

**MINUTES OF THE WILLOWS CITY COUNCIL SPECIAL MID-YEAR BUDGET REVIEW**  
**MEETING HELD February 20, 2013**

1. Mayor Cobb called the meeting to order at 11:03 a.m.
2. **PLEDGE OF ALLEGIANCE:** Council Member Taylor-Vodden led the Pledge of Allegiance.
3. **ROLL CALL:**

Present: Domenighini, Taylor-Vodden, Mello, Spears & Mayor Cobb  
Absent: None

4. **Public Comment:** Rose Marie Thraikill asked that item 7 (Request authorization to proceed with Banner Pole replacement) be removed from the agenda due to the fact that this meeting is a "Special Budget Meeting" and it was her belief that it would be a violation of the Brown Act to act on this item at a Special Budget Meeting. Brief discussion ensued and it was ultimately decided that Council Member Mello would work directly with Ms. Thraikill and he would be the liaison to the Chamber of Commerce and the business community to get their input on the banner poles and what they would like to see. There were no objections about removal of item 7 from Staff or the Council. It was **moved** by Council Member Taylor Vodden and **seconded** by Council Member Spears to accept the Special Meeting agenda with the removal of item 7. The motion was unanimously passed.

5. **Update of 2012/2013 Estimated General Fund Budget & Operations:**

- **Comparison to 2011/2012:**

Through the first six months of fiscal year 2012/2013, General Fund activity has resulted in an operating deficit of \$30.9K compared to \$111.6K deficit for the same period last year. Primary reasons for the increase from the prior year include sales tax up \$88K from last year to date. The Wal Mart expansion and reopening of Taco Bell are the major factors in the increase over last year. Transient Occupancy Tax is down \$7K from last year to date. Construction related activity at Wal Mart and the power plant project in Maxwell led to increased occupancy in the past two years. Such activity was no longer occurring during the first half of this year. Franchise Fees are \$14K lower than 2011/12 to date. In 2011/2012 the City received one time franchise funding of \$19K from PG&E following their review and adjustment of customers into incorporated versus unincorporated areas that resulted in an adjustment of the franchise fees. Interest is down \$9K from 2011/2012 because, while the timing of several interest receipts compared to last fiscal year plays a role in the difference, the interest rate reinvestment market continues to soften. A number of investment items have matured and the rates available at reinvestment are down.

Full-time wages are \$59K higher than 2011/12 due to a number of factors, including overtime due to shift coverage in the Fire and Police Departments, salary rate increases implemented for Public Works and Police positions, and allocation of Police Position to the General Fund in the first half of the year.

Employee Benefits are \$9K lower than 2011/12 due to a total of 3 fewer full-time benefitted positions for which cafeteria health plan benefits, PERS and payroll taxes are not expended in the current year versus the prior year. Additionally, overtime wages are not subject to PERS and do not add to the cost of cafeteria plan benefits.

Professional/Contract Services are \$90K lower than 2011/12 strictly due to a timing issue, as dispatch fees (\$88K) were noted as expended during the first half of 2011/12 but were not expended until after the first six months of the current year.

Utilities are \$20K greater than 2011/12 due to water rate increases and one additional billing cycle for electricity in the current year than in the prior year.

- **Overview of Projection Revision:**

Actual revenue in 2011/12 was \$3,217,229. The projected revenue at the time of adopting the 2012/13 budget was \$3,212,186 and has now been increased to a projected revenue of \$3,290,468 due to a few factors including an increase in revenue generated by property taxes, and increase to the actual water franchise revenue received for 2012-13, and the estimated effect of the commencement of the increase in Transient Occupancy Tax.

- **Auto Allowance/Mileage Reimbursement Discussion:**

Discussion ensued over the issue of some members of the Management Team receiving a flat monthly fee for auto allowance, whereas other members have to keep track of actual mileage to seek reimbursement. Council Members Spears, Domenighini and Mello suggested perhaps there should be more research done to determine if it would be more beneficial for everybody to log exact mileage. Council Member Taylor-Vodden stated that she recalls this issue coming up when she had previously been on the Council and this was something that the Council looked into and it was determined that there was too much staff time involved to track exact mileage and that is when they began to pay flat-rate auto allowances to certain members of staff. As it pertains to the City Manager, his auto allowance is part of his contract. Finance Director Tim Sailsbery stated that certain members of the Management team that receive the automobile allowance have also made other concessions that save the City money, therefore the allowance could, in his opinion, be considered a trade-off of sorts in those instances. Council Members Spears said he would just like to see some kind of study done to be sure that the City is not over-paying some members of staff and under-paying others.

- **Transfer and Appropriation Requests:**

Staff is recommending transferring \$18,000 from the City Council Departmental Budget (Fund 301.4130.0101) to the City Attorney Departmental Budget (Fund 301.4120.020) and also requesting appropriation of \$37,024 for grant funds for literacy projects undertaken by Glenn County Office of Education. The Grant amount was not known at the time of budget adoption. It was the majority consensus of the Council to place these items on the next regular meeting agenda to make these departmental transfers.

**6. Request the unfreezing of, and recruitment for, Police Officer Position:**

Following passage of the 2012/13 budget the Council froze one vacant Police Officer position. The intent of the freeze at the time was to await the outcome of the vote on California Proposition 30, the State-wide one-quarter of one percent sales tax increase. It was noted that State Supplemental Law Enforcement Services Funding (SLESF) was likely to be de-funded if this measure failed. This would have meant a loss of \$100,000 in police funding utilized primarily to fund a position within the Police Department.

Proposition 30 subsequently passed in the November election and the City has begun to receive the first installments for the year of SLESF. As a result, staff is requesting that the frozen police officer position be restored and the Acting Police Chief commence with recruitment for the position.

It should be noted that with restoration, Finance staff will re-allocate an existing position that was assigned to SLESF funding but has been expended as General Fund pending the outcome of the measure and restoration of the frozen position. The restored position will then become a General Fund position, as originally intended and appropriated.

It was **moved** by Council Member Spears and **seconded** by Council Member Taylor-Vodden to restore the previously frozen police officer position and for the Acting Police Chief to commence with recruitment for the position. The motion unanimously passed.

7. **Request Authorization to Commence Contract Negotiations with the Willows Employees' Association:**

The existing labor agreement with the Willows Employees' Association is set to expire on June 30, 2013. The City's Labor Negotiator (City Manager) is seeking Council authorization to commence negotiations on a new agreement. It was the unanimous consensus of the Council for the Labor Negotiator to commence contract negotiations for a new labor agreement with the Willows Employees' Association.

8. **Adjournment:** Mayor Cobb adjourned the meeting at 12:16 p.m.

Dated: February 20, 2013

NATALIE BUTLER

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City Clerk

The City of Willows is an Equal Opportunity Provider