

CITY OF WILLIAMS
Council Minutes

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

SPECIAL COUNCIL MEETING

COUNCIL CHAMBERS
WEDNESDAY, FEBRUARY 22, 2012

1:00 P.M.

CALL TO ORDER

At 1:00 p.m., Mayor Troughton called the special 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 Sally Barker, City Treasurer Wes Goforth, Public Works Director James Saso, Police Chief Jeff Gilbert, Fire Chief Sue Vannucci, Deputy City Clerk Monica Stegall, Associate Engineer
OTHERS PRESENT:	Gary Price, Contract Planner

PLEDGE OF ALLEGIANCE

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



NEW BUSINESS

ROY'S MARKET UTILITIES

City Administrator Bergson indicated that the owner of Roy's Supermarket has requested a refund of prior sewage treatment fees following a review and update to the fees he had paid. The rate for this establishment had been at 2X which was the highest commercial rate. Following review, it was determined that the supermarket rate should be lowered to 1.5X. No retroactivity has been established for this or any other adjustments made to rates. Should the rate determined to have been too low and adjusted upward, the City would not have required the property owner to reimburse the City for underpayment of the utility fee.

The requesting party, Balvir Kaur, was not present.

On a motion by Council Member Plachek-Fulcher, seconded by Council Member Ash and carried unanimously, Council denied the request of Balvir Kaur for retroactive refund of utility charges for Roy's Supermarket.

OLD BUSINESS

PROJECT 12-10 – OLD HIGHWAY 99 WEST AND E STREET REVITALIZATION

City Administrator Bergson said this item was presented to Council at a previous meeting at which time Council had requested further information. Assistant Planner Stegall said staff had been directed to seek further information regarding funding sources for the match required on this project. The City applied for this grant as a method to provide for revitalization in the downtown and this Plan would implement that action. The General Plan policy is broader and this more specific plan would provide more detail.

Contract Planner Price said this is an economic vitality plan and emphasizes the strengths and weaknesses of the plan. As it is a design plan it will help determine what is best for the City. It would identify realistic expectations, the economic leaks and other elements that may draw individuals to the City and would include those already in place. The elements that Council sees as desirable would be in place, not just the consultant's ideas. There is little financial commitment before the City at this time with this type of funding source and would be a less expensive method to determine those funding sources. When the economy begins to turn around this plan will be in place and ready for use to proceed. One of the funding sources would be the CDBG funds. Approximately \$3,000 of staff time would need to be included.



Josh Meyer with Local Government Commission (LGC) said they are a non-profit commission out of Sacramento. They meet with elected leaders to work on provision of economic growth to the Cities and assist staff in implementing the plans. LGC has a group of experts in the field from all over the State who works with them. The grant allows them to work with us on a community driven process in the form of a charette. The team comes in for a week and sets up a studio to allow individuals to come in. There are several small group meetings with stakeholders, citizens groups, public members, etc. to obtain information. A great deal of interaction with all interested individuals is ongoing and a review of the City is done while they are on site. Right-of-way space needs to be identified and what components or elements that would be meaningful and feasible for those spaces explored. The plan will be prioritized and associated costs will be tied to an economic analysis to be done early in the project. We want to keep the costs associated with the needs feasible. At the end of five days they will develop some concepts and come back to the groups for input.

Planner Price said this is a mobility plan because of the CalTrans component and they will be looking carefully at safety issues, primarily pedestrian safety. The Street Master Plan would be easier to develop with this in place and the City needs to have realistic expectations. This puts us in a good space for future funding for these projects. Finance Officer Greenbaum said we could use our Administrative portion of CDBG funds at \$60,000 for planning and administration that is an acceptable use as per HUD. Planner Price said this is an economic revitalization plan so it does qualify.

Council Member Sellers asked about any formation of jobs with this process and Planner Price said economic development creates a vision for the City. As improvements are in place businesses will be more likely to locate here and employ people to run those businesses. The retail leakage study will be useful. The economic attributes will draw others.

Mayor Pro Tem Barker asked why adequate lighting is not considered as a safety factor. Mr. Meyer said lighting can be considered but the City would need to identify the priorities from input of the stakeholders. If the lighting is a priority, it can be addressed. Mayor Pro Tem Barker asked for the parameters of the area and if A Street down through Roy's Market would be part of the area. Planner Price said there is a map within the grant that could be revised to include areas that might be of importance to the City.

Council Member Ash indicated they met with Pacific Gas and Electric regarding lighting and Mayor Troughton said that discussion was to discuss removal of the overhead wires and placing them underground.



Mayor Troughton asked if CalTrans is involved in inspection and oversight on the project to monitor what the City is doing. Mr. Meyer said CalTrans is very hands off unless the City is in their right of way. They do not become involved in the administration of the project, require only brief quarterly reports and do not audit to his knowledge. Planner Price said early in the project CalTrans needs to be involved in addressing encroachments. Stakeholder meetings are held with those key to the project and they should be met with them early on.

Council Member Sellers asked when the Plan has been completed, what are the next steps happen and how long will it take before we can implement the outcomes. Planner Price said there will be some necessary adjustments to other documents as a result of the outcome. The City will then be in a good position to be competitive to receive grant funding to make these improvements. There is a need for extensive community development that will require a few years.

On a motion by Council Member Plachek-Fulcher, seconded by Council Member Ash, and carried unanimously, Council authorized the City Administrator to execute a Professional Services Agreement with the Local Government Commission for the preparation of a Transportation Plan for Project 12-10, revitalization of Old Highway 99 West and E Street through downtown for an amount not-to-exceed \$119,687.00.

NEW BUSINESS (continued)

ROY'S MARKET UTILITIES (continued)

As Mr. Kaur from Roy's Market just arrived at the meeting, Mayor Troughton called him to the podium to advise him that the Council item was heard earlier in the meeting and Council had denied his request for a refund. A representative of Mr. Kaur said the City had made a mistake in his rates and Mr. Kaur wants his money refunded. Mayor Troughton said that when the fees were set in the past. The information used at that time to set those fees was unknown to this Council. Current Council is not in the position to change something that was set by a former Council.

Council Member Plachek-Fulcher said at that time there was a procedure in place. The City determined the desire to change that procedure and being to utilize the State's formula from that point forward. Mr. Kaur said he called the State and was told the City should have charged him at 1.5. Council Member Plachek-Fulcher said even though the State suggests 1.5, the City does not have to follow that amount. The policy at that time was for the City to charge 2.0. Mayor Troughton reiterated that Council has denied his request for back pay and Council reaffirmed that denial.



TEN YEAR FINANCIAL PLAN – ½ CENT SALES TAX

Finance Officer Greenbaum presented refined information on the City financial status. The total General Fund budget for the current fiscal year indicated expenditures of \$2,910,000. The City has maintained our balanced two year budgets. Our revenue growth assumptions are between 3 to 4%. It is important to note that this is less than anticipated for California which is forecasting sales tax increases of approximately 7%. Our annual sales taxes have continued to grow year over year while the state is now experiencing a recovery from some of their deep declines. We continue to budget conservatively to maintain our fiscal integrity. We are utilizing our 10-Year plans to proactively prepare for difficulties that may arise in the future.

General Fund Challenges:

- Starting in Fiscal year 2012-13, an additional Police Officer is being funded by the General Fund. Our savings from changing insurance carriers has allowed the General Fund to remain structurally balanced while retaining this position.
- In the 10 Year Forecast, our Facility Maintenance Worker position is projected to remain frozen and unfunded.
- Starting in Fiscal Year 2014-15 our School Resources Officer Grant will expire and funding for the position will have to be covered by the General Fund or alternative sources.
- These budget challenges are over and above dealing with annual cost of living increases coupled with moderate revenue growth.
- The biggest concern for the General Fund is the potential expiration of the ½ cent sales tax on March 31, 2013. It accounts for 14% of General Fund revenue. Failure to renew would require a corresponding 14% reduction in City Services in order to remain structurally balanced.

With the potential loss of the Local Sales Tax, staff has identified possible measures to close the gap including:

- Employee furloughs requiring a reduced week moving to four 9 hour days amounting to a 10% salary reduction.
- Closure of the City Pool.
- Reduced contributions to the Fire District.



- A 10% reduction to total non-personnel budgets. It is important to realize that many of these budgets are non-discretionary expenditures such as LAFCO fees. This would require cutting many of the remaining budgets by 30 to 40% just to achieve this overall 10% reduction.
- Other alternatives which are open for discussion.

The 10 year forecasted General Fund net income for the three different projections indicates the net income as currently projected which includes annual increases between 3 to 4%. In the 10 year plan, this leads to a deficit of over \$300,000. The loss of the add on sales taxes will lead to an annual deficit of over \$700,000. The "bare bones" approach maintains frozen facility maintenance worker position; limits annual expenditure increases by 2 to 2.5% and eliminates funding for School Resource Officer position in fiscal year 2015-16.

The Water Enterprise Fund 10 Year Forecast expenditures include anticipated financing costs for the \$1.3 million planned water capital projects and the Revenue Forecast reflects the final 6% increase scheduled for December 2012.

The Water Enterprise's 10 Year forecasted net income with and without additional increases shows the negative trend is due to no future rate increases after 6% increase in December 2012. The addition of a 4% annual increase commencing in December 2013 would enable the water fund to remain balanced over the 10 year period. These future increases would require a Proposition 218 vote.

The Sewer Fund 10 Year Forecast expenditures include 2 new personnel required for new Waste Water Treatment Plant. The revenue forecast reflects the final 20% increase scheduled for December 2012. Staff prepared projections show future increases would be needed to keep fund balanced over 10 year period.

The Sewer Enterprise's 10 year forecasted net income provides that both of the 10 year projections evidence final scheduled 20% increase. The City's long term integrity could be maintained with 3.5% annual increases starting in June 2017. This would allow sewer rates to remain frozen for 4 years from December 2013 through December 2016. This modification would require a Proposition 218 vote. It is important to note that these projections may be impacted by utility requirements of the new Waste Water Treatment Plant as we do not have sufficient energy usage history.

Council Member Plachek-Fulcher said the Fire figures indicate \$219,000 of General Fund contribution and asked for clarification on where that comes from.



Finance Officer Greenbaum said this is primarily from Sales Tax. Council Member Ash said the Contract with the Fire Authority indicates their funds cannot be lowered. The fees are set by the Board and should the City not adhere to the Contract language it is considered to be a breach of that Contract. Council Member Plachek-Fulcher said the amount proposed for Fire is a 28% reduction from last year's budget. Finance Officer Greenbaum said the only reduction proposed is that which would result in a reduction in the sales tax. Council Member Plachek-Fulcher said the budget from last year was a larger amount. Finance Officer Greenbaum said that budget had provided for funds that were not part of the General Fund allocations. Council Member Plachek-Fulcher said the General Fund and Transient Occupancy Tax totaled \$240,000. Finance Officer Greenbaum said the budget she is reviewing is the Fire total budget which indicates all of their funding sources. We are only addressing the General Fund at this point. Their other funding sources are not indicated in our budget documents. Mayor Troughton said it is General Fund money, \$219,000 from the General Fund and some is non-discretionary. Finance Officer Greenbaum said the funds are all discretionary. The Proposition 172 funds are not part of the General Fund and makes up the rest.

Mayor Pro Tem Barker said the Fiscal Year 2011-12 budget is based upon the ½ sales tax. He asked if that sales tax is no longer in place, is the City still obligated to provide them with the same amount of money at the expense of other City services. He does not believe the Agreement with Fire indicates their General Fund contribution remains the same if the revenue to the City is not at an adequate level. Mayor Troughton said the City has the option of reducing the amount allocated to them based upon revenues. Mayor Pro Tem Barker said the City can meet and confer with them but there is no regulation that mandates the City must provide the same amount if our sales tax revenues from sales tax are less. Those revenues affect Fire, Police and Public Works. It is our hope that this ½ cent will be continued indefinitely. Mayor Troughton said we need to consider the possibility of cuts to the various areas should the tax revenue no longer be available to the City.

Finance Officer Greenbaum said at this time, these figures are for discussion and direction by Council. Council Member Plachek-Fulcher Angie on of the issues is that the Police and Public Works Departments are within our City structure. The Fire District is a separate entity with which the City has a Contract to provide funds at a set percentage. The District has no concern about the source of these funds, only that they are to provide the service and the City is to pay for those services. The City cannot breach our Contract with the District. Mayor Troughton said it is hoped that the City does not need to cut funds to the District but all possibilities should be considered at this time. Council Member Plachek-Fulcher said as Council considers the budget it must be kept into consideration our Contract with the Fire District. City Attorney Siprelle said the



Contract does indicate that each year the parties shall reconsider the appropriate percentages and they may be changed from the indicated 70/30%. The overall budget can be reduced but the percentages need to be agreed upon.

Mayor Troughton said if the budget amount is not available the count of money provided could be lessened, but the percentages could remain the same. The percentages are the only things that must be negotiated. City Attorney Siprelle said the City may need to accept a lower level of service (LOS). Mayor Troughton said should the ½ cent fail to pass, it will be very difficult for the City to function. Finance Officer Greenbaum said the figures shown equal the amount of revenue from the ½ cent sales tax. As information changes, there will be many more iterations to the budget.

Mayor Troughton John the City is examining all of the figures and attempting to determine the best way to serve the City within the parameters. Our safety services are vital to the City and should be kept as a priority. It is a possibility that safety would receive less reduction should the Measure fail, but they must be considered in the mix.

Mayor Pro Tem Barker expressed concern about the cost of living raises that had been negotiated into the Memoranda of Understanding that were given when the economy was good. The City continues to increase salaries and reclassify staff but can no longer afford to sustain these increases. He believes positions should be frozen. The City Clerk is now paid \$2,500 per month versus \$800 and the Police Department has increased their staffing levels. The Clerks in Finance, Police and Public Works all have been moved up at least two steps and reclassified. At the time it was done, the City felt it was financially not an issue. The Police Department has gone from a \$900,000 budget to \$1.4M. The present salaries we are paying and the staffing level is not sustainable even with the sales tax in place. The City should freeze costs now and vacant positions should not be filled. The City Administrator could make the determination whether the position is an emergency position should be filled.

City Administrator Bergson said at present the sales tax income is \$400,000 per year. The election is so close and while our budget is tight, we are not in fiscal danger; we have been looking at staffing issues in this current budget. It has been proposed to freeze positions, but our budget is in balance and is relatively sound for the next ten years. Mayor Pro Tem Barker feels more stringent cuts should be made than those projected. For example, the Building Official and Code Enforcement Officer positions should be combined. City Attorney Siprelle said that specific staffing issues should be discussed in the City Managers evaluation sessions.



Chief Saso said as a history, when the City assumed safety responsibility in 2006 there were only 5 people in the Department. Staff at that time left the City and the Department had to rehire everyone. There were two sergeants and when the Department relocated into the new building, staff was necessary to run the facility. Staff has only received a 3% raise over the last several years. The Department is 49% of the budget as was the case several years ago. For safety reasons, staff should not be reduced. Council Member Ash said staffing levels, salaries and benefit costs were discussed by the Finance Committee. The City cannot justify 3% and 4% increases as the funds are not available. In 2004 there was not the Police presence as there is now and it has shown that there are less incidents. Mayor Troughton said cutting Police levels can provide that the problems become overwhelming.

Chief Saso said there will be a reduction in positions via the School Resources Officer within 4 years but to reduce that position, the City will need to consider liability issues. Mayor Troughton said the City Administrator could bring that issue to Council as a recommendation for consideration and appointment. The salaries were much less a few years ago and Chief Saso said the level of service at that time was a concern as well. City Administrator Bergson there were several vacant position in the Police Department and the budget was lower because they were unfilled. Staffing levels are now back to previous levels. Council Member Plachek-Fulcher said the population has grown as well. Mayor Pro Tem Barker said the budget had the funding in place for those positions. The pattern now is not sustainable unless additional funding is found. Chief Saso said not long after negotiations were completed staff were reclassified with increases from 0.6 to 6.0%. He does not feel reclassifications should outside of the negotiations process.

Council Member Sellers said the General Fund as presented shows a continual increase of salaries and benefits. Council needs to make some reasonable decisions.

Finance Officer Greenbaum said the ten year forecasts are very conservative and the City is balanced over ten years based on very conservative revenue. Revenue increases that are likely to come forth are not included. The City will grow but his projects are based on flat growth presumptions only. Our General Fund reserves are approximately \$1M. The cash flow is based on the revenue of property tax and at times is as low as \$300,000. Mayor Troughton the City needs to have sufficient reserves as a backup. Cities have gotten into trouble by using their reserves and he does not feel it is a prudent method of running a City. Finance Officer Greenbaum stated that reserves do not take into consideration any emergencies.



Council concurred to place the Measure on the ballot without a specified ending date.

COLUSA COUNTY ECONOMIC DEVELOPMENT COMMISSION

City Administrator Bergson said there was an article in the Colusa Sun Herald based upon on letter regarding the City of Colusa Economic Development issues. The comments made were not entirely accurate. The letter refers to a partnership that was agreed to which the City of Williams later refused to participate. The City of Williams had never agreed to participate and was never a part of the plan. The City of Williams has always been and continuing to be in favor of the plan. City Attorney Siprelle said Council had never voted in favor. The City of Colusa had voted to have the Tribe part of the process until the City of Williams has pointed out that it was not legal for that participation. They then dropped the JPA. She asked if Council would like her to draft the letter for their response and signature.

On a motion by Council Member Ash, seconded by Mayor Pro Tem Barker and carried unanimously, Council directed the City Attorney draft a letter of response, provide it for Council review.

RECESS

At 2:45 p.m. Mayor Troughton recessed the special meeting of the Council to meet in Closed Session.

CLOSED SESSION

At 2:50 p.m. Mayor Troughton called the Closed Session to order. Council held a conference with Legal Counsel on one case of anticipated litigation, significant exposure to litigation pursuant to Government Code Section 54956.9(b). Present at this session were Mayor Troughton, Mayor Pro Tem Barker, Council Member Ash, Plachek-Fulcher, Sellers, City Administrator Bergson, City Attorney Siprelle, and Human Resources Manager Vannucci.

REPORT OF CLOSED SESSION

Mayor Troughton reported that Council had met in Closed Session regarding one case of anticipated litigation, significant exposure to litigation and had received a report.



ADJOURNMENT

At 3:15 p.m., Mayor Troughton adjourned the special meeting of the Council.

APPROVED:

Ss: John J. Troughton, Jr., Mayor

ATTEST:

Ss: Susan L. Vannucci, Deputy City Clerk

Adopted by Council: September 19, 2012