

SUSANVILLE CITY COUNCIL
Special Meeting Minutes
March 23, 2011 - 9:00 a.m.
City Council Chambers 66 North Lassen Street Susanville CA 96130

Meeting was called to order 9:00 a.m. by Mayor Callegari.

Roll call of Councilmembers present: Joe Franco, Rod De Boer, Douglas Sayers, Cheryl McDonald and Mayor Lino P. Callegari.

Staff present: Robert Porfiri, Interim City Administrator/Finance Director; Peter M. Talia, City Attorney; Sherry L. Lindsey, Deputy City Clerk; Deborah Savage, Assistant to the City Administrator/Finance Director; Adam Almand, Golf Course Manager; Craig Platt, Public Works Director.

1 APPROVAL OF THE AGENDA: Mr. Talia requested the addition of Urgency Item 4D, Consider **Resolution No. 11-4748**, Authorizing and directing Mayor to sign letter of acceptance of proposal to lease 35 new Golf Carts for 48 months.

Motion by Councilmember Franco, second by Councilmember Sayers to approve the agenda as amended pursuant to §54954.7 Government Code, with the finding that there is a need to take immediate action and the need for that action came to the attention of local agency subsequent to the agenda being posted; motion carried unanimously.

2 PUBLIC COMMENT: There were no public comments.

3 CLOSED SESSION: The City Council recessed to Closed Session at 9:02 a.m. to discuss the following:

A CONFERENCE WITH REAL PROPERTY NEGOTIATOR – Pursuant to Government Code §54956.8:
Property: Portion of APN 116-230-05
APN 103-294-12
Portion of APN 101-270-09
APN 105-143-01
APN 101-271-08
Agency negotiator: Robert Porfiri
Negotiating parties: Unknown
Under negotiation: Price/Conditions/Terms of payment

4 RETURN TO OPEN SESSION: The City Council reconvened in open session at 10:00 a.m.

Mr. Talia announced there was no reportable action taken in closed session

4A Consider Urgency Ordinance No. 11-0980, Authorizing amendment to contract between City and CalPERS: Mr. Talia reported at its March 2, 2011 meeting the City Council approved Resolution No. 11-4736, Adopting a Resolution of Intention to Approve Amendment to Contract between the Board of Administration of California Public Employees Retirement System. This was the first step in matching Tier 2 benefits to Tier 1 benefits for employees after the implementation of Tier 2 rates and following court direction to reinstate at previous benefit levels.

As discussed on March 2, 2011, CalPERS has a procedure for amending an agency's contract. First,

the Council considered the item on March 2, 2011 at a public meeting during which CalPERS actuaries Misa Kurano and Fritzie Archuleta were available by telephone to respond to any questions from the Council or members of the public. At that time, there were no questions.

During the March 2, 2011 meeting the following rates were identified in the amendment actuarial valuation for the adoption of this plan amendment were disclosed:

The employer contribution rate will be 22.139 percent of reportable earnings for local Miscellaneous members as of the effective date of this amendment to contract.

The employer contribution rate will be 32.456 percent of reportable earnings for local Safety members as of the effective date of this amendment to contract.

Following the presentation, the City Council approved Resolution No. 11-4736, A Resolution of Intention to Approve an Amendment to Contract between the Board of Administration California Public Employees' Retirement System and the City Council of the City of Susanville.

Pursuant to Government Code §20474, an election among the Local Miscellaneous employees was conducted by the City Clerk. The election was necessary because there was a change from 8 percent to 9 percent in the employees' contribution. Local Miscellaneous voted in favor of combining Tier 1 and Tier 2 benefits to 3% at 60, single-highest year. The election was conducted by the City Clerk and results certified on March 7, 2011.

On March 16, 2011, **Ordinance No. 11-0979**, Authorizing Amendment to the Contract Between the City of Susanville and the Board of Administration of the California Public Employees' Retirement System which will modify the existing contract, was presented for introduction by the City Council.

At today's special meeting, **Urgency Ordinance No. 11-0980** is being presented for introduction and adoption. This Ordinance will serve as a "placeholder" so that the effective date for the contract amendment will coincide with the April 2, 2011 payroll, pursuant to the schedule commitment between the City and CalPERS.

At the City Council's April 6, 2011 meeting, Ordinance No. 11-0979 will be presented for adoption by the City Council. The Amendment to Contract has been attached as an exhibit to Urgency Ordinance No. 11-0980, Authorizing amendment to contract between City and CalPERS.

Mr. Talia explained the City is under a very strict time line to meet the requirements from CalPERS to amend the City's contract combining Tier 1 and Tier 2 benefits.

Motion to approve **Urgency Ordinance 11-0980** by Councilmember Franco, second by Councilmember Sayers; motion carried unanimously.

4B Consider Resolution No. 11-4744, Approving and authorizing the Mayor to execute commercial lease agreement for the golf course restaurant with Bob and Teresa Russell: Mr. Talia reported that staff, pursuant to Council direction, negotiated a lease of the golf course restaurant with Susanville residents Bob and Teresa Russell. Under the lease they will pay their share of all utilities for the building (½ of propane, cable and telephone and ¼ of the electrical meter, which also serves the cart barn). That amount averaged \$600-700 per month last year and that is not expected to change. They will also pay the sum of \$500 per month. This amount will be deferred for three months (i.e., the

\$500.00 payment) due to the Russell's making themselves financially responsible for getting the restaurant ready for operation. Mr. and Mrs. Russell have done all of the preparation to clean up the restaurant, have purchased the proper equipment and are applying for their own beer and wine license. They are ready to go by April 1, 2011 when the course is expected to open. Mr. And Mrs. Russell plan to not only serve the golfers but to serve all members of the community, offering a reasonably-priced meal and certain family nights and children's days.

Mr. Talia introduced Bob Russell. Mr. Russell explained the restaurant will be called the Shag Bag Bar and Grill. They intend to have "Tight-Wad Buffet" during the weekdays and league nights, and a more extended buffet on the weekends.

Councilmember McDonald asked if people don't wish to take part in the buffet are they still able to get a hamburger. Mr. Russell indicated that he would make a hamburger if people didn't wish to take part in the buffet.

Councilmember Franco inquired if it is a good hamburger. Mr. Russell informed the Council they got the recipe for their hamburgers from a restaurant in San Francisco. It is not their intention to serve frozen food except for fish fillets and maybe the chicken strips. The french fries will be cut right there and fried in peanut oil.

Mayor Callegari invited Mr. Russell to approach the Council anytime.

Motion to approve **Resolution No. 11-4744** by Councilmember Sayers, second by Councilmember McDonald; motion carried unanimously.

4C Consider Resolution No. 11-4745, Approving and authorizing Mayor to execute Letter Agreement with Lassen County (plan review services for new home construction: sprinklers): Mr. Talia reported that effective January 1, 2011 all new residential construction must have sprinkler systems installed, and there is a requirement for someone with the appropriate training to perform plan review. Battalion Chief James Moore is properly certified.

To date, Lassen County does not have someone on staff who is qualified to do the work. County staff requested the services of Chief Moore until a County staffer is certified.

There is current legislation pending that counties may opt out until 2014 to have staff qualified to review residential sprinkler plans.

Councilmember McDonald asked who will be doing the inspections. Mr. Talia informed her the County will be doing the inspections. Councilmember McDonald inquired who at the County would be responsible. Mr. Talia stated he does not know.

Councilmember Franco asked who will be receiving the money. Mr. Talia replied Battalion Chief Moore does not intend to approve and deliver plans until he knows the money is in the City coffers.

Motion by Councilmember Sayers, second by De Boer to approve **Resolution No. 11-4745**; motion carried unanimously.

4D Consider Resolution No. 11-4748, Authorizing Mayor to sign letter of acceptance of proposal to lease 35 new golf carts for 48 months.

Mr. Talia reported staff is seeking direction from Council regarding entering a 48-month lease for 35 golf carts from Yamaha Golf Car Company. This proposal is for new carts. At the time of this meeting the City Attorney has reviewed the lease and is requesting modifications.

The cost for 48 months are:

6 months pay \$98,944 for 4 years 12 months pay \$100,128 for 4 years

Mr. Talia estimates there is roughly \$30,000 or less from paying off the Golf Course loan that has not been assigned to other line items.

Mr. Porfiri pointed out the four-year commitment is a concern.

Ms. Savage produced a new lease option for eight months for used golf carts from the Yamaha Golf Car Company.

Ms. Savage outlined the proposal:

Option 1: (35) 2007 Yamaha golf cars with current batteries @ \$85.00 per car per month. The term of the rental will be for eight months beginning April 15 through November 15, 2011. Any replacement batteries needed will be the expense of the City of Susanville or Diamond Mountain Golf Course. Yamaha will assist in working a fair price through Classic Golf Car in Chico, CA.

Option 2: (35) 2007 Yamaha golf cars with new batteries at a cost of \$110.00 per cart per month. The term of the rental will be for eight months beginning April 15 - November 15, 2011.

Ms. Savage stated she had been advised that the batteries could fail in the first option.

Mayor Callegari asked about the rate of return on golf cart rentals. Mr. Almand advised that after two months every dollar is profit.

Mayor Callegari inquired about the battery costs. Mr. Almand estimated six batteries per cart, at \$1,200.00, battery life is projected at four years. Tires typically last two to three years.

Mr. Almand suggested having a beverage cart available for events.

Councilmember McDonald asked if golf carts are a requirement. Mr. Almand explained that 80 to 85 percent of golfers use carts.

Mr. Talia recommended Option No. 2 for eight months beginning April 15 through November 15, 2011, with new batteries.

Mr. Almand noted "as is" means there will be maintenance of some type for which the City will be responsible.

Councilmember Franco clarified the lease would only be for seven months.

Mr. Almand advised that upon his initial inspection of the golf carts he will know more about what kind of shape the carts are in. He will then have an idea if more money may be needed for additional maintenance. Mayor Callegari requested an update of the condition of the golf carts upon initial inspection.

Councilmember McDonald inquired how many golf carts are currently at the course now. Mr. Almand advised there are none.

Councilmember Franco asked when the golf course can expect delivery of the golf carts. Ms. Savage advised that with Option #1, delivery would be expected on or before April 1, 2011. With Option #2, the golf carts would have to be ordered.

Mr. Almand informed the Council he is ready to open the golf course as soon as the weather permits.

Motion by Councilmember Sayers, second by Councilmember Franco, to approve Option #2 (35) 2007 Yamaha golf carts with new batteries at a cost of \$110.00 per cart per month. The term of the rental will be for eight months beginning April 15 - November 15, 2011; motion carried unanimously.

5 ADJOURNMENT: Motion by Councilmember Franco, second by Councilmember Sayers to adjourn the meeting; motion carried unanimously.

Meeting adjourned at 10:31 a.m.

Lino P. Callegari, Mayor

Respectfully submitted by:

Sherry L. Lindsey, Deputy City Clerk

Approved on May 18, 2011.