest cut-resistant gloves, and propane cylinders can explode. Keep these items out of your blue cart. See ClearlakeRecycles.com to learn how to dispose of these items safely.



2022 HHW Drop-Off Events

Household hazardous waste drop-off events are planned for the following dates between 9:00 am and 1:00 pm.

- March 18/19 – Clearlake
- April 15/16 – Lakeport
- May 14th **ONLY** – Lucerne
- May 20/21 – Clearlake
- June 17/18 – Lakeport
- July 15/16 – Clearlake
- August 19/20 – Lakeport
- September 16/17 – Clearlake
- October 8th **ONLY** – Hidden Valley Lake
- October 14/15 – Lakeport
- November 18/19 – Clearlake
- December 17th **ONLY** – Lakeport

Lakeport

Lake County Waste Solutions
Transfer Station & Recycling Center
230 Soda Bay Road

Clearlake

Quackenbush Mountain Resource
Recovery & Compost Facility
16520 Davis Street (next to Eastlake
Landfill)

Hidden Valley Lake

Hidden Valley Lake Fire Station #63
19287 Hartmann Rd. (by Post Office
Boxes)

Lucerne

Lucerne Harbor Park
6217 - 6225 State Highway 20

Toxic.Free.Home.



Holiday Collection Schedule

Collection is delayed by one day for customers whose service day falls on or after the following holidays when they occur on a weekday:

- Memorial Day
- Thanksgiving Day
- July 4th
- Christmas Day
- Labor Day
- New Year's Day

The Lake County Transfer Station & Recycling Center will also be closed on these holidays. For a complete description of the holiday schedule, visit us at www.candswaste.com.

COMMERCIAL CORNER

Did you know? If you are a commercial business or multifamily complex that produces 4 cubic yards or more of solid waste every week, you are required by the state to participate in a recycling program.

BULKY ITEM COLLECTION

Section 1, Item 9.



Residential customers are entitled to have Two (2) Items Collected Curbside Each Year at no charge.*

*There will be a \$10 handling fee for each appliance to cover the cost of removing hazardous materials, such as freon.

Extra items and extra pickups can be scheduled for an additional fee.

What exactly is a "bulky item?"

Bulky Items are items that are too large or too heavy to put into the curbside container or trash bag.

What is NOT accepted for bulky item collection?

Concrete, paint, piano, trash, tree stumps, yard debris, hazardous waste

707-234-6400

Call to schedule a pick up.



ONLINE Payment PORTAL

Pay your bill through our **ONLINE Payment PORTAL** and check out the following features:

PAPERLESS BILLING

Reduce your carbon footprint: sign up to receive bills electronically.

AUTOMATIC PAYMENTS

Forget the hassle of trying to remember when your bill is due; sign up for automatic payments.

Visit us at www.CANDSWASTE.COM and click on our **Pay My Bill** button for more details.

Announcing our new recycling websites:

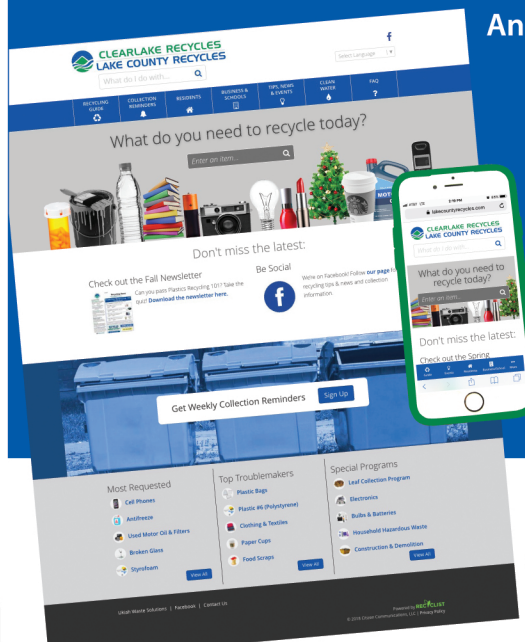
LakeCountyRecycles.com
ClearlakeRecycles.com

Need to know if something can be recycled?

Search for just about anything.

Looking for reminders?

Sign up for collection reminders and never miss a pick-up day again.



LakeCountyRecycles.com
Lake County Waste Solutions
ClearlakeRecycles.com
Clearlake Waste Solutions



1-888-718-4888 | www.CandSwaste.com

FOLLOW US ON FACEBOOK: C&S WASTE SOLUTIONS



Clearlake, CA

Check Register

Packet: APPKT01961 - 2/23/23 AP CHECK RUN AA

By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP-Accounts Payable						
	Void	02/28/2023	Regular	0.00	0.00	14246
	Void	02/28/2023	Regular	0.00	0.00	14247
	Void	02/28/2023	Regular	0.00	0.00	14248
	Void	02/28/2023	Regular	0.00	0.00	14249
	Void	02/28/2023	Regular	0.00	0.00	14250
	Void	02/28/2023	Regular	0.00	0.00	14251
	Void	02/28/2023	Regular	0.00	0.00	14252
	Void	02/28/2023	Regular	0.00	0.00	14253
	Void	02/28/2023	Regular	0.00	0.00	14254
	Void	02/28/2023	Regular	0.00	0.00	14255
VEN01351	BKF ENGINEERS	02/28/2023	Regular	0.00	32,422.00	14256
001852	CHELSEA BANKS	02/28/2023	Regular	0.00	912.00	14257
000024	CLEARLAKE POLICE ASSOCIATION	02/28/2023	Regular	0.00	1,500.00	14258
001593	K&R TREE SPECIALISTS	02/28/2023	Regular	0.00	500.00	14259
VEN01048	Minnesota Life Insurance	02/28/2023	Regular	0.00	851.46	14260
001489	NAPA AUTO PARTS	02/28/2023	Regular	0.00	459.18	14261
000026	NATIONWIDE RETIREMENT SOLUTION	02/28/2023	Regular	0.00	1,363.04	14262
000009	OPERATING ENGINEERS LOCAL 3	02/28/2023	Regular	0.00	676.00	14263
VEN01273	STEVE W. ELLIS - DBA ELLIS RANCH	02/28/2023	Regular	0.00	321.75	14264
000708	VALIC LOCKBOX	02/28/2023	Regular	0.00	395.00	14265

Bank Code AP Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	20	10	0.00	39,400.43
Manual Checks	0	0	0.00	0.00
Voided Checks	0	10	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	20	20	0.00	39,400.43

Fund Summary

Fund	Name	Period	Amount
999	Pooled Cash	2/2023	39,400.43
			<hr/>
			39,400.43



Clearlake, CA

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Check Register

Packet: APPKT02006 - 3/9/23 AP CHECK RUN AA

By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP-Accounts Payable						
VEN01085	ACC BUSINESS	03/09/2023	Regular	0.00	608.66	14339
000703	ACME RIGGING & SUPPLY	03/09/2023	Regular	0.00	593.54	14340
001138	ADVENTIST HEALTH	03/09/2023	Regular	0.00	392.52	14341
001423	ALLIANT INSURANCE SERVICES, IN	03/09/2023	Regular	0.00	429.00	14342
000101	AMERIGAS	03/09/2023	Regular	0.00	6,809.19	14343
000085	ARAMARK UNIFORM SERVICES	03/09/2023	Regular	0.00	49.31	14344
VEN01057	BASIC PACIFIC	03/09/2023	Regular	0.00	5.00	14345
2418	BICOASTAL MEDIA, LLC	03/09/2023	Regular	0.00	665.00	14346
000068	BOB'S JANITORIAL	03/09/2023	Regular	0.00	410.99	14347
2404	CALTRONICS	03/09/2023	Regular	0.00	88.44	14348
000024	CLEARLAKE POLICE ASSOCIATION	03/09/2023	Regular	0.00	1,752.00	14349
000774	DEEP VALLEY SECURITY	03/09/2023	Regular	0.00	125.85	14350
000160	DEPT OF JUSTICE	03/09/2023	Regular	0.00	340.00	14351
VEN01386	DOWNEY BRAND LLP	03/09/2023	Regular	0.00	23,470.00	14352
000073	EASTLAKE SANITARY LANDFILL	03/09/2023	Regular	0.00	37.53	14353
2411	ERIN MCCARRICK	03/09/2023	Regular	0.00	75.00	14354
001199	EUREKA OXYGEN CO	03/09/2023	Regular	0.00	469.56	14355
VEN01108	FAWN CHRISTINE WILLIAMS	03/09/2023	Regular	0.00	75.00	14356
000625	FIRST AMERICAN TITLE COMPANY	03/09/2023	Regular	0.00	700,064.58	14357
000121	HIGHLANDS WATER COMPANY	03/09/2023	Regular	0.00	1,257.52	14358
001949	ICE WATER DISTRIBUTORS INC	03/09/2023	Regular	0.00	65.50	14359
001775	JONES & MAYER	03/09/2023	Regular	0.00	32,427.58	14360
	Void	03/09/2023	Regular	0.00	0.00	14361
002286	LISA WILSON	03/09/2023	Regular	0.00	75.00	14362
002250	MAURICIO BARRETO	03/09/2023	Regular	0.00	3,138.20	14363
000793	MEDIACOM	03/09/2023	Regular	0.00	650.00	14364
001489	NAPA AUTO PARTS	03/09/2023	Regular	0.00	14.57	14365
000026	NATIONWIDE RETIREMENT SOLUTION	03/09/2023	Regular	0.00	1,363.04	14366
000027	OPERATING ENGINEERS PUBLIC EMP	03/09/2023	Regular	0.00	74,744.00	14367
000130	PITNEY BOWES	03/09/2023	Regular	0.00	701.68	14368
002374	PREDATOR PEST & WEED	03/09/2023	Regular	0.00	230.00	14369
VEN01373	PYRAMID ENTERTAINMENT GROUP	03/09/2023	Regular	0.00	7,000.00	14370
002031	REDWOOD COAST PETROLEUM & NOF	03/09/2023	Regular	0.00	3,514.01	14371
002215	ROBERT COKER	03/09/2023	Regular	0.00	75.00	14372
001500	RYAN PETERSON	03/09/2023	Regular	0.00	380.00	14373
VEN01378	STUDIO W ASSOCIATES, INC - STUDIO	03/09/2023	Regular	0.00	19,578.63	14374
VEN01222	TERRY LEE STEWART	03/09/2023	Regular	0.00	75.00	14375
001148	TIMOTHY HOBBS	03/09/2023	Regular	0.00	380.00	14376
001934	TINA VIRAMONTES	03/09/2023	Regular	0.00	125.00	14377
001540	US BANK CORPORATE PMT. SYSTEM	03/09/2023	Regular	0.00	9,106.46	14378
	Void	03/09/2023	Regular	0.00	0.00	14379
	Void	03/09/2023	Regular	0.00	0.00	14380
	Void	03/09/2023	Regular	0.00	0.00	14381
000708	VALIC LOCKBOX	03/09/2023	Regular	0.00	395.00	14382
2417	VAN LANT & FANKHANEL, LLP	03/09/2023	Regular	0.00	16,350.00	14383
VEN01180	VIKKI MARIE THOMPSON	03/09/2023	Regular	0.00	965.25	14384
VEN01221	WINE COUNTRY VENTURES, INC	03/09/2023	Regular	0.00	1,190.00	14385
	Void	03/09/2023	Regular	0.00	0.00	77841
	Void	03/09/2023	Regular	0.00	0.00	77842
	Void	03/09/2023	Regular	0.00	0.00	77843
	Void	03/09/2023	Regular	0.00	0.00	77844
	Void	03/09/2023	Regular	0.00	0.00	77845
	Void	03/09/2023	Regular	0.00	0.00	77846
	Void	03/09/2023	Regular	0.00	0.00	77847

Check Register

Packet: APPKT0200

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A

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
	Void	03/09/2023	Regular	0.00	0.00	77848
	Void	03/09/2023	Regular	0.00	0.00	77849
	Void	03/09/2023	Regular	0.00	0.00	77850
	Void	03/09/2023	Regular	0.00	0.00	77851
	Void	03/09/2023	Regular	0.00	0.00	77852
	Void	03/09/2023	Regular	0.00	0.00	77853
	Void	03/09/2023	Regular	0.00	0.00	77854
	Void	03/09/2023	Regular	0.00	0.00	77855
	Void	03/09/2023	Regular	0.00	0.00	77856
	Void	03/09/2023	Regular	0.00	0.00	77857
	Void	03/09/2023	Regular	0.00	0.00	77858
	Void	03/09/2023	Regular	0.00	0.00	77859
	Void	03/09/2023	Regular	0.00	0.00	77860
	Void	03/09/2023	Regular	0.00	0.00	77861
	Void	03/09/2023	Regular	0.00	0.00	77862
	Void	03/09/2023	Regular	0.00	0.00	77863
	Void	03/09/2023	Regular	0.00	0.00	77864
	Void	03/09/2023	Regular	0.00	0.00	77865
	Void	03/09/2023	Regular	0.00	0.00	77866
	Void	03/09/2023	Regular	0.00	0.00	77867
	Void	03/09/2023	Regular	0.00	0.00	77868
	Void	03/09/2023	Regular	0.00	0.00	77869
	Void	03/09/2023	Regular	0.00	0.00	77870
	Void	03/09/2023	Regular	0.00	0.00	77871
	Void	03/09/2023	Regular	0.00	0.00	77872
	Void	03/09/2023	Regular	0.00	0.00	77873
	Void	03/09/2023	Regular	0.00	0.00	77874
	Void	03/09/2023	Regular	0.00	0.00	77875
	Void	03/09/2023	Regular	0.00	0.00	77876
	Void	03/09/2023	Regular	0.00	0.00	77877
	Void	03/09/2023	Regular	0.00	0.00	77878
	Void	03/09/2023	Regular	0.00	0.00	77879
	Void	03/09/2023	Regular	0.00	0.00	77880
	Void	03/09/2023	Regular	0.00	0.00	77881
	Void	03/09/2023	Regular	0.00	0.00	77882
	Void	03/09/2023	Regular	0.00	0.00	77883
	Void	03/09/2023	Regular	0.00	0.00	77884
	Void	03/09/2023	Regular	0.00	0.00	77885
	Void	03/09/2023	Regular	0.00	0.00	77886
	Void	03/09/2023	Regular	0.00	0.00	77887

Bank Code AP Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	125	43	0.00	910,262.61
Manual Checks	0	0	0.00	0.00
Voided Checks	0	51	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	125	94	0.00	910,262.61

Fund Summary

Fund	Name	Period	Amount
999	Pooled Cash	3/2023	910,262.61
			<u>910,262.61</u>

CITY OF CLEARLAKE

City Council



STAFF REPORT	
SUBJECT: Presentation and Acceptance of the Annual Financial Report for Fiscal Year 2020-21; Resolution No. 2023-15	MEETING DATE: March 16, 2023
SUBMITTED BY: Kathy Wells, Director of Finance	
PURPOSE OF REPORT: <input type="checkbox"/> Information only <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item	

WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to adopt the resolution to accept the 20-21 audit.

BACKGROUND/DISCUSSION:

Each year the city hires an independent audit firm to complete an audit of the city’s books and records. For the fiscal year 2020-21, the city engaged auditing firm, Van Lant & Fankhanel, LLP, to complete the audit. The audit is complete and attached.

It should be noted this audit was delayed for a variety of reasons including changeover of personnel in the Finance Department, and carryover issues from prior fiscal years. It also should be noted that there is one finding of deficiency in internal controls regarding the timeliness of accounting records.

OPTIONS:

- 1. Move to adopt the resolution
- 2. Other direction

FISCAL IMPACT:

None \$ Budgeted Item? Yes No

Budget Adjustment Needed? Yes No If yes, amount of appropriation increase: \$

Affected fund(s): General Fund Measure P Fund Measure V Fund Other:

Comments:

STRATEGIC PLAN IMPACT:

- Goal #1: Make Clearlake a Visibly Cleaner City
- Goal #2: Make Clearlake a Statistically Safer City

- Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- Goal #4: Improve the Image of Clearlake
- Goal #5: Ensure Fiscal Sustainability of City
- Goal #6: Update Policies and Procedures to Current Government Standards
- Goal #7: Support Economic Development

SUGGESTED MOTIONS:

Move to adopt resolution 2023-15

- Attachments:**
 - 1) Resolution 2023-15
 - 2) Audit Conclusion Communication Letter
 - 3) Financial Statements
 - 4) Internal Control Report

**RESOLUTION NO. 2023-15
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLEARLAKE ACCEPTING THE ANNUAL
FINANCIAL REPORT FOR THE FISCAL YEAR 2020-21**

WHEREAS, each year the City hires an independent audit firm to complete an audit of the City’s books and records; and

WHEREAS, the City’s citizens and others rely on the audited financial statements, and other related information published by the City to monitor the City’s financial health; and

WHEREAS, the Auditor has prepared an Annual Financial Report, which includes the Basic Financial Statements as defined in Governmental Accounting Standards, as well as Supplemental Information, along with a report on internal controls and compliance identifying any significant deficiencies, material weaknesses and/or any other suggestions they feel might be of benefit to the city; and

WHEREAS, the Auditor was engaged to perform agreed upon procedures to verify the City’s Gann Limit calculations and has issued a related report thereto; and

WHEREAS, the reports prepared by the Auditor are attached.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Clearlake accepts the Annual Financial Report for the Fiscal Year 2020-21, incorporated by reference as Exhibits A-C.

PASSED AND ADOPTED by the City Council of the City of Clearlake, County of Lake, State of California, on this 16th day of March 2023, by the following vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

ATTEST: _____
City Clerk

Mayor

February 13, 2023

City Council
City of Clearlake
Clearlake, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Clearlake (City) for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 17, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

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 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year. We noted no transactions 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 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 City's financial statements were:

Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life. We evaluated the key factors and assumptions used to develop the estimated useful lives in determining that they are reasonable in relation to the financial statements as a whole.

Management's estimates for the net pension liability is based on actuarial information provided by the California Public Employee Retirement System's (CalPERS) actuarial office. We evaluated the key factors and assumptions to develop the liability in determining that the estimated liability are reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of the fair value of investments in Note 2 to the financial statements represents amounts susceptible to market fluctuation.

The disclosure of accumulated depreciation in Note 5 to the financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.

The disclosures for the net pension liability in Note 7 to the financial statements is based on assumptions for discount rates, etc., which could differ from actual experience. The notes disclose the differences in these liabilities if different assumptions are used in estimating these liabilities.

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, other than delays in completing the audit due to the significant general ledger accounting and reconciliations needed.

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. The following material misstatements detected as a result of audit procedures were corrected by management:

- 1) Adjustments were made to accounts receivable at year-end.
- 2) Adjustments were made to capital asset balances.

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 February 13, 2023.

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.

Other Audit Findings or Issues

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.

Findings and Recommendations:

In addition to our audit opinion on the financial statements, we issued our “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*” dated February 13, 2023, in which we identified a material weakness in internal controls.

Other Matters

We applied certain limited procedures to the required supplementary information, as listed in the City’s financial statements, which are required supplementary information (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 supplementary information (e.g., budgetary schedules, combining statements, individual fund statements), 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 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 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 information and use of the City Council and management of the City of Clearlake and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Van Lant & Fankhaed, LLP

CITY OF CLEARLAKE, CALIFORNIA

ANNUAL FINANCIAL REPORT

Year Ended June 30, 2021

Prepared by
Administrative Services Department

City of Clearlake
Annual Financial Report
Year Ended June 30, 2021

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City of Clearlake
Annual Financial Report
Year Ended June 30, 2021

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FINANCIAL SECTION

Independent Auditor's Report

The Honorable City Council
City of Clearlake, California
Clearlake, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Clearlake, California, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Clearlake's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Van Lant & Fankhanel, LLP

29970 Technology Drive, Suite 105 A
Murrieta, CA 92563
909.856.6879

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Clearlake, California, as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented in the basic financial statements. Such information, although not a required 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, and historical context.

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Other 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 supplementary information as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedules listed in the Supplementary Information section of the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules listed in the Supplementary Information section of the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2023, on our consideration of the City of Clearlake’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Van Lant & Fankhaenel, LLP

February 13, 2023

BASIC FINANCIAL STATEMENTS

City of Clearlake
Statement of Net Position
 June 30, 2021

	Governmental Activities
ASSETS	
Cash and Investments	\$ 20,483,441
Receivables:	
Accounts	484,005
Interest	3,455
Taxes	1,340,021
Notes	7,887,513
Grants	9,213
Capital Assets:	
Land	8,073,971
Construction in Progress	1,000,452
Other Capital Assets, Net	19,467,786
Total Assets	58,749,857
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Related Items	1,981,000
LIABILITIES	
Accounts Payable	658,694
Accrued Payroll Liabilities	441,595
Deposits	68,455
Noncurrent Liabilities:	
Due Within One Year	181,054
Due in More Than One Year	9,061,299
Total Liabilities	10,411,097
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Related Items	814,472
NET POSITION	
Net Investment in Capital Assets	28,107,267
Restricted for:	
PEG	268,488
Housing	6,812,618
Public Safety	1,785,845
Streets and Highways	1,097,843
Capital Projects	3,169,858
Unrestricted	8,263,369
Total Net Position	\$ 49,505,288

Section I, Item 11.

City of Clearlake
Statement of Activities
 Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
					Governmental Activities
Governmental Activities:					
General Government	\$ 2,773,711	\$ 591,087	\$ -	\$ 113,178	\$ (2,069,446)
Public Safety	6,247,693	211,074	382,241	199,439	(5,454,939)
Public Works	1,253,016	304,036	26,403	3,156,783	2,234,206
Housing	363,139	111,079	-	-	(252,060)
Parks and Recreation	1,194,055	132,993	-	-	(1,061,062)
Interest and Fiscal Charges	31,527	-	-	-	(31,527)
Total Governmental Activities	11,863,141	1,350,269	408,644	3,469,400	(6,634,828)
General Revenues:					
Taxes:					
					3,945,033
Sales and Use Taxes					2,207,493
Property Taxes					740,327
Franchise Fees					427,715
Transient Occupance Tax					45,527
Business Licenses					496,368
Gain on Sale of Capital Assets					19,420
Investment Income					14,945,017
Miscellaneous Revenues					
Total General Revenues and Transfers					22,826,900
Change in Net Position					16,192,072
Net Position - Beginning of Year					33,313,216
Net Position - End of Year					\$ 49,505,288

The accompanying notes are an integral part of this statement.

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Section I, Item 11.

City of Clearlake
Balance Sheet
Governmental Funds
 June 30, 2021

		Special Revenue	Capital Project	
	General Fund	HOME RLF	Series B Infrastructure Bonds	Roads Measure V
ASSETS				
Cash and Investments	\$ 15,004,961	\$ 48,252	\$ 2,568,310	\$ 536,683
Receivables:				
Accounts	320,498	-	-	-
Interest	2,640	8	441	43
Taxes	529,190	-	-	507,134
Grants	-	-	-	-
Notes	1,813	5,290,918	-	-
Due from Other Funds	57,604	-	-	-
Total Assets	\$ 15,916,706	\$ 5,339,178	\$ 2,568,751	\$ 1,043,860
LIABILITIES				
Accounts Payable	\$ 148,447	\$ -	\$ -	\$ 721
Accrued Payroll Liabilities	332,329	-	-	27,914
Deposits	64,605	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	545,381	-	-	28,635
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants Receivable	39,640	-	-	-
Total Deferred Inflows of Resources	39,640	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	1,813	-	-	-
Restricted	-	5,339,178	2,568,751	1,015,225
Committed	-	-	-	-
Unassigned	15,329,872	-	-	-
Total Fund Balances (Deficits)	15,331,685	5,339,178	2,568,751	1,015,225
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 15,916,706	\$ 5,339,178	\$ 2,568,751	\$ 1,043,860

The accompanying notes are an integral part of this statement.

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Capital Project	Total Nonmajor Governmental Funds	Totals
Grants		
\$ 427,668	\$ 1,766,949	\$ 20,352,823
144,917	18,590	484,005
-	316	3,448
-	303,697	1,340,021
9,213	-	9,213
-	2,594,782	7,887,513
-	-	57,604
<u>\$ 581,798</u>	<u>\$ 4,684,334</u>	<u>\$ 30,134,627</u>
\$ 493,922	\$ 15,604	\$ 658,694
-	81,352	441,595
-	3,850	68,455
-	57,604	57,604
<u>493,922</u>	<u>158,410</u>	<u>1,226,348</u>
<u>9,213</u>	<u>8,830</u>	<u>57,683</u>
<u>9,213</u>	<u>8,830</u>	<u>57,683</u>
-	-	1,813
78,663	4,537,245	13,539,062
-	-	-
-	(20,151)	15,309,721
<u>78,663</u>	<u>4,517,094</u>	<u>28,850,596</u>
<u>\$ 581,798</u>	<u>\$ 4,684,334</u>	<u>\$ 30,134,627</u>

The accompanying notes are an integral part of this statement.

City of Clearlake
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
 June 30, 2021

Fund Balances of Governmental Funds \$ 28,850,596

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

Land	\$ 8,073,971	
Construction in Progress	1,000,452	
Buildings and Improvements	3,061,387	
Vehicles and Equipment	3,603,034	
Infrastructure	21,331,650	
Less: Accumulated Depreciation	<u>(8,528,285)</u>	28,542,209

In governmental funds, other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. 57,683

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Compensated Absences		(333,814)
Net Pension Liability		(7,837,662)
Claims Payable		(238,202)
Energy Efficiency Loan Payable		(678,805)
Lease Payable		(153,870)

Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds.

Deferred Outflows Related to Pensions		1,981,000
Deferred Inflows Related to Pensions		(814,472)

Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position. 130,625

Net Position of Governmental Activities \$ 49,505,288

The accompanying notes are an integral part of this statement.

City of Clearlake
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021

	General Fund	Special Revenue	Capital Project	
		HOME RLF	Series B Infrastructure Bonds	Roads Measure V
REVENUES				
Taxes and Assessments	\$ 5,861,601	\$ -	\$ -	\$ 2,607,616
Fines and Forfeitures	89,624	-	-	-
Licenses and Permits	21,002	-	-	-
Use of Money and Property	19,420	85	3,599	542
Intergovernmental	344,530	-	-	407,217
Charges for Services	1,077,445	4,702	-	-
Legal Settlement	14,876,403	-	-	-
Other Revenues	1,132,439	-	-	-
Total Revenues	23,422,464	4,787	3,599	3,015,375
EXPENDITURES				
Current:				
General Government	1,840,294	-	-	-
Public Safety	4,028,306	-	-	-
Public Works and Streets	366,481	-	-	626,840
Housing	459,944	26,162	-	-
Parks and Recreation	350,415	-	-	-
Capital Outlay	133,461	-	-	254,787
Debt Service:				
Principal	112,965	-	-	-
Interest	31,527	-	-	-
Total Expenditures	7,323,393	26,162	-	881,627
Excess (Deficiency) of Revenues Over Expenditures	16,099,071	(21,375)	3,599	2,133,748
OTHER FINANCING SOURCES (USES)				
Transfers In	34,555	-	-	-
Transfers Out	(1,349,400)	-	(28,802)	(1,617,859)
Total Other Financing Sources (Uses)	(1,314,845)	-	(28,802)	(1,617,859)
Net Change in Fund Balances	14,784,226	(21,375)	(25,203)	515,889
Fund Balances, Beginning	547,459	5,360,553	2,593,954	499,336
Fund Balances, Ending	\$ 15,331,685	\$ 5,339,178	\$ 2,568,751	\$ 1,015,225

The accompanying notes are an integral part of this statement.

Capital Project	Total Nonmajor Governmental Funds	Totals
Grants	Funds	Totals
\$ -	\$ 2,122,102	\$ 10,591,319
-	-	89,624
-	-	21,002
3	2,912	26,561
389,295	331,157	1,472,199
-	105,494	1,187,641
-	-	14,876,403
-	218	1,132,657
<u>389,298</u>	<u>2,561,883</u>	<u>29,397,406</u>
-	19,902	1,860,196
-	1,538,613	5,566,919
-	530,052	1,523,373
-	69,171	555,277
-	12,724	363,139
4,007,255	177,350	4,572,853
-	-	112,965
-	-	31,527
<u>4,007,255</u>	<u>2,347,812</u>	<u>14,586,249</u>
<u>(3,617,957)</u>	<u>214,071</u>	<u>16,077,696</u>
3,630,212	-	3,664,767
<u>(34,555)</u>	<u>(752,899)</u>	<u>(3,783,515)</u>
<u>3,595,657</u>	<u>(752,899)</u>	<u>(118,748)</u>
(22,300)	(538,828)	14,692,409
100,963	5,055,922	14,158,187
<u>\$ 78,663</u>	<u>\$ 4,517,094</u>	<u>\$ 28,850,596</u>

The accompanying notes are an integral part of this statement.

City of Clearlake
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 14,692,409

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report capital outlay as an expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Expenditures	4,902,171
Depreciation Expense	(861,909)
Loss on Disposal	(589,657)

Certain receivables are offset by unavailable revenue in the governmental funds because they are not available to pay for current period expenditures. This amount represents the amount by which prior year unavaible revenue exceeded current year unavailable revenue. (752,536)

The amounts below included in the Statement of Activities do not provide (require) the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental funds (net change):

Net Pension Liability	(422,656)
Claims Payable	(119,886)
Compensated Absences	(78,466)
Energy Efficiency Loan	43,149
Capital Lease Payable	69,816

Amounts for deferred inflows and deferred outflows related to the City's net pension and total OPEB liabilities are not reported in the funds. This is the net change in deferred inflows and outflows related to the net pension and total OPEB liabilities.

Deferred Outflows Related to Pensions	(413,003)
Deferred Inflows Related to Pensions	(407,985)

Internal service funds are used by management to charge the costs of insurance to individual funds. The net revenue (expense) of the internal service is reported with governmental activities.

130,625

Change in Net Position of Governmental Activities \$ 16,192,072

The accompanying notes are an integral part of this statement.

City of Clearlake
Statement of Net Position
Proprietary Fund
June 30, 2021

	<u>Governmental Activities - Internal Service Fund</u>
ASSETS	
Current:	
Cash and Investments	\$ 130,618
Interest Receivable	<u>7</u>
Total Current Assets	<u>130,625</u>
LIABILITIES	
Current:	
Accounts Payable	<u>-</u>
Total Current Liabilities	<u>-</u>
NET POSITION	
Unrestricted	<u>130,625</u>
Total Net Position	<u><u>\$ 130,625</u></u>

The accompanying notes are an integral part of this statement.

Section I, Item 11.

City of Clearlake
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
Year Ended June 30, 2021

	Governmental Activities - Internal Service Fund
OPERATING REVENUES	
Charges for Services	\$ 43,837
Total Operating Revenues	43,837
OPERATING EXPENSES	
Insurance	31,967
Total Operating Expenses	31,967
Operating Income (Loss)	11,870
NON-OPERATING REVENUES (EXPENSES)	
Investment Earnings	7
Total Non-Operating Revenues (Expenses)	7
Income (Loss) Before Contributions and Transfers	11,877
Transfers In	118,748
Change in Net Position	130,625
Total Net Position, Beginning of Year	-
Total Net Position, End of Year	\$ 130,625

The accompanying notes are an integral part of this statement.

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City of Clearlake
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2021

	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities	
Cash Received from User Funds	\$ 43,837
Cash Paid to Suppliers for Goods and Services	(31,967)
Net Cash Provided (Used) By Operating Activities	11,870
Cash Flows from Non-Capital Financing Activities	
Cash Received from (Paid to) Other Funds	118,748
Net Cash Provided (Used) by Non-capital Financing Activities	118,748
Cash Flows from Investing Activities	
Interest Received on Investments	-
Net Cash Provided (Used) by Investing Activities	-
Net Increase (Decrease) In Cash and Cash Equivalents	130,618
Cash and Cash Equivalents, Beginning of Year	-
Cash and Cash Equivalents, End of Year	\$ 130,618
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ 11,870
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) Decrease In Accounts Receivable	-
Increase (Decrease) In Accounts Receivable	-
Net Cash Provided (Used) By Operating Activities	\$ 11,870

The accompanying notes are an integral part of this statement.

Section I, Item 11.

City of Clearlake
Statement of Fiduciary Net Position
Fiduciary Funds
 June 30, 2021

	LAFCO Custodial Fund	Successor Agency Private-purpose Trust Fund
ASSETS		
Cash and Investments	\$ 212,048	\$ 827,218
Restricted Cash and Investments	-	16,906
Interest Receivable	38	-
Deposits	-	10,000
Land Held for Resale	-	2,083,877
	<u>212,086</u>	<u>2,938,001</u>
Total Assets		
LIABILITIES		
Accounts Payable	14,125	10,000
Accrued Payroll Liabilities	-	3,409
Due to Other Agencies	-	-
Interest Payable	-	99,953
Long-Term Debt, Due within One Year	-	560,000
Long-Term Debt, Due in more Than One Year	-	10,683,208
	<u>14,125</u>	<u>11,356,570</u>
Total Liabilities		
NET POSITION		
Held in Trust for:		
Successor Agency	-	(8,418,569)
Other Organizations	197,961	
	<u>197,961</u>	<u>(8,418,569)</u>
Total Net Position	<u>\$ 197,961</u>	<u>\$ (8,418,569)</u>

The accompanying notes are an integral part of this statement.

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City of Clearlake
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2021

	LAFCO Custodial Fund	Successor Agency Private-purpose Trust Fund
	<u> </u>	<u> </u>
ADDITIONS		
Investment Income	\$ 256	\$ -
Taxes, Assessments, and Contributions	149,292	1,549,800
	<u>149,548</u>	<u>1,549,800</u>
Total Additions		
DEDUCTIONS		
Administrative Costs	131,578	242,640
Interest Expense	-	421,374
	<u>131,578</u>	<u>664,014</u>
Total Deductions		
Change in Net Position	17,970	885,786
Net Position - Beginning of Year	179,991	(8,308,350)
Restatement of Net Position	<u>-</u>	<u>(996,005)</u>
Net Position - End of Year	<u>\$ 197,961</u>	<u>\$ (8,418,569)</u>

The accompanying notes are an integral part of this statement.

City of Clearlake
Notes to Financial Statements
 Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Clearlake, California (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A) Reporting Entity

The City of Clearlake is a municipal corporation governed by an elected five-member City Council. The accompanying financial statements present the government and its component units, entities for which the City is considered to be financially accountable.

Blended Component Units – The Clearlake Public Financing Authority is a separate legal entity created for the purpose of improving the economic conditions of the City, making public improvements and providing financing for these purposes. This entity is governed by the City Council of the City of Clearlake, and is therefore reported as if it was part of the City. The Authority is reported as part of the City's special revenue, capital projects and debt service funds. The component unit redevelopment agency was dissolved effective February 1, 2012 and all residual asset and liabilities are reported in the Successor Agency private purpose fiduciary funds.

B) Basis of Accounting and Measurement Focus

The basic financial statements of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

Government-Wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

Government-wide financial statements are presented using the economic resources measurement focus and accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

Program revenues include charges for services and payments made by parties outside the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

City of Clearlake
Notes to Financial Statements
 Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expense. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expense.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about the major funds individually and nonmajor funds in the aggregate for all funds.

Governmental Funds

In the fund financial statements, governmental funds are presented using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period.

The City uses an availability period of 60 days. Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Revenue recognition is subject to the *measurable* and *availability* criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed nonexchange transactions* are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary nonexchange transactions* are recognized as revenues when all applicable eligibility requirements have been met.

City of Clearlake
Notes to Financial Statements
 Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered “available spendable resources,” since they do not represent the net current assets.

Recognition of governmental fund type revenues represented by non-current receivables are deferred until they become current receivables. Non-current portions of long-term receivables are offset by nonspendable fund balance.

Due to the nature of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

Proprietary Funds

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the City’s enterprise fund and internal service funds are charges to customers for services provided. Operating expenses for the City’s enterprise fund and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City’s internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal services are the City’s governmental activities, the financial statements of the internal service fund are consolidated in the governmental activities column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public protection, development, etc.).

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

City of Clearlake
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C) Fund Classifications

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

The *HOME RLF Fund* accounts for revolving loan funds used for activities pertaining to multi-family, first-time homebuyer, rehabilitation and other affordable housing loan and grant programs.

The *Series B Infrastructure Bond Proceeds Fund* accounts for Series B proceeds used to complete various road and infrastructure projects consistent with the original bond issuance.

The *Roads Measure V Fund* accounts for and reports financial resources related to the 1% transaction and use tax for improving and maintaining roads within the City. The tax sunsets in 20 years and an Oversight Committee has been established to review prior year expenditures.

The *Grants Fund* accounts for and reports financial resources for the majority of all capital projects conducted by the City of Clearlake. The projects are funded by grant revenue deposited in Fund 240 or transfers from other funds within the City budget.

Additionally, the City reports the following fund types:

The *Internal Service Fund* accounts for the accumulation of resources for unemployment insurance.

The *Private-purpose Trust Fund* accounts for the balances and transactions of the Successor Agency to the Clearlake Redevelopment Agency.

The *Custodial Fund* accounts for monies held for the Lake County Local Agency Formation Commission (LAFCO).

D) Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported in the accompanying financial statements at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates. Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of 3 months or less. Cash equivalents represent the proprietary funds' share in the cash and investment pool of the City.

City of Clearlake
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

E) Due from Other Governments

The amounts recorded as due from other governments, include sales taxes, property taxes, and grant revenues, collected or provided by Federal, State, County and City governments and remain unremitted to the City as of June 30, 2021.

F) Fund Balance

The City implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions as of June 30, 2011. Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The City considers restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact.

Restricted Fund Balance - Amounts that are constrained to specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.

Committed Fund Balance - Amounts that may be specified by the City Council by ordinance to formally commit part of the City's fund balances or future revenues for a specific purpose(s) or program. To change or repeal any such commitment will require an additional formal City Council action utilizing the same type of action that was originally used.

Assigned Fund Balance - Amounts that are constrained by the City Council's intent to use specified financial resources for specific purposes, but are neither restricted nor committed. The City's fund balance policy delegates the authority to assign amounts to be used for specific purposes to the City Manager, or his designee.

Unassigned Fund Balance - These are either residual positive net resources of fund balance in excess of what can properly be classified in one of the other four categories, or negative balances.

G) Fund Equity

In the government-wide financial statements, net position is classified in the following categories:

Net investment in capital assets describes the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulation, laws, or other restrictions which the City cannot unilaterally alter.

Unrestricted describes the portion of net position which is not restricted to use.

City of Clearlake
Notes to Financial Statements
Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

H) Property Tax Calendar

Property taxes attach as an enforceable lien on property as of January 1, each year. Taxes are levied on July 1, and are payable in two installments no later than December 10, and April 10, of each year. Lake County bills and collects the property taxes and remits them to the City in installments during the year. Under the provisions of NCGA Interpretation 3, property tax revenue is recognized in the fiscal year for which the taxes have been levied, provided it is collected within 60 days of the end of the fiscal year.

The County is permitted by State law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) and can increase the property tax rate no more than 2% per year. Property Valuations are established by the Lake County Assessor for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provision of Article XIII-A of the State Constitution (Proposition 13, adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From this base assessment, subsequent annual increases in valuation are limited to a maximum of two percent. However, an increase to full value is allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.

I) Compensated Absences

In accordance with GASB Statement No 16, a liability is recorded for unused balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payment, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Upon separation, 100% of accrued vacation leave (up to a maximum of 400 hours) and accrued comp time is paid and, depending on longevity, sick leave is paid out up to 50% of the accrued amount. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

J) Capital Assets

Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Contributed capital assets received prior to the implementation of GASB 72 are valued at their estimated fair market value at the date of the contribution. Contributed capital assets received subsequent to the implementation of GASB 72 are recorded at acquisition value as of the date received. The City capitalizes assets with an original cost greater than \$5,000 and with a useful lifespan longer than three years.

Capital assets include public domain (infrastructure) assets consisting of certain improvements including roads, streets, sidewalks, medians and storm drains. Depreciation has been provided using the straight line method over the estimated useful life of the asset in the government-wide financial statements. No depreciation is recorded in the year of acquisition or in the year of disposition.

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City of Clearlake
Notes to Financial Statements
 Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The following schedule summarizes capital asset useful lives:

Building and improvements	5 - 50 years
Roadway improvements	50 years
Sidewalks, curbs, and gutters	50 years
Storm drain pipes/structures	50 years
Traffic signal devices	5 - 40 years
Landscaping	30 years
Signage	25 years
Leasehold improvements	5 years
Machinery and equipment	3 - 5 years
Vehicles	3 years

K) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

L) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City reports deferred outflows of resources related to pension liabilities.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has certain items, which arise only under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the City reports deferred inflows as a result of the City's implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, which qualify for reporting in this category.

M) Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position.

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City of Clearlake
Notes to Financial Statements
 Year Ended June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

N) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

The Governmental Accounting Standards Board has issued the following Statements, which may affect the City’s financial reporting requirements in the future:

GASB 87 – Leases: This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

GASB 91 - Conduit Debt Obligations: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

O) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Clearlake’s California Public Employees’ Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2) CASH AND INVESTMENTS

Cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 20,483,441
Statement of Fiduciary Net Position:	
Cash and Investments	1,039,266
Cash and Investments with Fiscal Agents	16,906
Total Cash and Investments	\$ 21,539,613

Cash and Investments consist of the following:

Cash on Hand	\$ 493
Deposits with Financial Institutions	17,314,699
Investments	4,224,421
Total Cash and Investments	\$ 21,539,613

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City of Clearlake
Notes to Financial Statements
 Year Ended June 30, 2021

2) CASH AND INVESTMENTS – Continued

Investments Authorized by the City’s Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City’s investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City’s investment policy.

<u>Authorized Investment Type</u>	<u>Authorized by Investment Policy</u>	<u>Maximum Maturity*</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment In One Issuer*</u>
Local Agency Bonds	No	5 years	None	None
U.S. Treasury Obligations	Yes	2 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker’s Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	15%	10%
Negotiable Certificates of Deposit	Yes	2 years	30%	None
Repurchase Agreements	Yes	1 year	None	None
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Medium Term Notes	No	5 years	30%	None
Mutual Funds	No	N/A	20%	10%
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-through Securities	No	5 years	20%	None
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	None
Supranationals	Yes	5 years	30%	None
JPA Pools (other investment pools)	No	N/A	None	None

*Based on state law requirements or investment policy requirements, whichever is more restrictive.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provision of the California Government Code or the City’s investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

City of Clearlake
Notes to Financial Statements
 Year Ended June 30, 2021

2) CASH AND INVESTMENTS – Continued

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker’s Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Medium Term Notes	5 years	30%	5%
Money Market Mutual Funds	N/A	20%	10%
Repurchase Agreements	270 days	30%	None
Investment Contracts	30 years	None	None
Local Agency Investment Fund (LAIF)	N/A	50 million	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rate. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City’s investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City’s investment by maturity:

<u>Investment Type</u>	<u>Remaining Maturity (in Months)</u>			<u>Total</u>
	<u>12 Months or Less</u>	<u>1 to 2 Years</u>	<u>2 to 5 Years</u>	
Local Agency Investment Fund	\$ 4,207,515	\$ -	\$ -	\$ 4,207,515
Held by Bond Trustee:				
Money Market Mutual Funds	16,906	-	-	16,906
Total Pooled Investments	<u>\$ 4,224,421</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,224,421</u>

City of Clearlake
Notes to Financial Statements
Year Ended June 30, 2021

2) CASH AND INVESTMENTS - Continued

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization.

The Local Agency Investment Fund is not required to be rated. Money Market Mutual funds held by bond trustees are rated AAA.

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2021, there were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2021, no deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities.

Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). As of June 30, 2021, none of the City's investments were held by the broker-dealer (counterparty) that was used by the City to purchase the securities.

For investments identified herein as held by bond trustee, the bond trustee selects the investments under terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

City of Clearlake
Notes to Financial Statements
 Year Ended June 30, 2021

2) CASH AND INVESTMENTS - Continued

Fair Value

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 Local Agency Investment Fund and money market mutual funds are not subject to the fair value hierarchy; therefore, the City has no investments that are subject to recurring fair value measurements.

Investment in State Investment Pool

The City is a voluntary participant in the LAIF that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at June 30, 2021 are as follows:

<u>Due To (Receivable)</u>	<u>Due From (Payable)</u>	<u>Amount</u>
General Fund	Non-major Governmental Funds	\$ 57,604
Total		<u>\$ 57,604</u>

The \$57,604 due to the General Fund from the non-major Governmental Funds will be paid with future revenues.

Transfers consisted of the following at June 30, 2021:

<u>TRANSFERS OUT</u>	<u>TRANSFERS IN</u>			<u>Total</u>
	<u>General Fund</u>	<u>Grants</u>	<u>Internal Service Funds</u>	
General Fund	\$ -	\$ 1,230,652	\$ 118,748	\$ 1,349,400
Series B Infrastructure Bond Proceeds	-	28,802	-	28,802
Roads Measure V	-	1,617,859	-	1,617,859
Grants Capital Projects Fund	34,555	-	-	34,555
Non-Major Funds	-	752,899	-	752,899
Total	<u>\$ 34,555</u>	<u>\$ 3,630,212</u>	<u>\$ 118,748</u>	<u>\$ 3,783,515</u>

Transfers were made from the Grants Capital Projects Fund to the General Fund of \$34,555 for project costs. Transfers were made from the General Fund, Series B Infrastructure Bond Proceeds, Roads Measure V and Non-Major Funds to the Grants Capital Projects Fund totaling \$3,630,212 for project costs.

City of Clearlake
Notes to Financial Statements
Year Ended June 30, 2021

4) LOANS AND NOTES RECEIVABLE

Through the City's various housing rehabilitation funds, first-time home buyer's funds, and business/economic development loan funds, the City has loaned funds to qualifying individuals and businesses. Interest rates vary depending on the terms of the loan. Interest is accrued on the loans that bear interest. The balance of the loans receivable includes the accrued interest earned and deferred until future periods and an allowance for doubtful accounts of \$7,166,482.

Loans and notes receivable for the year ended June 30, 2021, consisted of the following:

Fund	Beginning Balance	Additions	Deletions	Ending Balance
HOME RLF	\$ 5,274,468	\$ 68,220	\$ 51,770	\$ 5,290,918
Nonmajor Governmental Funds	2,806,629	42,689	254,536	2,594,782
Total	<u>\$ 8,081,097</u>	<u>\$ 110,909</u>	<u>\$ 306,306</u>	<u>\$ 7,885,700</u>

5) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Nondepreciable Capital Assets				
Land	\$ 7,306,000	\$ 897,905	\$ 479,934	\$ 7,723,971
Construction in Progress	3,012,354	1,000,452	3,012,354	1,000,452
Total Capital Assets Not Depreciated	<u>10,318,354</u>	<u>1,898,357</u>	<u>3,492,288</u>	<u>8,724,423</u>
Depreciable Capital Assets				
Buildings and Improvements	3,561,387	-	500,000	3,061,387
Equipment	1,436,261	447,777	-	1,884,038
Vehicles	1,652,168	66,828	-	1,718,996
Infrastructure	15,830,087	5,501,563	-	21,331,650
Total Depreciable Capital Assets	<u>22,479,903</u>	<u>6,016,168</u>	<u>500,000</u>	<u>27,996,071</u>
Less Accumulated Depreciation:				
Buildings and Improvements	1,686,722	97,683	40,277	1,744,128
Equipment	765,507	152,588	-	918,095
Vehicles	1,108,096	99,714	-	1,207,810
Infrastructure	4,146,328	511,924	-	4,658,252
Total Accumulated Depreciation	<u>7,706,653</u>	<u>861,909</u>	<u>40,277</u>	<u>8,528,285</u>
Net Depreciable Capital Assets	<u>14,773,250</u>	<u>5,154,259</u>	<u>459,723</u>	<u>19,467,786</u>
Total Capital Assets, Net	<u>\$ 25,091,604</u>	<u>\$ 7,052,616</u>	<u>\$ 3,952,011</u>	<u>\$ 28,192,209</u>

Depreciation expense was charged in the following function of the Statement of Activities:

City of Clearlake
Notes to Financial Statements
Year Ended June 30, 2021

5) CAPITAL ASSETS - Continued

General Government	\$ 105,218
Public Safety	58,952
Public Works and Streets	<u>697,739</u>
Total Depreciation Expense	<u>\$ 861,909</u>

6) LONG-TERM LIABILITIES

The following is a summary of long-term liabilities, all of which are funded by the General Fund, for the year ended June 30, 2021:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated Absences	\$ 255,348	\$ 78,466	\$ -	\$ 333,814	\$ 65,000
Net Pension Liability	7,415,006	422,656	-	7,837,662	-
Claims Payable	118,316	119,886	-	238,202	-
Loans from direct borrowings:					
Energy Efficiency Loan	721,954	-	43,149	678,805	46,238
Capital Lease Payable	<u>223,686</u>	<u>-</u>	<u>69,816</u>	<u>153,870</u>	<u>69,816</u>
Total	<u>\$ 8,734,310</u>	<u>\$ 621,008</u>	<u>\$ 112,965</u>	<u>\$ 9,242,353</u>	<u>\$ 181,054</u>

Compensated absences and the net pension liability are typically liquidated by the General Fund.

Energy Efficiency Lease Agreement (direct borrowing)

In April, the City entered into a lease-purchase agreement for the acquisition and installation of certain energy conservation equipment including lighting and solar with an aggregate principal borrowing of \$808,519. The proceeds are to be used to pay for the energy efficiency and conservation improvements as specified in the agreement. The payments bear interest at 3.50% and are due and payable annually on November 15th and each year, maturing on November 15, 2032. The General Fund will generally be responsible for making the debt service payments annually.

The annual debt service requirements for the lease agreement as of June 30, 2021 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 46,238	\$ 24,366	\$ 70,604
2023	47,590	22,649	70,239
2024	48,209	20,917	69,126
2025	50,360	19,141	69,501
2026	53,233	18,278	71,511
2027	56,478	15,306	71,784
2028	59,962	13,214	73,176
2029	63,696	10,992	74,688
2030	67,690	8,631	76,321
2031	71,865	6,123	77,988
2032	75,070	3,461	78,531
2033	38,414	701	39,115
Totals	<u>\$ 678,805</u>	<u>\$ 163,779</u>	<u>\$ 842,584</u>

City of Clearlake
Notes to Financial Statements
 Year Ended June 30, 2021

6) LONG-TERM LIABILITIES – Continued

Capital Lease Payable

The City, at various occasions, enters into lease agreements that qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The capitalized costs and accumulated depreciation on assets acquired through capital leases are \$291,855 and \$60,803. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021, were as follows:

Fiscal Year Ending June 30,	Governmental Activities
2022	\$ 82,497
2023	82,497
Totals	\$ 164,994
Less: Interest	(11,124)
Present Value	<u>\$ 153,870</u>

Fiduciary Fund Long-term Debt

The following is a summary of the Successor Agency Private-purpose Trust Fund long-term debt:

Tax Allocation Bonds:	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Series 2017	\$ 12,080,000	\$ -	\$ 555,000	\$ 11,525,000	\$ 560,000
Bond Discount	(300,578)	-	(18,786)	(281,792)	(18,786)
Total	<u>\$ 11,779,422</u>	<u>\$ -</u>	<u>\$ 536,214</u>	<u>\$ 11,243,208</u>	<u>\$ 541,214</u>

In December 2017, the Clearlake Successor Agency sold \$13,275,000 in 2017 Taxable Tax Allocation Refunding Bonds to refund the previously outstanding 2006A and 2006B Series bonds, at a discount of \$338,150. Interest on the 2017 Bonds is payable on April 1 and October 1 of each year. Principal payments are made on October 1 of each year, with the final payment due on October 1, 2036. Interest rates range from 1.75% to 4%. Future debt service requirements are as follows:

City of Clearlake
Notes to Financial Statements
Year Ended June 30, 2021

6) LONG-TERM LIABILITIES – Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 560,000	\$ 393,163	\$ 953,163
2023	575,000	378,966	953,966
2024	600,000	363,544	963,544
2025	610,000	347,281	957,281
2026	630,000	329,444	959,444
2027	645,000	309,916	954,916
2028	665,000	289,031	954,031
2029	690,000	265,288	955,288
2030	715,000	238,944	953,944
2031	745,000	211,569	956,569
2032	770,000	183,163	953,163
2033	800,000	153,725	953,725
2034	830,000	123,163	953,163
2035	865,000	90,300	955,300
2036	895,000	55,100	950,100
2037	930,000	18,600	948,600
Totals	<u>\$ 11,525,000</u>	<u>\$ 3,751,194</u>	<u>\$ 15,276,194</u>

7) PENSION PLAN

General Information about the Defined Benefit Pension Plan

Plan Description – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees’ Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all others.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City of Clearlake sponsors 2 rate plans (both are miscellaneous.) Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2019 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2019 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS’ website under Forms and Publications.

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City of Clearlake
Notes to Financial Statements
 Year Ended June 30, 2021

7) PENSION PLAN – Continued

The Plan’s provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous	Miscellaneous PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2%	2%
Required employee contribution rates	7%	6.75%
Required employer contribution rates	10.484% + \$134,117	7.732% + \$3,429
	Safety Police	Safety Police PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	3% @ 50	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3%	2% to 2.7%
Required employee contribution rates	9%	12%
Required employer contribution rates	22.437% + \$334,952	13.044% + \$5,223

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. The City’s required contribution for the unfunded liability was \$477,721 in fiscal year 2021. The City’s contributions to the Plan for the year ended June 30, 2021 were \$1,071,532.

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City of Clearlake
Notes to Financial Statements
 Year Ended June 30, 2021

7) PENSION PLAN – Continued

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2021, the City reported a net pension liability for its proportionate shares of the net pension liability of the Plan of \$7,837,662. The City’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City’s proportionate share of the net pension liability as of June 30, 2019, and 2020 was as follows:

Proportion - June 30, 2019	0.07236%
Proportion - June 30, 2020	0.07203%
Change - Increase (Decrease)	-0.00033%

For the year ended June 30, 2021, the City recognized pension expense of \$1,270,473. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,071,532	\$ -
Differences between actual and expected experience	549,910	-
Changes in assumptions	-	34,563
Change in employer's proportion	63,122	156,899
Differences between employer's contributions and employer's proportionate share of contributions	108,357	623,010
Net differences between projected and actual earnings on plan investments	188,079	-
Total	\$ 1,981,000	\$ 814,472

\$1,071,532 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2020	\$ (281,444)
2021	78,028
2022	205,589
2023	92,823
2024	-
Thereafter	-

City of Clearlake
Notes to Financial Statements
 Year Ended June 30, 2021

7) PENSION PLAN – Continued

Actuarial Assumptions – The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Projected salary increase	(1)
Investment rate of return	7.15%
Mortality	(2)

- (1) Depending on age, service and type of employment
- (2) Derived using CalPERS' Membership Data for all Funds.

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows.

Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	50%	4.80%	5.98%
Global Fixed Income	28%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	-	-0.92%

- (1) An expected inflation of 2.0% used for this period.
- (2) An expected inflation of 2.92% used for this period.

City of Clearlake
Notes to Financial Statements
 Year Ended June 30, 2021

7) PENSION PLAN – Continued

Discount Rate – The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City’s proportionate share of the net pension liability would be 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		6.15%	
Net Pension Liability	\$		11,865,683
Current Discount Rate		7.15%	
Net Pension Liability	\$		7,837,662
1% Increase		8.15%	
Net Pension Liability	\$		4,524,771

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

At June 30, 2021, the City reported no payables to the pension plan, for outstanding contributions required for the year ended June 30, 2021.

8) SUMMARY DISCLOSURE OF SELF-INSURANCE CONTINGENCIES

The City of Clearlake (“City”) is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City obtains insurance coverage. The City maintains self-insurance programs for workers’ compensation, general and auto liability. Claims are processed by an independent third-party claims administrator.

The City is a member of the Public Agency Risk Sharing Authority of California- PARSAC (“Authority”), a joint powers authority, which provides joint protection programs for public entities covering automobile, general liability, errors and omission losses, workers’ compensation, and property claims. Under the program, the City has a \$50,000 retention limit similar to a deductible with the Authority being responsible for losses above that amount up to \$1 million. The Authority has additional coverage of \$49 million in excess of its \$1 million retention limit through affiliated risk management authorities.

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City of Clearlake
Notes to Financial Statements
 Year Ended June 30, 2021

8) SUMMARY DISCLOSURE OF SELF-INSURANCE CONTINGENCIES - Continued

Liabilities of the City are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

The Authority covers workers' compensation claims up to its self-insurance limit of \$500,000. The Local Agency Workers Compensation Excess Pool provides excess coverage to statutory limits. The City pays an annual premium to the Authority and may share in any surplus revenues or may be required to pay additional assessments based upon the Authority's operating results. Financial statements of the Public Agency Risk Sharing Authority of California (PARSAC) may be obtained from its administrative office located at 1525 Response Road, Suite One, Sacramento, California, 95815; www.parsac.org or by calling (916) 927-7727.

Included in the accrued claims liability is an estimated liability for claims filed, as calculated by the City's third-party claims administrator, but not paid, in the amount of \$238,202 for workers' compensation.

Fiscal Year	Claims Payable Beginning of Year	Additions	Deletions	Claims Payable End of Year
6/30/21	\$ 118,316	\$ 119,886	-	\$ 238,202
6/30/20	38,100	80,216	-	118,316

During the past three fiscal years none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability covered from coverage in the prior year.

9) COMMITMENTS AND CONTINGENCIES

The City has received State and Federal funds that are subject to review and audit by the grantor agencies. Such audits could generate expenditure disallowances under terms of the grants; however, it is believed that any such reimbursements will not be significant.

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City of Clearlake
Notes to Financial Statements
 Year Ended June 30, 2021

10) FUND BALANCE

	General Fund	HOME RLF	Series B Infrastructure Bonds	Roads Measure V	Grants	Non-major Governmental Funds	Total
Nonspendable:							
Notes Receivable	\$ 1,813	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,813
Restricted for:							
Capital Projects	-	-	2,568,751	1,015,225	-	-	3,583,976
Housing	-	5,339,178	-	-	-	3,197,397	8,536,575
Public Works/Street Projects	-	-	-	-	78,663	623,843	702,506
Public Safety	-	-	-	-	-	447,517	447,517
PEG	-	-	-	-	-	268,488	268,488
Unassigned	15,329,872	-	-	-	-	(20,151)	15,309,721
Total Fund Balances	\$ 15,331,685	\$ 5,339,178	\$ 2,568,751	\$ 1,015,225	\$ 78,663	\$ 4,517,094	\$ 28,850,596

11) ACCUMULATED FUND DEFICITS

At June 30, 2021, the following funds had deficit fund balances:

Non-major Funds	
Gas Tax Fund	\$ (7,074)
Recycle Fund	(13,077)

These deficits will be eliminated through the collection of unavailable revenues and future revenues.

12) LEGAL SETTLEMENT

In June 2019, the City, among other entities, was a party to a settlement with Pacific Gas and Electric Company (PG&E) with a total settlement of \$415 million. In July 2020, the City was allocated a gross settlement amount of \$18,347,776, of which, the City received \$14,876,403. The settlement amount was based on documented costs incurred and/or impacts from fires where there wasn't another funding source. The largest of which was impacts to City roads and potential slope mitigation/watershed restoration costs. According to the settlement agreement, the use of the funds is entirely within the City's discretion.

13) RESTATEMENT OF NET POSITION

The beginning net position of the Successor Agency Private-purpose Trust Fund was reduced by \$996,005 on the Statement of Changes in Fiduciary Net Position to remove a purchased insurance policy previously reported as an asset.

14) SUBSEQUENT EVENTS

In June 2022, the City of Clearlake Public Financing Authority issued a \$14,755,000 loan to be used to finance capital improvements of the City of Clearlake. The loan will be repaid using Measure V funding.

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REQUIRED SUPPLEMENTARY INFORMATION

City of Clearlake
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and Assessments	\$ 4,875,826	\$ 5,189,028	\$ 5,861,601	\$ 672,573
Fines and Forfeitures	110,500	80,500	89,624	9,124
Licenses and Permits	34,500	34,500	21,002	(13,498)
Use of Money and Property	2,600	2,600	19,420	16,820
Intergovernmental	337,685	255,913	344,530	88,617
Charges for Services	791,833	903,313	1,077,445	174,132
Legal Settlement	-	-	14,876,403	14,876,403
Other Revenues	6,600	1,982,562	1,132,439	(850,123)
	<u>6,159,544</u>	<u>8,448,416</u>	<u>23,422,464</u>	<u>14,974,048</u>
EXPENDITURES				
Current:				
General Government	1,836,982	2,291,891	1,840,294	451,597
Public Safety	4,164,696	4,039,281	4,028,306	10,975
Public Works and Streets	266,570	449,178	459,944	(10,766)
Housing	417,280	451,990	350,415	101,575
Parks and Recreation	147,147	286,767	366,481	(79,714)
Capital Outlay	28,600	231,724	133,461	98,263
Debt Service:				
Principal	120,000	120,000	112,965	7,035
Interest	48,000	48,000	31,527	16,473
	<u>7,029,275</u>	<u>7,918,831</u>	<u>7,323,393</u>	<u>595,438</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(869,731)</u>	<u>529,585</u>	<u>16,099,071</u>	<u>15,569,486</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	419,731	270,622	34,555	(236,067)
Transfers Out	-	(1,396,474)	(1,349,400)	47,074
	<u>419,731</u>	<u>(1,125,852)</u>	<u>(1,314,845)</u>	<u>(188,993)</u>
Net Change in Fund Balances	(450,000)	(596,267)	14,784,226	15,380,493
Fund Balance, Beginning of Year	547,459	547,459	547,459	-
Fund Balance, End of Year	<u>\$ 97,459</u>	<u>\$ (48,808)</u>	<u>\$ 15,331,685</u>	<u>\$ 15,380,493</u>

City of Clearlake
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - HOME RLF Special Revenue Fund
 Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of Money and Property	\$ 2,500	\$ 2,500	\$ 85	\$ (2,415)
Charges for Services	50,000	50,000	4,702	(45,298)
Total Revenues	<u>52,500</u>	<u>52,500</u>	<u>4,787</u>	<u>(47,713)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Housing	126,000	126,000	26,162	99,838
Capital Outlay	-	-	-	-
Total Expenditures	<u>126,000</u>	<u>126,000</u>	<u>26,162</u>	<u>99,838</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(73,500)</u>	<u>(73,500)</u>	<u>(21,375)</u>	<u>52,125</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(5,000)	(5,000)	-	5,000
Total Other Financing Sources (Uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
Net Change in Fund Balances	(78,500)	(78,500)	(21,375)	57,125
Fund Balance, Beginning of Year	<u>5,360,553</u>	<u>5,360,553</u>	<u>5,360,553</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 5,282,053</u>	<u>\$ 5,282,053</u>	<u>\$ 5,339,178</u>	<u>\$ 57,125</u>

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City of Clearlake
Required Supplementary Information
 Year Ended June 30, 2021

Schedule of the City's Proportionate Share of the Net Pension Liability
Last 10 Years*

<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a % of Payroll</u>	<u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u>
2020	0.07203%	\$ 7,837,662	\$ 3,854,560	203.33%	73.75%
2019	0.07236%	7,415,006	3,309,939	224.02%	73.89%
2018	0.07327%	7,060,885	2,896,358	243.78%	73.66%
2017	0.07339%	7,277,873	3,013,215	241.53%	70.88%
2016	0.07556%	6,538,364	2,561,821	255.22%	70.81%
2015	0.07978%	5,476,171	2,427,382	225.60%	74.68%
2014	0.08254%	5,135,962	2,170,611	236.61%	75.69%

Notes to the Schedule of the City's Proportionate Share of the Net Pension Liability

Benefit Changes: None

Changes in Assumptions: In 2017, the accounting discount rate changed from 7.65% to 7.15%.

*Fiscal year 2015 was the first year of implementation; therefore, 10 years of information are not yet available.

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City of Clearlake
Required Supplementary Information
 Year Ended June 30, 2021

Schedule of Plan Contributions
Last 10 Years*

<u>Fiscal Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Actuarially Determined Contributions</u>	<u>Contribution Deficiency/ (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2021	\$ 1,071,532	\$ (1,071,532)	\$ -	\$ 3,854,560	27.80%
2020	1,197,351	(1,197,351)	-	3,309,939	36.17%
2019	841,961	(841,961)	-	2,896,358	29.07%
2018	1,375,377	(1,375,377)	-	3,013,215	45.64%
2017	181,051	(181,051)	-	2,561,821	7.07%
2016	659,326	(659,326)	-	2,427,382	27.16%
2015	673,740	(673,740)	-	2,170,611	31.04%

Notes to the Schedule of Plan Contributions

Valuation Date: 6/30/2013, 6/30/2014, 6/30/2015, 6/30/2016, 6/30/2017, 6/30/2018, 6/30/2019

*Fiscal year 2015 was the first year of implementation, therefore, not all 10 years of information are available.

City of Clearlake
Notes to Required Supplementary Information
Year Ended June 30, 2021

1. Budgetary Control and Accounting

The City Council approves each year's budget submitted by the City Manager and Assistant City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the Council. All supplemental appropriations, where required during the period, are also approved by the Council. Intradepartmental budget transfers are approved by the City Manager. In most cases, expenditures may not exceed appropriations at the departmental level within the general fund and at the fund level for other funds. At fiscal year-end, all operating budget appropriations lapse.

A budget was not adopted for the CARES Act Special Revenue Fund.

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

SUPPLEMENTARY INFORMATION

Section I, Item 11.

City of Clearlake
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Series B Infrastructure Bonds Capital Projects Fund
 Year Ended June 30, 2021

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Use of Money and Property	\$ -	\$ 3,599	\$ 3,599
Total Revenues	<u>-</u>	<u>3,599</u>	<u>3,599</u>
EXPENDITURES			
Capital Outlay	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Total Expenditures	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,000,000)</u>	<u>3,599</u>	<u>1,003,599</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>(37,200)</u>	<u>(28,802)</u>	<u>8,398</u>
Total Other Financing Sources (Uses)	<u>(37,200)</u>	<u>(28,802)</u>	<u>8,398</u>
Net Change in Fund Balances	(1,037,200)	(25,203)	1,011,997
Fund Balance, Beginning of Year	<u>2,593,954</u>	<u>2,593,954</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,556,754</u>	<u>\$ 2,568,751</u>	<u>\$ 1,011,997</u>

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City of Clearlake
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Roads Measure V Capital Project Fund
 Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes and Assessments	\$ 2,562,558	\$ 2,607,616	\$ 45,058
Use of Money and Property	500	542	42
Intergovernmental	-	407,217	407,217
	<u>2,563,058</u>	<u>3,015,375</u>	<u>452,317</u>
Total Revenues			
EXPENDITURES			
Current:			
Public Works and Streets	884,784	626,840	257,944
Capital Outlay	253,600	254,787	(1,187)
	<u>1,138,384</u>	<u>881,627</u>	<u>256,757</u>
Total Expenditures			
Excess (Deficiency) of Revenues over Expenditures	<u>1,424,674</u>	<u>2,133,748</u>	<u>709,074</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(1,652,298)	(1,617,859)	34,439
	<u>(1,652,298)</u>	<u>(1,617,859)</u>	<u>34,439</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(227,624)	515,889	743,513
Fund Balance, Beginning of Year	<u>499,336</u>	<u>499,336</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 271,712</u>	<u>\$ 1,015,225</u>	<u>\$ 743,513</u>

City of Clearlake
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Grants Capital Project Fund
 Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ 389,295	\$ 389,295
Use of Money and Property	-	3	3
	-	389,298	389,298
Total Revenues	-	389,298	389,298
EXPENDITURES			
Current:			
General Government	-	-	-
Public Works and Streets	-	-	-
Capital Outlay	-	4,007,255	(4,007,255)
	-	4,007,255	(4,007,255)
Total Expenditures	-	4,007,255	(4,007,255)
Excess (Deficiency) of Revenues over Expenditures	-	(3,617,957)	(3,617,957)
OTHER FINANCING SOURCES (USES)			
Transfers In	5,724,418	3,630,212	(2,094,206)
Transfers Out	-	(34,555)	(34,555)
	5,724,418	3,595,657	(2,128,761)
Total Other Financing Sources (Uses)	5,724,418	3,595,657	(2,128,761)
Net Change in Fund Balances	5,724,418	(22,300)	(5,746,718)
Fund Balance, Beginning of Year	100,963	100,963	-
Fund Balance, End of Year	\$ 5,825,381	\$ 78,663	\$ (5,746,718)

NON-MAJOR GOVERNMENTAL FUNDS

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City of Clearlake
Combining Balance Sheet
Non-major Governmental Funds
 June 30, 2021

	Special Revenue				
	Police Measure P	Low and Moderate Income Housing	Park Development	PEG	Police Grants
ASSETS					
Cash and Investments	\$ 183,157	\$ 181,110	\$ 3,955	\$ 252,834	\$ -
Receivables:					
Accounts	-	2,571	-	16,019	-
Taxes	252,179	-	-	-	-
Interest	-	31	-	46	-
Notes Receivable	-	1,093,218	-	-	-
Due from Other Funds	-	-	-	-	-
 Total Assets	\$ 435,336	\$ 1,276,930	\$ 3,955	\$ 268,899	\$ -
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ 411	\$ -
Accrued Payroll Liabilities	49,707	2,089	-	-	-
Deposits	-	3,850	-	-	-
Due to Other Funds	-	-	-	-	-
 Total Liabilities	49,707	5,939	-	411	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Receivables	-	-	-	-	-
 Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCE (DEFICITS)					
Restricted	385,629	1,270,991	3,955	268,488	-
Unassigned	-	-	-	-	-
 Total Fund Balances	385,629	1,270,991	3,955	268,488	-
 Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 435,336	\$ 1,276,930	\$ 3,955	\$ 268,899	\$ -

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Special Revenue

Police ABC	Police Asset Seizure	Gas Tax	Traffic Impact	CARES Act	CDBG Code Enforcement	EDBG RLF
\$ 14	\$ 62,930	\$ 14,193	\$ 18,781	\$ -	\$ 330,455	\$ 118,519
-	-	-	-	-	-	-
-	-	51,518	-	-	-	-
-	12	60	-	-	9	52
-	-	-	-	-	1,409,156	92,408
-	-	-	-	-	-	-
<u>\$ 14</u>	<u>\$ 62,942</u>	<u>\$ 65,771</u>	<u>\$ 18,781</u>	<u>\$ -</u>	<u>\$ 1,739,620</u>	<u>\$ 210,979</u>
\$ -	\$ 1,068	\$ 14,125	\$ -	\$ -	\$ -	\$ -
-	-	14,193	-	-	15,363	-
-	-	-	-	-	-	-
-	-	44,527	-	-	-	-
-	1,068	72,845	-	-	15,363	-
-	-	-	-	-	300	8,530
-	-	-	-	-	300	8,530
14	61,874	-	18,781	-	1,723,957	202,449
-	-	(7,074)	-	-	-	-
14	61,874	(7,074)	18,781	-	1,723,957	202,449
<u>\$ 14</u>	<u>\$ 62,942</u>	<u>\$ 65,771</u>	<u>\$ 18,781</u>	<u>\$ -</u>	<u>\$ 1,739,620</u>	<u>\$ 210,979</u>

City of Clearlake
Combining Balance Sheet
Non-major Governmental Funds - Continued
 June 30, 2021

	Special Revenue	Capital Projects	Total Non-major Governmental Funds
	Recycle Fund	Series A Infrastructure Bonds	
ASSETS			
Cash and Investments	\$ -	\$ 601,001	\$ 1,766,949
Receivables:			
Accounts	-	-	18,590
Taxes	-	-	303,697
Interest	-	106	316
Notes Receivable	-	-	2,594,782
Due from Other Funds	-	-	-
Total Assets	\$ -	\$ 601,107	\$ 4,684,334
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 15,604
Accrued Payroll Liabilities	-	-	81,352
Deposits	-	-	3,850
Due to Other Funds	13,077	-	57,604
Total Liabilities	13,077	-	158,410
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues - Receivables	-	-	8,830
Total Deferred Inflows of Resources	-	-	8,830
FUND BALANCE (DEFICITS)			
Restricted	-	601,107	4,537,245
Unassigned	(13,077)	-	(20,151)
Total Fund Balances	(13,077)	601,107	4,517,094
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ -	\$ 601,107	\$ 4,684,334

City of Clearlake
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
 Year Ended June 30, 2021

	Special Revenue				
	Police Measure P	Low and Moderate Income Housing	Park Development	PEG	Police Grants
REVENUES					
Taxes and Assessments	\$ 1,504,493	\$ -	\$ -	\$ -	\$ -
Use of Money and Property	-	226	-	341	-
Intergovernmental Revenues	-	-	-	87,069	100,000
Charges for Services	-	49,781	-	-	-
Other Revenues	-	-	-	-	-
Total Revenues	1,504,493	50,007	-	87,410	100,000
EXPENDITURES					
Current:					
General Government	-	10,068	-	-	-
Public Safety	988,962	-	-	-	175,448
Public Works and Streets	-	-	-	-	-
Housing	-	63,155	-	-	-
Parks and Recreation	-	-	-	12,724	-
Capital Outlay	6,113	-	-	36,255	14,151
Total Expenditures	995,075	73,223	-	48,979	189,599
Excess (Deficiency) of Revenues Over Expenditures	509,418	(23,216)	-	38,431	(89,599)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	509,418	(23,216)	-	38,431	(89,599)
Fund Balances, Beginning of Year	(123,789)	1,294,207	3,955	230,057	89,599
Fund Balances, End of Year	\$ 385,629	\$ 1,270,991	\$ 3,955	\$ 268,488	\$ -

Special Revenue

Police ABC	Police Asset Seizure	Gas Tax	Traffic Impact	CARES Act	CDBG Code Enforcement	EDBG RLF
\$ -	\$ -	\$ 617,609	\$ -	\$ -	\$ -	\$ -
-	121	241	-	-	150	419
-	-	-	-	117,685	-	-
-	-	-	-	-	51,595	4,118
-	-	218	-	-	-	-
-	121	618,068	-	117,685	51,745	4,537
-	-	-	-	-	-	-
-	30,066	-	-	8,695	335,442	-
-	-	530,052	-	-	-	-
-	-	-	-	-	-	6,016
-	-	-	-	-	-	-
-	-	120,831	-	-	-	-
-	30,066	650,883	-	8,695	335,442	6,016
-	(29,945)	(32,815)	-	108,990	(283,697)	(1,479)
-	-	-	-	-	-	-
-	-	(221,131)	-	-	-	-
-	-	(221,131)	-	-	-	-
-	(29,945)	(253,946)	-	108,990	(283,697)	(1,479)
14	91,819	246,872	18,781	(108,990)	2,007,654	203,928
\$ 14	\$ 61,874	\$ (7,074)	\$ 18,781	\$ -	\$ 1,723,957	\$ 202,449

City of Clearlake
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds - Continued
 Year Ended June 30, 2021

	Special Revenue	Capital Projects	Total Non-major Governmental Funds
	Recycle Fund	Series A Infrastructure Bonds	
REVENUES			
Taxes and Assessments	\$ -	\$ -	\$ 2,122,102
Use of Money and Property	-	1,414	2,912
Intergovernmental Revenues	26,403	-	331,157
Charges for Services	-	-	105,494
Other Revenues	-	-	218
Total Revenues	26,403	1,414	2,561,883
EXPENDITURES			
Current:			
General Government	9,834	-	19,902
Public Safety	-	-	1,538,613
Public Works and Streets	-	-	530,052
Housing	-	-	69,171
Parks and Recreation	-	-	12,724
Capital Outlay	-	-	177,350
Total Expenditures	9,834	-	2,347,812
Excess (Deficiency) of Revenues Over Expenditures	16,569	1,414	214,071
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	(531,768)	(752,899)
Total Other Financing Sources (Uses)	-	(531,768)	(752,899)
Net Change in Fund Balances	16,569	(530,354)	(538,828)
Fund Balances, Beginning of Year	(29,646)	1,131,461	5,055,922
Fund Balances, End of Year	<u>\$ (13,077)</u>	<u>\$ 601,107</u>	<u>\$ 4,517,094</u>

City of Clearlake
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Police Measure P Special Revenue Fund
 Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes and Assessments	\$ 1,115,657	\$ 1,504,493	\$ 388,836
Use of Money and Property	50	-	(50)
	<u>1,115,707</u>	<u>1,504,493</u>	<u>388,786</u>
EXPENDITURES			
Current:			
Public Safety	1,047,265	988,962	58,303
Capital Outlay	-	6,113	(6,113)
	<u>1,047,265</u>	<u>995,075</u>	<u>52,190</u>
Excess (Deficiency) of Revenues over Expenditures	<u>68,442</u>	<u>509,418</u>	<u>440,976</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	68,442	509,418	440,976
Fund Balance, Beginning of Year	<u>(123,789)</u>	<u>(123,789)</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (55,347)</u>	<u>\$ 385,629</u>	<u>\$ 440,976</u>

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City of Clearlake
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Low and Moderate Income Housing Special Revenue Fund
 Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ 200	\$ 226	\$ 26
Charges for Services	88,300	49,781	(38,519)
Total Revenues	88,500	50,007	(38,493)
EXPENDITURES			
Current:			
General Government	33,775	10,068	23,707
Public Works and Streets	-	-	-
Housing	92,090	63,155	28,935
Capital Outlay	37,200	-	37,200
Total Expenditures	163,065	73,223	89,842
Excess (Deficiency) of Revenues over Expenditures	(74,565)	(23,216)	51,349
OTHER FINANCING SOURCES (USES)			
Transfers In	20,000	-	(20,000)
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	20,000	-	(20,000)
Net Change in Fund Balances	(54,565)	(23,216)	31,349
Fund Balance, Beginning of Year	1,294,207	1,294,207	-
Fund Balance, End of Year	\$ 1,239,642	\$ 1,270,991	\$ 31,349

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City of Clearlake
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Park Development Special Revenue Fund
 Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ -	\$ -	\$ -
Total Revenues	-	-	-
EXPENDITURES			
Current:			
Public Safety	-	-	-
Capital Outlay	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	-	-	-
Fund Balances, Beginning of Year	3,955	3,955	-
Fund Balance, End of Year	\$ 3,955	\$ 3,955	\$ -

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City of Clearlake
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - PEG Special Revenue Fund
 Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ -	\$ 341	\$ 341
Intergovernmental Revenues	83,250	87,069	3,819
Charges for Services	-	-	-
Other Revenues	7,500	-	(7,500)
Total Revenues	<u>90,750</u>	<u>87,410</u>	<u>(3,340)</u>
EXPENDITURES			
Current:			
General Government	-	-	-
Public Safety	-	-	-
Parks and Recreation	25,200	12,724	12,476
Capital Outlay	64,938	36,255	28,683
Total Expenditures	<u>90,138</u>	<u>48,979</u>	<u>41,159</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>612</u>	<u>38,431</u>	<u>37,819</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(8,000)</u>	-	<u>8,000</u>
Total Other Financing Sources (Uses)	<u>(8,000)</u>	-	<u>8,000</u>
Net Change in Fund Balances	(7,388)	38,431	45,819
Fund Balance, Beginning of Year	<u>230,057</u>	<u>230,057</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 222,669</u>	<u>\$ 268,488</u>	<u>\$ 45,819</u>

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City of Clearlake
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Police Grants Special Revenue Fund
 Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ 1,500	\$ -	\$ (1,500)
Intergovernmental Revenues	100,000	100,000	-
Total Revenues	<u>101,500</u>	<u>100,000</u>	<u>(1,500)</u>
EXPENDITURES			
Current:			
Public Safety	185,000	175,448	9,552
Capital Outlay	35,000	14,151	20,849
Total Expenditures	<u>220,000</u>	<u>189,599</u>	<u>30,401</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(118,500)</u>	<u>(89,599)</u>	<u>28,901</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(118,500)	(89,599)	28,901
Fund Balance, Beginning of Year	<u>89,599</u>	<u>89,599</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (28,901)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 28,901</u></u>

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City of Clearlake
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Police ABC Special Revenue Fund
 Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ -	\$ -	\$ -
Intergovernmental Revenue	-	-	-
Total Revenues	-	-	-
EXPENDITURES			
Current:			
Public Safety	-	-	-
Capital Outlay	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning of Year	14	14	-
Fund Balance, End of Year	<u>\$ 14</u>	<u>\$ 14</u>	<u>\$ -</u>

City of Clearlake
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Police Asset Seizure Special Revenue Fund
 Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ -	\$ 121	\$ 121
Intergovernmental Revenue	-	-	-
Total Revenues	<u>-</u>	<u>121</u>	<u>121</u>
EXPENDITURES			
Current:			
Public Safety	35,000	30,066	4,934
Capital Outlay	-	-	-
Total Expenditures	<u>35,000</u>	<u>30,066</u>	<u>4,934</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(35,000)</u>	<u>(29,945)</u>	<u>5,055</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(35,000)	(29,945)	5,055
Fund Balance, Beginning of Year	<u>91,819</u>	<u>91,819</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 56,819</u></u>	<u><u>\$ 61,874</u></u>	<u><u>\$ 5,055</u></u>

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City of Clearlake
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Gas Tax Special Revenue Fund
Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes and Assessments	\$ 624,992	\$ 617,609	\$ (7,383)
Use of Money and Property	1,500	241	(1,259)
Intergovernmental	180,000	-	(180,000)
Other Revenues	-	218	218
Total Revenues	<u>806,492</u>	<u>618,068</u>	<u>(188,424)</u>
EXPENDITURES			
Current:			
Public Works and Streets	636,233	530,052	106,181
Capital Outlay	<u>197,369</u>	<u>120,831</u>	<u>(76,538)</u>
Total Expenditures	<u>833,602</u>	<u>650,883</u>	<u>182,719</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(27,110)</u>	<u>(32,815)</u>	<u>(5,705)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>(251,940)</u>	<u>(221,131)</u>	<u>30,809</u>
Total Other Financing Sources (Uses)	<u>(251,940)</u>	<u>(221,131)</u>	<u>30,809</u>
Net Change in Fund Balances	(279,050)	(253,946)	25,104
Fund Balance, Beginning of Year	<u>246,872</u>	<u>246,872</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (32,178)</u></u>	<u><u>\$ (7,074)</u></u>	<u><u>\$ 25,104</u></u>

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City of Clearlake
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Traffic Impact Special Revenue Fund
 Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ -	\$ -	\$ -
Total Revenues	-	-	-
EXPENDITURES			
Current:			
Public Works and Streets	-	-	-
Capital Outlay	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning of Year	18,781	18,781	-
Fund Balance, End of Year	<u>\$ 18,781</u>	<u>\$ 18,781</u>	<u>\$ -</u>

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City of Clearlake
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - CDBG Code Enforcement Special Revenue Fund
 Year Ended June 30, 2021

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Use of Money and Property	\$ -	\$ 150	\$ 150
Charges for Services	-	51,595	51,595
	<u>-</u>	<u>51,745</u>	<u>51,745</u>
Total Revenues	<u>-</u>	<u>51,745</u>	<u>51,745</u>
EXPENDITURES			
Current:			
General Government	-	-	-
Public Safety	430,145	335,442	94,703
Capital Outlay	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>430,145</u>	<u>335,442</u>	<u>94,703</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(430,145)</u>	<u>(283,697)</u>	<u>146,448</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(430,145)</u>	<u>(283,697)</u>	<u>146,448</u>
Fund Balance, Beginning of Year	<u>2,007,654</u>	<u>2,007,654</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,577,509</u>	<u>\$ 1,723,957</u>	<u>\$ 146,448</u>

City of Clearlake
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - EDBG RLF Special Revenue Fund
 Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ 10,000	\$ 419	\$ (9,581)
Charges for Services	-	4,118	4,118
Total Revenues	<u>10,000</u>	<u>4,537</u>	<u>(5,463)</u>
EXPENDITURES			
Current:			
General Government	-	-	-
Housing	10,000	6,016	(3,984)
Total Expenditures	<u>10,000</u>	<u>6,016</u>	<u>3,984</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(1,479)</u>	<u>(1,479)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(50,282)	-	50,282
Total Other Financing Sources (Uses)	<u>(50,282)</u>	<u>-</u>	<u>50,282</u>
Net Change in Fund Balances	(50,282)	(1,479)	48,803
Fund Balance, Beginning of Year	<u>203,928</u>	<u>203,928</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 153,646</u></u>	<u><u>\$ 202,449</u></u>	<u><u>\$ 48,803</u></u>

City of Clearlake
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Recycle Special Revenue Fund
 Year Ended June 30, 2021

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Taxes and Assessments	\$ -	\$ -	\$ -
Use of Money and Property	-	-	-
Intergovernmental Revenues	-	26,403	26,403
	<hr/>	<hr/>	<hr/>
Total Revenues	-	26,403	26,403
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current:			
General Government	-	9,834	(9,834)
Capital Outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	-	9,834	(9,834)
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues over Expenditures	-	16,569	16,569
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(3,924)	-	3,924
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(3,924)	-	3,924
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	(3,924)	16,569	20,493
Fund Balance, Beginning of Year	(29,646)	(29,646)	-
	<hr/>	<hr/>	<hr/>
Fund Balance, End of Year	<u>\$ (33,570)</u>	<u>\$ (13,077)</u>	<u>\$ 20,493</u>

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City of Clearlake
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Series A Infrastructure Bonds Capital Projects Fund
 Year Ended June 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ -	\$ 1,414	\$ 1,414
Total Revenues	-	1,414	1,414
EXPENDITURES			
Current:			
General Government	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	1,414	1,414
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(3,370,616)	(531,768)	2,838,848
Total Other Financing Sources (Uses)	(3,370,616)	(531,768)	2,838,848
Net Change in Fund Balances	(3,370,616)	(530,354)	2,840,262
Fund Balance, Beginning of Year	1,131,461	1,131,461	-
Fund Balance, End of Year	\$ (2,239,155)	\$ 601,107	\$ 2,840,262

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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***

City Council
City of Clearlake
Clearlake, California

We have audited, in accordance with the 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, each major fund and the aggregate remaining fund information of the City of Clearlake (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 February 13, 2023.

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) to determine the 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 have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2021-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City’s financial statements are free from 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 determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*.

City of Clearlake’s Responses to Findings

The City’s responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 City’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 organization’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Van Lant & Fankhaed, LLP

February 13, 2023

CITY OF CLEARLAKE
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2021

2021-001 Timeliness of Accounting Records

Condition:

The City's accounting records were not reconciled and ready to be audited until August 2022, approximately 14 months after the end of the fiscal year.

Criteria:

The City's management is responsible for establishing and maintaining effective internal controls over financial reporting to help ensure that appropriate goals and objectives are met. This responsibility includes the selection and application of accounting principles, ensuring that financial information is reliable and properly recorded, and evaluating and monitoring ongoing activities in a timely manner.

Cause of Condition:

Turnover in the Finance Department and delays in completing the year-end financial close process due to COVID-19.

Recommendation:

Therefore, in order to maintain the integrity of the accounting and financial reporting system, and to ensure timely reporting, we recommend that all balance sheet accounts and other selected accounts be analyzed on a monthly, quarterly or other periodic basis as appropriate. We suggest a schedule of accounting functions to be performed monthly, quarterly, etc., be prepared with the provision for signing off by date and initials when the procedure is complete. We understand significant turnover in the finance department along with the onset of the COVID-19 pandemic were contributing factors to the finding described above.

Views of Responsible Officials:

Management concurs with the auditor's recommendations. The City is currently working with a consulting firm to create daily, weekly, monthly, quarterly and yearly review processes for Finance Department functions. Completing and documenting the monthly, quarterly, and annual processes will result in smooth and timely preparation for the annual audit.

The City is prepared for and imminently starting the FYE 22 audit which is anticipated to be completed by March 31, 2023. The FYE 23 audit should be completed in the standard annual audit cycle.



CITY OF CLEARLAKE

CITY COUNCIL NORMS AND PROCEDURES

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CITY OF CLEARLAKE

CITY COUNCIL NORMS AND PROCEDURES

SECTION 1. GENERAL

1.1 Purpose. The purpose of these Norms and Procedures is to promote communication, understanding, fairness, and trust among the members of the City Council and staff concerning their roles, responsibilities, and expectations for management of the business of the City of Clearlake.

1.2 Values. Respect for each Council Member's interpersonal style will be a standard of operation. Courtesy and respect for individual points of view will be practiced at all times. All Council Members shall respect each other's right to disagree. All Council Members shall practice a high degree of decorum and courtesy. When addressing the public in any way, all Council Members shall make certain their opinions are expressed solely as their own, and do not in any way necessarily reflect the opinions of any other Council Member or the City.

1.3 Overview of Council responsibilities. The City of Clearlake is a General Law city of the State of California operating under the Council/Manager Plan and the City Manager's duties shall define how the City Council and City Manager interact and perform their respective duties and responsibilities. The City Council has the following duties and responsibilities:

(a) Appointment of the City Manager and City Attorney. The City Council shall appoint the City Manager and the City Attorney. There should be an annual review for the City Manager and the City Attorney.

(b) Establishment of boards and appointment of members. The Council may appoint establish Boards, Commissions, and Committees, and by majority vote make appointments of members of all Boards, Commissions, and Committees.

(c) Legislative decisions. The Council is the legislative body; its members are the community's decision makers. Power is centralized in the elected City Council collectively and not in individual members of the Council. The City Council approves the budget and determines the public services. It focuses on the community's goals, major projects and such long term considerations as community growth, financing and strategic planning. The City Council hires a professional City Manager to carry out administrative responsibilities and supervises the City Manager's performance.

1.4 Overview of City Manager responsibilities. The City Manager is hired to serve the City Council and the community and to bring the benefits of education, training and experience in administering the City's projects, programs, and public services on behalf of the City Council. The City Manager has the following among his or her duties:

(a) Preparation of a Recommended Budget.

(b) Recruitment, Hiring, and Supervision of Personnel, Contractors, and Consult

(c) Implementation of the Council’s policies and programs and public services in an effective and efficient manner, providing professional advice on policy matters, intergovernmental affairs, economic development and environmental issues.

The City Manager follows the direction of the entire City Council and not individual members of the Council or the public, and serves at the sole discretion of the Council.

1.5 Review. The City Council shall conduct a review of this document biennially, or whenever a new Council Member has been seated or Council deems necessary, to assist Council Members in being more productive in management of the business of the City. A new Council will consider the document within three months of its first regular meeting.

1.6 Ralph M. Brown Act. All conduct of the City Council, Commissions, Committees and Subcommittees shall be in full compliance with the Ralph M. Brown Act.

SECTION 2. MAYOR AND VICE MAYOR SELECTION PROCESS

2.1 Reorganization. In December of each year, the City Council shall select and appoint a Mayor and Vice Mayor by majority vote of the Council from among its members. Selection and appointment shall be at the first meeting of a new term following each General Municipal Election or at the first meeting in December during non-election years. The term of the Office of the Mayor and Vice Mayor shall be for a 12-month period commencing on January 1st of each year, unless otherwise provided for by majority vote of the Council. The Mayor remains as one member of the City Council and has no rights or authority different from any other member of the Council.

2.2 Appointment of Vacancy. In the event of a vacancy of office or the death or resignation of any Council Member, the Council shall appoint a new Council Member within sixty (60) days after a vacancy or death or resignation becomes effective in compliance with the California Elections Code, unless the Council, by resolution, decides to instead call a special election. In the event of appointment, the Council shall determine the process for appointment prior to the application process and in accordance with State law.

SECTION 3. ADMINISTRATIVE MATTERS

3.1 Attendance. City Council Members acknowledge that attendance at lawful meetings of the City Council is part of their official duty. Council Members shall make a good faith effort to attend all such meetings unless unable. Council Members will notify the City Manager or the City Clerk, and, if possible, the Mayor as a courtesy, if they will be absent from a meeting.

3.2 Correspondence. With some exceptions, proposed correspondence (including electronic) from individual Council Members/Mayor on City stationery shall be reviewed by the Council in draft form prior to release. On occasion, there are urgent requests from the League of California Cities for correspondence concerning legislation directly affecting municipalities. Assuming there

is agreement between the Mayor and City Manager that the League’s position corresponds that of the Council, the Mayor may send a letter without first obtaining Council review.

City letterhead will be made available for routine, discretionary correspondence (e.g., thank you notes, etc.), or such correspondence will be prepared by staff for signature, without prior consent of the Council. E-mails from Council Members should be respectful and professional.

3.3 Regional Boards. The role of the Council on regional boards will vary depending on the nature of the appointment. Representing the interests of Clearlake is appropriate on some boards; this is generally the case when other local governments have their own representation. The positions taken by the appointed representatives are to be in alignment with the positions that the Council has taken on issues that directly impact the City of Clearlake. If an issue should arise that is specific to Clearlake and the Council has not taken a position, the issue should be discussed by the Council prior to taking a formal position at a regional board meeting, to assure that it is in alignment with a majority of the Council’s position.

Council representatives to such various boards shall keep the Council informed of ongoing business through brief oral or written reports to the Council during properly posted Council meetings.

Council Members shall make a good faith effort to attend all regional meetings that require a quorum of the appointed members to convene a meeting. Attendance should not be less than 75% of all scheduled meetings. If a Council Member is unable to attend, he/she should notify his/her alternate as far in advance of the meeting as possible so as to allow the alternate to attend.

3.4 Distribution of Information. It is essential that every member of the City Council have the same information from which to form decisions and actions. Any information distributed to one Council Member shall also be distributed to all Council Members.

3.5 Reimbursement. Every effort shall be made to limit the need to reimburse Council Members for expenses. City Council Members may be reimbursed for personal expenses for travel to and lodging at conferences or meetings related to their role as a Council Member. The reimbursement of expenses is limited in the following manner: Members shall be reimbursed at rates established by the Internal Revenue Service unless discounted or group rates are offered by the conference or activity sponsor. Any additional expenses that fall outside the scope of this policy may be reimbursed only if approved by the City Council, at a public meeting, before the expenses are incurred. Any request for reimbursement of expenses shall be accompanied by an expense form and receipts to document the expenditure. These documents are public records subject to disclosure under the California Public Records Act.

Brief reports must be given on any outside meeting attended at the expense of the City at the next regular Council meeting. Reimbursement is conditioned on the submission of this report to the legislative body.

3.6 Ethics Training. Any member of the City Council and commissions, or advisory committees formed by the City Council, shall receive at least two hours of ethics training in

general ethics principles and ethics laws relevant to his/her public service every two years as mandated by AB 1234. New members must receive this training within their first year of service and file a certificate of completion with the City Clerk. Members shall attend training sessions that are offered locally in the immediate vicinity of Lake County or by completing online a state-approved public service ethics education program.

An individual who serves on multiple legislative bodies need only receive two hours of ethics training every two years to satisfy this requirement for all applicable public service positions. The City will use an ethics training course that has been reviewed and approved by the Fair Political Practices Commission and the California Secretary of State.

The City Clerk is required to keep ethics training records for five years to document and prove that these continuing education requirements have been satisfied. These documents are public records subject to disclosure under the California Public Records Act.

3.7 City Mission and City Seal. The Mission of the City of Clearlake is a strategic document that reflects the values of our residents. The City Seal is an important symbol of the City of Clearlake. No change to the City Mission and/or City Seal shall be made without Council approval. Individual council members shall be careful in use of the City Seal so as not to create an appearance that the council member is acting on behalf of or with official endorsement of the City of Clearlake.

3.8 Use of City Email and Social Media. Except for emergencies, public officials who are not City employees (“public officials”) conducting City business should not create any “public record” (as that term is defined in California Government Code § 6253(e)) by using any email account that is not a City email account, or by using any non-City-controlled social media account. Instead, public officials should use a City email or City-controlled social media account.

In an emergency, a public official may send an email on a non-City email account, but only if a copy of any public record that is created as a result is contemporaneously copied to the City email account of that same public official, or a hard copy is provided to the City for retention in City records.

Practically speaking, this means that public officials should rarely, if ever, use a personal email account to conduct City business, and should never use personal social media accounts to conduct City business. Nothing in this policy is intended to limit a public official’s use of private email and social media accounts for non-City business such as personal communications and campaign related activities. Nor is this policy intended to require public officials to provide privileged communications or documents to the City, or to waive any applicable privileges which may apply to documents purely because they have been turned over to the City in compliance with his policy.

For purposes of this policy “City-controlled social media account” is an account on a social media platform (e.g. Facebook, Instagram, Twitter) that is created and used by the City (e.g. the City’s official Facebook page, if any).

3.9 Use of City Electronic Devices. In general, when creating or modifying public records the conduct of City business on an electronic device that can create and modify public records (e.g. computers, mobile phones, tablets), public officials should only use City-issued devices. There are two exceptions:

Exception: Using City Accounts. Public officials may use non-City electronic devices when accessing an official City account (e.g. City email address, City-controlled social media account).

Exception: Contemporaneous Copying. If, in a given situation, using a City electronic device is clearly impractical or if a public official has not been issued or does not have in the public official's possession a City electronic device, a public official may use a non-City device, but only if a copy of each affected public record is contemporaneously copied to a City account of that same public official, or to the related City-controlled social media account, or a hard copy is provided to the City for retention in City records.

Texting Only on City Devices. Except for emergencies or when communicating with the City Attorney's Office, public officials conducting City business shall not send or receive texts on any device other than a City owned device. In an emergency, a public official may use a non-City device to text, but only if a copy of any public record that is created as a result is contemporaneously copied to a City account of that same public official, or a hard copy is provided to the City for retention in City records. Practically speaking, this means that public officials should rarely, if ever, use a non-City owned device to text in the conduct of City business.

Provide Copies to City. If a public official has possession of a public record that is not in the possession of the City, the public official shall promptly provide a copy of the record to the City, and take reasonable precautions to prevent this from occurring again. For example, if a public official receives an email regarding City business on a non-City email account, and the email was not sent to or from a City email account (i.e. the City doesn't already have a copy), the public official shall promptly forward a copy of the email to the public official's City email account, or provide a hard copy to the City for retention in City records, and should request that the sender send future correspondence to a City controlled email account.

SECTION 4. COUNCIL RELATIONSHIP WITH STAFF

4.1 City Manager. City Council Members are always free to go to the City Manager to discuss City business. Issues concerning the performance of a Department or any employee must be directed to the City Manager. Direction to City employees, other than the City Manager or City Attorney, is the prerogative of the City Manager. In passing along critical information, the City Manager will be responsible for contacting all Council Members. The City Manager may delegate this responsibility to Department Heads.

4.2 Agenda Item Questions. If a Council Member has a question on a subject, the Council Member should contact the City Manager prior to any meeting at which the subject may be discussed. This does not restrict Council Members from asking questions during a Council meeting.

4.3 Interaction of City Council with Staff. The Council shall treat staff with respect and not abuse staff, nor embarrass staff in public. The City Council Members are to work through the City Manager or City Attorney on all issues, concerns and questions. This is to allow the senior professional staff, with the proper education, training, experience and knowledge of issues, laws and City Council’s policies to coordinate a full and complete response and reduce error or misunderstanding by staff members not necessarily knowledgeable on all issues. This can provide a better overall response, allow any new issues to properly be considered and avoid unintended redirection of staff efforts. Council Members may ask Department Heads for information. This informal system of direct communication is not to be abused. City Council Members shall not meet with groups of management employees for the purpose of discussing terms of employment or establishing employee policy.

4.4 Individual Council Member’s Requests. Council Members shall make their requests for information to the City Manager or City Clerk and not directly to individual members of staff. The use of City staff, including the City Manager, to respond to an individual Council Member’s request for any purpose that exceeds more than one hour of total staff time must be approved by the majority vote of the full Council. The individual City Council Member may make his/her request orally or in writing to the City Manager or City Clerk. The City Manager shall provide an estimate of the cost and how the request affects the Council’s Goals and Objectives. This request will then be considered by the City Council at the next possible City Council meeting. Irrespective of the amount of staff time required to respond to each Council Member’s request, individual Council Member’s requests should be limited to three to five requests per week.

SECTION 5. PROCEDURES FOR APPOINTMENTS TO BOARDS/COMMISSIONS/COMMITTEES

5.1 Definitions.

- (a) **Task Force:** A temporary grouping of individuals and resources for the accomplishment of a specific objective.
- (b) **Committee:** A group of people officially delegated to perform a function, such as investigating, considering reporting, or acting on a matter.
- (c) **Ad Hoc:** Committees established for a specific purpose. Formed for or concerned with one specific purpose (e.g. ad hoc compensation committee); for the particular end or case at hand without consideration of wider application; formed or used for specific or immediate problems or needs; often improvised or impromptu; contrived purely for the purpose in hand rather than carefully planned in advance.
- (d) **Commission:** A group of people officially authorized to perform certain duties or functions with certain powers or authority granted; the act of granting certain powers or the authority to carry out a particular task or duty; the rank and powers so conferred.
- (e) **Board:** A group of persons having managerial, supervisory, or advisory powers. In parliamentary law, a board is a form of deliberative assembly and is distinct from a committee, which is usually subordinate to a board or other deliberative assembly – in having greater autonomy and authority.

5.2 Recruitment Process.

On or before December 31st of each year, the City Clerk shall prepare and post a list of all Council-appointed board, commission and committee terms that expire during the next calendar year in compliance with the Maddy Act (Government Code Section 54972).

The City Clerk shall annually advertise in a newspaper and on the City’s website for applicants wishing to be considered for appointment to boards, commissions and committees.

Although there may be multiple applicants, Council Members are not required to choose from the pool of applicants and may nominate their own appointee, provided the appointee qualifies.

All persons seeking appointment to a City board, commission or committee shall complete and submit an application form to the City Clerk as set forth in Section 5.6. Applications shall be kept on file for two years in the City Clerk’s office and vacancies may be considered from applications on file, as well as new applications.

Appointments made by individual Council Members are official only after the Council Member has submitted a completed application and appointment form to the City Clerk, the City Clerk has determined that the individual is eligible to serve and the City Clerk has provided proper notification to the appointed board, commission or committee member, and chair of the board, commission or committee. Council Members may announce an appointment at a City Council meeting; however, such an announcement is not required for the appointment to become effective. The City Clerk shall notify the full City Council of any appointments made by individual Council Members.

If an unscheduled board or commission vacancy occurs during the term of the appointing Council Member and the Council Member so requests, the following steps should be taken to publicize vacancies on boards, commissions and committees:

1. Public announcement of the vacancy at a Council meeting.
2. A newspaper advertisement announcing the vacancy.
3. A recruitment period of at least ten (10) days.
4. A vacancy notice posted at City Hall, Redbud Library, and on the City’s website for at least 20 days.
5. Announcements in the local media, such as press releases, online news outlets and free weekly sales papers.
6. Distribution to appropriate professional and community organizations and all groups that have requested notification.

5.3 Requirement for Appointment.

All persons appointed to City boards, commissions and committees shall be residents of the City of Clearlake at the time of their appointment and shall remain so throughout their term of appointment. Should any person so appointed move from the City during their term of office,

such office shall be forfeited. The Council shall, upon forfeiture, make a new appointment for the unexpired term.

All persons appointed to City boards, commissions and committees shall complete and submit an application form to the City Clerk as set forth in Section 5.6.

Except as provided by state or local statute, the appointee shall not be a current City employee or currently appointed to another City board, committee or commission.

5.4 Council Notification. By September 1 of each year, the City Clerk will notify the Council of expiring terms for members of those City boards, commissions, and committees appointed by the full Council.

5.5 Incumbents.

At the end of the first term, the incumbent board, commission or committee member may, at the discretion of the Council or appointing Council Member, be reappointed for an additional term without the need to apply or interview for re-appointment. In lieu of an application, the board, commission or committee member shall submit to the City Clerk a letter of interest in re-appointment 30 days prior to the expiration of the member’s first term.

Any incumbent interested in re-appointment who has served two or more terms must apply for re-appointment as set forth in Section 5.6.

5.6 Application. Except as set forth in Section 5.5, all persons considered for appointment or re-appointment shall complete an application form. This application form must be received by the City Clerk by the required deadline.

5.7 Appointment Procedure for Planning Commission Members. This portion of the policy sets forth the procedure for appointments of Planning Commission Members.

Applications shall be taken for Planning Commission as set forth in 5.2 through 5.6.

If fewer than ten applications are received, applicants will be interviewed by the full Council at an open meeting. Each applicant will be asked the same questions, with varying related follow up questions allowed.

If more than ten applications are received, the Mayor will appoint an ad hoc committee to meet with the applicants prior to appointment and recommend a number of applicants as determined by the Mayor for interview by the Council.

Following the interview, Council deliberation, and public comment, the Mayor shall call for a motion and a second for each separate vacant seat. Motions shall be as according to the Council Norms and Procedures.

All newly appointed and re-appointed Planning Commission Members shall take and swear to the Constitutional oath of office prior to or during the Member's first Planning Commission meeting.

An orientation and training program will be made to all new Planning Commission Members in March of each odd-numbered year. All board, commission and committee members are strongly encouraged to attend.

5.8 Appointment Procedure for Board and Committee Members Appointed by the Full Council. This portion of the policy sets forth the procedure for appointments made by the full Council for boards and committees appointed by the full Council.

Subject to review of the Council, the Mayor may establish a procedure for review of applications and selection of applicants for interview, for those board and committee members appointed by the full Council. Such selection and interview may be conducted by an ad hoc committee of the Council or full Council.

If an unscheduled board or committee vacancy occurs prior to the expiration of the member's term, the vacancy shall be noticed in compliance with the Maddy Act (Government Code Section 54974).

All persons appointed by the full Council to boards and committees serve at the pleasure of the Council and shall serve for the term indicated or until a successor has been appointed.

Members of boards and committees appointed by the full Council shall be interviewed at a duly noticed open Council meeting and shall be selected by motion and majority vote of the Council.

5.9 Attendance.

Board, commission and committee members are expected to regularly attend and participate on their respective boards, committees and commissions.

A board, commission or committee member whose attendance is less than seventy five (75%) of the required meetings over a period of a year may be subject to removal by the Council Member who appointed the person or the full Council if appointed by the Council.

The Council may grant an approved leave of absence for a board, commission or committee member for such reasons as the Council determines appropriate. During the approved leave of absence, the Council Member who appointed the person, or full Council, depending on how the person was appointed, may appoint a temporary person to fill the position.

5.10 Norms and Procedures and Conflicts of Interest.

Board, committee and commission members shall be expected to adhere to the Council Norms and Procedures.

Board, committee and commission members shall comply with all state and local laws with respect to ethics and conflicts of interests to the extent that such laws apply to their position, including state and local requirements to timely file Statements of Economic Disclosure if the member is designated as a filer by state law or by the City’s Conflict of Interest Code.

Members of City boards, commissions or committees may not use their board, commission or committee position title for political endorsements.

5.11 Conflicts with Federal, State or Local Law. In case of a conflict between this section of the Norms and Procedure policy with federal, state or local law, such federal, state or local law shall be the controlling factor.

SECTION 6. MEETINGS

6.1 Open to Public. All meetings of the City Council whether regular, special, or study sessions, shall be open to the public, unless a closed session is held as authorized by law. All meetings shall be noticed as required to allow action to be taken by the Council.

6.2 Broadcasting of City Council Meetings. All regular Council meetings shall be scheduled in the Council Chambers to allow for web streaming and simulcast on the City’s Public Education Government Access Channel, unless the number of participants exceeds room capacity. The final decision shall be the responsibility of the Mayor.

6.3 Teleconferencing. Teleconferencing into a City Council meeting allows City Council Members to join a City Council meeting while out of the area or ill. The Brown Act allows for teleconferencing subject to the traditional requirements of posting and public access. However, during the Covid-19 State of Emergency, those traditional requirements were waived by AB 361, signed by the Governor on September 17, 2021.

With the end of the Covid-19 State of Emergency, AB 2449 waives the requirement to post and allow public access to the remote teleconference location in certain circumstances. Commencing February 18, 2023, and while AB 2449 is in effect, the following criteria must be satisfied in order for members of the City Council to teleconference into a meeting:

1. At least a quorum of the Council Members must participate from a singular physical location, such as the Council Chambers, and the location must be (a) clearly identified on the agenda, (b) open and accessible to the public, and (c) within the boundaries of the agency’s territorial jurisdiction.
2. The City must provide at least one of the following methods to allow the public to hear, observe and participate remotely: (a) two-way audiovisual platform, such as Zoom, or (b) two-way telephonic service and a live webcasting of the meeting.
3. The agenda must identify and include an opportunity for the public to participate in the meeting via a call-in option, an internet-based option, and in-person at the in-person location of the meeting; and
4. Public comment cannot be required in advance of the meeting and must be allowed in real time.

In addition to the requirements above, the City Council Member teleconferencing must under one of the following:

- 1 The City Council Member must declare during roll call of the need to participate remotely for “just cause” as defined below, with a general description of the circumstances relating to their need to appear remotely. The City Council Member may also request the City Council allow them to participate in the meeting remotely due to “emergency circumstances” and ask the City Council to take action to approve the request. In this case, the City Council must request a general description of the circumstances relating to the need to appear remotely at the meeting.
- 2 “Just cause” is defined as one of the following:
 - a. A childcare or caregiving need of a child, parent, grandparent, sibling, spouse, or domestic partner that requires remote participation;
 - b. A contagious illness that prevents the City Council Member from attending in person;
 - c. A need related to a physical or mental disability as defined by law; or
 - d. Travel while on official business of the City Council or another public agency.
 - e. “Emergency circumstance” is defined as a physical or family medical emergency that prevents the City Council Member from attending in person.
- 3 Just cause may not be utilized by a City Council Member more than twice per calendar year, for longer than three consecutive months, or more than 20% of the regular meetings.
- 4 The City Council Member teleconferencing under AB 2449 must participate in the meeting using both audio and video and must identify any individual over the age of 18 present in the room with the City Council Member and generally describe the person’s relationship to the City Council Member.

The City Council may not take any action during any disruption to the broadcast or any disruption to the public’s ability to publicly comment via call-in or internet-based service provider.

6.4 Regular Meetings. At the first regular meeting in January, the City Council will approve the schedule of meetings for the calendar year, which in addition to the regular meeting schedule, may include the cancellation of regular meetings and the addition of special meetings and study sessions. This practice does not, however, preclude the Mayor or a majority of the members of the City Council from calling additional meetings pursuant to Section 6.5, if necessary.

The City Council shall convene its regular City Council meetings at 6:00 p.m. on the first and third Thursday of each month. The City Council may, as the Council deems necessary, cancel regular meetings provided that the City Council shall hold a regular meeting at least once each month pursuant to Government Code Section 56803. The regular 6:00 p.m. starting time of a council meeting can be varied by the City Manager with the concurrence of the Mayor to commence earlier or later (but in no event past 7:00 p.m.) depending upon the volume or nature of business for the council to consider at any given meeting, provided the City Clerk gives appropriate prior written notice of the adjusted starting time to the press and public.

Regular Meetings shall be terminated at 10:00 P.M.; however, the Mayor may, by majority vote of the Council, extend the meeting past 10:00 P.M. whenever the Council deems such extension necessary.

6.5 Cancelling Meetings. Any meeting of the City Council may be cancelled in advance by majority vote of the Council. The Mayor may cancel a meeting in the case of an emergency or when a majority of members have confirmed their unavailability to attend a meeting. The City Council may, as the Council deems necessary, cancel no more than four (4) Regular Meetings per calendar year, by majority vote, provided, however, that the City Council shall hold a Regular Meeting at least once each month pursuant to Government Code Section 36805.

6.6 Special Meetings. A special meeting may be called at any time by the Mayor or by a majority of the City Council in accordance with the Brown Act. Written notice of any such meeting must specify the purpose of the meeting. Notice of the meeting must be given in accordance with law. Public comments at special meetings shall be limited to only those items described on the special meeting notice/agenda.

The City Council may hold study sessions or joint meetings with other boards, commissions, committees, or agencies as deemed necessary to resolve City business. These meetings will be coordinated by the City Clerk. Study sessions are scheduled to provide Council Members the opportunity to better understand a particular item. While Council may legally take action at any noticed meeting, generally no formal action is taken at study sessions. If action is to be taken at a study session, then the agenda will state that action may be taken.

6.7 Closed Sessions. The City Council may hold closed sessions at any time authorized by law (and in consultation with the City Attorney), to consider or hear any matter, which is authorized by law. The Mayor or any three Council Members may call closed session meetings at any time.

6.8 Quorum. Three (3) members of the City Council shall constitute a quorum and shall be sufficient to transact business. If fewer than three Council Members appear at a regular meeting, the Mayor, Vice Mayor in the absence of the Mayor, any Council Member in the absence of the Mayor and Vice Mayor, or in the absence of all Council Members, the City Clerk or Deputy City Clerk, shall adjourn the meeting to a stated day and hour.

Business of the City Council may be conducted with a minimum of three members being present; however, pursuant to the California Government Code, matters requiring the expenditure of City funds and all resolutions and non-urgency ordinances must receive three affirmative votes for approval.

6.9 Minutes. The City Clerk shall prepare minutes of all public meetings of the City Council. Copies shall be distributed to each Council Member.

6.10 Adjourned Meetings. The City Council may adjourn any regular, adjourned regular, special, or closed session meeting to a time and place specified in the order of adjournment and permitted by law.

SECTION 7. POSTING NOTICE AND AGENDA

7.1 Posting of Notice and Agenda. For every regular, special, or study session meeting, the City Clerk or other authorized person shall post a notice of the meeting, specifying the time and place at which the meeting will be held, and an agenda containing a brief description of all items of business to be discussed at the meeting. This notice and agenda may be combined in a single document. Posting is to be according to law.

7.2 Location of Posting. The notice and agenda shall be posted at City Hall in a place to which the public has unrestricted access and where the notice and agenda are not likely to be removed or obscured by other posted material, and to the City website.

SECTION 8. AGENDA CONTENTS

8.1 Mayor’s Responsibility. The Mayor is responsible for running a timely and orderly meeting. If the Mayor is unavailable to run a Council meeting, the Vice Mayor shall run the meeting. The Mayor, in consultation with the City Manager and his/her designee, and the City Clerk shall organize the agenda.

8.2 Description of Matters. All items of business to be discussed at a meeting of the City Council shall be briefly described on the agenda. The description should set forth the proposed action to be considered so that members of the public will know the nature of the action under review and consideration. As stated in Section 4.2, if a Council Member has a question on a subject, the Council Member should contact the City Manager prior to any meeting at which the subject may be discussed.

8.3 Availability to the Public. The agenda for any regular, special, or study session meeting, shall be made available to the general public as required by law.

8.4 Limitation to Act Only on Items on the Agenda. No action shall be taken by the City Council on any item not on the posted agenda, subject only to the exceptions listed below:

(a) Upon a majority determination that an “emergency situation” (as defined by State Law) exists; or

(b) Upon determination by a 4/5 vote of the full City Council, or a unanimous vote if less than a full Council, that there is a need to take immediate action and that the need to take the action came to the attention of the City Council subsequent to posting of the agenda.

8.5 "Timing" of Agenda. Staff and/or the Mayor may "time" the agenda as a way for the Council to maintain a sense of how much time can be committed to any one item without going past an established ending time for the meeting.

8.6 Order of Agenda. The prescribed order of the agenda for Regular Meetings of the Council will be as follows: Roll Call, Pledge of Allegiance, Invocation/Moment of Silence, Adoption of the Agenda, Closed Session Announcement (if needed), Presentations, Public Comments on Items not on the Agenda, Consent Calendar, Public Hearings, Business Items, City Manager and City Council Reports, Future Agenda Items, and Adjournment.

8.7 Change in Order of Business. The Mayor, or the majority of the Council, may decide to take matters listed on the agenda out of the prescribed order. Council Members shall be given the opportunity to ask questions about Consent Items for clarification without having them removed.

8.8 Agenda Request Policy. The City Council adopted the Agenda Request Policy on August 14, 2008 which establishes a procedure for submittal of various items for the City Council agenda. Requests for placement of items on the agenda can be submitted to the City Clerk using the Agenda Request Form available by request. Also, any member of the Council may request that an item be placed on a future agenda by indicating their desire to do so under that portion of the City Council agenda designated, "Future City Council Agenda Items." Additionally, the City Manager may place items on the agenda.

SECTION 9. PROCEDURES FOR THE CONDUCT OF PUBLIC MEETINGS

9.1 Role of Mayor. The Mayor shall be responsible for maintaining the order and decorum of meetings. It shall be the duty and responsibility of the Mayor to ensure that the rules of operation and decorum contained herein are observed. The Mayor shall maintain control of communication between Council Members and among Council, staff and public. The Mayor shall intervene when a Council Member, staff or other meeting participant is being verbally or otherwise attacked by a member of the public.

9.2 Communication with Council Members. Council Members shall request the floor from the Mayor before speaking. When one member of the Council has the floor and is speaking, other Council Members shall not interrupt or otherwise disturb the speaker.

9.3 Communication with members of the public addressing the Council on agendized items

1. The Mayor shall open the floor for public comment as appropriate.
2. Council Members may question a person addressing the Council at the conclusion of the person's comments or upon expiration of the person's time to speak.
3. Any staff member with an item on the agenda will be available to the City Council to answer questions arising during discussions between Council Members and among Council Members and members of the public.
4. Members of the public shall direct their questions and comments to the Council.

9.2 Rules of Order. The City Council shall refer to *Rosenberg's Rules of Order*, as a guide for the conduct of meetings, with the following modifications:

(a) A motion is not required prior to a general discussion on an agenda item. A pre-motion discussion allows the members to share their thoughts on the agendized item so that a motion can more easily be made that takes into account what appears to be the majority position.

(b) All motions require a second.

(c) A motion may be amended at the request of the maker and the consent of the person who seconded the motion. Such a procedure is often used to accommodate concerns expressed by other members.

(d) A motion to amend may still be used.

The Mayor has the discretion to impose reasonable rules at any particular meeting based upon facts and circumstances found at any particular meeting. These latter rules will be followed unless objected to by a majority of the City Council Members present.

9.3 Appeal Procedures. Appellants shall be given the opportunity to speak first. Appellants and applicants responding to appeals may be given a total of up to 10 minutes each to present their positions to the City Council prior to hearing public comments. Appellants shall be given up to 5 minutes of rebuttal time after public comments are heard.

9.4 Applicants. Persons bringing to the City Council a request for approval shall be given a total of up to 10 minutes to present their positions/input prior to hearing public comments. An extension can only be granted by consent of a majority of the Council Members. Applicants shall be given up to 5 minutes of rebuttal time after public comments are heard.

9.5 Staff and Consultant Reports. In general, staff and consultant reports should be clear, brief and concise. Staff is to assume that the Council has read all materials submitted. Council shall be given an opportunity to ask questions of staff prior to hearing public comments.

9.6 Public Comment.

Persons present at meetings of the City Council may comment on individual items on the agenda at the time the items are scheduled to be heard. During Regular City Council meetings, comments may be offered on items not on the agenda under that portion of the agenda identified for Public Comment.

The limit for speakers will be 1 to 3 minutes, depending on the number of speakers. If there are 10 or fewer requests to speak on any agenda item, the limit for each speaker will be 3 minutes. Speakers are not allowed to delegate their time to another speaker. The Mayor may limit the time to be spent on an item and may continue the item, with the approval of the majority of the Council, to a future meeting at his/her discretion.

Upon addressing the Council, each speaker is requested, but not required, to first state his/her name, whom they represent and/or city of residence.

After the speaker has completed their remarks, the Mayor may direct the City Manager or City Attorney to briefly address the issues brought forth by the speaker. Council Members shall be respectful of the speakers and shall not enter into a debate with any member of the public nor discuss amongst themselves.

All Council Members shall listen to all public discussion as part of the Council’s com responsibility. Individual Council Members should remain open-minded to informational comments made by the public.

The Mayor has the right to ask a member of the public to step down if over the allotted time or if the speaker’s comments are not within the city’s jurisdiction.

9.7 Motions. It will be the practice of the City Council for the Mayor to provide Council Members an opportunity to ask questions of staff, comment on, and discuss any agendized item in order to help form a consensus before a motion is offered. After such discussion, the Mayor or any Council Member may make a motion. Before the motion can be considered or discussed, it must be seconded. Once a motion has been properly made and seconded, the Mayor shall open the matter to full discussion offering the first opportunity to speak to the moving party, and thereafter, to any Council Member recognized by the Mayor. Customarily, the Mayor will take the floor after all other Council Members have been given the opportunity to speak.

If a motion clearly contains divisible parts, any Council Member may request the Mayor or moving party divide the motion into separate motions to provide Council Members an opportunity for more specific consideration.

Tie Votes: Tie votes shall be lost motions. When all Council Members are present, a tie vote on whether to grant an appeal from official action shall be considered a denial of such appeal, unless the Council takes other action to further consider the matter. If a tie vote results at a time when fewer than all members of the Council, who may legally participate in the matter are present, the matter shall be automatically continued to the agenda of the next regular meeting of the Council, unless otherwise ordered by the Council.

9.8 Reconsideration. Requests for reconsideration.

- 1. Request by a member of the public.

Notwithstanding *Rosenberg’s Rules of Order*, a request for reconsideration may be made by a member of the public to the City Council at the next regular meeting of the City Council or at any intervening special meeting of the City Council.

- 2. Request by a member of the City Council.

Only a member of the City Council who voted on the prevailing side may request reconsideration. The request may be made at the same meeting or at the next regular meeting of the City Council or at any intervening special meeting of the City Council.

- 3. The member of the public or City Council Member making the request should state orally or in writing the reason for the request, without dwelling on the specific details or setting forth various arguments.

Reconsideration at the same meeting.

A motion to reconsider an action taken by the City Council may be made at the same meeting which the action was taken (including an adjourned or continued meeting).

A motion to reconsider an action taken by the City Council may be made only by a Council Member who voted on the prevailing side, but may be seconded by any Council Member and is debatable. The motion must be approved by a majority of the entire City Council.

Reconsideration at a subsequent meeting.

If an intent to request a motion for reconsideration is communicated to the City Council prior to the deadline for posting the City Council meeting agenda, then the request for reconsideration may be agendaized if support for said action exists in accordance with the *Council Norms* Section 10.8. Otherwise, no City Council discussion or action on a possible reconsideration may occur unless the item is appropriately added to the agenda pursuant to Government Code section 54954.2(b), which addresses adding items that are not listed on a posted agenda (urgency agenda item). At the time such motion for reconsideration is heard, testimony shall be limited to the facts giving rise to the motion.

Effect of approval of motion.

Upon approval of a motion to reconsider, and at such time as the matter is heard, the City Council shall only consider any new evidence or facts not presented previously with regard to the item or a claim of error in applying the facts.

If the motion to reconsider is made and approved at the same meeting at which the initial action was taken and all interested persons (including applicants, owners, supporters and opponents) are still present, the matter may be reconsidered at that meeting or at the next regular meeting or intervening special meeting (subject to the discretion of the maker of the motion) and no further public notice is required.

If the motion to reconsider is made and approved at the same meeting at which the initial action was taken but all interested persons are not still present, or if the motion is made and approved at the next regular meeting or intervening special meeting, the item shall be scheduled for consideration at the earliest feasible City Council meeting and shall be re-noticed in accordance with the Government Code, the City Municipal Code and the *Council Norms and Procedures*. The Clerk shall provide notice to all interested parties as soon as possible when a matter becomes the subject of a motion to reconsider.

9.9 Discussion.

The discussion and deliberations at meetings of the City Council are to secure the mature judgment of Council Members on proposals submitted for decision. This purpose is best served by the exchange of thought through discussion and debate.

To the extent possible, Council Members should disclose any ex parte communication prior to discussion on an item. Ex parte communications are those made in private between an interested party and an official in a decision-making process.

Discussion and deliberation are regulated by these rules in order to assure every member a reasonable and equal opportunity to be heard.

After the Council has commented on an issue, and a motion has been stated to the Council and seconded, any member of the Council has a right to discuss it after obtaining the floor. The member obtains the floor by seeking recognition from the Mayor. A member who has been recognized should make their comments clear, brief and concise.

To encourage the full participation of all members of the Council, no member or members shall be permitted to monopolize the discussion of the question. If a Council Member has already spoken, other Council Members wishing to speak shall then be recognized. No Council Member shall be allowed to speak a second time until after all other Council Members have had an opportunity to speak.

All discussion must be relevant to the issue before the City Council. A Council Member is given the floor only for the purpose of discussing the pending question; discussion which departs is out of order. Council Members shall avoid repetition and strive to move the discussion along.

A motion, its nature, or consequences, may be attacked vigorously. It is never permissible to attack the motives, character, or personality of a member either directly or by innuendo or implication. It is the duty of the Mayor to instantly rule out of order any Council Member who engages in personal attacks. It is the motion, not its proposer, that is subject to debate.

Arguments, for or against a measure, should be stated as concisely as possible. It is the responsibility of each Council Member to maintain an open mind on all issues during discussion and deliberation.

It is not necessary for all City Council Members to speak or give their viewpoints if another Council Member has already addressed their concerns. Although issues with potential to be litigated or otherwise appealed should have comments by each Council Member on the record.

The Mayor has the responsibility of controlling and expediting the discussion. A Council Member who has been recognized to speak on a question has a right to the undivided attention of the Council.

It is the duty of the Mayor to keep the subject clearly before the members, to rule out irrelevant discussion, and to restate the question whenever necessary.

9.10 Council Member Respect. At all times, Council Members in the minority on an issue shall respect the decision and authority of the majority.

9.11 Council and Staff Reports and Directions on Future Agenda Items. Council and staff reports at the end of Council meetings shall be limited to announcing Mayor-appointed Regional Board activities on which Council Members serve, City and City-sponsored activities and items which directly affect the City. Community groups may announce their activities during Public Comments at the beginning of Council meetings. Council Members should refrain from making

personal comments, stating personal activities, or items that do not impact their role as a Member.

SECTION 10. CLOSED SESSIONS

10.1 Purpose. It is the policy of the City Council to conduct its business in public to the greatest extent possible. However, state law recognizes that, in certain circumstances, public discussion could potentially jeopardize the public interest, compromise the City’s position, and could cost the taxpayers of Clearlake financially. Therefore, closed sessions shall be held from time to time as allowed by law. The procedures for the conduct of these meetings shall be the same as for public meetings, except that the public will be excluded.

Prior to convening the closed session meeting, the Mayor shall publicly announce the closed session items and ask for public input regarding any items on the closed session agenda.

City Council Members shall keep all written materials and verbal information provided to them in closed session in complete confidence to insure that the City’s position is not compromised. No mention of information in these materials shall be made to anyone other than Council Members, the City Attorney or City Manager, except where authorized by a majority of the City Council.

10.2 Rule of Confidentiality. The City Council recognizes that breaches in confidentiality can severely prejudice the City’s position in litigation, labor relations and real estate negotiations. Further, breaches of confidentiality can create a climate of distrust among Council Members and can harm the Council’s ability to communicate openly in closed sessions, thereby impairing the Council’s ability to perform its official duties.

The City Council further recognizes that confidentiality of discussions and documents are at the core of a closed session. Confidentiality is essential if the closed session is to serve its purpose. Therefore, the City Council will adhere to a strict policy of confidentiality for closed sessions.

10.3 Breach of Rule of Confidentiality. No person who attends a closed session may disclose any statements, discussions, or documents used in a closed session except where specifically authorized by State law. Any authorized disclosure shall be in strict compliance with these rules and the Ralph M. Brown Act. Violation of this rule shall be considered a breach of this rule of confidentiality.

10.4 Agenda. The City Council agenda will contain a brief general description of the items to be discussed at the closed session, as required by law.

10.5 Permissible Topics. All closed sessions will be held in strict compliance with the Ralph M. Brown Act. The City Attorney, or his/her designee, will advise in advance on topics that may be discussed in a closed session.

10.6 Rules of Decorum.

The same high standard of respect and decorum as apply to public meetings shall apply to sessions. There shall be courtesy, respect and tolerance for all viewpoints and for the right of Council Members to disagree. Council Members shall strive to make each other feel comfortable and safe to express their points of view. All Council Members have the right to insist upon strict adherence to this rule.

Prior to a vote, the Mayor shall ensure that the motion is clearly stated and clearly understood by all Council Members.

The Mayor shall keep the discussion moving forward so that debate and a vote can occur in the time allotted for the closed session. The Mayor will determine the order of debate in a fair manner.

10.7 Conduct of Meeting.

(a) The Mayor will call the closed session to order promptly at its scheduled time.

(b) The Mayor will keep discussion focused on the permissible topics.

(c) The use of handouts and visual aids such as charts is encouraged to focus debate and promote understanding of the topic. All such materials are strictly confidential.

(d) If the City Council in closed session has provided direction to City staff on proposed terms and conditions for any type of negotiations, whether it be related to property acquisitions or disposal, a proposed or pending claim or litigation, or employee negotiations, all contact with the other party will be through the designated City person(s) representing the City in the handling of the matter. A Council Member, not so designated by the Council, will not under any circumstances have any contact or discussion with the other party or its representative concerning the matter which was discussed in the closed session, and will not communicate any discussions conducted in closed session to such party.

10.8 Public Disclosure After Final Action.

The Ralph M. Brown Act requires that, as a body, the City Council make certain public disclosure of closed session decisions when those actions have become final. Accordingly, the City Council shall publicly report any final action taken in closed session, and the vote, including abstentions, at a publicly noticed meeting as follows:

- * Real Estate negotiations: After the agreement is final and accepted by the other party;
- * Litigation: After approval to defend or appeal a lawsuit or to initiate a lawsuit;
- * Settlement: After final settlement of litigation or claims;
- * Employees: Action taken to appoint or dismiss a Council-appointed employee;

* Labor relations: After the Memorandum of Understanding is final and has been accepted by both parties.

The report may be oral or written. The report will state only the action taken and the vote. Unless authorized by the majority of the City Council, the report will not state the debate or discussion that occurred. Except for the action taken and the vote, all closed session discussions will remain confidential.

SECTION 11. DECORUM

11.1 Council Members. Members of the City Council value and recognize the importance of the trust invested in them by the public to accomplish the business of the City. Council Members shall accord the utmost courtesy to each other, City employees, and the public appearing before the City Council. The City Manager or his/her designee shall act as the sergeant-at-arms.

11.2 City Employees. Members of the City staff shall observe the same rules of order and decorum applicable to the City Council. City staff shall act at all times in a business and professional manner towards Council Members and members of the public.

11.3 Public. Members of the public attending City Council meetings shall observe the same rules of order and decorum applicable to the City Council. These Norms and Procedures shall apply to all City Council Meetings.

11.4 Noise in the Chambers. Noise emanating from the audience, whether expressing opposition or support within the Council Chambers or lobby area, which disrupts City Council meetings, shall not be permitted. All cell phones and other electronic devices shall be muted while in the chambers. Refusal is grounds for removal.

11.5 Removal. Any member of the public making personal, impertinent, and/or slanderous or profane remarks, or who becomes boisterous or belligerent while addressing the City Council, staff or general public, or while attending the City Council meeting and refuses to come to order at the direction of the Mayor/Presiding Officer, shall be removed from the Council Chambers by the sergeant-at-arms and may be barred from further attendance before the Council during that meeting. Unauthorized remarks from the audience, stamping of feet, whistles, yells, and similar demonstrations shall not be permitted by the Mayor/Presiding Officer. The Mayor/Presiding Officer may direct the sergeant-at-arms to remove such offenders from the room.

11.6 Dangerous Instruments. No person may enter the chambers of a legislative body as defined in Section 54852 of the Government Code of the State of California or any place where such legislative body is in session, with any firearm, weapon, or explosive device of any nature. The provisions of this section shall not apply to authorized peace officers or to those persons authorized by the Penal Code of the State to carry such weapons.

11.7 Prosecution. Aggravated cases shall be prosecuted on appropriate complaint signed by the Mayor/Presiding Officer.

SECTION 12. ENFORCEMENT OF DECORUM

In extreme cases, such as when a meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals as provided for in this Policy, the Mayor/Presiding Officer may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Duly accredited representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this Section. Nothing in this Section shall prohibit the City Council from establishing a procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.

SECTION 13. VIOLATIONS OF PROCEDURES

Nothing in these Norms and Procedures shall invalidate a properly noticed and acted upon action of the City Council in accordance with State Law.

This document shall remain in effect until modified by the City Council.

- APPROVED: November 12, 2015.
- Amended: March 10, 2016
- Amended: June 22, 2017
- Amended: April 12, 2018
- Amended: December 12, 2019
- Amended: February 16, 2023



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

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.



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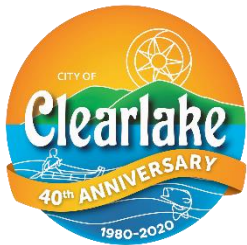
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CITY OF CLEARLAKE

City Council



STAFF REPORT	
SUBJECT: Consideration of FY 2024 Community Project Funding as a Joint Application for the Recreation Center and Aquatic/Community Swim Center Project from the City of Lakeport, County of Lake and City of Clearlake	MEETING DATE: Mar. 16, 2023
SUBMITTED BY: Alan Flora, City Manager	
PURPOSE OF REPORT: <input type="checkbox"/> Information only <input checked="" type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item	

WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

Approve Resolution 2023-16 Authorizing the Application for Funding to Congressman Thompson.

BACKGROUND/DISCUSSION:

On the afternoon of Wednesday, March 1, 2023, the City was advised by Congressman Mike Thompson that Community Project Funding will once again be made available for Fiscal Year 2024. You will recall, just last year the Congressman was able to secure funding to support the Burns Valley Sports Complex and Recreation Center project. This funding should build the sports complex portion of the project, but funding to complete the indoor recreation center is still incomplete. As you know much effort has been placed on development of a joint powers authority that will eventually build, operate and/or maintain recreation facilities in the County. Staff has reached County and City of Lakeport partners, seeking input on projects that should be granted priority for the City’s submittal(s). As noted in the attached Letter, “Members of Congress are limited to submitting 15 Community Project Funding requests,” responsive to needs across the entirety of their Districts. There is no guarantee all requests submitted will be funded, and strong local support for projects is frequently pivotal in the Committee on Appropriations’ competitive evaluation process. Congressman Thompson advises this process is likely to be even more challenging than in recent previous years, so it is critical only the highest priority projects are submitted for consideration.

The County Board of Supervisors approved a similar resolution supporting the \$31.8 million dollar request on Tuesday and the City of Lakeport is holding a Special Meeting on Wednesday the 15th to consider their support.

FISCAL IMPACT

No immediate impact to the request for funding. The three jurisdictions will jointly prepare and submit the application.

OPTIONS:

- 1. Adopt Resolution 2023-16
- 2. Other direction

FISCAL IMPACT:

None \$ Budgeted Item? Yes No

Budget Adjustment Needed? Yes No If yes, amount of appropriation increase: \$

Affected fund(s): General Fund Measure P Fund Measure V Fund Other: Funds

Comments:

STRATEGIC PLAN IMPACT:

- Goal #1: Make Clearlake a Visibly Cleaner City
- Goal #2: Make Clearlake a Statistically Safer City
- Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- Goal #4: Improve the Image of Clearlake
- Goal #5: Ensure Fiscal Sustainability of City
- Goal #6: Update Policies and Procedures to Current Government Standards
- Goal #7: Support Economic Development

Attachments:

- 1. Phase 2 Feasibility Study

RESOLUTION NO. 2023-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLEARLAKE TO SUBMIT THE RECREATION CENTER AND AQUATIC/COMMUNITY SWIM CENTER PROJECT FOR CONSIDERATION AS A COMMUNITY PROJECT FUNDING PROPOSAL

WHEREAS, on March 1, 2023, the U.S. Congress, House Committee on Appropriations announced it will accept Congressional Member requests for Community Project Funding in appropriation bills for the upcoming fiscal year (FY2024); and

WHEREAS, U.S. Congress, House Committee on Appropriations will accept a maximum of 15 Community Project Funding recommendations from each Member of Congress that improve communities, enhance safety, create jobs and improve quality of life; and

WHEREAS, the Honorable Congressman Mike Thompson asked that local governments and eligible non-profits submit their highest priority projects that fulfill the intent of this opportunity; and

WHEREAS, in recent years, Lake County projects approved for funding by the Appropriations Subcommittee have demonstrated both significant public benefit and broad support; and

WHEREAS, support for the Recreation Center and an Aquatic/ Community Swim Center Project meets the intent of Community Project Funding, and has broad public support, demonstrated by 95% of recent survey respondents indicating they were likely to visit Lake County-based recreation centers, should they be developed; and

WHEREAS, both the Cities of Clearlake and Lakeport have demonstrated their commitment to this critical countywide effort by dedicated City-owned properties for recreational purposes; and

WHEREAS, the Cities and County are likewise engaged in robust ongoing collaboration, to ensure the health-promoting activities these centers and other County parks, trails and recreation amenities are expected to provide are as equitably and broadly accessible as possible; and

WHEREAS, the same parties are working to develop a Joint Powers Authority to further this critical joint purpose, and promote the best possible health outcomes in Lake County.

THEREFOR, BE IT RESOLVED, that the City of Clearlake:

1. The above recitals are true and correct.

- 2. The City Council of the City of Clearlake has reviewed and approves the joint submission of the Recreation Center and Aquatic/Community Swim Center Project to U.S. Congressman Mike Thompson for consideration of Community Project Funding, for an amount not to exceed \$31,800,000 to the relevant Appropriations Subcommittee, with the County of Lake, City of Lakeport, and on behalf of the Lake County Recreation District JPA.

PASSED AND ADOPTED by the City Council of the City of Clearlake, County of Lake, State of California, on this 16th day of March, 2023, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: _____
City Clerk

Mayor

LAKE COUNTY REGION

Phase 2 Recreation & Aquatics Center Feasibility Study



Presented by:



AGENDA

- » PROJECT LOCATION OPPORTUNITIES
- » COMMUNITY SURVEY RESULTS
- » CONCEPTUAL DESIGNS
- » CAPITAL COST ESTIMATES
- » OPERATIONAL COST ESTIMATES
- » RECOMMENDATIONS

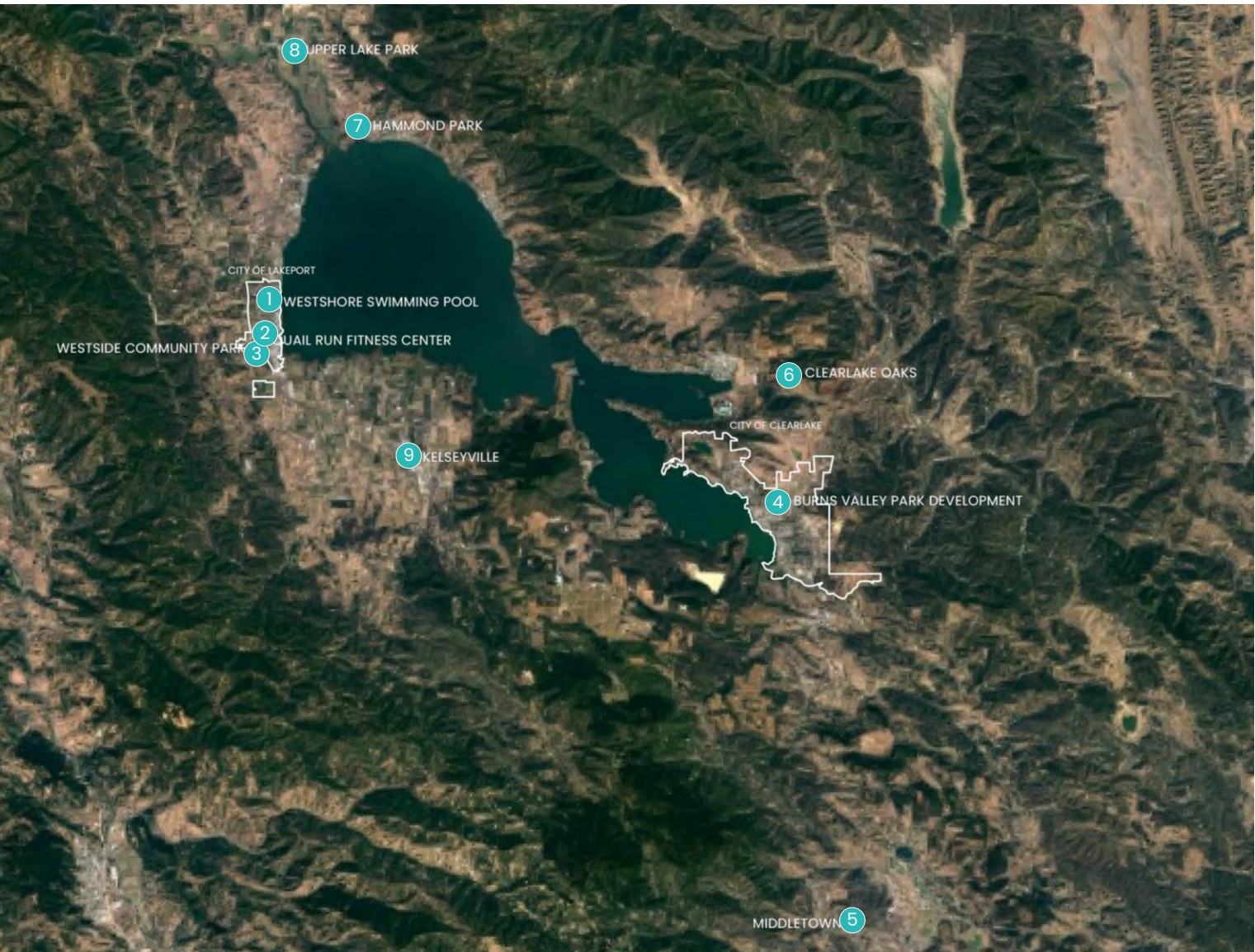


PROJECT LOCATION OPPORTUNITIES



PROJECT LOCATION OPPORTUNITIES

POSSIBLE LOCATIONS & SITE SELECTION CRITERIA



PHASE 1 RECAP

OPTION 1

**Westshore
Swimming Pool**
250 Lange Street,
Lakeport, CA

OPTION 2

**Quail Run Fitness
Center**
1279 Craig Avenue,
Lakeport, CA

OPTION 3

**Westside
Community Park**
1401 Westside Park Road,
Lakeport, CA

OPTION 4

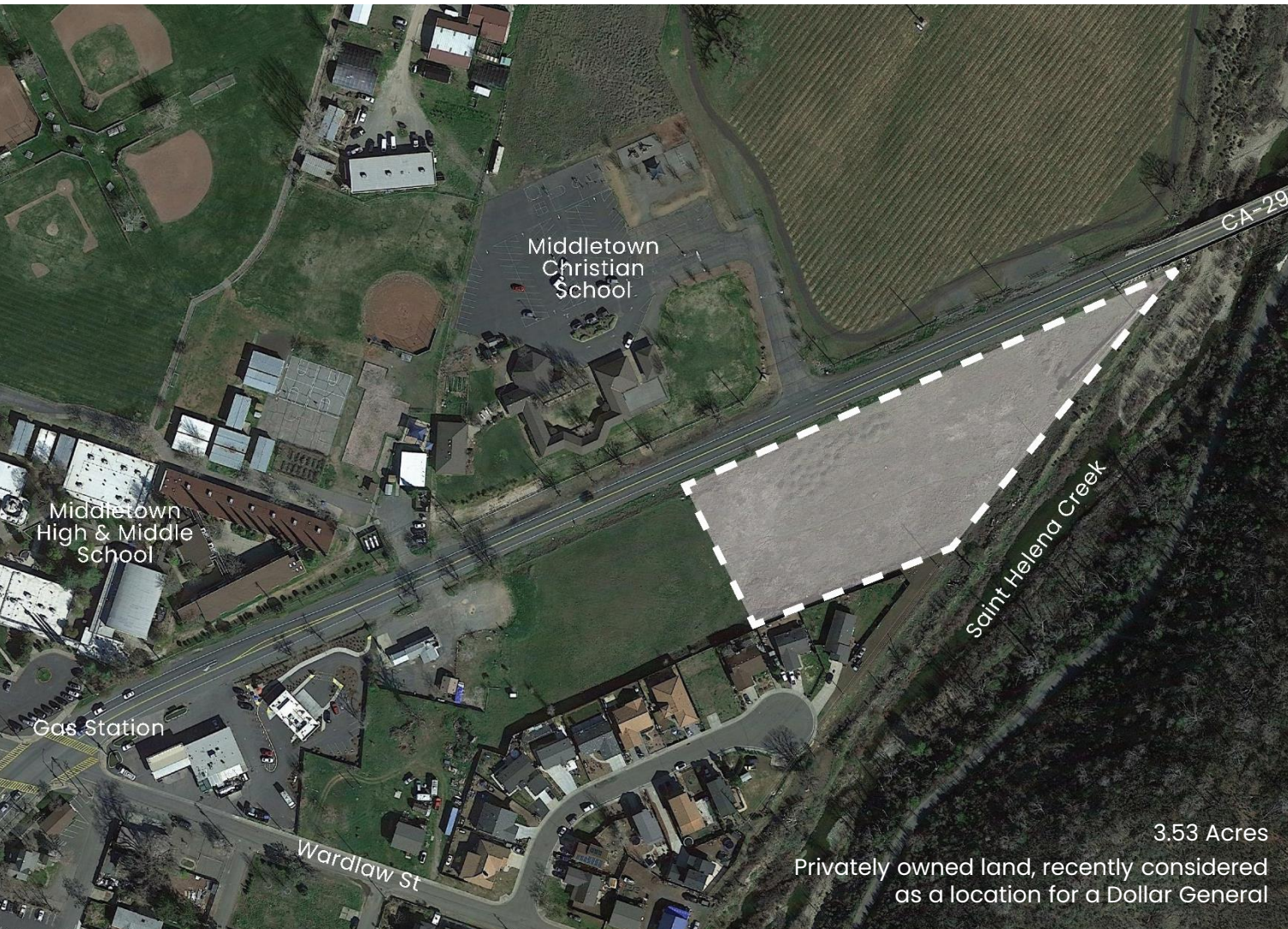
**Clearlake "Burns
Valley Park"**
14785 Burns Valley Road,
Clearlake, CA



PROJECT LOCATION OPPORTUNITIES

OPTION 5: MIDDLETOWN

20600 CA-29, Middletown, CA 95461



PROS

- » Possible joint-use opportunity with Middletown HS & MS
- » High visibility on main highway

CONS

- » County already operates a recreational pool in Middletown
- » Currently not owned by a public entity
- » No apparent adjacent community assets nearby (parks, centers, etc.)

PROJECT LOCATION OPPORTUNITIES

OPTION 6: CLEARLAKE OAKS

15300 E State Hwy 20, Clearlake Oaks, CA 95423



PROS

- » High visibility on main highway
- » Currently being considered for regional park & part of a larger nature preserve

CONS

- » Currently in early process of donation
- » No infrastructure existing to support facilities
- » No apparent adjacent community assets nearby prior to park being built

PROJECT LOCATION OPPORTUNITIES

OPTION 7: HAMMOND PARK

2490 Lakeshore Boulevard, Nice, CA 95464



PROS

- » Current community park

CONS

- » Less visibility than comparable sites
- » Less room to add recreation or aquatic amenities (area to west is primarily wetlands)
- » Existing master plan may preclude aquatic or recreation uses
- » No adjacent community assets nearby (parks, centers, etc.)

PROJECT LOCATION OPPORTUNITIES

OPTION 8: UPPER LAKE PARK

615 E State Hwy 20, Upper Lake, CA 95485



PROS

- » Current community park
- » Some potential synergies with local high school, casino & retail center
- » Underutilized softball field

CONS

- » Less room to add recreation or aquatic amenities without compromising existing amenities
- » Adding dog park & basketball court currently



PROJECT LOCATION OPPORTUNITIES

OPTION 9: KELSEYVILLE

5005 Second Street, Kelseyville, CA 95451



PROS

- » Northern area underutilized

CONS

- » Small site would require complete loss of current park amenities
- » No apparent adjacent community assets nearby (parks, centers, etc.)
- » Ownership remains unknown

PROJECT LOCATION OPPORTUNITIES RECOMMENDATIONS

OPTION 3

Westside Community Park
1401 Westside Park Road, Lakeport, CA



- » Already part of the City of Lakeport designated park area
- » Several synergies with park amenities as well as parking and utilities
- » Proximity to the highway is ideal for public access

OPTION 4

Clearlake “Burns Valley Park”
14785 Burns Valley Road, Clearlake, CA



- » Already part of designated park area
- » Many synergies exist with future parking, utilities, athletic fields and neighboring library and senior center
- » Close proximity to major arterial connections

DECIDING FACTORS

- » Community park proximity
- » Shared parking
- » Co-location of libraries/centers/schools/pools
- » “Place making” principles



COMMUNITY SURVEY RESULTS

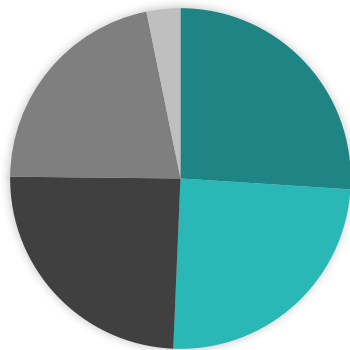


COMMUNITY SURVEY RESULTS

WHO PARTICIPATED?

99%

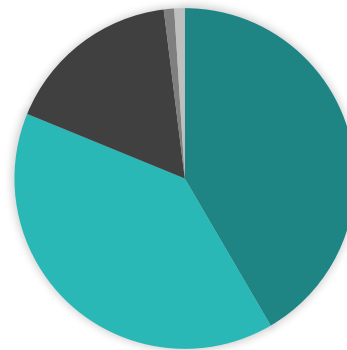
Lake County Residents



- 26% City of Lakeport
- 25% City of Clearlake
- 24% North Lake County
- 22% South Lake County
- 3% N/A

82%

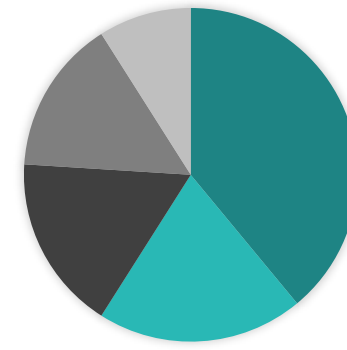
Aged 35+



- 42% Ages 35-54
- 40% Ages 55+
- 17% Ages 18-34
- 1% Ages 0-17
- 1% N/A

41%

Households with Youth



- 39% General Adults
- 20% Seniors
- 17% Elementary Age
- 15% Teenage
- 9% Pre-School



COMMUNITY SURVEY RESULTS

CURRENT RECREATIONAL USE

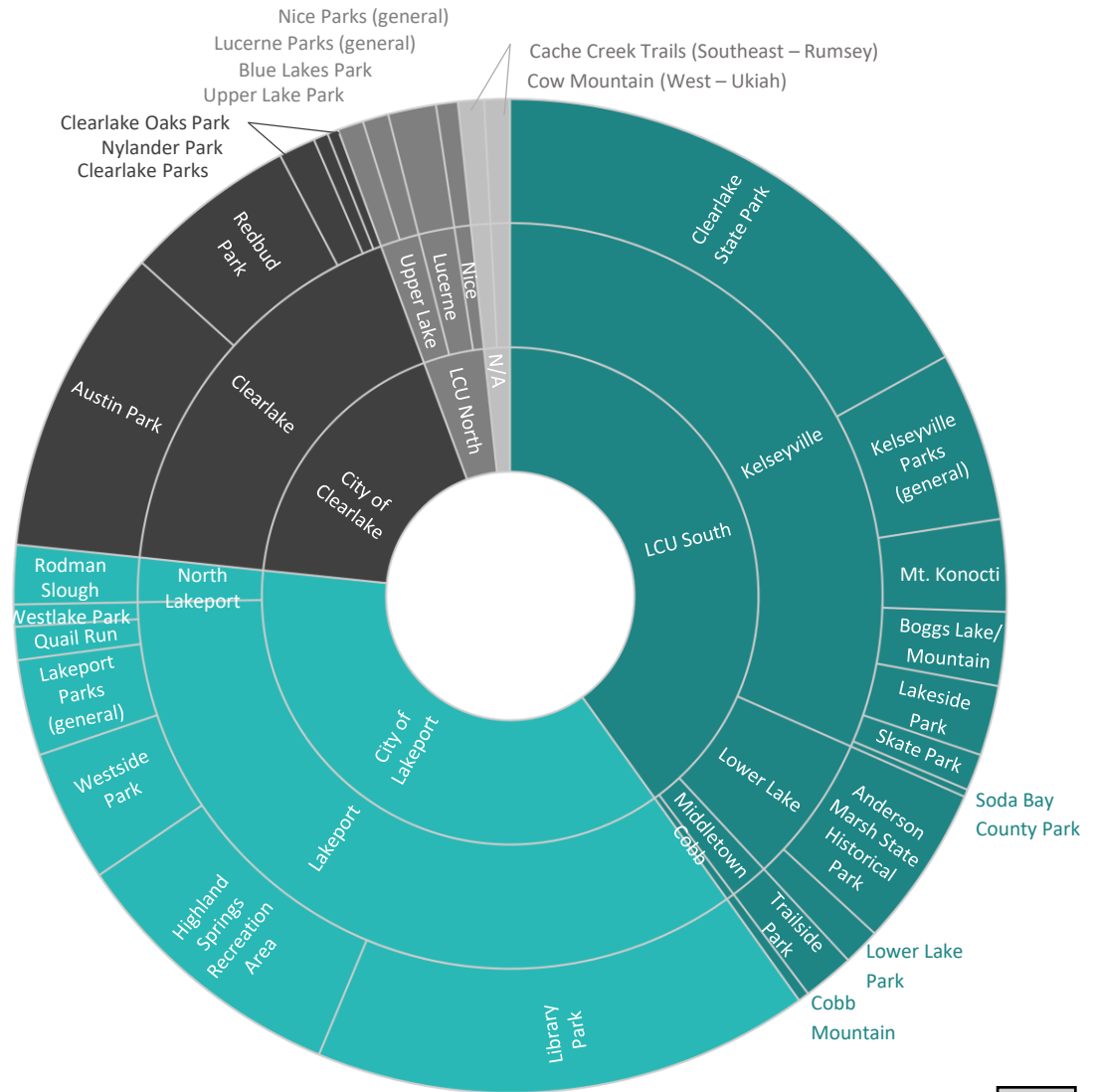
83%
Recreational Participants

Types

- Parks
- Aquatics
- Hiking/Walking
- Sports Fields
- Lake Access
- Camping
- Dog Parks
- Basketball
- Music
- Tennis Courts
- Fair
- Fishing/Birding
- Disc Golf

Locations

- 40% South Lake County
- 36% City of Lakeport
- 18% City of Clearlake
- 4% North Lake County
- 2% N/A



COMMUNITY SURVEY RESULTS

RECREATIONAL CENTER PRIORITIES

Missing Amenities

- Youth Amenities
- Trails/Paths/Bike Lanes
- Recreation Center
- Bowling/Arcade/Batting Cage/Mini Golf
- Aquatics
- Gymnasium/Fitness
- Tennis/Pickle Ball
- Lake Access
- Clean & Safe
- Classes
- Basketball & Sports Fields
- Parks
- Roller Rink
- Rock Wall/Obstacle Courses/Disc Golf
- Family Activities
- Senior Center/Programs
- Skate Park
- ADA Accessible & Disabled Programs

Desired Amenities

- Fitness/Aerobics
- Game Room
- Gymnasium
- Training Room
- Racquetball
- Spin Classes
- Aquatics
- Tennis/Pickle Ball/Handball
- Track
- Youth Amenities
- Senior Center/Programs
- Bowling/Arcade

Most Important Amenities

- Fitness/Aerobics
- Adult Sports/Athletics
- Community Events
- Classes
- Social Activity Spaces
- Youth Sports/Athletics
- Cultural Arts
- Technology Rich Environments
- Aquatics
- ADA & Disabled Programs
- Trails/Paths/Bike Lanes
- Senior Center/Programs



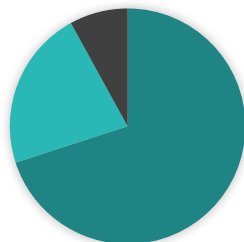
COMMUNITY SURVEY RESULTS

77%
Prefer Combined Aquatics/
Recreation Facility

70%
Prefer Indoor Aquatics

AQUATIC CENTER PRIORITIES

Preferred Type

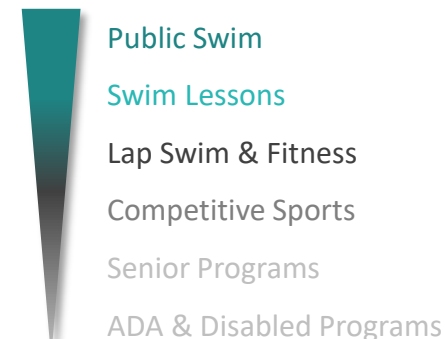


70% Indoor
22% Outdoor
8% Both

Desired Amenities



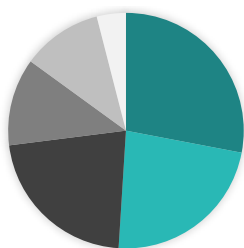
Most Important Amenities



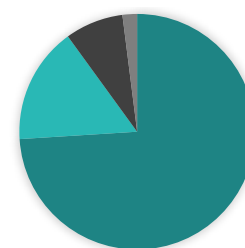
51%
Prefer One of Lake
County's Main Cities

74%
Willing to Travel 30 Minutes

LOCATION PREFERENCES



28% Lakeport
23% Clearlake
22% Combined



74% 15-30 Minutes
16% 30-45 Minutes
8% 1-15 Minutes
2% 45+ Minutes

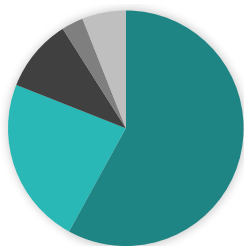


COMMUNITY SURVEY RESULTS

95%
Likely to Visit

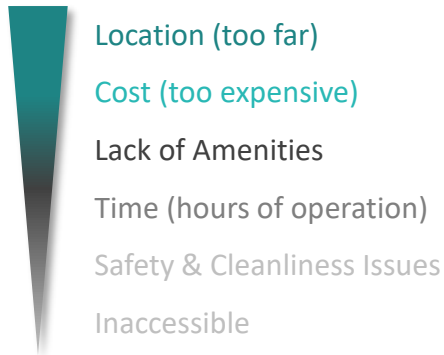
58%
Likely to Visit Weekly

VISITING THE FACILITY



58% Weekly
23% Daily
10% Monthly
3% Multiple x/Week
6% Other

Visiting Roadblocks

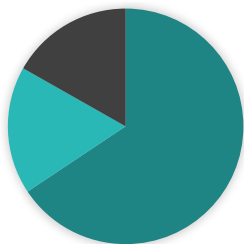


Construction Priorities



86%
Support Joint-Use

JOINT-USE & FUNDING



86% Support Joint-Use
23% Neutral
22% Do Not Support

Funding Support



SURVEY RESULTS SUMMARY

COMMUNITY SUPPORT

- » There is **overwhelming support** from the Lake County Community for new recreation & aquatics facilities, most reporting that they would frequently travel up to 30 minutes to utilize these centers
- » Most respondents noted that **youth** needed more amenities
- » The idea of a **new aquatics facility** was the most exciting & highly requested desire throughout the survey
- » While excited for these new possibilities, many respondents were **concerned most about location, cost, accessibility & safety/security**

TOP RECREATIONAL PRIORITIES

- » Fitness/gymnasium
- » Community events & classes
- » Youth activities & sports

TOP AQUATICS PRIORITIES

- » Swim lessons & public swim
- » Both adult & family areas
- » Competitive sports & fitness classes



CONCEPTUAL DESIGNS



CONCEPTUAL DESIGNS RECREATION CENTER

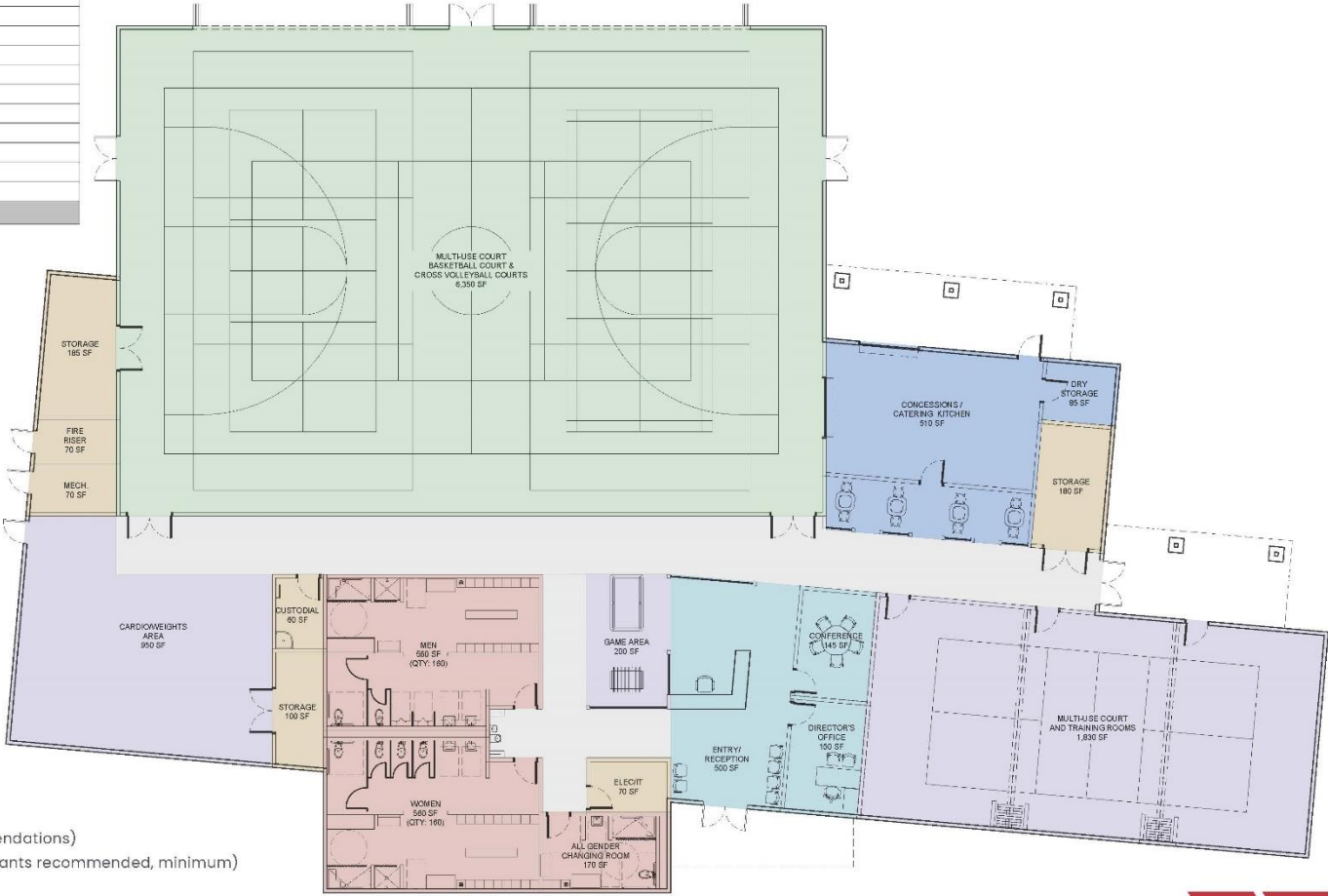
Conceptual Recreation Center Program

Building Area	Area Allocation (SF)	No. of Spaces	Total Area (SF)	Notes
Entry/Reception	500	1	500	Inc. lobby area
Multi-use Court	6,200	1	6,200	84x50' main court with cross courts (baseball/volleyball)
Rocket Ball Court(s)	800	2	1,600	20x40' court
Cardio/Weights Area	1,000	1	1,000	General exercise
Training Room(s)	600	3	1,800	Yoga, aerobics, etc.
Game Area	300	1	300	Multi-generational area
Restrooms	150	2	300	Men, women & staff
Locker Rooms	200	2	400	Inc. family changing areas
Custodial	80	2	120	Janitor storage, mop sink, etc.
Storage	100	4	400	Sports/rec equipment
Equipment	80	4	240	Fire, electrical, mechanical
Circulation	1,929	n/a	1,929	15% of overall area
Total Area Desired			14,789 SF	.34 acres

- ENTRY AND OFFICES
- LOCKER AND RESTROOMS
- COURTS
- CARDIO/WEIGHTS/TRAINING/GAME AREA
- SUPPORT SPACES
- CIRCULATION
- FOOD SERVICE

PROGRAM AREA
Original: 14,789 SF
Proposed: 14,970 SF

- FIXTURE COUNT**
(based on 160 persons of each sex)
- Women - 4 water closets, 2 sinks
 - Men - 2 water closets, 2 urinals, 2 sinks
 - Gender Neutral Facility - 1 provided
 - Drinking fountains - 2 required
 - Showers - 2 per sex + 1 gender neutral (based on min. LEED recommendations)
 - Lockers - 36 per sex + 6 at gender neutral toilet room (20% of occupants recommended, minimum)
 - Baby Changing Stations - 3 (1 per toilet room recommended)



LAKE COUNTY RECREATION AND AQUATIC CENTER

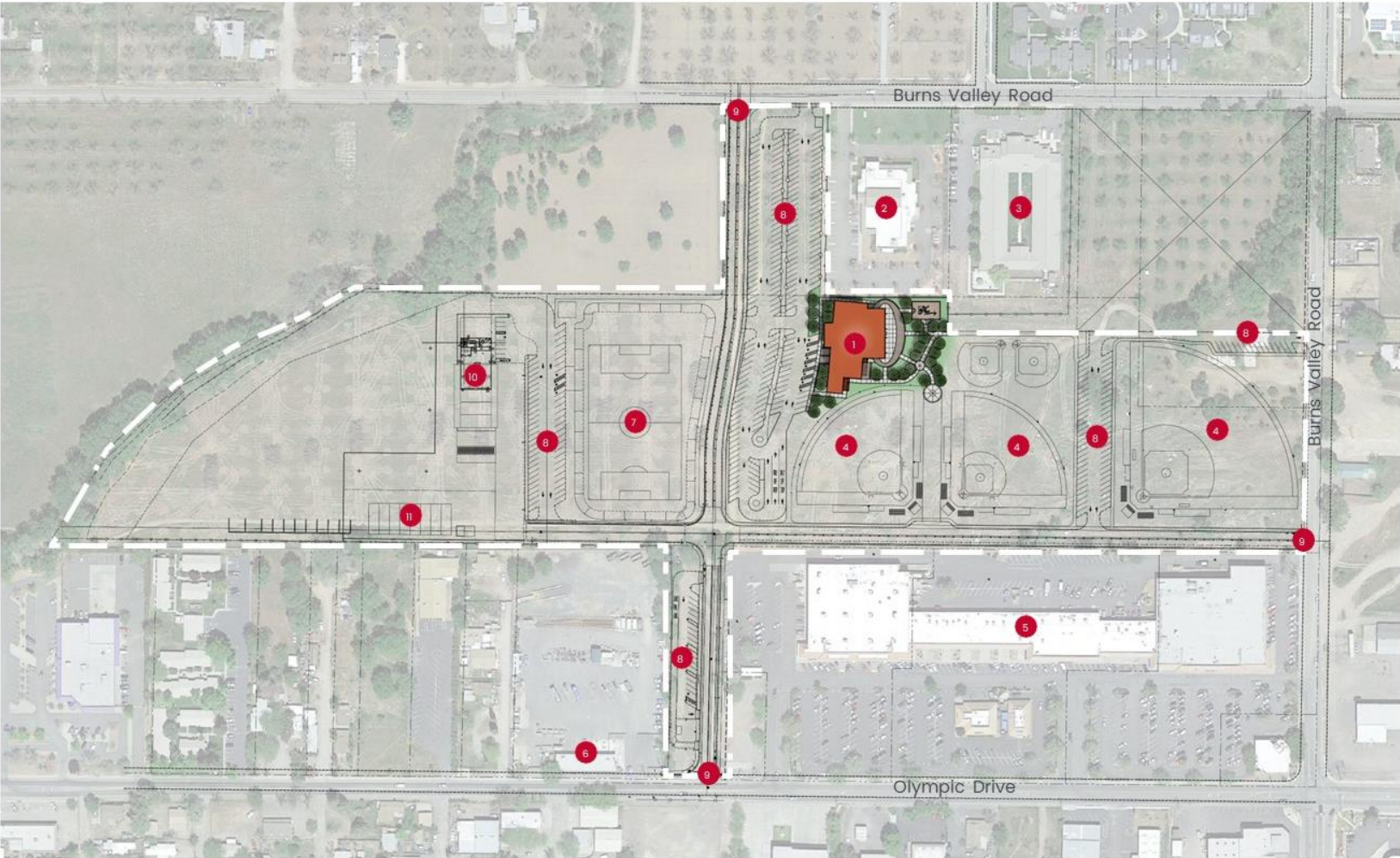
Lake County, CA

CONCEPT PLANS

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CONCEPTUAL DESIGNS RECREATION CENTER



- LEGEND**
- 1. Proposed Recreation Center
 - 2. Redbud Library
 - 3. Orchard Park Senior Living
 - 4. Proposed Baseball/Softball Fields
 - 5. Burns Valley Mall
 - 6. PG&E Office
 - 7. Proposed Soccer Field
 - 8. Proposed Parking
 - 9. Proposed Roads
 - 10. Proposed PD Building
 - 11. Proposed Storage

LAKE COUNTY RECREATION AND AQUATIC CENTER

Lake County, CA

CONCEPT PLANS

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CONCEPTUAL DESIGNS RECREATION CENTER



LEGEND	
1.	Proposed Recreation Center
2.	Entrance
3.	Food Service
4.	Outdoor Plaza and Events
5.	Concrete Seat Walls
6.	Playground
7.	Green Space
8.	Proposed Baseball/Softball Fields

LAKE COUNTY RECREATION AND AQUATIC CENTER

Lake County, CA

CONCEPT PLANS

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CONCEPTUAL DESIGNS RECREATION CENTER



LAKE COUNTY RECREATION AND AQUATIC CENTER

Lake County, CA

CONCEPT PLANS

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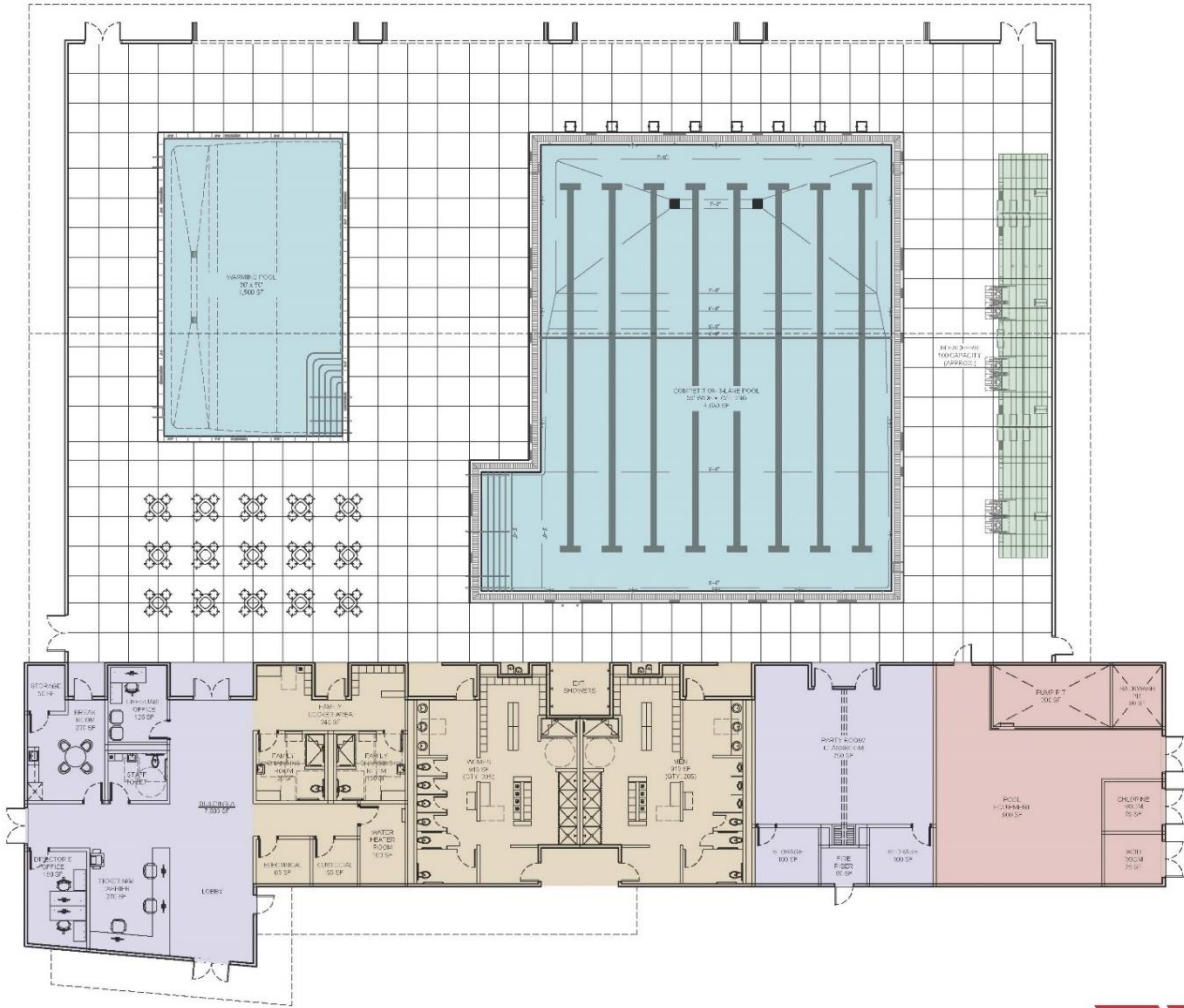


CONCEPTUAL DESIGNS AQUATIC CENTER

Option 3 Conceptual Aquatics Facility Program

Pool/Building/Site Area	Area Allocation (SF)	No. of Spaces	Total Area (SF)
5,881 SF Pool	5,881	1	5,881
Sprayground	2,000	1	2,000
Bathhouse/Support Building	7,778	1	7,778
Pool Deck Area	8,692	1	8,692
Total Area Desired			24,351 SF

- POOLS
- POOL EQUIPMENT
- BLEACHERS
- ADMINISTRATION / CLASSROOMS
- LOCKERS / SHOWERS / RESTROOMS



BUILDING AREA
Original: 7,778 SF
Proposed: 7,185 SF

- FIXTURE COUNT**
(based on 410 pool users)
- Women - 6 water closets, 3 sinks
 - Men - 3 water closets, 3 urinals, 3 sinks
 - Gender Neutral Facility - 2 provided
 - Drinking fountains - 2 required
 - Showers - 9 total (5 per sex provided)
 - Lockers - 60 per sex (30% of occupants recommended, minimum)
 - Baby Changing Stations - 4 (1 per toilet room recommended)

LAKE COUNTY RECREATION AND AQUATIC CENTER
Lake County, CA

CONCEPT PLANS
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NOT TO SCALE



CONCEPTUAL DESIGNS AQUATIC CENTER



LEGEND

1. Proposed Aquatic Center
2. Baseball/Softball Fields
3. Playfields
4. Parking
5. Horse Arena
6. Existing Residence
7. Skate Park
8. BMX Track
9. Future Recreation Center

LAKE COUNTY RECREATION AND AQUATIC CENTER

Lake County, CA

CONCEPT PLANS

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CONCEPTUAL DESIGNS AQUATIC CENTER



- LEGEND**
- 1. Proposed Aquatic Center
 - 2. Pool with Translucent Roof Covering with Operable Roof Panels
 - 3. Warming Pool
 - 4. Shade Structures
 - 5. Bleachers
 - 6. Operable Walls
 - 7. Main Entry/Monument Structure for the Site
 - 8. Parking
 - 9. Baseball Fields
 - 10. Outdoor Plaza
 - 11. Future Recreation Center (No Classrooms)
 - 12. Future Playground
 - 13. Future Food Service Access
 - 14. Future Tennis Courts
 - 15. Future Basketball Court

LAKE COUNTY RECREATION AND AQUATIC CENTER

Lake County, CA

CONCEPT PLANS

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CONCEPTUAL DESIGNS AQUATIC CENTER



LAKE COUNTY RECREATION AND AQUATIC CENTER

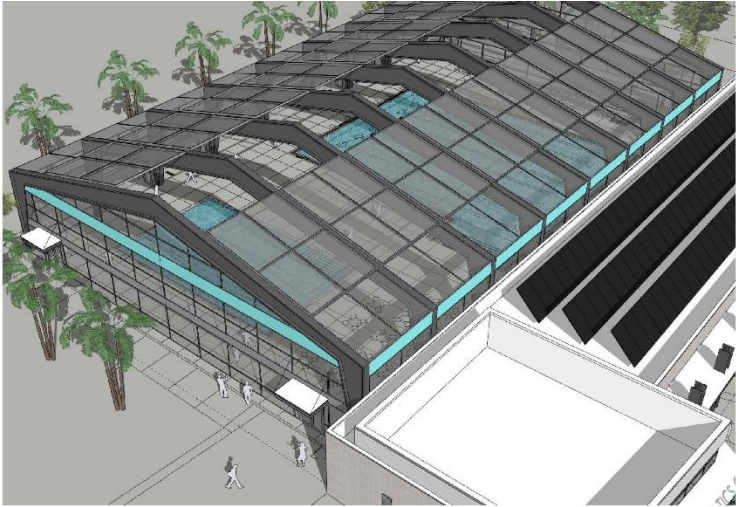
Lake County, CA

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CONCEPTUAL DESIGNS AQUATIC CENTER



LAKE COUNTY RECREATION AND AQUATIC CENTER

Lake County, CA

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CAPITAL COST ESTIMATES



CAPITAL COST ESTIMATES

RECREATION CENTER

FACILITY	AREA (SF)	COST/SF	TOTAL
Recreation Center Building	14,970	\$769.50	\$11,519,345
Site & Utilities Recreation	38,000	\$37.75	\$1,434,545
TOTAL ESTIMATED CONSTRUCTION COST			\$12,953,890
Soft Cost Budget (25%)			\$3,238,473
TOTAL PROJECT COST			\$16,192,363

AQUATICS CENTER

Core/Glass Shell/MEP Aquatic Center	14,822	\$557.14	\$8,257,983
Aquatic Pool & Building	7,778	\$1,316.98	\$10,243,488
Site & Utilities Aquatic	69,7500	\$35.05	\$2,444,999
TOTAL ESTIMATED CONSTRUCTION COST			\$20,946,470
Soft Cost Budget (25%)			\$5,236,618
TOTAL PROJECT COST			\$26,183,088



OPERATIONAL COST ESTIMATES



OPERATIONAL COST ESTIMATES

RECREATION CENTER

12-Month Operation

ANNUAL RECREATION CENTER REVENUE	REVENUE	VISITS
Recreation Classes, Leagues & Fitness Drop-In & Membership	\$200,00	≈ 70,000
Recreation Center Rental Revenue	\$40,000	≈ 15,000
Concession Revenue	\$5,000	N/A
ANNUAL TOTAL REVENUE	\$245,000	≈ 85,000

ANNUAL RECREATION CENTER COSTS		
Salaries – Full & Part Time	\$394,693	
Materials & Supplies	\$190,556	
ANNUAL TOTAL COSTS	\$585,249	

ANNUAL NET OPERATIONAL SUBSIDY (Cost Recovery 42%)	\$340,249	≈ \$4.00/visit
---	------------------	-----------------------



OPERATIONAL COST ESTIMATES

Recreation Center Financial Breakdown

FULL TIME SALARIES	ANNUAL SALARY (top step)	% OF TIME	BENEFIT (@ 30%)	TOTAL POSITION COST
Recreation Center Supervisor	\$60,000	100%	\$18,000	\$78,000
Park/Facility Maintenance Worker	\$46,500	50%	\$6,975	\$30,225
Total Full Time Salaries	\$106,500		\$24,975	\$108,225

PART TIME SALARIES	HOURS	RATE	TOTAL
Instructional Salaries (Fitness)			\$118,985
Customer Service Specialist II	3370	\$21.61	\$72,859
Fitness Recreation Leader - 1500	1450	\$25.00	36,294
Front Desk Recreation Leader	700	\$25.00	\$17,521
Park & Facility Worker 1 - 1500	1000	\$21.88	\$21,880
Office Assistant I - 1500	800	\$22.75	\$18,200
Recreation Specialist 1	40	\$18.22	\$729
Total Part Time Salaries	7360		\$286,468
TOTAL SALARIES			\$394,693



MATERIALS & SUPPLIES	COST	DESCRIPTION
Professional Services	\$8,680	floor scrubbing - \$1,500; shred company - \$200; dynamic media - \$400; Comcast - \$4,500; Zumba Glow - \$300; scoreboard maintenance - \$1,000; kitchen cleaning - \$1,000; Group Ex Pro app - \$780
Office Supplies	\$3,600	calendars, pens/pencils, notepads, file folders, desk organization, colored paper, laminate
Supplies - Program & Event	\$9,700	holiday/event décor - \$2,200; membership appreciation - \$1,000; fitness events/prizes - \$1,000; Be Well supplies - \$5,500
Supplies - Concessions	\$1,200	ice cream, Gatorade, water
Supplies - Medical	\$1,000	first aid/COVID supplies
Subscriptions	\$460	W2W - \$260; MCC music - \$200
Advertising	\$8,015	social media ads - \$1,100; swag - \$1,900; pamphlets, standing facility sign, marketing requests - \$800; Be Well advertising - \$2,500; guide - \$1,715
Printing	\$6,200	copier - \$6,000; envelopes & business cards - \$200
Equipment - Under 5000	\$10,800	meeting room improvements (projector, sound system, tables/ chairs) - \$8,500; TRX equipment - \$1,000; maintenance supplies - \$300; tilt truck - \$300; metal kitchen carts - \$400; plastic utility carts - \$300
Equipment-Sports Under 5000	\$4,650	nets & balls - \$500; fitness equipment (dumbbells, mats, wipes) - \$2,750; stereo - \$300; microphone - \$250; fit room (light ropes, audio plugs, bulletin boards, batteries) - \$850
Building & Equipment Rental	\$500	lift rental for basketball hoops & divider
Safety & Protective Gear	\$500	staff shirts/sweatshirts
Repairs & Maintenance Equipment	\$21,100	gym doctor maintenance - \$3,900; repairs - \$6,000; blind repair - \$200; wipe dispensers - \$100; upholstery patches - \$300; strength equipment - \$10,000; safety - \$300; keys - \$300
Repairs & Maintenance System	\$3,750	sprinkler/fire extinguisher inspection
Utility Charges - Telecom.	\$2,640	consolidated communications
Utility Charges - City Bills	\$69,468	electric, water, sewer +\$5,670
Utility Charges - Natural Gas	\$33,098	PG&E-uncontrollable +\$7,441
Training & Development	\$2,505	CPRS conference & fitness staff training
Mileage	\$1,500	mileage reimbursement
Memberships	\$290	CPRS membership for coordinator/supervisor
Permit Fees	\$900	motion picture license - \$300; commercial kitchen permit - \$600
TOTAL MATERIALS & SUPPLIES	\$190,556	



OPERATIONAL COST ESTIMATES

INDOOR AQUATICS CENTER

12-Month Operation

ANNUAL RECREATION CENTER REVENUE	REVENUE	VISITS
Recreation Swim	85,000	17,000
Fitness Passes & Drop In	\$215,000	46,000
Instructional Programs	\$275,000	52,000/6,500 reg.
Facility Rentals	\$85,000	TBD – Teams
Miscellaneous	\$10,000	TBD
ANNUAL TOTAL REVENUE	\$675,000	115,000

ANNUAL RECREATION CENTER COSTS		
Salaries – Full & Part Time	\$700,101	
Materials & Supplies	\$357,313	
ANNUAL TOTAL COSTS	\$1,057,414	

ANNUAL NET OPERATIONAL SUBSIDY (Cost Recovery 64%)	\$382,414	≈ \$3.30/visit
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OPERATIONAL COST ESTIMATES

Aquatics Center Financial Breakdown

FULL TIME SALARIES	ANNUAL SALARY (top step)	% OF TIME	BENEFIT (@ 30%)	TOTAL POSITION COST
Aquatic Supervisor	\$60,000	100%	\$18,000	\$78,000
Park Maintenance Worker	\$46,500	50%	\$6,975	\$30,225
Total Full Time Salaries	\$106,500		\$24,975	\$108,225

PART TIME SALARIES	HOURS	RATE	TOTAL
Pool Manager II	2600	\$21.81	\$56,706
Assistant Pool Manager II	6500	\$19.78	\$128,570
Senior Lifeguard II	4892	\$17.94	\$87,762
Lifeguard II	6600	\$16.28	\$107,448
Swim Instructor I	3600	\$17.50	\$63,000
Swim Instructor Aide	2694	\$16.50	\$44,451
Parks Maintenance Worker	1700	\$21.87	\$37,179
Aqua Fitness Instructor I	1600	\$36.00	\$57,600
Instructor Hourly II	172	\$30.00	\$5,160
Office Assistant	2000	\$20.00	\$4,000
Total Part Time Salaries	32,358		\$591,876
TOTAL SALARIES			\$700,101



MATERIALS & SUPPLIES	COST	DESCRIPTION
Professional Services	\$10,535	permits, bounces, group ex, ASL interpreter
Office Supplies	\$3,100	front desk supplies
Supplies - Program & Event	\$3,300	birthday/program supplies, pumpkins
Supplies - Concessions	\$5,000	boutique items
Supplies - Medical	\$1,250	medical/first aid supplies
Subscriptions	\$4,390	certifications, Survey Monkey, W2W
Advertising	\$11,606	facility signage, marketing, rec guide
Printing	\$8,300	swim lesson report cards, signs, copier
Equipment - Under 5000	\$1,800	pump room tools, pool equipment (net)
Equipment-Sports Under 5000	\$6,100	lifeguard & program equipment/supplies
Safety & Protective Gear	\$6,500	staff uniforms
Repairs & Maintenance Equipment	\$33,500	pool repairs & parts
Repairs & Maintenance System	\$53,223	pool chemicals (Olin, Aviate, SCP, Lincoln)
Repairs & Maintenance Facility	\$2,225	replacement chairs & tables
Utility Charges - Telecom.	\$2,780	manager cell phone - \$400; pool phone - \$2,380
Utility Charges - City Bills	\$126,663	FY23 (45%) - \$9,188 increase
Utility Charges - Natural Gas	\$73,251	PG&E, FY23 (26%) - \$34,759 increase
Training & Development	\$2,500	CAMS (\$1,000 X 2), Disney (\$500)
Mileage	\$1,000	staff mileage
Memberships	\$290	CPRS memberships - \$145 each
TOTAL MATERIALS & SUPPLIES	\$357,313	

OPERATIONAL COST ESTIMATES

OUTDOOR AQUATICS CENTER (SUMMER SEASON)

80-Day Operation

ANNUAL RECREATION CENTER REVENUE	REVENUE	VISITS
Public Swim	\$40,000	8,000
Swimming Lessons	\$40,000	6,400 visits/800 reg.
Fitness Classes/Lap Swim	\$10,000	1,250
Recreation Swim Team Rent	\$10,000	TBD
ANNUAL TOTAL REVENUE	\$100,000	15,650



ANNUAL RECREATION CENTER COSTS		
Salaries – Full & Part Time	\$206,000	
Materials & Supplies	\$144,000	
ANNUAL TOTAL COSTS	\$350,000	



ANNUAL NET OPERATIONAL SUBSIDY (Cost Recovery 29%)	\$250,000	≈ \$16/visit
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RECOMMENDATIONS



RECOMMENDATIONS

» STRUCTURE

- » Lake County, City of Lakeport and City of Clearlake should consider forming a **joint powers authority** to implement and manage the facilities

» FUNDING

- » Any funds not available for capital improvements should be garnered through a **bond measure** (67% support), with ongoing costs funded through (shared) general fund subsidy

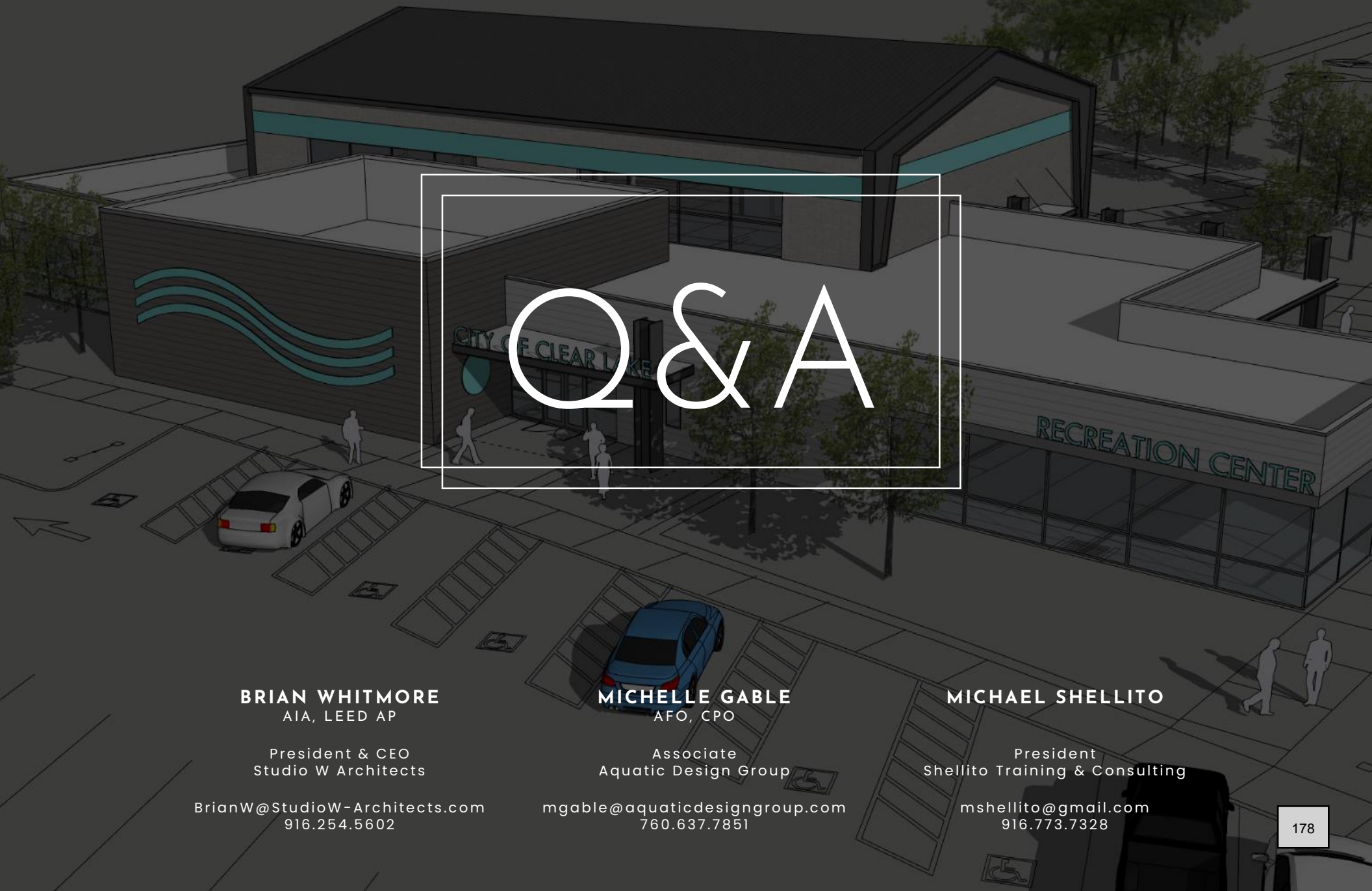
» PHASING

- » Consideration should be given to **phased construction** for the aquatics facility (indoor v. outdoor) and recreation facilities to manage capital outlay





Q & A



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