

CITY OF WILLIAMS
Council Minutes

810 E Street/P.O. Box 310, Williams, CA 95987

SPECIAL STUDY SESSION

COUNCIL CHAMBERS
WEDNESDAY, FEBRUARY 8, 2012

9:00 A.M.

CALL TO ORDER

At 9:00 a.m., Mayor Troughton called the regular meeting of the Council to order.

ROLL CALL:

COUNCIL MEMBERS PRESENT:	Patricia Ash, Don Barker, Angela Plachek-Fulcher, Alfred Sellers, John Troughton
COUNCIL MEMBERS ABSENT:	None
STAFF MEMBERS PRESENT:	Charles Bergson, City Administrator Rex Greenbaum, Finance Officer James Saso, Police Chief Sally Barker, City Treasurer Jeff Gilbert, Fire Chief Wes Goforth, Public Works Director Sue Vannucci, Deputy City Clerk

PLEDGE OF ALLEGIANCE

Mayor Troughton invited all in attendance to join in the Pledge of Allegiance.

PUBLIC COMMENT

Ron Simmons from the Williams Community Center asked that Council place an item on the Agenda for the next meeting concerning the water and sewer bill for the Center. Council concurred to place this item on the Agenda for the next meeting



NEW BUSINESS

TEN YEAR FINANCIAL PLAN; RENEW ½ CENT SALES TAX

City Administrator Bergson said Council had directed Staff to prepare a 10 year review for the General, Water and Sewer funds. Staff has focused on the long term needs for the City, the employee Memoranda of Understanding requirements and possible other revenue sources to develop this budget plan.

Finance Officer Greenbaum presented a breakdown of the spread of expenditures via the General Fund by Department as follows:

Department	Expense	%
Administration	\$501,000	17%
Police	1,415,000	49%
Fire	219,000	8%
Development Services	198,000	7%
Public Works	305,000	10%
Parks & Recreation	214,000	7%
Storm Drain	58,000	2%
TOTALS	\$2,910,000	100%

Council Member Ash asked about the \$219,000 the City provides to the Fire District. Finance Officer Greenbaum said this is primarily sales tax. Council Member Plachek-Fulcher said the City acts as a pass through for some funds and asked if the City could to use those funds elsewhere. Finance Officer Greenbaum said the funds were not allocated to specific areas of expenditure even though the ballot measure was advisory as to what areas the citizenry had identified. The City maintains a lean budget and does not have many options.

Council Member Ash asked if the Transient Occupancy Tax (TOT) was separated and Finance Officer Greenbaum said it is included as General Fund revenue. Fire Chief Gilbert said the TOT tax was raised by 2% and the reason it was passed is because it was sold to the voters by the Fire Department. Council passed a Resolution to say it was specifically for the Fire Department, which is 20% of the motel tax. The Department receives 16% of that money and the City keeps 4% for Administration. Mayor Pro Tem Barker said the City has given the TOT money to the Fire Department, less administrative fees. The voters raised



the tax but it is a City tax that the City chose to give to the Fire Department. However, it is not required.

City Administrator Bergson said with the ½ cent sales tax, the Council has the discretion to spend the money wherever they choose.

Finance Officer Greenbaum said the City has maintained a balanced budget for the past two years. Documents have been received from the State indicating a 6-7% increase in sales tax but he would like to remain conservative and utilize 3-4% in revenue growth assumptions to maintain our fiscal integrity. The City will utilize these 10 year plans to proactively prepare for any difficulties that may arise in the future. Beginning in Fiscal Year 2012-13, the City will need to cover an additional Police Officer position within the General Fund. We will be able to absorb that cost with the savings the City saw in the change of insurance carriers. The Facility Maintenance Worker position will remain frozen at this time and is unfunded. Starting in Fiscal Year 2014-15, the School Resources Officer grant funding will expire and coverage will be needed by the General Fund or secure an alternative funding source. The City must also budget for the annual cost of living increases as are identified in the current MOUs.

The current ½ cent sales tax will expire on March 31, 2013. These funds provide 14% of the City General Fund revenue. To remain in balance, the City will need to consider a 14% reduction in City Services. Some of these reductions are non-discretionary providing that some individual budgets would necessarily be cut more than others.

Council Member Plachek-Fulcher said the budget provides \$185,000 to the Fire District and Finance Officer Greenbaum said that is off the sales tax. It was \$214,000 from the General Fund. He said the amount is \$234,000 City wide because Fire receives some funds from other areas. Council Member Plachek-Fulcher said then they would be cut \$135,000 and Finance Officer Greenbaum said it was 1/3 of the Measure S being lost and this is a starting point. Council Member Plachek-Fulcher said there is an assessment for the Fire District and Finance Officer Greenbaum said the District receives that directly. Should the City cut \$100,000 or more from their budget the District will lose their volunteers. The City will realize some specific cuts in some areas.

Mayor Troughton said Staff is showing possibility alternatives at this time and Council will have the discretion, should the Measure fail as to where those cuts may be made. There may be other areas to be reduced other than Fire. Early discussions now will help us consider all of our alternatives. These are possible solutions only, and it is hoped they will not be necessary. If we lose this ½ cent the City may need to cut programs, services and staff to maintain a



balanced budget. Council Member Plachek-Fulcher said the City needs to identify the areas of potential reductions and utilize them to advocate for the measure. Mayor Troughton said to be sure the citizens are fully aware of the ramifications, with Council concurrence, he would like to schedule several town meetings, meet with all Departments staff and provide possible solutions should the measure not pass.

Finance Officer Greenbaum indicated the proposed alternatives are suggestions only at this time. Possible solutions could include the following:

- Employee furloughs requiring reduced week (four 9 hour days) amounting to a 10% salary reduction
- Closure of the City Swimming Pool
- A 10% reduction to total non-personnel budgets
- Reduced contributions to the Fire District

Should Council determine not to reduce funding to the Fire District, other Departments would need additional reductions to close the gap.

Finance Officer Greenbaum said the Water Enterprise Fund indicates a negative trend due to no scheduled future rate increases following the one scheduled at 6% in December of 2012. These anticipated deficits show need for future annual increases to rates of between 4-5%. The forecasted expenditures include anticipated financing costs for the \$1.3 million planned water capital projects and the final increase of 6% scheduled for December of 2012.

The Sewer Enterprise Fund provides for a 20% increase this year and should Council wish to consider changing that to four 5% increases a Proposition 218 vote would be required. The long term integrity of the fund could be maintained with a 4% annual increase beginning in June of 2017. Projections may be impacted by utility requirements of the new Waste Water Treatment Plant. The expenditures include 2 new personnel required for the new Waste Water Treatment Plant and the 20% increase scheduled for December 2012.

The ten year forecast for the General Fund would require maintenance of the frozen Facility Maintenance Worker position, limiting annual expenditure increases by 2 to 2 ½ percent and elimination of the funding of the School Resource Officer position in Fiscal Year 2015-16.

Council Member Plachek-Fulcher asked how Council can proceed to show the taxpayers the outcome should the measure fail. Mayor Troughton said the City cannot campaign as a City for the measure. Finance Officer Greenbaum said 85% of our sales tax comes from those who are visiting the City.



Police Chief Saso asked about allocations to reserves and Finance Officer Greenbaum indicated none have been included in the budget. Any budget savings could be placed into reserves. Mayor Pro Tem Barker said the City had some CDs that were sold to help with budgetary issues. Finance Officer Greenbaum said the CDS are in the LAIF now but they could be put into CDs as it does not appear prudent to freeze those funds at this time. Our General Fund reserve has grown somewhat during these difficult economic times. The LAIF is part of the reserves.

Council Member Ash suggested the City dispose of some of our property and place those funds into the reserves. The properties are a blight in the City. City Administrator Bergson said if the properties have no overhead, they are an asset for the City. If there are maintenance issues on the properties, the cost does come from the General Fund. Those without much maintenance, such as the Museum, are an asset. Council Member Ash suggested the Old Gym, old Police Department and Ag building be considered for sale.

Mayor Troughton asked that Staff get an assessed valuation on the suggested properties. Mayor Pro Tem Barker asked that the property at Sixth and G also be appraised.

Finance Officer Greenbaum said the City does have 30% reserve in the General Fund, which is an adequate reserve. It utilized a cushion while the City waits for infusion of taxes to the City and can be a cash flow problem. Mayor Troughton said once the City begins to utilize reserves to pay debt, the City can create financial difficulty. The City should work within the General Fund and not utilize reserves. Finance Officer Greenbaum feels that with the City relying heavily on gas tax our reserves could be lost in a bad year.

Mayor Troughton said the Water Enterprise Fund appears to be flat. Finance Officer Greenbaum said the Fund goes up for a few years and then goes down because there is no annual COLA built in. The \$6 million return on the loan would allow us to slow down the percentage of the increase. The figures in place for the Sewer Fund when he came to the City were incorrect. As amended, the Fund is relatively stable.

Council Member Ash asked if there is a possibility would be to have standard cut to all of the salaries that from the General Fund. Mayor Pro Tem Barker the Fire District is an agency and the City cannot 10% of their salaries. There is a contractual agreement to fund a specific amount of money to them. Mayor Troughton said if the money is not available it would be up to the JPA to make a determination. Mayor Pro Tem Barker said the City can cut their funding but the City cannot dictate how they spend it.



Mayor Troughton said there are some existing long range 40 year loans in Water and some Sewer payments beginning in December. The City wants Water improvements totaling \$1.3 million over 30 years. The City needs to take into consideration within the 10 year plan that these things are before us on a delivery system, and we need to consider what will happen in the future as these loans will be compounded down the line. Our City system is aging; Sewer and Water infrastructure problems will rise. Our roads are not good with 40% of our roads are in poor condition, again to be considered in the long range plan. He asked if the Water improvements are included in the Plan and Finance Officer Greenbaum indicated to the affirmative but there is no contingency for a \$100,000 break in a pipe or some other unanticipated event. Mayor Troughton said the amount of the expenditure is the cost of the loan and the interest over the years, which is the same as with the Waste Water Treatment Plant, but in 1996 is \$750,000 at 4.5% which will be double. City Administrator Bergson said the \$1.3 million for the financing and the tank. The Water Master Plan is not included but will be forthcoming. The distribution system is not included. Mayor Pro Tem Barker said the budget for capital outlay is not planned for and the City cannot utilize reserves to pay for these things. Emergencies arise every year and are unfunded. A long range capital budget should be planned and a funding mechanism in place, not using reserves. Grants should be explored. The General Fund should not be utilized. There has not been a Capital Budget plan even though he had requested it in the past.

Council Member Sellers asked on the continuing debt of a salary and benefits and the School Resources Officer, where do we make the cuts. Finance Officer Greenbaum said on the ten year plan, the funding for the Officer position would be cut in 3 years and attrition of officers would be the means of funding. The Council would need to make that decision at that time, based upon available funding. Mayor Troughton said he would suggest that Council digest this material and set another meeting soon to discuss possible ideas to help solve these problems. The compound debt is important. However it does not include emergency needs that may arise before the City.

City Administrator Bergson said overall, the Water and Sewer Funds are within 15% of the norm and can be managed over the Ten Year Plan. The General Fund with the Sales Tax will be within our norm. Mayor Troughton said there are two possible Plans to consider, one with the continued Sales Tax and one without. Council will need to consider options. Council Member Ash said many of the funds are dependent upon fees and the City needs to be mindful of permits and fees regulations. The City cannot afford to provide for exceptions. Finance Officer Greenbaum said many of the funds are dependent upon outside affects, such as utility costs. The solar power could help us in that area.



Council temporarily recessed from 10:12 to 10:25.

ROSENBERG’S RULES OF ORDER

Council viewed a presentation on the Rosenberg’s Rules of Order for conducting a meeting.

The purpose of setting rules for conducting meetings is to establish order. These Rules of Order should be clear and user friendly and are set to impose the rules of the majority while protecting the rights of the minority.

The role of the Chairperson is to: (1) understand the rules; (2) move the meeting and the agenda along; (3) take the lead role in the process; (4) is less active in the process and the last word in the debate.

The format in a motion is to announce the item; receive a report from staff; ask technical questions and request clarification; receive public comment; invite the motion; invite a second to the motion; be sure everyone understands the motion; hold further discussion and debate; take the vote; announce the results of the action. The public should clearly know what the motion is for. Time for debate should be limited and each member should only be allowed to speak twice on the item and only after everyone else has spoken first. Announce the vote and tell us what we did.

Vote Counting: Abstaining cannot count as a vote but counts as part of the quorum.

3 yes, 2 no	=	Pass
3 yes, 1 no, 1 abstain	=	Pass
2 yes, 2 no, 1 abstain	=	Fail, tie vote
2 yes, 1 no, 2 abstain	=	Pass
2 yes, 1 no, 2 absent	=	Pass
1 yes, 3 abstain, 1 absent	=	Pass
2 yes, 3 absent	=	Fail, no quorum present

When a 2/3 vote is needed:)

3 yes, 2 no	=	Fail
4 yes, 1 no	=	Pass
3 yes, 1 no, 1 abstain	=	Pass
2 yes, 1 no, 2 abstain	=	Pass
2 yes, 1 no, 1 abstain, 1 absent	=	Pass



When someone is absent from a meeting, it is treated like a no vote.

3 yes, 2 no	=	Fail
4 yes, 1 no	=	Pass
3 yes, 1 no, 1 abstain	=	Fail
2 yes, 1 no, 2 abstain	=	Fail
2 yes, 1 no, 1 abstain, 1 absent	=	Fail

Kinds of motions:

Basic

Motion to amend, amends the basic motion

Substitute motion, substitutes a new motion completely

Debate - all motions are subject to debate, except: (1) motion to adjourn which can happen at any time during the meeting but cannot interrupt a speaker; (2) motion to recess; (3) motion on time to adjourn the meeting; (4) motion to table which can be to table without option of coming back until a motion to take it off the table happens, or at a date and time specific.

Courtesy and decorum - The purpose is to: create the right atmosphere, one person at a time, point of privilege, point of order, appeals, withdrawing a motion. The chair has the final rule on the process but can be overruled. The maker of a motion can so withdraw up until the call for the question.

ADJOURNMENT

At 11:20 a.m., Mayor Troughton adjourned the adjourned regular meeting of the Council.

APPROVED:

SS: John J. Troughton, Jr., Mayor

ATTEST:

SS: Susan L. Vannucci, Deputy City Clerk

Adopted by Council: July 25, 2012