

SUSANVILLE CITY COUNCIL
Special Meeting Minutes
May 27, 2020– 3:00 p.m.

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

Roll call of Councilmembers present: Thomas Herrera, Quincy McCourt, Kevin Stafford, Brian Moore and Mayor Mendy Schuster.

Staff present: Kevin Jones, Interim City Administrator; Margaret Long, City Attorney, James Moore, Fire Chief, Daniel Gibbs, Acting Public Works Director and Heidi Whitlock, Deputy City Clerk.

1 APPROVAL OF AGENDA:

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

2 PUBLIC COMMENT: None.

3 SCHEDULED MATTERS:

3A Budget Workshop: Fiscal Year 2020-2021

Ms. Savage explained the workshop objectives, which included a review of where the City is at financially, obtaining City Council and community input, reviewing the individual funds and goals, and the next steps in the budget adoption process. The City takes a conservative approach to the budget, and while there are potential revenue sources each year including project reimbursements, SCORE reimbursements, out of area fire suppression reimbursements, the projected revenue is based upon consistent sources of income.

Slide One:

Major Funds Under Review

- Streets
- Natural Gas
- Water
- Golf Course
- Airport
- General Fund

Slide Two:

STREETS FUND

Revenues and Expenses

	<u>19/20 Budget</u>	<u>19/20 YTD</u>	<u>20/21 Proposed</u>
Revenues	\$ 3,209,020	\$ 2,648,663	\$ 1,002,965
Expenses	\$ 3,161,836	\$ 2,436,576	\$ 1,002,965

19/20 Budget includes \$2,217,000 in STIP projects

Streets Department includes 3 Fulltime employees and maintains approximately 54 miles of streets and alleys.

Changes to 20/21 Budget include payroll increases for 3rd year of MOU, CalPERS and Worker's Compensation \$31,000, reduction of various expense line items (\$31,000).

Slide Three:

NATURAL GAS FUND

Revenues and Expenses

	<u>19/20 Budget</u>	<u>19/20 YTD</u>	<u>20/21 Proposed</u>
Revenues	\$ 4,805,839	\$ 4,453,473	\$ 4,805,839
Expenses	\$ 4,436,047	\$ 3,892,065	<u>\$ 4,470,905</u>
			\$ 334,934

Natural Gas includes 7 fulltime employees, 3 split between gas and water funds. The system has 3,267 active meters.

Changes to 20/21 Budgets include increases to professional and technical services \$80,000 and repair and maintenance facility \$15,000, Public Works Administration allocation \$99,923, and increase in rents and leases for buildings and land of \$47,000 and a decrease in debt service interest of (\$604,000).

Slide Four

WATER ENTERPRISE FUND

Revenues and Expenses

	<u>19/20 Budget</u>	<u>19/20 YTD</u>	<u>20/21 Proposed</u>
Revenues	\$ 2,512,816	\$ 2,001,746	\$ 2,510,769
Expenses	\$ 2,510,380	<u>\$ 2,238,299</u>	<u>\$ 2,748,776</u>
		(\$ 236,553)	(\$ 238,007)

Depreciation	\$ 402,839
Water CIP Cash balance	\$ 1,080,796
Cash Balance	\$ 2,169,834

Water includes 7 fulltime employees, 3 split between water and natural gas funds. The system has 3,816 active meters.

Slide Five

GOLF COURSE

Revenues and Expenses

	<u>19/20 Budget</u>	<u>19/20 YTD</u>	<u>20/21 Proposed</u>
Revenues	\$ 255,000	\$ 149,001	\$ 256,950
Expenses	<u>\$ 324,187</u>	<u>\$ 236,559</u>	<u>\$ 256,950</u>
	(\$69,187)	(\$87,558)	0

Depreciation	\$ 14,893
Cash Balance	\$ (82,434)

Changes to balance budget include a reduction to maintenance staff and cart workers.

Slide Six

GOLF COURSE CONTINUED:

Annual Memberships: Down 45% from 2015

Rounds Played: Down 41% from 2015

Using audited financial numbers from 2018/2019, cost to operate and maintain our 18-hole course is approximately \$16,571 per hole.

Rounds played in 2018/2019: 8,539

Cost per round: \$34.93 with revenue being approximately \$29.29 per round. General Fund subsidized \$5.64 per round. Estimate of \$65,000 cash from General Fund in 2019/2020.

Slide Seven

AIRPORT ENTERPRISE FUND

Revenues and Expenses

	<u>19/20 Budget</u>	<u>19/20 YTD</u>	<u>20/21 Proposed</u>
Revenues	\$ 109,060	\$ 87,970	\$ 109,060
Expenses	<u>\$ 264,442</u>	<u>\$ 248,932</u>	<u>\$ 281,605</u>
	(\$155,382)	(\$160,662)	(\$172,545)

Depreciation	\$ 172,545
Cash Balance	\$ (18,991)
Cash Balance in CIP Fund	\$ 45,440

Slide Eight

General Fund Revenue History

Ms. Savage compared the beginning budget to the adjusted revenue budget. The beginning budget of \$5,264,664 was adjusted to a revenue budget of \$5,073,664 with 27% of the amount coming from Admin, 51% coming from Police and 22% coming from Fire.

Slide Nine

General Fund Administrative Services Revenues

	<u>Original Budget</u>	<u>Revised Budget</u>
Revenues	\$1,510,507	\$1,598,284
Salaries and Benefits	\$1,684,496	\$1,597,400
4% Vacancy Rate	\$ (65,164)	
Cost Allocation	\$ (942,082)	\$ (908,522)
Operations	\$ 650,632	\$ 650,632
Transfers	<u>\$ 382,749</u>	<u>\$ 282,728</u>
	\$1,710,631	\$1,622,238
	\$ (200,124)	\$ (23,954)

Changes to the original budget include:

- Increase to City Council Health Insurance \$15,582
- Decrease in transfers out to Streets for MOE (\$66,000)
- Remove budget for Project Manager position (\$72,453)
- Increase to LAFCO Contributions \$2,855
- Reduce debt service payment for refinance (\$34,021)
- Remove 4% vacancy rate

Slide Ten

General Fund Public Safety Police Revenues

	<u>Original Budget</u>	<u>Revised Budget</u>
Revenues	\$ 155,894	\$ 163,394
Transfer in from GF	<u>\$2,759,109</u>	<u>\$2,587,569</u>
	\$2,915,003	\$2,750,963
Salaries and Benefits	\$2,419,781	\$2,419,781
4% Vacancy Rate	\$ (92,417)	
Operations	\$ 755,947	\$ 755,947
Debt Service (PERS)	<u>\$ 192,925</u>	<u>\$ 92,752</u>
	\$3,276,236	\$3,268,480
	<u>\$ (361,233)</u>	<u>\$ (517,517)</u>
		\$ 124,115 (Vacant position)
		<u>\$ 146,009</u> (Tobacco Grant)
		\$(247,393)

Changes to the original budget include:

- Remove 4% vacancy rate
- Reduce debt service for refinance (\$100,173)

Slide Eleven

General Fund Public Safety Fire Revenues

	<u>Original Budget</u>	<u>Revised Budget</u>
Revenues	\$ 107,260	\$ 114,760
Transfer in from GF	<u>\$1,212,493</u>	<u>\$1,116,206</u>
	\$1,319,753	\$1,230,966
Salaries and Benefits	\$1,213,649	\$1,213,649
4% Vacancy Rate	\$ (45,368)	
Operations	\$ 271,468	\$ 271,468
Debt Service (PERS)	<u>\$ 85,715</u>	<u>\$ 42,209</u>
	\$1,525,464	\$1,526,326
	<u>\$ (205,711)</u>	<u>\$ (295,360)</u>
		\$ 124,954 (Deployed position)
		\$(170,406)

Changes to the original budget include:

- Remove 4% vacancy rate
- Reduce debt service for refinance (\$44,506)

Slide Twelve

GENERAL FUND REVENUES – ADMINISTRATIVE SERVICES

	<u>19/20 Budget</u>	<u>19/20 YTD</u>	<u>20/21 Proposed</u>
Revenues	\$ 1,525,274	\$ 729,180	\$ 1,598,284
Expenses	<u>\$ 1,707,280</u>	<u>\$ 1,437,783</u>	<u>\$ 1,631,946</u>
	\$(182,006)	\$(708,603)	\$(33,662)

Slide Thirteen

GENERAL FUND REVENUES – PUBLIC SAFETY POLICE

	<u>19/20 Budget</u>	<u>19/20 YTD</u>	<u>20/21 Proposed</u>
Revenues	\$2,905,003	\$2,685,358	\$2,750,963
Expenses	<u>\$3,334,014</u>	<u>\$2,756,000</u>	<u>\$3,268,480</u>
	\$ (429,011)	\$ (70,642)	\$ (517,517)

Slide Fourteen

GENERAL FUND REVENUES – PUBLIC SAFETY FIRE

	<u>19/20 Budget</u>	<u>19/20 YTD</u>	<u>20/21 Proposed</u>
Revenues	\$ 1,320,950	\$1,300,608	\$ 1,230,966
Expenses	<u>\$ 1,444,761</u>	<u>\$1,293,481</u>	<u>\$ 1,523,326</u>
	\$ (123,811)	\$ 7,127	\$ (295,360)

Ms. Savage stated that we also have to take COVID-19 into consideration as the younger population has not been in school which results in less spending. Hotels have been closed and travel has slowed down resulting in less TOT coming in and taxes from gas sales are to be expected.

Discussion occurred on possible options available for cutting costs and raising revenues.

There were no further comments or suggestions.

3B Consider Resolution No. 20-5781 approving golf course fees

Mr. Jones stated that the golf course fees are being presented to Council at the request of multiple members of the public and a council member. He continued that the course has not been open due to COVID 19 and those who typically purchase annual memberships were requesting a prorated rate however, he is not able to do so as the rates are those set by Council.

Mr. Jones continued that the 2020 rates proposed are: Individual for \$1,104, Individual with Cart \$1,362, Couple \$1,572 and Couple with Cart at \$1,836. Rates were determined by taking the average monthly cost, reduce it by two months, and adding 15 percent back onto the rate. He added that only 14 memberships have been bought to date with a normal number of memberships typically purchased around 40-50.

Discussion occurred on the rates, the winter play that occurred and if members would have played due to the weather conditions.

Councilmember Stafford requested that the option of reducing the course to 9 holes be brought back at the next agenda.

Motion by Councilmember McCourt, second by Councilmember Herrera, to approve Resolution No. 20-5781; motion carried. Ayes: McCourt, Herrera, Stafford, Moore and Schuster.

3C Approved Position List

Mr. Jones stated that Council requested the presentation of positions prior to flying and hiring for approval. The Approved Position List was presented to Council and all listed positions were approved with the exception of the Assistant to the City Administrator, as changes were being proposed.

Motion by Councilmember Herrera, second by Mayor pro tem Moore, to approve the Approved Position List; motion carried. Ayes: McCourt, Herrera, Stafford, Moore and Schuster.

Council recessed at 4:18 p.m. in order to set up for the governance training.

Council resumed at 4:26 p.m.

3D Governance and Brown Act Training

Ms. Long opened by stating that this training would include information on the Brown Act, Governance and Ethics (AB1234) training. She continued that all council members must have the AB1234 training every two years and within six months of taking office and this would qualify as that training.

Ms. Long provided training on topics such as Conflicts of Interest, GC 1090 Violations and the Brown Act as well as explaining meeting types, closed session, and current updates to the Brown Act. Ms. Long also reviewed a portion of the City's Municipal Code.

Ms. Long continued that the City currently uses Robert's Rules of Order however, Rosenberg's Rules may be better suited as they are more modern, if the Council would like to consider the change.

Motion by Councilmember McCourt, second by Councilmember Stafford, to bring the use of Rosenberg's Rules of Order to the next meeting; motion carried. Ayes: Herrera, McCourt, Stafford, Moore and Schuster.

4 ADJOURNMENT:

Motion by Councilmember Herrera, second by Councilmember McCourt, to adjourn; motion carried. Ayes: Herrera, Moore, Stafford, McCourt and Schuster.

Meeting adjourned at 6:02 p.m.

Respectfully submitted by

Heidi Whitlock, City Clerk

Mendy Schuster, Mayor

Approved on: July 15, 2020