

SUSANVILLE CITY COUNCIL
Special Meeting Minutes
May 23, 2019 – 3:00 p.m.

Meeting called to order at 3:00 p.m. by Mayor Stafford.

Roll Call: Brian Wilson, Joe Franco, Brian Moore, Mendy Schuster and Mayor Kevin Stafford.

Staff Present: Mike Wilson, City Administrator, Kevin Jones, Police Chief; James Moore, Fire Chief; Dan Newton, Public Works Director; Deborah Savage, Finance Manager; Quincy McCourt, Project Manager and Gwenna MacDonald, City Clerk.

1 APPROVAL OF THE AGENDA

Motion by Councilmember Schuster, second by Councilmember Moore to approve the agenda as submitted; motion carried unanimously. Ayes: Franco, Wilson, Moore, Schuster and Stafford.

2 PUBLIC COMMENT No comments.

3 SCHEDULED MATTERS:

3A Economic Development Presentation Mr. Wilson introduced Lisa McKay, Vice President of Buxton Company.

Ms. McKay provided a background of the services provided by Buxton Company through customer analytics. She explained that analytics is the in-depth analysis of customer data to identify, attract and retain customers, describing the process of tracking and capturing browsing and buying patterns through credit card transactions, online shopping carts, customer loyalty programs and user-generated reviews. The data is used to recruit retail businesses and industry to areas, based upon proven customer bases and populations. Ms. McKay discussed the process of how this information is utilized by City for the promotion of economic growth, and reviewed just a few of the numerous success stories from municipalities throughout the region. She described the support and customer service benefits that the City would gain through the partnership with Buxton Company.

There was a lengthy general discussion regarding the importance of establishing short and long term economic vitality objectives, and the investment in the City's future that is critical to the long term financial health of the City. It was the consensus of the City Council to move forward with a contract with the Buxton Company.

3B Budget workshop: Fiscal Year 2019 – 2020 Ms. Savage explained that the workshop would be focusing on the General Fund. She presented a power point, beginning with a slide depicting that the City's general fund is increasing annually by approximately 1.8 percent, while the expenses are growing at a rate of 4.14 percent annually. Over the past several years, the City has been very lucky to balance the annual budget by taking advantage of cost savings realized through vacant positions, risk management dividend payments, and one-time windfall payments which has allowed the City to build up its reserves. The current balance in the reserve is \$1,369,711 which exceeds the 20 percent reserve objective as established by the City's budget policies.

Ms. Savage reviewed the Departments which are funded by the General Fund, which include the Police and Fire departments and Administrative Services Department. The Administrative Services Department includes

the City Council, Administration, City Attorney, City Clerk and Personnel, the Finance Division, Building and Planning services, Parks, and debt service. Ms. Savage reviewed a slide illustrating general fund spending for the period of 2014/2015 through the proposed 2019/2020 budget, with estimated figures for 2018/2019 since the year has not closed out yet, and proposed for fiscal year 2019/2020, noting the percentage of expenditures were 49.10 percent for Police, 24.86 percent for Fire and 26.03 percent for Administrative Services. Ms. Savage presented a breakdown of personnel cost and operational costs for each Department.

Ms. Savage reviewed the proposed changes to the budget for fiscal year 2019/2020. Those included net increases to salaries and benefits, CalPERS pension costs, police and fire overtime, debt service, dispatch/animal control contracts, building department training and publications, a net decrease in transfers to Streets to meet the Maintenance of Effort requirements, and a net decrease to transfers out to the Golf Course fund. Ms. Savage noted that the proposed budget does not include any increases in bargaining units currently in negotiations.

Ms. Savage reviewed the list of needs that are not requested or included in the proposed budget. They included repair/replacement of the City Hall roof, generator for City Hall, replacement of the Building Official vehicle, full general fund maintenance of effort contribution, replacement of fire hall heating system, remodel of the City Community Center, replacement of the City Hall server, upgrade to the Police Department records management system, and economic development professional services. Ms. Savage also reviewed slides related to the CalPERS obligation, noting the increase in costs projected over a 30 year period to fiscal year 2046/2047. At the current rate of spending, without any increases to revenue, the City's reserve fund will be exhausted in just a few short years and the City will be unable to pay its bills, as indicated by the projected increase in the deficit.

Ms. Savage reviewed options for discussion including freezing unfilled positions, reducing services to the public, reductions in Departmental spending, freezing current salaries and benefits and increasing taxes and revenues. She invited comments and questions from the Council.

Councilmember Wilson asked where the City was in discussions with the Rancheria.

Mr. Wilson provided an update regarding discussions, and the positive response to the option of purchasing equipment to include vehicles for the Department.

Mayor pro tem Franco commented that the last attempt at passing a tax measure failed at the ballot.

There was a lengthy discussion regarding the possibility of placing a tax measure on the 2020 ballot, the importance of generating public trust and engaging the community in the process which will affect everyone if the City fails in its efforts to increase revenue. The Council discussed a general tax versus special tax, the difficulty to convince voters to support a tax if there was not a notable increase in service levels to the community.

Kurt Bonham stated that the City's obligation is to establish a separate budget for public safety only, to guarantee to the community that any revenue generated by a special tax is only going to support public safety. The City needs to provide police and fire protection to the community, and the streets have to be saved. The City should have put a tax on the ballot years ago, because there are not going to be any second chances.

Councilmember Schuster asked if staff has continued to look at selling some of the surplus properties, even though that would not be a long term solution, it would help in the short term.

Mr. Wilson responded that staff would be looking at obtaining appraisals for the identified properties.

Mayor pro tem Franco commented that the City is at the point where it would be looking at freezing positions and reducing services, and how that message most effectively conveyed to the public.

Councilmember Moore stated that he does not want to risk the departments being under-staffed, which puts employee at risk.

Mayor Stafford stated that the City needs to look at all options, including reviewing the MOU's, looking at the overtime budget and departments reducing costs because every option has to be considered.

Mr. Bonham suggested the Council go back and look at the 2004/2005 budget, and not try to reinvent the wheel. The Council made a lot of tough decisions and they did a tremendous job and by 2006 they were headed in a great direction.

Mayor pro tem Franco added that it was the Council's responsibility to do what they can to keep the doors open.

There was additional general discussion regarding services related to dispatch and animal control and the additional items requested in the proposed budget.

Councilmember Wilson commented that it may be time to look at the cost to revert the City's Calpers benefit back to what it was prior to the change implemented in the early 2000's.

Ms. Savage responded that initial research has shown that it would be very complicated and difficult to undo. She requested Council direction regarding the proposed 2019/2020 budget.

It was the direction of the City Council to include the requested training budget for the Building Department. Mr. Newton commented that it may be necessary to bring back the Maintenance of Effort funding for RMS funding based upon the final discussions with the State regarding eligible MOE spending by the Department.

5 ADJOURNMENT: Motion by Mayor pro tem Franco, second by Councilmember Wilson, to adjourn the meeting; motion carried unanimously. Ayes: Moore, Schuster, Franco, Wilson and Stafford.

The meeting adjourned at 5:43 p.m.

Respectfully submitted by

Kevin Stafford, Mayor

Gwenna MacDonald, City Clerk

Approved on: July 17, 2019.