

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

Regular Meeting Minutes

June 18, 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 Brian Wilson.

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

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

1 APPROVAL OF AGENDA:

Mr. Hancock requested the following changes to the agenda: Correction to Item 12A to approve agreement for School Resource Officer; Amend Item 7B and 9E to correct typographical errors in the attachments.

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

2 PUBLIC COMMENT REGARDING CLOSED SESSION ITEMS: No comments.

3 CLOSED SESSION: At 6:03 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): four potential claims
- B CONFERENCE WITH LABOR NEGOTIATOR – pursuant to Government Code §54957.6:
 - 1 Agency Negotiator: Jared G. Hancock
 Bargaining Unit: Administrative Confidential: 2014/2015
- C CONFERENCE WITH REAL PROPERTY NEGOTIATIONS – Pursuant to Government Code §54956.8
 - 1 Property: APN 103-294-11
 Agency Negotiator: Jared G. Hancock, City Administrator
 Negotiating Party: Don MacVitie
 Under negotiation: Price/conditions/terms of payment
- D PUBLIC EMPLOYMENT - Pursuant to Government Code §54957
 - 1 City Engineer
 - 2 Approved Position List

Closed session adjourned at 6:42 p.m.

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

Staff present: Dan Newton, City Engineer/Interim Public Works Director; Theodore Friedline, Fire Chief; Matt Wood, Police Lieutenant/Acting Police Chief; Deborah Savage, Finance Manager; Tom Downing, Police Chief; Craig Sanders, City Planner; Heidi Whitlock, Assistant to the City Administrator and Gwenna MacDonald, City Clerk.

Mr. Hancock stated that the agenda was approved with changes to correct to Item 12A to approve agreement for School Resource Officer; amendments to Item 7B and 9E to correct typographical errors in the attachments.

He announced the closed session action as follows:

3A CONFERENCE WITH LEGAL COUNSEL – Anticipated litigation: Significant exposure to litigation pursuant to Government Code §54956.9 (b): four potential claims
Action: Direction given to staff

3B CONFERENCE WITH LABOR NEGOTIATOR – pursuant to Government Code §54957.6:
Agency Negotiator: Jared G. Hancock / Bargaining Unit: Admin/Conf: 2014/2015
Action: Voted unanimously to approve MOU with the inclusion of authorizing Resolution No 14-5072; contract and resolution were made available to the public

3C CONFERENCE WITH REAL PROPERTY NEGOTIATIONS – Pursuant to Government Code §54956.8
Property: APN 103-294-11
Agency Negotiator: Jared G. Hancock, City Administrator
Negotiating Party: Don MacVitie
Under negotiation: Price/conditions/terms of payment
Action: Voted unanimously to approve agreement with the inclusion of authorizing Resolution No. 14-5073; agreement and resolution were made available to the public.

3D PUBLIC EMPLOYMENT - Pursuant to Government Code §54957
1 City Engineer 2 Approved Position List
Action: Voted unanimously to appoint Dan Newton to the position of Public Works Director and Voted unanimously to approve the revised position list to include the following changes:
Police Department: Addition of School Resource Officer, pending final contract approval with Lassen High School; Conversion of two part time temporary community service officers to one full time permanent community service officers
Public Works: Conversion of Temporary full-time Maintenance Worker to Permanent position
Modification of salary range to reflect changes to minimum wage laws and other miscellaneous modifications

Chief Downing offered the Thought of the Day.

Mr. Hancock announced the reorganization of City Council, and thanked Mayor De Boer for his service to the City and for the opportunity to work with him as Mayor for the past two years.

Mayor Wilson presented Eagle Scout Richard James Peterson with a certificate of recognition for his achievement.

5 BUSINESS FROM THE FLOOR:

Michelle Cavalin read a letter about her daughter's life and death, and her frustration in dealing with the subsequent investigation.

6 CONSENT CALENDAR: Mayor De Boer reviewed the items on the Consent Calendar:

- A Approve vendor warrants numbered 91071 through 91109 for a total of \$335,637.01 including \$194,121.73 in payroll warrants

Motion by Councilmember De Boer, second by Councilmember Callegari, to approve the consent calendar; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

Mr. Hancock announced that Item 9J would be considered prior to the public hearing items.

9J Consider request from Lassen Senior Services Mr. Hancock explained that the Director from Lassen Senior Services had contacted the City to request a contribution to provide assistance in completing various building maintenance projects at the Lassen Senior Services center. Penny Artz, Executive Director, stated that the Center receives State funding for food purchase and minor repairs to the building, but does not receive any funding for larger project. In the past they have relied on community groups such as Kiwanas, Rotary, LMUD and community members to volunteer. They have received an estimate of \$20,000 to paint the exterior of the building, with the cost being so high due to the vinyl siding; the interior office area proposal was \$2,500, and they would appreciate any contribution that the City could provide.

Mayor pro tem McBride asked what the balance is in the Civic Promotions fund. Mr. Hancock replied that there was approximately \$6,000 left in fiscal year 2013/2014.

Motion by Mayor pro tem McBride, second by Councilmember De Boer, to donate \$6,000 to Lassen Senior Services; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

Mayor pro tem recused himself from consideration of the public hearing item and exits the Council chambers.

7 PUBLIC HEARINGS:

7A Historic Uptown Susanville Association (HUSA) Assessments

- 1 Public Hearing: Solicit and consider public comment relative to setting FY 2014/2015 assessments**
- 2 Action: Consider Resolution No. 14-5057, Setting assessments for FY 2014/2015 (HUSA)**

Mr. Talia reviewed the process related to considering the annual report, explaining that the City Council considered the annual fiscal report at its May 21, 2014 meeting by approving Resolution No. 14-5052. The public hearing was set at that time to consider levying the assessment, and on June 6, 2014 was opened and continued to June 18, 2014. He explained that the item before Council for consideration was whether or not to levy the assessment, and should the Council choose not to, the item cannot be revisited for one year.

At 7:24 p.m. Mayor Wilson opened the public hearing and requested any comments for or against the proposed assessment.

David Teeter, HUSA President, discussed his involvement with the district over the years and the responsibilities associated with being a business owner in the historic uptown. He reported on the status of events and activities of the District, including the Safe and Sane Halloween event which is one of the most popular, the Magical Country Christmas event, the Main Cruise and Fall Crafters Festival. He reviewed some of the challenges facing the District, and plans for the upcoming year including upgrades to Pancera Plaza and another Susan's Birthday Celebration, slated for 2015. He concluded by discussing the benefit that a historic district brings to the character of a community that far outweighs the advantages of corporate retail.

Darren McBroome, Sierra Jewelry, agreed that there is a value to having a historic district in the community, and that membership should be consistent. He inquires about the 2006 decision that was made to remove a business from inclusion into the district.

Sharon McBride, LASCO, agreed that the District is very important, but many business owners resent the responsibility of mandatory assessments. She believes that the area would gain more money and time if it were an optional membership that was voluntary. The activities that are promoted, while enjoyable, are not designed to promote the businesses. If there has to be an assessment, then they should be based upon the size and volume of the business, giving the example of a Jewelry Store versus a movie theater.

David Teeter, HUSA President, discussed some of the advantages of owning a business in the uptown district, including a waiver of the parking space requirement that is imposed at other areas in town.

Mayor Wilson asked Mr. Hancock if he had any comments regarding the concerns expressed.

Mr. Hancock responded that he would be happy to make available the information regarding the 2006 reorganization of the HUSA boundary. He confirmed that the parking requirements for businesses operating within the City require a certain number of spaces, depending upon the size of the business space, and those requirements have been modified to fit the unique character of the historic district.

Jim Chapman explained that he was the business owner who asked to be removed from the District in 2006. When HUSA was established, his business was outside of the boundary, and he was excited about the District and asked for the boundary to be modified to include his business. After a number of years he became disillusioned with the direction that the District was taking and asked to be removed and the City Council modified the boundary accordingly. He has heard both good and bad feedback regarding the District and thinks the City should do more to support it.

Geoff Pregill, Pregill Insurance, discussed his history of involvement in the uptown area. He stated that the organization is charged with carrying out the ordinance adopted by City Council, and that the Board has done everything it can to make it convenient for business owners in the District to attend meetings and get involved in what's going on with HUSA. He expressed frustration that the members will not become more involved, and that it was HUSA's responsibility to bring awareness to the community of what is going on in the neighborhood, and the merchants' responsibility to sell their merchandise.

Darren McBroome, Sierra Jewelry, agrees that the District is improving and heading in a positive direction. He invited City staff and councilmembers to participate in the meetings and become more involved in the process.

Michelle Zubillaga, HUSA Secretary, commented that the City Administrator often attends the meetings and that City representation and participation at the meetings has improved tremendously under his leadership. She appreciates his involvement in the process, and the HUSA Board has likewise discussed having HUSA Board members regularly attend City Council meetings.

There being no further comments, Mayor Wilson closed the public hearing at 7:59 p.m.

Motion by Councilmember Garnier, second by Councilmember De Boer, to approve Resolution No. 14-5057; motion carried. Ayes: Garnier, De Boer, Callegari and Wilson. Abstain: McBride.

Mayor pro tem McBride returned to the Council chambers and assumed his seat on the dais.

7B An ordinance of the City of Susanville amending various sections of Chapter 17 of the City of Susanville Municipal Code to implement regulatory provisions required by the City of Susanville General Plan Housing Element 2009 – 2014

- 1 Public Hearing: Solicit and consider public comment relative to the amendment of Chapter 17 of the Susanville Municipal Code**
- 2 Action: Consider Ordinance No. 14-0998; waive first reading and introduce**
- 3 Action: Consider Resolution No. 14-5065 adopting Initial Study and Negative Declaration**

Mr. Hancock explained that the Housing element is one of the state mandated components of the General plan and is subject to updates every five years. The City Council adopted the 2000-2014 Housing Element component of the Susanville General Plan in April 2013. A result of that approval are action items that the City must implement through Chapter 17 of the Susanville Municipal Code. He turned the floor over to Craig Sanders, City Planner.

Mr. Sanders explained that adoption of the housing element established twenty seven action items to implement the goals and policies of the document and nine of those items require amendments to the City zoning code and one amendment to the General Plan Land Use Element. Eight of the action items are addressed in the amendments proposed and the ninth item addressing second dwelling units will be brought forward as a separate item for discussion in the near future. He reviewed the changes as follows:

1. Add a Density bonus provision to the City Code as required by State Government Code Sections 65915-65918.
2. Increase the allowable density in the R-3 zone from 12 dwelling units per acre to 15 dwelling units per acre, which includes an amendment to the City's General Plan.
3. Remove the Use Permit requirement in the R-4 zone for structures with 12 or more dwellings. These projects would still require Architectural Review and conformity with the City's Multi-family development standards
4. Include provisions to allow mobile home parks in R-1, R-2, R-3, and R-4 zones subject to the requirement of obtaining a Use Permit.
5. Amend the PF – Public Facilities zone to allow emergency shelters and transitional housing by right.
6. Add/amend definitions of transitional and supportive housing
7. Include in the code an administrative method to allow changes to site development standards when requested as a reasonable accommodation for ADA purposes.
8. Amend the parking regulations to include reduced standards for disabled and elderly housing.

Mr. Sanders reviewed other items in the Zoning Code that were inconsistent and need updating, such as the regulations for garage conversions or architectural site plan review.

Councilmember Garnier clarified that the requirement to provide off-site parking would not allow an owner to use the front yard set-back to provide the additional space.

Mayor Wilson asked if the mobile home provision included any changes in the use permit process.

Mr. Sanders responded that the zoning code was silent and any other restrictions would require an amendment to the section related to use permits.

Mayor Wilson asked where the public facilities zones were located in the City and if there were standards included.

Mr. Sanders replied that there are a number of public facilities zones throughout the city and including standardized language to regulate those zones could be paired with the second dwelling unit regulations and brought back to Council for further discussion.

There was general discussion regarding ADA compliance and the imposition of normal site standards upon the property when it is no longer occupied by a handicapped resident.

At 8:25 p.m. Mayor Wilson opened the public hearing and asked for any comments either for or against the item. There being no comments, the public hearing was closed at 8:30 p.m.

Mr. Hancock clarified that the update is subject to review under the California Environmental Quality Act, and an initial study and proposed negative declaration has been prepared and approval requested by the adoption of Resolution No. 14-5065. The proposed ordinance to amend the zoning code is presented for the first reading and introduction.

Motion by Councilmember De Boer, second by Mayor pro tem McBride, to adopt Resolution No. 14-5065; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

Motion by Councilmember Callegari, second by Councilmember De Boer, to waive the first reading and introduce Ordinance No. 14-0998 with the caveat that no transitional housing projects would be approved until additional standardized language is adopted by City Council; motion carried unanimously. Ayes: Garnier, De Boer, Callegari and Wilson.

Councilmember Callegari requested that the information be made available to the public.

Mr. Hancock commented that the ordinance will require a second reading and that staff would take extra steps to provide outreach to the development community.

7C Fiscal Year 2014/2015 Budget

- 1 Public Hearing: Solicit and consider public comment relative to the proposed annual budget**
- 2 Action: Consider Resolution No. 14-5056 adopting establishing appropriations limits for FY 2014/2015 pursuant to California Constitution Article XIII-B and Government Code §7910**

3 Action: Consider Resolution No. 14-5055 adopting the FY 2014/2015 budget

Ms. Savage reported that at the June 4, 2014 meeting of the City Council, a budget workshop was conducted to provide an opportunity for discussion regarding City Council priorities for the 2014/2015 fiscal year, and to receive input from the community. The recommendations and comments have been incorporated into a proposed budget that reflects the priorities set by the City Council and the citizens and allows the City to continue providing the same level of service to the community. The proposed budget also includes transfers to the Airport fund for the replacement of the existing fuel tank and to provide the City match for FAA projects. The transfers will increase the general fund deficit spending to \$75,000 and will be taken from the fund balance in the general fund.

At 8:32 p.m., Mayor Wilson opened the public hearing and requested comments from the public either for or against the proposed budget. There being no comments, he closed the public hearing at 8:33 p.m.

Motion by Councilmember De Boer, second by Councilmember Callegari, to approve Resolution No. 14-5055; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

Motion by Mayor pro tem McBride, second by Councilmember De Boer, to approve Resolution No. 14-5056; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

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

9 NEW BUSINESS:

9A Consider approval of Resolution No. 14-5054 approving Unrepresented Employee Salary schedule Ms. Savage reported that the City occasionally hires part-time or temporary employees, and effective July 1, 2014, State minimum wage increases to \$9.00 per hour. The largest increase in budget will come during the summer months when the City employs additional help with parks maintenance at certain positions at the golf course. Approval of the salary schedule will formalize the step and range information and provide compliance with state law.

Motion by Councilmember Callegari, second by Councilmember Garnier, to approve Resolution No. 14-5054; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

9B Consideration of Susanville Municipal Airport Hangar #26 Purchase Mr. Hancock explained that as part of the agreement between the City of Susanville and individuals who own hangars at the Susanville Municipal Airport, the City has the right of first refusal when an owner decides to sell their hangar. Kathy Barker, owner of Hangar #26, has submitted her official notice of intent to sell the hangar for the price of \$42,000.00. He invited comments from the Council.

Councilmember Callegari requested that staff verify that whoever purchases the hangar must own an aircraft.

Mr. Hancock responded that the new owners would be subject to the same restrictions as the current owners, and would be required to execute a land lease agreement with the City upon transfer of ownership.

Motion by Councilmember Callegari, second by Mayor pro tem McBride to decline purchase of hangar #26; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

9C Consideration of Susanville Municipal Airport Hangar #27 Purchase Mr. Hancock reported that Gary and Judy Davis, owners of Hangar #27, have also submitted their official notice of intent to sell their hangar at the Susanville Municipal Airport. It is being offered for sale for a price of \$50,000.00.

Motion by Councilmember De Boer, second by Mayor pro tem McBride, to decline purchase of hangar #27; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

9D Consider Purchase of Fuel Tank for Airport Fuel Farm Mr. Hancock explained that the City owns a 5,000 gallon tank for storage of Jet A fuel that requires that the tank be nearly empty before it can be filled, which increases the risk of running out of fuel. The Chester airport owns an 8,000 gallon tank that they are offering for sale, which would increase the Susanville Airport's fuel storage capacity to 13,000 gallons and minimize the risk of running out of fuel. The cost of the tank is \$10,000.00. The City can purchase the tank or Susanville Aviation is willing to purchase the tank if the City would buy it back from them for the same price, making payments until paid in full.

Mayor pro tem McBride asked what the cost of shipment would be to transport the tank from Chester.

Mr. Hancock responded that the transportation costs were included in the \$10,000 purchase price.

Motion by Mayor pro tem McBride, second by Councilmember Callegari, to authorize purchase of the tank; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

9E Consideration of Resolution No.14-5068 authorization to Purchase Natural Gas Mr. Hancock noted that an amended resolution had been provided to correct a typographical error in the resolution that was submitted with the agenda. He explained that the City has purchased natural gas out to October 31, 2016 and approval of the resolution would extend the purchasing authority, and be buying fifty percent of the winter load. The resolution provides for authorization to purchase up to 80 percent of the city's projected gas needs for a cost of \$6.00 per therm or less through June 30, 2018.

Mayor pro tem McBride asked if the City's natural gas consultant had weighed in on the purchase. The City has not seen him in some time, and his last recommendation was against hedging gas purchases.

Mr. Hancock responded that staff had been working with Mr. Bergmann, Interstate Gas Services, and with IGI, the purchasing agent that works directly with BP Gas, for gas purchasing decisions. Mr. Bergmann has agreed that the City should hedge out two years for the purchase. When Mr. Bergmann advised against hedging, the natural gas prices were considerably lower, and winter gas is normally more expensive. The lower rates were triggered by the recent development in fracking technology and it flooded the market with an excess supply of natural gas.

Mayor Wilson remarked that protecting the City's customers from rate fluctuations was more important than playing the market. He asked if the City could bring back the contract with IGS to review and ensure that the City is getting the services and support that it needs from the consultant.

Councilmember Callegari asked how far into the future can the City purchase gas.

Mr. Hancock responded that the maximum to lock in prices was seven years, but estimated costs can be obtained for up to 20 years and hedged for two. The current purchasing strategy is in place through 2016 and the City plans to purchase gas through 2018.

Motion by Councilmember De Boer, second by Councilmember Garnier, to approve Resolution No. 14-5068; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

9F Consideration of Resolution No. 14-5069 amending Resolution No. 13-4952 for fees and policies for the Natural gas utility Mr. Hancock explained that in June 2013, the City Council approved a change to the small commercial and residential pricing structure which resulted in a rate reduction of six cents per therm for the Tier 1 (\$2.20) and Tier 2 (\$2.12) customers for the 2013/2014 fiscal year. The rate reduction contained a sunset clause of June 30, 2014. Staff has analyzed the impact of the reduction on the revenues for the gas fund, factoring in the mild winter and increased daily market purchase costs and have determined that the loss in revenue has been approximately \$100,000. Staff is recommending that Council make this rate reduction a permanent price reduction of \$2.14 (formally \$2.20) per therm for Tier 1 customers and \$2.06 (formally \$2.12) per therm for Tier 2 customers.

Motion by Councilmember Callegari, second by Councilmember De Boer, to approve Resolution No. 14-5069; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

9G Consideration of Resolution No. 14-5063 authorizing FY 2013/2014 Natural Gas Budget amendment Ms. Savage reported that the City of Susanville purchases approximately 40 percent of its natural gas commodities on the open market and locks in pricing for future years. The additional 60 percent is purchased on the open daily market. The daily prices increased more than projected during fiscal year 2013/2014, and the natural gas fund purchasing line item needs to be increased to reflect the increase.

Motion by Mayor pro tem McBride, second by Councilmember De Boer, to approve Resolution No. 14-5063; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

9H Consideration of Resolution No. 14-5066 approving the closure of Main Street – Roop Street to Fair Drive for the Lassen County Fair Parade event Mr. Newton stated that the the Lassen County Fair Office is requesting City Council support for the Lassen County Fair Parade event. The City provides assistance with the street closure on Main Street from Roop Street to Fair Drive. This year, the fair parade is scheduled for July 19, 2014, from 9:30 a.m. to 11:30 a.m. The City also facilitates the application process to Caltrans for an encroachment permit. There is no cost for the encroachment fee, and staff time for the event is estimated at \$2,660 for Public Works and \$2,063 for Police for a total of \$4,723.

Chief Downing mentioned that each year the City receives a tremendous amount of assistance from Lassen County Search and Rescue in safely diverting traffic and he wanted to recognize them for their assistance.

Motion by Councilmember De Boer, second by Mayor pro tem McBride, to approve Resolution No. 14-5066; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

9I Consideration of Resolution No. 14-5072 approving MOU with Administrative Unit Mr. Hancock explained that the Administrative/Confidential Employee Bargaining Unit is being updated to

more appropriately reflect the needs of the City by adding exempt and non-exempt positions throughout the City into one cohesive Unit to be referred to as the Administrative Unit. The City Council has approved the contract and it has been negotiated with the employees within the parameters established by City Council.

Motion by Councilmember De Boer, second by Councilmember Callegari, to approve Resolution No. 147-5072; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

9J Consider request from Lassen Senior Services

9K Consideration of Resolution No. 14-5073 Parking Lot Acquisition Agreement with Don MacVitie Mr. Hancock explained that staff has been engaged in negotiations with Don MacVitie for the purpose of completing a parking lot paving project for the City Hall parking lot. City Council directed staff in closed session to proceed with the agreement, a copy of which had been provided at the beginning of the meeting along with authorizing Resolution No. 14-5073. The terms of the agreement provide for the purchase of property in the amount of one dollar, with the seller to retain an easement to access fifty percent of a trash enclosure and right of access.

Motion by Councilmember Callegari, second by Councilmember De Boer, to approve Resolution No. 14-5073; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

10 SUSANVILLE COMMUNITY DEVELOPMENT AGENCY: No business.

11 SUSANVILLE MUNICIPAL ENERGY CORPORATION: No business.

12 CONTINUING BUSINESS:

12A Consider Resolution No. 14-5067 approving School Resource Officer agreement with Lassen Union High School Chief Downing reported that at the June 4, 2014 City Council meeting, staff was directed to move forward with a draft agreement between the City of Susanville and the Lassen Union High School for School Resource Officer on the high school campus. On June 10, 2014, the Lassen High School District reviewed and approved the same agreement at their board meeting. The three-year agreement would provide for a full-time officer to be assigned to the Lassen High School campus during school hours for the purpose of increasing campus safety. The officer would also be involved in training and education of staff and students in personal and campus safety. The school district will pay \$68,570 annually towards the salary and benefits of a police officer which represents the total compensation package of an entry level police officer. The City would be providing a seasoned police officer for the SRO position, as well as all required training, equipment and supervision for the officer and then hiring a new police officer to backfill the Department. Approval of the agreement will require an amendment to the City's budget and the staffing plan to account for the additional revenue, expenditures and police officer position.

Motion by Councilmember De Boer, second by Councilmember Callegari, to approve Resolution No. 14-5067; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson

12B Consider contract with Sysco for Diamond Mountain Golf Course food purchases Mr. Hancock reported that the Diamond Mountain Golf Course Restaurant had previously requested that the City enter into a purchase contract with Sysco for food purchases at the Golf Course. The contract initially contained language that the City was not comfortable with, and it was approved with a deletion of the

language. The Sysco Corporation rejected those changes however the savings benefit of purchasing through Sysco is such that staff is bringing back the original contract for consideration.

Mr. Talia stated that the City pays its bills and determined that the non-payment clause was impractical for a municipality but has no objection to the contract as presented.

Motion by Councilmember Garnier, second by Mayor pro tem McBride, to approve the contract for Golf Course purchases with Sysco; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson

12C Consider E-cigarette and smoking lounge restrictions Mr. Hancock reported that at the last two meetings the Council has received information regarding the steady increase in other communities of hookah bars and smoking lounges as well as the rapid growth in the popularity of electronic cigarettes, or e-cigarettes. Direction was given to staff to seek input from Lassen County Health Officer, Dr. Kenneth Korver, regarding the potential for e-cigarettes to create increased nicotine addiction and unknown health consequences by users and people who are subjected to the second hand vapor. Dr. Korver has submitted comments in a letter to the City supporting the City's direction and urging that electronic cigarettes be regulated in the same manner as tobacco cigarettes. Staff will be preparing draft language to amend the Susanville Municipal Code to regulate these activities and will bring back for Council consideration.

12D Consider Resolution No. 14-5071 Approving Submittal of Application for the Susanville Airport Taxiway Project and Resolution No. 14-5070 Approving Submittal of Application to CalTrans for an Airport Improvement Program Matching Grant Mr. Hancock stated that at the June 4, 2014 budget workshop, options were discussed regarding the leveraging of FAA funds to complete projects at the Susanville Municipal Airport. The City receives \$150,000 per year and is responsible for providing a ten percent cash match. Staff will also be applying for State matching funds through Caltrans in the amount of four and one half percent which will reduce the City's cash match to five and one half percent however it is still not known if the State will be providing that match in the upcoming budget cycle. Phase 1 of the project is \$450,000, the FAA funding 90 percent of the project which requires a \$45,000 match from the City. The City currently has \$15,000 from fiscal year 2013/2014 and \$15,000 from fiscal year 2014/2015 for a total of \$30,000 so an additional \$15,000 is needed for the project match. There is also the potential of using in-kind services to offset the overall City contribution.

Motion by Councilmember Callegari, second by Councilmember De Boer, to approve Resolution No. 14-5071 and Resolution No. 14-5070; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

Mayor Wilson announced that he had been looking forward to the 2014 STIP Report and the Fire Department Quarterly Report, and felt that due to the late hour, it would be a disservice to the Department heads to rush through the reports. He suggested continuing the reports to the July 2, 2014 meeting in order to give the time and attention to the items that they deserve.

It was the consensus to continue Items 13A and 13B to the July 2, 2014 meeting. Mr. Hancock requested that a quick update be given regarding Item 13C.

13 CITY ADMINISTRATOR'S REPORTS:

13A *2014 State Transportation Improvement Program (STIP) Report*

13B *Quarterly Department report: Fire Department*

13C Surplus Sale update Mr. Hancock reported that staff was working to compile a list of items to be sold as surplus and would be bringing that list back before Council for final approval and he requested feedback regarding possible sale dates of July 11th/12th or July 18th/19th. It was the consensus of the Council to authorize the City Administrator to set a sale date that would allow ample time to notify the public regarding the sale and accommodate the finalization of the sale item list.

14 COUNCIL ITEMS:

14A AB1234 travel reports:

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

Meeting adjourned at 9:30 p.m.

Respectfully submitted by

Brian Wilson, Mayor

Gwenna MacDonald, City Clerk

Approved on August 6, 2014