

SUSANVILLE CITY COUNCIL
195 Russell Avenue * Susanville
Special Meeting Minutes
November 20, 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, Joseph Franco, Brian Moore, Mendy Schuster and Mayor Kevin Stafford.

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; and Gwenna MacDonald, City Clerk.

1 APPROVAL OF AGENDA:

Mr. Wilson requested the continuation of the public hearing agendized as Item 7A to the December 4, 2019 meeting.

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

Councilmember Moore provided the Thought of the Day.

A Measure N Presentation Mr. Wilson and Ms. Savage presented a power point review of the City's General Fund, and the purpose behind recommending a public safety sales tax through Measure N which will be on the March 3, 2020 ballot.

Ms. Savage reviewed the following slides:

Slide One and Two – Explaining City Revenues

City money comes from a few different sources:

- Taxes
- Grants
- Fees for Services

The money collected goes into either:

- General Fund
- Restricted Funds

Restricted Funds are often Grants and Fees and the money can only be used for the purpose it was collected for. As an example, utility payments are for the Water or Natural Gas Funds. A Grant is usually outside money required to be invested on very specific projects. For example, the Fruit Growers/Riverside Park grant money can only be spent on the park.

Slide Three – General Fund Deficit Budget

Administrative Services: 27.3% of General Fund Budget (\$154,744)

Public Safety Police: 50.6% of General Fund Budget (\$287,869)

Public Safety Fire: 22.2% of General Fund Budget (\$126,298)

Slide Four – General Fund projected Revenue and Expenses

The cash balance in the General Fund is negative (\$568,911) for fiscal year 2019/2020, increasing to negative (\$5,230,696) in fiscal year 2026/2027.

Slide Five

Ms. Savage explained that this slide illustrates the percentage of the City's projected Unfunded Liability that is attributed to the Public Safety versus Miscellaneous group.

Slide Six

Ms. Savage reviewed a spreadsheet showing the yearly increase in Public Safety's unfunded accrued liability as projected through fiscal year 2046/2047. The General Fund portion is seventy-five percent, with the highest year estimated in fiscal year 2026/2027, based upon CalPERS estimates.

Slide Seven and Eight – Public Safety Fire Budget

Ms. Savage reviewed the personnel and operations budget for the Fire Department, and cost savings based upon a proposal to increase the Employee share of Health Insurance to \$100.00 (\$7,000 annual savings) and an increased Employee share of CalPERS to include one half of the employer's normal costs (\$45,000). Salaries, benefits and CalPERS costs represent 81 percent of the Fire Department's budget.

Slide Nine

Ms. Savage reviewed a budget projection through fiscal year 2026/2027 with estimated revenue increases generated by the passage of Tax Measure N. By fiscal year 2021/2022 the Department could realize a potential surplus of between \$400,00 and \$500,000.

Slide Ten and Eleven – Public Safety Police Budget

Ms. Savage reviewed the personnel and operations budget for the Police Department, and cost savings based upon a proposal to increase the Employee share of Health Insurance to \$100.00 (\$14,500 annual savings) and an increased Employee share of CalPERS to include one half of the employer's normal costs (\$110,000). Salaries, benefits and CalPERS costs represent 77 percent of the Police Department's budget.

Slide Twelve

Ms. Savage reviewed a budget projection through fiscal year 2026/2027 with estimated revenue increases generated by the passage of Tax Measure N. By fiscal year 2021/2022, the Department could realize a potential surplus of approximately \$500,000.

Mr. Wilson invited questions and comments from the public.

Gary Bridges stated that nobody likes taxes, however the Police Department is grossly understaffed, and the neighborhood watch groups that are forming are an indication of what people in the community want for their future.

Bob McCullough asked what the City will do if the tax measure fails.

Mr. Wilson explained that staff is already preparing, citing one employee who has volunteered to cut his hours in half and give up his health insurance benefit. If the measure does not pass, there will be layoffs, the City will spend all of its reserve funding and be looking for other options to provide services to the community to include contract public safety services and an all-volunteer fire department.

Mr. McCullough stated that the majority of the people in the County do not earn the same salary as government employees, and it will be a hard sell to get the tax to pass.

Mr. Wilson responded that he cannot sell the tax, but he can educate the public regarding what will happen if it does not pass. He thanked everyone present for attending the meeting, adding that it was an important first step in citizens getting the information regarding the importance of the measure.

Liz Norton asked if it was too late to amend the ordinance that will be voted on, and what would be done with the excess funding raised by the tax increase. She added that she was concerned with other General Fund employees. The City has a lot of needs and there are some great projects being proposed, but without staff to manage and administrate these projects, it would be a real loss.

Ms. Savage responded that it was too late to amend the ordinance, and any excess funding that would be raised in excess of the projected expenses would be restricted to public safety. Both Chiefs have identified that increased staffing would be the priority once the basic expenses for existing staff have been met.

Mr. Wilson spoke briefly to the effort to increase economic vitality, promote a shop local campaign and identify what is a substantial amount of retail leakage to Reno.

Ms. Norton commented that the information that has been provided is valuable data to share with the community and it presents a compelling argument in favor of the ballot measure. She suggested including data regarding dispatch, increased work load and crime data to show the community that the departments are under staffed and that crime will only get worse in the community without the passage of the measure.

David Teeter, Lassen County District 2 Supervisor, spoke regarding the budgetary challenges facing the City and County, and the difficulty in attempting to pass a general sales tax versus a special tax dedicated to public safety.

Officer Terra Avilla thanked those present for coming to the meeting. She spoke in support of the Police and Fire Departments. She stated that the Police Department has a great team, but it can only do so much with what they have. More officers are needed to provide the service that the community deserves.

Mr. Wilson added that the City currently has 24 hour police staffing, whereas the County has nobody on duty after 2:30 a.m. It is an option that the City may have to look at.

Gary Felt stated that it was a good presentation, and while he is not a fan of big government or taxes, the City is at the point of it being a necessity. He noted that on a \$300 trip to the grocery store, the tax would only increase the bill by \$3.00 which most people won't even notice, but it will make a huge difference to the departments. He added that he was disappointed in the lack of attendance at the meeting.

At 6:53 p.m., the Mayor called for a recess prior to returning to the regularly scheduled meeting at 7:00 p.m.

2 **PUBLIC COMMENT REGARDING CLOSED SESSION ITEMS:** None.

3 **CLOSED SESSION:** No business.

4 **RETURN TO OPEN SESSION:** No business.

5 **BUSINESS FROM THE FLOOR:** No comments.

6 **CONSENT CALENDAR:**

A Approve minutes from the City Council's October 2, 2019 meeting

B Approve increase in Natural Gas Operations Budget for -Year Plan Preparation

C Approve Resolution No. 19-5739 Street Closure Magical Country Christmas

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

7 PUBLIC HEARINGS:

7A Consider Resolution No. 19-5729 and Ordinance No. 19-1020 Susanville Indian Rancheria General Plan Amendment and Rezone File RZ 19-002

At 7:02 p.m. Mayor Stafford opened the public hearing and continued it to December 4, 2019.

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

9 NEW BUSINESS:

9A Consider approval of vendor warrants numbered 205373 through 205463 for a total of \$334,302.92 including \$210,438.45 in payroll warrants Ms. Savage reviewed the vendor warrants as presented.

Motion by Mayor pro tem Franco, second by Councilmember Wilson, to approve the vendor warrant report; motion carried. Ayes: Franco, Wilson, Moore and Stafford. Abstain: Schuster.

9B Consider Resolution No. 19-5738 authorizing submittal of Planning Grant application to the Department of Housing and Community Development (HCD) Mr. McCourt reported that the Department of Housing and Community Development's Planning Grants Program is nearing its NOFA closing on November 30, 2019. The program provides funding for Planning projects that the City is required to complete by State mandate, such as updating the General Plan. In order to apply for funding, a resolution must accompany the application and there is zero match requirement. Staff is currently working on a number of projects and unfortunately, the application will pull staff away from some of those projects until completed. However, with Council direction, staff will prioritize the application to be complete by the deadline.

Councilmember Wilson asked if the grant was competitive.

Mr. McCourt responded that the grant is awarded on a first come, first served basis and there is indication that there is a substantial amount of funding left.

Motion by Councilmember Wilson, second by Mayor pro tem Franco, to approve Resolution No. 19-5738; motion carried unanimously. Ayes: Wilson, Franco, Moore, Schuster and Stafford.

9C Consider Resolution No. 19-5740 authorizing execution of design services agreement with SHN Civil Engineering for STIP Pavement Rehabilitation Project 'FD' No. 19-01 Mr. Newton reviewed the streets impacted by the STIP Pavement Rehabilitation Project FD No. 19-01, which include Richmond Road, Paul Bunyan from Chestnut to Ash, and Spring Ridge east of State Route 139. Staff received four proposals for the RFP released earlier this year for design services. Mr. Newton explained the criteria utilized to evaluate the proposals and it was determined that SHN Civil Engineering has submitted the most qualified consultant for the project. A total of \$80,000 has been allocated through STIP funding for this phase of the project, with the consultant's proposal coming in at \$67,488. Remaining funds will be utilized for additional services as required by the State through the review process and in support of contract administration by Public Works staff.

Motion by Councilmember Moore, second by Councilmember Schuster, to approve Resolution No. 19-5740; motion carried unanimously. Ayes: Moore, Schuster, Franco, Wilson and Stafford.

9D Consider Resolution No. 19-5741 authorizing amendment to Fiscal Year 2019/2020 Fire Department budget for OES for HazMat team member training Chief Moore reported that in 2017 the Fire Department entered into an agreement with Cal OES to host a Type II, multi-agency Haz Mat team. As

part of the original agreement, there is an annual training contract that provides funding for all team members to attend approved training to maintain the required certifications. The training funds will vary from year to year and are one hundred percent reimbursable. The current training agreement has an allowance of \$190,000 and City Council approval is required to authorize the finance manager to adjust the 2019/2020 budget.

Motion by Mayor pro tem Franco, second by Councilmember Wilson, to approve Resolution No. 19-5741; motion carried unanimously. Ayes: Franco, Wilson, Moore, Schuster and Stafford.

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

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

12 **CONTINUING BUSINESS:**

12A **Consider approval of State Transportation Improvement Program (STIP) Project Report to be provided to the Lassen County Transportation Commission** Mr. Newton explained that this is the third time that the City Council has had an opportunity to discuss the project list for the Regional Transportation Improvement Program as submitted by the Lassen County Transportation Commission. There is not enough funding to program all City and County project requests, and staff will continue working with LCTC staff to develop a strategy that will optimize the STIP programming capacity. Mr. Newton referred to the project requests, reviewing the list of City projects which included the Southeast Gateway, Riverside Drive Trail/Bridge and the Susanville Rehab FD project list.

There was a general discussion regarding opportunities to provide project funding through grants, and the obligation to repay funding that has been expended to date on projects that would not be completed.

Councilmember Wilson thanked Mr. Newton for the time that he has dedicated to developing the proposed projects for the City.

Motion by Mayor pro Franco, second by Councilmember Schuster, to approve the report as written; motion carried. Ayes: Franco, Schuster, Moore and Stafford. No: Wilson.

13 **CITY ADMINISTRATOR'S REPORTS:** No business.

14 **COUNCIL ITEMS:**

14A **AB1234 travel reports:**

15 **ADJOURNMENT:**

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

Meeting adjourned at 7:35 p.m.

Kevin Stafford, Mayor

Respectfully submitted by

Gwenna MacDonald, City Council

Approved on: January 15, 2020