

SUSANVILLE CITY COUNCIL
Regular Meeting Minutes
September 18, 2019– 6:00 p.m.

Meeting was called to order at 6:00 p.m. by Mayor Stafford.

Roll call of Councilmembers present: Brian Wilson, Brian Moore, Mendy Schuster and Mayor Kevin Stafford.
Absent: Joseph Franco.

Staff present: Mike Wilson, City Administrator; Jessica Ryan, City Attorney, and Gwenna MacDonald, City Clerk.

1 APPROVAL OF AGENDA:

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

2 PUBLIC COMMENT REGARDING CLOSED SESSION ITEMS: No comments.

3 CLOSED SESSION: At 6:09 p.m. the Council entered into Closed Session to discuss the following:

- A CONFERENCE WITH LABOR NEGOTIATORS - pursuant to Government Code Section §54957.6
Agency Negotiator: Michael Wilson
Bargaining Unit: Susanville Peace Officers Association (SPOA)
- B CONFERENCE WITH LEGAL COUNSEL – existing litigation pursuant to Government Code Section §54956.9(d)(1):
 - 1. *Case number 61824, 61839 Matthew Wood, Michael Bollinger vs. Susanville City Council, City of Susanville*
- C PUBLIC EMPLOYMENT – pursuant to Government Code Section §54957: City Planner

4 RETURN TO OPEN SESSION:

At 7:00 p.m. the City Council reconvened in Open Session.

Staff present: Mike Wilson, City Administrator; Jessica Ryan, City Attorney; Dan Newton, Public Works Director; James Moore, Fire Chief; Kevin Jones, Police Chief; Quincy McCourt, Project Manager; Deborah Savage, Finance Manager; Anthony Hanner, Building Official; Heidi Whitlock, Assistant to the City Administrator and Gwenna MacDonald, City Clerk.

Mr. Wilson reported that prior to closed session, the agenda was approved. The City Council met in Closed Session and gave direction on two items. One item was tabled for consideration until the October 2, 2019 meeting.

Councilmember Schuster provided the Thought of the Day.

Natural Gas and Water Bond presentation * Westhoff, Cone and Holmstedt Ms. Savage explained that the sale of the Natural Gas and Water Bonds was complete, and she would be turning the floor over to Mark Holmstedt who was available by conference call to provide an update to Council.

Mr. Holmstedt reviewed the final pricing information for the bond sales. Water Enterprise bonds were issued in the amount of \$6,946,300, and Natural Gas bonds were issued for \$20,470,000. He reviewed the transaction details, financing goals that were achieved, and summarized the savings to the City over the life of the loan. The water fund realized a 44 percent savings over the life of the loan in the amount of

\$3,152,408, and the natural gas fund saved 37 percent for a total of \$8,741,851. In addition, the required amount for the City to maintain in the rate stabilization fund for the water enterprise went from \$3 million to \$858,600. The difference is money available to the City for use in the water fund. Mr. Holmsted commended City staff for its management of the system and thanked the Council for utilizing their company for the refinance process. There were no questions, and the Mayor thanked him for his comments.

Councilmember Wilson requested a presentation from staff regarding the planned use for the additional funding that is now available in the Water Fund.

5 BUSINESS FROM THE FLOOR:

Ron Wood requested a proclamation for the Veterans' Day event scheduled at the Veterans Memorial Hall on November 11, 2019. He discussed community activities and organizations that the Veterans support.

Kurt Bonham stated that the City was supposed to have an item on the agenda to discuss the fiscal plan to get the City through the financial crisis that is expected in the next few years. Councilmember Wilson noted that the item was agendized as 13A.

Thomas Herrera talked about damages that occurred at his store due to the problematic tenant upstairs. He discussed the problems that they caused with drug paraphernalia on the sidewalk and a general unsafe feeling with the people coming and going, which made the location of his business an unwelcoming one for his target customers.

Chief Jones invited him to bring the information that he had to the Department to discuss whether or not it would qualify as a nuisance violation.

6 CONSENT CALENDAR:

- A Approve minutes from the City Council's August 7 and 21, 2019 meetings
- B Receive and file Finance Reports: June 2019
- C Receive and file Transient Occupancy Report
- D Consider approval of **Resolution No. 19-5699** authorizing issuance of Notice of Completion to Dig It Construction for Main Street Water Main project
- E Consider approval of **Resolution No. 19-5700** authorizing issuance of Notice of Completion to Dig It Construction for STIP FC Rehab Project
- F Approve Verizon NASPO Public Safety Program for Fire Department cellular phones

Motion by Councilmember Wilson, second by Councilmember Schuster, to approve the Consent Calendar; motion carried. Ayes: Wilson, Schuster, Moore and Stafford. Absent: Franco.

7 PUBLIC HEARINGS: No business.

8 COUNCIL DISCUSSION/ANNOUNCEMENTS: Commission/Committee reports: No business.

9 NEW BUSINESS:

9A Consider approval of vendor warrants numbered 204870 through 204969 for a total of \$720,266.79 including \$245,157.72 in payroll warrants

Motion by Councilmember Moore, second by Councilmember Wilson, to approve the vendor warrants as submitted; motion carried. Ayes: Moore, Wilson and Stafford. Abstain: Schuster. Absent: Franco.

9B Consider approval of Resolution No. 19-5697 authorizing execution of contract with Apply-A-Line for pavement striping services for City streets Mr. Newton stated that with the planned striping that Caltrans plans as part of the Cap M project, the City has an opportunity to utilize the services

of Apply-a-Line for striping services on various City streets. Staff solicited price quotes from two vendors, and Apply-a-Line was considerably cheaper since they are in town doing work for Caltrans. Funding would be through the Road Maintenance SB-1 account for a project cost not to exceed \$55,710.50.

Councilmember Wilson asked if the red curb painting was going to be included as part of the Main Street striping. Mr. Newton responded that normally the red curb is painted by the City crew. Councilmember Wilson requested that staff follow up with Caltrans, since many of the red curb areas could use touching up.

Motion by Councilmember Schuster, second by Councilmember Moore, to approve Resolution No. 19-5697; motion carried. Ayes: Schuster, Moore, Wilson and Stafford. Absent: Franco.

9C Consider approval of Resolution No. 19-5701 authorizing the execution of contract with Rapid Construction for Cady Springs Pump Station Mr. Newton provided a background regarding the Cady Springs project, and the effort to complete the project with Prop 84 grant funding. Staff put out two different RFP's however both came in higher than the grant amount of \$1.489 million. Much of the infrastructure for the project is in place, and ultimately the firm of Rapid Construction submitted the most competitive bid. With the addition of funding due to the water bond refinance, and in negotiations with Rapid Construction, an agreement has been reached to complete the project. The project includes a 20 percent contingency due to the unknown condition of the infrastructure, and the bid does not include the cost to sterilize and pressurize the line or the cost to hook up to the SCADA system.

Councilmember Wilson commented that this is a very good use of the additional water fund money, and he asked if the project came in under cost, if the grant would be utilized in its entirety prior to using City money. If so, would any project overage be returned to the water fund budget.

Mr. Newton responded that the Prop 84 grand funding would be expended in building the pump station, and any unused project funds would be returned to the water fund.

Motion by Councilmember Wilson, second by Councilmember Schuster, to approve Resolution No. 19-5701; motion carried unanimously. Ayes: Wilson, Schuster, Moore and Stafford. Absent: Franco.

9D Consider approval of Resolution No. 19-5702 authorizing execution of change order with Dig It Construction for the replacement of water main across Monrovia Street Mr. Newton explained that the City is beginning work through the STIP SC4 project in the area of town near the old mill district. There is deteriorated section of water main near Monrovia, and it is the recommendation of staff to replace the section of water main that extends across Monrovia ahead of the pavement operation. City Council approval is required to authorize the contract change order estimated at approximately \$59,000 to complete the installation.

There were no questions or comments.

Motion by Councilmember Moore, second by Councilmember Schuster, to approve Resolution No. 19-5702; motion carried. Ayes: Moore, Schuster, Wilson and Stafford. Absent: Franco.

9E Consider approval of Resolution No. 19-5694 authorizing execution of Record Management System Contract with Sun Ridge Systems, Inc. Chief Jones reviewed the effort of the Police Department and Lassen County Sheriff's Office to replacing its outdated record management system which was purchased in 1987. After conducting a parallel RFP, the firm of Sun Ridge Systems, Inc. was selected and negotiations have been finalized. The system will be incorporated with the Susanville PD and the Lassen

County Sheriff and improve dispatch, reporting and communication between the Departments. The cost of the system is \$164,633 over a period of five years to be funded from the General Fund reserves.

Councilmember Wilson asked Ms. Savage why the expense would be funded from the Reserves and not Fund Balance.

Ms. Savage explained that the City could use Reserves and save Fund Balance for routine operating expenses; it was up to the City Council to make the decision.

Motion by Councilmember Moore, second by Councilmember Schuster, to approve Resolution No. 19-5694 with the stipulation that payment would be from Fund Balance; motion carried. Ayes: Moore, Schuster, Wilson and Stafford. Absent: Franco.

9F Consider Ordinance No. 19-1019 amending Section 12.32 of the Susanville Municipal Code regarding Unlawful Camping: Waive the first reading and introduce Chief Jones reported that over the past several months, the City has seen a dramatic increase of camping along the Susan River, with a recent survey of the river identifying 20 camps and 40 people who are camping at the river. Due to the current case in Boise which is pending final Federal decision the City must amend its Municipal Code to allow enforcement of the camping ordinance while remaining in compliance with the Federal Court decision. The proposed amended ordinance leaves portions of property not necessarily open to camping, but it is not prohibited, allows enforcement of camping right next to the Susan River, protects the water way by prohibiting camping within 75 feet, and raises the violation to a misdemeanor. Chief Jones presented a video showing an aerial view of the river, noting the location of camps that were identified by the Police Department. If the City Council approves the language and waives the first reading, the ordinance would come back for a second reading and adoption at the October 2nd meeting and then take effect in 30 days for a November 2nd enforcement date.

Councilmember Wilson stated that the ordinance should be as broad as possible and asked if other waterways could be included.

City Attorney Ryan discussed the issue of proximity to the County, and the current questions being considered by the Courts regarding whether the services provided by the County either within the City limits or adjacent to the City limits could be considered as the City providing services. Crossroads Ministry provides services but is not considered a homeless shelter. It is likely that if the City were to enforce it, then we probably would be sued, but as the issue progresses there will be more court cases and decisions that should answer more of the questions regarding providing services.

Councilmember Schuster added she would like to see the designated no-camping area extend further southwest towards the high school so that the activity is not pushed closer to the campus.

There was a general lengthy discussion regarding the areas established as no-camping and the potential impacts it could have as the homeless population is moved out of the area that is currently used for camping.

Councilmember Moore stated that South Lake Tahoe just passed an ordinance that prohibits camping within 100 or 150 feet from the high-water mark.

Mayor Stafford stated that there are several jurisdictions including Grass Valley, Tahoe, Chico and Nevada City that have passed ordinances to prohibit camping and they use the high-water mark as an indicator of the location to preserve the water ways. The City should include all water ways in the City and not just limit it to the Susan River.

It was the consensus of the Council to amend Item D under sections 12.32.320 and 12.32.330 to read:

D. Within 100 feet of the waterway's high-water mark within the City of Susanville.

It was the consensus to amend Section 12.32.320 Penalty to read:

Violation of this section shall constitute a misdemeanor pursuant to Susanville Municipal Code 1.12.010.

Chief Jones concluded by stating that the Department has a clean up day scheduled for September 28th to address the excess of debris and garbage that has collected along the river due to the camps. He added that during the time when the survey of encampments was being conducted, everyone they talked to was offered services or assistance, and it was generally declined. The majority of the people are known to be from the local community. Chief Jones summarized the proposed changes to the ordinance language.

David Teeter, Lassen County Board of Supervisors, stated that he is concerned with implementation of any ordinance until some type of housing can be offered. While the details in the Boise case are still being worked through, it seems reckless to move forward while legal counsel is stating that the City will be sued. With behavior health and homelessness being interconnected, as a community we should be very careful in moving forward. This is not a new problem, and the area around Hobo Camp has its name for a reason. The issue of homelessness and mental health is a complicated one and moving towards criminalization of being homeless is a serious one.

Councilmember Wilson responded that the City does not have the tax structure to fund or provide social services, and those services are provided by the County.

Councilmember Schuster commented that a multi-prong approach to the problem is necessary, and because a lot of the City and County land is comingled, she hoped to be able to partner with the County to address the challenges.

Pat Holley, General Manager, LMUD, thanked the staff for all of the hard work and stated that he supported the ordinance. The drone video footage was a great reminder of the beauty of the area and that the Susan River is a valuable resource to the Community.

Barbara Longo Lassen County Health and Social Services expressed her support of Supervisor Teeter's comments, and that the multi-prong approach is critical. People have to have somewhere to go, and she urged the City to move forward in a thoughtful way, provide services that are safe, and recognize that it is a complicated problem that many communities throughout the country are facing.

Chief Jones thanked everyone for their comments.

Motion by Councilmember Moore, second by Councilmember Wilson, to waive the first reading and introduce Ordinance No. 19-1019 with the changes discussed; motion carried. Ayes: Moore, Wilson, Schuster and Stafford. Absent: Franco.

10 **SUSANVILLE COMMUNITY DEVELOPMENT AGENCY:** No business.

11 **SUSANVILLE MUNICIPAL ENERGY CORPORATION:** No business.

12 **CONTINUING BUSINESS:** No business.

13 CITY ADMINISTRATOR'S REPORTS:

13A General Fund Update: Economic Development Presentation Mr. Wilson presented a power point regarding the City's General Fund. Due to increasing Calpers obligations expected within the next few years, it is projected that based upon current revenues, the City will deplete its reserves in three years. Staff has explored cost-cutting options including the implementation of furloughs, freezing vacant positions, suspending janitorial services for City Hall and the Police Department. Staff looked at reduced work schedules to allow powering down City Hall for three days per week, although the savings that would result are not significant enough to make an impact. Also included are harder choices to include declaring a fiscal emergency and implementing a mandatory contribution from employees for their own health care costs and paying a portion of the City's costs for Calpers. The options for moving forward include a multi-phased approach over the upcoming few years, or a delayed implementation plan which would likely result in more severe reductions. He discussed additional measures to reduce the costs to the General Fund and opportunities to increase revenues.

Mr. Wilson turned the discussion towards economic development and introduced Heidi Whitlock as the lead of the Economic Development team. Ms. Whitlock introduced her team partners, Quincy McCourt, Project Manager and Anthony Hanner, Building Official. Quincy McCourt presented a power point which highlighted the objectives and areas of focus for the team in moving forward.

Mr. Wilson summarized the options available to the Council and requested direction and comments. Based upon the direction given, he suggested providing a follow up report within the next few months, suggesting the December 18th Council meeting.

Mayor Stafford stated that he appreciated the economic development effort and ideas, however the City is in crisis now, and cannot wait for however long it takes for increasing businesses and tourism to result in tax revenue. He supports freezing open positions and wants to see the Department Heads get together and come up with suggested cuts and layoffs, if that is what is needed to get the City back on solid financial footing.

Councilmember Schuster commented that she would support the phased approach for cutting back, and that it was a great presentation.

Councilmember Wilson remarked that he would support a phased approach and is willing to go to December 18th, but cuts are coming. He stated that the City should pursue the sale of vacant properties, and as positive as the economic development presentation is, the City has seen a lot of increased growth in the center of town over the past few years but it does not translate into enough revenue to make a difference. Councilmember Wilson stated that the Calpers issue is not just a Susanville problem, and economic development is important but it does take time to work and in many ways, Susanville is better off than many other cities in that there is a large reserve. He would like to see a plan that has checkpoints, so that by a certain date, if the reserve drops below a threshold, then there are other cuts that are planned. At any time, Calpers could increase the bill and what the City thinks is 2 or 3 years' in reserves runs out sooner.

Pat Holley, LMUD General Manager, stated that it was a great discussion, and he applauded staff for the positive actions. He suggested looking at Transient Occupancy Tax rates, and engaging the public as much as possible.

It was the consensus of the City Council to support a phased approach to cuts, with a follow up report to be brought to Council at its December 18, 2019 meeting.

13B Special Transactions and Use Tax Update Ms. Ryan provided an update to the City Council regarding the timeline of proposing the Ballot Measure to adopt a one percent public safety sales tax. The requirements include scheduling a public hearing, and there is a discussion regarding the wording in the existing language in the Susanville Municipal Code that is being addressed. Staff has scheduled a public hearing for the October 2, 2019 meeting to consider the proposed ordinance.

14 COUNCIL ITEMS:

14A AB1234 travel reports:

Councilmember Schuster requested that staff follow up with Mr. Bonham to provide the financial information to him that he requested during Business from the Floor.

Councilmember Moore requested that staff look into the current TOT rates in the City. He also asked staff to look into the parking lot access at McKinley school. The area becomes very congested before and after school, when parents are dropping off and picking up their children. It doesn't leave access for emergency vehicles, if the need should arise.

15 ADJOURNMENT:

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

Meeting adjourned at 9:44 p.m.

Kevin Stafford, Mayor

Respectfully submitted by

Gwenna MacDonald, City Clerk

Approved on: October 16, 2019