

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

**Regular Meeting Minutes  
March 19, 2014 – 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 De Boer.

Roll call of Councilmembers present: Cheryl L. McDonald, Nicholas McBride, Lino P. Callegari, Mayor pro tem Wilson and Mayor Rod E. De Boer.

Staff present: Jared G. Hancock, City Administrator, Peter M. Talia, City Attorney and Gwenna MacDonald, City Clerk.

**1 APPROVAL OF AGENDA:**

Motion by Councilmember Callegari, second by Mayor pro tem Wilson, to approve the agenda as submitted; motion carried unanimously.

**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 CONFERENCE WITH LEGAL COUNSEL – Anticipated litigation: Significant exposure to litigation pursuant to Government Code §54956.9 (b): six potential claims
- B PUBLIC EMPLOYMENT – pursuant to Government Code §54957:
  - 1. Employee Status Report

**4 RETURN TO OPEN SESSION:** At 7:00 p.m. the City Council reconvened in open session.

Staff present: Craig Platt, Public Works Director; Theodore Friedline, Fire Chief; Matt Wood, Police Lieutenant/Acting Police Chief; Deborah Savage, Finance Manager; and Gwenna MacDonald, City Clerk.

Mr. Hancock reported that direction was given to staff but there was no reportable action from closed session.

Chief Theodore Friedline offered the Thought of the Day.

Mayor De Boer presented a proclamation to Lassen Family Services designating April as Sexual Assault Awareness Month. The Council was invited to participate in the 'Walk a Mile in Their Shoes' event scheduled for April 12, 2014.

**5 BUSINESS FROM THE FLOOR:**

**Amelia Luna**, Susanville Indian Rancheria, announced that the Rancheria would be holding its 5<sup>th</sup> Annual Pow Wow in honor of Veterans and Elders, and this year's event will specifically honor veterans of the Vietnam War era. She requested donations for the raffle, and described some of the activities scheduled.

- 6**     **CONSENT CALENDAR:** Mayor De Boer reviewed the items on the Consent Calendar:
- A     Approve vendor warrants numbered 90389 through 90439 for a total of \$176,174.20 including \$90,669.02 in payroll warrants
  - B     Receive and file Treasurers Report: February 2014
  - C     Receive and file Finance Report: February 2014
  - D     Approve surplus of equipment and authorize sale

Councilmember McBride requested the removal of Item 6D for separate discussion.

Motion by Councilmember Callegari, second by Mayor pro tem Wilson, to approve the consent calendar items 6A through 6C; motion carried unanimously.

Councilmember McBride asked why the equipment was not being offered for bid and was being sold to an individual.

Mr. Hancock explained that the mower was broken and old enough that many of the replacement parts were obsolete. The City had been contacted by an individual who wanted to buy it for parts and was offering to pay eight hundred dollars for it. Mr. Platt concurred, adding that if the City were to scrap the equipment it would probably bring no more than one hundred dollars. The majority of vehicles that the City has sold by auction typically sell for between three and four hundred dollars, so getting eight hundred for a mower was a good price.

Mayor pro tem Wilson asked about the other equipment that the City has available for surplus.

Mr. Hancock responded that the City was working towards the coordination of a City wide surplus sale later in the spring, and in this particular case there was a request for a specific piece of equipment that was no longer of use to the City.

Councilmember Callegari requested that prior to the sale, the City publish a list of the available items in the newspaper in order to notify the public of the available items.

Motion by Mayor pro tem Wilson, second by Councilmember McBride to approve item 6D; motion carried unanimously.

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

**8**     **COUNCIL DISCUSSION/ANNOUNCEMENTS:** No business.  
Commission/Committee Reports:

**9**     **NEW BUSINESS:**

**9A**    **Consider approval of Resolution No. 14-5036 Authorizing execution of office equipment lease** Mr. Platt reported that the public works department has been leasing a copier through Great America Leasing Corp since December 2009. The machine has continued to have issues and they have performed extensive maintenance and repairs. GreatAmerica Corp has offered to buy out the existing machine and enter into a new contract. The new contract includes leasing a new machine with improved features and a substantial discount has been offered to the existing contract, which results in a new machine for a cost savings of \$209.51 per month.

Motion by Councilmember McBride, second by Councilmember McDonald to approve Resolution No. 14-5036; motion carried unanimously.

**9B Consider authorization of purchasing contract with Sysco for Diamond Mountain Golf Course**

Mr. Hancock reported that last year Tammy Wheeler operated the restaurant at the Diamond Mountain Golf Course and the majority of the purchases for restaurant supplies were purchased from Sysco through a third-party vendor. This year she proposes purchasing directly from Sysco for a substantial savings, and it requires entering into an agreement which had been reviewed by the City Attorney. He recommended removal of the personal guarantee clause which would allow the vendor to lien City assets in the event that the bill was not paid.

Mayor pro tem Wilson asked how the supplies were purchased for the prior season.

Mr. Hancock responded that food items were purchased through Morning Glory Dairy with a markup of approximately thirty percent. The City will still have access to their products, and it is understandable in a business where restaurants come and go that Sysco would want to protect their assets but the clause is onerous for the City, as the City pays its bills and is not going anywhere.

Motion by Councilmember Callegari, second by Mayor pro tem Wilson, to authorize approval of the contract with the removal of the paragraph as noted; motion carried unanimously.

**9C Consideration approval of Golf Course Concession Agreement with Tammy Wheeler**

Mr. Hancock reported that the Golf Course subcommittee has negotiated a concession agreement for the 2014 golf season with Tammy Wheeler. Ms. Wheeler operated the Diamond Mountain Bar and Grill during the 2013 season and the terms proposed under the new agreement would be essentially the same. There were some changes with the exception of the hours of operation. He reviewed the Concession Agreement and Bar Operation Agreement, noting that she is requesting to operate from 10:00 a.m. to 5:00 p.m. this year; during the 2013 season she closed at 3:00 p.m.

Mayor pro tem Wilson requested that the City monitor the personnel costs that would result from the additional hours of operation.

Motion by Councilmember McDonald, second by Councilmember McBride to approve the agreements; motion carried with Councilmember Callegari abstaining.

**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 Public Works Department Update** Mr. Platt provided an update regarding the activities of the Public Works Department. He reviewed current staffing levels and an organizational chart for the Natural Gas, Streets, Water and Maintenance divisions, the number of responses for 2013 including natural gas and water service calls, mandatory training provided for the Water, Gas and Engineering divisions, the fleet inventory and equipment list, and a summary of 2013 projects and responsibilities. He concluded his presentation by reviewing future goals and projects.

**13B Natural Gas Utility 5-year Plan** Mr. Platt presented a draft Natural Gas Utility Five-Year Plan. He reviewed the plan, providing an introduction and reviewed the history of the system, highlighting the priorities that the City Council had envisioned for the utility. He explained that the system was designed for future expansion and that the number one goal for the system was stability. A large disadvantage for the utility is that there are no industrial users, which are usually high volume, and at the current customer volume there are not enough users to absorb fluctuations in gas prices.

He reviewed the current debt, pricing, bond covenants, operating costs versus reserves and automated monitoring system. There was a general discussion regarding the future of pricing, opportunities to expand to include a natural gas fueling station for fleets, and discussion regarding the City's goals and corresponding action items:

- Economic Stability
- System and Customer growth
- Pipeline Safety compliance
- Staffing/management succession plan
- Successful natural gas system operations and maintenance

Mayor pro tem Wilson commented that he has been a huge proponent of developing a business plan for the natural gas utility, and offered suggestions of items he would like to see included in the draft, such as more deliverables, timelines for completion and to ensure that it does not become another document that collects dust on the shelf.

**14 COUNCIL ITEMS:**

**14A AB1234 travel reports:**

**15 ADJOURNMENT:** Motion by Mayor pro tem Wilson, second by Councilmember McBride to adjourn; motion carried unanimously.

Meeting adjourned at 9:05 p.m.

Respectfully submitted by

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Gwenna MacDonald, City Clerk

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Rod E. De Boer, Mayor

*Approved on May 7, 2014*