

SUSANVILLE CITY COUNCIL
Regular Meeting Minutes
December 7, 2016 – 6:00 p.m.

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

Roll call of Councilmembers present: Brian Wilson, Kevin Stafford, Joe Franco, and Kathie Garnier. Absent: Rod E. De Boer.

Staff present: Jared G. Hancock, City Administrator; Jessica Ryan, City Attorney and Gwenna MacDonald, City Clerk.

1 APPROVAL OF AGENDA:

Motion by Mayor pro tem Franco, second by Councilmember Stafford, to approve the agenda as submitted; motion carried. Ayes: Wilson, Stafford, Franco and Garnier. Absent: De Boer.

2 PUBLIC COMMENT REGARDING CLOSED SESSION ITEMS: No business.

3 CLOSED SESSION: At 6:04 p.m. the Council entered into Closed Session to discuss the following:

A CONFERENCE WITH REAL PROPERTY NEGOTIATOR – pursuant to Government Code 54956.8:

Property: APN: 101-050-53
Agency negotiator: Jared G. Hancock
Negotiating parties: City of Susanville/Unknown
Under negotiation: Easement Terms

B PUBLIC EMPLOYMENT – pursuant to Government Code §54957:

1 Approved Position List

C CONFERENCE WITH LEGAL COUNSEL Anticipated litigation – pursuant to Government Code 54956.9(d)(2): one

4 RETURN TO OPEN SESSION: At 7:03 p.m. the City Council recessed Closed Session and 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; Deborah Savage, Finance Manager; Craig Sanders, Senior Planner and Gwenna MacDonald, City Clerk.

Mr. Hancock reported that prior to Closed Session, the City Council approved the agenda as submitted, and there was no reportable action. The Council would be reconvening in Closed Session at the conclusion of Open Session.

Mayor Garnier announced that Item 9A would be moved for consideration to immediately follow Item 6 – Consent Calendar.

Mr. Hancock offered the Thought of the Day.

5 BUSINESS FROM THE FLOOR:

2017 Lassen County Point in Time Homeless Count – January 25, 2017

Jenna Aguilera, Lassen County Health and Social Services, discussed the 2017 Lassen County Point in Time homeless count which is a program designed to collect information regarding homeless citizens. She described the benefit to the City and County in conducting this count, explaining the methods that would be utilized to advertise the census as well as ways to encourage participation from the homeless population.

Officer Terra Avilla, Susanville Peace Officer's Association, provided an update to the City Council regarding the Shop with a Cop program. It is a holiday event that offers an opportunity for local youth to enjoy a day of shopping and holiday festivities. She stated that this year, there are approximately 100 children who have applied to participate, and with the generosity of community donations as well as funding raised from the annual Policeman's Ball, SPOA is hoping that every child who has applied is able to participate. She stated that the shopping day is scheduled for December 17th at 7:20 a.m., and this year the PD will be joined by other members of public safety in an event renamed Holiday with a Hero.

6 CONSENT CALENDAR: Mayor Garnier reviewed the items on the Consent Calendar:

- A Receive and file minutes from the City Council's October 19 and November 2, 2016 regular meetings and November 10 and 17, 2016 special meetings
- B Approve vendor warrants numbered 98834 through 99014 for a total of \$1,268,487.74 including \$208,442.92 in payroll warrants
- C Receive and finance monthly Finance Reports: October 2016

Motion by Mayor pro tem Franco, second by Councilmember Stafford, to approve the Consent Calendar; motion carried. Ayes: Wilson, Stafford, Franco and Garnier. Absent: De Boer.

Mr. Hancock explained that the next item would be a summary of the City's annual financial audit, and that Mr. Ahmed Badawi of Badawi and Associates, would be available to conduct the presentation via teleconference.

He turned the floor over to Deborah Savage, Finance Manager.

9A Consider Resolution No. 16-5343 accepting the City of Susanville's Audited Financial Statements for the Fiscal Year ending June 30, 2016

Ms. Savage explained that the firm of Badawi & Associates has completed the audit of the City's Financial Statements for the fiscal year ended June 30, 2016. The audit included the financial statements of the governmental entities, business activities, each major fund, and the aggregate remaining fund information of the City, which includes the City's basic financial statements. Ms. Savage reported that the City has again received an unmodified or clean opinion on the financial statements. The City has received an unmodified opinion on its annual audit since 2004. Ms. Savage stated that Mr. Badawi would now present the audit report to the City Council.

Mr. Badawi thanked the Council for allowing him the opportunity to present the report and stated that through the power point he would review information related to the Engagement Team, Deliverables and Scope of the Audit, Areas of Primary Emphasis, Auditors Report and Financial Statements, Required Communications, New Accounting Standards and a review of any questions or items of discussion.

Mr. Badawi reviewed the following information:

Deliverables and Scope of Audit

Mr. Badawi explained that the deliverables include the Report of Independent Auditors on the City of Susanville's basic financial statements, internal controls over financial reporting and compliance, compliance and internal control over compliance with major Federal Award programs, financial review of the Lassen County Air Pollution Control District and the management communication letter.

Auditors Report

Mr. Badawi explained that the City has received an unmodified or clean opinion. The financial statements are presented in all material respects, significant accounting policies have been consistently applied, estimates are reasonable and disclosures are properly reflected in the financial statements.

Government-Wide Financial Statements – Assets

Mr. Badawi compared the City's Cash and Investments, Restricted Cash, Accounts Receivable, Loans Receivable, Other Assets and Capital Assets for the period of 2014, 2015 and 2016.

Government-Wide Financial Statements - Liabilities

Mr. Badawi compared the City's accounts payment, deposits, interest and wages payable, unearned revenue, compensated absences, early retirement incentive and sick leave conversion, net pension liability, capital leases, notes and bonds payable for the period of 2014, 2015 and 2016.

Government-Wide Financial Statements – Net Position

Mr. Badawi compared the City's Net Investment in Capital Assets, Restricted and Unrestricted funds for the period of 2014, 2015 and 2016.

Government-Wide Financial Statements – Net Cost of Service

Mr. Badawi reviewed a slide depicting the net cost of service to tax revenue for the period of 2014, 2015 and 2016. The 2016 Net Cost of Services is \$5,748,553 compared to the Tax Revenue of \$4,843,604.

General Fund Expenditure Coverage

Mr. Badawi explained that the measure of the City's ability to operate with no revenues using available net position is 6 months, which exceeds the 2 to 4 months recommended by the Government Finance Officers Association.

Pension Liability

Mr. Badawi explained that the annual net pension liability changes annually due to a variety of factors established by CalPERS. Mr. Badawi reviewed the City's annual pension costs for 2013, 2014 and 2015, explaining the calculation and increase based upon shared exposure by other agencies in the State pool. The estimated cost for 2015 is \$992,261.

Required Communications

Mr. Badawi described the communication requirements and responsibilities for conducting the audit. The audit is an expression of an opinion on whether financial statements are fairly stated, to evaluate internal control over financial reporting, to evaluate compliance with laws, contract and grants, to evaluate the tone of management, to ensure financial statements are clear and transparent, to communicate those findings with the governing body and to maintain independence and strict adherence to the AICPA and the Board of Accountancy rules and regulations. Management is responsible for the financial statements,

to establish and maintain internal controls to prevent and detect fraud, make all financial records available, inform the audit firm of any known fraud and suspected fraud, to comply with laws and regulations, and to take corrective action on any findings.

Mr. Badawi concluded his presentation by stating that there were no disagreements with Management and no significant risks or exposures were identified. He stated that the City of Susanville has always been prepared and cooperative throughout the audit process, and he thanked the City for the opportunity to provide audit services.

There were no questions from the City Council. Mayor Garnier thanked Mr. Badawi for his presentation.

Motion by Councilmember Wilson, second by Councilmember Stafford, to approve Resolution No. 16-5343; motion carried. Ayes: Wilson, Stafford, Franco and Garnier. Absent: De Boer.

7 PUBLIC HEARINGS:

7A Consider Resolution No. 16-5290 adopting a Negative Declaration as the Environmental Document for File GZ 15-018 to amend the General Plan Land Use Element Diagram and Rezone Assessor's Parcel Number 105-130-06

Consider Ordinance No. 16-1008 amending Title 17, Section 17.04.070 of the Susanville Municipal Code to rezone parcel APN 105-130-06 to R-3 Duplex and Triplex Residential: Waive first reading and introduce Mr. Sanders, City Planner, explained that the project involves a proposed amendment to the City of Susanville General Plan Land Use Element map to change the land use designation and zoning of a 2 acre parcel from Single Family Residential with an R-1 zoning to a designation of Duplex and Triplex Residential with an R-3 zoning. The site is located at 460 Russell Avenue and is currently developed with a single family dwelling which the applicant is planning to convert into a triplex. The City Council previously heard the proposed project on May 18, 2016 and recommended that a site development plan be developed and reviewed by the Planning Commission as part of the application so that the Council members and the public will know what is proposed to be built on the site. The applicant submitted a Use Permit and Architectural and Site Plan Review application which was heard by the Planning Commission on October 11th and October 25th. At the October 25th meeting the Commission voted unanimously to approve the proposed project layout and adopted Planning Commission Resolution 16-1043. The approved plan calls for 30 dwelling units in the form of two triplex structures and six fourplex structures with an access driveway running down the center of the property. One of the triplex buildings will be two-stories as will all of the fourplex buildings. The fourplex units are designed in a townhouse style with the living area on the ground floor and bedrooms on the second floor which helps with privacy to adjacent properties.

Mr. Sanders stated that issues that were raised at the first City Council meeting included increased traffic congestion, loss of privacy, increased noise, impacts to water pressure, increased crime and reduction in property values. Those issues were reviewed and discussed at length by the Planning Commission, particularly the traffic issue. Immediately after the last City Council Meeting the public works staff installed traffic counters on both Russell Avenue and Paul Bunyan Avenue. The counters were in place for 7 days from May 31 to June 7, 2016. The result of the traffic count showed that both street are operating at a level of service A, which is considered to be the most free-flowing level, including peak hour which was typically from 2:00-3:00 p.m. The addition of 30 units, consisting of triplex and fourplex dwelling structures would increase peak hour trips by approximately 22 trips raising the number from 124 to 146 on Russell Avenue. This would still leave the level of service at A and well below the 300 trips needed to change the level of service to B for the peak hour. As a whole, the Planning Commission found that

privacy, increase in crime, water pressure and noise impacts would be minimal and that the project could raise property values in the neighborhood.

Mr. Sanders requested comments or questions from the City Council.

Mayor Garnier asked who owned the buffer zone between the property and the neighbors.

Mr. Sanders responded that the single family residential homeowners adjacent to the property also owned the buffer zone. The fence change from stone block to vinyl was supported by the neighbors and the Planning Commission.

At 7:57 p.m. Mayor Garnier opened the public hearing and requested comments from the public.

An unidentified member of the audience asked what kind of rents will be charged for the units, if there will be an onsite manager and expressed concerns with water pressure.

Mr. Sanders responded that the individual units would not be sold, but retained by one owner, and they were anticipated to be higher-end rentals. He deferred to Public Works Director Newton to address the concern regarding water pressure.

Mr. Newton responded that it was not anticipated that water pressure would be an issue with this number of units. There is currently between 70 and 80 pounds of pressure in the line, and with the multifamily design there is not the same demand for irrigation as there is with individual single family homes with more grass and yard space.

Mayor pro tem Franco stated that it was important for members of the public to communicate with the Public Works Department if they were experiencing water pressure issues so that they can be addressed.

An unidentified member of the audience asked how tall the buildings would be.

Mr. Sanders responded that the height would be 22 feet at the peak.

An unidentified member of the audience talked about the road width and set back requirements, noting that the trees along the edge of the property belong to the single family residential property owners.

Mr. Sanders explained that the issue of the existing mature trees on the southern property boundary was discussed at length at the Planning Commission, and was a factor in requesting that the block fence be replaced with a vinyl fence. The block wall would have required more in-depth and invasive footings that could potentially interfere with the root system in the established trees. The residents who live in the single family homes agreed, and the Planning Commission supported the applicant's request to modify the fence required for a multi-family development.

Alicia Motts discussed her concerns related to traffic and parking. She stated that the on-site parking seems inadequate and will likely create an issue of people parking along Russell Avenue which presents additional safety issues.

Mr. Sanders responded that the applicant is required by the Zoning Code to create 60 parking spaces for the project, and the proposed design includes 69 spaces, with an additional area at the rear of the project

for overflow parking. The units are all 2-bedroom, so they are not geared to accommodate larger families with multiple drivers, so it is not anticipated that parking will be an issue.

Ashley Standiford, Susanville Rentals, stated that she manages 75 rental properties, including the Bunyan luxury apartments which she characterized as being the best rentals in town. The company qualifies renters conventionally, and requires three times rent to income ratio. They conduct a full background check, and typically rent to singles or couples. The project cannot be compared to the duplexes in the neighborhood, as those properties are owned by individuals and not investors. She discussed the vacancy rates among other property managers in town, which is a positive for the rental business, but it is not good for people who have jobs and want to move to Susanville and enjoy quality housing options.

Gentry Standiford commented that she operates Susanville Mini Storage, and the only U-haul franchise in town, so she has the opportunity to meet with people moving to and from the community and the lack of available rentals is a complaint that she hears all the time. The builder has been in the community since 1976, and site selection is important when building a multi-family project. The proposal was before the City Council in May, and they heard the concerns expressed by the public and the Council. They took those concerns back to the drawing board and designed a project that was ultimately a more professional design. She explained the phased project that includes the existing dwelling which would be a tri-plex, the second phase which includes the construction of another tri-plex that would be facing Russell Avenue, and include a widening of the street and installation of curb, gutter and sidewalk. Phase three would involve the installation of four-plexes, and the design modification included removal of the patios, installing entries to the units on different corners for increased privacy, and the bedrooms will all be located on the second floor, with living spaces on the first floor to mitigate concerns regarding privacy issues, as people normally spend the majority of their time in the living spaces of the home.

She continued that the project would be landscaped, the road paved, and the neighbors expressed concern with the masonry fence so the applicant is proposing the installation of a high-quality vinyl privacy fence. Ms. Standiford concluded by stating that the applicant has made every effort to address the concerns expressed by the neighbors, and they are excited about the project.

Everd McCain stated that it is a good project, staff has been thorough in the process to ensure that all zoning requirements have been met. The Planning Commission has considered and discussed the project on several occasions, and will be a real asset to the community.

Larry Standiford added that most of the issues have already been covered, and he discussed the importance of site selection and avoiding leapfrog development. It is a good location, convenient to shopping and the new business development in the middle of town, and it will be a good project.

Alicia Motts discussed the General Plan and the established zoning for the neighborhood. She stated that it is concerning that anyone can purchase an R-1 zoned property, apply to have it changed to R-3, and then build as many houses as they want. It will change the character of the neighborhood, and she reiterated her concerns with traffic and over crowding a single family residential neighborhood.

Mr. Standiford responded that just because the property is zoned R-1 does not mean that only one home can be built, the zoning for R-1 allows for 9 homes per acre, with a height restriction of 35 feet. Instead of quality multi-family units that are restricted to 24 feet in height, ten different families could go in and build homes that are 35 feet tall, and that would cause much more of an over-crowding issue.

Mr. Hancock provided clarification that the dwelling units per acre that are allowed under R-1 zoning are between 1 and 7 dwelling units. He explained that by law, the City has the authority to re-evaluate designated zoning and make determinations regarding the appropriateness of the designation.

Mr. Sanders added that the City has policies that are addressed in the Housing Element, which is part of the General Plan, that require that a range of housing types for people of all economic backgrounds be provided through multi-family zoning throughout the community.

An unidentified audience member complimented the Standifords on the quality of their projects, and her concern with the rezone is that it may set a precedent. There are several vacant lots along Russell Avenue, and it would be feasible for those property owners to also come in and request a rezone in order to increase the value of their vacant land.

There being no further questions or comments, Mayor Garnier closed the public hearing at 8:48 p.m.

Councilmember Wilson noted that his concerns related to the privacy, parking and traffic seem to have been addressed, and he complimented the applicant on the design of the project. He stated that his concern is with utilizing the single family owner's property as a buffer to ensure that the proper distance for a set back is maintained, as it essentially locks the single family homeowner in to being unable to do anything else with their property. He asked if the City had other available parcels in town that are already zoned R-3 and if it is adequate according to the policies set forth in the Housing Element.

Mr. Hancock stated that the State determines the number of parcels that should be available for multi-family construction based upon population and various other projections, and at this time the City has sufficient land available, however not all of the parcels are this size and some are not able to be developed as easily and not all have the infrastructure already on site.

Mr. Sanders added that this is considered more of an in-fill project.

Councilmember Wilson referred to the concern expressed by the public member that other property owners on Russell Avenue would want to have their property rezoned, and confirmed with Mr. Sanders that the State limits amendments to the General Plan to four per calendar year. He expressed concern with making the amendment for one lot without looking at the long-term direction for the rest of the street.

Mr. Sanders responded that the last time the City Council approved a General Plan amendment to rezone a property was in 2008, so it is a relatively infrequent action and not likely that all of the other property owners would follow suit.

Councilmember Wilson commented that to his understanding, in-fill development typically referred to going back in to develop various parcels throughout the City when there was no other available land zoned for that use.

Mr. Sanders answered that in-fill development refers to the use of the land that is surrounded by other similar development.

Mayor pro tem Franco commented that when he moved in to his home, there were only two rental properties (single family homes) on his street, and now there are five. He has no control over that and he

understood the sentiments expressed by the members of the public. It is a sensitive issue, but at the same time he recognizes that the City needs to have housing available for current residents as well as those who are interested in moving to the community. They are often very talented people who are paid well, and they will be spending their high salaries which improves the city for everyone. He added that maintaining the standards of high quality construction that has been demonstrated by other projects completed by the Standifords reduces the risk of the negative element moving into the neighborhood.

Mayor Garnier admitted that this has been a tough decision, and in May when the project was first brought forward she had a lot of concerns related to traffic and privacy however the additional detail and information provided by the applicant regarding the project has helped to alleviate those concerns. She explained that this concern from the residents that run-down properties that are a nuisance in the neighborhood would not be an issue if the City updated the ordinance regarding property maintenance, and enforced a standard that would create a sense of confidence in residents that new development did not also mean another poorly-maintained property. She understood the concerns expressed by the public regarding the project, but believes it will be a win/win situation for the neighborhood.

Motion by Councilmember Stafford to approve Resolution No. 16-5290. The motion died for lack of a second.

Mayor pro tem Franco stated that he does not want to leave the applicant hanging and feels it would be irresponsible on his part. He was not on the City Council in May when the item was previously considered, and he asked Mr. Sanders if the applicant had made sufficient effort to get together with the residents and address concerns and have a dialog with the homeowners to get together on the project.

Ms. Sanders stated that he has met with many people regarding the project, and the applicant had met individually with property owners as well. The Planning Commission conducted two public hearings regarding the project, with both being well attended with a lot of questions and participation from the audience.

Councilmember Wilson noted that the resolution would be approved tonight, but the ordinance would have to come back for a second reading, so there was still an opportunity for additional meetings and dialog to occur between the developer and homeowners.

Mr. Sanders concurred, stating that the ordinance would require a second reading, and if it was not approved, than the resolution which adopts the negative declaration would have no effect on the zoning.

Councilmember Wilson requested that the motion be restated.

Motion by Councilmember Stafford, second by Councilmember Wilson, to approve Resolution No. 16-5290; motion carried. Ayes: Wilson, Stafford and Garnier. No: Franco. Absent: De Boer.

Mr. Hancock clarified that the action taken was approval of Resolution No. 16-5290, adopting a Negative Declaration as the environmental document for File GZ 15-018 to amend the General Plan Land Use Element diagram and rezone the parcel. Action for the ordinance would be to waive the first reading, and introduce. Action to approve Resolution No. 16-5290 and amend the General Plan is to be contingent on approval of the second reading of the ordinance, which would be considered at the next meeting.

Motion by Councilmember Stafford, second by Mayor pro tem Franco, to waive the first reading and

introduce Ordinance No. 16-1006; motion carried. Ayes: Wilson, Stafford, Franco and Garnier. Absent: De Boer.

Mr. Hancock thanked everyone present for participating in the process and conducting the discussion with respect for one another, which is not always the case at these types of hearings. He expressed his appreciation for everyone's participation and courtesy.

7B Consider Resolution 16-5339 setting fees and policies for the water utility of the City of Susanville Mr. Newton reported that on September 21, 2016 the City Council approved the Water Rate Analysis and Calculations report, which is the basis for the justification of the proposed water rate change. The rate change would provide additional revenue to fund infrastructure improvements as well as operations and maintenance costs. As presented in the report, the proposed rate modification would not change the existing base rate. The quantity rate would transition from a five-tier rate to a two tiered rate based on the time of year, with the two-tiered rate applying equally to all account holders, and in effect during the time of year when increased production costs are created from the need to pump ground water to meet irrigation demands. The proposed quantity rate will not result in an increase to customers who use 300 cubic feet of water or less each month. Customers will be assessed an infrastructure surcharge based on their meter size with the majority of residential customers being assessed \$15.00 monthly. The Report also proposes a drought surcharge to become effective when the City implements either Stage 1, 2, or 3 of its Water Shortage Contingency plan.

Mr. Newton explained that Proposition 218 requires that property owners be notified of the proposed rate increase 45 days prior to the public hearing. The City has provided those notifications in addition to water utility account holders who may not be property owners, but will still be impacted by the proposed change. Notices of the proposed change included the date of the public hearing and the procedure to protest the rate increase. Written protests were to be submitted prior to or at the public hearing, with only one protest permitted per parcel. If protests are received from a majority of the affected parcels, Council cannot adopt the proposed rate increase. The City has received 24 written protests, with three more received at the meeting. Mr. Newton explained that it would take 1,600 protests in order to disqualify the rate increase.

Mr. Newton referred to the Water Bill Comparisons spreadsheet that provides an example of four water customers and how the rate increase would affect those users.

At 9:24 p.m. Mayor Garnier called for a brief recess so that staff could obtain additional information related to the proposed water rate increase.

At 9:36 p.m. Mayor Garnier reconvened the City Council and requested consideration of Item 7C while staff prepared the additional information.

7C Consider Resolution No. 16-5340 accepting Annual Report of FY 2015-2016 Development/Mitigation Fees Ms. Savage reported that Government Code Section 66000 provides legal authority for local agencies to charge and collect development impact fees to mitigate the impact of new development on existing facilities and to maintain existing service levels. The City has established mitigation funds for Police, Fire, Streets and Parkland Dedication Fees that apply equally to all new development within the City limits. In some instances, fees have been assessed for specific development for public facilities that benefit a targeted geographic area. In 1992, the City Council approved Phase One of the Skyline Terrace Tentative Subdivision Map and later established five mitigation fees for that project area, including:

Resolution No. 93-2471 Establishing the Skyline Drive/Numa Signal Traffic Signal Fund
Resolution No. 93-2473 Establishing the Skyline/Hwy 139 Traffic Signal Fund and Resolution
Resolution No. 95-2649 Establishing a Class 1 Bicycle Lane Construction Fund for Skyline Road
Resolution No. 14-5108 Establishing Traffic Signal Fund by combining Skyline/Numa and Skyline/139

All of the mitigation funds are deposited into separate accounts and interest income is allocated accordingly. These funds are considered "restricted" funds and expenditures are made only for the purpose for which the fee was originally collected. The City is required to provide an annual report regarding these funds.

At 9:37 p.m. Mayor Garnier opened the public hearing and requested comments regarding the report.

There being no comments, at 9:38 p.m. Mayor Garnier closed the public hearing.

Councilmember Wilson asked if the funds collected for the traffic signal fund that were consolidated after project completion were ever re-designated for another project.

Ms. Savage responded that staff was still working with legal counsel and researching whether or not those funds were eligible to be re-designated for a different project in the same area. The language in the establishing resolution was very specific, and it is anticipated that the issue will be resolved soon, pending receipt of a final legal opinion.

Motion by Councilmember Wilson, second by Councilmember Stafford, to approve Resolution No. 16-5340; motion carried. Ayes: Wilson, Stafford, Franco, and Garnier. Absent: De Boer.

Mayor Garnier requested continued consideration of Item 7B, Resolution 16-5339 setting fees and policies for the water utility of the City of Susanville.

Mr. McCabe asked if the Council was going to continue with consideration of the item if the additional information provided had not been distributed to the public.

Mr. Newton clarified that the current information contained in the September 2016 Water Rate Analysis and Calculations Report which was posted on the website, distributed with the agenda packets and available in the lobby to the public was in fact the current and correct information. The additional copies on the table that were available for the convenience of the public at the meeting was the incorrect copy. Mr. Newton apologized for the confusion.

Mr. Newton continued with the presentation by reviewing the differences related to the tiered infrastructure surcharge based upon the size of the meter. The previous analysis was based upon a flat meter rate. The basis of the new analysis resulted in the a lesser impact to users that typically use a larger volume of water, and that is what is demonstrated in the water rate comparison.

Mr. Newton reviewed the resolution, and noted that the proposed infrastructure surcharge is for a period of five years. The Water Rate Analysis is a five-year report, and the objective is to conduct another review in five years to reevaluate and assess the costs related to providing service and develop an appropriate rate at that time. The other item is the effective date of the increase, should the City Council choose to adopt the resolution. The effective date would be January 1, 2017 for the base rate, and the quantity rate would be based upon the individual users and the first reading cycle that occurs after January 1st.

At 9:53 p.m. Mayor Garnier opened the public hearing and requested comments from the public.

David Teeter, District 2 Board of Supervisor elect, stated that the City Council made the decision to fund system improvements ahead of time rather than finance through the sale of bonds, and he supports that decision to move forward with the proposed increase. He added that the citizens of Flint Michigan would probably have much rather paid a surcharge than found themselves in the position they are in with no water.

There being no further comments, Mayor Garnier closed the public hearing at 9:55 p.m.

Motion by Councilmember Stafford, second by Mayor pro tem Franco, to approve Resolution No. 16-5339; motion carried. Ayes: Stafford, Franco and Garnier. No: Wilson. Absent: De Boer.

8 **COUNCIL DISCUSSION/ANNOUNCEMENTS:** None.
Commission/Committee Reports:

9 **NEW BUSINESS:**

9A Consider Resolution No. 16-5343 accepting the City of Susanville's Audited Financial Statements for the Fiscal Year ending June 30, 2016. This item was considered after Consent Calendar.

9B **Consider Ordinance No. 16-1007 adoption of 2016 California Building Codes: Waive first reading and introduce** Mr. Sanders reported that the State of California updates the State Building Codes every three years and requires their use by all local jurisdictions issuing building permits. The 2016 Building Codes become effective on January 1, 2017 and will become effective by the City on that date. Ordinance No. 16-1007 amends Title 15 of the Susanville Municipal Code, adopting the 2016 California Building Code. In addition, there are several appendices that are adopted to assist with implementation of the Code which are not mandated by the State but are provided for use if the local jurisdiction adopts them. The Building Official and the Fire Chief have reviewed all of the appendixes and have determined that several are relevant to the community by benefiting the Building Division and the Fire Department in implementation of the Codes. One key change from the previous code adoption is the addition of Chapter 15.02 which covers the authority of the Building Official and administration of building codes. These provisions are absent in the current code. Additionally, the proposed changes include elimination of Appendix B of the California Building Code. Appendix B required the appointment of an independent Board of Appeals to hear any disputes over the Building Official's application of the building codes. The City has been very effective in resolving any issues internally, so the need for a sitting independent appeal board does not appear to be necessary. Staff is recommending that code sections be added identifying the City Administrator to serve the function of the appeals board with any further appeal being presented to the City Council. Mr. Sanders added that adoption of the Building Code requires that the City Council meet public noticing requirements by scheduling a public hearing for the second reading. Staff recommends that a public hearing be scheduled for January 4, 2017 to meet this requirement.

Motion by Mayor pro tem Franco, second by Councilmember Stafford, to waive the first reading and introduce Ordinance No. 16-1007; motion carried. Ayes: Wilson, Stafford, Franco and Garnier. Absent: De Boer.

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

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

12 **CONTINUING BUSINESS:**

12A **Consider Ordinance No. 16-1006 amending Section 6.08.070, of the Susanville Municipal Code increasing fees for impounds of animals and daily care: Waive second reading and adopt** Mr. Hancock reported that the City Council introduced Ordinance No. 16-1006 which amends the Susanville Municipal Code to increase fees and daily care for impounded and quarantined canines at the Lassen County Animal Shelter. The amended fees are increased to \$50.00 for the first impound, plus \$12.00 per day for each day that the animal is kept. If the same animal is impounded a second or third time, the fees increase to \$100.00 for the second impound and \$200.00 for the third and each subsequent impound. If the animal is not impounded for a period of 12 months then the impound fee for the canine will return to \$50. Animals that are subject to quarantine for bites that do not meet the conditions of a home quarantine will be assessed a \$50.00 to \$200.00 impound fee based on the number of violations and impound schedule plus a \$20.00 per day maintenance fee, for each day the animal is kept.

There were no comments.

Motion by Councilmember Stafford, second by Mayor pro tem Franco, to waive the second reading and adopt Ordinance No. 16-1006; motion carried. Ayes: Wilson, Stafford, Franco and Garnier. Absent: De Boer.

12B **Consider approval of Resolution No. 16-5341 approving and authorizing Mayor to execute Memorandum of Understanding with the Miscellaneous Bargaining Unit for Fiscal Year 2016/2017 and 2017/2018** Mr. Hancock explained that an agreement has been reached with the Miscellaneous bargaining unit for the period of July 1, 2016 through June 30, 2018 and approved by the Council during closed session. The agreement is brought for consideration and ratification in open session. Mr. Hancock reviewed the changes from the existing agreement, including the update of Exhibit A – Positions, an increase in employee paid CalPERS contributions, a salary increase of one percent effective July 1, 2017 and an amendment to the provision of a uniform allowance.

Motion by Councilmember Wilson, second by Councilmember Stafford, to approve Resolution No. 16-5341; motion carried. Ayes: Wilson, Stafford, Franco and Garnier. Absent: De Boer.

12C **Consider approval of Resolution No. 16-5342 approving and authorizing Mayor to execute Memorandum of Understanding with the Public Works Bargaining Unit for Fiscal Year 2016/2017 and 2017/2018** Mr. Hancock reported that an agreement has also been approved by Council with the Public Works bargaining unit. It also includes an updated Exhibit A to reflect the current approved positions, as well as an updated salary matrix and increase in employee CalPERS contribution.

Motion by Councilmember Wilson, second by Councilmember Stafford, to approve Resolution No. 16-5342; motion carried. Ayes: Wilson, Stafford, Franco and Garnier. Absent: De Boer.

13 **CITY ADMINISTRATOR'S REPORTS:**

13A **Golf Course update** Mr. Hancock reported that winter preparations have begun for the Diamond Mountain Golf Course. Irrigation lines have been winterized as well as the old clubhouse. The course has been cleared of all debris from early winter storms, maintenance equipment has been stored for the winter and staffing has been reduced to cover core functions. The City has hired a new Golf Course

Manager, Alan Hoover, who has experience in both private and municipal courses and managing capital improvements, restaurant sales, tournaments, marketing as well as practical experience with course renovation and maintenance. It is the intent to keep the Course open during the winter months as much as possible. Mr. Hancock stated that due to the effort of Ron Jarrell who stepped up and volunteered his time over the past several months, as well as the hard work of the golf course staff, the course was able to move past some rough spots and improvements have been made and he is excited about moving in a positive direction. In addition, he has received a lot of positive feedback from the community. Staff has also recently been notified by the American Legion that they are interested in taking over operation of the Diamond Mountain Bar and Grill next season, and he will keep the City Council updated regarding their proposal.

Councilmember Wilson asked if holders of annual memberships have been notified that their membership will expire at the end of the month.

Mr. Hancock stated that staff is working on advertisements for the sale of 2017/2018 Annual Memberships to be available during the holidays and that information is also provided to annual membership card holders.

There was a general discussion regarding the effect of pine beetles, gophers and geese on the condition of the course.

Mayor Garnier suggested that due to the late hour, consideration of Item 13B should be postponed to the next meeting. It was the consensus of the Council to do so.

13B Public Works Department update

Item continued to December 21, 2016.

13C Lassen Library District update Mr. Hancock reported that the City of Susanville and the Susanville Library District entered into a loan agreement in 1996 for purchase and acquisition of the property that is located at 1618 Main Street. The contract includes a provision that the City is provided annual financial reports stating the financial condition of the library, and they have been brought to the Council for acceptance and filing.

14 COUNCIL ITEMS:

14A AB1234 travel reports:

Mr. Hancock asked if Council would like a report at the next meeting regarding the Point in Time Homeless Count item. He and Lieutenant Wood from the Police Department have been involved in the discussions and meetings.

It was the consensus of the Council that they would like to see the final report when it is completed and there was no need for additional presentations.

Councilmember Wilson asked Mr. Hancock if he had reviewed the questions that would be included on the survey.

David Teeter, District 2 Board of Supervisor elect, stated that the survey is laying the ground work for eventual qualification for grant money and that the State has been involved in the setting the dates and process.

Mr. Hancock stated that he has reviewed the questions and the objectives include determining the size of the problem and the resources that will be reasonable and adequate to deal with the problem. Homelessness is a common issue when people fall on hard times, and providing the resources needed until they can get back on their feet is important while at the same time not inviting or encouraging people to come to the community only to take advantage of those services. The overlying message is that Susanville is not a safe community to be in if you are homeless. The extremes in weather and lack of other resources are factors that create a dangerous situation for people who are not able to travel out of the area.

15 ADJOURNMENT:

At 10:28 p.m., Mayor Garnier called for a five minute recess prior to reconvening in closed session.

At 10:31 p.m. the City Council reconvened in closed session.

The City Council adjourned closed session at 11:12 p.m.

Mr. Hancock announced that no reportable action was taken.

Motion by Councilmember Wilson, second by Mayor pro tem Franco, to adjourn; motion carried unanimously. Ayes: Wilson, Stafford, Franco and Garnier. Absent: De Boer.

Meeting adjourned at 11:13 p.m.

Respectfully submitted by

Kathie Garnier, Mayor

Gwenna MacDonald, City Clerk

Approved on: January 18, 2017