

SUSANVILLE CITY COUNCIL
Special Meeting Minutes
June 13, 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; Jessica Ryan, City Attorney; Deborah Savage, Finance Manager; Dan Newton, Public Works Director; Dan Weaver, Assistant Fire Chief; Anthony Hanner, Building Official, Quincy McCourt, Project Manager and Gwenna MacDonald, City Clerk.

1 APPROVAL OF THE AGENDA

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

2 PUBLIC COMMENT

Kevin Singletary, Vice President of the Susanville Peace Officer Association (SPOA), discussed the necessity of a sales tax measure, the support of SPOA in providing public outreach and education about the measure, and the jurisdictions that have been successful in passing a tax measure.

Mr. Wilson presented three Civic Contribution requests that have been received from the Lassen Fair, the Bluegrass Festival and the Lassen Arts Council. These were submitted by the organizations who requested they be considered as part of the budget discussions.

It was the consensus of the Council to agendaize the requests for the June 19, 2019 meeting.

3 SCHEDULED MATTERS:

3A Budget workshop: Fiscal Year 2019/2020 Mr. Wilson reported that the City conducted a budget workshop on May 23, 2019 to obtain input from the public and City Council regarding the proposed 2019/2020 budget. The workshop reviewed information related to the major funds for the City, revenue and expense projections and the anticipated increase in Calpers pension costs. The Council requested that a second workshop be scheduled, with the final adoption of the budget anticipated for the June 19, 2019 regular City Council meeting.

Ms. Savage added that one of the items that had been requested was to identify the cost savings for the City to revert back to the prior Calpers rate, or if that was possible based upon the current contract with the State. Ms. Savage explained that the bulk of the expense for the pension cost is based upon the retirees, and not existing City employees. There would be no cost savings as there are very few existing employees that are legacy members.

Mayor Stafford stated that the City needs to freeze open positions, freeze salaries, and direct the Department heads to come up with 20 percent reductions in spending for their Departments. The City cannot continue to kick the can down the road.

Councilmember Moore stated that he is not a big fan of pay cuts and freezing positions since it puts the existing safety employees at risk.

Councilmember Schuster added that while it is not a long-term solution, she would like to see the City sell some of its excess properties before considering cutting positions.

Mayor Stafford clarified that he did not suggest cutting positions, but freezing unfilled open positions.

Mayor pro tem Franco commented that the City can only spend what it has, and it is irresponsible for the City to spend what it doesn't have. There is no guarantee that even if a tax measure is put on the ballot that it will pass, and the City had a period of time in the past where there were frozen positions and no pay increases for employees.

Chief Jones stated that his Department does not currently have any vacancies, and he discussed possible options to cut costs with animal control and dispatch services.

Victoria Estrada, Susanville Police Department, spoke about her responsibilities at the Police Department, and how scary it is to consider cutting positions. She listens to the radio all day long and there are times when the officers do not have backup and there are more calls coming in.

Mayor pro tem Franco discussed the positive benefit of community involvement, the formation of neighborhood watch groups, and the Council is not suggesting that there be cuts in public safety, only that the issue of deficit spending must be addressed and discussed.

Mayor Stafford stated that the Departments understand their budgets better than the Council, and they need to identify ways to cut costs.

Councilmember Wilson concurred, stating that staff must identify options for cutting costs, and suggest solutions to Council. He is looking for a road map of how the City can move forward through the next few years and cope with increasing expenses and no guarantees on increased revenues. There is no single solution, including adding retail. Retail in the center of town was non-existing a few years ago, and now there are several new businesses however the increase in revenues is not as significant as would be expected.

Mr. Wilson discussed developing relationships, taking new approaches, and the futility of re-creating the same wheel. He talked about the team approach to working on bringing the City out of its current financial situation.

Mayor Stafford asked if staff was close to coming to an agreement with the MOU that the City has to provide safety services to the Susanville Indian Rancheria.

Mr. Wilson responded that staff is continuing to work with the Rancheria but has not finalized an MOU for services.

There was a general discussion regarding the deficit, savings in the form of the Tobacco grant, selling City real estate, and the importance of having a plan to navigate the next three years to avoid closing the City's doors. It was the consensus of the City Council to have staff work on the plan, and bring it to Council for consideration at the September 18th meeting.

3B Sales Tax Measure Discussion Mr. Wilson provided a breakdown of revenues generated by California's state-mandated sales tax of 7.25 percent, with one percent of the revenue going towards local

City/County operating funds. If the City opts to place a sales tax measure on the ballot, it must coincide with an election where City Council members are on the ballot, which is March 3, 2020, and if it is a public safety tax then as a special tax it will require a 66 percent vote in favor to pass. Mr. Wilson stated that from his perspective, he would have preferred to have a few years to work on building public support, however if the City is going to move forward, it will be critical to have the support and backing of SPOA and other public safety groups in order to give it the best chance of passing.

Mayor Stafford commented that it is important to be transparent and make sure people know what the additional tax will be supporting.

Mayor pro tem Franco noted that the sales tax would help support existing staffing and services, but it will not mean that the City could afford to add five more officers, in reality we are struggling to maintain the ones that we currently have.

Dan Newton stated that the big Calpers hit has not happened yet, it's still increasing and ramping up, and it's important to include that discussion in the talks regarding a tax measure.

Mr. Wilson stated that from the perspective of attracting businesses to the community and promoting economic vitality, it's probably best to put forth a lower percentage of increase on the ballot to not deter businesses from wanting to locate to Susanville.

Councilmember Schuster asked Mr. Bonham to speak to the concept of a Public Safety fund.

Kurt Bonham responded that any ballot measure has to be presented as a public safety fund if there is any chance of it being successful. The money needs to be set aside in a newly-created Public Safety fund, with a clear and understandable accounting of where the money is going. He encouraged the Council to establish short and long term goals for spending, and the costs needed to achieve those goals. Accountability has to be a part of it or the voters are not going to consider supporting it. He added that it would be nice to see numbers.

Councilmember Wilson remarked that Susanville is a union town, and the City should be reaching out to all public safety agencies to gain their support, since it will affect everyone if the City isn't able to meet its financial obligations in three years.

There were no other questions or comments.

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

The meeting adjourned at 4:23 p.m.

Respectfully submitted by

Kevin Stafford, Mayor

Gwenna MacDonald, City Clerk

Approved on: July 17, 2019