

MINUTES OF THE WILLOWS CITY COUNCIL REGULAR MEETING HELD
October 27, 2009

1. The meeting was called to order at 7:00 p.m. by Mayor Towne.
2. **PLEDGE OF ALLEGIANCE:** Council Member Baker led the Pledge of Allegiance.
3. **ROLL CALL:**
Present: Baker, Hansen, Yoder & Towne
Absent: Holvik
4. **Agenda Review & Acceptance:** It was **moved** by Council Member Yoder and **seconded** by Council Member Baker to accept the October 27, 2009, agenda as presented. The motion was unanimously passed.
5. **Oral and Written Communications / Public Comment:**

Doug Ross, citizen, asked for an update on the status of the nuisance abatement at 429 N. Shasta Street on behalf of the property owner, Anna Francis. The City Manager stated that the City Attorney is preparing a civil action case in this matter and Mrs. Francis can contact either him or the City Attorney if she had any questions. Mr. Ross also informed the Council that he was asked to read a letter on behalf of a gentleman in Tennessee relating to the Police Activities League (P.A.L.) reactivation item which will be going before the Council for consideration later in the meeting and he asked if he should read the letter now or wait until that item is up. Mr. Ross was informed that it would be appropriate for him to read the letter during the P.A.L. reactivation discussion.

Rick Reynolds, local business owner, spoke to the Council about his feelings on the recently adopted sign ordinance and its being too restrictive for off-site, temporary, special-event signs, in that the Ordinance completely prohibits this type of sign. Council expressed that they would take his comments and suggestions into consideration.

Suhail Khan, citizen, concurred with Mr. Reynolds, stating that he believes the Council should “bail out” struggling businesses, especially in lieu of the current economic recession which we are experiencing.

6. **Consent Agenda:** It was then **moved** by Council Member Yoder and **seconded** by Council Member Hansen to approve the Consent Agenda as presented. The motion was unanimously passed and the following items were approved/adopted:

- a) Approval of General Check Register (20800-20850).
- b) Approval of Payroll & Direct Deposit Check Registers (30259-30277 & Z00889-Z00930).
- c) Approval of Minutes of the City Council October 13, 2009, Regular Meeting.

7. **Presentations and Proclamations:** None.

8. **Public Hearings:**

- a) Conduct a Public Hearing and following closure, by Motion, consider approval of a CDBG PTA Grant Application submittal for a potential Senior Housing Project:

This item is to ask for Council approval to seek CDBG PTA grant money to prepare a Feasibility Study that will address the development of an action strategy for possible acquisition and remediation of the old theatre building in downtown Willows for Senior Housing. The goal is to eliminate blight, improve the aesthetics of the area and meet specific goals identified in the Housing Element. The study would determine the feasibility of reuse of the existing site for Senior Housing, as well as the preliminary cost estimates for this type of project. The total amount of funds requested for the study is \$35,000, with a 15 percent grant match (\$5250.00). The City Manager stated that this is a public hearing and asked that the Mayor conduct the public hearing to seek citizen input. Mayor Towne opened the public hearing at 7:44 p.m. Pastors Phillip Zabell and Jana Adamson, on behalf of “Glenn Communities Working Together”, both spoke in support of the city seeking the grant for Senior Housing. They had some specific questions about the grant application which the Finance Director and City Manager addressed and clarified. Council discussion then ensued and Mayor Towne closed the Public Hearing at 7:57 p.m. after all comments were received. It was then **moved** by Council Member Baker and **seconded** by Council Member Yoder to approve the submittal of a CDBG PTA Grant application for a potential Senior Housing Project. The motion was unanimously passed.

9. Ordinances:

- a) Consider reading by title only and passage of first reading of an Ordinance entitled “AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILLOWS ADDING SECTION 1-05-125 TO THE WILLOWS MUNICIPAL CODE REGARDING CONSISTENCY OF ANY USE, ENTITLEMENT, AUTHORIZATION, LICENSE OR PERMIT WITH STATE AND FEDERAL LAW”.

The City Manager explained that recently the City re-formatted the entire Municipal Code and it is currently available in a “text searchable” electronic format on the City’s Web-site. He thinks that now it would be appropriate for city staff to commence a general maintenance review and update of the existing code provisions. He explained that staff will be reviewing, in sequential succession, all sections of the Municipal Code and updating provisions as necessary. He anticipates that this process could take as long as five years in order to review all 19 sections and make appropriate amendments to the code. The Ordinance being introduced tonight is the first such Ordinance as a result of the general maintenance revision. The Ordinance is based upon recommendations recently identified within a California League of Cities circular involving city consistence with State and Federal Law. With that, he is asking that the Council consider reading by title only and passage of first reading of the Ordinance before them tonight. Brief discussion ensued and it was **moved** by Council Member Hansen and **seconded** by Council Member Baker to read by title only the Ordinance next in line. The motion was unanimously passed. It was then **moved** by Council Member Hansen and **seconded** by Council Member Yoder to pass first reading of an Ordinance entitled “AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILLOWS ADDING SECTION 1-05-125 TO THE WILLOWS MUNICIPAL CODE REGARDING CONSISTENCY OF ANY USE, ENTITLEMENT, AUTHORIZATION, LICENSE OR PERMIT WITH STATE AND FEDERAL LAW”. The motion was unanimously passed.

10. Items introduced by City Council or Administrative Staff for discussion purposes only: None

11. New Business:

- a) Consider adoption of proposed Proposition 1A Sale Resolution and Purchase and Sale Agreement:

In 2004 Proposition 1A was passed by California voters in order to ensure local property tax and sales tax revenues remain with local government, thereby safeguarding funding for public safety, health, libraries, parks and other local services. Provisions can only be suspended if the Governor declares a financial necessity and two-thirds of the Legislature concurs. The emergency suspension of Proposition 1A was passed by the Legislature and signed by the Governor as ABX4 14 and ABX4 15 as part of the 2009/10 budget package on July 28, 2009. Under the provision, the State will borrow 8% of the amount of property tax revenue apportioned to cities, counties and special districts. The state will be required to repay those obligations plus interest by June 30, 2013. The State Legislature has also passed, and the Governor has signed, a clean-up bill, SB67 which has provided for a few critical changes to the enacted legislation, including providing for financing to occur in November, county auditor certification of amount of Proposition 1A receivable, tax-exempt structure, California Communities as the only issuer, more flexibility on bond structure (interest payments, state payment date and redemption features), and sales among local agencies.

Authorized under ABX4 14 and ABX4 15, the Proposition 1A Securitization Program was instituted by California Communities to enable Local Agencies to sell their respective Proposition 1A receivables to California Communities. Under the Securitization program, California Communities will simultaneously purchase the Proposition 1A Receivables, issue bonds ("Prop 1A Bonds") and provide each local agency with the cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010 (to coincide with the dates that the State will be shifting property tax from local agencies). The purchase price paid to the local agencies will equal 100% of the amount of the property tax reduction. All transaction costs of issuance and interest will be paid by the State of California. Participating local agencies will have no obligation on the bonds and no credit exposure to the State.

If the City of Willows sells its Proposition 1A Receivable under the Proposition 1A Securitization Program, California Communities will pledge the City's Proposition 1A Receivable to secure repayment of a corresponding amount of the Prop 1A Bonds. The City's sale of its Proposition 1A Receivable will be irrevocable and bondholders will have no recourse to the City if the State does not make Proposition 1A repayment. The obvious number one benefit to the City includes immediate cash relief in that the sale of the City's Proposition 1A Receivable will provide the City with 100% of its Proposition 1A Receivable, in the City's case, the amount of \$133,476. The Finance Director then asked the Council to consider adoption of the Resolution before them to authorize the execution and delivery of a purchase and sale agreement between the City of Willows and California Statewide Communities Development Authority.

Brief discussion ensued among the Council and Staff and it was **moved** by Council Member Yoder and **seconded** by Council Member Hansen to adopt a Resolution approving the form of and authorizing the execution and delivery of a purchase and sale agreement and related documents with respect to the sale of the seller's Proposition 1A receivable from the State; and directing and authorizing certain other actions in connection therewith. The motion was unanimously passed.

- b) Consider approval, by motion, to authorize the Chief of Police to continue the reactivation process for Willows Police Activities League (P.A.L.):

Police Chief Spears explained that back in February, the historical aspect of Willows P.A.L. was presented to the Council and Council was requested to authorize a committee to study the feasibility in reestablishment of P.A.L. with some modifications to promote a more positive and healthier organization. Council agreed to the committee study and appointed a committee consisting of Council Members Yoder and Hansen, Recreation Director Carol Lemenager and Chief Spears. This committee met several times and discussed some of the issues such as the non-profit status, the operational structure, and creation of safe guards to ensure a proper operational aspect.

The Willows Police Department must remain the official agency of record with P.A.L., however the Police Chief may delegate operational aspects to a recreational department or organization. From the onset, the proposal was to re-establish P.A.L. to supplement the Willows Recreational Programs. In as such, the belief was that although the Police Department was the official agency of record with P.A.L., the daily operational oversight would be performed by the Willows Recreation Department Director, Carol Lemenager. At the same time, the Willows P.A.L. would be a separate organization with its own board of directors, Articles of Incorporation and By-Laws. Decisions pertaining to P.A.L. funds would be made directly by the Willows P.A.L. Board of Directors. A question has existed by some interested parties regarding P.A.L. funds that have been retained within a local bank and some suggested inappropriate activities concerning these funds. The fact is that these funds are held in trust under the Willows P.A.L. organizational name.

The committee researched several aspects of P.A.L. including the status of the existing P.A.L. Board, the status of the 501(c) (3) (non-profit status), the procedure to create a new P.A.L. Board, the feasibility of a transition to a new P.A.L. Board, the feasibility in having the Police Department the representative agency, yet have the Recreation Department handle the day-to-day operations, how P.A.L. would blend as a stand alone organization with the City Recreation Department running the operations, and the status of the P.A.L. funds.

After the committee researched all of these aspects of P.A.L. they are recommending that Council authorize the Chief of Police to continue the process in the activation of Willows P.A.L., that the committee be allowed to assist the Police Chief in the solicitation, acceptance and recommendation of new Willows P.A.L. Board of Directors members and to await the creation of the Willows P.A.L. Board of Directors and the submittal of an MOU between Willows P.A.L. and the City of Willows for utilization of the Recreation Director to conduct duties as the Willows P.A.L. Program Coordinator.

It should be noted that Willows P.A.L. would be a stand alone organization affiliated by joint efforts with the City of Willows in providing funding sources programs and volunteers for recreational programs for youth. Additionally, the committee was made aware that there currently exists a Willows P.A.L. fund within a local bank. There are some that have recently made allegations of possible misappropriation of these funds. In the committee's looking into this matter it was the committee's position that these funds belong totally to Willows P.A.L., not the City of Willows, and the disposition of those funds is at the sole discretion of the P.A.L. Board of Directors. Until such time as a Board is activated, no action can be taken on these funds. Further, any claims regarding these funds would need to be made directly to the P.A.L. Board. The City of Willows has no claim, responsibility, accountability or association with these

funds. With regards to any claims of inappropriate use of these funds, the committee found these claims completely without merit and suggested that such claims may have been made by misinformed individuals or by persons having a personal agenda pertaining to those funds.

At this point the Police Chief recommended that the Council consider authorizing the continuation of the reactivation process for Willows P.A.L. and he also requested that Council Members Hansen and Yoder remain active members of the subcommittee until such time as it is fully reactivated, as there could be some additional items or issues that may arise that need to be addressed prior to P.A.L. becoming fully reactivated.

Council and Staff discussion ensued and all of the Council Members present concurred that the reactivation of P.A.L. will likely be a positive thing if run correctly and they were all excited to see this reactivation move forward. They expressed their appreciation to Chief Spears and Recreation Director Carol Lemenager for all of their diligent research and hard work that they have put into this project.

At this time Mr. Ross was asked if he would like to read his letter that he spoke of during Public Comment earlier in the meeting. Mr. Ross approached the Council and read a letter written by Gary Dean Thomas. The letter was dated October 27, 2009, and read as follows:

“I’m addressing this note to Willows City Council members, Willows Police Activities League study committee, future PAL board members, and CalPAL, as I believe you are all acting as one body. As I have explained to Mr. Yoder, chief of police Spears, city manager Mr. Holsinger and CalPAL director Greg Wilson, I am not interested in associating with Glenn County in the format proposed at this time. I have asked all four above to return to me or direct to another local Willows 501c for kids, my Glenn County PAL building fund donation to no avail – I’m sure your city attorney has informed you I probably have no legal means to force you to do so, until Glenn County PAL violates ‘restriction on donee’s rights to property’ (PT Cruiser Building Fund raffle proceeds). But I believe that if you really have the kids’ of Willows best interest in your hearts and minds you will honor my request. I look forward to hearing from you and if you have any questions, feel free to call me or e mail. Gary Dean Thomas”

Upon conclusion of reading Mr. Thomas’s letter, Mr. Ross stated that he had one thing which he would like to add and that was that Mr. Thomas called him and Mr. Ross did not solicit his input. He stated that in the conversation that he had with Mr. Thomas prior to reading this letter tonight, Mr. Thomas indicated that he thought the City was going to take the money that was intended for P.A.L. and put it to a budget use other than P.A.L. Mr. Ross added that from what he has heard tonight, it doesn’t appear that would occur. He stated that perhaps Mr. Thomas does not have a full appraisal of the mechanics of what the City process is regarding P.A.L. Mr. Ross then thanked the Council on behalf of both himself and Mr. Thomas.

Additional Council and Staff discussion ensued and it was then **moved** by Council Member Yoder and **seconded** by Council Member Hansen to authorize the Chief of Police to continue the reactivation process for Willows Police Activities League with the current membership of the committee. The motion was unanimously passed.

- c) Consider appointing Council Liaisons to a possible Cities Mutual Interests Ad Hoc Committee:

The City Manager presented this item explaining that this past August the Council considered participation in discussion regarding a Glenn County proposal for the formation of a Cities/County Shared Resources Ad Hoc Committee. At that time it was the desire of the Council to postpone any decision regarding participation in such a committee until such time as Glenn County adopted a FY 2009/10 final budget. At this time a funding allocation plan has been formally adopted by the County. Recently the Orland City Council discussed the possibility of participating in the formerly proposed Cities/County Shared Resources Ad Hoc Committee and it was the consensus of their City Council to extend an invitation to the City of Willows to join the Orland Council liaisons to collaboratively discuss solely between the two cities any topics of mutual interest. Thereafter, should items of broader regional interests be identified, perhaps an invitation could be extended by the two cities to Glenn County Officials. Therefore, at this time, staff is seeking direction from the City Council on the possible appointment of City Council Liaisons to a proposed "Cities Mutual Interests" Ad Hoc Committee.

Discussion ensued among the Council and the pros and cons of a Shared Resources Ad Hoc Committee were discussed. After significant discussion there was not a stated preference by the Council to establish and participate in such a committee at this time. Mayor Towne asked the City Manager to contact the Orland City Manager and/or City Council for further clarification of exactly what it is that they desire to accomplish with this Ad Hoc Committee and whether the committee would be subject to the Brown Act if it were to be established.

12. Council Member Reports:

Council Member Baker distributed a letter to her fellow Council Members from the Recreation Department thanking the Council for all of their support with the Jump Start Program. She stated that the program was a great success and reached its maximum attendance level.

13. Executive Session: None

14. Adjournment: The meeting was adjourned at 8:56 p.m.

Dated: October 27, 2009

NATALIE BUTLER

City Clerk