

SUSANVILLE CITY COUNCIL
Regular Meeting Minutes
June 7, 2017– 5:00 p.m.

Meeting was called to order at 5:00 p.m. by Mayor Garnier.

Roll call of Councilmembers present: Brian Wilson, Kevin Stafford, Joe Franco, Mendy Schuster and Kathie Garnier.

Staff present: Jared G. Hancock, City Administrator; Jessica Ryan, City Attorney; Dan Newton, Public Works Director; James Moore, Fire Chief; Deborah Savage, Finance Manager; 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 unanimously.

Mayor Garnier provided the opportunity for a member of the public to speak from the floor regarding a Public Comment that was not related to an item on the agenda.

Larry Beck discussed conditions at the Diamond Mountain Golf Course. He lives near the 7th tee, and discussed the dilapidated condition of the cart barn, the equipment sitting around, and stated that he has no complaint regarding how the Course is run, but the condition of how it is maintained.

1A 5:00 – 6:00 p.m. Budget Workshop: FY 2017/2018

Ms. Savage reviewed the goals and objectives of the workshop and presented the following PowerPoint presentation:

Slide one

- Purpose of Budget Workshop
- Obtain Council and Community Input
- Review Individual Major Funds
- Review Revenues and Expenses
- Next Step
- Preparation of 2017/2018 Budget
- Budget Adoption

Slide two

Major funds:

- PUBLIC WORKS ADMINISTRATION
- STREETS
- WATER UTILITY FUND
- NATURAL GAS UTILITY FUND
- AIRPORT
- GOLF COURSE
- GENERAL FUND

Slide three

Fund Accounting

The basic principal of Governmental Generally Accepted Accounting Principles (GAAP) is fund accounting. Because of the diverse nature of governmental operations and the numerous legal and fiscal constraints, it is impossible to record all financial transactions and balances in a single accounting entity. Therefore a governmental unit (City of Susanville) uses separate funds which function as an individual fiscal and accounting entity.

Slide four

Types of funds used in governmental accounting:

Governmental Funds:

1. Special Revenue Funds
2. Debt Service Funds
3. Capital Projects Funds
4. General Fund

Proprietary Funds

1. Enterprise Funds
2. Internal Service Funds

Fiduciary Funds

1. Agency Funds

Ms. Savage reviewed the City's current funds as follows:

Slide five

Governmental

- Special Revenue – 13 Funds
Housing Funds, Mitigation Funds, Streets Fund, etc.
- Capital Projects – 1 Fund
City Hall Parking Lot Project
- Debt Service – 4 Funds
Miller Fletcher, City Hall, 2013 CalPERS Refunding Loan, Community Pool
- General Fund – 1 Fund
*Administrative Services Department. Administration, Personnel, Finance, Building/Planning, Community Services (Parks)
Police Department
Fire Department*

Slide six

Proprietary Funds

- Enterprise – 5 Funds
Water, Natural Gas, Geothermal, Airport, and Golf Course.
Enterprise funds are used to account for any activity for which a fee is charged to external users for goods and services.
- Internal Service – 4 Funds
Public Works Administration, Other Post-Employment Benefits (OPEB), Risk Management and Payroll

Internal Services are primarily services being provided to other funds. Since Internal Service funds do not have any revenues, all their expenses are charged out to the other funds.

Slide seven

Fiduciary

- Agency – 4 Funds

Historic Uptown Susanville Association (HUSA), Local Agency Formation Commission (LAFCO), Lassen County Air Pollution Control District, and Regional Water Management Group

Agency funds are used to account for resources held by the City in a purely custodial capacity for other government agencies or private organizations

Slide eight and nine

Accounting terms

- Fund Balance
- Assets – Liabilities = Fund Balance
- Examples of Assets: cash, property, machinery & equipment, inventories, and pre-paid items.
- Examples of Liabilities: accounts payable, customer deposits, debt service, and pension obligations.

Ms. Savage reviewed the services provided by the Public Works Administration fund, explaining that as one of the City's internal service funds they have no revenue source and must charge their services to other funds. The City has a contract to provide Administrative Services to the Air Pollution Control District and that helps to offset expenses.

Slide ten

- PUBLIC WORKS ADMINISTRATION

Revenues and Expenses

	16/17 Budget	16/17 YTD	17/18 Budget
Revenues	\$ 800,115	\$ 775,118	\$ 950,353
Expenses	\$ 849,635	\$ 602,299	\$ 950,353

Changes to budget: \$12,500 SCADA (Utility Controls & Monitoring), Engineering Software Updates, and \$75,075 Stand-by expense previously directly charged to Water, Gas and Streets. The estimated Fund Balance as of 6/30/2017 is \$120,000.

Mayor pro tem Franco requested an explanation of the stand-by expense.

Mr. Newton explained that employees who are available for after hours call back for emergencies or other tasks related to the utilities will be paid through Public Works Admin. As part of an internal restructure, the Department has some highly skilled operators that will become part of the stand-by rotation and they could be called out for any water, natural gas or geothermal emergency. The funding for Public Works Admin comes from the individual Water, Streets and Natural Gas enterprise funds into Public Works admin.

Mr. Hancock added that past practice was that mid-level employees for the individual utility were on call, and if they were called out after regular hours, the charges for their time were allocated to the respective utility. Part of the reason for restructuring is to provide the necessary safety and oversight to make sure that the City doesn't have a mid-level employee responding to the emergency alone. This allows the department to create an on-call system that includes supervision and management and doing so on a department wide basis. The costs will still be charged to each individual utility, however it provides a tracking mechanism for the stand-by costs to be channeled through Public Works Admin.

Slide 11

▪ STREETS FUND

With the passage of SB 1 or the Road Repair and Accountability Act of 2017, the State of California will be increasing the gasoline tax 12 cents and the diesel tax by 20 cents beginning November 1, 2017. It also creates a Transportation Improvement Fee starting January 1, 2018 with rates based on the value of registered motor vehicles. California drivers will pay an additional \$25 to \$175 for annual registration depending on the value of their vehicles. Electric vehicles will also be assessed a \$100 per year fee. The money is intended for road repair, though it also includes more funding for public transit. The bill also stipulates the repayment of \$706 million by the state General Fund over the next three fiscal years: for the borrowing of transportation funds. What does this mean for the City?

Slide 12

▪ STREETS FUND

The allocation of the Road Maintenance and Rehabilitation Account revenue is anticipated to make available to the City between \$200,000 and \$400,000 annually in additional funding for:

- Road maintenance and rehabilitation
- Safety projects
- Traffic control devices
- In some cases may satisfy local match requirements in order for projects using federal funds.

Slide 13

▪ STREETS FUND

To be eligible to utilize these funds, the Road Repair and Accountability Act contains a local agency maintenance of effort (MOE) requirement. The Act states that the MOE requirement is to ensure that these new roads funds do not supplant existing levels of city general fund revenue spending on streets and roads.

For receipts of RMRA funds, the City must maintain General Fund spending at no less than the average of the 2009-10, 2010-11, and 2011-12 fiscal years.

The average of these fiscal years is approximately \$223,148 annually from the General Fund

Ms. Savage explained that in regards to the revenue listed on Slide 14 for 2017-2018, staff was notified that the City will be receiving less than initially reported, so the correct figure for 2017-2018 revenue is \$775,000, and not \$812,645.

Mr. Hancock added that the City receives estimates of annual funding each year, and the initial estimate was \$118,000. An updated number was received after the preparation of the report, and the funding has been reduced to \$80,000. The Councilmembers who serve on the Lassen County Transportation Commission are aware that historically the funds come to the City at the discretion of the Commission. The County has requested the funding this year and discussions are occurring regarding the apportionment of funds moving forward.

Slide 14

▪ STREETS FUND

	Revenues and Expenses		
	16/17 Budget	16/17 YTD	17/18 Budget
Revenues	\$ 4,220,395	\$ 2,595,577	\$ 812,645

Expenses \$ 4,039,330 \$ 2,649,286 \$ 782,634

Ms. Savage explained that the 2016-2017 budget includes \$3.2 million in STIP project funding. 2017-18 budget is operational only. Approved projects are carried over each year.

Changes included in current budget:

- Stand-by for Street Supervisor moved to PW Admin
- Increase in supplies and construction services for striping and asphalt. Increase in transfers in from Water and Natural Gas funds for street repairs.

Estimated Fund Balance @ June 30, 2017 - \$40,000

Slide 15

▪ WATER ENTERPRISE FUND

Revenues and Expenses - Operations

	16/17 Budget	16/17 YTD	17/18 Budget
Revenues	\$ 2,429,539	\$ 1,885,630	\$ 2,475,869
Expenses	\$ 2,512,176	\$ 2,164,608	\$ 2,785,971
			(\$310,102) Deficit 17-18
Depreciation			\$ 377,333

Revenues and Expenses – CIP Fund

Revenues	\$ 388,876	\$ 227,326	\$ 710,160
Expenses	\$ 0	\$ 0	\$ 0

Revenues and Expenses – Johnstonville Water System

Revenues	\$ 8,130	\$ 9,912	\$ 8,130
Expenses	\$ 8,130	\$ 5,418	\$ 8,130

Slide 16

▪ WATER ENTERPRISE FUND

Changes included in proposed budget:

Standby moved to Public Works Administration

Increases to:

Professional Services for water master plan

Technical Services for tank inspection

Travel & Training

Electricity- for LMUD rate increase

Machinery & Equipment – for a valve exerciser

Vehicles – service truck

Taxes, Fees – credit card service fees

Transfer out to Streets – for road repairs for water utilities

Infrastructure Surcharge

Estimated @ 6/30/16

Cash in Stabilization Fund	\$ 3,000,000
Cash in Operations Fund	\$ 40,000
Cash in CIP Fund	\$ 450,000
Combined Cash Balance	\$ 3,490,000
Fund Balance	\$ 2,800,000

Mr. Hancock commented that the water fund is on very stable footing, has a good reserve, but the fund balance is not that high. The fund balance is calculated by valuing all of the assets in the ground, but there is also a large debt that goes along with it. All of the bond payments and expenses that are associated with it are included in the fund balance. In contrast, in a few upcoming slides, the Council will be reviewing the Golf Course and Airport. Both enterprise funds have a very high fund balance but low cash balance. The value of those assets is significant, with no loans or debt service payments.

Slide 17

▪ NATURAL GAS ENTERPRISE FUND

Revenues and Expenses

	16/17 Budget	16/17 YTD	17/18 Budget
Revenues	\$ 4,647,145	\$ 4,029,398	\$ 4,628,450
Expenses	\$ 4,531,990	\$ 4,060,354	\$ 4,663,440
			(\$ 34,990) Deficit 2017-2018
		Depreciation	\$ 396,531

Estimated @ 6/30/16

Cash in Stabilization Fund	\$ 1,807,075
Cash in Operations Fund	\$ 4,028,697
Combined Cash Balance	\$ 5,835,772
Fund Balance –	(\$ 18,000)

Ms. Savage pointed out that this illustrates the point that Mr. Hancock made regarding the fund balance. The natural gas system has a lot of debt associated with it because it is a new system, which results in a negative fund balance.

Mayor Garnier commented that at some point, the system would begin to realize a higher fund balance. She asked if the City would at that time be in a position to reduce some of the fees associated with the utility.

Mr. Newton said that in order to facilitate the discussion, the utility as a whole should be evaluated. There has been an increase in cash balance over the years, and it will be useful when the City has to start looking at aging infrastructure that will need to be replaced, such as aging water meters and those types of things. Looking at the big picture of the utility would be the best approach when considering any reduction in fees or rates.

Slide 18

▪ NATURAL GAS ENTERPRISE FUND

Changes included in proposed budget:

- Machinery & Equipment
- Purchase of replacement meters \$ 50,000
- Transfer out to Streets
- For road repairs for gas utility \$ 69,744

Slide 19

▪ AIRPORT ENTERPRISE FUND

Revenues and Expenses

	16/17 Budget	16/17 YTD	17/18 Budget
Revenues	\$ 112,500	\$ 82,340	\$ 113,000

Slide 24 and 25

Ms. Savage reviewed the fund overview slide, with Overall Fiscal Health of the General Fund / history of general fund cash, which illustrated the budgeted and estimated revenues and expenses for fiscal year 2016/2017 and budgeted amounts for fiscal year 2017/2018 as follows:

	16/17 Budget	16/17 Estimated	17/18 Budget
Revenues	\$ 5,527,608	\$ 5,493,608	\$ 5,566,279
Expenses	\$ 5,646,525	\$ 5,563,224	\$ 5,810,010
	(\$ 118,917)	(\$ 69,616)	(\$ 243,731)

General Fund Reserve \$ 1,074,992

Reserve Objective \$ 1,112,456 (20% of annual operating revenue)

Estimated Fund Balance @ 6/30/2017 (Includes Reserve) \$ 2,585,438

Slide 26

Ms. Savage reviewed the departmental requests that are included in proposed budget:

- Police
\$ 294 increase for sewer rate change
- Fire
\$ 300 increase to dispatch services
\$1,000 increase to electricity
- Administrative Services
\$ 982 increase for sewer rate change
\$3,360 increase to postage to replace decommissioned mailing machine
- Proposed budget includes previously bargained increases to payroll costs. It does not contain any allocations for new contracts currently under negotiations.

Slide 27 and 28

Ms. Savage discussed the overall fiscal health of the City by reviewing long and short term debt:

Long Term Debt

- City Hall (General Fund) \$ 1,189,719 – Final Payment 9/1/2027
- CalPERS Side Fund Refunding Loan \$ 4,221,000 – Final Payment 6/30/2028
General Fund - \$ 3,081,330
Other Funds - \$ 1,139,670
- Utility Infrastructure \$ 32,715,000 – Final Payment 6/30/2045
- Community Pool \$1,135,000 – Final Payment 9/1/2030

Short Term Debt

- Housing Loans (General Fund) \$ 148,857– Final Payment 6/30/2019

Councilmember Wilson asked if the employee retirement incentive was paid off. Ms. Savage responded that it was.

Slide 29 and 30

PERS RISK POOL UNFUNDED LIABILITY

Ms. Savage explained that in 2015/2016 CalPERS began requiring participants to make lump sum payments towards their unfunded liability in addition to the normal pension costs calculated as part of payroll.

Unfunded Liability balances at 6/30/16

- Safety Risk Pool Amount \$ 4,806,085
- Miscellaneous Risk Pool Amount \$ 3,614,889

Slide 31 to 33

PERS RISK POOL UNFUNDED LIABILITY

	Annual Risk Pool Payments		
	Safety	Miscellaneous	
2015/16	\$ 179,770	\$ 155,599	Actual
2016/17	\$ 213,396	\$ 177,729	Actual
2017/18	\$ 265,029	\$ 213,383	Actual
2018/19	\$ 341,524	\$ 269,345	Estimated
2019/20	\$ 422,369	\$ 328,473	Estimated
2020/21	\$ 472,863	\$ 367,159	Estimated
2021/22	\$ 529,220	\$ 412,086	Estimated
2022/23	\$ 569,807	\$ 445,078	Estimated

Ms. Savage explained that the figures beyond 2022 have not been provided by CalPERS.

Mayor Garnier asked if the budgeted deficit for 2017/2018 includes this obligation. Ms. Savage responded that it was included.

Mr. Hancock added that this is one of the biggest concerns facing California Cities, and this payment is not related to the side fund that the City was able to refinance and reduce to a lower interest payment. This represents the estimate of liability anticipated for the risk pool that the City is part of.

Ms. Savage reviewed the breakdown of payments and the allocation to City funds.

	Annual Risk Pool Payments Charged To City Funds	
	General Fund	All Other Funds
2017/18	\$ 349,241	\$ 129,171
2018/19	\$ 445,935	\$ 164,935
2019/20	\$ 548,115	\$ 202,727
2020/21	\$ 630,017	\$ 210,005
2021/22	\$ 687,153	\$ 254,153
2022/23	\$ 740,866	\$ 274,019

Ms. Savage explained that in December 2016, CalPERS voted to lower the discount rate from 7.5% to 7% over three years beginning in fiscal year 2018-19. The discount rate is also known as the assumed rate of return that CalPERS expects its investments to earn during the fiscal year. By lowering the rate, the value of our plan's funded status is also reduced, causing employer contributions to increase.

The estimated total Pension Cost to the City (includes payroll, risk pool payment and side-fund loan payment):

2017/18	\$ 1,296,040
2018/19	\$ 1,549,707
2019/20	\$ 1,706,735
2020/21	\$ 2,020,676
2021/22	\$ 2,328,639
2022/23	\$ 2,657,104

Slide 34

Ms. Savage reviewed the City Budget Policies as established by Resolution No. 16-5265:

- Adopt a balanced budget by June 30 of each year.
- Review all fees and charges annually.
- Fund balances in excess of the reserve requirements, may be used to fund one-time expenditures.
- Strive to reach and maintain a General Fund reserve equal to (20%) of annual operating revenues.
- 50% of prior fiscal year audited actual surplus (when available) to be set aside for reserve until 20% goal is attained.
- Cash reserve above the 20% set aside in reserve will become available for spending (one –time expenditure).
- Maintain fiscal solvency.

Ms. Savage added that a four-fifths vote by City Council is required to amend the budget policies. She turned the floor back to Mr. Hancock.

Mr. Hancock explained that the next steps in the process would be to provide direction to staff regarding the preparation of the fiscal year 2017/2018 budget. There are adjustments that can be made, and staff is looking for an emphasis on providing the best possible services to the community. The workshop is an opportunity for the public to provide input on the process. Regarding the deficit, the City has gone into the year with a deficit budget and throughout the year, opportunities for savings occur, the departments operate with the highest level of efficiency. He recognized the department heads for coming together as a team, for putting some of the projects that they may want to undertake on hold in order to keep the numbers down, and the budget contains very few changes from the adopted 2016/2017 budget.

Mayor Garnier commented that it was probably time for the City to revisit the idea of a sales tax to increase revenues, since they have remained steady for the last ten years.

Councilmember Schuster commented that she was not sure that the community would support an increase in sales tax.

Mayor pro tem Franco stated that the County has one of the lowest sales taxes in the State, and it will have to be sold to the voters in order to gain their support.

There being no public comments, the Budget Workshop was closed at 6:35 p.m.

At 6:35 p.m. the City Council took a five minute recess

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

3 **CLOSED SESSION:** At 6:40 p.m. the Council entered into Closed Session to discuss the following:

- A PUBLIC EMPLOYMENT – pursuant to Government Code §54957:
1. Approved Position List
 2. Employee Status Report
 3. Public Employee Performance Evaluation: City Administrator

At 7:13 the City Council recessed closed session.

4 **RETURN TO OPEN SESSION:**

At 7:15 p.m. the City Council reconvened in Open Session.

Staff present: Jared G. Hancock, City Administrator; Jessica Ryan, City Attorney; James Moore, Fire Chief; John King, Police Chief; Deborah Savage, Finance Manager; Craig Sanders, City Planner; Quincy McCourt, Project Manager and Gwenna MacDonald, City Clerk.

Mr. Hancock reported that prior to Closed Session, the City Council approved the agenda as submitted.

Mayor Garnier offered the Thought of the Day.

5 **BUSINESS FROM THE FLOOR:**

Pat Holley thanked the City Council for the opportunity to speak in a public forum regarding matters that concern many people in the community, and that is the issue of crime and illegal activity. There are many people who do not feel safe in Susanville, and he understands that there are limited resources and providing additional officers to patrol the streets is not addressing the problem if the courts are not convicting the guilty parties properly. They have no incentive to stop the illegal behavior because they know they will get away with it.

Tina Cordoba discussed complaints that she has received from clients, and the number of suspicious looking people that are just roaming around the neighborhood cause her concern when her office normally has just a few women working alone. She thanks the Council for taking steps to approve the Property Maintenance ordinance, but that is just the first step in cleaning up Susanville.

Gary Feldt agreed with the comments made, and also supports the property maintenance ordinance.

Dennis Heinz spoke regarding the cultivation of medical marijuana, and the recent activity in grow laws in Lassen County. He is a county resident, and he stated that there used to be fewer crimes in town when there was a dispensary.

Tom Wasson spoke regarding the problems with crime, adding that technology makes it easier for people to move around and take advantage of the system and get away with more illegal activities. Politicians and law enforcement cannot do much against that. Neighborhood watch committees help, and it is a nationwide problem, and not just a Susanville problem.

Councilmember Schuster recused herself from consideration of the Consent Calendar due to a family owned business listed on the Vendor Warrant report. Councilmember Schuster exited the Council Chambers.

- 6** **CONSENT CALENDAR:** Mayor Garnier reviewed the items on the Consent Calendar:
- A Approve minutes from the City Council's May 3, 2017 meeting
 - B Approve vendor warrants numbered 100343 through 100499 for a total of \$592,222.84 including \$212,108.72 in payroll warrants

Motion by Councilmember Wilson, second by Councilmember Stafford, to approve the Consent Calendar; motion carried; Ayes: Wilson, Stafford, Franco and Garnier. Abstain: Schuster.

Councilmember Schuster returned to the Council Chambers.

- 7** **PUBLIC HEARINGS:** No business.

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

- 9** **NEW BUSINESS:**

9A **Consider the sale of Susanville Municipal Airport Hangar #16** Mr. Hancock explained that the City has received notification from the owner of Hangar #16, Steve Pezzullo indicating that he wants to sell his hangar at the Susanville Municipal Airport. He has received an offer to purchase the hangar in the amount of \$50,000, and as part of the agreement with the City, the owner must offer the hangar to the City for purchase as the City has the right of first refusal.

Mayor pro tem Franco stated that in light of the budget discussion he would prefer to pass on purchasing a hangar.

Motion by Mayor pro tem Franco, second by Councilmember Wilson, to decline the option to purchase Hangar #16; motion carried unanimously. Ayes: Wilson, Stafford, Franco, Schuster and Garnier.

9B **Consider Resolution No. 17-5387 establishing Flood/Emergency Declarations Budget for FEMA 4301-DR-CA and FEMA 4308-DR-CA** Ms. Savage explained that during the flood events in January and February, the City sustained damages to various facilities, and since a State of Emergency was declared the City has been able to apply to FEMA for financial assistance. A Flood/Emergency Declarations Fund has been established to capture all costs associated with repairing these facilities, including some upfront costs for labor and materials for repairs to the Little League Park and Diamond Mountain Golf Course. A budget amendment of \$50,000 has been requested to cover the expenses. Ms. Savage explained that the first reimbursement request had been submitted, and 93.75 percent of the costs will be covered through FEMA and the State of California if approved.

Councilmember Wilson asked if the State of Emergency had been declared for both events.

Ms. Savage responded that presidential approval had just recently been received for the second event.

Councilmember Wilson asked for an estimated time frame of receiving the reimbursement funding.

Chief Moore responded that FEMA has not provided any indication of a time frame and they have been overwhelmed by paperwork.

Motion by Mayor pro tem Franco, second by Councilmember Stafford, to approve Resolution No. 17-5387; motion carried unanimously. Ayes: Wilson, Stafford, Franco, Schuster and Garnier.

9C Consider approval of sponsorship request from Lassen County Fair for 2017 Lassen County Fair events Mr. Hancock explained that the City receives a request every year to contribute for the fireworks display that the Lassen County Fair hosts on the Fourth of July. A few years previously, the City requested that the Fair Board bundle the request to provide a financial contribution for various activities from the Fourth of July through fair week. In addition the City has traditionally provided support through added security staffing during shows and events and street closure assistance for the parade. This year the Lassen County Fair has again requested a contribution of \$2,500 from the City of Susanville to support 2017 Lassen County Fair activities. Staff recommends providing funding through the fiscal year 2017/2018 Civic Promotions budget. The expenses will not occur until the next fiscal year budget, however the request is submitted early because it is needed very early in July.

Motion by Councilmember Stafford, second by Mayor pro tem Franco, to approve the contribution in the amount of \$2,500; motion carried unanimously. Ayes: Wilson, Stafford, Franco, Schuster and Garnier.

9D Consider fee waiver request for use of Riverside Softball Field on June 18, 2017 Mr. Hancock stated that the City received a letter of request from James Cross, of Narcotics Anonymous, to utilize the Riverside Park for co-ed softball games to be held on June 18, 2017. They are requesting a fee waiver of \$90.00 for use of the park as they are a nonprofit organization.

Councilmember Wilson noted that the letter of request states that it is an annual game, but he did not recall the request coming in during previous years.

Mr. Hancock responded that he had not communicated directly with the group, and could not clarify any other details of the request. It was conveyed to him that they are a regional organization and they get together, create teams and play against each other as one of their recovery-based activities.

Councilmember Wilson stated that he would not be in favor of an organization coming in from out of the area to use the City's ball fields and request to use them for free.

Motion by Councilmember Wilson, second by Councilmember Stafford, to deny the request for a fee waive; motion carried unanimously. Ayes: Wilson, Stafford, Franco, Schuster and Garnier.

9E Consider Resolution No. 17-5388 authorizing Utility Service Agreement between City of Susanville and Honey Lake Valley Recreational Authority for Honey Lake Valley Community Pool

Mr. Hancock reported the City will be providing water, natural gas and geothermal utilities to the community swimming pool which is owned and operated by the Honey Lake Valley Recreation Authority (HLVRA). An Agreement for utility services has been prepared that will provide water to community pool at no charge to HLVRA; provides natural gas at the "raw cost" and provides geothermal at a per-square foot cost according to the existing geothermal rate structure during the winter season. The agreement also stipulates that a rate be developed which reflects geothermal pumping costs during the summer months. The City requires all geothermal customers to have a back-up heat source, and the pool has a natural gas backup heat source. Mr. Hancock referred to the natural gas resolution, and stated that staff's recommendation is

for the resolution to be revised in order to include the Community Pool as eligible for the 'raw cost' rate in order to provide support for the facility.

Councilmember Wilson asked for the square footage of the bath house building.

Mr. Hancock responded that it was 1,800 square feet.

Motion by Councilmember Wilson, second by Mayor pro tem Franco, to approve Resolution No. 17-5388; motion carried unanimously. Ayes: Wilson, Stafford, Franco, Schuster and Garnier.

9F Consider Resolution No. 17-5390 authorizing execution of School Resource Officer agreement with Lassen Union High School Mr. Hancock explained that the City and Lassen Union High School entered into an agreement in June 2014 to provide a full-time School Resource Officer. The Officer was assigned to the high school campus during school hours, and was also involved in the training and education of staff and students regarding personnel and campus safety. The agreement is due to expire at the end of the school year, and has been updated to continue providing the service. The updates include the addition of added general duties related to truancy for the District. The term of the agreement is to begin with the 2017-2018 school year and renew automatically on July 1st of each year unless terminated by either party no later than December 31st of each year, six months in advance and with written notice. Additional revisions are related to the Officer's compensation which will be 75 percent of the benefitted cost of an officer position at Step C of the salary matrix in effect on January 1st, and adjusted annually. The Lassen Union High School District board has reviewed the changes and approved the updated Agreement at its May 16, 2017 meeting.

Mr. Hancock invited Chief King to comment.

Chief King remarked that he was supportive of seeing truancy duties added, as the former direction was for the officer to not be involved in truancy issues.

Mayor pro tem Franco asked if there were officers in place now to step in and assume the duties.

Chief King responded that there nothing in place for the next school year, and he has not tested the waters yet.

Mayor pro tem Franco asked what happened to the funding if nobody is interested.

Mr. Hancock commented that the goal is to have officers who want to participate in the program.

Mayor pro tem Franco asked if the officers are hired with experience.

Chief King replied that it does not matter if they are a brand new officer but it is not a training ground position. It is a risk to just throw them into the job working at a school.

Mayor pro tem Franco agreed, and stated that it was a great program but it has to be the right person.

Motion by Mayor pro tem Franco, second by Councilmember Stafford, to approve Resolution No. 17-5390; motion carried unanimously. Ayes: Wilson, Stafford, Franco, Schuster and Garnier.

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

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

12 **CONTINUING BUSINESS:**

12A **Consider Ordinance No. 17-1011 adding Chapters 8.52 Property Maintenance, 15.09 Neglected Vacant Buildings and 15.10 Abatement of Dangerous Buildings to the Susanville Municipal Code: Waive the second reading and adopt** Mr. Sanders reported that this item is back before the City Council for the second reading. The Council reviewed the draft Ordinance at its April 19, 2017 meeting, and at the May 17, 2017 meeting recommended additional changes which has been incorporated into the document. The language that was proposed focuses primarily on the section related to the parking or storage of various types of vehicles on residentially zoned property. Mr. Sanders reviewed the language contained in Chapter 8.52, Section C, related to the regulation of parking or storage of trailers, campers, boats, vessels, watercraft, snowmobiles, wood splitters or other similar vehicles and equipment on residentially zoned property.

Mr. Hancock clarified for the record that the original version of the Ordinance was considered by the Council and introduced for the first reading on April 19th. When the Council reviewed the Ordinance and considered the second reading at the May 17th meeting, there were additional changes requested which had been incorporated into the motion to waive the first reading and introduce the ordinance. The document for consideration tonight includes those changes, and the action requested would be to waive the second reading and adopt the ordinance.

Motion by Mayor pro tem Franco, second by Councilmember Schuster, to waive the second reading and adopt Ordinance No. 17-1011; motion carried unanimously. Ayes: Franco, Schuster, Wilson, Stafford and Garnier.

12B **Consider Resolution No. 17-5389 approving execution of agreement with Adams Ashby Group for Grant Administrative Services for the Community Development Block Grant (CDBG)** Mr. Hancock reported that at its May 3, 2017 meeting, the City Council reviewed and approved the release of a Request for Proposal (RFP) to contract for Grant Administrative Services to assist with the administration of the Riverside Drive Rehabilitation Project. The City received one submittal from the firm of Adams Ashby Group. The City has worked with Adams Ashby Group in the past, and they have competitive rates and are good to work with. The services provided would include coordinating with CDBG staff to finalize the project scope, payment drawdowns, annual reporting and any additional items required of the City grant compliance and would allow the City to move forward with the Riverside Park project.

Councilmember Wilson asked if staff has an estimated time of completion for the project.

Mr. Hancock reviewed the next steps in the process which include discussion of preliminary designs, creating detailed plans and specifications, and conducting the bid process. It is anticipated that construction would begin in Spring 2018, with the goal to expend funds as quickly as possible.

Mayor Garnier what the grant award amount is.

Mr. Hancock responded that the City received \$450,000 for completion of the project.

Councilmember Wilson asked Mr. Hancock to provide a summary of the project.

Mr. Hancock explained that Riverside Park is broken into three components; the ball field, the picnic area with play equipment, and the bathroom area which also contains a horseshoe pit. A large part of the project is the installation of ADA accessibility improvements to the picnic and play areas, a facelift along the road frontage and new restrooms.

Mayor Garnier asked if the adjacent road to the old Sierra Pacific Mill site was considered due to safety issues because of the proximity.

Mr. Hancock responded that it was not part of this project, and that it is fenced and it is being looked at to identify ways to improve the curb appeal.

Motion by Mayor pro tem Franco, second by Councilmember Stafford, to approve Resolution No. 17-5389; motion carried unanimously. Ayes: Franco, Stafford, Wilson, Schuster and Garnier.

13 CITY ADMINISTRATOR'S REPORTS:

13A Police Department Update Chief King reviewed a summary of the activities and projects of the Susanville Police Department including personnel, training, community outreach, crime stoppers program, and stated that the facility remodel project is now completed. He reviewed crime statistics for the first quarter of 2017. Chief King stated that staff has been meeting with the Lassen County Sheriff's team to discuss potential new Records Management Systems (RMS), as the current RMS is 80s technology and is lacking in multiple areas of recent demands to report tracking and victim notification. Staff has also began talks with the District Attorney and Lassen County Sheriff's Office to initiate a new temporary warrant process not currently available in Lassen County. The process is simple and eliminates the short-term "blackhole" of time where a suspect is at large and not flagged as wanted. Chief King added that staff continues to work with the Sheriff's office, Behavioral Health, Banner Hospital and Mental Health to improve the Mental Health detection, identification and treatment process for persons in crisis. Several significant improvements have been achieved so far in the interactions between the agencies.

13B Rabies Clinic Update Ms. Savage reported that staff conducted the annual Rabies Clinic on May 20th at Memorial Park. Low cost rabies vaccinations were made available to City and County animals by Dr. Boyd Taylor and Dr. Bob Nelson. The City issued 162 dog licenses at a discounted rate to City residents. Ms. Savage complimented Police Department staff for coordinating another successful event.

13C Hiring of Interns to Complete CDBG Income Survey Mr. McCourt reported that the City has received funding through the Community Development Block Grant (CDBG) program for a public improvement project in a neighborhood with primarily low to moderate income group citizens. Income surveys are utilized to identify target income group neighborhoods and will make the next CDBG more competitive and provide additional options for CDBG funded projects. Surveys are conducted when American Community Survey data is not applicable, and Susanville has many neighborhoods that are not accurately represented by ACS data. Staff is recommending hiring between two and six interns to be paid \$15.00 per hour out of existing Program Income funds. The interns will be paid as non-benefited City employees, and will follow a specific scope of work and protocol while conducting the survey. It is anticipated that the survey may take between one and three months to complete.

Mayor Garnier asked how long the Income Survey results were good for.

Mr. McCourt responded that the data is valid for a five-year period.

Mayor pro tem Franco asked if the survey would include the entire community.

Mr. McCourt replied that the entire community has to be surveyed, and the City cannot intentionally choose specific neighborhoods.

Councilmember Schuster asked what the maximum funding amount is available.

Mr. McCourt answered that the application is for up to \$2 million dollars, and can be for several different projects.

Mr. Hancock added that staff has done a lot of good work in getting the CDBG program up and running again, but it has been determined that the census tract boundaries that are used to determine the population and income data are irregular. Some programs that the City has such as homebuyer assistance are tied to the individual income eligibility of the applicant, but public facility and infrastructure projects, such as the Riverside Park project, must demonstrate that the neighborhood household income is less than 80 percent of the annual median income for the area. The income survey protocol does not require that every household in Susanville be surveyed, and it will provide good data that makes the City's next application more competitive.

13D Urban Water Management Plan Update Mr. Newton explained that Urban Water Management Plans (UWMPs) are prepared by urban water suppliers to support their long-term resource planning, and ensure adequate water supplies to meet existing and future water demands. Every urban water supplier that either provides over 3,000 acre-feet of water annually, or serves more than 3,000 urban connections is required to prepare an Urban Water Management Plan, and with over 3,800 water connections, Susanville falls into that category.

The plans are prepared every 5 years and submitted to the Department of Water Resources where they are reviewed by the State to ensure that they have completed the requirements identified in the Water Code.

Plans were due to be submitted by July 2016, and Susanville's Plan adoption is behind schedule. Work on the Plan began in September 2016, with the assistance of Full Spectrum Engineering and a draft Urban Water Management Plan is now available for circulation. The Draft will be circulated to Lassen County and other public water systems within the Honey Lake Valley Ground Water Basin. It is anticipated that the public hearing to consider adoption of the Plan could be scheduled for August 16, 2017. The Plan must be adopted prior to the expenditure of any IRWM funds, which the City intends to use for the Cady Springs project.

Mr. Hancock added that the document is very lengthy, and he requested that the City Council review the Draft and submit any comments directly to him for making any revisions.

14 COUNCIL ITEMS:

14A AB1234 travel reports:

The City Council discussed the timing of regular meetings in July with the July 4th celebration and opening night of the Lassen County Fair. It was the consensus to hold both meetings as scheduled for July 5th and July 19th.

15 ADJOURNMENT:

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

Meeting adjourned at 9:41 p.m

Respectfully submitted by

Kathie Garnier, Mayor

Gwenna MacDonald, City Clerk

Approved on July 19, 2017