

MINUTES OF THE WILLOWS CITY COUNCIL ADJOURNED MEETING HELD
July 12, 2011

1. The meeting was called to order at 7:00 p.m. by Mayor Hansen.
2. **PLEDGE OF ALLEGIANCE:** Police Sergeant Jason Dahl led the Pledge of Allegiance.
3. **ROLL CALL:**
Present: Council Members Yoder, Cobb, Hobbs, & Mayor Hansen
Absent: Holvik
4. **Agenda Review:**
 - a) It was **moved** by Council Member Yoder and **seconded** by Council Member Cobb to accept the City Council July 12, 2011, agenda as presented. The motion unanimously passed.
5. **Presentations & Proclamations:** None.
6. **Public Comment/ Written Communications:**

Rose Marie Thraikill gave the Council an update on past and upcoming Community and Chamber of Commerce events and activities. She also stated that the Willows Chamber of Commerce made a request of the City back in April for the City Department Heads to hold a "State of the City" public meeting, as the Chamber feels that there should be more dialogue between the City and the Businesses and the people in the community. She stated that the Chamber is still very interested in hosting this meeting and therefore they have made arrangements to hold a "State of the City" public meeting and luncheon at 12:00 p.m. at LaCascada Restaurant on Tuesday, September 20 and she made a formal request of the Mayor to find out the availability of Department Heads to attend and give an update on each of the City Departments. Mayor Hansen acknowledged Ms. Thraikill's request.

7. **Consent Agenda:**

Prior to taking action on the Consent Agenda, Rose Marie Thraikill asked that item 7 (e) which is to consider adopting a Resolution to correct and cure any perceived violations of the "Ralph M. Brown Act" during the regularly scheduled Council meeting held June 14, 2011, by rescinding specific directions provided to staff during the June 14, 2011, Meeting, be removed from the Consent Agenda. She stated that this has been a very controversial issue in the area and because of that she does not believe this item belongs on the Consent Agenda. She stated that Consent items are considered routine and this item is definitely not routine, so she asked that it be removed from the Consent Agenda and acted on separately. Mayor Hansen then announced that item 7 (e) would be removed from the Consent Agenda. It was then **moved** by Council Member Yoder and **seconded** by Council Member Hobbs to approve the Consent Agenda as

revised with the removal of item 7 (e). 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.
- c) Approval of the Minutes of the Willows City Council Meeting held June 14, 2011.
- d) Approval of the Minutes of the Willows City Council Special Budget Meeting held June 21, 2011.
- f) Approval of additional appropriation of \$858 in Cops Hiring Recovery Program (CHRP) Funds (Fund #378).
- g) Passage of second reading by title only, and final adoption of Ordinance Numbers 695-2011, 696-2011, 697-2011, 698-2011, 699-2011, 700-2011, 701-2011, 702-2011, 703-2011, 704-2011 & 705-2011.

It was then **moved** by Council Member Yoder and **seconded** by Council Member Cobb to adopt Consent Agenda item 7 (e). The motion unanimously passed and the following item was passed:

- e) Adoption of a Resolution to Correct and Cure any perceived violations of the "Ralph M. Brown Act" during the regularly scheduled Council Meeting Held June 14, 2011, by rescinding specific directions provided to staff during the June 14, 2011, Meeting.

8. Public Hearings:

- a) Conduct Public Hearing to receive comments and consider approval of the CDBG required Grantee Performance Report for Submission:

The California Department of Housing and Community Development – Community Development Block Program (CDBG) requires specific reporting of grantee activity and performance annually and at the conclusion of a grant period. As part of the performance report, a public hearing is to be held to gather public comment and input. The portion of housing rehabilitation loans that meet the criteria to be considered program income by CDBG standards are placed into a Revolving Loan Accounts (RLS) for reuse in one of the following ways according to the City's Program Income Re-Use Plan:

- Housing Rehabilitation Loans
- Economic Development Loans
- Placement of Funds into an open CDBG Grant activity
- Placement of Funds into a CDBG Eligible activity

No activity occurred pertaining to these funds in 2010-11, as the fund was significantly depleted prior to the 2009-10 fiscal year and funds are being collected to a point of being able to complete a project in accordance with the re-use plan.

Mayor Hansen opened the Public Hearing at 7:17 p.m. and receiving no comments, subsequently closed the Hearing at 7:17 p.m. It was then **moved** by Council Member Yoder and **seconded** by Council Member Hobbs to approve the grantee performance report for submission. The motion unanimously passed.

9. **Ordinances:** Action taken under item 7 (g).
10. **Items introduced by City Council or Administrative Staff for discussion purposes only:** None
11. **New Business:**
 - a) Consider the creation of a City Council Budget Steering Subcommittee for Fiscal Year 2012/2013 and appoint two Council Liaisons to serve on the committee:

The City Manager stated that as the Council and Staff worked through the development process for the 2011/2012 Fiscal Year budget there were a number of lengthy discussions that were held and there seemed to be some confusion about what the target deficit number was, what the goals of the development process was, and where the Council ultimately wanted to end up. Because of this communication breakdown, ultimately at the assessment upon the conclusion of adopting the budget it was stated that the Council and Staff had made a very poor effort in putting the budget together. He stated that he can accept that, and that he believes there are some things that Staff could have done better, but as part of that discussion there was a suggestion that perhaps the Council should form a subcommittee that could spearhead the efforts to identify some things early on and spearhead the process throughout the development of next fiscal year's budget. The earlier the City starts this process, the better, so if this is the direction that the Council chooses to take it would be advantageous to appoint two members to a Budget Steering Subcommittee as soon as possible and they could start this process immediately. The committee should come up with a stated goal and several objectives to achieve throughout the budget development process and perhaps design some methodologies in order to achieve those objectives or goals. This was an idea that was originally generated by the Council Members and with that said, he requested that the Council hold a discussion and appoint two members to this subcommittee and get the process underway as soon as possible.

Council Member Yoder stated that he agrees with the idea of the budget steering subcommittee. The Council for several years has tried to piece meal a budget together and they have taken an extreme amount of money from the reserves in order to fulfill current obligations, and then the Council has criticized the State of California for doing the same things that the City is doing. He stated that the Council needs to get the City's own fiscal house in order and they need to start early, identify the programs and the departments and determine what is essential to City operations, what the City needs, how many people the City needs, and they need to balance the budget. The Council has already looked at the Library and the Library is now currently sharing resources with Orland and he believes this is something the Council needs to look into possibly doing with all the departments. The Council needs to look at all departments and determine what and how things can be done better and how they can be more efficient. The Council definitely needs to be more "hands-on" with each of the departments so when they make future decisions they can be assured that they are making them given the resources that they have. The City Staff and the Council need to make these decisions together and the outlook for the future is grim so if the Council doesn't do something now, they will just continue to drain the reserves and they may find themselves like some other cities with either a small reserve and/or bankrupt. He does not believe that is the responsible thing to do to continue to allow for a deficit budget year after year.

Council Member Cobb agreed that what the Council is discussing is a very important topic and the City had quite a few issues with the development of the 2011/2012 Fiscal Year budget process. He doesn't believe that only a mid-year budget review is enough and he believes the Council needs to develop a subcommittee and take the full year and take full advantage of it and look at all options because this is instrumental in the progression of the City. With that, he stated he also believes that the Council shouldn't make a decision on which members the subcommittee panel should consist of until Council Member Holvik is present. He believes all of Council Members should be in attendance before they determine who is going to serve on this panel.

Council Member Hobbs stated that she really likes the idea that was in the staff report that talked about development of a revenue enhancement strategy to increase the City's revenue because she believes that one thing the Council really needs to focus on is how to get creative and figure out how to generate more revenue. She also wanted to clarify that in no way does the subcommittee do the jobs of the Department Managers because she thinks the Managers know how to balance a budget. She also believes that many times people can become complacent and not catch things because they are just in a "mode". She believes spearheading is a good thing but she thinks the subcommittee going in and line-iteming each department's budget is not the right way to go. She believes that should be the responsibility of the department heads. She believes the development of this subcommittee is a good and positive thing and she agrees with Council Member Yoder that the City's fiscal house is not in order and that needs to stop.

Mayor Hansen stated that he agrees with everything that his fellow Council Members have said and his vision of this subcommittee would be in no way a means to micro-manage the management staff, but rather to work closer with the management staff and get a handle on the upcoming fiscal year's tough budget.

The City Manager then addressed the Council regarding Council Member Cobb's earlier suggestion that the Council wait to appoint a subcommittee until all Council Members were present. He stated that he has had some extensive conversations with Council Member Holvik regarding this subcommittee and the fact that he would be absent for tonight's Meeting. Council Member Holvik had indicated to him that he would be happy with whatever decision the Council was to make. He stated that he is getting the impression that each of the five Council Members has an interest in serving on the subcommittee but the subcommittee isn't the final authority. The subcommittee is just that hands-on group that is going to meet with the departments and the management staff in determining what direction the Council wants to take with the City's budget development process for the upcoming fiscal year. He stated that if in fact all five members have an interest in serving, he suggested that maybe the best way to determine which two members would serve on the subcommittee would be to simply put all five members' names in a hat and draw out two names. If this is acceptable to the Council then there is no slight to Council Member Holvik's being absent as long as his name were included in the hat. This was something that he had discussed with Council Member Holvik knowing that he would not be present at this meeting. He stated that he is concerned about any delays in getting the subcommittee formed because he would like to meet with the selected members before the next Council meeting in order to get the process started right away. He wishes to have an item on the August 9 City Council Meeting Agenda in order for the full Council to discuss and determine the appropriate direction going forward. So without delay, he stated that he would really like to see

the subcommittee members identified at tonight's meeting if possible. The Mayor then asked the other Council Members who would be interested in serving on the subcommittee and all present, including the Mayor, indicated that they were all interested and willing to serve on it. At this time the City Clerk placed the five Council Members' names in a hat offered by Vern Roberts of the audience and Sergeant Jason Dahl asked Holly Myers of the audience to draw two names from the hat as he held it. The two names Mrs. Myers drew were Council Members Cobb and Holvik. The City Manager then stated that he will try to pin down a date and time to meet with the subcommittee members prior to the next City Council meeting.

12. Council Member Reports:

Council Member Yoder stated that he and Council Member Hobbs will be attending an EDC Conference in Sacramento on July 28.

Council Member Hobbs reported that she had a very productive meeting with the Citizens for Economic Stability (CES) last Thursday. She stated that she is encouraged about working with that group because she believes that as long as the Council can stay focused on economic development and how to generate revenue for the City she thinks it is for the common good of the entire community. She said that she plans to meet with them again to discuss some creative ideas. Council Member Hobbs also stated that CES puts together a newsletter on their website and a few editions ago it was pointed out in one of their articles that there was an EDC meeting held between the County and the City of Orland and it was stated in the article that the City of Willows was a "no-show" at that meeting. She stated that she would like to clarify that the City of Willows never received an invite to this particular meeting. The City of Willows was supposed to have received an invitation from a County Board of Supervisor, but unintentionally, the Supervisor failed to communicate this information to the Council, therefore the Council wasn't even aware that such a meeting was taking place. For the record she wanted to make it clear that the Council was never invited to attend, and therefore should not have been referred to as a "no-show". She closed by stating that the EDC subcommittee does plan on meeting with that group in the future.

Mayor Hansen reported that he recently attended a bi-annual meeting with the County, State representatives and other interested parties to discuss various issues concerning the County's Solid Waste facility in Artois. The Solid Waste facility has been removed from the list of violators of State standards as of June 24, 2011, and it is now in compliance with State permits. There was a design update about the first phase of the landfill closure and basically there is 3.5 million dollars in the bank currently for that closure, however, that closure is going to cost just under 8 million dollars. He stated it will be interesting to find out where the other 5 million dollars will come from before July of 2012.

13. Executive Session: None

14. Adjournment: Mayor Hansen adjourned the meeting at 7:45 p.m.

Dated: July 12, 2011

NATALIE BUTLER

City Clerk

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