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**CITY OF SUSANVILLE**  
66 North Lassen Street ♦ Susanville CA  
**Kathie Garnier, Mayor**

**Joseph Franco, Mayor pro tem**  
**Rod E. De Boer      Kevin Stafford      Brian R. Wilson**

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SUSANVILLE COMMUNITY DEVELOPMENT AGENCY    SUSANVILLE MUNICIPAL ENERGY CORPORATION    SUSANVILLE PUBLIC FINANCING AUTHORITY

**Susanville City Council**  
**Regular Meeting ♦ City Council Chambers**  
**July 6, 2016 \* 6:00 p.m.**

*Call meeting to order*

*Roll call of Councilmembers present*

*Next Resolution No. 16-5310*

*Next Ordinance No. 16-1006*

- 1    **APPROVAL OF AGENDA:** (Additions and/or Deletions)
  
- 2    **PUBLIC COMMENT REGARDING CLOSED SESSION ITEMS** (if any): Any person may address the Council at this time upon any subject for discussion during Closed Session.
  
- 3    **CLOSED SESSION:**
  - A    PUBLIC EMPLOYMENT – pursuant to Government Code §54957:
    1. Golf Course Manager
    2. Agency Negotiator: Jared G. Hancock  
    Bargaining Unit:    Administrative  
                                    Miscellaneous  
                                    Professional/Technical  
                                    Public Works
  
  - B    CONFERENCE WITH REAL PROPERTY NEGOTIATOR – pursuant to Government Code 54956.8:  
    Property:                    APN: 101-270-10  
    Agency negotiator:      Jared G. Hancock  
    Negotiating parties:     City of Susanville/Lassen Community College  
    Under negotiation:      Price/Conditions/Terms
  
- 4    **RETURN TO OPEN SESSION:** (recess if necessary)
  - *Reconvene in open session at 7:00 p.m.*
  - *Pledge of allegiance*
  - *Report any changes to agenda*
  - *Report any action out of Closed Session*
  - *Moment of Silence or Thought for the Day:    Jared G. Hancock*
  - *Proclamations, awards or presentations by the City Council*
    1. Eagle Scout Certificate of Recognition: Colton Hunter Keith
    2. City Council Service Recognition: Nicholas B. McBride

**5**     **BUSINESS FROM THE FLOOR:**

Any person may address the Council at this time upon any subject **not on the agenda** within the jurisdiction of the City Council. However, any matter that requires action will be referred to staff for a report and action at a subsequent meeting. Presentations are subject to a five-minute limit.

**6**     **CONSENT CALENDAR:**

All matters listed under the Consent Calendar are considered to be routine by the City Council. There will be no separate discussion on these items. Any member of the public or the City Council may request removal of an item from the Consent Calendar to be considered separately.

- A     Receive and file minutes from City Council’s May 18, and June 1, 2016 meetings
- B     Approve vendor warrants numbered 97545 through 97587 for a total of \$543,995.27 including \$110,290.17 in payroll warrants

**7**     **PUBLIC HEARINGS:** No business.

**8**     **COUNCIL DISCUSSION/ANNOUNCEMENTS:**

Commission/Committee Reports:

**9**     **NEW BUSINESS:**

- A     Consider request for sponsorship of 2016 Lassen County Fair Events
- B     Consider approval of **Resolution No. 16-5307** approving City Council Committee List
- C     Consider approval of **Resolution No. 16-5309** approving agreement with Lassen Community College for usage of Memorial Park Ballfield

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

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

**12**    **CONTINUING BUSINESS:**

- A     Consider approval of **Resolution No. 16-5265** adopting updated Budget Process Policies

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

**14**    **COUNCIL ITEMS:**

- A     AB1234 travel reports:

15 **ADJOURNMENT:**

- *The City Council will be scheduling a special meeting on July 19, 2016 at 6:00 p.m.*
- *The regular City Council meeting of July 20, 2016 will not be held*

*Reports and documents relating to each agenda item are on file in the Office of the City Clerk and are available for public inspection during normal business hours and at the meeting. These reports and documents are also available at the City's website [www.cityofsusanville.org](http://www.cityofsusanville.org), unless there were systems problems posting to the website.*

*Accessibility: An interpreter for the hearing-impaired may be made available upon request to the City Clerk seventy-two hours prior to a meeting. A reader for the vision-impaired for purposes of reviewing the agenda may be made available upon request to the City Clerk. The location of this meeting is wheelchair-accessible.*

I, Gwenna MacDonald, certify that I caused to be posted notice of the regular meeting scheduled for July 6, 2016 in the areas designated on July 1, 2016.

  
Gwenna MacDonald, City Clerk

Reviewed by:  City Administrator  
 City Attorney

Motion Only  
 Public Hearing  
 Resolution  
 Ordinance  
 Information

**Submitted By:** Gwenna MacDonald, City Clerk

**Action Date:** July 6, 2016

**CITY COUNCIL AGENDA ITEM**

**SUBJECT:** Minutes of the City Council's May 18 and June 1, 2016 meetings

**PRESENTED BY:** Gwenna MacDonald, City Clerk

**SUMMARY:** Attached for the Council's review are the minutes of the City Council's May 18 and June 1, 2016 meetings.

**FISCAL IMPACT:** None.

**ACTION REQUESTED:** Motion to waive oral reading and approve minutes of City Council's May 18 and June 1, 2016 meetings.

**ATTACHMENTS:** Minutes: May 18, 2016  
June 1, 2016

**SUSANVILLE CITY COUNCIL  
SUSANVILLE COMMUNITY DEVELOPMENT AGENCY  
SUSANVILLE MUNICIPAL ENERGY CORPORATION  
SUSANVILLE PUBLIC FINANCING AUTHORITY**

**Regular Meeting Minutes**

**May 18, 2016 – 7:00 p.m.**

**City Council Chambers 66 North Lassen Street Susanville CA 96130**

Meeting was called to order at 7:00 p.m. by Mayor Wilson.

Roll call of Councilmembers present: Kathie Garnier, Nicholas McBride, Lino P. Callegari and Brian R. Wilson. Absent: Rod E. De Boer

Staff present: Jared G. Hancock, City Administrator, Jessica Ryan, City Attorney; Jim Uptegrove, Interim Police Chief; James Moore, Fire Chief; Dan Newton, Public Works Director; Deborah Savage, Finance Manager and Gwenna MacDonald, City Clerk.

**1. APPROVAL OF AGENDA:**

Motion by Councilmember Callegari, second by Councilmember Garnier, to approve the agenda as submitted; motion carried. Ayes: Garnier, McBride, Callegari and Wilson. Absent: De Boer.

**2. PUBLIC COMMENT REGARDING CLOSED SESSION ITEMS:** No comments.

**3 CLOSED SESSION:** No business.

**4 RETURN TO OPEN SESSION:** Mr. Hancock announced that the City Council did not meet in Closed Session, and that the meeting would be closed in memory of former Public Works employee, Tommy Yett, who recently passed away.

Chief James Moore provided the Thought of the Day.

Mayor Wilson presented Crossroads Ministries with a certificate of appreciation on behalf of the City Council for their contributions for the Susan River Clean-up day that had taken place on Friday, April 22<sup>nd</sup> in preparation for the Annual Junior Fishing Derby.

Chief Moore introduced Halvor Philips who would be joining the Susanville Fire Department as a Fire Captain.

**5 BUSINESS FROM THE FLOOR:** There were no comments.

**6 CONSENT CALENDAR:** Mayor Wilson reviewed the items on the Consent Calendar:

A Receive and file minutes from the City Council's April 20, 2016 meeting

B Approve vendor warrants numbered 97072 through 97180 for a total of \$366,606.07 including \$145,281.49 in payroll warrants

Motion by Councilmember Garnier, second by Mayor pro tem McBride, to approve the Consent Calendar; motion carried. Ayes: Garnier, McBride, Callegari and Wilson. Absent: De Boer.

Mr. Hancock stated that it would be appropriate for the City Council to consider Item 7A and 7B together. The City is limited to the number of General Plan updates that can be approved in one year. The update of the City's Safety Element has been included in the resolution which would approve the rezone and amendment of the General Plan Land Use Diagram which would be the next step in the process of approval for the rezone.

**7. PUBLIC HEARINGS:**

**7A Consider approval of Resolution No. 16-5290 adopting a Negative Declaration as the Environmental Document to amend the General Plan Land Use Element Diagram and Rezone Assessor's Parcel Number 105-130-06; and Consider Ordinance No. 16-1006 amending Title 17, Section 17.04.070 of the Susanville Municipal Code to rezone parcel APN 105-130-06 to R-3 Duplex and Triplex Residential: Waive first reading and introduce** Mr. Sanders explained that the public hearing is to review an amendment to the City of Susanville General Plan Land Use Element map to change the land use designation and zoning of a 2-acre parcel from R-1 Single Family Residential to R-3 Duplex and Triplex Residential designation. The site is located at 460 Russell Avenue and is currently developed with a single family dwelling which the applicant is planning to convert into a triplex and is accessed from Russell Avenue from an existing driveway. There are no plans to develop the rest of the property at this time, but any future development would require architectural and site plan review for the construction of a triplex or multiple triplex structures. To ensure compatibility with the existing neighborhood, staff would recommend that any two-story structures be located towards the north side of the property adjacent to the church and existing apartments and reserving the south portion for access, parking and/or single story buildings. This would be reviewed and considered during the Architectural and Site Plan Review stage.

Mr. Sanders continued explaining that approving the request would increase the inventory of land suitable for multi-family development which could be used for low to moderate income housing to help fulfill the City's need for affordable housing, a goal in the City's Housing Element. The Planning Commission reviewed this project at the April 12, 2016 meeting and approved Resolution 16-1038 recommending that the City Council approve the project as presented with the environmental finding that the project will not have a significant effect on the environment and recommending the adoption of a Negative Declaration.

Mr. Sanders explained that approval of Resolution No. 16-5291 would adopt a Negative Declaration as the Environmental Document for File GZ 15-008. Approval of Resolution No. 16-5292 would amend the City of Susanville General Plan Land Use Diagram as related to the rezone, and it would also approve and update to the Safety Element Section of the Susanville General Plan. Amending the City's General Plan to update the Safety Element is one of the required elements of the General Plan and it identifies potential hazards in the City of Susanville, including risks of injury, death, and property damage resulting from both naturally occurring and man-made hazards. Addressing the potential threats to human and environmental safety provides a starting point for recommending corrective or preventative actions that will minimize public exposure to harm.

Mayor Wilson opened the public hearing at 7:17 p.m. and requested comments either for or against the rezone.

**Mike Smith** stated that he lived around the corner from the area on Russell Avenue and that he was against the installation of a multi-family development. He is discouraged that it is so easy for a developer

to come in and buy property and then have the zoning changed on a whim. It affects everyone who lives in the neighborhood.

**Marlene Smith** commented that the traffic on the street was already too busy, and the existing triplex in the neighborhood has created issues with privacy. She is concerned with the loss of the view from her home if a two-story building is put in.

**Mr. Abbott** lives right next door to the property and he also is concerned with increased traffic and lack of privacy. He has lived on the street for 34 years and does not like the planned second story building. Those people will be able to look right into his yard from the second story.

**Pam Hunt** commented that she lives across the street from the subject property and she has lived on the street for 34 years. Ms. Hunt expressed a concern that her home would become a fish bowl. There are already too many cars traveling on Russell Avenue, and to say that there will be no traffic impact from the development seems inaccurate.

**Harold Horsely** discussed the 2008 attempt to rezone and develop the property. He has looked at the plans and layout and the development does not seem to be in keeping with the character of the existing neighborhood.

**Glenn Motts** stated that he supported and agreed with the comments that have been made by the other speakers. He commented that the street is like a raceway with all of the traffic, and people walk in the street which is not safe.

**Alicia Motts** said that she was born on Russell Avenue, and has lived there for 61 years. She talked about growing up on what she characterized as a quiet street, and that there are more and more people who are not good people, trespassing through the property. She stated that development of an apartment building at the site will only encourage more transient type people in what is a single family neighborhood. She does not want to see more traffic in the neighborhood.

**Everd McCain**, representing StoneCo Construction, explained that this is a classic case of a community that is growing, and somewhere between the big fields and downtown you have to balance the needs of the future community with those of the existing community. Providing housing to people who are moving to Susanville is important because most people do not move to town and buy a home right away.

**Gentry Standiford** spoke in support of the project which she said was a long time coming. She described the project and features of the apartments which she said were luxury apartments, and the challenge that newcomers to the community have in finding high quality rental accommodations. She shared that one property manager in town manages 400 properties and has a 4 percent vacancy rate which is very low.

**Everd McCain** remarked that he is concerned with the traffic flow on Russell Avenue, and that it makes more sense for Paul Bunyan to be extended to Skyline Avenue in order for the traffic coming from the neighborhoods in the northern part of town to exit down Paul Bunyan and Skyline without having to travel through the more residential areas.

**Pam Hunt** agreed that the apartments that have been built by the developer are nice, and that they are quality rentals, she just objects to the proposed location, stating that there has to be property located somewhere else in Susanville that would not be a single family neighborhood.

**Mr. Abbott** discussed issues related to crime and theft in the neighborhood.

**Marlene Smith** remarked that the extension of Bunyan to Skyline would just create a longer raceway and result in another traffic related problem.

**Larry Standiford** spoke regarding the property as the builder. He said that he built his first house in Susanville in 1976, and builders do not go where they aren't needed. He bought the property in 1993 when it was zoned R-4. It was downgraded from 20 dwelling units per acre to 12 dwelling units per acre. The project has been adapted to the neighborhood, and it is important to not create a leapfrog development in the community and this location and development is the natural progression to fill the needs of new comers to Susanville. He spoke regarding the quality of his rental properties.

Mayor Wilson asked why the project proponents were asking for a rezone as the first step in the project.

**Mr. McCain** explained that the builder does not typically invest a lot of money into the development of plans and specifications for the project before you have the rezone. The biggest factor in the design is the density of the dwelling units and that drives the design of the project.

Councilmember Callegari stated that he has a problem with changing the neighborhood from what it was when the homeowners bought their single family homes.

Councilmember Garnier commented that she knows Mr. Standiford builds quality apartments for the community. She has a concern with the impact on traffic and the fact that it is a two story building. She would like to see more information related to the traffic study.

Mayor pro tem McBride agreed that it is hard to see things changing from the way that they have always been, but development and growth are needed for the community and along with that comes the need to provide what is best for the existing citizens and also what newcomers to the community need. He thanked everyone for their comments.

Mr. Standiford stated that in looking at a community the idea is to build multi-family properties close enough to the urban area, since the addition of multifamily units will increase foot traffic, and you don't want pedestrians having to walk a long way to do their shopping or go out to eat. To build the units further out actually increases traffic because then everyone has to get in their car and drive when they want to go somewhere.

Mayor Wilson asked if there were any relevant comments from the Planning Commission, and if there was a lot of public comment at those meetings.

Craig Sanders responded that there had not been a lot of public in attendance at the Planning Commission hearing. He stated that the issue of traffic congestion is often a matter of perspective for the neighbors, and explained the methodology of conducting a traffic study. In Susanville, there really is not a lot of traffic, and while there may be an increase in the number of cars, that does not necessarily create congestion according to the guidelines that regulate traffic studies.

Mr. Sanders explained the process of rezone, development, architectural review, site plans, thorough detail, and there is a lot of opportunity to address concerns that the neighbors have expressed as the

council moves through the process. Given the size of the parcel, with parking and landscaping requirements, it could be that the 30 dwelling units per acre could never be realized because the property simply isn't large enough. He said that it was important to note that even the two-story buildings are limited in height by the zoning code to 35 feet.

Councilmember Garnier asked what the current density is on the property.

Mr. Sanders responded that it is currently 7 dwelling units per acre, and it would be increased to 15.

Councilmember Garnier commented that it would be very helpful to have more information regarding the development that was being proposed.

Mr. Sanders answered that typically the specific information regarding the development and design is reviewed and considered during the Architectural Review portion of the process, and it further addresses CEQA requirements.

Mr. Smith asked if that information was contained in the General Plan, which was adopted not that long ago by the City.

Mr. Sanders replied that the Land Use Element of the General Plan addresses those priorities, however the document is not that new. The initial document was adopted in 1990, and was amended somewhat in 2000. There have been some trends identified over the years, specifically that 20 years ago, there was a sixty-forty split in the number of owner occupied dwellings versus rentals, and now the City is seeing a fifty-fifty split between owner occupied and rental dwellings.

Councilmember Garnier commented that a lot of that has to do with the increase in foreclosures and people walking away from home ownership.

Mayor Wilson stated that he appreciates all of the high-quality projects that Standiford Construction builds for the community, but he is not ready to approve the R-3 zoning on this property when there are already plenty of other properties with the appropriate zoning for multi-family construction located in Susanville.

Mr. McCain suggested that the applicants modify the project to address the single large dwelling on the property that is proposed for conversion to a tri-plex, and amend the rezone so that it only affects part of the property, and not the entire parcel.

Councilmember Garnier commented that rezoning only a section of the property now would only create additional problems five years from now when the owner wanted to move forward with the development of the rest of the property.

**Marlene Smith** stated that rezoning part of the property was just saying that it was alright at some point to rezone the rest of it.

Mr. Hancock said that he has participated in a number of these types of hearings over the years, and stated that he had a lot of respect for everyone who was participating in the discussion. It is a huge credit to the community that the speakers have all remained courteous and respectful in expressing their concerns. The property in question is unique in the sense that it is a two acre parcel which is zoned 7 units

per acre, with a house in the front which prevents installing a standard road to access the property. Two acres is a large property for a single family dwelling in town, and the goal is to create a smooth transition between a single family neighborhood and multi-family homes. He discussed alternatives including establishing a lower maximum density, a planned development overlay, and providing additional time for the developer to review and determine what would be the best way to accommodate the needs of the neighborhood.

Councilmember Garnier asked if the proposed rezone could be approved with restrictions on future development.

Mr. Hancock responded that would be addressed at the design phase, and suggested various ways that the developer could design the project to address the concerns of the neighbors, such as restricting the second level building to areas that were further away from the existing single family homes.

Mr. Sanders commented that if the applicants were to put forth a proposed design that was significantly different than what is before the City Council, then the project should go back to the Planning Commission to go through the public hearing process.

Mr. Hancock added that the process is set up so that the specifics of design and impacts to the neighborhood can be discussed and worked through by the Planning Commission who then makes its recommendation by resolution to the City Council. He encouraged those present to attend the Planning Commission meeting which is the best venue to voice concerns and make suggestions regarding the project.

Mayor Wilson stated that the Planning Commission should be made aware of why the project is coming back for further review.

There being no further comments, Mayor Wilson closed the public hearing at 8:31 p.m.

It was the consensus of the City Council to not move forward with the project and staff was directed to work with the applicant and Planning Commission to address the concerns that had been expressed by the public.

**7C Consider approval of Resolution No. 16-5281 establishing and adopting Schedule of Fees for Services and rescinding Resolution No. 15-5153**

Ms. Savage reported that the City Council considered the schedule of fees for services on May 4, 2016. These fees are charged for non-utility based services provided by the City Clerk, Finance Department, Community Development/Building Department, Police and Public Works Department and fees related to the use of City-owned facilities, including parks and the Community Center, are included. The fees are reviewed annually to determine that costs are being recovered and adjusted when necessary. The schedule of fees will go into effect on July 1, 2016, and all existing fees will remain in effect until the waiting period has passed. For fiscal year 2016-2017, the amount estimated to be collected for all fees under the current fee structure is approximately \$237,433.

Mayor Wilson opened the public hearing at 8:36 p.m. and requested comments and questions from the public.

There being no questions, Mayor Wilson closed the public hearing at 8:37 p.m.

Motion by Councilmember Garnier to approve Resolution No. 16-5281; Councilmember Callegari provided a second and the motion carried. Ayes: Garnier, McBride, Callegari and Wilson. Absent: De Boer.

**8** **COUNCIL DISCUSSION/ANNOUNCEMENTS:** None.  
Commission/Committee Reports:

**9.** **NEW BUSINESS:**

Councilmember Garnier announced that she would have to recuse herself from consideration of the following item.

Mayor pro tem McBride stated that he would also recuse himself from consideration due to owning a business in the uptown.

Mayor Wilson directed staff to proceed with consideration of Item 9B while the City Attorney prepared a method to maintain a quorum for the item.

*9A Consider approval of **Resolution No. 16-5293** approving annual report and scheduling public hearing to set assessments for Fiscal Year 2016/2017 for the Historic Uptown Susanville Association (HUSA)*

**9B Consider approval of Resolution No. 16-5294 authorizing submittal of an application to CalRecycle for any and all payment programs** Mr. Hancock explained that State regulations have changed regarding the method used to distribute funding to communities for recycling and community clean-up activities in the past. The Lassen Regional Solid Waste Management Authority utilized the funding to sponsor community clean-up events, however with the new regulations they will not be applying for funding for the 2015-2016 program. The City is proposing to apply on its own behalf and if awarded, would receive approximately \$5,000 for community clean-up costs. The City would be responsible for spending the funds as allowed by the program guidelines.

Mayor Wilson asked if the cost of dump fees would be an allowed expense under the program.

Councilmember Garnier asked if the money had to be spent first and then reimbursed from the program.

Mr. Hancock responded that the City has scheduled clean-up projects that will be completed, and while this process is somewhat more cumbersome it does allow for a small portion of those costs to be reimbursed.

Mayor pro tem McBride asked what sorts of projects would be completed.

Mr. Hancock described a few of the ongoing projects, adding that Susan River Clean-up was the top priority.

Councilmember Callegari stated that it is better to have a little extra money than not, and if the City has to apply for it they should, otherwise it will just be sent to another jurisdiction.

Motion by Councilmember Callegari to approve Resolution No. 16-5294; Mayor pro tem McBride provided a second and the motion carried. Ayes: Garnier, McBride, Callegari and Wilson. Absent: De Boer.

**9C Consider approval of Resolution No. 16-5296 authorizing purchase of 2005 Elgin Pelican Broom Street Sweeper** Mr. Newton reported that the Public Works Department is in need of a street sweeper. Staff has researched new and used equipment and the availability of used equipment is limited. A quality machine has been identified and is available from Truck Site in Sacramento. This street sweeper is a 2005 Elgin Pelican Broom Street Sweeper priced at \$64,731.13 including tax and delivery to Susanville. The purchase of the equipment would be funded by Street Mitigation and Snow Removal funds.

Motion by Mayor pro tem McBride to approve Resolution No. 16-5296; Councilmember Garnier provided a second and the motion carried. Ayes: Garnier, McBride, Callegari and Wilson. Absent: De Boer.

Mayor Wilson asked what would be done with the old street sweeper.

Mr. Newton responded that the Department had planned on keeping it for back-up but was also notified that the Lassen County Public Works Department may be interested in purchasing it to use for parts. Staff would bring that back to City Council for approval if the County moves forward with the purchase.

**9D Consider approval of Resolution No. 16-5298 authorizing execution of construction contract with Dutra Construction for upgrades to Police Department** Mr. Hancock explained that the Police Department has identified the need to make building modifications to the evidence storage area and to create an appropriate office space that is separated from the evidence room. The City's engineering division prepared preliminary project plans, and conducted a walk-through of the building with interested contractors and two proposals were received. Staff recommends awarding the contract to Dutra Construction the lowest responsive bidder. The project would be funded by the Police Facilities and Equipment Fund in the amount of \$26,985.86.

Motion by Councilmember Garnier to approve Resolution No. 16-5298; Mayor pro tem McBride provided a second and the motion carried. Ayes: Garnier, McBride, Callegari and Wilson. Absent: De Boer.

Mayor pro tem McBride asked if there were any plans to reroof the building.

Mr. Hancock responded that the latest repair to the roof was 1-1/2 years ago, and they were able to address most of the leaks but the indication at that point was that there is not much more that can be done to repair it and we are looking at moving towards a resurfacing at some point. The current project is a higher priority due to the safety concerns with the Community Service Officer's office being in the evidence room, and the need to have a separate office space away from the evidence.

Councilmember Garnier asked what the estimated remaining life of the existing roof would be.

Mr. Hancock discussed the challenges for the Duralast brand of roofing, with a varied quality in material durability and the poor adhesion in areas around seams and chimneys. There is a lot of upkeep and with an older building it is more challenging.

Councilmember Garnier asked how long it takes to accumulate funding for these types of repairs.

Mr. Hancock explained that at the end of the year, according to current City Council policy, any savings in the General Fund is allocated by putting fifty percent towards the reserve until the reserve is fully funded. Thirty percent of department operational savings, minus payroll, will go into a maintenance and

equipment fund. Payroll is deducted so that there is not an incentive to leave positions vacant within the departments. Once the reserve is fully met, it is recommended that fifty percent of the department operational savings roll into that fund so that the money can be accumulated at a faster rate.

Mayor pro tem McBride asked if any of the money from fees generated by the departments was put back towards that fund.

Mr. Hancock replied that it happens indirectly. During the budget process, the revenue generated through fees and services is recognized when establishing the budget for each department. Any savings at the end of the year is rolled over at a thirty percent rate, and any excess fee-based revenue generated at that point is put towards the fund as savings.

Mayor pro tem McBride gave the example of the out of area fires budget for the Fire Department, stating that any extra revenue from that source has never gone back into the department budget.

Mr. Hancock explained that the prior method for out of area fires was to establish a low revenue and expense budget, normally \$30,000, and then as the fire fighters were sent out, the amount was exceeded typically during the first fire and the budget would be increased incrementally over the fire season. Chief Moore has identified a more realistic amount, and this year the budget is established at \$120,000 in revenue and \$150,000 in expenses. That savings will be recognized at the end of the year and distributed according to the existing policy.

Mayor pro tem McBride stated that the money should be recognized and budgeted up front for things such as fees, tickets, or out of area fires, and not just rolled over after the fact. The City should be budgeting for those activities that the departments do which generate fees and revenue, and identify that during the budget process at the beginning of the year.

Mayor Wilson stated that four years ago, the program did not even exist and the operations were based on a use it or lose it mentality. That is not happening anymore, and he is uncomfortable with including things such as writing more tickets to build up a maintenance and equipment budget, as it sends the wrong message to the community. The City is doing the right thing with the existing policy and he would rather tie the maintenance and equipment fund to the whole budget.

Mr. Hancock explained that from the Departmental standpoint, there is a real incentive to be fiscally responsible, as it is being rewarded. Expenses are included in the line items for routine maintenance and expenses, however it is important to create a fund for those bigger projects that will accrue year over year and allow the City to plan and budget for larger projects. There is often a lot of waste in government agencies that if you do not spend it, you do not get it back. The City does not operate that way. The reality is, that money has been extremely tight for a long time, so some of the larger maintenance projects have been put off, and the current policy has allowed the City to start to get back on track for taking care of some of those projects.

Mayor Wilson announced that the Council was ready to consider Item 9A.

Mr. Hancock explained that it is the responsibility of elected officials to identify potential conflicts of interest when considering matters of business. Both Councilmember Garnier and Mayor pro tem McBride have identified a conflict of interest in consideration of the HUSA Annual Report, and due to the absence of Councilmember De Boer, it will necessary for either Councilmember Garnier or Mayor pro tem McBride

to participate in the discussion as determined by drawing straws to determine who would remain to constitute a quorum.

The City Attorney provided straws to determine the participation of one councilmember in the discussion. Councilmember Garnier drew the short straw to remain, and Mayor pro tem McBride exited the Council Chambers.

Mayor Wilson requested the report.

**9A Consider approval of Resolution No. 16-5293 approving annual report and scheduling public hearing to set assessments for Fiscal Year 2016/2017 for the Historic Uptown Susanville Association (HUSA)** Mr. Hancock reported that the City Council is required by the Streets and Highways Code to receive and consider the annual fiscal report of the Historical Uptown Susanville Association (HUSA) and approve it by resolution. The resolution of approval sets a public hearing to consider the levy of assessments in the parking and business improvement district for the 2016-2017 fiscal year. If the City Council approves the report, the public hearing for setting assessments would be scheduled for Wednesday, June 22, 2016 at 7:00 p.m. to consider the levy of assessments.

**David Teeter**, HUSA President, thanked the City Council and staff. He stated that last year, he had requested the City issue a check to HUSA for advance payment of assessments due to issues with collections. The City stepped up and for the first time he is seeing one hundred percent assessment collection and he congratulated Heidi Whitlock and Alicia Cordova for all of the hard work that went into making that possible. He discussed issues related to membership in the District, adding that the addition of 8 new assessees in the District indicate that businesses are starting to move in to the uptown.

Mayor Wilson asked if the majority of the businesses were in favor of the District.

Mr. Teeter responded that it is the priority of the HUSA Board to provide education and support to the businesses in the District so that they can continue to see the value of being located in the uptown area. In addition to the community events such as the Safe and Sane Halloween and Magical Country Christmas celebration, it is important to promote the District as being a unique location that offers additional benefits to new businesses. He takes advantage of opportunities to discuss the benefits of HUSA with any business owners that may be dissatisfied with the assessments, and it is an ongoing process.

Motion by Councilmember Garnier to approve Resolution No. 16-5293; Councilmember Callegari provided a second and the motion carried. Ayes: Garnier, Callegari and Wilson. Abstain: McBride. Absent: De Boer.

Mayor pro tem McBride returned to the Council Chambers.

**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 Airport Fee Schedule** Mr. Hancock reported that staff recently completed research for the airport fee schedule. It is proposed that all companies with 4 employees or more, companywide, be charged the current large commercial operator agreement fee of \$10,579.45. Any company with 3 or fewer employees, companywide, will be charged 40 percent of the large operator fee \$4,231.78. Companies wanting to enter into a commercial operator agreement with the City will need to provide the most recent quarterly Federal Employee Report. This will provide the needed information regarding employee count in order to charge the correct fee.

Mayor pro tem McBride asked if staff had discussed this with the FAA.

Mr. Hancock responded that it had been discussed but not submitted for approval. Staff has spent a lot of time and research looking at other airports and they have not been able to identify any that would be similar. The challenge is to make the rate inviting to new small business start-ups, while charging a fair price to larger businesses. It is simplifying the process and determining what constitutes a small company that has proved to be very challenging.

Mayor Wilson commented that leaving the fee alone and charging one fee to any business would be the simplest method. It is not that expensive and he would rather offer a payment plan to a small business than create a different rate structure.

Mr. Hancock responded that staff has learned that a number of communities are just not getting involved or taking advantage of the opportunity to develop their small airports for economic benefits. The smaller airports tend to have a looser fee structure than Susanville.

Councilmember Garnier asked how the City came up with the \$10,575 figure.

Mr. Hancock responded that the City looked at expenses for the airport, the types of projects that are being done, and considered the expenses that should be borne by the users and operators of the airport. The calculation is a rate-based method where the capital and operating costs are calculated and a percentage of those costs are charged. The fee is based on a 7.5 percent of the City's annual operating costs, less depreciation for federally funded projects.

Councilmember Garnier stated that she was fine with the structure as it is written, and perhaps if the City is seeing an increase in small businesses coming in then the Council could revisit the creation of a small operator fee.

Mr. Hancock discussed the criteria for creating a small business operator fee including basing it on the number of employees, the airport is an asset that should be developed, and users should be supporting it through usage fees and operator fees to offset the expenses that are incurred through use of the airport for their business. Staff has conducted exhaustive research and in fact other smaller airports are looking to the City and asking what we are doing. The larger commercial airports have structures in place that are cumbersome to implement at a smaller level, and determining a methodology that is fair and equitable and consistent for larger business as well as a smaller business has proven to be difficult.

Mayor Wilson discussed the challenges of identifying smaller businesses and keeping the process fair and equitable. The challenges of basing the business size on number of employees could present problems when it comes to issues such as family-owned businesses or partnerships.

The City Council discussed issues related to fairness if the companies were categorized based on business type and size.

It was the consensus of the City Council to consider the information provided and revisit the topic at a future date.

**13B Susanville Municipal Airport Hangar Lease Options** Mr. Hancock explained that the Susanville Municipal Airport has two land lease options for privately owned hangars, private leases and commercial leases. Staff has reviewed the leases and identified the primary differences regarding the length of the lease, the storage of personal property and terms of sublease. Based upon the feedback from the City Council, staff recommends that the City no longer enter into commercial leases, and amend the language in the private leases to allow the sublease of the hangar for commercial use, to remove the prohibition of commercial or business activity on the premises, and to require conformance with City ordinances regarding commercial operations.

Councilmember Callegari discussed the problem of having a hangar owner who does not own an aircraft utilizing the space for storage of boats, RV's or other equipment and eventually it can turn into an airport with no airplanes. He discussed the clean-up that was required years ago when the City actually had to evict people from the airport. He does not like to see the City giving up control and allowing people to utilize a public facility for personal gain.

Mr. Hancock responded that former City Attorney Lazard developed a lease that addressed many issues of concern, however there are some areas in the lease that cause issues, and the land around the hangar is still City property.

Mayor Wilson stated that the City has a hangar owner leasing the land at a private lease rate, then subletting to a business and making money.

Mayor pro tem McBride asked which provides more benefit to the City, as the City could potentially lose money if the \$ .79 per square foot rate meant that the Commercial Operator Agreement percentage is lost.

Mr. Hancock stated that the existing leases contain almost no language addressing the issue of the commercial sublease.

The City Council was in agreement that the lease rate should be based on the usage of the hangar, and a commercial operation should be charged the fee for a commercial use, regardless of the status of the owner of the hangar. It was the consensus to clean up the language in the commercial leases to be more specific and bring that back as a future agenda item.

**14 COUNCIL ITEMS:**

**14A AB1234 travel reports:**

Mayor pro tem McBride stated that the blades on the mower at the Golf Course need to be sharpened. Dandelions are in full swing, and the City needs to create a turf farm for cost-effective method of replacement turf.

Mayor Wilson thanked Chief Uptegrove for placing the speed limit trailer around town, as it is effective in slowing down traffic in the residential areas.

**15     ADJOURNMENT:**

Motion by Councilmember Callegari, second by Councilmember Garnier, to adjourn; motion carried. Ayes: Garnier, McBride, Callegari and Wilson. Absent: De Boer.

Meeting adjourned at 10:48 p.m.

Respectfully submitted by

\_\_\_\_\_  
Brian R. Wilson, Mayor

\_\_\_\_\_  
Gwenna MacDonald, City Clerk

*Approved on:*

**SUSANVILLE CITY COUNCIL  
SUSANVILLE COMMUNITY DEVELOPMENT AGENCY  
SUSANVILLE MUNICIPAL ENERGY CORPORATION  
SUSANVILLE PUBLIC FINANCING AUTHORITY**

**Regular Meeting Minutes**

**June 1, 2016 – 6:00 p.m.**

**City Council Chambers 66 North Lassen Street Susanville CA 96130**

Meeting was called to order at 6:00 p.m. by Mayor pro tem McBride.

Roll call of Councilmembers present: Kathie Garnier, Rod E. De Boer, Lino P. Callegari and Nicholas McBride. Absent: Brian R. Wilson.

Staff present: Jared G. Hancock, City Administrator; Jessica Ryan, City Attorney and Gwenna MacDonald, City Clerk.

**1 APPROVAL OF AGENDA:**

Motion by Councilmember De Boer, second by Councilmember Garnier, to approve the agenda as submitted; motion carried. Ayes: Garnier, De Boer, Callegari and McBride. Absent: Wilson.

**2 PUBLIC COMMENT REGARDING CLOSED SESSION ITEMS:** No comments.

**3 CLOSED SESSION:** At 6:01 p.m. the Council recessed to Closed Session to discuss the following:

**A PUBLIC EMPLOYMENT – pursuant to Government Code §54957:**

1. All Employees
2. Independent Contractor Classification
3. Agency Negotiator: Jared G. Hancock  
Bargaining Unit: Administrative  
Miscellaneous  
Professional/Technical  
Public Works

**B CONFERENCE WITH REAL PROPERTY NEGOTIATOR – pursuant to Government Code 54956.8:**

Property: APN: 103-340-01  
Agency negotiator: Jared G. Hancock  
Negotiating parties: City of Susanville/Lassen Community College  
Under negotiation: Price/Conditions/Terms

Closed Session recessed at 7:05 p.m.

**4 RETURN TO OPEN SESSION:** At 7:08 p.m. the City Council reconvened in Open Session.

Staff present: Jared G. Hancock, City Administrator; Jessica Ryan, City Attorney; Jim Uptegrove, Interim Police Chief; James Moore, Fire Chief; Dan Newton, Public Works Director; Deborah Savage, Finance Manager and Gwenna MacDonald, City Clerk.

Mr. Hancock reported that prior to Closed Session, the City Council approved the agenda as submitted. During Closed Session, the City Council gave direction on three items but there was no reportable action.

Mayor pro tem McBride provided the Thought of the Day.

Chief Uptegrove introduced Sergeant Mike Bollinger who recently completed training at the Shermon Block Supervisory Leadership Institute.

Sergeant Bollinger discussed the training program and described the various aspects of leadership and personal growth that he gained from participating in the program. He thanked the City Council for providing the opportunity and for its support of the continued training of City staff.

Mr. Hancock spoke regarding the rewarding experience as a City Administrator to see employees who are provided the experience to further education and career training. He thanked the Council for providing that opportunity to its employees.

**5 BUSINESS FROM THE FLOOR:** There were no comments.

Mayor pro tem McBride requested the removal of Item 6C for separate discussion.

**6 CONSENT CALENDAR:** Mayor Wilson reviewed the items on the Consent Calendar:

- A Receive and file minutes from the City Council's May 4, 2016 meeting
- B Approve vendor warrants numbered 97181 through 97311 for a total of \$484,010.03 including \$2,418.17 in payroll warrants
- C Receive and file quarterly Transient Occupancy Tax Report
- D Receive and file monthly Finance Reports: April 2016

Motion by Councilmember Garnier, second by Councilmember De Boer to approve the Consent Calendar Items 6A, 6B and 6D; motion carried. Ayes: Garnier, De Boer, Callegari and McBride. Absent: Wilson.

**6C Receive and file quarterly Transient Occupancy Tax Report** Ms. Savage reviewed the Transient Occupancy Tax history collected by quarter from fiscal year 1989-1990 through the present. The trend indicates that collections have steadily increased over previous years, and the City is on track to exceed the 2015-2016 TOT, with a current amount of \$329,636 collected from July 2015 through March 2016.

Motion by Councilmember De Boer, second by Councilmember Garnier, to approve Consent Calendar Item 6C; motion carried. Ayes: Garnier, De Boer, Callegari and McBride. Absent: Wilson.

**7 PUBLIC HEARINGS:**

**7A Consider approval of Resolution No. 16-5297 setting fees and policies for the utilities the City of Susanville and rescinding Resolution No. 12-4881, 10-4703, 08-4384, 05-3914 and 04-3748**

Mr. Newton explained that on April 6, 2016 the City Council approved the 2016 Water Rate Analysis and Calculations Report. The Report is the basis for the justification of the proposed water rate increase which will result in a revenue increase to fund water system infrastructure needs as well as operations and maintenance costs.

Mr. Newton explained that the proposed rate modification will not increase the existing base rate. The quantity rate will transition from a five-tiered rate to a two-tiered rate based on the time of year. The proposed two-tiered rate will apply equally to all account holders and is based upon the time of year when the City is required to pump ground water for irrigation. Customers who use 300 cubic feet of water or less each month will not be affected by the proposed rate modification and their bill will not change.

The proposed quantity rate will affect those customers who use larger volumes of water, and their rate will increase based upon the amount of water they use in excess of the 300 cubic foot base rate. Mr. Newton reviewed the new rates as follows:

Water Base Charge: The minimum monthly base charge for all metered services by size is indicated in the following table:

<u>Meter Size</u>	<u>Base Rate</u>
5/8 X 3/4 inch	\$ 23.65
1 inch	\$ 31.93
1-1/2 inch	\$ 41.60
2 inch	\$ 54.11
3 inch	\$ 81.37
4 inch	\$ 124.84
6 inch	\$ 217.27
8 inch	\$ 289.69
10 inch	\$ 362.10

Base Rate Minimum: For each customer regardless of meter size serving the customer, the monthly minimum base rate is \$23.65.

Quantity Rate: Quantity rates are those monthly rates for water supplied through the meter as follows:

Irrigation Season: Irrigation season rates apply to water use between the months of April through September. Irrigation water rates will commence with the first billing cycle in May and end with the first billing cycle in October.

- 0-300 cubic feet = \$0.00 per cubic foot
- 301 cubic feet and up = \$0.0257 per cubic foot

Non-Irrigation Season: Non-Irrigation season rates apply to water use that is outside of the Irrigation Season.

- 0-300 cubic feet = \$0.00 per cubic foot
- 301 cubic feet and up = \$0.0215 per cubic foot

Drought Rate: Drought Rate is a quantity rate that will become effective upon implementation of the respective stage of the City's Water Shortage Contingency Plan.

Stage 1:

- 0-300 cubic feet = \$0.00 per cubic foot
- 301 cubic feet and up = \$0.0296 per cubic foot

Stage 2:

- 0-300 cubic feet = \$0.00 per cubic foot
- 301 cubic feet and up = \$0.0321 per cubic foot

Stage 3:

- 0-300 cubic feet = \$0.00 per cubic foot
- 301 cubic feet and up = \$0.0360 per cubic foot

Connection Fees: Where there is not presently a service or when it is necessary to install a new service the following connection fees shall apply:

- A. Residential Connection Fees: \$997.00  
(Single Family Unit, Each Apartment Unit, Each Motel Unit)
  
- B. Commercial Connection Fee: Determined from water consumption report on basis of equivalent single family, residential connection fees.

Water Source and Storage Capacity Fees:

Source Fee:

Single Family Residential Unit	\$ 697.00
Multi Family Residential Unit	\$ 513.00
Commercial/Industrial (Per Acre)	\$ 917.00

Storage Fee:

Single Family Residential Unit	\$ 1042.00
Multi Family Residential Unit	\$ 689.00
Commercial/Industrial (Per Acre)	\$ 3641.00

**Application Requirements:** Applicants for City Utility services shall provide a valid driver's license or state identification card, social security number, address and telephone number, current employer and current rental agreement (if applicable).

**Deposits:** Deposits are required for the establishment of utility service(s) provided by the City.

**Residential Customers:** The deposit shall be \$200.00 for natural gas service, \$75.00 for water service and \$50.00 for geothermal services. Customers who have both water and natural gas services at the same address will have a maximum deposit of \$250.00.

**Commercial Customers:** The deposit shall be equal to the highest monthly bill from the previous 12 months of usage at that address. In no case shall said commercial deposits be lower than as stated herein for "residential customers".

After 12 months of good payment history for homeowners and 36 months of good payment history for renters, that may include no more than one late payment, the deposit shall be credited to the customer's account. Unsatisfactory payment history will result in an additional 12 months of no more than one late payment before deposit will be credited to account. Deposits held by the City do not accrue interest. No deposit is required for those who have established a good credit history with the City, i.e. 12 consecutive months of on time payments for utilities or customers who pass a credit check. Customers who move within the City may transfer an existing deposit to another residence. In the case where the deposit has been applied to past due accounts, or no deposit was required and the service has been disconnected for non-payment the City will require a new deposit and all fees to be paid before service is restored.

Service Establishment Fees: A service establishment fee shall be charged for the establishment of service and must be paid prior to activation of the meter.

Utility Service	Fees
Water	\$10.00
Natural Gas	\$10.00
Geothermal	\$10.00
Two or More at one time	\$15.00

Establishment fee is waived for property managers, landlords, etc. who have an agreement with the City for assuming services upon vacancy.

Other Fees:

A. Restoration of Service	
- Single Service	\$ 36.00
- Multiple Services	\$ 45.00
B. Restoration of Services (After 3:30 pm)	
- Single Service	\$ 71.00
- Multiple Services	\$ 101.00
C. Meter Testing Deposit	\$ 51.00
D. Meter Tampering Charge	\$ 301.00
(criminal charges may be filed)	
E. Back Flow Prevention Devices	Actual Cost
F. Construction Hydrant Meter Deposit	\$ 1,000.00
G. Inspections (cross connections)	\$ 94.00
H. Natural Gas Safety Inspections	No Charge

Water Service Line Installation: The customer shall pay for all costs of the water service installation including, but not limited to the pipe, service tap, meter box, meter valves, hydrants, labor, trenching, backfilling, patching and administrative costs from the nearest main to the customer's property line in accordance with City standards and specifications. The applicant may have the City Water Division personnel install the service line based on the fee schedule set forth below, or may elect to hire a qualified contractor to perform this work, except that only City Water Division personnel may make the water main tap and install the water meter.

Fee Schedule	3/4"	1"	1-1/2"	2"	Over 2"
New Service	\$1,400	\$1,400	\$1,790	\$2,070	Actual Cost
New Meter	\$303	\$396	\$652	\$782	Actual Cost
New Meter	\$850	\$1,100	\$1,700	\$1,950	Actual Cost
Location					
Remove Service	\$400	\$400	\$450	\$450	Actual Cost

Water Main Tap	\$140	\$155	\$180	\$255	\$475
Fees					

Construction Water:

A. Fire Hydrant Use Deposit

No Meter	\$ 500
Fire Hydrant Meter Deposit	\$1,000

B. Application Fee (non-refundable) \$ 100

C. Hydrant Meter Monthly Fee \$ 25

D. Quantity rate for construction water taken through a hydrant meter shall be \$85.50 per 1,000 cubic feet; \$8.50 per 100 cubic feet; or \$.8555 per 10 cubic feet of water.

Wells and Vertical Drilling:

Wells for Water, Geo, Monitoring, Testing and Heating/ Cooling systems:

	<u>Fees</u>
Application Fee	\$145
Inspection Fee	\$ 92

Mr. Newton added that it is also proposed to implement a drought surcharge which would only become effective when the City implements either Stage 1, 2, or 3 of its Water Shortage Contingency Plan. It is important to note that at the present time, no stage of the Water Shortage Contingency plan is currently in effect.

Mr. Newton explained the notification process which was followed, including a mailer and 45 notification period to property owners. The City has also notified water utility customers who may not own the property, but will be impacted by the proposed rate changes. The notices included information regarding the public hearing time and place as well as information regarding the protest process. The City has received 7 protests, and they may be submitted up to the end of the public hearing.

Mr. Newton concluded by stating that the proposed rate increase would result in approximately \$900,000 in additional annual revenue to the water system to be utilized for infrastructure improvements, operations and maintenance costs.

Councilmember Garnier requested confirmation that there would be no increase to the base rate.

Mr. Newton agreed, stating that the only increase was proposed to actual usage so that the impact to customers who use less water and are conscientious about conserving water would see no increase in their monthly bill. By replacing the quantity structure with a seasonal structure, it would also allow the addition of a drought surcharge that would be triggered only when water restrictions are in place. This allows the City to offset the reduced revenue that is associated with water conservation periods.

Mr. Hancock added that staff dedicated a lot of time to focusing on a plan that would have the least impact on fixed income or low income residents. The proposed rate modification would have the biggest impact on residents with larger lawns or who do a lot of summer irrigating.

Mayor pro tem McBride opened the public hearing at 7:27 p.m. and requested questions or comments from the public.

**Sharon Olinger** stated the \$900,000 figure seemed too high, and said that the City already has rules and regulations in place and if the City would enforce the rules it already has, there would be no reason to raise the rates. She provided examples of people who were in violation of the water restrictions in place last summer, and stated that the system did not spring leaks overnight and raising the rates should not be the first solution. She suggested including on the notification of water restriction dates that the City include a time restriction as well. As it stands, people were turning on their sprinklers and leaving them run for hours and hours. She claimed that her son complained about his neighbor violating the water restriction and that the City did nothing about it. People should be fined if they break the rules, and not just have multiple warnings. Ms. Olinger suggested that the City include a basic fee for a meter for those vacant properties who are not being charged a base rate. There is still a cost associated with maintaining the equipment, and she said that the water company in Leavitt Lake charges a monthly fee to property owners, just to have a water account in their name that is associated with the property, even if nobody is living in the home.

Mr. Hancock explained that the process to enforce the State Mandated Water Restriction is separate from the City's need to operate the water system. The City operates the water system as an enterprise and must periodically evaluate the cost of providing that service, and those studies and analysis was completed and prepared in the Water Rate Analysis and Calculations Report that Mr. Newton mentioned, and it was approved and accepted by the City Council at the May 18<sup>th</sup> meeting. The enforcement of the water restrictions as mandated by the State requires that those people in violation of the restriction are given a warning notice. If they choose to ignore the notice, then the City writes a letter, and after that, a fine is assessed. Those enforcement provisions are established by the Ordinance that was passed, and if no fines were assessed, it is because residents complied with the warning notices that were provided.

Mr. Newton explained the cost development process and rate structure that resulted in the estimated increase in revenue of \$900,000.

Joseph Franco commented that he would like to see a guarantee that the increased revenue would only be spent on the water system.

Mr. Hancock responded that the last water rate increase for general system operations costs was approved in 2005. The increase approved in 2008 was committed to infrastructure improvements only and the City has completed a replacement of aging meters and a number of line replacement projects. However, operational and maintenance costs have continued to increase, and it is important to be able to address those needs as equipment ages, and daily expenses increase.

Mr. Newton added that in accordance with the California Constitution, any revenue generated must be put back into the system, and it cannot be used for another activity.

Mr. Franco remarked that the suggestion regarding notifying residents of the preferred time of day to water, or perhaps including a time in the daily restriction would be useful, as watering during the middle of the day results in increased evaporation. Increasing public awareness will help in the conservation efforts.

There being no further comments, Mayor pro tem McBride closed the public hearing at 8:01 p.m.

Motion by Councilmember Garnier, second by Councilmember De Boer to approve Resolution No. 16-5297; motion carried. Ayes: Garnier, De Boer, Callegari and McBride. Absent: Wilson.

**8** **COUNCIL DISCUSSION/ANNOUNCEMENTS:** None.  
Commission/Committee Reports:

**9** **NEW BUSINESS:**

**9A Consider approval of Resolution No. 16-5295 authorizing execution of airport hangar space lease agreement with Matt Bussell for City-owned Hangar #14** Mr. Hancock explained that the next two were very similar in that the City received notification from two parties who were interested in renting one of three portions of City-owned Hangar #14 at the Susanville Municipal Airport. The space lease agreement with Mr. Matt Bussell will begin on June 1, 2016 and continue on a month-to-month basis. Staff is also proposing an amendment to the lease in paragraph two to reflect that limited personal property may be stored if it is related to aviation, and only if an aircraft is also stored in the hangar. The same lease modification is proposed for 172 Group, which is a partnership of six individuals who want to lease a second space in Hangar #14.

Councilmember De Boer stated that he knows people in other areas who have hangars, but when they take their plane out, they park their car in the hangar. If a person has to use their car for transportation to the airport, they should be able to park the car in the hangar for a period of time.

Mr. Hancock responded that the lease agreements allow users to park their car alongside the hangar if they are using the vehicle to get to and from the airport.

Mayor pro tem McBride stated that he would be abstaining from the vote since he has a business association with the individuals.

Mr. Hancock announced after conferring with the City Attorney that Mayor pro tem McBride's presence at the meeting counts towards the quorum needed even though he would be abstaining from voting on the item.

Mayor pro tem McBride clarified that the approval of the resolution would result in an amendment of the lease language. Mr. Hancock confirmed that it did.

Motion by Councilmember De Boer to approve both Resolution No. 16-5295 and 16-5299; Councilmember Garnier provided a second and the motion carried by polled vote. Ayes: Garnier, De Boer and Callegari. Abstain: McBride. Absent: Wilson.

Consideration and approval of Item 9B, Resolution No. 16-5299 authorizing execution of airport hangar space lease agreement with 172 Group for City-owned Hangar #14 was included in with Item 9A.

**9C Consider approval of Resolution No. 16-5300 approving contract with Xpress Bill Pay and Chase Paymentech for online bill pay services** Mr. Hancock explained that staff has researched the ability to provide utility customers the convenience of paying bills online. The City had previously considered utilizing the services of Paymentus, but due to the excessive charges that would be passed to the customer, the service was never established. The finance division has obtained bids from three vendors and viewed online presentations. Staff recommends utilizing Xpress Bill Pay, who offers full integration with Caselle software and no fee that will be passed on to the customer. Xpress Bill Pay will

allow customers to pay utility bills, business licenses, view their bill and 24 months of billing history, all online. In order to process the payments, a merchant account must be established with Chase Paymentech.

Mr. Hancock explained that the costs to the City are based on an estimate that half of the City's customers will be using the online system to pay their bills and it will take time for customers to make the transition to paying online, but over time it is estimated that customers will appreciate the convenience and take advantage of the service. This is also expected to decrease the number of phone calls received by the Finance Division, as well as the amount of foot traffic at City Hall. The initial costs involved with the implementation of the system, along with reoccurring monthly charges, are estimated to be approximately \$15,700 in year one and approximately \$10,700 each year thereafter.

Councilmember Garnier commented that the City currently accepts payments by check and credit card. Unless there are some other savings which would be realized by providing this option, the cost seems exorbitant.

Mr. Hancock responded that over time it is anticipated that there would be increased efficiencies and savings that could result in possible staffing changes, but not immediately. The current convenience fee for customers paying by credit card over the telephone is \$3.00 per transaction.

Ms. Savage commented that the City has a lot of customers who ask about online bill pay options so there has been a significant amount of interest.

Councilmember Garnier stated that staff is still assisting people who call in and pay by credit card over the phone so a convenience fee is understandable. She asks if the City would require that online bill pay customers go paperless, which would result in a cost savings to the City by not having to process and mail the bills.

Mr. Hancock responded that charges for the convenience of paying by credit card are often rolled into the rates that are charged to the customer, but the City has chosen not to go with that option.

Mayor pro tem McBride stated that it seems redundant to have a credit card machine where people can pay over the phone or in person by credit card and then a separate system for people to pay online. The estimate of fifty percent of customers utilizing the service also seems too high.

Mr. Hancock explained that the City does not charge a convenience fee to customers that are paying in person by credit card. The process to assist a customer who calls in and pays by phone with a credit card requires additional staff assistance and time, so the \$3.00 convenience fee is assessed for those payments. Mr. Hancock described additional features of the system, which would allow a customer to log in, view billing history, set up an auto pay feature which in turn would improve revenue collection. The service is not time sensitive, however it has been some time since the option was discussed and it may be that the Council would choose to pass along a portion of the costs to the customer.

It was the consensus of the City Council to table the discussion for consideration at a future date.

**9D Consider approval of loan receivable write offs** Mr. Hancock explained that the City has issued loans to individuals through the CDBG program and from time to time, these applicants have their properties foreclosed by the primary lender or as a result of bankruptcy. The money repaid on these loans

would normally be placed into the program income account, and City staff has been working with the State and they have other jurisdictions that have the same challenge with money that is uncollectible. The City will not be getting the money back and at this time is proposing to write off the bad debt in order to clean up the books. There is no fiscal impact to the City.

Councilmember De Boer asked what happens to the home that is foreclosed.

Mr. Hancock explained the process of notification and that the City loans are typically in second position. The first mortgage and any property taxes are typically paid first, and then if there is any money left then the City's loan would be paid. The City could buy out the first mortgage and then re-sell the house.

Councilmember De Boer responded that the City does not need to be in the real estate business.

Mr. Hancock stated that these amounts represent files that staff has gone through and there is no recourse.

Motion by Councilmember Garnier, second by Councilmember De Boer to approve the write-offs; motion carried. Ayes: Garnier, De Boer, Callegari and McBride. Absent: Wilson.

**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**   **Golf Course Update** Ms. Savage reviewed the Golf Course revenues, expenses and cash balance for November 2015 through April 2016, noting that the rounds played were down due to a rainy spring season.

A member of the audience asked if the restaurant would be opening this year.

Mayor pro tem McBride responded that the City has not received any responses to its Request for Proposals.

Mr. Hancock added that the RFP was released and it would be open until filled.

Joseph Franco talked about the feedback he received when he played golf recently, the service in the pro shop was great, course maintenance looked good and at \$40 it is a good value. The lack of restaurant and bar has an impact on events such as the men's league, where eating and drinking after play seems to be part of the golf experience. He suggested that the City consider subsidizing the restaurant.

Mayor pro tem McBride responded that the City has been subsidizing the restaurant every year, and part of the issue is that the City is not allowed to carry the liquor license so someone else has to be able to operate it.

Councilmember Garnier expressed her frustration that the restaurant was not open to sell the basic hamburgers, hotdogs, and those items. She added that it would be a money maker for the right person who could run it efficiently.

Mr. Hancock added that the City has invested a lot to create a turn-key facility that someone could literally come in, open the door, and open the restaurant. He added that the City was open to consider any offers that it receives to operate the restaurant and bar.

**14     COUNCIL ITEMS:**

**14A    AB1234 travel reports:**

Councilmember Garnier asked about the condition of the dandelions and if the blades have been sharpened on the mower.

Mayor pro tem McBride stated that the turf farm needs to happen.

Councilmember Garnier asked if the inmate crew was being utilized for the clean-up.

Mayor pro tem McBride asked about the information needed for people to volunteer.

Mayor pro tem McBride noted there had been discussion to schedule the performance evaluation for the City Administrator prior to the new City Council being seated. He requested that the Council schedule a special meeting for June 8, 2016 at 5:30 p.m.

**15     ADJOURNMENT:**

Motion by Councilmember De Boer, second by Councilmember Garnier, to adjourn; motion carried. Ayes: Garnier, De Boer, Callegari and McBride. Absent: Wilson.

Meeting adjourned at 8:59 p.m.

Respectfully submitted by

\_\_\_\_\_  
Brian R. Wilson

\_\_\_\_\_  
Gwenna MacDonald, City Clerk

*Approved on:*

Reviewed by:  City Administrator  
 City Attorney

Motion only  
 Public Hearing  
 Resolution  
 Ordinance  
 Information

**Submitted by:** Deborah Savage, Finance Manager

**Action Date:** July 6, 2016

**CITY COUNCIL AGENDA ITEM**

**SUBJECT:** Vendor and Payroll Warrants

**PRESENTED BY:** Deborah Savage, Finance Manager

**SUMMARY:** Warrants dated June 10<sup>th</sup> through June 28<sup>th</sup> numbered 97545 through 97587

**FISCAL IMPACT:** Accounts Payable vendor warrants totaling \$ 433,705.10 plus \$ 110,290.17 in payroll warrants, for a total of \$543,995.27

**ACTION REQUESTED:** Motion to receive and file.

**ATTACHMENTS:** Payments by vendor and transmittal check registers.

Report Criteria:

Report type: Summary  
Check,Voided = No

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Amount
06/16	06/14/2016	97544	884	BANK OF AMERICA	14,785.40
Grand Totals:					14,785.40

Report Criteria:

Report type: Summary

Check.Voided = No

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GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Amount
06/16	06/16/2016	97545	110	CAMPBELL, DARRELL	431.50
06/16	06/16/2016	97546	7293	DIG IT CONSTRUCTION	141,760.90
06/16	06/16/2016	97547	7293	DIG IT CONSTRUCTION	119,771.72
Grand Totals:					<u>261,964.12</u>

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Report Criteria:

Report type: Summary  
Check.Voided = No

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Amount
06/16	06/17/2016	97549	728	U S POSTMASTER	1,172.90
Grand Totals:					1,172.90

Report Criteria:  
 Report type: GL detail  
 Check Voided = False

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice Number	Inv Seq	GL Account No	GL Account Title	Seq Amount	Check Amount
06/16	06/21/2016	97561	1563	SHAFER EQUIPMENT CO	GREENMASTER MOWER S/N 4	10008890	1	7530-451-52-47	MACHINERY AND EQUIPMENT	2,334.05	2,334.05
06/16	06/21/2016	97561	1563	SHAFER EQUIPMENT CO	JOHN DEERE MOWER S/N TC2	10008890	2	7530-451-52-47	MACHINERY AND EQUIPMENT	2,334.05	2,334.05
06/16	06/21/2016	97561	1563	SHAFER EQUIPMENT CO	REEL MASTER MOWER S/N 035	10008890	3	7530-451-52-47	MACHINERY AND EQUIPMENT	2,334.03	2,334.03
Total 10008890:										7,002.13	7,002.13
Grand Totals:										7,002.13	7,002.13

## Report Criteria:

Transmittal checks included

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Payee ID	GL Account	Amount
06/17/2016	CDPT	06/22/2016	523	P.E.R.S.	8	7650-2203-1	723.75-
06/17/2016	CDPT	06/22/2016	523	P.E.R.S.	8	7650-2203-1	5,619.79-
06/17/2016	CDPT	06/22/2016	523	P.E.R.S.	8	7650-2203-1	1,681.64-
06/17/2016	CDPT	06/22/2016	523	P.E.R.S.	8	7650-2203-1	2,323.93-
06/17/2016	CDPT	06/22/2016	523	P.E.R.S.	8	7650-2203-1	345.83-
06/17/2016	CDPT	06/22/2016	523	P.E.R.S.	8	7650-2203-1	2,005.77-
06/17/2016	CDPT	06/22/2016	523	P.E.R.S.	8	7650-2203-1	153.96-
06/17/2016	CDPT	06/22/2016	523	P.E.R.S.	8	7650-2203-1	156.38-
06/17/2016	CDPT	06/22/2016	523	P.E.R.S.	8	7650-2203-1	1,155.35-
06/17/2016	CDPT	06/22/2016	523	P.E.R.S.	8	7650-2203-1	1,152.92-
06/17/2016	CDPT	06/22/2016	523	P.E.R.S.	8	7650-2203-1	1,237.59-
06/17/2016	CDPT	06/22/2016	523	P.E.R.S.	8	7650-2203-1	1,200.25-
06/17/2016	CDPT	06/22/2016	523	P.E.R.S.	8	7650-2203-1	812.11-
06/17/2016	CDPT	06/22/2016	523	P.E.R.S.	8	7650-2203-1	787.61-
06/17/2016	CDPT	06/22/2016	523	P.E.R.S.	8	7650-2203-1	15.00-
06/17/2016	CDPT	06/22/2016	523	P.E.R.S.	8	7650-2203-1	4,145.49-
06/17/2016	CDPT	06/22/2016	523	P.E.R.S.	8	7650-2203-1	1,115.10-
06/17/2016	CDPT	06/22/2016	523	P.E.R.S.	8	7650-2203-1	1,946.12-
06/17/2016	CDPT	06/22/2016	523	P.E.R.S.	8	7650-2203-1	32.00-
06/17/2016	CDPT	06/22/2016	524	CITY OF SUSANVILLE PA	1	7650-2203-1	7,045.78-
06/17/2016	CDPT	06/22/2016	524	CITY OF SUSANVILLE PA	1	7650-2203-1	7,045.78-
06/17/2016	CDPT	06/22/2016	524	CITY OF SUSANVILLE PA	1	7650-2203-1	2,225.58-
06/17/2016	CDPT	06/22/2016	524	CITY OF SUSANVILLE PA	1	7650-2203-1	2,225.58-
06/17/2016	CDPT	06/22/2016	524	CITY OF SUSANVILLE PA	1	7650-2203-1	16,837.91-
06/03/2016	CDPT	06/22/2016	525	LABORERS TRUST FUND	9	7650-2203-1	912.50-
06/17/2016	CDPT	06/22/2016	525	LABORERS TRUST FUND	9	7650-2203-1	1,107.50-
06/17/2016	CDPT	06/22/2016	525	LABORERS TRUST FUND	9	7650-2203-1	69,010.00-
06/17/2016	CDPT	06/22/2016	526	EMPLOYMENT DEV. DEP	6	7650-2203-1	4,821.29-
06/17/2016	CDPT	06/22/2016	527	EMPLOYMENT DEV DEP	7	7650-2203-1	1,274.92-
06/03/2016	CDPT	06/22/2016	97562	AFLAC	14	8403-2239-0	431.05-
06/03/2016	CDPT	06/22/2016	97562	AFLAC	14	7650-2203-0	120.61-
06/17/2016	CDPT	06/22/2016	97562	AFLAC	14	8403-2239-0	431.05-
06/17/2016	CDPT	06/22/2016	97562	AFLAC	14	7650-2203-0	120.61-
06/17/2016	CDPT	06/22/2016	97563	BECKY R. CALLISON	40	7650-2203-0	348.46-
06/17/2016	CDPT	06/22/2016	97564	CA STATE DISBURSEME	35	7650-2203-0	155.07-
06/17/2016	CDPT	06/22/2016	97565	CA STATE DISBURSEME	36	7650-2203-0	84.90-
06/17/2016	CDPT	06/22/2016	97566	CA STATE DISBURSEME	37	7650-2203-0	69.23-
06/03/2016	CDPT	06/22/2016	97567	GOLDEN ONE CREDIT U	12	7650-2203-0	513.50-
06/17/2016	CDPT	06/22/2016	97567	GOLDEN ONE CREDIT U	12	7650-2203-0	513.50-
06/17/2016	CDPT	06/22/2016	97568	JEFFERSON PILOT FINA	22	7650-2203-1	111.23-
06/17/2016	CDPT	06/22/2016	97568	JEFFERSON PILOT FINA	22	7650-2203-1	163.34-
06/17/2016	CDPT	06/22/2016	97569	NATIONWIDE RETIREME	5	7650-2203-0	955.00-
06/03/2016	CDPT	06/22/2016	97570	NEW IMAGE RACQUETB	30	7650-2203-0	153.00-
06/17/2016	CDPT	06/22/2016	97570	NEW IMAGE RACQUETB	30	7650-2203-0	153.00-
06/03/2016	CDPT	06/22/2016	97571	OPERATING ENGINEERS	11	7650-2203-0	605.00-
06/17/2016	CDPT	06/22/2016	97571	OPERATING ENGINEERS	11	7650-2203-0	629.50-
06/03/2016	CDPT	06/22/2016	97572	PRE-PAID LEGAL SERVI	13	7650-2203-0	7.98-
06/17/2016	CDPT	06/22/2016	97572	PRE-PAID LEGAL SERVI	13	7650-2203-0	7.97-
06/03/2016	CDPT	06/22/2016	97573	UPEC, LOCAL 792	10	7650-2203-1	21.75-
06/17/2016	CDPT	06/22/2016	97573	UPEC, LOCAL 792	10	7650-2203-1	21.75-
06/17/2016	CDPT	06/22/2016	97573	UPEC, LOCAL 792	10	7650-2203-1	2,001.00-
06/17/2016	CDPT	06/22/2016	97574	VALIC	4	7650-2203-0	1,917.62-
06/17/2016	CDPT	06/22/2016	97575	VANTAGEPOINT TRANS.	3	7650-2203-0	62.00-

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Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Payee ID	GL Account	Amount
Grand Totals:			<u>53</u>				<u>148,715.55-</u>

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Report Criteria:  
Transmittal checks included

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Report Criteria:  
 Report type: GL detail  
 Check Voided = False

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice Number	Inv Seq	GL Account No	GL Account Title	Seq Amount	Check Amount
06/16	06/27/2016	97587	660	STATE WATER RESOUR	APPLICATION WATER OPERAT	062016	1	7110-430-42-48	DUES AND MEMBERSHIPS	65.00	65.00
Total 062016:										65.00	65.00
Grand Totals:										65.00	65.00

Reviewed by: JH City Administrator  
\_\_\_\_\_ City Attorney

- Motion Only
- Public Hearing
- Resolution
- Ordinance
- Information

**Submitted By:** Gwenna MacDonald, City Clerk

**Action Date:** July 6, 2016

**CITY COUNCIL AGENDA ITEM**

**SUBJECT:** 2016 Lassen County Fair Sponsorship

**PRESENTED BY:** Jared G. Hancock, City Administrator

**SUMMARY:** Each year the Lassen County Fair sponsors a number of events during Fair week which this year, will be held July 20 through 24, 2016. In the past, the City has provided support through additional security staffing during shows and events, street closure assistance for the parade, and monetary contributions. The Lassen County Fair has requested a cash contribution of \$2,500 from the City of Susanville to support 2016 Lassen County Fair activities. Staff recommends providing funding through the fiscal year 2016/2017 Civic Promotions budget.

**FISCAL IMPACT:** \$2,500 from Civic Promotions fund 1000.466.33.4599

**ACTION REQUESTED:** Motion to approve the donation of \$2,500 to the Lassen County Fair from 2016/2017 civic promotions.

**ATTACHMENTS:** Letter of request.

# Lassen County Fair

Jim Wolcott, Fair Manager

195 Russell Avenue  
Susanville, CA 96130  
Telephone (530) 251-8900  
Fax (530) 251-2715  
Lassencountyfair.org



June 28, 2016

City of Susanville  
Susanville City Council  
66 North Lassen County VL Susanville, CA 96130

Attn: City Clerk

The Lassen County Fair would like to request your \$2,500.00 sponsorship for the 2016 Lassen County Fair Events. We appreciate your continued support during the Fourth of July Fireworks and Fair. We hope we can continue to build a lasting relationship between the City of Susanville and the Lassen County Fair. We look forward to both events.

Sincerely,  


Jim Wolcott  
Fair Manager

Reviewed by:  City Administrator  
 City Attorney

Motion Only  
 Public Hearing  
 Resolution  
 Ordinance  
 Information

**Submitted By:** Gwenna MacDonald, City Clerk

**Action Date:** July 6, 2016

**CITY COUNCIL AGENDA ITEM**

**SUBJECT:** **Resolution No. 16-5307** approving the appointment of representatives to various Boards and Commissions

**PRESENTED BY:** Jared G. Hancock, City Administrator

**SUMMARY:** Susanville City Council members, as part of their official elected duties, serve on various boards, commissions and committees. After an election, when the City Council has been reorganized, it is customary for the new Mayor to make recommendations for committee appointments which are then discussed and either accepted or amended by the City Council.

Attached to Resolution No. 16-5307 as Exhibit A is the City Council Committee List as appointed by Mayor Kathie Garnier.

**FISCAL IMPACT:** None

**ACTION REQUESTED:** Motion approving **Resolution No. 16-5307** approving the Susanville City Council Committee List and rescinding Resolution No. 15-5209

**ATTACHMENTS:**

- Resolution No. 16-5307
- Resolution No. 15-5209

**RESOLUTION NO. 16-5307**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUSANVILLE**  
**AMENDING THE SUSANVILLE CITY COUNCIL COMMITTEE LIST AND**  
**RESCINDING RESOLUTION NO. 15-5209**

**WHEREAS**, the members of the City Council of the City of Susanville have the responsibility, as part of their official duties, to participate in the activities of various boards, commissions and committees within the jurisdiction of the City of Susanville, County of Lassen and State of California; and

**WHEREAS**, the Mayor of the City of Susanville makes recommendations appointing individuals to serve on various boards, commissions and committees, and to sit on new committees, boards or commissions; and

**WHEREAS**, the Mayor of the City of Susanville makes the appointment recommendations described in Exhibit A; and

**WHEREAS**, the term of appointment shall continue until amended.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Susanville approves the Susanville City Council Committee List, attached hereto as Exhibit A, as recommended by the Mayor of the City of Susanville.

Dated: July 6, 2016

APPROVED: \_\_\_\_\_  
Kathie Garnier, Mayor

ATTEST: \_\_\_\_\_  
Gwenna MacDonald, City Clerk

The foregoing Resolution No. 16-5307 was adopted at a regular meeting of the City Council of the City of Susanville held on the 6th day of July, 2016 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAINING:

\_\_\_\_\_  
Gwenna MacDonald, City Clerk

APPROVED AS TO FORM: \_\_\_\_\_  
Jessica Ryan, City Attorney

## SUSANVILLE CITY COUNCIL COMMITTEE LIST

Resolution No. 16-5307

<u>Committee</u>	<u>Representative</u>	<u>Meetings</u>
Abandoned Vehicle JPA	<b>Kevin Stafford</b> Kathie Garnier (alt)	Annual. No current meeting schedule.
Airport Land Use Commission	<b>Joe Franco</b> Rod De Boer <b>Kevin Stafford (alt)</b>	No current frequency. Thursday at 1:30 pm as needed.
Association of California Cities Allied with Public Safety (ACCAPS)	<b>Kevin Stafford</b> Brian Wilson (alt)	Annual
CDBG Loan Committee	Brian Wilson Rod De Boer (alt)	As Needed During Business Hours.
Citizens Advisory Committee (CAC)	<b>Kevin Stafford</b>	Bi-monthly, fourth Monday, at 12:00 pm
Historic Building Preservation	Tim Purdy Will Thorn	As Needed, evening meetings.
Honey Lake Valley Recreation Authority	Brian Wilson Kathie Garnier Joe Franco (alt)	Monthly/ third Tuesday 3:00 pm
Indian Gaming Committee	<b>Rod De Boer</b> <b>Kevin Stafford</b>	No current schedule available.
Local Agency Formation Commission (LAFCO)	<b>Joe Franco</b> Brian Wilson <b>Kevin Stafford (alt)</b>	Every other month, second Monday – 3:00 pm
Lassen County Air Pollution Control District	Rod De Boer <b>Joe Franco</b> <b>Kevin Stafford</b>	Monthly, second Tuesday – 3:00 pm
Lassen County Coordination Council	<b>Joe Franco</b> <b>Kevin Stafford</b>	Monthly, third Monday-6:30 pm
Lassen County Transportation Commission (LCTC) Lassen Transit Authority	Rod De Boer Kathie Garnier Brian Wilson <b>Joe Franco (alt)</b>	Every other month, second Monday – 1:00 pm
Lassen Regional Solid Waste	Kathie Garnier <b>Kevin Stafford</b> <b>Joe Franco (alt)</b>	Monthly, fourth Tuesday 3:00 p.m.

League of California Cities

Brian Wilson

Quarterly, No Current Schedule

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Regional Water Management  
Group

Dan Newton  
Public Works Director

As Needed, During Business  
Hours

1  
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**RESOLUTION NO. 15-5209**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUSANVILLE**  
**AMENDING THE SUSANVILLE CITY COUNCIL COMMITTEE LIST AND**  
**RESCINDING RESOLUTION NO. 15-5194**

**WHEREAS**, the members of the City Council of the City of Susanville have the responsibility, as part of their official duties, to participate in the activities of various boards, commissions and committees within the jurisdiction of the City of Susanville, County of Lassen and State of California; and

**WHEREAS**, the Mayor of the City of Susanville makes recommendations appointing individuals to serve on various boards, commissions and committees, and to sit on new committees, boards or commissions; and

**WHEREAS**, the Mayor of the City of Susanville makes the appointment recommendations described in Exhibit A; and

**WHEREAS**, the term of appointment shall continue until amended.

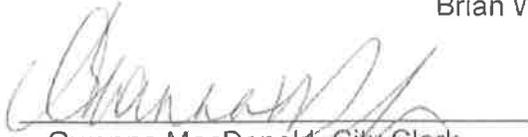
**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Susanville approves the Susanville City Council Committee List, attached hereto as Exhibit A, as recommended by the Mayor of the City of Susanville.

Dated: September 16, 2015

APPROVED:

  
Brian Wilson, Mayor

ATTEST:

  
Gwenna MacDonald, City Clerk

The foregoing Resolution No. 15-5209 was adopted at a regular meeting of the City Council of the City of Susanville held on the 16th day of September, 2015 by the following vote:

AYES:	De Boer, Callegari, Garnier, McBride and Wilson
NOES:	None
ABSENT:	None
ABSTAINING:	None

  
Gwenna MacDonald, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Jessica Ryan, City Attorney

**SUSANVILLE CITY COUNCIL COMMITTEE LIST**  
Resolution No. 15-5209

<u>Committee</u>	<u>Representative</u>	<u>Meetings</u>
Abandoned Vehicle JPA	Nicholas McBride Kathie Garnier (alt)	Annual
Airport Land Use Commission	Lino Callegari Rod De Boer Nicholas McBride (alt)	As Needed
Association of California Cities Allied with Public Safety (ACCAPS)	Lino Callegari Brian Wilson (alt)	Annual
Susanville Airport Commission	Nicholas McBride Rod De Boer, (alt)	Monthly, second Monday
CDBG Loan Committee	Brian Wilson Rod De Boer (alt)	As Needed
Citizens Advisory Committee (CAC)	Lino Callegari	Quarterly
Historic Building Preservation	Tim Purdy Will Thorn	As Needed
Honey Lake Valley Recreation Authority	Brian Wilson Nicholas McBride Kathie Garnier (alt)	Monthly
Indian Gaming Committee	Lino Callegari Nicholas McBride	Annual/as needed
Local Agency Formation Commission (LAFCO)	Rod De Boer Brian Wilson Kathie Garnier (alt)	Every other month, second Monday
Lassen County Air Pollution Control District	Lino Callegari Rod De Boer Nicholas McBride	Monthly, second Tuesday
Lassen County Coordination Council	Lino Callegari Nicholas McBride	Monthly, third Monday
Lassen County Transportation Commission (LCTC) Lassen Transit Authority	Rod De Boer Kathie Garnier Brian Wilson Lino Callegari (Alt)	Every other month, second Monday
Lassen Regional Solid Waste	Kathie Garnier Lino P. Callegari Rod De Boer (Alt)	Monthly, fourth Tuesday
League of California Cities	Brian Wilson Lino Callegari (Alt)	Quarterly
Regional Water Management Group	Dan Newton Public Works Director	As Needed

Reviewed by: JH City Administrator  
     City Attorney

- Motion only
- Public Hearing
- X   Resolution
- Ordinance
- Information

**Submitted by:** Heidi Whitlock, Assistant to the City Administrator

**Action Date:** July 6, 2016

**CITY COUNCIL AGENDA ITEM**

**SUBJECT:** **Resolution No. 16-5309** Authorizing Execution of Agreement with Lassen Community College for the use of the Memorial Ball Field.

**PRESENTED BY:** Jared G. Hancock, City Administrator

**SUMMARY:** The City of Susanville and Lassen Community College District have had an agreement in place since 2001 permitting the College to utilize the Memorial Ball Field as well as other City venues. In 2005, the agreement was modified with the terms to be renewed each year until either party terminated the agreement. After much discussion it was decided to update the agreement to simplify the terms, clearly delineate roles and responsibilities and remove facilities that are no longer shared. Both parties have agreed to the language in the attached updated agreement.

**FISCAL IMPACT:** College to contribute \$5,000 annually in addition to providing labor for agreed upon projects at the ball field.

**ACTION REQUESTED:** Motion to adopt Resolution No. 16-5309

**ATTACHMENTS:** Resolution No. 16-5309  
Agreement between City and Lassen Community College

**RESOLUTION NO. 16-5309**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUSANVILLE**  
**AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH THE**  
**LASSEN COMMUNITY COLLEGE FOR THE USE OF THE MEMORIAL**  
**BALL FIELD AND RESCINDING ALL PRIOR RESOLUTIONS AND**  
**AGREEMENTS**

**WHEREAS**, the City Council of the City of Susanville entered into an agreement with the Lassen Community College District in 2001 for the use of multiple City venues; and

**WHEREAS**, the agreement was amended in 2005 to remove facilities that were no longer shared by the Lassen Community College District; and

**WHEREAS**, the terms of the previous agreement no longer fit the needs of either party; and

**WHEREAS**, City and College staff have determined that an agreement between the City and the College for the use of the Memorial Ball Field was needed and terms were established.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Susanville authorizes the Mayor to execute an Agreement with the Lassen Community College District for the use of the Memorial Ball Field beginning July 1, 2016 and continuing until terminated by either party and rescinding all prior resolutions and agreements.

APPROVED: \_\_\_\_\_  
Kathie Garnier, Mayor

ATTEST: \_\_\_\_\_  
Gwenna MacDonald, City Clerk

Dated: July 6, 2016

The foregoing Resolution No. 15-5309 was adopted at a regular meeting of the City Council of the City of Susanville, held on the 6<sup>th</sup> day of July, 2016 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAINING:

\_\_\_\_\_  
Gwenna MacDonald, City Clerk

APPROVED AS TO FORM: \_\_\_\_\_  
Jessica Ryan, City Attorney

**AGREEMENT BETWEEN CITY OF SUSANVILLE  
AND  
LASSEN COMMUNITY COLLEGE DISTRICT**

**USE OF MEMORIAL BALLPARK**

AGREEMENT made upon approval of both parties, by and between CITY OF SUSANVILLE, a municipal corporation and general law city, hereinafter referred to as "CITY" and "LASSEN COMMUNITY COLLEGE DISTRICT", hereinafter referred to as "COLLEGE".

Purpose of Agreement

1. The purpose of this Agreement is to state the terms and conditions under which COLLEGE and its subsidiaries, agents and employees will use Memorial Ballpark, 1200 North Street; Susanville, Lassen County, California, hereinafter respectively referred to as "Memorial Ballpark."

Use of Memorial Ballpark

2. COLLEGE shall be permitted to use said ballpark during the course of this Agreement to conduct COLLEGE classes including Lassen College Baseball as well as fundraisers benefitting the COLLEGE baseball team. The CITY reserves the right, with proper notification, to cancel a scheduled COLLEGE event if the time or activity is deemed inappropriate. During times in which no COLLEGE activities are scheduled, the CITY may allow use of the ballpark by other individuals or organizations if said use is deemed appropriate by CITY. The college shall not discourage or interfere with approved public use of said ballpark.

Requirements of COLLEGE for Memorial Ballpark

4. COLLEGE agrees that, as a condition of use and occupancy of Memorial Ballpark, it will:
- a. Contribute \$5,000 annually in addition to providing labor for agreed upon projects at the ball field.
  - b. Receive prior approval from CITY for any proposed improvements or alterations for the ballpark including, but not limited to: buildings, facilities, fencing, or utilities.
  - c. Provide supervision for students necessary to maintain the ballpark in a manner that provides a safe facility for both players and spectators at both practices and games.
  - d. Coordinate scheduling of the ballpark with the City Administrative Services Department. Annual scheduling requests shall be submitted by COLLEGE prior to commencing practices or games for the year.
  - e. No admission fees shall be charged for the use of Memorial Ballpark by COLLEGE without prior written authorization from the CITY and attendance may not be restricted.
  - f. Dispose of all routine garbage, grass clippings, etc. in the provided dumpster adjacent to the ballpark. COLLEGE is responsible for disposal of any items that do not fit in the dumpster. At no time will any refuse be discarded on the ground inside the park boundaries.

- g. In cooperation with the CITY, supply student-worker labor for maintaining Ball Park.
- h. Communicate safety or liability concerns to the CITY in a timely manner.

Requirements of CITY for Memorial Ballpark

- 5. CITY agrees to:
  - a. Make Memorial Ballpark available to COLLEGE for educational purposes as set forth in this agreement.
  - b. Maintain Memorial Ball Park including but not limited to fencing, grandstand and concession areas.
  - c. Waive the COLLEGE's Memorial Park use fees.
  - d. Allow COLLEGE to sell sign space to program sponsors at ballpark on a calendar year basis upon reasonable terms and conditions determined by CITY.

Insurance

- 6. COLLEGE shall keep in full force and effect at all times during the term of this Agreement the following insurance:
  - a. Public Liability Insurance in the minimum amount of \$1,000,000 for one person and \$2,000,000 for more than one person, for loss from a tort resulting in bodily injury or death.
  - b. A Certificate naming CITY as additionally insured on COLLEGE's Public Liability Insurance shall be provided to CITY upon execution of this Agreement.
  - c. Worker's Compensation Insurance covering all employees and/or students of COLLEGE engaged in performing the services, duties and obligations hereunder.
- 7. CITY shall keep in full force and effect at all times during the term of this Agreement the following insurance:
  - a. Public Liability Insurance in the minimum amount of \$1,000,000 for one person and \$2,000,000 for more than one person, for loss from a tort resulting in bodily injury or death.
  - b. A Certificate naming COLLEGE as additionally insured on CITY's Public Liability Insurance shall be provided to COLLEGE upon execution of this Agreement.
  - c. Worker's Compensation Insurance covering all employees of CITY engaged in performing the services, duties and obligations hereunder.

Employees of COLLEGE

- 8. COLLEGE agrees that all instructors and/or paid students or any other persons furnished by COLLEGE shall be employees of COLLEGE and shall at all times be subject to the direct supervision and control of COLLEGE.

Employees of CITY

9. CITY agrees that all persons furnished by CITY shall at all times be subject to the direct supervision and control of CITY.

Compliance with Statutes, Ordinances and Regulations

10. In performing the services required under this Agreement, COLLEGE and CITY shall comply with all applicable federal, state, county, and city statutes, ordinances and regulations.

Release and Hold Harmless Agreement

11. COLLEGE, its successors and assigns, hereby release CITY from any and all liability for personal injury or property damages arising out of COLLEGE's use of Memorial Ballpark due to any intentional or negligent acts, errors, or omissions on the part of COLLEGE, its officers, officials, employees and volunteers; AND agree to hold CITY free, clear and harmless from any and all claims and demands whatsoever for personal injury or property damage due to any intentional or negligent acts, errors or omissions on the part of CITY, its officers, officials, employees and volunteers.

Assignment

12. This Agreement shall not be assignable by either party without the prior written consent of the other party.

Term of Agreement

13. The term of this Agreement shall commence upon approval of both parties, and shall continue in full force and effect and be automatically renewed each year thereafter until terminated by either party with sixty (60) days written notice.

Entire Agreement

14. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any and all other agreements, understandings, statements or representations, either oral or in writing.

Notices

15. Any notices required to be given under this agreement shall be in writing and personally served, addressed to the other party at the address given below;

CITY  
City Administrator  
66 N. Lassen St.  
Susanville, CA 96130

COLLEGE  
President  
478-200 State Hwy 139  
Susanville, CA 96130

Executed at Susanville, Lassen County, California, on \_\_\_\_\_, 20\_\_\_\_.

ATTEST:

\_\_\_\_\_  
CITY OF SUSANVILLE  
Kathie Garnier, Mayor

\_\_\_\_\_  
Gwenna MacDonald, City Clerk

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LASSEN COMMUNITY COLLEGE, PRESIDENT

Jessica Ryan, City Attorney

Reviewed by:  City Administrator  
 City Attorney

Motion only  
 Public Hearing  
 Resolution  
 Ordinance  
 Information

**Submitted By:** Deborah Savage, Finance Manager

**Action Date:** July 6, 2016

**CITY COUNCIL AGENDA ITEM**

**SUBJECT:** Resolution No. 16-5265 –Adopting Updated Budget Process and Policies

**PRESENTED BY:** Jared G. Hancock, City Administrator

**SUMMARY:** At the June 22 City Council meeting, the Council considered an update to our budget process and policies with Resolution No. 16-5265. During the meeting the City Council gave input on the language contained in the document addressing the distribution of surplus funds to the facility and equipment funds. Staff has incorporated those changes to the policy document as follows:

Proposed Reserve Policy:

Phase 1 – Each budget year the City will use 50% of the prior year audited actual General Fund surplus (when a surplus is available) towards funding the General Fund Reserve equal to 20% of General Fund annual operating revenue. 30% of net departmental savings (excluding payroll) for the Administrative Services, Police and Fire departments will be deposited into their respective facility and equipment funds to accrue year over year. The remaining surplus (when available) will remain in the General Fund Fund balance.

Phase 2 – Upon fully funding the General Fund Reserve Account, 50% of the net departmental savings (excluding payroll) for the Administrative Services, Police and Fire departments will be deposited into their respective facility and equipment funds of the prior year audited actual surplus (when a surplus is available). 30% of the surplus (when available) will be used to pay down short and long term General Fund debt approved by the City Council and the remaining surplus (when available) will remain in the General Fund Fund Balance.

Phase 3 – Upon repayment of all short and long term General Fund debt, 70% of net departmental savings (excluding payroll) for the Administrative Services, Police and Fire departments will be deposited into their respective facility and equipment funds of the prior year audited actual surplus (when a surplus is available) and the remaining surplus will remain in General Fund Fund Balance.

**FISCAL IMPACT:** None at this time.

**ACTION REQUESTED:** Motion to adopt Resolution No. 16-5265 Adopting Updated Budget Process and Policies

**ATTACHMENTS:** Resolution No. 16-5265  
Exhibit "A" City of Susanville Budget Process and Policies  
Resolution No. 09-4543

**RESOLUTION NO. 16-5265**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUSANVILLE**  
**ADOPTING UPDATED BUDGET PROCESS AND POLICIES**

**WHEREAS**, the City Council of the City of Susanville has formally adopted the budget process and policies for the City; and

**WHEREAS**, the City has reviewed these policies and updated them to include the next phases of the City's financial plan; and

**WHEREAS**, the proposed policies, attached hereto as Exhibit A, supersede any other policies previously adopted by the Council;

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Susanville hereby adopts the budget process and policies, as set forth in Exhibit A.

Dated: June 22, 2016

APPROVED: \_\_\_\_\_  
Brian R. Wilson, Mayor

ATTEST: \_\_\_\_\_  
Gwenna MacDonald, City Clerk

The foregoing Resolution No. 16-5265 was adopted at a special meeting of the City Council of the City of Susanville held on the 22nd day of June, 2016 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAINING:

\_\_\_\_\_  
Gwenna MacDonald, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Jessica Ryan, City Attorney

**CITY OF SUSANVILLE**  
**BUDGET PROCESS AND POLICIES**  
**Amending Prior Policies Adopted By Resolution 09-4543**

Budget Process

The budget process begins with the development of the budget calendar which provides those involved with a time frame for planning and preparing their budgets. There are two major components to the budget process: one is to forecast revenues and one is to project expenditures. The Finance Manager prepares the revenue forecast and the Department Heads, with Council direction in mind, prepare their expenditure requests. After all this information is compiled into one document, the City Administrator and the Finance Manager meet with all the Department Heads to discuss issues and needs to be addressed by the budget. After the City Administrator has made his final review and approval, the Finance Manager presents the projected budget to the City Council. This is done in a workshop format where the public is involved and further comments and recommendations are received from the Council and the public.

Upon completion of the hearings, and after all recommendations have been made, Council revises the Budget and then adopts it with a formal resolution. The Council also adopts by resolution the City's appropriations limit in conformance with California Constitution Article XIII B.

Budget Amendment Process

The adopted budget can be amended at any regular Council Meeting.

During the course of the fiscal year, there may be occasion when the budget will need additional funds for a specific department or for a project (grant projects, etc.) that was unforeseen when the budget was prepared. The City Administrator must submit a request for a budget amendment to the City Council before the Finance Division can amend the budget and authorize additional expenditures.

In addition to specific departmental requested changes, the City Administrator and the Finance Manager normally review the budget at mid-year and ask Council to approve a revised mid-year budget. After review by the City Council, the amended budget is adopted in its entirety by resolution.

Even though only the City Council can adopt a budget and increase total appropriations, Department Heads are given some discretion to move budget amounts amount line items, as long as the changes do not increase the total budget approved for a specific fund. Department Heads send in writing their budget changes to the Finance Manager for approval. These budget changes will only be allowed for certain operating expenses but not for salaries, benefits and other fixed expenses. If necessary, the City Administrator is also given the discretion to move budget between departments within the General Fund.

Current Budget Policies

- Adopt a balanced budget by June 30 of each year.

- Approve operating expenditures not to exceed operating revenues.
- Approve and adopt the budget at the fund level.
- Review all fees and charges annually.
- Whenever possible, fees and charges are set for each utility at a level that fully support direct and indirect costs.
- All active funds, with the exception of agency funds (LAFCO, LCAPCD, etc.) are included in the budget due to the pooled cash system.
- Fund balances, in excess of the reserve requirement, may be used as a source of funds for non-recurring expenditures (one-time).
- Provide adequate maintenance and replacement to equipment and buildings.
- Mid-year or more frequent reviews shall be done to take action to bring the budget into balance if adjustments are need in the course of a fiscal period.
- Create and maintain reserves for all major funds (Natural Gas, Water, General Fund, etc.)
- The City will strive to maintain General Fund reserve equal to twenty percent (20%) of annual operating revenues.
- A cash amount equivalent to the reserve will be kept in a separate fund and the fund balance will be restricted. Use of this reserve will require City Council approval.
- Phase 1 – Each budget year the City will use 50% of the prior year audited actual General Fund surplus (when a surplus is available) towards funding the General Fund Reserve equal to 20% of General Fund annual operating revenue. 30% of net departmental savings (excluding payroll) for the Administrative Services, Police and Fire departments will be deposited into their respective facility and equipment funds to accrue year over year. The remaining surplus (when available) will remain in the General Fund Fund Balance.
- Phase 2 – Upon fully funding the General Fund Reserve Account, 50% of the net departmental savings (excluding payroll) for the Administrative Services, Police and Fire departments will be deposited into their respective facility and equipment funds to accrue year over year. 30% of the audited actual General Fund surplus (when available) will be used to pay down short and long term General Fund debt approved by the City Council and the remaining surplus (when available) will remain in the General Fund Fund Balance.
- Phase 3 – Upon repayment of all short and long term General Fund debt, 70% of net departmental savings (excluding payroll) for the Administrative Services, Police and Fire departments will be deposited into their respective facility and equipment funds to accrue year after year, and the remaining audited actual surplus (when a surplus is available) will remain in General Fund Fund Balance.
- Maintain fiscal solvency (address cash flow concerns).
- City Administrator has discretion to move budget between departments within the General Fund.
- Department Heads may move budget among line items within a specific fund/department (with some restrictions).
- **A 4/5 vote of the City Council is required to bypass or amend any of the budget policies.**

### Capital Improvement Budget

The capital improvement budget is approved and adopted at the beginning of a project for the length of the project and not for the fiscal year. Projects may have one or more funding sources. The Finance Manager will carry forward the budget available (original adopted budget less

Amended 6/22/2016

expenditures for the year) year after year, until the project is completed. It is not necessary to resubmit the budget request each fiscal year to the City Council because the project (resources and uses) has already been approved in its entirety. However, if there is a need for change orders (i.e. expenditure budget increase), departments must submit a request for a budget increase to the City Administrator who will prepare a budget amendment for City Council approval before the change orders are issued and commitments are made with vendors and contractors with the exception for projects where the City Administrator or Department Head has been given signing authority for change orders not to exceed an amount that will not require a budget increase. Department employees are also required to follow purchasing procedures established for the City. Under these procedures, the City requires that contracts with vendors be reviewed and approved by the City Attorney and signed by the Mayor (Government Code Section 40602). Ongoing maintenance or replacements of capital equipment are considered operating items (not capital improvements).

### Primary Responsibilities

- City Council is responsible for approving and adopting an operating and capital improvements budget at the Fund Level.
- Department Heads or their designees are responsible for approving expenditures within their respective fund allocations.
- The Finance Division is responsible for collecting revenues and making payments for expenditures according to the adopted budget. Neither Finance nor the Department Heads are permitted to overspend their allocated budgets at the fund level.
- Finance staff monitors and controls expenditures through the use of the computerized accounting system.
- Departments have the responsibility for ascertaining the sufficiency of funds prior to making a purchase or entering into a contract or agreement.
- All contracts must be reviewed and approved by the City Attorney prior to execution.
- All contracts must be signed by the Mayor (Government Code Section 40602).
- Contracts cannot be signed until they are approved by the City Council.



## CITY OF SUSANVILLE BUDGET PROCESS AND POLICIES

### Budget process

The budget process begins with the development of the budget calendar which provides those involved with a time frame for planning and preparing their budgets. There are two major components to the budget process: one is to forecast revenues and one is to project expenditures. The Finance Director prepares the revenue forecast and the Department Heads, with Council direction in mind, prepare their expenditure requests. After all this information is compiled into one document, the City Administrator and the Finance Director meet with all the Department Heads to discuss issues and needs to be addressed by the budget. After the City Administrator has made his final review and approval, the Finance Director presents the projected budget to the City Council. This is done in a workshop format where the public is involved and further comments and recommendations are received from the Council and the public.

Upon completion of the hearings, and after all recommendations have been made, Council revises the Budget and then adopts it with a formal resolution. The Council also adopts by resolution the City's appropriations limit in conformance with California Constitution Article XIII B.

### Budget Amendment Process

The adopted Budget can be amended at any regular Council Meeting.

During the course of the fiscal year there may be occasions when the budget will need additional funds for a specific department or for a project that was unforeseen when the budget was prepared. Department Heads must submit a request for a budget amendment to the City Council before Finance can amend the budget and authorize additional expenditures.

In addition to specific departmental requested changes, the City Administrator and the Finance Director, normally review the budget at mid-year and ask Council to approve a revised mid-year budget. After review by the City Council, the amended budget is adopted in its entirety by resolution.

Even though only the City Council can adopt budget and increase total appropriations, Department Heads are given some discretion to move budget amounts among line items, as long as the changes do not increase the total budget approved for a specific Fund. Department Heads will have to send in writing their budget changes to the Finance Director for approval. These budget changes will only be allowed for certain operating expenses but not for salaries, benefits and other fixed expenses. If necessary, the City Administrator is also give discretion to move budget between departments within the General Fund.

### Current budget policies:

- Adopt a balanced budget by June 30 of each year.
- Approve operating expenditures not to exceed operating revenues.
- Approve and adopt the budget at the fund level.

- Review all fees and charges annually.
- Whenever possible, fees and charges are set for each utility at a level that fully supports direct and indirect costs.
- All active funds are included in the budget due to the pooled cash system.
- Fund balances, in excess of the reserve requirement, may be used as a source of funds for non-recurring expenditures (one-time).
- Provide adequate maintenance and replacement to equipment and buildings.
- Mid-year, or more frequent, reviews shall be done to take action to bring the budget into balance if adjustments are needed in the course of a fiscal period.
- Create and maintain reserves for all major funds (Natural Gas, Water, General Fund, etc.)
- The City will strive to maintain General Fund reserve equal to twenty percent (20%) of annual operating revenues.
- A cash amount equivalent to the reserve will be kept in a separate fund and the fund balance will be restricted. Use of this reserve will require City Council approval.
- Each budget year the City will use 50% of the prior year audited actual surplus (when a surplus is available) towards the reserves until the 20% goal is reached.
- After the 20% goal is reached, excess fund balance will become available for spending (one-time expenditures) and can be appropriated through the budget process.
- Maintain fiscal solvency (address cash flow concerns).
- City Administrator has discretion to move budget between departments within the General Fund.
- Department Heads may move budget among line items within a specific fund/department (with some restrictions).
- **A 4/5 vote of the City Council is required to bypass or amend any of the budget policies.**

#### Capital Improvement Budget

The capital improvement budget is approved and adopted at the beginning of a project for the length of the project and not for the fiscal year. Projects may have one or more funding source. The Finance Director will carry forward the budget available (original adopted budget less expenditures for the year) year after year, until the project is completed. It is not necessary to re-submit the budget request each fiscal year to the City Council because the project (resources and uses) has already been approved in its entirety. However, if there is a need for change orders (i.e. expenditure budget increase), Departments must submit a request for a budget increase to the City Council before the change orders are issued and commitments are made with vendors and contractors. Department employees are also required to follow purchasing procedures established for the City. Under these procedures, the City requires that contracts with vendors be reviewed and approved by the City Attorney and signed by the Mayor (Government Code Section 40602). Ongoing maintenance or replacements of capital equipment are considered operating items (not capital improvements).

#### Primary Responsibilities

- City Council is responsible for approving and adopting an operating and capital improvements budget at the Fund Level.

- Department Heads are responsible for approving expenditures within their respective fund allocations.
- The Finance Department is responsible for collecting revenues and making payments for expenditures according to the adopted budget. Neither Finance nor the Department Heads are permitted to overspend their allocated budgets at the Fund level.
- Finance staff monitors and controls expenditures through the use of the computerized accounting system.
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