

MINUTES OF THE WILLOWS CITY COUNCIL REGULAR MEETING HELD

August 9, 2011

1. The meeting was called to order at 7:00 p.m. by Mayor Hansen.
2. **PLEDGE OF ALLEGIANCE:** County Board of Supervisor Steve Soeth led the Pledge of Allegiance.
3. **ROLL CALL:**
Present: Council Members Yoder, Cobb, Hobbs, Holvik & Mayor Hansen
Absent: None
4. **Agenda Review:**
 - a) Council Member Holvik requested that item 7 (c) be pulled from the agenda and voted on separately. It was **moved** by Council Member Yoder and **seconded** by Council Member Cobb to accept the City Council August 9, 2011, Agenda as amended with the removal of item 7 (c) to be voted on separately. The motion unanimously passed.
5. **Presentations & Proclamations:**
 - a) Charles Anderson, Regional Public Affairs Manager for the Sacramento Valley Division of the League of California Cities, gave the Council a presentation on Economic Development.
6. **Public Comment/Written Communications:**

Brian Bonner, a Representative of Glenn County Citizens for Economic Stability, extended an invitation to all of the City Council Members and the City Staff to attend a Workshop hosted by Glenn CES on August 18 at 5:30 p.m. at the Holiday Inn Express. He stated that Marc Nemanic would be giving a presentation on what an Economic Development Commission is and how it is formed, followed by a presentation by Glenn CES explaining what their vision is for what they call an Economic Development Committee in Willows which would be citizen-based rather than government-based, although they hope to have the Council participate in the Committee.

Forrest Sprague commented on item 13, which is a Closed Session item for the Council to perform an evaluation of the City Manager. Mr. Sprague read a prepared statement to the Council which spoke unfavorably critical about the City Manager both personally and professionally and contained several complaints regarding his opinions of the City Manager's disposition, performance and what he considered mismanagement of the City. He recommended that the Closed Session be postponed until the Council considers differing points of view and that before they conduct their appraisal of the City Manager's job performance, the public should be allowed to voice their opinions of his conduct. He suggested that input also be taken from city staff, including department heads and rank-and-file employees.

Pastor Janna Adamson who is an active advocate for the development of Senior Housing, also read the Council a prepared written statement that sharply criticized the City Manager for what she perceived as progress toward a Senior Development Project in Willows North of Green Street and West of Butte Street being hindered because of what she believes is the animosity between the property owner Forrest Sprague and the City Manager. She also stated that she believes the City's adopted annexation policy is punitive.

Joe Hinton addressed the Council and suggested that if the Council wants to save money, they should get rid of the City Manager and let the Department Heads run the City.

Mayor Hansen indicated that he received a written communication and it was requested that the letter be read in the record as follows:

"Dear Honorable Mayor Hansen,

At the latest City Council Meeting our City Manager, Steve Holsinger, requested that an evaluation be made of his performance. We fully agree that an evaluation is more than likely due and warranted. We did not, however, expect the Council to move so quickly on the issue and have a closed session at the next scheduled meeting. One issue of significance that has not been addressed by the Council, and should be considered in Mr. Holsinger's evaluation, is the No Confidence vote taken by members of the Willows Police Department. We previously presented a letter expressing this position of No Confidence as to his leadership and performance as our City Manager. This issue still has not been reviewed, discussed or even commented on by our City Council. It is our hope that our No Confidence position was not simply ignored. This issue must be reviewed, discussed and resolved before any evaluation of his performance could be fairly presented. Further, this issue must be noted within the evaluation. It is not fair to Mr. Holsinger or to us to not bring this issue to closure. You might recall that in our previous letter there were two specific issues. The first was that of our desire for an apology, and the second was our expression of No Confidence. It is agreed that Mr. Holsinger did render an apology. Although not entirely what we had hoped for, we elected to take the higher ground and to move on as the city was facing pressing issues at the time. However, it is important to note that we did not withdraw our vote of No Confidence. To our surprise this matter was completely dropped without discussion or comment in any official record. Even our letter – which was official correspondence to the city – was not read into the record. Just for full clarity, we do request this letter be read into the record. Therefore we humbly request that before Mr. Holsinger's evaluation is finalized that our No Confidence issue be resolved. Further, we beseech the Council to seek full and broad input regarding Mr. Holsinger's performance and leadership as our City Manager. We ask that consultation be made with all department heads, various members of Willows Business Community, employees (either through their respective unions or individually), and members of the general public so as to gain a greater picture of Mr. Holsinger's positive and/or negative attributes and performance during this evaluation period. In our opinion, to ignore the greater aspects of this review would not be in the best interests of our city. Sincerely, Willows Police Officers Carl Walter, Jason Dahl, Ray Vessels, Kelly Trent, Darrin Brown".

7. **Consent Agenda:**

During the Agenda Review, Council Member Holvik requested that item 7 (c) be removed from the Consent Agenda and voted on as a separate item. It was then **moved** by Council Member Holvik and **seconded** by Council Member Yoder to approve the Consent Agenda minus item 7 (c). The motion unanimously passed and the following items were approved/adopted:

- a) Approval of General Check Register.
- b) Approval of Payroll & Direct Deposit Check Registers.
- d) Approval of the Minutes of the Willows City Council Meeting held July 26, 2011.
- e) Adoption of a Resolution authorizing the City Manager to execute the restated Lease Agreement for operation of the Recycling Center between the Willows Kiwanis Club and the City of Willows.
- f) Adoption of a Resolution seeking proposals to establish a Professional Services Agreement for Legal Advertising Services.

It was then **moved** by Council Member Yoder and **seconded** by Council Member Cobb to approve Consent Agenda item 7 (c). The motion passed with 4 Ayes and Council Member Holvik abstaining due to his absence at the meeting held July 12, 2011, and the following item was approved/adopted:

7. (c) Approval of the Minutes of the Willows City Council Meeting held July 12, 2011.

8. Public Hearings:

- a) Conduct a Public Hearing to Acknowledge the Accomplishments under CDBG Grant No. 08-PTAG-5357 (Housing Element Study) and Authorize Staff to Complete the Close-Out Process of the Grant:

The City was awarded a Community Development Block Grant (CDBG) Grant 08-PTAG-5357 in August of 2009 to provide planning and technical assistance funds for the processing and completion of a Housing Element Study. The Study was completed and accepted by the City Council at a public hearing on June 8, 2010 and subsequently the California Department of Housing and Community Development also accepted the document as complete. The purpose of tonight's Public Hearing is not to re-open discussion of the Housing Element Study, but rather a technical requirement of the California Department of Housing and Community Development to acknowledge the accomplishment of the purpose of the grant funding and declare the close-out of the grant. The grant expired on June 30, 2011, at which time the City has ninety days from that time to finish the close-out process.

Mayor Hansen opened the Public Hearing at 7:37 p.m., and having received no public input, the Mayor subsequently closed the Public Hearing at 7:37 p.m. Council Member Yoder **moved**, **seconded** by Council Member Hobbs to acknowledge the accomplishments under CDBG Grant No. 08-PTAG-5357 with the completion of the Housing Element Study and to complete the close-out process of the Grant. The motion unanimously passed.

9. Ordinances: None

10. Items introduced by City Council or Administrative Staff for discussion purposes only:

Council Member Hobbs announced that an opportunity has presented itself and that she and her Husband are planning to move outside of the City Limits and into the County. Therefore because she will no longer be a resident of the City, she will have to step down from her seat on the Council as of September 30, which is when they intend to become permanent residents of the County. She stated that she would like very much to serve her remaining three years on the Council, but she understands the residency rules are very clear about serving on the Council and the requirement to live in the City in order to serve. She stated that this has not been an easy decision, but the opportunity is such that she can't pass it up. She announced that she would be unable to attend the Council Meeting scheduled for August 23 and mentioned that perhaps the Council would like to discuss her pending vacant seat and how they would go about filling the seat. She apologized that she would be unable to serve her remaining term and she thanked the members of the Council and the Community who supported her throughout her campaign and who helped elect her into her current Seat on the Council. She stated that it has been a pleasure working for the City and sitting on the City Council with her fellow Council Members.

11. New Business:

- a) Consider approval of acceptance of a bid proposal and enter into a contract with Madsen Roofing Company to repair and replace the roofing surface at the Civic Center and appropriate \$118,294 in Community Discretionary Funds as the primary funding source for the project:

The City Council directed staff to seek bids for the replacement of the roofing membrane atop the Civic Center which is damaged in several areas. Bids were opened on August 2, 2011. Seven bids were received and ranged from \$72,767 to \$133,489. The lowest responsive bidder that met all of the specified criteria in the bid documents was Madsen Roofing at an installation bid of \$79,573. Additionally, Greg Tyhurst, the Public Works Director, researched various options and costs associated with the replacement of the failing roof material and found that through California Multiple Awards Schedule (CMAS) that a like material could be purchased through State Contract. Garland Company is the provider of the materials under this contract and therefore provides all warranty and inspection services and technical support to the City, as well as direction to roofing companies certified by them, to apply this type of membrane roofing system. The materials cost totaled \$42,379. In addition to the materials cost of \$42,379, and the installation cost of \$79,573, staff is also recommending a 10% contingency in the amount of \$12,195, primarily to cover potential structural repairs that may be found internally when the existing roof material is removed. As such, the total cost of the project is not to exceed \$134,147. In addition to the Community Discretionary Fund, Council carried forward \$15,853 in General Fund to assist with the project. Staff is recommending an appropriation of \$118,294 in Community Discretionary Funds in combination with the \$15,853 in General Fund carry-over to fund the project.

Brief Council discussion ensued, and as hard as it is to have to spend this money, they all agreed that this project is long over-due and absolutely critical and it is better to spend the money now than later if something were to happen causing the roof to require even more repairs. It was **moved** by Council Member Yoder and **seconded** by Council Member Cobb to accept the bid proposal and enter into a contract with Madsen Roofing Company to commence with the repair and replacement of roofing surface per plans and specifications, and to approve the appropriation of \$118,294 in Community Discretionary Funds (Fund 330) as the primary funding source for the project. The motion unanimously passed.

- b) Consider allowing the Fire Chief to go out to bid for Fitness Equipment in conjunction with the Fire Department's Health and Wellness Program and approve the RFP specification sheet and time line.

In April 2010 the City accepted an Assistance to Firefighter Grant to develop a Health and Wellness Program. Currently the Fire Department has finished building modifications needed for the space for the gym and is currently reviewing the Standard Operating Procedures for the program and are receiving bids for medical exams and Immunizations. The next step in the process is to go out to bid for gym equipment consisting of one Elliptical Trainer, one Elliptical Cross Trainer, one Commercial Multi Four Stack Station and one Dumbbell set with rack. Fire Chief Wayne Peabody is seeking Council approval of the Request for Proposal specification sheets and the proposed time-line in which to seek bids and approval to go out to bid for the Fitness Equipment in conjunction with the Health and Wellness Program.

Lengthy discussion ensued among the Council with regards to how the program would operate, who would be allowed to use the program, whether or not the program is mandatory or voluntary for the employees, any potential additional liability on the part of the City, the pros and cons of the program, who would be responsible in overseeing the program, who would be responsible for making sure employee medical exams and immunizations are kept up on a regular basis, etc. Chief Peabody addressed all of the Council's questions and concerns and ultimately a majority of the Council Members supported the program and believed that from a preventative and safety perspective the program would be very beneficial for both the employees and the City. They believed that the program is very positive in that it could potentially prevent job-related injuries because of proper exercise training, and it could also possibly detect existing health problems and work with the employee to correct those problems. Once Council discussion ceased it was **moved** by Council Member Holvik and **seconded** by Council Member Yoder to allow the Fire Chief to go out to bid for Fitness Equipment in conjunction with the Fire Department's Health and Wellness Program and approve the RFP specification sheet and time line. The motion unanimously passed.

- c) Consider adoption of a specific goal and possible strategies to facilitate attainment of that goal during the 2012/13 Budget Development process:

During the July 12th regular City Council meeting, the Council appointed two members – Council Members Holvik and Cobb - to serve on a budget development sub-committee to commence development of an action plan to serve as the steering guidelines for the Fiscal Year 2012-2013 budget development process. Last week the sub-committee met to discuss and

develop an outline for discussion purposes. The outline is a "draft" document for discussion purposes only and was developed based upon Council commentary concerning preferences for future budget development; expressed during the regular Council meeting this past June 28th, in conjunction with the 2011/12 budget adoption process.

The outline has three very specific components: an over-riding Goal/Objective for the 2012-2013 budget development process and two basic strategies to facilitate attainment of this goal. First strategy for consideration is Revenue Enhancement. The Second strategy is Expenditure Reduction/elimination. These topics/concepts and sub-strategies in each category are introduced for discussion purposes only at this time. Staff is recommending the City Council discuss the options outlined, introduce for discussion any items not specifically referenced and finally adopt a steering document/outline for the development of the 2012-2013 Fiscal Year Budget.

The subcommittee members updated the Council on the outcome of their first meeting. They stated that at this time virtually everything is on the table for review and although the Council can't make any concrete decisions tonight, they believe it is critical that this process be started early. They indicated that they would like to at least agree to the primary goal for the 2012-2013 General Fund Budget. The Council will need to do a comprehensive review of all items on the table and this will include seeking community and employee input. Virtually every item on the list that has been prepared will likely receive some amount of push-back because they all have either an effect on the citizens, the level of services offered to the citizens, individual Departments or employees. The subcommittee set their primary goal based on the difficult decision to no longer continue to draw from the City's reserves in order to pass a budget. The Primary Goal is as follows:

"It is paramount for City Staff; in collaboration with City Council, City Employees and involving community input, to develop and present for final adoption a "balanced" General Fund Budget; meaning total expenditures shall not exceed all available "revenues" projected for the City of Willows during FY 2012/13. More specifically; revenues shall not include any borrowing, transfer, allotment, or allocation from the General Fund Reserve Balance."

The consensus of the Council was to adopt the Primary Goal to set the budget for the 2012/13 Fiscal Year.

Council discussion then ensued and while the Council Members expressed varying opinions of what they say were their individual priorities, they all seemed to be in agreement that the fees the City currently has in place should not be raised, but should be evaluated and adjusted accordingly so as to create a cost-neutral situation where the City isn't losing money, but the citizens are benefiting. Some even suggested that the fees be lowered in order to motivate and give incentive for new Businesses to come into the City.

David Vodden, Willows Citizen, addressed the Council and encouraged them to work on the City's Revenue Enhancement, as he believes there are revenue opportunities for the City beyond the City's fee structures, albeit, they may be somewhat "outside of the box". He used the Gilroy Garlic Festival and the Vacaville Onion Festival as possible examples of a localized event that could entice visitors to the area, thus, increasing sales tax revenues. He stated that something

like this may not be easy or even possible to do in Willows, but it is definitely an option worth looking into to generate additional revenue for the City.

Brian Bonner, Representative for the Glenn Citizens for Economic Stability, addressed the Council and expressed that he is very encouraged by what he is hearing tonight. He is happy to see that everybody is acknowledging that there is a problem and everybody seems to be cooperative in thinking of creative ways to help to solve the problem. He stated that everybody at the meeting seems to be committed to the common good, although not everybody necessarily agrees on how to get there.

Once discussions concluded on the Primary Goal, the Council moved on to discuss the Principal Objectives that were introduced as a result of the subcommittee meeting. They discussed Potential Revenue Enhancements and a potential review of the current fee structure to consider adjustment, as necessary, of certain fees. Examples of these fees are Development fees, Building fees, Encroachment fees, Park Utilization or Public Facilities fees, administrative fees (i.e., copy fees, permits, etc., and business license fees). They also discussed a possible review of the Transient Occupancy Tax adjustment and a possible audit of TOT collection and a possible increase of TOT by 2%. The Council also discussed the potential creation of new tax model/methods, such as the consideration of partnering with Glenn County for specific sales tax override or potential creation of a parcel tax for Fire Services District. Finally, the Council wished to add one additional item for consideration, which would be to look at potential Community Related Activities and Events to help supplement revenue to the City. An example that they used was a "Willows Rice Festival" event or some similar events.

Potential Expenditure Reductions were also introduced for discussion, including evaluating any and/or all shared resources opportunities with Glenn County and surrounding cities. Some of the Potential Expenditure Reductions introduced for discussion were the possibility of soliciting negotiations with the Sheriff's Department to consolidate law enforcement services, negotiating with Orland or neighboring cities for administrative/city management services (i.e. City Manager, Planner, Building Official, City Clerk, Recreation, etc.), negotiating to out-source financial management services, and negotiating with Willows Volunteer Fire Service to assume an all-volunteer fire services unit similar to Orland and/or other jurisdictions. Other Expenditure Reductions discussed were possibly cutting programs or eliminating some city services, for example, close the Library and return the branches back to the County for operation, eliminating the Recreation Department and all programming and eliminating the City Manager & Clerk positions and have the Council manage day-to-day operations and maintain/retain all city records, etc. (similar to county model). Finally the last option discussed was to prepare a proposed budget and then calculate the exact number of employees possible to retain (i.e. affordable with projected revenue) consistent with available funding. Notify all others of position elimination(s) and lay-off(s).

After reviewing the entire list of Principal Objectives, some Council Members expressed a desire to remove some items from the list that they were adamantly opposed to, such as making the Fire Department an all-Volunteer Department, however, after further discussion it was decided that at this early point, removing any items from the list may be pre-mature and all items should remain on the list and should be discussed and evaluated further. This was only the first of likely many

discussions regarding next Fiscal Year's Budget Development process. It was pointed out that tonight's discussion was not to make any decisions, but rather to agree with the items on the Principal Objectives list that was presented to the Council, at least in concept. The Council then decided that prior to the next City Council Meeting, they will individually prioritize each of the items on the proposed Principal Objectives list by assigning the items a number 1 through 5, with 1 being the highest priority and 5 being the lowest. They will submit their results to the City Manager and the results will be analyzed and this item will be placed on the agenda for the next meeting in order to hold further discussions. It was then **moved** by Council Member Holvik and **seconded** by Council Member Yoder to adopt the Primary Goal and the possible strategies to facilitate attainment of that goal during the Fiscal Year 2012/13 Budget Development process. The motion unanimously passed.

12. Council Member Reports:

Council Member Yoder reported that he and Council Member Hobbs recently attended a CALED meeting in Sacramento and he found it to be very informative and beneficial.

Council Member Hobbs mirrored Council Member Yoder's statement that the workshop was very informative. She also stated that she would be unable to attend the EDC formation workshop that Mr. Bonner announced will be taking place at 5:30 on August 18, however, she and Council Member Yoder plan to attend a meeting with County Representatives and Representatives from the City of Orland at 2:00 that same day to discuss the potential of forming a County/Cities EDC. She also stated that due to the fact that she will be vacating her Council Seat at the end of September, she thinks that she and Council Member Yoder should have a final EDC subcommittee report-out and final conclusions on their research on the creation of an EDC and they will make their recommendations to the Council on whether or not they believe the formation of a City EDC would be advantageous or beneficial. She stated that this would be done at the September 13 City Council Meeting.

Mayor Hansen reported that he attended the "National Night Out" event and said that it was well attended and it had a good amount of vendors.

At 9:50 p.m. the Council entered into Executive Session.

- 13. Executive Session:** Pursuant to California Government Code Sections 54950 et seq., the City Council held a Closed Session. More specific information regarding this closed session is indicated below:

PERFORMANCE EVALUATION – Pursuant to Government Code § 54957 (b) (1), which states:

“Subject to paragraph (2), nothing contained in this chapter shall be construed to prevent the legislative body of a local agency from holding closed sessions during a regular or special meeting to consider the appointment, employment, evaluation of performance, discipline, or dismissal of a public employee or to hear complaints or charges brought

against the employee by another person or employee unless the employee requests a public session.”

TITLE: City Manager

14. Report Out from Closed Session:

The Council reconvened into open session at 10:10 p.m. and reported they had deliberated on the process that would be utilized to complete the City Manager’s evaluation and they plan to meet again during a special meeting on Tuesday, August 16, 2011, at 6:15 p.m. to complete the evaluation process.

15. Adjournment: Mayor Hansen adjourned the meeting at 10:10 p.m.

Dated: August 9, 2011

NATALIE BUTLER

City Clerk

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