

# Gridley City Council – Regular Meeting Agenda

Monday, April 6, 2026; 6:00 pm

Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

*“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”*

The Public is encouraged to attend and participate in person. Comments from the public on agenda items will be accepted until 4 pm on April 6<sup>th</sup>, 2026, via email to [csantana@gridley.ca.us](mailto:csantana@gridley.ca.us) or via the payment/document drop box at Gridley City Hall and will be conveyed to the Council for consideration.

You may view using the following link, ID, and passcode:

<https://us06web.zoom.us/j/82808632139?pwd=jgCpFIHaBQyTKAiLqtx9RL1edc191h.1>

**CALL TO ORDER** - Mayor Farr

**ROLL CALL**

**PLEDGE OF ALLEGIANCE** – Councilmember Calderon

**PROCLAMATION** – None

**INTRODUCTION OF NEW OR PROMOTED EMPLOYEES** - None

**COMMUNITY PARTICIPATION FORUM** - *Members of the public may address the City Council on matters not listed on the agenda. The City Council may not discuss nor take action on any community participation item brought forward by a member of the community. Comments are requested to be limited to three (3) minutes.*

**CONSENT AGENDA**

**1. Council Meeting Minutes**

City Council to review and approve City Council minutes

*Recommended Action(s):*

- a. Approve special City Council meeting minutes dated March 23<sup>rd</sup>, 2026

**2. Electrical Surcharge Audit**

Review and accept the Electrical Surcharge Audit completed by California Department of Tax and Fee Administration.

*Recommended Action(s):*

- a. Approve CDTFA Electrical Surcharge Audit

**ITEMS FOR CONSIDERATION –**

**3. Planning Commission Vacancies**

Council to review Planning Commission letters of interest and consider appointment to the three vacant seats

*Recommended Action(s):*

- a. Receive and file the four (4) letters of interest submitted for the three (3) Planning Commission vacancies.
- b. Consider and make appointments to fill the three vacant Planning Commission seats.

**4. FY 2024-2025 Single Audit Report**

Council to review and accept the FY 2024-2025 Single Audit Report

*Recommended Action(s):*

- a. Approve FY 2024-2025 Single Audit Report

**5. Dia Del Nino Donation Request**

Council to consider the donation request from Wilson Elementary in support of Dia Del Nino

*Recommended Action(s):*

Receive and file this report confirming:

- a. Approve Resolution 2026-R-010: a Resolution of the City of Gridley authorizing a donation in the amount of \$300 in support of Dia Del Nino Celebration

**6. City Hall Postage Machine**

City Council to review 60-month lease agreement with Pitney Bowes for replacement of the City's postage machine

*Recommended Action(s):*

- a. Approve 60-month lease agreement with Pitney Bowes for replacement of the City Hall postage machine

**COUNCIL COMMITTEE REPORTS** - *Brief reports on conferences, seminars, and meetings attended by the Mayor and City Council members, if any.*

**CITY ADMINISTRATOR REPORTS** - Brief updates and reports on conferences, seminars, and meetings attended by the City Administrator, if any.

**DEPARTMENT UPDATE REPORTS**

- Police Department Quarterly Report, Chief Farr

**POTENTIAL FUTURE CITY COUNCIL ITEMS** - (Appearing on the Agenda within 30 days):

|   |           |
|---|-----------|
| Energy Efficiency Contract Review                     | 4/20/2026 |
| Randolph Lot Use Agreement - GUSD                     | 4/20/2026 |
| Steffen Estates Maintenance Assessment District Draft | 4/20/2026 |
| Expenditure Reports                                   | 4/20/2026 |

**CLOSED SESSION –**

7. Conference with Labor Negotiator Landon Little (Cal. Gov. Code Section 54957.6) – City Administrator)
8. Conference with Labor Negotiator Elisa Arteaga (Cal. Gov. Code Section 54957.6) – Electrical Director and Public Works Director

**ADJOURNMENT** – adjourning to a regular meeting on April 6<sup>th</sup>, 2026

**NOTE 1: POSTING OF AGENDA-** This agenda was posted on the public bulletin board at City Hall at or before 6:00 p.m., April 3<sup>rd</sup>, 2026. This agenda along with all attachments is available for public viewing online at [www.gridley.ca.us](http://www.gridley.ca.us) and at the Administration Counter in City Hall, 685 Kentucky Street, Gridley, CA.

**NOTE 2: REGARDING UNSCHEDULED MATTERS** – In accordance with state law, it shall be the policy of this Council that no action shall be taken on any item presented during the public forum or on unscheduled matters unless the Council, by majority vote, determines that an emergency situation exists, or, unless the Council by a two-thirds vote finds that the need to take action arose subsequent to the posting of this agenda.



# Gridley City Council – Special City Council Meeting Minutes

Monday, March 23, 2026; 3:00 pm  
Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

*“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”*

## CALL TO ORDER

Councilmember Sanchez called the meeting to order at 3:00 pm.

## PLEDGE OF ALLEGIANCE

Councilmember Sanchez led the Pledge of Allegiance.

## ROLL CALL

Present: Roberts, Calderon, Sanchez  
Absent: Farr (recused), Johnson (recused)  
Arriving after roll call: None

Staff Present: Elisa Arteaga, City Administrator  
Todd Farr, Police Chief  
Landon Little, Deputy City Attorney  
Martin Pineda, Finance Director  
Christopher Smith, Principal Planner  
Dave Harden, City Engineer

## COMMUNITY PARTICIPATION FORUM

The community participation forum was opened and seeing no one was present to speak, was closed.

**CONSENT AGENDA** – None

## PUBLIC HEARING

### 1. Public Hearing for Discussion of City Application to the State of California CDBG Program and 8-Step Decision-Making Process per Executive Orders 11988 and 13690

*Recommended Action(s):*

- a. Hold a public hearing to receive comments on the City’s proposed application for Community Development Block Grant (CDBG) funds, and

- b. Adopt Resolution 2026-R-009: a Resolution of the City of Gridley City Council approving an application for funding and the execution of a grant agreement and any amendments thereto from the 2025 funding year of the state CDBG program; and
- c. Approve the Floodplain Management 8-Step Decision Making Process per Executive Orders 11988 and 13690; and
- d. Authorize City Administrator to execute necessary documents

City Administrator Elisa Arteaga opened the public hearing, introduced the item, and welcomed Sherry Morgado of Housing Tools, who has been assisting the City with preparing the CDBG grant application.

Ms. Morgado provided an overview of the application process and outlined the steps the City has already taken to ensure compliance with all requirements. She also explained the required eight-step decision-making process due to the project's location within a floodplain. She recommended that the City proceed with the public hearing to gather input and consider approval of the grant application submission. Ms. Morgado then turned the presentation over to Engineer Dave Harden to discuss the project design and construction components.

Mr. Harden provided a detailed overview of the project design and explained how grant funding would be used if awarded.

Councilmember Sanchez expressed a desire for nearby homeowners to be notified of any changes as early as possible.

Councilmember Calderon asked whether nearby streets that are currently in poor condition would be addressed as part of the project. Mr. Harden responded that those improvements are not included within the scope of this project.

#### **ROLL CALL**

Motion: Roberts

Second: Calderon

Action: Hold a public hearing to receive comments on the City's proposed application for Community Development Block Grant (CDBG) funds, and adopt Resolution 2026-R-009: a Resolution of the City of Gridley City Council approving an application for funding and the execution of a grant agreement and any amendments thereto from the 2025 funding year of the state CDBG program; and approve the Floodplain Management 8-Step Decision Making Process per Executive Orders 11988 and 13690; and authorize City Administrator to execute necessary documents

Ayes: Roberts, Calderon, Sanchez

Noes: None

Absent: Farr, Johnson

Abstain: None

Motion passed, 3-0

## ITEMS FOR CONSIDERATION

### 2. Right-of-Way Acquisition Strategy – Laurel Street Extension Project (Informational)

*Recommended Action(s):*

- a. Receive information, no action is necessary

City Engineer Dave Harden informed the Council that he has been working with the Deputy City Attorney and developer James Ratliff on the right-of-way acquisition. Mr. Ratliff has provided an Irrevocable Offer of Dedication, allowing the City to demonstrate site control for grant purposes and authorization to construct within the proposed right-of-way. The offer has been recorded with the County and will be formally accepted by the City upon award of the grant.

**CLOSED SESSION** - None

## ADJOURNMENT

With no further items left to discuss, Councilmember Sanchez adjourned to the regular meeting on April 6<sup>th</sup>, 2026.

Approve: \_\_\_\_\_  
Elisa Arteaga, City Clerk



**City Council Agenda Item #2**  
Staff Report

|          |           |
|----------|-----------|
| <b>x</b> | Regular   |
|          | Special   |
|          | Closed    |
|          | Emergency |

**Date:** April 6, 2026  
**To:** Mayor and City Council  
**From:** Martin Pineda, Finance Director  
**Subject:** Electrical Surcharge Audit

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**Recommendation**

Staff respectfully request that the Mayor and City Council accept the attached Electrical Surcharge Audit completed by California Department of Tax and Fee Administration (CDTFA).

**Background**

The California Department of Tax and Fee Administration (CDTFA) conducted an audit of the City of Gridley's Electrical Energy Surcharge account for the period of January 1, 2023 through September 30, 2025. This represents the first audit of this account for the City.

The Electrical Energy Surcharge is collected from utility customers and remitted to the State based on electricity consumption. The audit reviewed the City's billing data, supporting worksheets, and reporting practices to verify compliance.

The audit identified a net liability of approximately \$7,329, which includes adjustments for underreported surcharge amounts, interest, and applicable penalties. This amount reflects both underpayments and credits identified during the audit period.

The audit findings indicate that the identified issues were primarily clerical and procedural in nature, rather than intentional noncompliance. The City demonstrated a good faith effort to comply with reporting requirements and maintained adequate documentation throughout the audit period.

**Fiscal Impact**

The audit results in a net payment obligation of approximately \$7,329 from the Electrical Utility Fund. This amount includes audit adjustments, interest, and penalties, offset by applicable credits.

**Attachments:**

CDTFA Final Audit Results



## CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

PO BOX 942879, SACRAMENTO, CA 94279-0001 MIC: 48  
 1-916-798-9515 • FAX 1-916-324-0677  
 www.cdffa.ca.gov

GAVIN NEWSOM  
 Governor

NICOLAS MADUROS  
 Secretary, Government Operations Agency

TRISTA GONZALEZ  
 Director

CITY OF GRIDLEY  
 685 KENTUCKY ST  
 GRIDLEY CA 95948-2117

Letter Date: March 6, 2026  
 Letter ID: L0034917581  
 Account Type: Electrical Energy  
 Account Number: 031-000013  
 Audit ID: A182144  
 Audit Period From: January 1, 2023  
 Audit Period To: September 30, 2025

## Final Audit Results

Dear CITY OF GRIDLEY:

We have completed our review of your account for the period(s) referenced above. Based on our examination, we have submitted our findings for issuance of a formal notice for the following amounts.

**Examination Period:** January 1, 2023 to September 30, 2025

|                                |               |
|--------------------------------|---------------|
| Surcharge                      | \$7,555.00    |
| Credits                        | \$ (226.00)   |
| Less Adjustments               | \$0.00        |
| Payments                       | \$ (8,424.32) |
| Interest through March 6, 2026 | \$773.32      |
| Penalty(ies)                   | \$322.00      |
| <b>Total**</b>                 | <b>\$0.00</b> |

\*\*If multiple billings have occurred, the audit liability may not equal the sum of the billings.

### Surcharge Measure Disclosed by Examination

|  | Surcharge Measure | Surcharge Difference |
|--|-------------------|----------------------|
| <b>10A Understated / Overstated Electrical Energy Sold to Consumers per Review of Billing Data Summarized by Class (kWh)</b>       | 29,088,132        | \$8,727.00           |
| <b>10B Reconciliation of Excess Surcharge Found per Examination of Billing Records to Excess Surcharge Reported 1Q-23 to 3Q-25</b> | -1,398            | (\$1,398.00)         |
| <b>Total</b>   | <b>29,086,734</b> | <b>\$7,329.00</b>    |

Note: Due to rounding differences, totals on this page may display differently on this page than the front page.

### Explanation of Findings

Type of Business Organization: Local government entity. Elisa Arteaga, City Administrator. Martin Pineda, Finance Director.

Start date of the Electrical Energy Surcharge account is January 1, 1975.

No prior audits. No status with the California Secretary of State.

|                           |  |
|---------------------------|--|
| Type of Transactions      | <p>City of Gridley is one of California's oldest municipal power agencies and provides electrical energy for the residents and businesses of Gridley. There are some sales of electrical energy to exempt customers such as the United States Post Office and insurance companies. Some customers have solar panels but the energy generated is minimal.</p>   |
| Books and Records         | <p>Computerized, double entry accounting system supported by documents of original entry. Books and records are adequate for Electrical Energy Surcharge reporting purposes. The city uses Tyler Technologies ERP Pro 10 software for their operations.</p> <p>The following books and records were provided for the entire audit period unless otherwise noted.</p> <p>Supporting worksheets used to file returns, monthly billing data by service class (My Billed Consumption Report Summary), copies of billing invoices as requested.</p> <p>Electrical Energy Surcharge is accrued in general ledger 600-0000-46644 Surcharge. The surcharge is separately stated on the billing invoices.</p>   |
| Reporting Method          | <p>The Electrical Energy Surcharge is reported based on kilowatt-hours noted in various reports. Source records used include billings from NCPA (Northern California Power Alliance) for electrical energy purchased, Electrical Sales &amp; Delivery Quarterly Reports (sent to the Energy Commission), and billings to exempt customers.</p> <p>The taxpayer did not report based on surcharge collected.</p>  |
| Verification and Findings | <p><b>Reconciliation of Supporting Worksheets to Reported Amounts</b><br/>A reconciliation of kilowatt-hours noted in the supporting worksheets to reported amounts resulted in material differences. We are unsure why there are such significant differences because the previous preparer of the return is no longer with the organization. We suspect it is a combination of clerical errors and incorrect data in the reports used to file. Further examination warranted. Additional details are available on MEMO-2 Recon.</p> <p><b>Examination of Billing Data</b><br/>Detailed billing data was requested and the representative was able to provide a report titled "My Billed Consumption Report Summary." The report contains summaries by service class but does not contain individual billings. More detailed billing data would be helpful in identifying exempt customers but that information is already available in the supporting worksheets and will be used because it is readily available.</p> <p>There are two main service categories noted in the billing data: E - Electric and D - Electric w/ Demand. Electric with demand has a different rate for electricity during peak demand hours of the day. The information was provided in monthly reports and the information is summarized on Schedule 10A-1.</p> <p>Exempt sales of electrical energy were noted in the supporting worksheets, summarized by billing account. The information is readily available and adequate for what we are trying to accomplish in the audit. Copies of billing invoices were requested, provided, and reviewed to verify that the transactions are valid exemptions. Details are available on Schedule 10A-2.</p> |

Total electrical energy billed less electrical energy billed to exempt customers equals the electrical energy subject to surcharge. The electrical energy subject to surcharge per examination of the records is reconciled to the reported electrical energy subject to surcharge with material differences noted. The differences are due to report errors, clerical errors, and one unfiled return due to uncertainty. Details are available on Schedule 10A.

#### Surcharge Collected But Not Reported

The surcharge billed to customers was found in the monthly My Billed Consumption Reports. A reconciliation of the surcharge billed to the surcharge expected per kilowatt-hours subject to the surcharge resulted in a net credit. This means that more surcharge is due than what was billed to customers, on average, for the audit period. However, there are two periods where more surcharge was billed than what was expected.

When discussed with the Business Services Supervisor, we suspect it may be related to solar generation by customers. Energy generated by the customer via solar panels and sent back to the grid would effectively make a "net meter" run backwards (reduction in kilowatt-hours metered). The reports used in the audit display the net kilowatt-hours but the surcharge is due on the gross kilowatt-hours consumed by the customer from the utility. We expect the amount of solar generation to be minimal. We also suspect that the surcharge is computed correctly by the billing system because we cannot think of another reason why more surcharge is billed than expected.

The surcharge is paid by the consumer and collected by the utility so the utility is not able to keep the surcharge balance. The surcharge must be returned to the customer if collected in excess or remitted to the state. The taxpayer was reminded that the surcharge is due on the gross kilowatt-hours consumed by customers from the utility. Details are available on Schedule 10B-1.

The excess surcharge found in the audit is reconciled to the reported excess surcharge resulting in a net credit. The credit is due to the large amount of excess surcharge reported in 4Q-24. However, excess surcharge was not found in a review of source records. The excess surcharge was reported because the preparer computed more surcharge due in their own worksheets than what the return computed using the same source amounts (computation errors).

Further, the same information was used for lines 1 through 9 in both the supporting worksheets and the Electrical Energy Surcharge return. However, line 10 was computed differently in the supporting worksheets which resulted in higher surcharge due. In order to report all the surcharge they felt that they owed, the preparer reported the difference on line 15 Excess Surcharge Collected.

Additional details are available on Schedule 10B.

#### Claim For Refund

Auditor requested that the taxpayer file a claim for refund to protect the credits found in 1Q-25 and 4Q-24.

Electrical Energy Surcharge was over reported in 1Q-25 because incorrect information was used to file. The supporting worksheets show that 2Q-25 information was used to file 1Q-25 which is odd considering the chronology of events. Both 1Q-25 and 2Q-25 returns were filed late and contained the exact same information. 1Q-25 was the last return filed by the previous preparer who was also the Assistant Finance Director. She is no longer with the organization. The only reasonable conclusion is that she made a mistake and referred to the wrong tab of information when filing the 1Q-25 return.

They asked if the form was required and auditor responded that it is not required but would protect the credits if anything unusual were to happen with the audit. They would like to opt out of filing the claim for refund form.

Taxpayer Claimed Amount 1Q-25: N/A  
Audited Amount 1Q-25: \$226.00

Auditor is also recommending a credit for the excess surcharge reported in 4Q-24 but is more of a reversal of incorrect surcharge reported. The preparer incorrectly used megawatt-hours instead of kilowatt-hours in one of the computations which resulted in a very large amount for line 7 energy lost in transmission. This large deduction resulted in a low amount of kilowatt-hours subject to the surcharge. However, the preparer computed a higher amount in her own worksheets because she used megawatt-hours again in another calculation which helped offset the first use of megawatt-hours. As a result, she reported the difference as excess surcharge but the amount reported is not truly excess surcharge. The audit approach corrects the errors mentioned so a reversal of the incorrectly reported excess surcharge is warranted.

#### Penalty

A 10% negligence penalty is not recommended on this first audit of the Electrical Energy Surcharge account. The errors are due to report errors and clerical errors which are the most common errors found in the program. The supporting worksheets were available for the audit period and show a good faith effort to report correctly. Records are in good order and were provided timely for review. No negligence note.

A 10% failure to file penalty is required for 3Q-25 due to returns not filed. The return was not filed because the new preparer was trying to improve the reporting process and was learning. The failure to file penalty is statutory.

#### Supervisor's Position

Supervisor concurs with the auditor's methodology and findings.

#### Credit Interest

Credit interest is recommended. The over reporting is due to the information used to file the returns. The preparer make a clerical error and used information from the wrong periods to file.

We would appreciate you taking a few minutes to complete the Audit Survey to help us evaluate the effectiveness of our audit program. The survey can be accessed online by visiting our website at [www.cdtfa.ca.gov](http://www.cdtfa.ca.gov), and clicking *Login*, which takes you to our Online Services webpage. Do not log in; scroll down to the bottom of the page and select the *Fill Out an Audit Survey* located under the *Limited Access Functions* column. You will need your audit ID to complete the survey.

If you have any questions relating to this letter, you may contact me at 1-916-309-0362.

Chris Miller  
Administrator



**City Council Agenda Item #3**  
Staff Report

**Date:** April 6, 2026  
**To:** Mayor and City Council  
**From:** Elisa Arteaga, City Administrator

|          |           |
|----------|-----------|
| <b>X</b> | Regular   |
|          | Special   |
|          | Closed    |
|          | Emergency |

**Subject:** Planning Commission Vacancies – Term Expiration: December 31, 2029

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**Recommendation**

City staff recommends that the City Council:

1. Receive and file the four (4) letters of interest submitted for the three (3) Planning Commission vacancies.
2. Consider and make appointments to fill the three vacant Planning Commission seats.

**Background**

The Planning Commission is a citizen advisory body of five members that plays a central role in guiding the City’s growth, development, and preservation of community character. The Commission operates under the authority granted by State law and the Gridley Municipal Code and serves as an important quasi-judicial body in local government decision-making.

The City of Gridley currently has three vacancies on the Planning Commission. Each position carries a four-year term, expiring December 31, 2029.

The City received four (4) letters of interest from individuals interested in serving on the Planning Commission. The City Council will review the submitted applications and may proceed with appointments to fill the three vacant seats.

**Financial Impact**

There is no additional financial impact associated with appointing three Planning Commissioners, as compensation for meeting attendance is already included in the approved budget.

**Attachments**

- 4 Letters of Interest
- Current Planning Commission Member Selection and Terms City Ordinance

### **2.12.030 Members--selection.**

The five members are to be selected by the city council. At least four members shall be registered voters of the city. One member may be chosen from the registered voters who reside within a distance of one-half mile from city limits as measured from the nearest point of city limits to the nearest edge of the property of said resident being considered.

(Ord. 805-2012 § 1, 2012: Ord. 454 § 2, 1984: Ord. 396 § 1, 1982: Ord. 308 § 3(part), 1977).

### **2.12.040 Members--terms.**

The terms of the planning commissioner shall be four years, with two terms commencing as of the first day of January of each even numbered year not divisible by four and three terms commencing as of the first day of January of each even-numbered year divisible by four. The terms of the planning commissioners serving as of the effective date of the ordinance codified in this section shall be continued until their natural expiration, at which time appointments will be made for the term prescribed by this section. Any vacancy in the office of the planning commissioner caused by any reason whatsoever, shall be filled by an appointment by the council, such appointments to coincide with the terms of office specified by this section.

(Ord. 454 § 3, 1984: Ord. 308 § 4, 1977).

Application for Planning Commission

Vern Hartman

Lifetime Gridley Area Resident

Cover letter – Application for appointment to Volunteer Gridley Planning Commission  
March 13, 2026

Currently I am a retired citizen living on the outskirts of Gridley. I have lived in the Gridley area since birth, having been one of the first babies born at Gridley Memorial Hospital in. I wish to be involved in maintaining the safe, small community atmosphere in our little town. #12

I have been involved with many Gridley organizations throughout my life. I was a member of Gridley Sportsman Club, a member of Moose for 46 years, and a member of Lions Club for 26 years. I have coordinated the Homeless Count in South Butte County in partnership with Butte County Homeless Coalition. I helped start and have continually supported “Kids’ Fishing Day” at Gray Lodge. I have cooked for these organizations on many occasions to help with fund-raising. I partnered with Gerald Slagle in obtaining a grant from “California Boating and Waterways” to secure and fund an open boat ramp for boating and water enthusiasts in the Gridley area.

Always an advocate for sports, I coached youth soccer, baseball and basketball for several years as my kids were growing up. I initiated a “Female Chain Gang” serving the Pop Warner audience to help the ladies learn and participate in the sport, making their viewing experiences more meaningful for positive interaction with the players. I would like to see Gridley develop with calculated concerns for both cultural and infrastructure aspects. We need to preserve the small-town flavor while tending to vital, wise decisions in such practical matters such as water, sewer, and power concerns. Growth will happen, and all stakeholders must share their ideas and concerns.

I hope my numerous community involvement activities have demonstrated my genuine concern for the well-being and positive enrichment for Gridley people of all ages.

Vern Hartman

APPLICATION FOR APPOINTMENT TO  
VOLUNTEER GRIDLEY PLANNING COMMISSION

APPLICANT INFORMATION

Name Vernon A Hartman  
 Address 1109 Richins AVE, Gridley, CA 95948  
 Home Phone 530 514 6616 Work/Cell Phone Same  
 Current Employer unemployed E-mail \_\_\_\_\_  
 Are you at least 18 years of age? Yes  No

EMPLOYMENT HISTORY

|  |   |   |
|--|---|---|
| Month/Year Worked<br>From: <u>1977</u><br>To: <u>1989</u><br>No. of People Supervised<br><u>0</u><br>Hours per Week <u>40</u>                      | Your Title<br><u>counter man</u><br>Duties <u>take orders for Plumber</u><br><u>and fill the orders and</u><br><u>take to plumber vehicle</u><br><u>or deliver to job site</u>  | Employer<br><u>Buttes Pipe &amp; supply</u><br>Address<br><u>Shasta ST Y C</u><br>Supervisor<br><u>Don Parker</u><br>Reason for Leaving<br><u>offered job at</u><br><u>Gridley school Dist.</u> |
| Month/Year Worked<br>From: <u>1994</u><br>To: <u>2006</u><br>No. of People Supervised<br><u>→</u><br>Hours per Week <u>1 to 3</u><br><u>40 hrs</u> | Your Title<br><u>Grounds man / Bus Driver</u><br>Duties <u>mow / spray / trim</u><br><u>all lawns in school Dist</u><br><u>trim trees hedges</u><br><u>Paint Football fields &amp; Track</u><br><u>blow out gutters on the roof</u><br><u>of all buildings</u><br><u>Drive Buss</u><br><u>Teams to away Games</u> | Employer<br><u>Gridley School Dist</u><br>Address<br><u>Gridley</u><br>Supervisor<br><u>AL Olson</u><br>Reason for Leaving<br><u>offered job at</u><br><u>Housing Authority Butte Co</u>        |
| Month/Year Worked<br>From: <u>2006</u><br>To: <u>2012</u><br>No. of People Supervised<br><u>→</u><br>Hours per Week <u>1 to 4</u><br><u>40 hrs</u> | Your Title<br><u>Head Grounds man</u><br>Duties <u>drive my crew</u><br><u>do different housing other</u><br><u>sites in Butte Co to do</u><br><u>grounds work &amp; or clean</u><br><u>out empty apt</u>   | Employer<br><u>House Authority of Butte Co.</u><br>Address<br><u>Chico</u><br>Supervisor<br><u>Joe Young</u><br>Reason for Leaving<br><u>retired</u>  |

## Carmen Santana

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**From:** Ciara Fisher <cfisher@countyofcolusaca.gov>  
**Sent:** Wednesday, April 1, 2026 1:51 PM  
**To:** Carmen Santana  
**Subject:** Planning Commission Application Letter

You don't often get email from cfisher@countyofcolusaca.gov. [Learn why this is important](#)

**ATTENTION:** This message originated from outside the **City of Gridley**. Please exercise judgment before opening attachments, clicking on links, or replying.

Dear Members of the City Council,

Please consider this email as my formal Letter of Interest to serve on the City of Gridley Planning Commission. As a Gridley resident, homeowner, and planning professional, I care deeply about the future of our community and would appreciate the opportunity to contribute to the City's growth and development in a meaningful way.

I currently work in the Colusa County Community Development and Planning and have over 9 years of professional experience reviewing development projects, zoning regulations, environmental review, and land use policy. Through my professional work, I have developed a strong understanding of planning principles, public process, and the importance of balancing growth with community character, infrastructure, agriculture, and environmental considerations. I believe this background would allow me to serve the City of Gridley thoughtfully, fairly, and with a solid technical understanding of planning issues.

As a resident of Gridley, I am personally invested in the City's future. I care about maintaining the character of our community while supporting responsible growth, economic development, housing opportunities, and infrastructure improvements. I also understand the importance of listening to residents, property owners, and applicants, and making decisions that are consistent with the General Plan, Zoning Ordinance, and the long-term vision of the City.

If appointed to the Planning Commission, I would approach the position with professionalism, preparation, and a commitment to making fair and well-reasoned decisions. I would be honored to have the opportunity to serve the City of Gridley in this capacity.

Thank you for your time and consideration.

Sincerely,

*Ciara Fisher*

390 Oregon Street  
Gridley, CA 95948  
(530) 933-0456  
cfisher@countyofcolusaca.gov (preferred) and ciara25fisher@gmail.com (personal)

Dear Members of the City Commission Selection Committee,

I am writing to express my strong interest in joining the City Commission and to share why I believe I would be a valuable and effective member of this group.

I bring a genuine commitment to serving my community, a strong passion for helping others and solving problems, and a hardworking mindset. I take pride in putting in the time and effort needed to get things done right, and I am willing to go the extra mile to ensure meaningful results. I am deeply interested in the issues that affect our city from public safety and infrastructure to economic development and community well-being—and I am motivated to help shape solutions that reflect the needs and voices of all residents. I also take safety seriously and prioritize the well-being of others in every decision I make.

One of my key strengths is my ability to engage, listen carefully with both English/Spanish speakers and consider diverse perspectives. I understand that city decisions impact people from all walks of life, and I approach discussions with respect, open-mindedness, and a willingness to collaborate. I believe this mindset is essential for building consensus and making balanced, informed choices.

In addition, I am dependable, detail-oriented, and committed to following through on responsibilities. I take preparation seriously and would dedicate the time needed to review materials, attend meetings, and engage with community members. My goal is not only to participate, but to actively contribute in a meaningful and constructive way.

I also value transparency and accountability in public service. If selected, I would strive to communicate clearly with residents, remain accessible, and uphold the trust placed in me by the community.

Overall, I am eager to bring my dedication, strong work ethic, and problem-solving mindset to the City Commission. I would be honored to serve and to help make a positive impact on our city's future.

Thank you for your time and consideration.

Sincerely,

Jose Santana



3/18/2026

**Edmund Punzo**

Gridley, CA

530-329-9095

Date: March 26, 2026

**Subject: Letter of Interest – Planning Commission Appointment**

To whom it may concern,

I am writing to express my interest in serving on the City of Gridley Planning Commission. As a community member of Gridley with a professional background in construction and project management, I am eager to contribute to the thoughtful growth and development of our community.

My experience combines both hands-on fieldwork and project oversight, giving me a practical understanding of how planning decisions translate into real-world outcomes. I have worked on construction projects that require coordination, budgeting, and strict regulatory guidelines — skills that directly relate to land use, zoning, and development review. This perspective allows me to evaluate projects not only from a compliance standpoint but also from feasibility, efficiency, and long-term community impact.

As someone actively involved in the local community and invested in its future, I care deeply about ensuring that Gridley develops in a way that is both sustainable and beneficial for residents. I believe my background positions me to offer practical, balanced input when reviewing projects and making planning decisions.

I am particularly interested in supporting efforts that improve local infrastructure, encourage responsible economic development all while maintaining the character of Gridley. I am committed to attending meetings regularly, engaging thoughtfully with staff and community members, and making decisions that reflect both data-driven analysis and community values.

Thank you for your time and consideration. I would be honored to serve the City of Gridley in this capacity.

Sincerely,

**Edmund Punzo, MBA**

**City Council Agenda Item #4**  
Staff Report

|          |           |
|----------|-----------|
| <b>x</b> | Regular   |
|          | Special   |
|          | Closed    |
|          | Emergency |

**Date:** April 6, 2026  
**To:** Mayor and City Council  
**From:** Martin Pineda, Finance Director  
**Subject:** Accept the FY 2024-2025 Single Audit Report

---

**Recommendation**

Staff respectfully request that the Mayor and City Council accept FY 2024-2025 Single Audit Report.

**Background**

The Finance Department has received the Single Audit Report for FY 2024–2025 and is pleased to share excellent results. For the first time in many years, there are no new findings, questions, or material weaknesses identified.

In addition, four longstanding findings had been reported in prior audits. The Finance Department has successfully addressed and cleared three of these findings. The remaining finding (referenced on pages 10–11 of the report) has an established corrective action plan in place; however, due to timing differences, it will carry forward into the next audit cycle.

The purpose of the Single Audit Report is to ensure that federal funds are used appropriately, evaluate internal controls and compliance, and promote transparency in federal program spending. This report is required for local governments that expend \$750,000 or more in federal funds within a single fiscal year.

Special recognition is extended to the Finance Department team for this achievement, with particular acknowledgment of Miguel Chavez, Business Services Supervisor, and Jacob Tanabe, Accountant. Their dedication, diligence, and commitment to excellence have been invaluable to the City.

**Fiscal Impact**

No fiscal impact to accept and file

**Attachments:**

2024-25 City of Gridley Single Audit Report\_C&ALLP\_FINAL

**CITY OF GRIDLEY, CALIFORNIA**  
**SINGLE AUDIT REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**



**Chavan & Associates, LLP**  
Certified Public Accountants  
16450 Monterey Road, Ste. 5  
Morgan Hill, CA 95037

**CITY OF GRIDLEY, CALIFORNIA**  
**SINGLE AUDIT REPORT**  
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**JUNE 30, 2025**

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH THE *UNIFORM GUIDANCE***

To the Honorable Mayor and Members of the  
City Council of the City of Gridley  
Gridley, California

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Gridley's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the fiscal year ended June 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (*Uniform Guidance*). Our responsibilities under those standards and *Uniform Guidance* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.



### *Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *Uniform Guidance* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *Uniform Guidance*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *Uniform Guidance*. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance***

We have audited the financial statements of City as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated February 23, 2026, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

C & A LLP

February 23, 2026  
Morgan Hill, California

**CITY OF GRIDLEY, CALIFORNIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

| Federal Grantor/Pass-Through Grantor/Program Title                         | Assistance<br>Listing | Pass-through<br>Identifying<br>Number | Federal<br>Expenditures |
|--|-----------------------|---------------------------------------|-------------------------|
| <b>U.S. DEPARTMENT OF THE TREASURY</b>                                     |                       |                                       |                         |
| Passed-Through California Department of Finance:                           |                       |                                       |                         |
| Coronavirus State and Local Fiscal Recovery Funds                          | 21.027                | OIG-CA-20-028                         | \$ 1,200,000            |
| Total U.S. Department of the Treasury                                      |                       |                                       | <u>1,200,000</u>        |
| <b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>                    |                       |                                       |                         |
| Passed-Through California Department of Housing and Community Development: |                       |                                       |                         |
| Community Development Block Grant Program                                  | 14.228                | Beginning Loan Balance                | 1,560,209               |
| Community Development Block Grant Program                                  | 14.228                | N/A                                   | 792,128                 |
| Community Development Block Grant Program                                  | 14.228                | 21-DRMHP-21010                        | 2,970                   |
| Community Development Block Grant Program                                  | 14.228                | N/A                                   | <u>5,133</u>            |
| Total Community Development Block Grant Program                            |                       |                                       | <u>2,360,440</u>        |
| HOME Investment Partnership Program  | 14.239                | <sup>(1)</sup> Beginning Loan Balance | 3,298,170               |
| HOME Investment Partnership Program  | 14.239                | <sup>(1)</sup> N/A                    | <u>5,546,250</u>        |
| Total U.S. Department of Housing and Urban Development                     |                       |                                       | <u>8,844,420</u>        |
| <b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>                                |                       |                                       |                         |
| Passed-Through State Water Resources Control Board:                        |                       |                                       |                         |
| Capitalization Grants for Clean Water State Revolving Funds                | 66.458                | D190102400                            | <u>26,037</u>           |
| Total U.S. Environmental Protection Agency                                 |                       |                                       | <u>26,037</u>           |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>                                |                       |                                       | <u>\$ 12,430,897</u>    |

<sup>(1)</sup> Audited as major program

Notes:

a) The City has elected not to use the 10 percent de minimus indirect cost rate allowed under *Uniform Guidance*.

b) There are no federal grants passed through to subrecipients.

The accompanying notes are an integral part of this financial statement.

**CITY OF GRIDLEY, CALIFORNIA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the City of Gridley (the City) under programs of the federal government for the fiscal year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *Title 2 U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. The City has elected not to use the 10 percent de-minimus indirect cost rate as allowed under *Uniform Guidance*.

**Note 3. Relationship to the Basic Financial Statements**

The amounts reported in the accompanying schedule agree, in all material respects, to amounts reported within the City's financial statements. Federal award revenues are reported principally in the City's financial statements as intergovernmental revenues.

**Note 4. Relationship to Federal Financial Reports**

Amounts reported in the accompanying schedule agree or can be reconciled with the amounts reported or to be reported in the federal financial reports.

**Note 5. Pass-Through Entities' Identifying Number**

When federal awards are received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the City has determined that no identifying number is assigned for the program, or the City was unable to obtain an identifying number from the pass-through entity.

**CITY OF GRIDLEY, CALIFORNIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

---

***Section I - Summary of Auditor's Results***

**Financial Statements**

Type of auditor's report issued **Unmodified**

Internal control over financial reporting:

    Material weaknesses? \_\_\_ Yes   x   No

    Significant deficiencies identified not  
    considered to be material weaknesses? \_\_\_ Yes   x   None Reported

Non-compliance material to financial statements noted? \_\_\_ Yes   x   No

**Federal Awards**

Internal control over major programs:

    Material weaknesses? \_\_\_ Yes   x   No

    Significant deficiencies identified not  
    considered to be material weaknesses? \_\_\_ Yes   x   None Reported

Type of auditor's report issued on compliance over major programs **Unmodified**

Any audit findings disclosed that are required to be reported in  
accordance with 2 CFR 200.516(a) \_\_\_ Yes   x   No

Identification of Major Programs:

| <u>CFDA Numbers</u> | <u>Name of Federal Program</u>      |
|---------------------|-------------------------------------|
| 14.239              | HOME Investment Partnership Program |

Dollar threshold used to distinguish between  
type A and type B programs: \$   750,000  

Auditee qualified as low risk auditee? \_\_\_ Yes   x   No

**CITY OF GRIDLEY, CALIFORNIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

---

***Section II - Financial Statement Findings***

No findings noted.

***Section III - Federal Award Findings and Questioned Costs***

No findings noted.

**CITY OF GRIDLEY, CALIFORNIA**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

---

***Section II - Financial Statement Findings***

**Finding 2024-001 - Financial Close (Material Weakness - Repeat Finding)**

**Criteria**

An effective internal control system and timely financial reporting provides reasonable assurance for the safeguarding of assets, the reliability of financial information, and compliance with laws and regulations.

**Condition**

During the audit, we proposed material audits adjustments to the City's general ledger which were agreed to and posted by management. In addition, management provided material adjustments subsequent to providing the trial balance. Inherently, material audit adjustments are indicative of ineffective financial reporting and closing. The timeliness of the adjustments is also indicative of an ineffective closing process.

**Cause**

Management was in the process of implementing financial and reporting and closing recommendations from previous audits during the close of this fiscal year. As such, there were still improvements that had not been implemented to ensure accounting records were closed timely and accurately.

**Effect**

The financial statements as presented to the auditors contained material misstatements that required adjustments.

**Recommendation**

We recommend the City continue to implement written closing procedures and establish a routine timeline for closing. Documenting the closing process involves identifying and gaining an understanding of: 1) the events or transactions included in the procedures that need to be performed, 2) the automated or manual procedures used in performing the process, 3) the person(s) or positions(s) responsible for performing the procedures, 4) the source documents used or generated during the closing process, 5) the procedures for required approval, review, and correction of any errors detected, and 6) the financial or operational entries or reports summarizing the result of the process.

We further recommend the City develop checklists or other guidance documents over the City's closing process to ensure all closing entries are captured in the City's general ledger in a timely manner, and supporting schedules agree and reconcile to respective account balances prior to the trial balance being provided for the audit.

**Corrective Action Plan**

Management has been diligently working toward the implementation of the auditor's recommendations and has made significant progress. Management will continue to establish and update internal processes, including financial reporting and closing, and provide training to key staff.

**Status**

Implemented

**CITY OF GRIDLEY, CALIFORNIA**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

---

**Finding 2024-002 - Negative Cash Balances (Material Weakness - Repeat Finding)**

**Criteria**

An effective internal control system and timely financial reporting provides reasonable assurance over the safeguarding of assets and the reliability of the classification financial information.

**Condition**

During our audit procedures to test cash and pooled cash balances, we identified the following:

- We noted 6 funds as of year-end which contained negative pooled cash balances. This was a decrease from 37 funds that had negative balances in the prior fiscal year.

**Cause**

The negative cash balances in each fund were not cleared during the annual close via interfund payables and receivables.

**Effect**

The financial statements as presented to the auditors contained material misstatements that required adjustments between the funds.

**Recommendation**

We recommend that management establish written procedures that establish when, why and how to review all funds for negative cash balances and what the corrective action should be to clear negative cash balances in a fund. The written procedures should also include a systematic and routine reconciliation of pooled cash to each fund once the negative cash is cleared.

Management should also ensure that interfund payables and receivables do not exceed one year from the fiscal year end by including written procedures related to the timing of interfund balances and when and how to clear those balances. If an interfund payables and receivables extend beyond one year, the balance should be converted to a formal loan agreement between the funds and recorded as an Advance.

**Corrective Action Plan**

The City has already taken corrective action by consolidating funds based on the nature of the fund and the restriction of the revenue stream. Management has also updated the City's year end closing process to required that all negative cash balances are reclassified to interfund payables and receivables.

**Status**

Implemented

**CITY OF GRIDLEY, CALIFORNIA**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

---

**Finding 2024-003 - Negative Fund Balances (Significant Deficiency - Repeat Finding)**

**Criteria**

GASB 54: *Fund Balance Reporting and Governmental Fund Type Definitions*, defines special revenue funds as funds used to report proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes, other than capital projects or debt service. In addition, per paragraph 31, a government should discontinue reporting a special revenue fund, and instead report the fund's remaining resources in the general fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources.

**Condition**

During our audit, we noted that the City's general ledger contains multiple funds classified as special revenue funds which either have had no activity for multiple years, have negative cash balances, have a negative fund balance, or a combination of these three issues.

**Cause**

The City was in the process of assessing the requirements of GASB 54 as they apply to special revenue funds and the City for this fiscal year.

**Effect**

The following funds ended the fiscal year with deficit fund balances:

|                                    | Deficit<br>Fund<br>Balance | Deficit<br>Net<br>Position |
|------------------------------------|----------------------------|----------------------------|
| SB 325 TDA Fund                    | \$ 535,349                 | \$ -                       |
| Traffic Safety Fund                | 44,151                     | -                          |
| Planning and Development Fund      | 692                        | -                          |
| Gas Tax Fund                       | 1,033,549                  | -                          |
| 2021 Vierra Park Improvements Fund | 51,216                     | -                          |
| Home Fund                          | 10,215                     | -                          |
| Gridley Sports Complex Fund        | 70,065                     | -                          |
| Senior Taxi Fund                   | -                          | 213,273                    |
| Totals                             | \$1,745,237                | \$213,273                  |

**Recommendation**

We recommend that management create written procedures that require the review of all funds for deficit fund balance during the budget process and corrective action be identified as a part of the budget process. The written procedures should include criteria regarding whether or not a fund still meets the definition of a separate fund type as listed in GASB 54 as compared to the fund's current classification. If there are special revenue funds with negative cash balances which should remain open, we recommend that management determine if the revenue source for which the fund was opened still exists, or if the General Fund is financing the activity of the fund. If the City no longer expects that a substantial portion of the

**CITY OF GRIDLEY, CALIFORNIA**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

---

inflows will derive from restricted or committed resources, the fund should be closed, and the remaining resources should be reported in the General Fund.

**Corrective Action Plan**

The City has made significant progress toward consolidating funds based on the nature of the fund and the restriction on the revenue stream which will be reflected in fiscal year 2024-25. For those that cannot be consolidated, the City will seek direction from the City Council.

**Status**

Implemented. Although certain funds did carry a deficit fund balance, those were due to timing differences that impact revenue recognition. Management is corrected the conditions that led to this finding.

***Section III - Federal Award Findings and Questioned Costs***

**Finding 2024-004 - Financial Reporting Timeliness (Significant Deficiency - Repeat Finding)**

**Criteria**

In accordance with CFR section 200.512 of the Uniform Guidance, the audit must be completed and the data collection form and reporting package must be submitted to the Federal Audit Clearinghouse within the earlier of 30 calendar days after receipt of the auditor's report(s) or nine months after the end of the audit period.

**Condition**

The 2024 Single Audit reporting package and data collection form have not been submitted to the Federal Audit Clearinghouse by the deadline of March 31, 2025.

**Cause**

Management has continued to make significant progress toward the implementation of audit recommendations from prior audits. However, the timing of performing audits for multiple fiscal years has been a tedious and difficult process, leading to delays in the fiscal year 2024 audit. Management expects the fiscal year 2025 to be submitted timely.

**Effect**

The City will automatically be considered high risk which means that at least 40% of its expenditures of federal awards will be required to be tested instead of 20%. Based on the composition of the City's schedule of expenditures of federal awards, we do not anticipate there will be a significant impact.

**Recommendation**

We recommend that the City continue to implement processes and procedures that will support a financial close by the end of October or November. The procedures should include specific timelines by phase and instructions for communicating with departments and what the department cut-offs will be.

**CITY OF GRIDLEY, CALIFORNIA**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

---

**Corrective Action Plan**

Management has been diligently working toward the implementation of the auditor's recommendations and has made significant progress. Management will continue to establish and update internal processes, including financial reporting and closing, and provide training to key staff.

**Status**

Implemented



**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**

To the Honorable Mayor and Members of the  
City Council of the City of Gridley  
Gridley, 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 City of Gridley (the “City”) as of and for the fiscal year ended June 30, 2025, 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 23, 2026.

**Report on Internal Control over Financial Reporting**

Management is responsible for establishing and maintaining effective 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) as a basis for designing 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City’s financial statements are free of 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 financial statements. 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*.

**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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C & A LLP

February 23, 2026  
Morgan Hill, California



**City Council Agenda Item #5**  
Staff Report

**Date:** April 6, 2026  
**To:** Mayor and City Council  
**From:** Elisa Arteaga, City Administrator

|          |           |
|----------|-----------|
| <b>X</b> | Regular   |
|          | Special   |
|          | Closed    |
|          | Emergency |

**Subject:** Wilson Elementary Donation Request – Día del Niño Celebration

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**Recommendation**

Staff recommends that the City Council approve a donation in the amount of \$300 in support of the Día del Niño Celebration scheduled for April 30, 2026. The funds will be used to purchase a bicycle to be given away as a prize during the event.

**Background**

The City has received a request for financial assistance to support the upcoming Día del Niño (Children’s Day) Celebration. This event is intended to honor and celebrate children in the community by providing a day filled with recreational activities, educational opportunities, and family-friendly experiences.

The event organizers are seeking community sponsorships and donations to help fund event-related costs, including supplies, activities, food, beverages, and small giveaways for participating children.

**Financial Impact**

Approval of the recommended action will result in a \$300 expenditure from the City’s existing budgeted donation funds.

**Attachments**

Donation Request Letter  
Resolution 2026-R-010

# McKinley Primary School



**WILSON**  
ELEMENTARY SCHOOL



Dear Community Partner,

I hope this message finds you well. We are excited to announce our upcoming Día del Niño celebration, taking place on April 30, 2026. This special event honors children in our community by

providing a day filled with fun, learning, and memorable experiences.

To make this event successful, we are seeking donations from generous supporters like you.

Contributions may include monetary donations, food, beverages, toys, school supplies, or sponsorships. Your support will help us create a meaningful and joyful celebration for children and

their families.

As a token of our appreciation, all donations are tax-deductible to the extent allowed by law. A receipt will be provided for your records.

Your generosity will have a direct and lasting impact on the children in our community, helping us

create a safe, inclusive, and festive environment where every child feels valued and celebrated.

If you are interested in supporting this event or would like more information, please feel free to contact us at your convenience.

Thank you for considering our request and for your continued support of our community.

Warm Regards,

Rhiannon Treat & Minden King

Principals

Please Contact (530) 415-3310  
Alma Ramos email [alma.ramos@gusd.org](mailto:alma.ramos@gusd.org)  
K-5 Schools Coordinator

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRIDLEY SUPPLEMENTAL APPROPRIATION  
IN THE AMOUNT OF \$300 TO GUSD FOR THE DIA DEL NINO CELEBRATION**

**WHEREAS**, the City of Gridley has received a request for financial assistance to support the Día del Niño Celebration scheduled for April 30, 2026; and

**WHEREAS**, the event is intended to provide a community celebration honoring children through recreational and family-friendly activities; and

**WHEREAS**, the organizers have requested community support to assist with event costs, including the purchase of a bicycle to be used as a prize; and

**WHEREAS**, the City Council finds that supporting this event benefits the community by promoting youth engagement and family participation.

**NOW, THEREFORE, BE IT RESOLVED:**

Gridley City Council approves the Supplemental Appropriation in the amount of \$300 from the General Fund account 010-4010-55000 in support of the Dia Del Nino Celebration.

**I HEREBY CERTIFY** that the foregoing resolution was introduced, passed, and adopted by the City Council of the City of Gridley at a regular meeting held on the 6<sup>th</sup> day of April, 2026 by the following vote:

AYES:            AGENCY MEMBERS    \_\_\_\_\_

NOES:            AGENCY MEMBERS    \_\_\_\_\_

ABSTAIN:        AGENCY MEMBERS    \_\_\_\_\_

ABSENT:         AGENCY MEMBERS    \_\_\_\_\_

ATTEST:

APPROVE:

\_\_\_\_\_  
Elisa Arteaga, City Clerk

\_\_\_\_\_  
Michael W. Farr, Mayor



**City Council Agenda Item #6**  
Staff Report

**Date:** April 6, 2026  
**To:** Mayor and City Council  
**From:** Tyson Pardee, IT Manager

|          |           |
|----------|-----------|
| <b>X</b> | Regular   |
|          | Special   |
|          | Closed    |
|          | Emergency |

**Subject:** City Hall Postage Machine - Pitney Bowes Lease Agreement

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**Recommendation**

City staff respectfully recommend the City Council approve the 60-month lease agreement with Pitney Bowes for replacement of the City’s postage machine.

**Background**

This City utilizes the postage machine to send out utility bills, important notices, and miscellaneous letters to its residents. The postage machine is key equipment for City Staff to conduct business.

The City’s primary postage machine has been in use for the past five years and has reached the end of its lease term. Staff recommend entering into a new lease agreement that includes a new postage machine. An informal bid process was conducted, and staff recommend selecting Pitney Bowes. While Pitney Bowes did not submit the lowest bid their bid does include all parts and labor. The lowest bid by Quadiant’s includes labor but does not include some items, like rollers, which will wear out over time.

The proposed lease agreement spans 60 months and includes a monthly fee that covers the lease cost, parts, and labor for any necessary maintenance.

**Financial Impact**

The annual cost is \$2,015.28. The current amount the city pays is \$1,913.52. Approval of this new lease agreement will increase the annual cost by \$101.76.

**Attachments**

- 01\_ Informal Bid Info
- 02\_ Pitney Bowes

| <b>Company</b> | <b>Monthly</b> |
|----------------|----------------|
| Quadient       | \$145.31       |
| Pitney Bowes   | \$167.94       |
| FP             | \$240.00       |
| Data Pack      | \$362.76       |



|   |        |   |
|---|--------|---|
| 1 | PTJA   | PitneyShip Basic 1 User                                       |
| 1 | PTJN   | Single User Access  |
| 1 | PTK1   | Web Browser Integration                                       |
| 1 | PTK2   | SendPro C Series Shipping Integration                         |
| 1 | SJS2   | Softguard For SendPro C500                                    |
| 1 | SPACRL | Return Lbl/Instr - SendPro Auto C                             |
| 1 | STDSLA | Standard SLA-Equipment Service Agreement (for SendPro C Auto) |
| 1 | ZH24   | Manual Weight Entry   |
| 1 | ZH29   | HZ03 95 LPM Speed   |
| 1 | ZHC5   | SendPro C500 Base System Identifier                           |
| 1 | ZHD5   | USPS Rates with Metered Letter                                |
| 1 | ZHD7   | E Conf Services for Metered LTR. BDL                          |
| 1 | ZHD9   | Retail Ground LOR   |
| 1 | ZHWL   | 5lb/3kg Weighing Option for MP81                              |

### Your Payment Plan

| Initial Term: 60 months |                | Initial Payment Amount: |  |
|-------------------------|----------------|-------------------------|--|
| Number of Months        | Monthly Amount | Billed Quarterly at*    |  |
| 60                      | \$ 167.94      | \$ 503.82               |  |

\*Does not include any applicable sales, use, or property taxes which will be billed separately.  
If the equipment listed above is replacing your current meter, your current meter will be taken out of service once this lease commences.

- Tax Exempt Certificate Attached
- Tax Exempt Certificate Not Required
- Purchase Power<sup>®</sup> transaction fees included
- Purchase Power<sup>®</sup> transaction fees extra

**Your Signature Below**

By signing below, you agree to be bound by your State's/Entity's/Cooperative's contract, which is available at <http://www.pb.com/states> and is incorporated by reference. The terms and conditions of this contract will govern this transaction and be binding on us after we have completed our credit and documentation approval process and have signed below. If software is included in the Order, additional terms apply which are either (i) included in your State's contract which is available at <http://www.pb.com/states> or (ii) available by clicking on the hyperlink for that software located at [https://www.naspo.valuepoint.org/search/?term=pitney+bowes&page\\_ref=contractors](https://www.naspo.valuepoint.org/search/?term=pitney+bowes&page_ref=contractors). Those additional terms are incorporated by reference.

NASPO VALUEPOINT CTR058808; 7-22-70-50-03  
State/Entity's Contract#

**Signature:**

\_\_\_\_\_  
Lessee Signature  
\_\_\_\_\_  
Print Name  
\_\_\_\_\_  
Title  
\_\_\_\_\_  
Date  
\_\_\_\_\_  
Email Address

**Email:** tpardee@gridley.ca.us

**Title:**

\_\_\_\_\_  
Pitney Bowes Signature  
\_\_\_\_\_  
Print Name  
\_\_\_\_\_  
Title  
\_\_\_\_\_  
Date

**Sales Information**

|                  |                      |                  |
|------------------|----------------------|------------------|
| Jacob Leonard    | jacob.leonard@pb.com |                  |
| Account Rep Name | Email Address        | PBGFS Acceptance |



# Quarterly Council Report

## City of Gridley

Todd W. Farr  
Chief of Police



### Arrest and Incident Summary Activity for January to March 2026:

|                           | Quarterly | Year Total |
|---------------------------|-----------|------------|
| • Adult Arrests           | 86        | 86         |
| • Juvenile Arrests        | 9         | 9          |
| • Misdemeanor Arrests     | 71        | 71         |
| • Felony Arrests          | 24        | 24         |
| • Felony Crimes Reported  | 46        | 46         |
| • Misdemeanor Crimes      | 100       | 100        |
|                           |           |            |
| • Total Incidents         | 3,577     | 3,577      |
|                           |           |            |
| • Battery                 | 7         | 7          |
| • Burglary                | 5         | 5          |
| • Deceased Person         | 5         | 5          |
| • Vandalism               | 21        | 21         |
| • Stolen Vehicle          | 2         | 2          |
| • Robbery                 | 0         | 0          |
| • Public Intoxication     | 9         | 9          |
| • Medical Aid             | 25        | 25         |
| • Area Checks             | 1,064     | 1,064      |
| • Pedestrian Checks       | 85        | 85         |
| • Disturbing the Peace    | 75        | 75         |
| • Animal Calls            | 283       | 283        |
|                           |           |            |
| • Total 911 Calls         | 529       | 529        |
| • Total Accidents         | 20        | 20         |
| • Total Traffic Citations | 223       | 223        |
| • DUI Arrest              | 13        | 13         |
| • Traffic Stops           | 459       | 459        |

**Response times for this month are as follows:**

Priority 1- Events that involve injury and are life threatening or in progress.

Priority 2- Events that involve property loss or damage.

Priority 3-Events that do not involve injury, threat of life, property loss or damage.

**Priority Times:**

Priority 1: 3:11 MIN

Priority 2: 3:23 MIN

Priority 3: 3:20 MIN

Overall average response times to all calls for service:

3:37 Min.