

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

**Regular Meeting Minutes**

**November 5, 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 R. Wilson.

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

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

**1 APPROVAL OF AGENDA:**

Mr. Hancock noted that typographical corrections were made to Item 6A, 6C and 7A and copies were provided to Council.

Motion by Councilmember Callegari, second by Councilmember McBride, to approve the agenda with the corrections as noted; motion carried unanimously. Ayes: Garnier, McBride, Callegari, De Boer and 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 CONFERENCE WITH REAL PROPERTY NEGOTIATORS – PURSUANT TO Government Code §54956.8:
  - Property: APN: 116-230-05  
APN: 116-230-71
  - Agency negotiator: Jared G. Hancock
  - Negotiating parties: City of Susanville; Purchaser to be determined
  - Under negotiation: Price/Conditions/Terms of payment
- B PUBLIC EMPLOYMENT – pursuant to Government Code §54957:
  - 1 Fire Chief

Closed session adjourned at 6:28 p.m.

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

Staff present: Thomas Downing, Police Chief; James Moore, Fire Battalion Chief; Dan Newton, Public Works Director; Deborah Savage, Finance Manager; Craig Sanders, City Planner and Gwenna MacDonald, City Clerk.

Mr. Hancock stated that prior to closed session the agenda was approved with minor changes to Item 6A, 6C and 7A, and noting that revised copies were made available to the City Council and the public. He stated that in closed session the City Council gave direction with reportable action.

Councilmember Callegari provided the thought of the day.

Mayor Wilson read a proclamation in honor of Veterans Day, and acknowledged the military service of Councilmember Callegari and Councilmember De Boer.

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

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

- A     Receive and file minutes from City Council's August 25 and October 1, 2014 meetings
- B     Approve vendor warrants numbered 92271 through 92442 for a total of \$739,525.97 including \$200,285.56 in payroll warrants
- C     Approve **Resolution No. 14-5114** authorizing the acceptance of real property known as the Johnstonville Water System from the County of Lassen to the City of Susanville

Mayor Wilson requested that Item 6A and 6C be considered separately.

Motion by Councilmember De Boer, second by Councilmember Garnier, to approve the minutes from the August 25, 2014 meeting of the Susanville City Council; motion carried. Ayes: Garnier, De Boer, Callegari and Wilson. Abstain: McBride.

Motion by Mayor pro tem McBride, second by Councilmember Garnier, to approve the minutes from the October 1, 2014 meeting of the Susanville City Council; motion carried. Ayes: Garnier, McBride and Callegari. Abstain: De Boer and Wilson.

Motion by Councilmember De Boer, second by Mayor pro tem McBride, to approve Item 6B; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

**6C**     **Approve Resolution No. 14-5114 authorizing the acceptance of real property known as the Johnstonville Water System from the County of Lassen to the City of Susanville** Mr. Hancock explained that the City Council voted at the September 17, 2014 meeting to approve the transfer of the property known as the Johnstonville Well and Water System from the County to the City. Staff was notified by the Lassen County Recorder's Office that clarification to the language of the authorizing resolution would be required prior to recording of the transfer documents and approval is needed by City Council to authorize those corrections.

Motion by Councilmember Callegari, second by Councilmember De Boer, to approve Resolution No. 14-5114; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

**7**     **PUBLIC HEARINGS:**

**7A**     **Consider Resolution No. 14-5119 considering request for variance to minimum lot size, width and front yard setback for parcel located at Grand Avenue and North Street** Mr. Sanders explained that the City's Community Development Division received a Parcel Map application to divide a parcel located at the intersection of Grand and North Street into two parcels. The property is currently developed with two single-family residences and a detached garage, and is 14,172 square feet in size. The proposed division would create two parcels of 6,487 and 7,685 square feet, and the proposed configuration does not meet the development standards of the R-1 Zone. The State Subdivision Map Act and Susanville Municipal Code provides the regulations for processing Parcel Maps, and it states that no lands within the City shall be divided into parcels which are of size, dimension or area less than those required by the applicable provision or Title 17 of the City. Mr. Sanders explained the variance process,

and requirements for granting which included the requirement that any variance granted shall be subject to such conditions to assure that the adjustment shall not constitute a grant of special privilege inconsistent with the limitations upon other properties in the vicinity and that because of special circumstances applicable to subject property, including size, shape, topography, location or surroundings, the strict application of this chapter is found to impose restrictions upon subject property which deprives the ability to use the property. Mr. Sanders explained that the in the present configuration, granting the variance would create parcels that are non-compliant with the zoning requirements for property line setbacks, minimum lot widths and off street parking. The property currently meets all of the zoning code requirements including lot size, lot width, and with the exception to the detached garage, all setback requirements. The reason for the variances request is the result of a request for the parcel map. Without the parcel map there are no characteristic of the property which deprives the property owner of any use enjoyed by other properties in the vicinity. The need for the variance is only as a direct result of the request for the parcel map which is a self-induced condition. Self-induced hardships have been found to be insufficient grounds for granting a variance through past case law, therefore staff is not recommending approval of this request.

Mayor Wilson opened the public hearing at 7:13 p.m. and requested comments.

**Jeff Morrish**, NST Engineering, stated that he represented the applicant and he spoke in favor of the variance. He discussed setbacks, encroachment requirements, and noted other parcels in the surrounding neighborhood that were non-conforming. He disagrees that the smaller lot should be considered a corner lot, as it is more in keeping with a regular interior lot that is oddly shaped and has one small portion fronting another street. It fits with the neighborhood, and is in keeping with the neighborhood.

There being no further comments, Mayor Wilson closed the public hearing at 7:20 p.m.

Mayor Wilson clarified that Parcel A was considered non-conforming because of inadequate set-backs, meaning the existing house is too close to the street, and that Parcel B was non-conforming because it would not be wide enough.

Mr. Sanders confirmed that because Parcel A has frontage on two streets, it is considered a corner lot according to the zoning code, and needs to be 70 feet in width.

Mayor Wilson observed that it seems to be in keeping with the surrounding homes, adding that the older neighborhoods in Susanville will never be conforming uses according to the Zoning Code.

Councilmember Garnier remarked that the property is already non-conforming to the zoning code by having two dwellings in a single family residential zone.

Councilmember Callegari stated that the City has been laid out piece meal and he is a victim of that in his own neighborhood. The lots are in place, the homes are built and he has a problem with the property owner not being able to use their property the way they want.

Councilmember De Boer added that in the grand scheme of things, he has no problem with granting the variance.

Mayor Wilson suggested adding conditions for approval that would address issues such as parking or the installation of sidewalks. If the City is considering approving the variance, then safety concerns must be addressed and required in the conditions of approval.

Mr. Sanders suggested bringing the resolution back with added language to address the conditions of approval, addressing the concerns expressed by City Council.

Mr. Hancock commented that he was concerned with the ability to add second dwelling units in the R-1 zone, and there were other factors to consider if the variance were to be approved. The existing block originally contained three lots, with one parcel being divided to create three lots on one block. The concept of creating a fourth lot should be carefully considered.

Motion by Councilmember De Boer, second by Councilmember Callegari to continue the item to November 19, 2014; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari, and Wilson.

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

Commission/Committee Reports:

## **9 NEW BUSINESS:**

**9A Consider approval of donation of services by C & S Waste Solutions and California Correctional Center for Annual Leaf Collection Program** Mr. Newton reported that with the assistance and support of the California Correctional Center and C & S Waste Solutions, the City holds an Annual Fall Leaf Collection Program. The program is set up so that C & S Waste Solutions will drop off dumpsters in three locations around the City where residents can take their bagged leaves for disposal. City staff will then load the leaves into the dumpsters with a front-end loader and Waste Management will transport the filled dumpsters to the CCC for composting. The program is scheduled to begin on Friday, November 7, 2014, and continue through Friday, December 5, 2014. City staff time is needed to load the leaves, and Council authorization is required to accept the donation from the Correctional Center and C & S Waste Solutions.

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

**9B Consider purchase of Susanville Municipal Airport Hangar #20 owned by Ray Craig and Dennis Roberts** Mr. Hancock reported that in the past year the City Council has considered the opportunity to purchase privately owned hangars at the airport that have been offered for sale. The City has first right of refusal when a current owner decides to sell his or hangar, and recently Mr. Ray Craig and Dennis Roberts, co-owners of Hangar #20, submitted their official notice of intent to sell the hangar for the price of \$37,500.

Motion by Councilmember De Boer, second by Councilmember Garnier, to decline purchase of the hangar and allow the owners to offer for sale to a third party; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

**9C Consider approval of Resolution No. 14-5115 authorizing Mayor to execute contract for environmental services with Hauge Brueck Associates, LLC for Riverside Drive Trail** Mr. Newton reported that the Riverside Drive Trail project was conceptualized several years ago to create a safer walking and bicycle path along Riverside Drive adjacent to the old Sierra Pacific Industries mill site. The

proposed route will be along the gravel road that borders the mill pond levee, however the environmental document will consider alternative alignments as well. The project will be funded with federal money, therefore the City must complete both a California Environmental Quality Act document and a National Environmental Policy Act document. On August 19, 2014, staff released a request for proposals for environmental review services and received three proposals from Hauge Brueck Associates, LLC, Dyer Engineering Consultants, Inc. and Gallaway Enterprises. Mr. Newton explained the methodology for evaluating the proposals, and indicated that the firm of Hauge Brueck Associates, LLC has been determined to be the most responsive firm that is capable of completing the work on time and within budget. A total of \$80,000 in federal and state funding through the State Transportation Improvement Program is allocated for this project.

Councilmember Callegari asked if lighting would be included in the project, noting that it was an important safety issue.

Mr. Newton responded that it was one of the construction components, however the design has not been fully scoped.

**Jim Chapman** remarked that it was a good project, and he thanked City staff for taking the lead on a project that is long overdue. It is important for pedestrian safety, and he appreciated the enthusiasm of the City in making it happen.

Motion by Councilmember De Boer, second by Councilmember Garnier, to approve Resolution No. 14-5115; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

**9D Consider approval of Resolution No. 14-5116 authorizing Mayor to execute contract for consulting services with Full Spectrum, Inc. for Public Works' Supervisory Control and Data Acquisition (SCADA) System** Mr. Newton explained that the Public Works Department has been utilizing the services of Full Spectrum, Inc. since 2011 to provide consulting assistance related to the SCADA System. Mr. Newton stated that it is a valuable tool used to manage the City's water system, and the City has been relying on Full Spectrum, Inc. on an informal, as-needed basis, however it would be appropriate to formalize the relationship by entering into an agreement. The Agreement for Consultative Services outlines a clear scope of services that Full Spectrum, Inc. shall provide the City related primarily to Susanville's SCADA System. Services requested by the City may vary from time to time depending on specific needs, and may include, but are not limited to responding to routine phone inquiries, maintaining SCADA System, and trouble-shooting technical system problems.

Motion by Councilmember Callegari, second by Mayor pro tem McBride, to approve Resolution No. 14-5116; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

Councilmember Garnier recused herself from consideration of Item 9E and exited the Council Chambers.

**9E Consider approval of Resolution No. 14-5117 authorizing support of Lassen County Chamber of Commerce (LCCC) Annual Magical Country Christmas Celebration on Saturday, December 6, 2014** Mr. Newton reported that the Lassen County Chamber of Commerce has requested City Council support for the Annual Magical Country Christmas Celebration which includes a parade, tree lighting, and fireworks display that will be staged from the Susanville Elk's Lodge. The Chamber is asking for closure of Main Street from Cottage Street to Weatherlow Street on Saturday, December 6, 2014, from 5:00 p.m. to 7:00 p.m., which requires three street division crew members to sweep Main Street before and

after the event, and four Public Works Department employees to set up and take down traffic control signs and assist seven Police Officers with traffic control. The estimated cost to the City for staff time is \$2,589, and approximately \$345 for the cost of lighting for the event.

Motion by Councilmember De Boer, second by Councilmember Callegari, to approve Resolution No. 14-5117; motion carried. Ayes: McBride, De Boer, Callegari, and Wilson. Abstain: Garnier.

Councilmember Garnier returned to the Chambers and resumed her seat at the dais.

**9F Consider approval of Resolution No. 14-5118 authorizing Mayor to execute Cooperative Services Agreement with Caltrans for the Southeast Gateway Project** Mr. Hancock explained that the project known as the Southeast Gateway project includes the area from the Walgreens and Jack in the Box extending east to McDonald's and Kentucky Fried Chicken. The area is heavily traveled, there is no sidewalk, and from the chain-up area for large trucks, pedestrians have to traverse the side of the road, down through the drainage ditch and up into the parking lot of the shopping areas. It is a safety issue as well as not presenting the image that the community would necessarily like to present to visitors who enter Susanville from the east end of town. He reviewed the proposed improvements include filling in gaps in sidewalk, additional landscaping for a consistent appearance, improved parking areas for high profile vehicles in case of high winds or snow closures, and moving the "Welcome to Susanville" sign.

The project location on Highway 36 necessitates partnering with Caltrans through a Cooperative Agreement which specifies the responsibilities of each party for the construction of roadway improvements. The City will act as the implementing agency and will be responsible for all work except for those specifically assigned to Caltrans which includes providing project oversight and acting as lead agency for CEQA.

The Council discussed funding mechanisms for the project, and the affect, it may have on the STIP funding cycle. Mr. Hancock noted that Caltrans will select their own projects, and their focus is not on pedestrian-related improvements.

**Jim Chapman** remarked that the project had been discussed at length at the Lassen Economic Development Council meetings and the impact of the drought on State requirements for roadside landscaping must be a consideration before the project gets too far underway.

Motion by Councilmember De Boer, second by Councilmember Callegari, to approve Resolution No. 14-5118; 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 City contribution to the Honey Lake Valley Recreation Authority** Mr. Hancock reported that the primary goal of the Honey Lake Valley Recreation Authority (HLVRA) since the creation of the JPA in November 2013 was to develop a community pool. Initial cost estimates were the basis for an annual funding contribution of \$200,000 from the County and City for a fifteen year period. It was anticipated the funds would be leveraged to borrow for the cost of construction of the facility. The JPA has explored several funding options and based upon the desire to move as expeditiously as possible, determined that

the best option was to approach the City and County to borrow for construction of the facility in the spring.

At the October 15, 2014 Council meeting, the City was provided a letter from the HLVRA requesting consideration to either pre-fund one half of the \$3,500,000 that is needed complete construction on the new community pool or loaning funds for construction to the JPA. The City has committed to an annual contribution of \$200,000, and prefunding the construction would reduce the annual contribution to \$65,000 for a reduction of \$135,000 per year. The Council directed staff to explore the feasibility of prefunding the construction without impacting operations or reserves. Staff has reviewed a number of options and if the Council decides to pre-fund construction, staff recommends borrowing \$567,500 in cash from the General Fund Reserve account and from the Water CIP Fund.

The Water CIP Fund was restricted by the City Council in accordance with Resolution Number 08-4384 to set aside the proceeds of the water rate increase for capital improvements. However, this restriction does not meet the definition of a restriction for financial reporting purposes and is therefore shown in the City's CAFR as unrestricted. Use of the funding would require conducting a public hearing to announce the borrowing and the note terms. The City could establish a payment plan tied to the LAIF quarterly interest rate not to exceed three percent, an increase over the current rate of .24 percent, and based upon an interest rate of one percent for a loan of 10 years, the annual payment would be \$59,658. This represents an annual payment of \$119,315, saving the General Fund \$15,684 per year. If the interest rate increased to three percent, the annual payment would increase to \$65,758 for an annual payment back to both the General Fund Reserve Account and Water CIP fund of \$131,516, for an annual savings of \$3,484.

Mr. Hancock explained that the City could also pay interest to both the General Fund Reserve Account and the Water CIP, and double the principal payments to the Water CIP Fund, having the loan paid down in four years. This would return the cash quickly to the Water Fund and the double principal payments would then be made to the General Fund Reserve Account. He reviewed funding opportunities through various smaller sources, including the CDBG Program and Program Income funding. Mr. Hancock invited comments and direction from the City Council, adding that there was no urgency to make a final decision at this time.

Councilmember Garnier asked if use of CDBG funding would impact the first time homebuyers program.

Mr. Hancock explained that the City has money available through the CDBG and HOME Program, and the difference in project loan amounts. The City could maintain a balance of \$25,000 to \$30,000 in the account and apply for additional funding through the next funding cycle. He explained the process of applying for a waiver, and recent changes at the State level which have resulted in all jurisdictions having to update PI Reuse Guidelines and Program Guidelines, adding that the City has several options to maintain the first time homebuyers program.

Councilmember Callegari stated that he would not be in favor of using Water CIP funds, which had been set aside for improvements to the City's water system.

Councilmember De Boer commented that he loves the pool idea, but is reluctant to obligate the City for that large of a sum for that length of time.

Mayor pro tem McBride stated that the City has paid \$400,000 to the JPA to date, and so far it has been spent on other expenses besides construction. That amount will have to be made up in order to meet the City's share of construction costs.

Mr. Hancock advised that there were many issues for the JPA to address in terms of pool design, features, and borrowing the \$3.5 million construction costs was one of several options that have been discussed. The source of funding will also determine what the interest rate and overall cost of borrowing will be. Securing a better interest rate provides the opportunity to build a better pool, and the estimate of \$3.5 million includes the other costs that have been accrued to date.

Mayor Wilson asked if the proposal was to pre-fund or loan the cost for construction. Mr. Hancock responded that both options provided an opportunity to leave the money in the City's bank or writing a check to the JPA to hold in that account. The money would still be a loan to the JPA, and paid back with interest to the City in an amount that would factor in a reduction to the annual contribution of \$200,000. The only difference would be the way the loan is structured.

Councilmember De Boer suggested going back to the drawing board, and asked how much revenue the pool operation is anticipated to bring in.

Mr. Hancock responded that it depends on what is ultimately built. The consultant has advised that pools constructed with the goal of institutional uses, such as swim team and competitive uses will recover approximately half of the costs, and pools designed for primarily recreational use can recover most of the costs. As a rule, swimming pools do not make money, and the annual contribution of \$400,000 by the City and County was expected to fund both funding and operational costs.

It was the consensus of the Council to bring back additional options for consideration.

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

**14**     **COUNCIL ITEMS:**

**14A**   **AB1234 travel reports:**

A       AB1234 travel reports:

**1.**     **ACCAPS Conference – October 16 – 17, 2014**

Councilmember Callegari provided an update to the City Council regarding items that were discussed at the annual conference for ACCAPS, including recent legislation that will result more offenders being housed locally at County jails.

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

Meeting adjourned at 8:35 p.m.

Respectfully submitted by

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Brian R. Wilson, Mayor

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Gwenna MacDonald, City Clerk

*Approved on: December 17, 2014*