

SUSANVILLE CITY COUNCIL
Regular Meeting Minutes
February 20, 2019– 6:00 p.m.

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

Roll call of Councilmembers present: Brian Wilson, Joseph Franco, Brian Moore, Mendy Schuster and Mayor Kevin Stafford.

Staff present: Dan Newton, Interim City Administrator; Jessica Ryan, City Attorney and Ruth McElrath, Building Permit Technician.

1 APPROVAL OF AGENDA:

Motion by Mayor pro tem Franco, second by Councilmember Schuster, to approve the agenda as submitted; motion carried unanimously. Ayes: Franco, Schuster, Wilson, Moore and Stafford.

2 PUBLIC COMMENT REGARDING CLOSED SESSION ITEMS: No comments.

3 CLOSED SESSION: At 6:01 p.m. the Council entered into Closed Session to discuss the following:

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

- 1 Property: APN: 105-210-29-11
- Agency Negotiator: Dan Newton, Interim City Administrator
- Negotiating Parties: Lassen Aurora Network (LAN)
- Under Negotiation: Price/Conditions/Terms of Lease

4 RETURN TO OPEN SESSION:

At 7:00 p.m. the City Council reconvened in Open Session.

Staff present: Dan Newton, Interim City Administrator; Jessica Ryan, City Attorney; Kevin Jones, Police Chief; Daniel Gibbs, Acting Public Works Director; Deborah Savage, Finance Manager; and Ruth McElrath, Building Permit Technician.

Mr. Newton reported that prior to Closed Session, the agenda was approved as submitted. The City Council met in Closed Session, and there was no reportable action taken, but direction was provided to staff.

Mayor Stafford provided the Thought of the Day.

Mayor Stafford presented Interim City Administrator Dan Newton with a plaque from the City Council in recognition and appreciation for his service to the City as Interim City Administrator.

5 BUSINESS FROM THE FLOOR:

Ofelia Ware informed the Council of her concerns related to the Third Street neighborhood. She described nuisances related to garbage being dumped in a vacant lot, violations of the noise ordinance, and a man yelling in the alley at 2:00 a.m. She thanked Chief Jones and Supervisor David Teeter for having a van removed from the neighborhood.

6 **CONSENT CALENDAR:**

- A Approve minutes from the City Council's January 16 and 24, 2019 meetings
- B Receive and file Monthly Finance Report: January 2019
- C Approve **Resolution No. 19-5619** authorizing transfer of vehicle from Building Official to Parks Department

Motion by Mayor pro tem Franco, second by Councilmember Wilson, to approve the Consent Calendar; motion carried unanimously. Ayes: Franco, Wilson, Schuster, Moore and Stafford.

7 **PUBLIC HEARINGS:** No business.

8 **COUNCIL DISCUSSION/ANNOUNCEMENTS:** Commission/Committee reports:

9 **NEW BUSINESS:**

9A **Consider approval of vendor warrants numbered 203171 through 203271 for a total of \$487,410.65 including \$242,925.53 in payroll warrants**

Motion by Mayor pro tem Franco, second by Councilmember Moore, to approve the vendor warrants as submitted; motion carried unanimously. Ayes: Franco, Moore, Wilson, Schuster and Stafford.

9B **Consider Resolution No. 19-5517 adopting FY 2018/2019 mid-year budget** Ms. Savage reported that each year, the City Council adopts a budget by July 1st that sets appropriations for the coming fiscal year. Revenues are based on projections that are provided by Lassen County and the State of California. Expenses are established to fund critical operations and priorities determined by Management and City Council. The budget is reviewed mid-year, and adjustments are made based on updated revenue calculations from the County and State. Adjustments are made to expenses that were not predicted or occurred during the first six months.

Ms. Savage continued, explaining that the mid-year 2018/2019 budget reflects projections for Property Tax in-lieu of VLF and increases to interest income for higher LAIF investment rates. Staff is not recommending an increase to any other revenue projections at this time, but will continue to monitor them closely. The budget adjustment includes increases based upon additional expenditures that are necessary to complete the remainder of the fiscal year, and they include Police Department overtime expense, vehicle repair and maintenance, technical services, code enforcement, and the replacement of the Administration server. Ms. Savage concluded by reporting that the mid-year budget includes a General Fund expenditures budget of \$6,856,776 all other funds budget \$11,778,044 for a total City budget of \$18,634,820. She turned the floor over to Mr. Newton.

Pat Holley asked if the Police Department was fully funded.

Ms. Savage responded that all approved positions at the Police Department are fully funded.

Mr. Newton explained that prior to the meeting, staff provided a spreadsheet illustrating a five year projection of the General Fund for revenue and expenditures. On the expenditure side, staff wanted to compare budgeted years versus actual. At the beginning of each fiscal year, the City begins with all approved positions budgeted for as if the City were fully staffed, and then a vacancy rate is factored in as if there would be a 4 percent vacancy rate. From year to year there are also one-time revenues, and those allow us to have the expenses be less than revenues. The City is also entering into a period where the majority of the General Fund positions are filled, with the exception of two vacancies at the Police

Department, and a temporary vacancy in the Fire Department due to the deployment of an employee with the National Guard. Chief Jones has been very active in recruiting to fill the vacancies in the Police Department, and the deployed fire fighter should be returning this year.

Mr. Newton continued stating that the revenue to expense comparisons show a net change in fund balance which is anticipated to a deficit of \$350,000. A significant portion of that is the General Fund City contribution that must be made to leverage additional SB1 funding for road work. The budget projections show that a significant portion of the increase is the CalPers obligation. Essentially, the calculations indicate that unless something changes, the City will deplete its reserve by 2023. The problems have not been discussed to any extent since the proposed sales tax was voted down in November, but the problem is still there and needs to be addressed. There are some things that will help offset the issue which were not included in the projections, such as the tobacco grant, which offset expenses, but this is a basic prediction based upon stable sources of revenue.

Ms. Savage added that the projections are assuming that the existing level of services would be provided, however it does not include increases or the replacement of major items, such as vehicles. She referred to page two which illustrated an analysis of General Fund salaries and benefits, and it represents between 77 to 82 percent of the General Fund.

Councilmember Wilson commented that Mr. Newton brings up a good point in that the City cannot wait any longer to have the conversation. It is time to start having some uncomfortable discussions with Department Heads and the Council, because the City cannot continue down the road it is going, and spending money that we do not have.

Pat Holley asked for clarification that the reduction in sales tax from 2017/2018 to 2018/2019 was an actual number or a projection.

Ms. Savage responded that it is an actual number received from the County, and is due to an over-allocation from a previous year. The Board of Equalization misallocated a return that was filed, and overpaid the County so the City and County have to pay that back.

Councilmember Moore asked if the bill that resulted in an increase in vehicle registrations and licensing had been factored in.

Ms. Savage responded that it is factored into the SB1 funding.

Councilmember Moore asked if the City has considered the allocation for internet shopping, or the Amazon tax.

Mr. Newton responded that the State is still working through that, so there is no information available yet. The VLF funding is earmarked for the streets fund, with the City required to provide a General Fund contribution to leverage those funds. The City contribution was estimated at \$166,000 at the beginning of the fiscal year, however expenses related to snow removal are counted towards the City's maintenance of effort, so it reduces that \$166,000 figure.

Councilmember Wilson asked about the items that were being requested that would be covered by salary savings that are not items which have been discussed by Council, and if those discussions would be forthcoming.

Ms. Savage explained that the Administration server is coming up to the end of its useful life, and it also includes upgrades to the firewall. Currently, the firewall is not PCI compliant, and any entity that accepts credit card payments must have a secure firewall that provides a set level of protection for credit card customers. The firewall is too old and there is insufficient memory to upgrade, however the cost of upgrading the firewall first and the server second would be more costly than to upgrade them both at the same time.

Mr. Newton added that staff was looking at the upgrade to occur within the next few months.

Councilmember Wilson asked if these are items that staff was able to put numbers on, and if there are more that would be coming up before the end of the fiscal year.

Mr. Newton replied that each Department Head was asked to look at their budget, and forecast to the end of the year, identify the additional needs and at this time, based on current information, these requests should cover the rest of the year. There's been discussion regarding the roof at City Hall, and for the past several years, there has been efforts made to repair and patch, however recently there has been a significant amount of deterioration and the amount of water that is getting through has increased. There is also discussion regarding replacement of the pump at the golf course and staff would be bringing that back for consideration.

Councilmember Wilson asked for an estimate of the salary saving.

Mr. Newton responded that a department analysis was conducted, and based upon his recollection, it was approximately \$150,000 for the General Fund. There were additional attorney's fees which offset that amount.

Ms. Savage stated that the items which are being requested are one-time purchases which will not increase the line item for the next fiscal year budget.

Councilmember Wilson commented that one of the things that has been discussed is the cost of dispatch and upgrades to the Police Department computer, which are one-time expenses that are potentially very significant. He asked if there were any estimated numbers yet on those expenses.

Mr. Newton answered that the County is working on an RFP to release either concurrently or jointly with the City to obtain costs on a records management system and the costs of dispatch might be included in that process. The City is still working to obtain numbers on that.

Mayor pro tem Franco asked if there was annual dividend payment available through SCORE, and if so, when would the City be notified.

Ms. Savage responded that the dividend returns are based upon the City's annual claims and calculations that are made based upon the other members of the risk pool. That information should be available at the next Board meeting in late March, and in the past the dividend payments have been allocated to the risk management pool. The City's security system is paid for from that fund.

There were no additional questions or comments.

Motion by Mayor pro tem Franco, second by Councilmember Wilson, to approve Resolution No. 19-5617; motion carried unanimously. Ayes: Franco, Wilson, Schuster, Moore and Stafford.

9C Considering approval of the Tobacco Law Enforcement Grant budget and scope modification Mr. McCourt explained that the City Council was awarded the Tobacco Law Enforcement Grant and approved a budget and scope of work modification at the September 18, 2018 meeting. Since that time, Chief Kevin Jones has come to work for the City, and based on his experience and knowledge, has made recommendations to improve the efficiency of grant management. The original intent of the grant will not be affected, and the proposed modifications have been reviewed by the Department of Justice Grant Manager. The City is allowed to make three scope modifications per year.

Chief Jones commented that this is a very unique opportunity for the City to be awarded funding that is one hundred percent officer spending, and he described the planned use of the funding to deploy officers to Community Watch Groups, schools, and specific focus areas. The grant will save the City about \$400,000 over the next two and a half years.

Motion by Councilmember Schuster, second by Councilmember Moore, to approve the amended grant budget and scope of work; motion carried unanimously. Ayes: Schuster, Moore, Wilson, Franco and Stafford.

9D Consider establishment of K-9 Program Chief Jones referred to the information packet that has been provided which proposes the implementation of a K-9 program with the City. The City has not had a K-9 program since 1992, and the value of the program to law enforcement is hard to quantify. The dogs are used for drug detection, searching, tracking, protection and use of force. K-9's are a positive community relations tool that would be utilized year round. The program would rely on a dedicated fundraising effort, with the approximate cost for the program to be \$22,000, which includes the purchase of the dog, handler training, lodging and per diem, equipment, food, and basic supplies for the care of the dog. The fundraising should begin as soon as possible, with the optimal time to send the handler for training would be June, when the SRO is not needed at school. Chief Jones reviewed costs, potential funding sources, recurring costs, and added that Susanville is a very giving community.

Pat Holley spoke in support of the K-9 program, discussing the benefits to the community and to the officers.

At 7:45 p.m. Chief James Moore entered the meeting.

Amy Holley talked about the amount of drugs that have come to the community, and the value of a K-9 in solving those types of crimes.

Gary Bridges commented that K-9 units build connections with the community, and it does not sound like the City can afford to do without the program.

Councilmember Schuster asked if the Fire Department could utilize a K-9.

Chief Moore responded that some dogs are trained to sniff for combustible flammable materials, however he is unsure if a K-9 trained for police work could be cross trained.

Mayor Stafford asked how many times the K-9 units from the Sheriff's office were used.

Victoria Estrada, Susanville PD, stated that the Department has used the Sheriff's dog Brinks on five occasions for assemblies at schools. It is a great tool for community outreach.

Officers Brian Rowe, Michael Hoover and Frederic Foulk each spoke about the advantages of using a canine during the course of their work, and described specific instances where the Sheriff's K-9 served a valuable purpose during the apprehension of a suspect.

David Teeter, Board of Supervisors, spoke in support of the program, and the Department, and the effort to make improvements for the community. Even though budget is a difficult issue to deal with, he spoke in support of the program.

Sergeant Sobol, Officer Kevin Singletary and Officer Amanda Evans spoke in support of the program, citing examples of situations where a K-9 would offer improved efficiency and protection for the Officers.

Mayor pro tem Franco stated that he is in support of the program, however the Council just had a sobering discussion regarding the budget and fundraising efforts to mitigate the impact of the added cost to the City will go a long way towards making the program successful.

Councilmember Wilson agreed, adding that he made a commitment to the Chief when he voted to hire him, and he trusts that he will work within the Department budget and work to identify additional funding sources and opportunities. He thanked Officer Hoover for his hard work and dedication to the program, and committed the remainder of his discretionary fund to the program. He invited Officer Hoover to stop by his office, so that he could match the contribution.

Officer Hoover spoke about the fund raising effort and outpouring of community support for the program.

Gary Bridges stated that many of the neighborhood watch groups are committed to donating, and he believes that the program would not create any cost to the City.

Councilmember Moore announced that he would also contribute the balance in his discretionary fund to the program.

Councilmember Schuster committed \$200 of her discretionary funding to the program.

Motion by Mayor pro tem Franco, second by Councilmember Schuster, to move forward with the K-9 program; motion carried unanimously. Ayes: Franco, Schuster, Wilson, Moore and Stafford.

9E Consider Resolution No. 19-5614 authorizing execution of lease agreement between Lassen Aurora Network (LAN) and the City of Susanville for the Susanville Community Garden Mr. Newton explained that the City has authorized the use of the property at 105 South Ash Street to be utilized as a community garden. It began operations in 2018, with a core group of community members who have been very active in expanding the opportunities and programs provided by having the garden. Lassen Aurora Network, a private non-profit corporation, has offered to facilitate and oversee the operations as a private non-profit, and the lease agreement has been drafted for the Council's review and approval.

David Teeter thanked the Council for its on-going support of the community garden project, adding that Lassen Community College and WIC are also involved.

Motion by Mayor pro tem Franco, second by Councilmember Schuster, to approve Resolution No. 19-5614; motion carried unanimously. Ayes: Franco, Schuster, Wilson, Moore and Stafford.

9F Consider approval of the write-off of Accounts Receivable and authorize turning the amount of uncollected utility revenue to collections Ms. Savage explained that the Administrative Services Department is responsible for the collection of revenues that are owed to the City and when accounts become past due, the City follows set procedures for the collection of these accounts. After all attempts to collect the money have failed, staff provides a report to Council with a request to write-off the uncollected balances and forward the accounts to a collection agency. The City receives 66 percent of any amounts collected. Staff is requesting to write off \$20,371.68 in uncollected revenue.

Motion by Councilmember Wilson, second by Mayor pro tem Franco, to authorize the write off of accounts receivable; motion carried unanimously. Ayes: Wilson, Franco, Schuster, Moore and Stafford.

9G Consider Resolution Number 19-5618 authorizing the Acting Public Works Director to execute a contract change order with Dig-It Construction Inc. for STIP Project No. 17-01 (FC) with remaining fund balances for portions of West Street and Hospital Lane in the City of Susanville from the project for pavement rehabilitation and ADA accessibility upgrades less construction engineering Mr. Gibbs reported that the City Council approved STIP Project 17-01 in April 2018, and the project is near completion. The remaining balance for engineering, construction and contingencies is approximately \$190,000. Staff is recommending executing a change order to complete additional work on West Street and Hospital Lane. These streets were included in the original project, covered in the environmental clearance approvals, however based on anticipated material and construction costs, it was estimated that there would not be sufficient funding for the project so these two streets were removed from the original scope. Caltrans will typically approve nearby and adjacent streets to utilize remaining fund balances.

There was a general discussion regarding prioritizing projects, the current condition of the streets and the difficulty in making repairs due to the prolonged stretch of inclement weather.

Motion by Councilmember Moore, second by Councilmember Schuster, to approve Resolution No. 19-5618; motion carried unanimously. Ayes: Moore, Schuster, Wilson, Franco and Stafford.

10 SUSANVILLE COMMUNITY DEVELOPMENT AGENCY: No business.

11 SUSANVILLE MUNICIPAL ENERGY CORPORATION: No business.

12 CONTINUING BUSINESS:

12A Consider Resolution No. 19-5620 amending the Police Officer Trainee agreement Chief Jones reported that the Council approved Resolution No. 18-5524 in June 2018, authorizing the Police Officer Trainee agreement. Staff is proposing to amend the agreement to include language that would authorize reimbursement for Trainees who are hired while in the academy, and remove language that penalizes Trainees who do not complete 36 months of service. These changes are consistent with recent case law, and a survey of Cal-Chiefs.

The Police Department is proposing to amend Resolution No. 18-5524 to include language authorizing reimbursement for Trainees who are hired while in the Academy, and exclude language of penalties for Police Trainees who do not complete 36 months of service. This is consistent with a recent survey of Cal-Chiefs and case law.

There was a general discussion regarding the Trainee program and its use as a recruitment tool.

Motion by Mayor pro tem Franco, second by Councilmember Schuster, to approve Resolution No. 19-5620; motion carried unanimously. Ayes: Franco, Schuster, Wilson, Moore and Stafford.

13 CITY ADMINISTRATOR'S REPORTS:

13A Discussion of budget policy amendment Chief Moore reported that every year the Fire Department sends paid and volunteer staff out of Lassen County to assist with wildfire suppression throughout the State. The Department accounts for the revenue and expense of fighting out of area fires, and if the Department uses one of its own engines, there is additional revenue for the rental cost of the engine. At the end of the year, the account is reconciled and typically the City shows a 20 to 25 percent revenue over expense surplus. Last year, with the revenue for the engine rental included, it was closer to a 100 percent revenue over expense surplus. Staff is proposing that each year, after the reconciliation is complete, that the remaining balance of funds would be divided equally between Administration, Police and Fire budgets to be deposited into the respective facility and equipment funds. These accounts are restricted and Council approval is required for expenditures for facility and equipment repairs or replacement.

Ms. Savage added that the revenue sources are not fixed, so at the end of the year after expenses are paid and closed out, any remaining money would be set aside in the restricted facility and equipment fund and any expenditures from the fund must be approved by City Council. This represents an amendment to the budget policies.

Motion by Mayor pro tem Franco, second by Councilmember Schuster to amend the policy as proposed, and approve the distribution of surplus out of area fires as described; motion carried unanimously. Ayes: Franco, Schuster, Wilson, Moore and Stafford.

14 COUNCIL ITEMS:

14A AB1234 travel reports:

15 ADJOURNMENT:

Motion by Mayor pro Franco second by Councilmember Schuster, to adjourn; motion carried unanimously. Ayes: Franco, Schuster, Moore, Wilson and Stafford.

Meeting adjourned at 8:47 p.m.

Kevin Stafford, Mayor

Respectfully submitted by

Ruth McElrath, Building Permit Technician

Approved on: March 20, 2019