

SUSANVILLE CITY COUNCIL
Special Meeting Minutes
January 29, 2020 – 3:00 p.m.

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

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

Staff Present: Mike Wilson, City Administrator; Jessica Ryan, Attorney; Kevin Jones, Police Chief; James Moore, Fire Chief; Dan Newton, Public Works Director; 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. Ayes: Franco, Moore, Schuster and Stafford. Absent: Wilson.

2 PUBLIC COMMENT: No comments.

3 CLOSED SESSION: No business.

4 SCHEDULED MATTERS:

4A Discussion regarding Measure N imposing a Transactions and use Tax of one percent (1%) to be used for Public Safety subject to approval of a 2/3 majority of the Electors voting on the Tax Measure at the election held March 3, 2020 Mr. Wilson reviewed the proposal to include a sales tax measure on the ballot for the March 2020 election, characterizing the future of the City's public safety budget as bleak. He introduced Ms. Savage, who presented a power point regarding the City's General Fund, and the justification for putting a public safety sales tax to the Voters.

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 requested any questions or comments from the City Council. Mayor Stafford opened the floor for public comments. The following citizens and staff members commented regarding the presentation:

Linda Jackson stated that Public Safety is important and paying an extra on the dollar is worth it.

Chief Kevin Jones commented that the current reality is that staffing is very low and passing the sales tax measure is going to help a great deal.

Chief James Moore discussed the costs of vehicle replacement for his Department, and stated that if the tax measure passes, it would ensure that the Department is able to operate 20 to 30 years into the future. He encouraged those present to read the ordinance and thanked everyone for attending the hearing.

David Teeter stated that the public safety departments have worked hard to protect the community and that he would be voting yes on Measure N.

Noble Feather commented that prior to the presentation she was planning on voting No, however the information presented changed her mind and she would be voting Yes.

Leon Myers discussed the proximity of the communities surrounding the City, and the mutual aid agreements that are in place which provide the opportunity for County residents to also receive the benefit from City services.

Mike Wilson talked about the communities of Lake Shastina and Weed, and the fire that almost destroyed that community. He reviewed some of the cuts and restrictions in services that would have to be made which would have a negative impact on the community.

There was a general discussion regarding Calpers and the cause of the General Fund deficit.

Fred Foulk Sr. complimented staff on the great presentation.

Mayor Stafford requested that the information be shared with the community in as many sources as possible.

Star Claire volunteered to assist in distributing information regarding the Measure to the public.

Stefanie Steward spoke in support of Measure N, reminding everyone who responds first to medical emergencies, and that the lives of her family are worth an extra penny.

There was a general discussion regarding the community outreach effort that could take place, based upon the limitations on City Council publicly supporting the tax.

Councilmember Schuster shared that she uses the analogy of bringing your own bag grocery shopping and save the ten cents for the sales tax.

Councilmember Moore stated that even though the current sales tax is 7-1/4 percent, the City only gets 1 percent and the state gets the other 6.

Mayor pro tem Franco added that at the last meeting, speakers were very upset about crime in the community, and without a revenue stream the City will be unable to provide any services.

5 ADJOURNMENT:

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

The meeting adjourned at 4:06 p.m.

Respectfully submitted by:

Kevin Stafford, Mayor

Gwenna MacDonald, City Clerk

Approved on: May 6, 2020