

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

**Regular Meeting Minutes**

**April 6, 2016 – 6:00 p.m.**

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

Meeting was called to order at 6:00 p.m. by Mayor 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:**

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

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

**3        CLOSED SESSION:** At 6:02 p.m. the Council recessed to Closed Session to discuss the following:

- A        PUBLIC EMPLOYMENT – pursuant to Government Code §54957:
  - 1.        Employee Status Report
  - 2.        Agency Negotiator: Jared G. Hancock  
                 Bargaining Unit:        SPOA
- B        CONFERENCE WITH REAL PROPERTY NEGOTIATOR – pursuant to Government Code 54956.8:
  - 1.        Property:                                APN: 107-125-12  
                 Agency negotiator:                Jared G. Hancock  
                 Negotiating parties:                City of Susanville  
                 Under negotiation:                Price/Conditions/Terms
  - 2.        Property:                                APN: 101-270-10  
                 Agency negotiator:                Jared G. Hancock  
                 Negotiating parties:                City of Susanville/Lassen Community College  
                 Under negotiation:                Price/Conditions/Terms

Closed Session recessed at 6:59 p.m.

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

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

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

Councilmember De Boer provided the Thought of the Day

Mayor Wilson presented a proclamation regarding Crime Victim Awareness, designating the week of April 10 through April 16, 2016 as Crime Victims' Rights Week.

**5 BUSINESS FROM THE FLOOR:**

**David Wainwolf** stated that he would like to thank the people of Susanville for showing him that they are able to read his mind, he wants it turned off and does not want to be watched anymore, and does not like it. He stated that it started 9 years ago and is still going on.

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

- A Receive and file minutes from City Council's March 2 and 7, 2016 meetings
- B Approve vendor warrants numbered 96663 through 96833 for a total of \$441,958.05 including \$111,996.11 in payroll warrants

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

**7 PUBLIC HEARINGS:**

**7A Consider approval of Resolution No. 16-5273 adoption 2014-2019 Housing Element update**

Mr. Sanders explained that on February 4, 2016 the California Department of Housing and Community Development reviewed and affirmed that the City's draft 2014-2019 Housing Element met the statutory requirements of the State housing law. The housing element is one of the seven mandated elements of the General Plan and requires that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community. The law acknowledges that in order for the private market to adequately address housing needs and demand, local governments must adopt land use plans and regulatory systems which provide opportunities for housing development. The primary function of the housing element is to assess the housing needs of the local population based on demographics which include age, family size, disability and income to ensure that the City is able to meet the housing needs of the population for the next 5 years.

The proposed City of Susanville Housing Element is for the period of 2014 to 2019, staff began the process in June of 2014 to update all of the demographic data by conducting a housing conditions survey of approximately 440 dwelling units within the City. Staff held a public workshop in December 2015 to provide an opportunity for the public to participate in the preparation of the draft document and individual notices for this meeting were sent to approximately 14 agencies and organizations that could be affected by changes to housing within Susanville. The Department of Housing and Community Development develops a Regional Housing Need Allocation which stipulates the number of dwellings that each jurisdiction must demonstrate they have the capacity to accommodate. In the 2009 – 2014 Housing Element the City was required to show that there was land available to accommodate 705 new dwelling units. Since the adoption of that document, no land has been rezoned to reduce the density so the development capacity in Susanville remains the same, therefore the City has adequate land zoned to accommodate the 2014 – 2019 RHNA number of 30 dwelling units. The Planning Commission has reviewed the draft element, as well as the Negative Declaration for the project required under CEQA, and recommended that the Council approve the documents. Mr. Sanders invited comments or questions from the City Council.

At 7:15 p.m. Mayor Wilson opened the public hearing and asked for comments from the public either for or against the document.

There being no questions or comments, Mayor Wilson closed the public hearing at 7:16 p.m.

Mayor Wilson noted that it was a very important document that had been reviewed a number of times by the City Council, and he thanked Mr. Sanders for all of his hard work.

Motion by Councilmember Callegari, second by Councilmember De Boer, to approve Resolution No. 16-5273; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

**8**     **COUNCIL DISCUSSION/ANNOUNCEMENTS:** None.

Commission/Committee Reports:

**9**     **NEW BUSINESS:**

**9A**     **Consider request to co-sponsor the 27<sup>th</sup> Annual Junior Fishing Derby on April 23, 2016 and waive reservation fees for Memorial Park** Mr. Hancock reported that the City had received a letter of request from the Lassen Sportsmen's Club for support of the 27<sup>th</sup> Annual Junior Fishing Derby. The Derby's annual budget is approximately \$5,000, with \$3,000 going towards the purchase of fish. Through the years, the City of Susanville has provided support for the event by contributing funds, a waiver of use fees for Memorial Park which is used as the staging area, and assistance in printing entry forms and numbers. The event has become one of the most popular family events offered in the community. The current balance in the recreation round-up fund is \$901.86, and a contribution of \$1,000 has been requested from the City.

Councilmember Garnier asked Mr. Hancock to explain to those present what the recreation round up funds are.

Mr. Hancock responded that the City created a separate fund whereby customers could round up payment of their utility bill and the money is specifically dedicated to recreation purposes.

**Jim Chapman** distributed posters for the Derby, explaining that this year's event would be held in honor of Doug Sayers, Jr. Fishing Derby founding member and long-time chairman of the Lassen Sportsmen's Club. He discussed the effort Mr. Sayers dedicated to creating one of the most successful events for families in the community. He thanked the City Council for its continued support, adding that the County, Rancheria, and generosity of the business community has been key to creating a very special event that has served over 15,000 children over the years. Many of those children are now bringing their own children to participate. He explained that the Sportsmen's Club had received the City's request to rename the event, however the State allows the Club to hold the event one week prior to the opening day of fishing season, so they have to be careful to not jeopardize that agreement and were taking the request under advisement. He concluded by inviting those present to come down to the park and volunteer, and thanked the City for all of the assistance that is provided to make the Derby a success.

Motion by Councilmember Callegari, second by Councilmember De Boer, to authorize donation of \$1,000 using recreation round-up funds and an additional \$98.14 from the general fund to sponsor the 2016 Junior Fishing Derby; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

**9B Consider approval of Resolution No. 16-5272 approving agreement for Antelope Work Crew** Chief Moore reported that the City has several ongoing projects and routine maintenance work on city owned property, parks and trails, and that staff utilizes the Antelope Work Crew labor for many of these tasks. CalFire trains and maintains the fire crews at the California Correctional Center, and the cost for a sixteen person crew is \$200 per day which includes supervision, transportation, fuels and equipment. In addition, a 12.5% administrative fee, or other in-kind methods of payment agreed upon by both agencies before work begins, is also charged. The City must enter into a two-year Memorandum of Understanding with CalFire. Work is completed through individual project requests which would require authorization by the City Administrator or other authorized individual prior to the commencement of any work.

There were no questions or comments.

Motion by Councilmember De Boer, second by Mayor pro tem McBride, to approve Resolution No. 16-5272; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

**9C Consider approval of Resolution No. 16-5274 accepting and approving water rate analysis and calculation study** Mr. Newton reported that the City has strived to provide the highest quality water at reasonable costs to its residents. Water rates were increased moderately in 2008, with the revenue restricted to a fund dedicated to capital improvements for the repair and replacement of the existing infrastructure. The water rates have not been increased for non-infrastructure operational costs since 2005, even though personnel costs and services and supplies costs have continued to increase over the past 11 years.

The first step in the process to modify the existing rate structure is the completion of a Water Rate Analysis and Calculations Study for the City Council's review. The study is required to document the cost of providing services, since the rates cannot exceed the actual cost to provide services. The results of the study indicate that a rate increase is necessary to cover operational costs, which include costs to complete additional infrastructure improvements to the most vulnerable water mains and service laterals. The costs of operation have been forecast for the next five years, including adjustments for personnel, services and supply costs. Also identified in the study is the need to complete a water system master plan within the next five years.

Mr. Newton reviewed the Historical Revenue and Expense table which illustrated operating revenues and expenses from fiscal year 2011/2012 through 2015/2016, and a charted depiction of the data indicating a trend of increasing operating expenses and decreasing revenues, which he attributed to the State's Water Conservation mandate. He explained that there are two cost recovery methods, and as presented in the Study, the proposed modification will not change the existing base rate and will not result in an increase to customers who are currently using less than 300 cubic feet of water per month. The quantity rate will be adjusted based upon a seasonal cost difference because during the time of year when customers are irrigating and there are increased pumping needs versus the time of year when water is flowing freely from the springs, there is a different cost to deliver the water to the customer. With this proposed usage fee increase, customers who use the larger quantities of water will see the greatest increase in their bill. The proposed rate structure is consistent with industry standards, and is designed to promote and encourage water conservation, with a proposed drought surcharge that would be tied to the Urban Water Management Plan. It provides an opportunity to adjust the rates during a drought situation or if the City is dealing with a State issued mandate, and ensures that the system remains whole in terms of revenue to cover expenses. Mr. Newton reviewed an example of two customers, a residential property on Brentwood

and an institutional property on South Lassen Street, explaining the difference in usage based upon non-irrigation season and irrigation season.

Mr. Newton explained that the process required to implement a rate change is subject to Prop 218 requirements which includes a public hearing with notices mailed to property owners 45 days prior to the scheduled hearing. Approval of the study allows the City to move forward with that process. During the 45 day review and comment period, the customers of the City's water system will be able to review and/or protest any proposed increase. He invited Mr. Hancock to comment.

Mr. Hancock thanked staff for the work that has been put into the study, and the main message is that if you consider the size of the operation and the amount of infrastructure the City has, and consider that there are 9 employees running the entire water department, including billing, it is a tremendous effort by everyone involved. He expressed his appreciation for the focus on providing the best water possible to the customers by utilizing the springs to keep delivery costs minimal and focusing on prioritizing projects to ensure the safety of the system. The City's rates are very competitive to other providers in Northern California, and it is important to stay on that track, however the system has very old infrastructure that cannot be allowed to continue aging at the current rate. The City must be pro active in completing repairs and tracking the areas with the highest numbers of leaks and pipes that are failing over the next five years, and make sure that the City has the revenue necessary to keep the system running effectively and efficiently. He thanked staff again for the time and energy that has been dedicated to the process.

Councilmember Garnier asked if the infrastructure replacement list referenced in the Study was in order of priority according to need.

Mr. Newton responded that the list represented the sections of infrastructure with the most critical need for repair, and they were not listed in order of importance. There are other projects that are not included on the list at all, but these sections are considered the most critical.

Councilmember Callegari complimented Mr. Newton on the study.

Mayor Wilson asked if the residential property using 1,830 cubic feet of water in one month in the comparison represented an average residential customer.

Mr. Newton responded that it was fairly close to average use for a moderate size family with an average lawn during the month of August. The industrial property in the comparison is the old Court House on South Lassen Street which has a much larger than normal lawn that would require a significantly higher volume of water during the summer.

Motion by Councilmember De Boer, second by Councilmember Garnier, to approve Resolution No. 16-5274; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

**9D Consider approval of Resolution No. 16-5275 to authorize contract with Rapid Construction for PN 16-04 Water Main Replacement project** Mr. Newton reported that the 2016 Water Main Replacement Project 16-04 involves the installation of new 6" PVC water mains in select areas of the City where leaks continue to be a problem and place the water system at risk. The streets include Fifth Street from Ash to Spruce Avenue and North Union Street from Nevada to North Street. These streets are also included in the street rehabilitation projects that will be completed later in the year. The lowest responsible bid received was from Rapid Construction, Inc., and pending receipt of all necessary bonds

and insurance which are required prior to execution of the contract, staff is recommending awarding the contract to Rapid Construction for Project 16-04 in the amount of \$402,204.00 and authorizing the Public Works Director to execute change orders up to 10 percent in contingencies.

There were no questions or comments.

Motion by Councilmember Callegari, second by Councilmember De Boer, to approve Resolution No. 16-5275; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

**9E Consider approval of Resolution No. 16-5276, Resolution No. 16-5277 and Resolution No. 16-5278 terminating commercial land lease agreements for Hangar #3, #4 and #9 with Mountain Life Flight and authorizing execution of private airport hangar land lease agreements for Hangar #3, #4 and #9 with Brad Reger** Mr. Hancock reported that the City owns all of the land at the Susanville Municipal Airport, and leases parcels of the land for the installation of hangars by way of a land lease agreement. In February 2016, the City received notification that Mountain Life Flight was no longer conducting business out of hangar number 3, 4 or 9. The owner of the hangars, Brad Reger, stated that he is not selling the hangars, but as he is no longer conducting a business, it is recommended that the City convert the leases from a commercial lease with Mountain Life Flight to private leases with Brad Reger.

Mayor pro tem McBride asked if Hangar 9 is to be used privately.

Mr. Hancock responded that Mr. Reger, the owner of the hangar, is no longer operating a business from the hangar, however he is going to sublet, which is the topic covered in the next agenda item.

Councilmember Callegari asked how long the lease period is, and what are the provisions for removal of a tenant.

Mr. Hancock responded that the land leases are for a 20 year period, as established by the City Council. There are designated areas at the airport that are to be used for the construction of hangars, and the City leases the land rather than sell it to those individuals who want to make the investment in the construction of a hangar. There is ample existing space for additional hangars, and at whatever point it is built to capacity, the City would probably want to look at reducing the land lease period as hangars are vacated and sold.

Councilmember Callegari stated that he was against using public property for private individuals to make money, and that it allows for private control of public lands which is not fair for those people who might not know about the opportunity to have a business at the airport.

Mr. Hancock responded that the City maintains control of the land through the land lease process, adding that he could put some information together for a more extensive discussion regarding the issue of land leases.

Councilmember Garnier asked if every parcel that is dedicated for a hangar is also available to sublease by the owners if they choose.

Mr. Hancock directed the Council to the page of the lease which depicts the layout of the airport, and the location of the existing hangars. He stated that private individuals are allowed to build a hangar on property that they lease from the City. They own the hangar, but must enter into a 20-year lease

agreement. Should they sell their air craft or for whatever reason decide to not use their hangar, they are allowed to sublease to a private individual or a commercial operator. The owner of the hangar must pay the City \$20 or 20 percent of the sublet amount, whichever is greater, per month. The City maintains total control of the land through the 20 year land lease agreement.

Mayor Wilson commented that the City is given the first option to buy the hangars if the owner chooses to sell and not sublet, and the owner is required to have an interested buyer who is willing to purchase in order to establish a legitimate cost for the hangar.

Mayor pro tem McBride asked what the difference in land lease rates are for commercial versus private.

Mr. Hancock responded that the lease rates are based on square footage, with private leases at \$ .29 per square foot per year, and commercial leases at \$ .78 per square foot per year. The agreements are adjusted per the Consumer Price Index each year.

Mayor Wilson stated that if Hangar 9 is being used by Mountain Lifeflight, which is a commercial operation, and the tenant is using it commercially, then the City is taking a pay cut for the land lease.

Mr. Hancock stated that the owner of the hangar is no longer using it to operate a commercial business, and the land lease is with the owner, so the City may not be able to charge a private owner a commercial land lease rate.

Mayor pro tem McBride stated that this issue was behind the recent discussion of a difference in lease costs between Mountain Lifeflight and Medflight.

Mayor Wilson added that the difference needs to be clarified between private ownership and subleasing for commercial operation versus an owner-operator business. He asked if the next item of business to execute a commercial operator agreement was time sensitive, since it seems as if the issue of the land lease needs to be addressed in the event that it affects the amount of money the business will be charged to lease Hangar 9.

Mr. Hancock responded that the current item could be tabled, and the Council could still consider the next item.

Mayor Wilson responded that the City's decision on the land lease could affect Mr. Reger's negotiations with his tenant.

Mr. Hancock commented that there needs to be a legal justification to charge Mr. Reger, a private owner, a commercial land lease rate. The lease before City Council for consideration was prepared based upon existing City requirements for land lease agreements.

It was the consensus of the City Council to table Item 9E pending further investigation of the requirements for commercial and private land leases.

**9F Consider approval of Resolution No. 16-5279 authorizing execution of Commercial Airport Operator Agreement with PHI Air Medical, LLC** Mr. Hancock reported that staff has received written notification that PHI Air Medical, LLC is subleasing Hangar 9 from the owner, Brad Reger, and is required

to enter into a Commercial Operator Agreement with the City. Annual revenue from the lease will be \$10,579.45.

Councilmember Garnier asked what the duration of the operator agreement is.

Mr. Hancock responded that it is a five year lease.

**Erin Yslas**, PHI Air Medical, LLC, stated that her company is in the permitting process to make various hangar improvements, and asked how that process might be affected based upon tabling the previous item.

Mr. Hancock responded that the issue with the land lease would not affect the owner's right to make improvements to the hangar.

Motion by Councilmember Garnier, second by Councilmember Callegari, to approve Resolution No. 16-5279; motion carried by polled vote. Ayes: Garnier, McBride, De Boer and Callegari. No: Wilson

Mayor Wilson explained that he is concerned about the potential for re-negotiating lease terms and cost between PHI Air Medical and Mr. Reger, and does not want to cause any issues for the tenant by committing to a five year operator agreement.

**9G Consider approval of Resolution No. 16-5280 authorizing a fee waiver and street closure in support of the Lassen Family Services 3<sup>rd</sup> Annual "Walk a Mile in Their Shoes" and "Chili Cook Off" event on April 16, 2016** Mr. Newton explained that this is the second year that the Walk a Mile in Their Shoes event will be held at Memorial Park. Lassen Family Services is sponsoring the event, in addition to a chili cook-off, to raise awareness for Crime Victims' rights. The walk will take place on the perimeter streets surrounding Memorial Park, and for participants' safety, Lassen Family Services is requesting a street closure of Weatherlow, North, Grand and Main Streets. They will notify the affected businesses of the street closure which will be between 10:30 a.m. and 12:00 noon on Saturday April 16, 2016. In addition, Lassen Family Services is requesting a fee waiver of \$270 for use of the Community Center and Memorial Park and assistance from the Public Works and Police Department to facilitate street closure and traffic control.

Representatives from Lassen Family Services stated that it is a large event that involves several local agencies, and they anticipate participation from between 400 and 600 people.

Motion by Councilmember De Boer, second by Councilmember Garnier, to approve Resolution No. 16-5280; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

**9H Consider request to hold the Annual Main Street Cruise Classic Car Show at Memorial Park on June 25, 2016 from 2-7 p.m., authorize waiver of park reservation fees and approve alcoholic beverage sales and authorizing the Lassen County Chamber of Commerce to obtain appropriate licensing** Mr. Hancock reported that the Chamber of Commerce has requested that the annual Main Street Cruise Classic Car Show event be held at Memorial Park this year. The Chamber would work with City staff to mark and flag the areas of the park that will need to be avoided when staging the cars for display. The event would include vendor booths, an arts and craft show, and food and beverages to include beer and wine sales. A letter of authorization is required from the City as part of the application process through the Department of Alcoholic Beverage Control. The Chamber would be responsible for

obtaining the license. The Chamber is also requesting a fee waiver for use of the park and bandstand area, and have asked that the ball field be reserved to avoid any parking or capacity issues.

**Gary Felt**, Lassen Chamber of Commerce, spoke regarding the event, and stated that they have noticed a recent drop in attendance at the event. The Chamber expects that the hot conditions at the location on Main Street may be a contributing factor, and they hope with the additional space for craft booths and vendors that attendance will increase for the event.

Councilmember Callegari stated that it is a park, and he does not support serving alcoholic beverages.

Ms. Garnier stated that in the past, the Chamber sells tickets to citizens who are over 21 and they are given an armband they must wear if they are drinking alcoholic beverages. There will be security at the park, including members of the Sheriff's Posse, who will be patrolling the area.

Mayor Wilson asked if the alcoholic beverage sales were going to be restricted to one specific area of the park.

Mr. Felt responded that it had been the intent to allow guests to go anywhere throughout the park with their drinks but not into the street. He stated that the Chamber of Commerce has a proven history of being a responsible event sponsor, and is committed to ensure that the Classic Car Show remains a safe family event. He noted that alcohol has been served at previous Main Street Cruise events with a beer garden set up in Pancera Plaza. There had not been any problems with serving alcoholic beverages at those events, and for the last two years the permit has allowed alcohol being served all throughout the area that is closed on Main Street.

Councilmember Callegari responded that he is sure that the Chamber will be responsible, but Pancera Plaza is not a park and the alcohol sales should be kept away from the play area where children are. Memorial Park is for families, and parks attract children, and exposing children to drinking and adults acting badly will put them at risk. All it takes is for one person to behave irresponsibly and a child can be scarred for life.

Mayor Wilson asked Interim Chief Uptegrove if he saw any issues with allowing the sale of beer and wine.

Chief Uptegrove responded that he was not familiar with the event, but if it is well regulated with wrist bands and well patrolled then there should not be any problems.

Mayor Wilson commented that the only event that sometimes experiences problems related to serving alcohol is the fair, and those issue usually occur later at night.

Mr. Hancock stated that the Chamber has put a lot of time and effort into discussions regarding holding the event at Memorial Park, and he recommends allowing groups to utilize the park for these types of events on a very limited basis so it is an event, and not becoming a trend. He stated that he has not seen a lay out of the location of the vendors, and it has been mentioned to section off an area to restrict the use of alcoholic beverages; perhaps they should look at restricting the whole park to just this event in order to avoid any problems.

Councilmember Garnier noted that it is acceptable to serve alcohol at Riverside Park, and City Council approval is not required. It is a park, there are swings there and children and families use the park. She

noted that the City Council authorized the Chamber to use Memorial Park for Lassen County's 150<sup>th</sup> celebration, and authorized the sale of beer and wine.

Councilmember Callegari reiterated that there are people who will abuse the privilege, consume too much alcohol, and all it takes is one time for a five year old child to see something they shouldn't. Kids should not be exposed to that type of behavior at a park, and there's a reason the City ordinances are against drinking and smoking in the park.

Mayor pro tem McBride suggested that the alcoholic beverage sales be restricted so that it excludes the skate park and play areas, and include a few more officers in the budget which the City always does for community events.

Councilmember Garnier requested that the City also approve the fee waiver and use of grandstand area and PA system equipment.

Motion by Mayor pro tem McBride to approve the use of Memorial Park for the Main Cruise Classic Car Show on June 25, 2016, authorizing the restricted sale of alcoholic beverages to exclude the area skate park and children's play areas, and authorizing the fee waivers as requested; Councilmember Garnier provided a second and the motion carried unanimously by polled vote. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

**9I Consider request by Lassen Historical Society to waive user fees for Community Center** Mr. Hancock stated that the Lassen Historical Society has requested a fee waiver for use of the Community Center for its monthly board meetings, held at 4:00 p.m. on the second Tuesday of every month. Special or emergency meeting would be subject to availability of the facility. The normal user fee is \$70 plus a \$50 refundable deposit.

There was no discussion or comments.

Motion by Councilmember De Boer, second by Councilmember Callegari, to approve the use of the Community Center by the Lassen County Historical Society with the fee waiver as requested; 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:** No business.

**13 CITY ADMINISTRATOR'S REPORTS:**

**13A 2015/2016 Auditing Services Discussion** Mr. Hancock stated that staff has circulated an RFP for professional auditing services for a one year contract with a possible extension of two years. Staff has received two proposals; one from Badawi & Associates, and one from The Pun Group. Both firms have been interviewed and meet the RFP requirements of professional experience in governmental accounting and auditing. The proposal submitted by Badawi & Associates was the lowest cost, however the City Council has expressed an interest in not utilizing the same firm year after year and there is no legal requirement to change firms. Since the Pun Group actually submitted the more expensive proposal, staff

is requesting direction from the City Council regarding which firm they prefer. Staff will bring back a resolution and agreement for formal adoption at the next meeting.

Councilmember De Boer commented that three years is a good time to change firms, and asked how long the last auditors were contracted.

Ms. Savage responded that the firm of Moss Levy performed the City's annual audit for 6 years.

Councilmember Garnier stated that she was fine with continuing to use the services of Badawi & Associates.

Mayor pro tem McBride commented that he prefers the consistency of using the same firm, and the cost savings is also a bonus. He supported retaining Badawi & Associates.

It was the consensus of the City Council to award the contract for auditing services to Badawi & Associates for 2015/2016 fiscal year auditing services.

**14     COUNCIL ITEMS:**

**14A    AB1234 travel reports:**

**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 9:04 p.m.

Respectfully submitted by

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Brian R. Wilson

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Gwenna MacDonald, City Clerk

*Approved on May 4, 2016*