

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

**Regular Meeting Minutes  
November 18, 2015 – 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 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; Jessica Ryan, City Attorney; and Gwenna MacDonald, City Clerk.

**1 APPROVAL OF AGENDA:**

Mr. Hancock noted that the agenda had been amended since distribution to reflect property information on closed session item 3B.

Motion by Councilmember De Boer, second by Councilmember Garnier, 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 6:04 p.m. the Council recessed to Closed Session to discuss the following:

- A PUBLIC EMPLOYMENT – pursuant to Government Code §54957:
  - 1 Agency Negotiator: Jared G. Hancock  
Bargaining Unit: Administrative, SPOA
- B CONFERENCE WITH REAL PROPERTY NEGOTIATOR – 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 lease

Closed Session recessed at 6:59 p.m.

**4 RETURN TO OPEN SESSION:** At 7:07 p.m. the City Council reconvened in Open Session.

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

Mr. Hancock reported that prior to closed session, the agenda was approved as amended with a modification to Item 3B. He stated that the City Council took action in closed session on two items: voting unanimously to ratify the Memorandum of Understanding with the Administrative Bargaining Unit, which will be placed on the next agenda for adoption, and also to proceed to the fact finding process with the Susanville Police Officers Association. On Item 3B the Council gave direction to staff.

Councilmember Callegari offered a Thought of the Day.

**5. BUSINESS FROM THE FLOOR:** No comments.

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

- A Receive and file minutes from the City Council's October 21, 2015 meeting
- B Approve vendor warrants numbered 95528 through 95695 for a total of \$334,925.80 including \$105,409.26 in payroll warrants
- C Receive and file Finance Reports: October 2015

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

Mr. Hancock announced that Chief Downing had a prior commitment at the Community Awards Dinner for Law Enforcement, and he would be presenting the next item. He stated that since the item had been previously tabled, it would be appropriate to reopen the public hearing.

**7 PUBLIC HEARINGS:**

**7A Consider Ordinance No. 15-1002 amending Title 17, Zoning, of the Susanville Municipal Code to add Chapter 17.104.140 prohibiting the cultivation of marijuana within the city limits: Waive first reading and introduce** Mr. Hancock reported that this item has been an ongoing item that the City Council has been discussing for many months at public meetings and works shops. Based on those discussions and feedback, a draft ordinance adding Section 17.104.140 to Title 17 Zoning of the Susanville Municipal Code would prohibit the cultivation of medical marijuana within the incorporated limits of the City of Susanville has been prepared for review and consideration. The proposal to prohibit cultivation of medical marijuana has been considered and tabled until the first meeting of November. The public hearing scheduled for November 4, 2015 was continued to November 18, 2015. The amendment adding Chapter 17.104.140 to the Susanville Municipal Code would not prohibit the use of marijuana for medical purposes in accordance with the Compassionate Use Act. Staff will also be presenting an item later in the meeting to update the Council on the recent legislation passed by the State regarding the Medical Marijuana Regulation and Safety Act.

At 7:11 p.m. Mayor Wilson reopened the public hearing and requested comments from the public.

**Steve Mankins** stated that the new State law that was passed addresses the majority of the concerns that have been raised regarding the cultivation of marijuana, and after giving it a harder look, believes that it would be a good solution for both sides. Before banning all cultivation, he encouraged the City Council to look further into the new law.

**Michael Mankins** stated that he had been to all of the meetings concerning this topic except for one, and the only complaint that he heard was from a lady who had a really horrible neighbor. Over the past year and discussions, he has not seen anyone in strong opposition to the cultivation of marijuana, and he stated that the Council has been very patient throughout the process, and provided a lot of opportunity for people to come and speak against it, but nobody has. He referenced crime statistics shared at a previous meeting, stating that in 6 years there had been only 6 incidents associated with marijuana. He has reviewed the new law and it looks like it would address the concerns of the City, and would preserve his right to grow a few plants.

**Annie Westerbeke** commented that the State law is restricting cultivation to a 10 by 10 square foot area, and hopes that the City will follow the State guidelines that have been established.

An unidentified woman spoke against the ban, stating that people want to be able to cultivate, and that other States are legalizing it for recreational use as well, and wants to know what it will take to get the City Council to listen to those who are at the meeting and speaking against the ban. There are not any people coming to the meetings to say that they do not want to have growing, and the Council should support the people who want to cultivate and not just their own interests. She indicated that everyone present was in opposition to the ban.

Councilmember De Boer clarified that everyone present had an opportunity to speak on any topic, and that there are other issues of concern that citizens address when they come to a public meeting.

There being no further comments or questions, Mayor Wilson closed the public hearing at 7:22 p.m. and invited comments or questions from the City Council.

Councilmember Callegari explained the process of providing input and feedback to elected officials, which does not require that citizens attend a meeting and speak from the floor to be heard. He stated that he represents all of his constituents, and not his own interests.

Councilmember De Boer stated that he did not believe the City should be involved with licensing or regulating cultivation, and that if the State is going to regulate in other communities that is not what he would support. He moved to amend Title 17 of the Zoning Code to prohibit cultivation of marijuana.

Mr. Hancock clarified that the motion had been made to waive the first reading and introduce by title only, ordinance no 15-1002 which will add Section 17.104.140 to Title 17 of the Susanville Municipal Code prohibiting the cultivation of medical marijuana within the Susanville city limits.

Motion by Councilmember De Boer, second by Councilmember Callegari, to waive the first reading and introduce Ordinance No. 15-1002; motion carried unanimously by polled vote. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

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

Commission/Committee Reports:

## **9 NEW BUSINESS:**

**9A Consideration of Susanville Municipal Airport Hangar #18 purchase** Mr. Hancock reported that as part of the agreement between the City of Susanville and individuals who own hangars at the Susanville Municipal Airport, the City has first right of refusal when an owner decides to sell their hangar. Steve Datema, the owner of Hangar #8, has submitted an official notice of intent to sell his hangar for the price of \$35,000. It is staff's recommendation to decline the offer to purchase.

Councilmember Callegari asked if the City knows who is offering to buy the hangar from Mr. Datema. In the past, the City receives the name of the person who is interested in buying the hangar, and it could be sold to someone who doesn't live in the area or have any interest in aircraft.

Mr. Hancock responded that most letters the City receives from hangar owners will include the name of the person who has offered to purchase, but this letter did not. If the City chooses to not purchase the hangar, it would be necessary to enter into a lease agreement with the new owner.

Motion by Councilmember Callegari, second by Councilmember Garnier, to decline the offer to purchase; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

**9B Consider approval of Resolution No. 15-5233 approving and authorizing lease with Yamaha Golf Carts for 15 golf carts for the Diamond Mountain Golf Course** Mr. Hancock explained that the City has two separate leases with Yamaha Golf Carts for a total of 30 golf carts used at the Diamond Mountain Golf Course. The first 15 carts were leased in 2011 for 3 years and in 2014, when the lease expired, staff found that the carts were in great shape, and to take advantage of more competitive rates and cost savings, the City moved to 5 year leases with Yamaha for 15 additional carts that are 2014 models. The 3 year lease entered into in 2012 for 15 carts expires November 2015, and staff has been working with Yamaha Cart Leasing to review leasing prices for 15 new golf carts. The annual price to lease 15 new 2015 model carts is \$10,389.60, which is \$115.44 per cart. This represents a savings over the 2012 lease which cost \$144.00 per cart, and \$12,960.00 per year for all 15 carts.

The lease payments are budgeted over a 6 month period from May through October, and staff is recommending leasing 15 new 2015-model carts for a 5-year period, providing an annual savings of \$2,750 in the golf course budget.

Mayor Wilson stated that at the end of year four of the lease, there was discussion regarding an option to purchase the carts or extend the lease to the fifth year. He requested clarification regarding that process.

Mr. Hancock reviewed the early roll option as contained in the last page of the lease, whereby Yamaha provides that if all terms and conditions of the lease have been met, Yamaha will grant the customer the option of rolling into a new fleet of carts. The provision is based upon the requirement that the customer maintain the fleet in good condition.

Mr. Hancock discussed options to purchase the carts in lieu of leasing, and that the City could purchase them for \$1,550 per cart, which is a decent value considering that they are in good condition, however due to the fact that the City does not have the positive cash balance in the golf course fund, staff has not brought that proposal forward. If the Council wants to consider that as an option, the most we would probably want to look at purchasing would be between 6 to 8 carts. Those were the carts that have the lowest hours on them and are in the best condition.

Mayor pro tem McBride stated that he thought the Council had considered buying carts but decided that between maintenance expenses, battery replacement and overall cost effectiveness to purchase, that leasing was the best option.

Mr. Hancock confirmed that the City Council had this discussion at the expiration of the last lease, and at that time, battery replacement was approximately \$250, and there were other maintenance costs between year three and five. However, these carts are in very good condition, and another thing to consider would be to provide an opportunity for interested golfers to buy a cart through the City. Staff could bring back information to the City Council if purchasing carts is an option that they would like to pursue.

It was the consensus of the Council that while the option to purchase carts might be worthwhile at some point in the future, at this time that was not in the best interests of the Golf Course.

Motion by Mayor pro tem McBride, second by Councilmember Garnier, to approve Resolution No. 15-5233; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

**9C Consider approval of Accounts Receivable write-off of uncollectible revenue** Ms. Savage reported that the Administrative Services Department is responsible for the collection of revenues that are owed to the City. When accounts become past due, the City follows collection procedures including sending delinquent letters, searching for new accounts in the utility billing system or performing a search using the City's credit reporting agency resources. After all attempts have failed, staff forwards these accounts to a collection agency, The collections agency has access to additional records and has been successful in recovering additional funds. Accounts received in the first 6-12 months have the highest potential for recovery, and as delinquent accounts age, there are limitations placed on collection options. The City will receive sixty-six percent of delinquencies collected and there is no additional fee charged for this service. City Council authorization is needed to remove the uncollectible balances from the books, and staff has prepared a report requesting the amount of \$18,620.22 in uncollected utility revenue for the period of October 2014 through October 2015 and \$29,016.44 in uncollected General Fund accounts receivable for the period of January 2011 through June 2014.

Councilmember Garnier asked what sort of revenue was uncollectable in the General Fund.

Ms. Savage responded that the majority of the General Fund receivable write-offs are billings that the City sends when the fire department responds to medical aid calls.

Chief Moore described the past practice of billing for non-residents for medical emergency calls, and clarified that the process of obtaining billing information has changed since the period referenced in Ms. Savage's report. The Department is operating under a new process that should improve the finance department's ability to follow up and collect the billing that is generated for medical service calls. The majority of those calls are for traffic accidents and the Department no longer bills for those calls, unless it is for a DUI. Billing for medical calls has been challenged in court.

Councilmember Garnier asked if the City has been filing judgments against people who move away and live in other counties.

Ms. Savage described the process of utilizing a process server and filing small claims against individuals as cost prohibitive, and that it has not been the practice to file those claims after people leave the community. Many times, the City does not have an accurate address to even know where those people are located.

Councilmember Callegari asked if the City has been sending letters to the insurance company to recover costs when there is an accident involving a motorist.

Mr. Hancock responded that it's an important point to note that this is an item that had not been previously brought to Council, and in the process of ensuring that internal controls are followed, it is important to make sure that the process is followed correctly and falls within the established laws and regulations. The dollar amount of uncollected revenue has dropped significantly in the past few years due to improved processes and acting quickly to respond to delinquent accounts. He suggested working

through a cost benefit analysis and reviewing the process to ensure efficiency. The sooner the accounts are turned over to collections, the greater chance the City has of recovering money, and the City will receive sixty-six percent of the amount from the collections agency.

Ms. Savage noted that one of the accounts with a larger amount due has contacted the City so staff has a valid phone number and will be moving forward with the small claims process.

Mr. Hancock stated that in the past, the City compared the rate of uncollectable accounts for the utility billing with the State utility delinquency rate, and while every dollar does make a difference, the delinquency rate for the City is very low compared to the average.

Motion by Councilmember Garnier, second by Councilmember Callegari, to authorize the accounts receivable write off; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

Chief Downing entered the meeting.

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

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

Mayor Wilson recused himself from consideration of the following item due to a business conflict of interest.

Councilmember Garnier recused herself from consideration of the following item due to owning a residence in the proposed zone.

Mayor Wilson and Councilmember Garnier exited the Council Chambers.

Mayor pro tem McBride requested the staff report.

**12      CONTINUING BUSINESS:**

**12A      Consider Ordinance No. 15-1004 adding Chapter 8.50 Entitled "Very High Fire Hazard Severity Zone" to the Susanville Municipal Code: Waive first reading and introduce** Mr. Sanders explained that at the Council's September 16, 2015 meeting, staff presented Cal Fire's local Responsibility Area Very High Fire Hazard Severity Zone maps for the City of Susanville. The maps depict what Cal Fire has determined to be very high fire hazard zones within the incorporated City limits. The Council raised several questions regarding the maps and what the effects of adopting the map would be. At the October 21, 2015 meeting, the Council was provided information regarding the concerns related to the effect on homeowners' insurance rates, required mitigation factors and building code requirements for homes located in the zone, and the data used in development of the maps. Staff was directed staff to bring back an ordinance for consideration. The proposed ordinance meets the criteria set forth in Government Code Section §51175-51189 for designation, by ordinance, of very high fire hazard severity zones in the jurisdiction.

Councilmember De Boer asked what the ramifications would be of not adopting the ordinance establishing the Very High Fire Hazard Severity Zone.

Mr. Sanders explained the process of updating the City's Housing Element, which is part of the City's General Plan. Cities are required to update the Housing Element every five years, and to have it approved and certified through the State. If the City does not adopt the ordinance, when the Safety Element is submitted to the State for review, they will find it is incomplete. An updated Safety Element is a component of the Housing Element adoption.

Councilmember De Boer asked what happens if the City does not update the Housing Element.

Mr. Hancock described the funding sources that are available through the State Community Development Block Grant Program, and that the State has developed a process whereby once a year, a Super NOFA, or Notice of Funding Availability, is released every year in January. Through this process, money is available for communities to fund programs that provide business assistance, homebuyer assistance, housing rehabilitation and community facilities. In order to be eligible to even apply for funding, cities and counties must have compliant Housing Elements in place. Each year, the process to update the Housing Element becomes more cumbersome as the State includes new requirements, and this year, the requirement to have a current Safety Element has been added. When the maps were first released in 2007, jurisdictions were advised to adopt by ordinance within 120 days. The City chose not to adopt the maps, and it has not been an issue although the State has had them posted on their website since that time. This has been a trend with several State mandated requirements. It begins as advice and suggestions, and then it turns into a requirement, typically with a fund source attached to it that will not be available to non-compliant jurisdictions.

Councilmember Callegari asked if this action would have any effect on the City's use of the fire engine provided through the Office of Emergency services.

Chief Moore responded it would not, nor would it have any negative effect on the City's ISO rating.

Councilmember Callegari asked what it was going to cost the homeowner for insurance.

Chief Moore responded that as reported at the previous meeting, he contacted several local insurance companies and received varied responses to the question of what effect the adoption of the maps would have on the homeowners' insurance rates. The answers included that the rates could potentially change, the rates would not go up if the protection class is not changed, that the map is already being used in one way or another, and that the existing rates are already capped at 150 percent which is the most that it can be increased. The maps were not supposed to be utilized by insurance companies to set homeowner rates, but they have been available on the State's website for several years now and it is very likely that they have been used for that purpose.

Councilmember Callegari asked what impact it was going to have on homeowners for property maintenance.

Mr. Hancock responded that the requirements as set forth in Building Code Chapter 7A would apply to new construction or improvements, and homeowners would not be required to retro-fit their homes. Other requirements related to property clean up, tree trimming and other maintenance would be required.

Mayor pro tem McBride requested questions and comments from the public.

An unidentified gentleman requested that the City Council table the item in order to give an opportunity for more residents in the zone to be notified. He mentioned that the discussion had not addressed the effect on property values, or the ability for a buyer to obtain a mortgage when purchasing a home in that area. He has spoken to a realtor and stated that it would have an effect on the ability to secure a mortgage.

An unidentified woman asked if the map would be updated, as it appears to be the same map that was circulated in 2007, and she has had a fire hydrant installed in her yard since that time.

Mr. Hancock stated that there have been a lot of discussions regarding the topic and it makes sense that as a citizen, the residents in the area would want to be involved in the process. He explained that the urban fire interface is a subject he is very familiar with, having done a focused academic study on the topic, and he suggested having a workshop for the residents who live in that area. While they may not necessarily be in favor of the ordinance, it would provide an opportunity to answer questions and provide more information regarding the process that the State used in preparing the maps and identifying the areas as high fire hazard zones.

Councilmember De Boer asked if there was a time crunch involved with the adoption of the ordinance.

There was a discussion regarding the timing of a community workshop to coincide with the submittal of the Housing Element to the State by the first of January. It was suggested to conduct a workshop in early December.

**Steve Pezullo** stated that the City Council does not realize how huge of an issue the maps are, and that the City has had several years to hold discussions and work on it, and now there is suddenly an urgency to jump through hoops. The State cannot just blackball the City when it comes to funding, and he speculated how the Council would even be able to pass the ordinance when two Councilmembers have conflicts, and Mayor pro tem McBride owns a business in the district.

Mayor pro tem McBride stated that the City's ISO rating has been increased to a three, which is very good and will have a positive effect on lowering homeowners insurance rates for everyone in the City. The State has been using this map since 2007, and the insurance companies have all seen it and been using it.

Chief Moore commented that he lives in a zone in Janesville, and he has to comply with very similar requirements when it comes to property maintenance, and the building code requirements have been enforced on all new construction and improvements in the County for several years.

Councilmember Callegari asked what happens when you sell the home. Normally a homebuyer has an inspection completed and the bank will require that the seller make certain repairs and improvements prior to the sale. He asked if the passage of this ordinance would require that property owners make the improvements to bring the property up to Code prior to sale of the property.

Mr. Hancock stated that there is really no way to predict changes that may come in the future regarding bank requirements for homes. It is already happening that insurance companies are pulling out and not writing Homeowners Insurance policies in California. If they decide they won't provide insurance based upon the construction material used in a home, then there is nothing that the City could do to remediate that.

Steve Pezullo stated that he has a wooden deck and a log home, and the only insurance policy he can obtain is on stated value. There is no way that if his home catches on fire, he would ever be allowed to rebuild it as a log home if the proposed ordinance is adopted.

Councilmember De Boer suggested that conducting a workshop would be very beneficial. He also noted that the Council could introduce the ordinance for the first reading, and then vote on it for the second reading after the workshop.

There was general discussion, and Council directed staff to conduct a workshop on Monday, December 14, 2015 at 6:00 p.m. to provide an opportunity for the residents to discuss their concerns. The second reading could be agendaized for consideration at the December 16, 2015 meeting.

Mayor pro tem McBride thanked everyone from the public for their comments.

Motion by Councilmember Callegari, second by Councilmember De Boer, to waive the first reading and introduce Ordinance No. 15-1004; motion carried. Ayes: McBride, De Boer and Callegari. Absent: Wilson and Garnier.

Mayor Wilson and Councilmember Garnier returned to the Council Chambers and assumed their seats on the dais.

### **13 CITY ADMINISTRATOR'S REPORTS:**

**13A Legislative Update: Medical Marijuana Regulation and Safety Act** Mr. Hancock explained that on October 9, 2015, the Governor signed AB 266, AB 243, and SB 643. It is a three bill package referred to as the Medical Marijuana Regulation and Safety Act. The law creates a State licensing structure for the cultivation, sale and distribution of medical marijuana. The language in the law requires cities to take action to clarify certain regulations including permissive zoning, mobile delivery and licensing of medical marijuana prior to March 1, 2016 or the State provisions and licensing requirements will apply. Mr. Hancock explained that the City's zoning ordinance is a permissive ordinance, which means that only uses expressly listed in the ordinance are allowed, unless a Use Permit is obtained. There are new things that have come up that the City did not envision when the zoning code was updated, and it is important that the City be clear on what uses are not allowed. The State recommends that jurisdictions with permissive zoning codes take actions through the land use process, and update by ordinance no later than March 1, 2016.

Mayor pro tem McBride asked if mobile dispensaries are not already prohibited by the ban on dispensaries that is already in the Municipal Code.

Chief Downing responded that other communities that have banned dispensaries have experienced it as becoming a loop hole in response to the ban.

Mr. Hancock added that delivery businesses are not regulated by land use and fall under the business by vehicle section in the Susanville Zoning Code has a section regulating business by vehicle, but it would need to be clarified.

Mayor pro tem McBride asked if there was any way to ban it completely.

Mr. Hancock responded that when people go through the home occupation business process, it is regulated through business licenses. However then you have the case of mobile auto glass companies; they operate out of the area and while they are supposed to obtain a business license when they come to town to replace a windshield, if they choose not to there is really no way for the City to enforce.

There was a general discussion regarding cultivation allowed in the County, including the number of plants.

Annie Westerbeke complained about the ordinance, what had been introduced and voted on, and the use of the word 'medical.'

Mr. Hancock stated that the use of recreational marijuana was not legal, so the cultivation of any marijuana would be for medicinal use only.

**13B Bizz Johnson Trail Senior Tours** Mr. Hancock explained that one of the more positive things the City is able to do is to support the Bureau of Land Management in conducting fall foliage tours on the Bizz Johnson trail. The City provides golf carts that are used to transport senior residents of the Lassen Nursing Center Rehab Center and Eagle Lake Village Senior Center up the Bizz Johnson Trail. This year, 13 mostly home-bound residents were able to enjoy an afternoon trip, and BLM wanted to share their appreciation with the City Council and golf course staff for supporting the event.

Councilmember Garnier remarked that it was an awesome thing that the City was able to participate in.

Councilmember De Boer thanked Councilmember Callegari for being a key player in the program.

**14 COUNCIL ITEMS:**

**14A AB1234 travel reports:**

A AB1234 travel reports:

Mayor pro tem McBride discussed the upcoming retirement of the Building Official. Mr. Hancock stated that his retirement was not at the end of the year, but six months out on May 1<sup>st</sup>.

**15 ADJOURNMENT:**

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

Meeting adjourned at 8:46 p.m.

Respectfully submitted by

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Brian R. Wilson, Mayor

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

*Approved on January 6, 1016*