

4. Reporting of Fraud, Abuse, and Questionable Practices / Internal Audit

No formal ethics policy provided. State that concerns are reviewed internally by the Administrative Services Director. No information provided on the Internal Audit function.

5. Financial and Public Reporting Practices / General Fund Unrestricted Balance

(No comments)

6. Procurement and Contracting

Purchases in excess of \$5,000 require a competitive bid process. Procedures for emergency purchases are outlined. Exceptions include when only available from one vendor, or with the approval of the City Manager. Sole source and change order procedures provided.

Bell

1. Governance

Major City goals established for FY 2012-13, Roles defined in City Charter, Conflict of Interest Policy adopted by Resolution Sept. 2010. Investment Policy adopted by Resolution May 2005.

2. Audit Committee / Audit Procurement

(No additional comments)

3. Accounting Policies and Procedures / Internal Controls

(No additional comments)

4. Reporting of Fraud, Abuse, and Questionable Practices / Internal Audit

Adopted a "Code of Ethics and Values" and "Fraud Prevention" policy in July 2008.

5. Financial and Public Reporting Practices / General Fund Unrestricted Balance

(No additional comments)

6. Procurement and Contracting

(No additional comments)

Burbank

1. Governance

Comprehensive strategic plan entitled "Our Plan, Our Future, Our Burbank – A Strategic 10 Year Plan for the City of Burbank 2011-2021" Presents very well structured mission, goals and specific objectives. Key performance indicators provided in the annual budget for each Department tied to specific goals and strategies. Performance indicators are quantified, and information for most provided for a 3 year period. Role and duties of the City Manager defined by the City Charter and employment agreement. Very specific goals established for the City Manager for FY 2010-11 including Balanced and Strategic 5-Year Budget, Improved Communication, Business Process Improvement, Continued

Environmental Leadership, and Improved Disaster Preparedness, Economic Development, and Address Police issues. Annual evaluation of the City Manager required by the employment agreement. Adopted a Conflict of Interest Policy and code in conformity with state law. Adopts investment policy annually.

2. Audit Committee / Audit Procurement

The Council Audit Sub-Committee, which includes two city council members, reviews and approves all financial audit services.

3. Accounting Policies and Procedures / Internal Controls

City currently in the process of establishing Accounting Policies and Procedures and documenting internal controls. Internal controls are reviewed as part of the annual audit.

4. Reporting of Fraud, Abuse, and Questionable Practices / Internal Audit

City currently finalizing a formal fraud policy. Fraud documentation reviewed by the Council Audit Sub-Committee. Internal auditors perform transient occupancy and parking audits and some specialty audits. Follow AICPA standards.

5. Financial and Public Reporting Practices / General Fund Unrestricted Balance

Financial policy requires a designated General Fund working capital reserve equivalent to 15% of the General Fund's operating budget and a designated emergency reserve equivalent to 5% of the General Fund's operating budget.

6. Procurement and Contracting

City code and policy requires competitive procurement except in specific circumstances including purchases under \$5,000, when obtainable from only one vendor, when unique, and in emergencies. Documentation is required. Change orders for public works construction works street projects are done based on unit prices fixed by the contractors bid. Other change orders negotiated pursuant to contract terms. Policies provide for a negotiated proposal process for professional services where the most qualified is identified and the fee and payment schedule is negotiated. Amendments to contracts (change orders) must go through a formal approval process.

Cerritos

1. Governance

No "strategic plan" with mission, vision, core values, and goals provided. The budget (Combined Financial Program) provides financial objectives and some activity descriptions and objectives for individual departments. Also provides some activity and activity workload indicators, but no performance indicators focused on outcomes or effectiveness of activities. The eligibility, powers, duties, etc. for the City Manager defined in the City Charter and Municipal Code.

Stated City Manager goals defined in the performance evaluation process.

Conflict of Interest policy adopted by resolution November 2010. Investment policy provided – adopted annually with budget.

2. Audit Committee / Audit Procurement

Audit Committee is a management practice – includes Director of Administrative Services, Budget Manager, Finance Manager, finance and MIS staff. Audit contract prohibits conflicts and statement of independence in compliance with standards included in selected audit firm's proposal. Bid from selected audit firm indicates competitive process for selection. Contract term is for 2010, 2011, 2012 with the option to extend for 2 subsequent years.

3. Accounting Policies and Procedures / Internal Controls

Provided a statement that desk manual with appropriate guidance for finance staff exist for key functions and include documentation of internal control procedures. Copies not provided due to proprietary and confidential information contained in them. Unable to determine when developed or review / update schedule. Internal control flow charts for FY 2009 from independent auditors provided. Stated exception reports and correction action plans for control weaknesses would be developed by external auditors. All employees can report inappropriate override of internal controls to the Human Resources Division.

4. Reporting of Fraud, Abuse, and Questionable Practices / Internal Audit

Council adopted "Travel Expense Reimbursement and Ethics Training Policy" in May 2006. Focused on ethics related to travel and reimbursement for expenses. Council also given information on ethics at the Oct. 16, 2004 City Council meeting. State audit / finance functions authorized by City Charter – Charter does not include an internal audit function.

5. Financial and Public Reporting Practices / General Fund Unrestricted Balance

In the comments they state that reserves generally have been significantly in excess of two months of regular general fund operating revenues (and often in excess of one year of such revenues), the City has opted not to establish a fund balance policy. There has been a concern that such a policy, in our situation, actually could encourage additional spending of reserves – resulting in a reduction to the adopted level.

6. Procurement and Contracting

Municipal Code requires purchases by formal or informal bid except for emergencies or obtainable from only a single or sole source. Also provides an exemption if the City Council has determined in the best interest of the City to do so. RFP's for architectural / engineering services procurements include consideration of fees and Municipal Code requires purchases by formal or informal bid except for emergencies or obtainable from only a single or sole source. Also provides an exemption if the City Council has determined in the best interest of the City to do so. RFP's for architectural / engineering services procurements include consideration of fees and resources required to perform the requested services.

Compton

1. Governance

Roles are defined in the City Charter - Charter specifically defines the relationship between the Council and Manager (Section 2-2.8). Goals not set for City Manager due to search being conducted for new City Manager. Code of ethics included in the "Standard Operating Manual" and effective April 1997 City Council adopted updated "Conflict of Interest Code" November 2010. Follow FPPC requirements for ethics training. Adopted annual statement on investment policy for FY 2010-11 March 2011.

2. Audit Committee / Audit Procurement

City Council is the Audit Committee – given the responsibility by the Charter. City Controller point of contact for the audit contractor. Audit RFP provided – specifically states audit to be conducted in accordance with multiple audit standards. Also requires specific affirmative statement on independence. RFP indicates selection is through a competitive process. Term is for 2010, 2011, and 2012 with a one-time option of a 2 year extension.

3. Accounting Policies and Procedures / Internal Controls

Financial Policies and Procedures and Internal Controls provided. Adopted by City Council June 2009. No regular schedule for review and update. States the City Council authorizes the City Manager to periodically review and amend as necessary.

4. Reporting of Fraud, Abuse, and Questionable Practices / Internal Audit

No formal ethics policy, follow FPPC rules and have annual ethics training. Internal Auditor reports to the City Controller, who is appointed by the City Council. Policies state the International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors (IIA) serve as guidelines for internal audit activities.

5. Financial and Public Reporting Practices / General Fund Unrestricted Balance

CAFR available in the City Clerk's Office and on the City's website. General Fund reserve listed in TOC of Financial Policies and Procedures Manual (Section 4.1) but not provided, Not mentioned in investment policy.

6. Procurement and Contracting

Procurement policies require competitive bid for purchases estimated to cost \$7,500 or more. Non-competitive procurement is allowed when only one vendor is qualified, an emergency exists, or competition is determined to be inadequate. Policy requires agencies to document details of non-competitive procurements. No specific policies regarding architectural or engineering procurements, fair prices for negotiated contracts or change orders. No specific policies on contract compliance and oversight.

Culver City

1. Governance

City goals outlined in the City Manager's budget message and the work plans for each department. State that much of the City's strategic planning has focused around the budget process since the economic downturn in 2008. Roles defined in the City Charter. City Manager goals outlined in the work plans for the City Manager's Office in the annual budget. Conflict of Interest and Investment policies adopted.

2. Audit Committee / Audit Procurement

State that the Finance and Judiciary Committee established by municipal code serve as the Audit Committee (code provides no role in audit). Also state the independent auditors and City Manager meets with the Committee to the report.

Contract indicates the independent auditor is selected through a competitive RFP process. City Council requires competitive selection at least every five years.

3. Accounting Policies and Procedures / Internal Controls

Accounting manual develop February 2006 – state they are currently reviewing and updating. City Council financial policies revised in June 2009. No information on internal controls provided.

4. Reporting of Fraud, Abuse, and Questionable Practices / Internal Audit

City Charter section stating: "it is the policy of the City that all officers and employees of the City shall observe the highest standards of ethics." State that individuals can send anonymous letters to the City. The few allegations have been investigated. State that given its size there is no internal audit function. The CFO / Treasurer has the authority to investigate irregularities.

5. Financial and Public Reporting Practices / General Fund Unrestricted Balance

State the City is in the process of procuring a new financial system. City Council adopted financial policies in June 2009 including a goal of maintaining a general operating reserve of, at a minimum, 25% of projected General Fund operating expenditures and an additional 5% for emergency situations.

6. Procurement and Contracting

Procurement policies require formal bid for purchases over \$30,000, and informal bid for purchases between \$2,500 and \$30,000. Personal and professional services (architectural/engineering) are exempt from competitive bidding. Other specific exemptions provided, including sole source and emergencies. Specific policies and procedures exist for change orders, but do not include fair pricing provisions.

Downey

1. Governance

City Council developed and ranked goals and departmental priorities in 2009 and had a follow-up in January 2012 of City Council priorities for 2012. No mission, vision, core

values, or SWOT analysis. Performance measure information provided for most departments in the budget document. Most measures are process or workload indicators – little or no outcome or results information. Duties of Council and City Manager defined in the City Charter. Goals for City Manager same as goals identified as City Council priorities for 2012. Conflict of Interest Code adopted October 2010. Policy for ethics training adopted in November 2006. Investment policy adopted February 2011.

2. Audit Committee / Audit Procurement

Stated the Budget Committee is an “Audit/Budget Committee.” Only referred to as the “Budget Committee in committee assignments – no indication this committee plays a role in the annual independent audit. State accountants report directly to the Finance Director who reports to the Audit/Budget Committee.

3. Accounting Policies and Procedures / Internal Controls

Policies and procedures contained in the “administrative regulations” provided. Many adopted in the 1980’s and early 1990’s with no evidence of more recent review or revision. No documentation of internal controls provided.

4. Reporting of Fraud, Abuse, and Questionable Practices / Internal Audit

State reporting of fraud is through unrestricted accessibility to the City Manager, Assistant City Manager, City Attorney, and Human Resources. No documentation of internal audit function or standards.

5. Financial and Public Reporting Practices / General Fund Unrestricted Balance

State a policy exists defining unrestricted fund balance; however levels of unrestricted fund balances evaluated on an annual basis by the City Council.

6. Procurement and Contracting

Only documentation provided is for professional services, requiring competitive procurement over \$10,000.

Glendale

1. Governance

Budget document includes strategic goals adopted by the City Council. Also presents accomplishments and initiatives, “quick facts” and performance measures for each strategic goal. Annual report 2011-12 provides an overview of the City’s operations and provides key performance measures for each strategic objective. Measures are quantified, and include the 2011 target and actual and the target for 2012. Roles defined in the City Charter. City Manager goals are part of the performance evaluation process and considered confidential. Conflict of Interest and Investment policies adopted.

2. Audit Committee / Audit Procurement

Specific Audit Committee established in the municipal code with specific duties. Five members from the Community. Compliance with GAO standards included in the contract scope of work. RFP process required every 3 years, can hire the same firm if most qualified and competitive bid.

3. Accounting Policies and Procedures / Internal Controls

Comprehensive accounting manual with revision dates, many within the past 3 years. Other policies indicated no updates for many years. Specific internal controls and steps provided.

4. Reporting of Fraud, Abuse, and Questionable Practices / Internal Audit

City maintains an "ethics hotline" which is accessed and reviewed by the Human Resources Director and Internal Audit for appropriate response. City Auditor (Internal Audit) created in municipal code and given duties including internal audit.

5. Financial and Public Reporting Practices / General Fund Unrestricted Balance

Charter has a requirement for a general reserve fund to maintain the City on a cash basis. State that the City's general fund reserve limit is set by Council policy and is revisited each year in January after all financial reports are complete. The last time the policy was altered was in 2006 when the reserve amount was lowered from 35% of the City's general fund operating budget to 30%.

6 Procurement and Contracting

Procurement policies require formal bid for purchases over \$50,000, and informal bid for purchases under \$50,000. Policies and procedures for sole source and emergency purchases provided. Specific policies and procedures exist for change orders, but do not include fair pricing provisions.

Industry

1. Governance

Roles defined in the City Charter. Conflict of interest and Investment policies adopted.

2. Audit Committee / Audit Procurement

Engagement letter with independent letter references independence standard.

3. Accounting Policies and Procedures / Internal Controls

Some policies and procedures on internal controls provided.

4. Reporting of Fraud, Abuse, and Questionable Practices / Internal Audit

(No additional comments)

5. Financial and Public Reporting Practices / General Fund Unrestricted Balance

Stated the city is in the process of updating its website and city officials will consider posting the annual financial statements at a later date.

6. Procurement and Contracting

Municipal code establishes basic procurement policies and procedures. Projects under \$30,000 can be procured through negotiated contract or purchase order. Under \$125,000 by informal bid process. Projects over \$125,000 require formal bid process.

Inglewood

1. Governance

City Charter provided as defining role of Executive - City Administrator responsibilities and qualifications listed. A draft "Ethical Standards and Conflict of Interest Guidelines" was developed in February 2012 – has not been adopted by City Council. Investment policy and guidelines adopted by City Council on December 11, 2007.

2. Audit Committee / Audit Procurement

City is in the process of developing an audit committee to review the City's investments and policy and provide oversight of the financial audit. The Charter requires the City Council to employ a public accountant, but does not specify how they are to be procured, the term of the contract, or provision of non-audit services.

3. Accounting Policies and Procedures / Internal Controls

Financial policies are fairly general and brief (6 pages), have no dates or updates. Stated all accounting policies and procedures are currently being reviewed in order to update for internal controls and document procedures.

4. Reporting of Fraud, Abuse, and Questionable Practices / Internal Audit

City has developed a draft "Fraud In The Workplace Policy/Procedures." Not clear how current fraud and abuse concerns are currently addressed.

5. Financial and Public Reporting Practices / General Fund Unrestricted Balance

Inglewood does not produce a CAFR, only basic financial statements, which are available on the City's website. City financial policy states "It is the policy of the City of Inglewood to establish and maintain at least a reserve fund balance for the General Fund equal to 8% of the current year's expenditure appropriations and adequate operating reserves for all other funds to be reviewed at least annually." No evidence adopted by City Council. Unreserved fund balance at the end of FY 10 was -18%.

6. Procurement and Contracting

Inglewood Municipal Code provides specific exceptions to competitive bidding. Instructions for making a sole-source purchase were provided.

Irwindale

1. Governance

Strategic plan outlining mission and goals, as well as objectives for each City Department contained in the City budget. Includes how each objective will be accomplished, measured and tracked – could be improved with more quantitative performance measures. City Manager duties outlined in the City Charter and municipal code. No

specific goals for the City Manager provided. Conflict of Interest Policy adopted by City Council by resolution on Sept. 24, 2008. Investment Policy ratified by City Council by resolution on June 22, 2011.

2. Audit Committee / Audit Procurement

Mayor and City Council serve in the capacity of the audit committee, and independent audit report presented to them as required by State law. The City does not have a formal policy relating to the use or procurement of independent auditors, uses policies for professional services. Required the current audit firm to change partners upon completion of the contract ending for FY 2008-09. It is Staff's intent to pursue a request for proposals process following the termination of this current contract. We do not use our auditor for non-audit services.

3. Accounting Policies and Procedures / Internal Controls

Accounting policies and procedures were updated and documented in 2008 and again in December 2010 with the implementation of a new financial system. Will put in place a schedule to maintain the accounting policies and procedures updated on a regular basis, not to exceed every three years. The only procedures that have not been updated in the last three years are for fixed assets. Internal control procedures included in the Accounting Policy and Procedures. Independent auditors spend two weeks reviewing and evaluating internal controls, provide City Council with a "Report on Internal Control over Financial Reporting and on Compliance and other matters based on an audit of Financial Statements performed in accordance with Governmental Auditing Standards" which would outline any deficiencies or material weaknesses in internal controls. Should weaknesses be noted, corrective action plans would be required which include a timeline. The City maintains a locked comment box in our employee lunch room whereby information is shared anonymously if needed. Only the human resources department has access to this box.

4. Reporting of Fraud, Abuse, and Questionable Practices / Internal Audit

City Council adopted ethics policy by resolution July 2007. Copy of ethics code included with each City Council agenda. State that being a small City, the cost of maintaining an internal audit function would most likely outweigh any benefit derived.

5. Financial and Public Reporting Practices / General Fund Unrestricted Balance

Received GFOA Certificate of Achievement for Excellence in Financial Reporting. City Council passed a fund reserve policy in June 2011 requiring at least \$5 Million with the intent to provide a minimum of 3 months operating expenditures.

6. Procurement and Contracting

The City does not have formally adopted policies and procedures relating to procurement and contracting. A draft Purchasing Policy is anticipated to be considered by the City Council in March 2012. The City has adopted the State of California Public Contract Code, Standard for Public Works Construction, and State of California Department of Transportation Construction contract Administration, which are used for all public works contracts and address items 61 and 64.

Lancaster

1. Governance

Strategic Plan from 2005 – provides vision and core values. Also provides goals for the period 2005-2007. More current goals and priorities are provided in the annual budget, which also presents the vision, mission, and core values. Role of the City Manager defined in Municipal Code. Goals for the City Manager outlined in his budget message. City Council adopted a conflict of interest policy by ordinance in February 1994. City Council adopted an investment policy by resolution in October 2011.

2. Audit Committee / Audit Procurement

City Council action taken in 2008 to appoint a Council member as the audit representative. Selection of the auditor follows general procurement policies for professional services.

3. Accounting Policies and Procedures / Internal Controls

Provided policies and procedures. No internal controls information provided.

4. Reporting of Fraud, Abuse, and Questionable Practices / Internal Audit

Code of ethics and conduct adopted. Policy on whistle blowing and retaliation allow employees to report retaliation to supervisor, manager, Human Resources, or the City Attorney.

5. Financial and Public Reporting Practices / General Fund Unrestricted Balance

In 1996 the City Council established a policy to maintain an unallocated reserve in the General Fund equal to 10% of expenditures and transfers to buffer any unexpected change in the revenue / expenditure picture. Subsequent policy established a “financial stability reserve fund” to maintain service levels during economic downturns.

6. Procurement and Contracting

Purchases under \$125,000 require written quotations, purchases over \$125,000 require formal bidding. Professional services over \$125,000 are through RFP and negotiations. Exceptions for emergencies and sole source are provided.

Palmdale

1. Governance

Strategic Plan covering 2008-13 provided. Includes mission, vision, values, strategic goals and action plans with responsibility assigned and expected completion dates. Included substantial community participation and assessments of external conditions and municipal services. Also included completion metrics. Roles of City Manager defined in municipal code. City Manager goals established during closed performance evaluation session with the City Council – considered confidential information. Conflict of Interest and Investment policies adopted.

2. Audit Committee / Audit Procurement

Selection of the auditor follows general procurement policies for professional services.

3. Accounting Policies and Procedures / Internal Controls

Policies and procedures provided – most adopted many years ago and indicate no review or revision dates. No internal controls information provided.

4. Reporting of Fraud, Abuse, and Questionable Practices / Internal Audit

State that policies, including fraud reporting, are informal, with a draft comprehensive policy in review. Concerns are reported to the City Manager or City Attorney. Human Resources policies prohibit retaliation. City provides ethics training as required.

5. Financial and Public Reporting Practices / General Fund Unrestricted Balance

Adopted fund balance policy consistent with GASB 54 including minimum fund balance of 10% of the next year's annual budgeted operating expenditures.

6. Procurement and Contracting

Purchases between \$2,500 and \$30,000 require a determination that the price is fair and reasonable. Purchases between \$30,000 and \$125,000 may be made through an information competitive process. Purchases over \$125,000 require a formal competitive process. Change order must be approved by City Manager and/or City Council.

Pasadena

1. Governance

City Council developed mission, vision, core values and three year goals in November 2010. Discussion included SWOT analysis. Also included specific strategies with responsibility assigned. Council reviews and updates every six months. Council and City Manager roles defined in the City Charter. No information on specific City Manager goals provided other than the strategic plan.

Conflict of Interest and Investment policies adopted.

2. Audit Committee / Audit Procurement

The City Charter formally and specifically gives the Finance Committee the responsibility to "perform the functions of an audit committee." RFP for audit requires compliance with standards, and indicates selection is competitive.

3. Accounting Policies and Procedures / Internal Controls

Comprehensive policies and procedures – state in the process of updating some of the accounting policies and procedures. Comprehensive internal controls policies and procedures.

4. Reporting of Fraud, Abuse, and Questionable Practices / Internal Audit

"Ethical Standards for Employees" adopted by the City. Internal Audit policies and procedures developed in July 2002 outline specific standards for internal audit. State internal audit position was eliminated a year ago due to budget. Some duties were re-assigned to the Finance Director and Controller.

5. Financial and Public Reporting Practices / General Fund Unrestricted Balance

Council updated its fund balance policy in 2011, including establishing an “emergency contingent commitment of General Fund of 20% of the General Fund annual appropriations for fiscal years beginning after FY 2014.

6. Procurement and Contracting

Competitive bidding or competitive selection required for contracts over \$25,000. Exemptions include for emergencies, or when in the best interest of the City.

Pomona

1. Governance

Council developed mission, vision, motto, core values, and three year goals in June 2011 through a facilitated strategic planning session. Discussion included SWOT analysis. Also included specific strategies with responsibility assigned. Powers and duties of City Council and City Manager defined in the Municipal Code. Code also requires an annual evaluation of the City Manager. Conflict of Interest code adopted by resolution December 2010. Investment Policy adopted by resolution December 2010.

2. Audit Committee / Audit Procurement

Municipal Code allows the accountant or firm to be designated annually for a period not exceeding three years.

3. Accounting Policies and Procedures / Internal Controls

Finance and accounting policies and procedures very comprehensive and detailed. State that while the City of Pomona does not conduct a one-time annual review or on some other predetermined basis, the City Manager and Finance Director monitor trends, events and occurrences and make changes to policies and procedures as needed.

4. Reporting of Fraud, Abuse, and Questionable Practices / Internal Audit

Ethics policy and code adopted by City Council February 2006. Also a “fraud prevention” administrative policy and procedure in October 2008. Provides specific definitions of fraud and procedures for reporting and investigating allegations of fraud. Specifically directs employees to take reports to a higher level of management and/or the City Manager or designee.

5. Financial and Public Reporting Practices / General Fund Unrestricted Balance

City Council adopted a Fund Balance policy in June 2011 by resolution – requires a committed fund balance equal to 17% of operating expenditures of the General Fund for operating contingencies and catastrophic events.

6. Procurement and Contracting

Competitive bidding required for purchases over \$30,000 with specific exceptions including items only available from one source.

Comprehensive procurement policies and procedures including compliance with non-competitive procurement, negotiated process for architectural / engineering services, change orders, and compliance and oversight.

Redondo Beach

1. Governance

City Council developed mission, vision, core values and three year goals in September 2011 through a facilitated strategic planning session. Discussion included SWOT analysis. Also included specific strategies with responsibility assigned. City Manager also provided an update to City Council in January 2012. Information provided in the budget on the activities of each department. No performance indicators focused on outcomes or results. Duties of the City Manager defined in the municipal code. City Manager roles, responsibilities, and rules of conduct adopted in November 2011. City Manager performance evaluation guidelines and criteria, and sample evaluation form provided. Conflict of Interest and Investment policies adopted.

2. Audit Committee / Audit Procurement

City Council adopted and appointed an Audit Committee as a standing committee in May 2008. Charter states audit contract is competitive upon the recommendation of the City Manager. City Financial Principles include the City routinely bidding for audit services, at a minimum, every five years, with audit contracts not exceeding 5 years at a time.

3. Accounting Policies and Procedures / Internal Controls

Comprehensive policies and procedures –some with original and revision dates – others without. Many policies with revision dates over 3 years. City Charter assigns budgeting and financial management responsibilities to the elected City Clerk. Internal controls reviewed by the independent auditor.

4. Reporting of Fraud, Abuse, and Questionable Practices / Internal Audit

Comprehensive “Fraud in the Workplace” policy and procedures. Allows employees to take concerns to higher management or City manager and grants “whistle-blower” protection. Provides detailed steps for review and investigation of concerns.

5. Financial and Public Reporting Practices / General Fund Unrestricted Balance

Policy adopted in December 2004 requiring the City to maintain a minimum reserve for contingencies equivalent to 8.33% of the General Funds in the current fiscal year budget.

6. Procurement and Contracting

Purchases over \$5,000 require a sealed bid, except Public Works contracts under \$50,000. Change order policies and procedures adopted in August 1993.

Santa Monica

1. Governance

Biennial budget provides goals, objectives and service benchmarks for each department, including the City Manager. No performance measures showing results or outcomes. Roles defined by City Charter. Annual performance review of the City Manager by the City Council required by the City Manager's contract. Conflict of Interest and Investment policies adopted.

2 Audit Committee / Audit Procurement

State have an "informal" audit committee of City staff. Selection of the auditor follows general procurement policies for professional services.

3. Accounting Policies and Procedures / Internal Controls

Have some accounting policies and procedures documented – but not complete. Internal controls reviewed by the independent auditor.

4. Reporting of Fraud, Abuse, and Questionable Practices / Internal Audit

No formal ethics policy, but active in promulgating instructions on ethical behavior and reviewing and investigating concerns. Internal audit Division not formally authorized, but referred to in policies and procedures developed for internal audit.

5. Financial and Public Reporting Practices / General Fund Unrestricted Balance

Financial policies adopted with the budget include a policy that the City maintain a General Fund operating contingency equal to at least 10% of the following year's General Fund operating and capital expenditures and subsidies to other funds.

6. Procurement and Contracting

Competitive bidding required for purchases over \$100,000 with specific exemptions, including for professional services.

Signal Hill

1. Governance

Strategic Plan developed in 2005-06 – covers the period 2006-11. Includes the City's mission and goals, ranked by priority. Includes a SWOT analysis and input from public meeting and employees. No performance measure information provided. Roles defined in the City Charter. City Manager outlined goals for the City Council's review, and the City Council conducted an evaluation and amended the City Manager's contract. Conflict of Interest and Investment policies adopted.

2. Audit Committee / Audit Procurement

City could not locate information on the competitive selection of the auditor.

3. Accounting Policies and Procedures / Internal Controls

Comprehensive policies and procedures – not clear when some were adopted or when last reviewed or revised. State review and revision is an ongoing process.

Comprehensive internal controls policy and checklists.

4. Reporting of Fraud, Abuse, and Questionable Practices / Internal Audit

Adopted “Ethical Work Practices for Employees Conflict of Interest” policy in March 2001. Adopted a “Workplace Integrity and Fraud Prevention” policy in July 2010. Directs employees to report concerns to supervisor, manager, personnel manager, City Attorney, or City Manager.

State the internal audit function is part of the job descriptions of the finance staff..

5. Financial and Public Reporting Practices / General Fund Unrestricted Balance

Financial policies establish an “economic uncertainties” reserve and require the City maintain a combined General Fund reserve and economic uncertainties reserve equal to a minimum of six months operating expenses.

6. Procurement and Contracting

Municipal code requires all purchases over \$250 be made through bid, with those over \$15,000 by formal bid and contract. Exceptions include emergencies, only available from on vendor, or made under an open purchase order.

Temple City

1. Governance

City Council held a goal setting sessions in April and May 2011 – established goals for FY’s 2011-13 including a goal to formalize a long range strategic plan. In the process of formalizing the strategic planning process for the City Council by June 2012. Conflict of Interest Code adopted by resolution September 2010. Investment Policy receipt acknowledged by resolution June 2011.

2. Audit Committee / Audit Procurement

Selection of auditor follows procurement policy for professional services.

3. Accounting Policies and Procedures / Internal Controls

Accounting policies and procedures provided – not very detailed, only 5 pages. Adopted October 2002 with no indication of review or update. Includes basic information on internal controls. Accounting policies currently under review – will be completed June 2012. Internal controls reviewed annually by independent auditor.

4. Reporting of Fraud, Abuse, and Questionable Practices / Internal Audit

No ethics policy provided other than Conflict of Interest Code.

5. Financial and Public Reporting Practices / General Fund Unrestricted Balance

The City does not develop a CAFR. The City’s website provides the basic financial statement for FY 2007-08 – more current financial statements not available on the City’s website. State the City will adopt a General Fund Reserve Policy by March 2012.

6. Procurement and Contracting

City policy requires purchases over \$25,000 to be made by formal bidding process. Current purchasing policy being reviewed, with a new policy to be adopted by June 2012. Change orders require Council approval.

Torrance

1. Governance

Comprehensive strategic plan including Mission, Vision Statement, Values, Citizen's Preamble, and Strategic Priorities (Goals). Also included specific sub-goals and an implementation plan, which serve as the goals for the City Manager. Roles defined in the Community and Employee guide books.

Conflict of Interest and Investment policies adopted.

2. Audit Committee / Audit Procurement

(No Notes)

3. Accounting Policies and Procedures / Internal Controls

Several policies and procedures provided – some have revision dates – others do not. Most show revision date of March 2002.

4. Reporting of Fraud, Abuse, and Questionable Practices / Internal Audit

State fraud concerns addressed by the Finance Director and Audit Manager. Code of Ethics adopted in April 2008. Audit Manager (internal audit) position created in 1998.

5. Financial and Public Reporting Practices / General Fund Unrestricted Balance

(No notes)

6. Procurement and Contracting

Purchases of \$40,000 or more require competitive procurement – provides exceptions for professional services, sole source purchases, and other specific purchases. Purchases are reviewed by the Purchasing Manager for compliance. No specific policies for procuring architectural / engineering services.

Vernon

1. Governance

Provided the City's General Plan, which is a land used plan required by the State, not a strategic plan. No performance measure information. Roles defined in City Charter. Conflict of Interest and Investment Policies adopted.

2. Audit Committee / Audit Procurement

No documentation of an audit committee. Have retained an independent reform monitor whose duties include internal controls and audit. No independence statement or requirement found. Current auditor has been the City's auditor since 1999, which was selected competitively at that time.

3. Accounting Policies and Procedures / Internal Controls

Policies and procedures provided. Do not include information on when adopted, reviewed, or revised. Includes information on internal controls.

4. Reporting of Fraud, Abuse, and Questionable Practices / Internal Audit

State the City adopted an “open door” policy for all complaints and or grievances. Ethics training provided in June 2011. No documentation of an internal audit function – provided information requiring examination and auditing claims and demands (invoices) prior to payment – this is not an internal audit function.

5. Financial and Public Reporting Practices / General Fund Unrestricted Balance

City has a policy establishing a “dry period” reserve to balance the fact that a significant portion of the City’s annual revenues are received during the latter half of the fiscal year. Does not address the issue of unrestricted fund balance.

6. Procurement and Contracting

Competitive bidding required “whenever possible.” Award to lowest responsible bidder “to the extent practical.” No evidence of policies on fair pricing or negotiated contracts, sole source contracting, or change orders.

Whittier

1. Governance

Stated that the City Council meets regularly to discuss priorities prior to adopting the budget. Adopt a work plan that serves as a strategic plan and evaluate priorities. Has also adopted a values statement. No City Manager goals provided. Conflict of Interest and Investment policies adopted.

2. Audit Committee / Audit Procurement

None

3. Accounting Policies and Procedures / Internal Controls

City Controller has desk procedures in lieu of accounting policies and procedures.

4. Reporting of Fraud, Abuse, and Questionable Practices / Internal Audit

No ethics policy provided.

5. Financial and Public Reporting Practices / General Fund Unrestricted Balance

City’s fund balance policy established a General Fund contingency reserve for emergencies at a minimum equivalent to 5% of the following years General Fund budgeted operating expenditures.

6. Procurement and Contracting

Purchases over \$10,000 require competitive bidding.

Additional Charts (not included in body of the report)

Audit Committee/Audit Procurement Directly Responsible							
Alhambra	Arcadia	Bell	Burbank	Cerritos	Compton	Culver City	Downey
No	No	No	No	Yes	No	No	No
Glendale	Industry	Inglewood	Irwindale	Lancaster	Palmdale	Pasadena	Pomona
Yes	No	No	No Response	Yes	No	Yes	No Response
Redondo Beach	Santa Monica	Signal Hill	Temple City	Torrance	Vernon	Whittier	
No	No	No Response	No	No Response	No	No	

Audit Committee/Audit Procurement Report to Committee							
Alhambra	Arcadia	Bell	Burbank	Cerritos	Compton	Culver City	Downey
No	No	No	Yes	Yes	No	No	No
Glendale	Industry	Inglewood	Irwindale	Lancaster	Palmdale	Pasadena	Pomona
No	No	No	No Response	Yes	No	No	No Response
Redondo Beach	Santa Monica	Signal Hill	Temple City	Torrance	Vernon	Whittier	
No	No	No Response	No	No Response	No	No	

Audit Committee/Audit Procurement Non-Audit Approval							
Alhambra	Arcadia	Bell	Burbank	Cerritos	Compton	Culver City	Downey
No Response	No	No Response	Yes	No Response	No	No	No Response
Glendale	Industry	Inglewood	Irwindale	Lancaster	Palmdale	Pasadena	Pomona
Yes	No	No	No Response	No Response	No	No Response	No Response
Redondo Beach	Santa Monica	Signal Hill	Temple City	Torrance	Vernon	Whittier	
Yes	No	No Response	No	No Response	No Response	No	

Accounting Policies and Procedures/Internal Controls Internal Controls Override Reporting							
Alhambra	Arcadia	Bell	Burbank	Cerritos	Compton	Culver City	Downey
No	Yes	No	No	Yes	Yes	Yes	Yes
Glendale	Industry	Inglewood	Irwindale	Lancaster	Palmdale	Pasadena	Pomona
Yes	No	No	Yes	Yes	Yes	Yes	Yes
Redondo Beach	Santa Monica	Signal Hill	Temple City	Torrance	Vernon	Whittier	
Yes	No	Yes	Yes	Yes	Yes	Yes	

Reporting of Fraud, Abuse, and Questionable Practices/Internal Audit Fraud/Abuse Concerns Reviewed							
Alhambra	Arcadia	Bell	Burbank	Cerritos	Compton	Culver City	Downey
No	No Response	No	Yes	Yes	No	Yes	Yes
Glendale	Industry	Inglewood	Irwindale	Lancaster	Palmdale	Pasadena	Pomona
No Response	No	Yes	No	No	Yes	Yes	No
Redondo Beach	Santa Monica	Signal Hill	Temple City	Torrance	Vernon	Whittier	
Yes	No	Yes	No	Yes	Yes	No	

Reporting of Fraud, Abuse, and Questionable practices/Internal Audit Internal Audit in Accord with GAO Standards							
Alhambra	Arcadia	Bell	Burbank	Cerritos	Compton	Culver City	Downey
No	No Response	No	Yes	Yes	Yes	No	Yes
Glendale	Industry	Inglewood	Irwindale	Lancaster	Palmdale	Pasadena	Pomona
No Response	No	No	No Response	No Response	No Response	Yes	No Response
Redondo Beach	Santa Monica	Signal Hill	Temple City	Torrance	Vernon	Whittier	
Yes	Yes	Yes	No	Yes	Yes	No	

Reporting of Fraud, Abuse, and Questionable practices/Internal Audit Internal Audit Reports to Audit Committee							
Alhambra	Arcadia	Bell	Burbank	Cerritos	Compton	Culver City	Downey
No	No Response	No	Yes	Yes	No	No	Yes
Glendale	Industry	Inglewood	Irwindale	Lancaster	Palmdale	Pasadena	Pomona
No Response	No	No	No Response	No Response	No Response	Yes	No Response
Redondo Beach	Santa Monica	Signal Hill	Temple City	Torrance	Vernon	Whittier	
Yes	No	Yes	No	No Response	Yes	No	

Financial and Public Reporting Practices / General Fund Unrestricted Balance Independently Audited in Accord with GAAP/GAS							
Alhambra	Arcadia	Bell	Burbank	Cerritos	Compton	Culver City	Downey
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Glendale	Industry	Inglewood	Irwindale	Lancaster	Palmdale	Pasadena	Pomona
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Redondo Beach	Santa Monica	Signal Hill	Temple City	Torrance	Vernon	Whittier	
Yes	Yes	Yes	Yes	Yes	Yes	Yes	

EXHIBIT 1¹⁴

General Law City v. Charter City

Characteristic	General Law City	Charter City
Ability to Govern Municipal Affairs	Bound by the state's general law, regardless of whether the subject concerns a municipal affair.	Has supreme authority over "municipal affairs." Cal. Const. art. XI, § 5(b).
Form of Government	State law describes the city's form of government. For example, Government Code section 36501 authorizes general law cities be governed by a city council of five members, a city clerk, a city treasurer, a police chief, a fire chief and any subordinate officers or employees as required by law. City electors may adopt ordinance which provides for a different number of council members. Cal. Gov't section 34871. The Government Code also authorizes the "city manager" form of government. Cal. Gov't Code § 34851.	Charter can provide for any form of government including the "strong mayor," and "city manager" forms. See Cal. Const. art. XI, § 5(b); Cal. Gov't Code § 34450 <i>et seq.</i>
Elections Generally	Municipal elections conducted in accordance with the California Elections Code. Cal. Elec. Code §§ 10101 <i>et seq.</i>	Not bound by the California Elections Code. May establish own election dates, rules, and procedures. See Cal. Const. art. XI, § 5(b); Cal. Elec. Code §§ 10101 <i>et seq.</i>
Methods of Elections	Generally holds at-large elections whereby voters vote for any candidate on the ballot. Cities may also choose to elect the city council "by" or "from" districts, so long as the election system has been established by ordinance and approved by the voters. Cal. Gov't Code § 34871. Mayor may be elected by the city council or by vote of the people. Cal. Gov't Code §§ 34902.	May establish procedures for selecting officers. May hold at-large or district elections. See Cal. Const. art. XI, § 5(b).
City Council Member Qualifications	<p>Minimum qualifications are:</p> <ol style="list-style-type: none"> 1. United States citizen 2. At least 18 years old 3. Registered voter 4. Resident of the city at least 15 days prior to the election and throughout his or her term 5. If elected by or from a district, be a resident of the geographical area comprising the district from which he or she is elected. <p>Cal. Elec. Code § 321; Cal. Gov't Code §§ 34882, 36502; 87 Cal. Op. Att'y Gen. 30 (2004).</p>	Can establish own criteria for city office provided it does not violate the U.S. Constitution. Cal. Const. art. XI, § 5(b), 82 Cal. Op. Att'y Gen. 6, 8 (1999).

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Characteristic	General Law City	Charter City
Public Funds for Candidate in Municipal Elections	No public officer shall expend and no candidate shall accept public money for the purpose of seeking elected office. Cal. Gov't Code § 85300.	Public financing of election campaigns is lawful. <i>Johnson v. Bradley</i> , 4 Cal. 4th 389 (1992).
Term Limits	May provide for term limits. Cal. Gov't Code § 36502(b).	May provide for term limits. Cal. Const. art. XI, § 5(b); Cal Gov't Code Section 36502 (b).
Vacancies and Termination of Office	An office becomes vacant in several instances including death, resignation, removal for failure to perform official duties, electorate irregularities, absence from meetings without permission, and upon non-residency. Cal. Gov't Code §§ 1770, 36502, 36513.	May establish criteria for vacating and terminating city offices so long as it does not violate the state and federal constitutions. Cal. Const. art. XI, § 5(b).
Council Member Compensation and Expense Reimbursement	Salary-ceiling is set by city population and salary increases set by state law except for compensation established by city electors. See Cal. Gov't Code § 36516. If a city provides any type of compensation or payment of expenses to council members, then all council members are required to have two hours of ethics training. See Cal. Gov't Code §§ 53234 - 53235.	May establish council members' salaries. See Cal. Const. art. XI, § 5(b). If a city provides any type of compensation or payment of expenses to council members, then all council members are required to have two hours of ethics training. See Cal. Gov't Code §§ 53234 - 53235.
Legislative Authority	<p>Ordinances may not be passed within five days of introduction unless they are urgency ordinances. Cal. Gov't Code § 36934.</p> <p>Ordinances may only be passed at a regular meeting, and must be read in full at time of introduction and passage except when, after reading the title, further reading is waived. Cal. Gov't Code § 36934.</p>	May establish procedures for enacting local ordinances. <i>Brougher v. Bd. of Public Works</i> , 205 Cal. 426 (1928).
Resolutions	May establish rules regarding the procedures for adopting, amending or repealing resolutions.	May establish procedures for adopting, amending or repealing resolutions. <i>Brougher v. Bd. of Public Works</i> , 205 Cal. 426 (1928).
Quorum and Voting Requirements	<p>A majority of the city council constitutes a quorum for transaction of business. Cal. Gov't Code § 36810.</p> <p>All ordinances, resolutions, and orders for the payment of money require a recorded majority vote of the total membership of the city council. Cal. Gov't Code § 36936. Specific legislation requires supermajority votes for certain actions.</p>	May establish own procedures and quorum requirements. However, certain legislation requiring supermajority votes is applicable to charter cities. For example, see California Code of Civil Procedure section 1245.240 requiring a vote of two-thirds of all the members of the governing body unless a greater vote is required by charter.

Characteristic	General Law City	Charter City
Rules Governing Procedure and Decorum	<p>Ralph Brown Act is applicable. Cal. Gov't Code §§ 54951, 54953(a).</p> <p>Conflict of interest laws are applicable. See Cal. Gov't Code § 87300 <i>et seq.</i>.</p>	<p>Ralph Brown Act is applicable. Cal. Gov't Code §§ 54951, 54953(a).</p> <p>Conflict of interest laws are applicable. See Cal. Gov't Code § 87300 <i>et seq.</i>.</p> <p>May provide provisions related to ethics, conflicts, campaign financing and incompatibility of office.</p>
Personnel Matters	<p>May establish standards, requirements and procedures for hiring personnel consistent with Government Code requirements.</p> <p>May have "civil service" system, which includes comprehensive procedures for recruitment, hiring, testing and promotion. See Cal. Gov't Code § 45000 <i>et seq.</i></p> <p>Meyers-Milias-Brown Act applies. Cal. Gov't Code § 3500.</p> <p>Cannot require employees be residents of the city, but can require them to reside within a reasonable and specific distance of their place of employment. Cal. Const. art. XI, § 10(b).</p>	<p>May establish standards, requirements, and procedures, including compensation, terms and conditions of employment for personnel. See Cal. Const. art. XI, § 5(b).</p> <p>Procedures set forth in Meyers-Milias-Brown Act (Cal. Gov't Code § 3500) apply, but note, "[T]here is a clear distinction between the <i>substance</i> of a public employee labor issue and the <i>procedure</i> by which it is resolved. Thus there is no question that 'salaries of local employees of a charter city constitute municipal affairs and are not subject to general laws.'" <i>Voters for Responsible Retirement v. Board of Supervisors</i>, 8 Cal.4th 765, 781 (1994).</p> <p>Cannot require employees be residents of the city, but can require them to reside within a reasonable and specific distance of their place of employment. Cal. Const. art. XI, section 10(b).</p>
Contracting Services	<p>Authority to enter into contracts to carry out necessary functions, including those expressly granted and those implied by necessity. See Cal. Gov't Code § 37103; <i>Carruth v. City of Madera</i>, 233 Cal. App. 2d 688 (1965).</p>	<p>Full authority to contract consistent with charter.</p> <p>May transfer some of its functions to the county including tax collection, assessment collection and sale of property for non-payment of taxes and assessments. Cal. Gov't Code §§ 51330, 51334, 51335.</p>

Characteristic	General Law City	Charter City
<p>Public Contracts</p>	<p>Competitive bidding required for public works contracts over \$5,000. Cal. Pub. Cont. Code § 20162. Such contracts must be awarded to the lowest responsible bidder. Pub. Cont. Code § 20162. If city elects subject itself to uniform construction accounting procedures, less formal procedures may be available for contracts less than \$100,000. See Cal. Pub. Cont. Code §§ 22000, 22032.</p> <p>Contracts for professional services such as private architectural, landscape architectural, engineering, environmental, land surveying, or construction management firms need not be competitively bid, but must be awarded on basis of demonstrated competence and professional qualifications necessary for the satisfactory performance of services. Cal. Gov't Code § 4526.</p>	<p>Not required to comply with bidding statutes provided the city charter or a city ordinance exempts the city from such statutes, and the subject matter of the bid constitutes a municipal affair. Pub. Cont. Code § 1100.7; see <i>R & A Vending Services, Inc. v. City of Los Angeles</i>, 172 Cal. App. 3d 1188 (1985); <i>Howard Contracting, Inc. v. G.A. MacDonald Constr. Co.</i>, 71 Cal. App. 4th 38 (1998).</p>
<p>Payment of Prevailing Wages</p>	<p>In general, prevailing wages must be paid on public works projects over \$1,000. Cal. Lab. Code § 1771. Higher thresholds apply (\$15,000 or \$25,000) if the public entity has adopted a special labor compliance program. See Cal. Labor Code § 1771.5(a)-(c).</p>	<p>Historically, charter cities have not been bound by state law prevailing-wage requirements so long as the project is a municipal affair, and not one funded by state or federal grants. <i>Vial v. City of San Diego</i>, 122 Cal. App. 3d 346, 348 (1981). However, there is a growing trend on the part of the courts and the Legislature to expand the applicability of prevailing wages to charter cities under an analysis that argues that the payment of prevailing wages is a matter of statewide concern. The California Supreme Court currently has before them a case that will provide the opportunity to decide whether prevailing wage is a municipal affair or whether it has become a matter of statewide concern.</p>

CHARTER CITIES – EXHIBIT 1

Characteristic	General Law City	Charter City
<p>Finance and Taxing Power</p>	<p>May impose the same kinds of taxes and assessment as charter cities. See Cal. Gov't Code § 37100.5.</p> <p>Imposition of taxes and assessments subject to Proposition 218. Cal. Const. art.XIIIC.</p> <p>Examples of common forms used in assessment district financing include:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Improvement Act of 1911. Cal. Sts. & High. Code § 22500 <i>et seq.</i>. <input type="checkbox"/> Municipal Improvement Act of 1913. See Cal. Sts. & High. Code §§ 10000 <i>et seq.</i>. <input type="checkbox"/> Improvement Bond Act of 1915. Cal. Sts. & High. Code §§ 8500 <i>et seq.</i>. <input type="checkbox"/> Landscaping and Lighting Act of 1972. Cal. Sts. & High. Code §§ 22500 <i>et seq.</i>. <input type="checkbox"/> Benefit Assessment Act of 1982. Cal. Gov't Code §§ 54703 <i>et seq.</i>. <p>May impose business license taxes for regulatory purposes, revenue purposes, or both. See Cal. Gov't Code § 37101.</p> <p>May not impose real property transfer tax. See Cal. Const. art. XIII A, § 4; Cal. Gov't Code § 53725; <i>but see</i> authority to impose documentary transfer taxes under certain circumstances. Cal. Rev. & Tax. Code § 11911(a), (c).</p>	<p>Have the power to tax.</p> <p>Have broader assessment powers than a general law city, as well as taxation power as determined on a case-by case basis.</p> <p>Imposition of taxes and assessments subject to Proposition 218, Cal. Const. art. XIIIC, § 2, and own charter limitations</p> <p>May proceed under a general assessment law, or enact local assessment laws and then elect to proceed under the local law. See <i>J.W. Jones Companies v. City of San Diego</i>, 157 Cal. App. 3d 745 (1984).</p> <p>May impose business license taxes for any purpose unless limited by state or federal constitutions, or city charter. See Cal. Const. art. XI, § 5.</p> <p>May impose real property transfer tax; does not violate either Cal. Const art. XIII A or California Government Code section 53725. See <i>Cohn v. City of Oakland</i>, 223 Cal. App. 3d 261 (1990); <i>Felder v. City of Los Angeles</i>, 14 Cal. App. 4th 137 (1993).</p>
<p>Streets & Sidewalks</p>	<p>State has preempted entire field of traffic control. Cal. Veh. Code § 21.</p>	<p>State has preempted entire field of traffic control. Cal. Veh. Code § 21.</p>
<p>Penalties & Cost Recovery</p>	<p>May impose fines, penalties and forfeitures, with a fine not exceeding \$1,000. Cal. Gov't Code § 36901.</p>	<p>May enact ordinances providing for various penalties so long as such penalties do not exceed any maximum limits set by the charter. <i>County of Los Angeles v. City of Los Angeles</i>, 219 Cal. App. 2d 838, 844 (1963).</p>

Characteristic	General Law City	Charter City
Public Utilities/Franchises	<p>May establish, purchase, and operate public works to furnish its inhabitants with electric power. <i>See</i> Cal. Const. art. XI, § 9(a); Cal. Gov't Code § 39732; Cal. Pub. Util. Code § 10002.</p> <p>May grant franchises to persons or corporations seeking to furnish light, water, power, heat, transportation or communication services in the city to allow use of city streets for such purposes. The grant of franchises can be done through a bidding process, under the Broughton Act, Cal. Pub. Util. Code §§ 6001-6092, or without a bidding process under the Franchise Act of 1937, Cal. Pub. Util. Code §§ 6201-6302.</p>	<p>May establish, purchase, and operate public works to furnish its inhabitants with electric power. <i>See</i> Cal. Const. art. XI, § 9(a); <i>Cal. Apartment Ass'n v. City of Stockton</i>, 80 Cal. App. 4th 699 (2000).</p> <p>May establish conditions and regulations on the granting of franchises to use city streets to persons or corporations seeking to furnish light, water, power, heat, transportation or communication services in the city.</p> <p>Franchise Act of 1937 is not applicable if charter provides. Cal. Pub. Util. Code § 6205.</p>
Zoning	<p>Zoning ordinances must be consistent with general plan. Cal. Gov't Code § 65860.</p>	<p>Zoning ordinances are not required to be consistent with general plan unless the city has adopted a consistency requirement by charter or ordinance. Cal. Gov't. Code § 65803.</p>

