

CITY COUNCIL

Gary Hansen, Mayor  
Vince Holvik, Vice Mayor  
Jeff Cobb, Council Member  
Sandie Hobbs, Council Member  
Jim Yoder, Council Member

CITY MANAGER  
Steve Holsinger

CITY CLERK  
Natalie Butler



201 North Lassen Street  
Willows, CA 95988  
(530) 934-7041

**CITY COUNCIL MEETING AGENDA**

**Tuesday, June 14, 2011**

**6:00 p.m.**

1. **Call to Order – 6:00 p.m.**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Agenda Review: (Requested Changes by Council or Staff)**
  - a.) Consider acceptance, by motion, of City Council Meeting Agenda for June 14, 2011.
5. **Executive Session:** Pursuant to California Government Code Sections 54950 et seq., the City Council will hold a Closed Session. More specific information regarding this closed session is indicated below:
  - a) CONFERENCE WITH LABOR NEGOTIATOR(S) pursuant to Section 54957.6  
  
Agency Negotiators: City Manager Steve Holsinger  
Finance Director Tim Sailsbery  
  
Employee Organization(s): Willows Employees Association  
Willows Public Safety Association  
Unrepresented Employees (All others not in WEA or WPSA)
6. **Report-Out of Closed Session:**
7. **Presentations & Proclamations:** None
8. **Public Comment/Written Communications:** Persons wishing to speak on a matter *not on the agenda* may be heard at this time; however, no action will be taken unless placed on a future agenda. *(Public Comment is generally restricted to three minutes).*
9. **Consent Agenda:** Consent items are considered to be routine by the City Council and will be enacted in one motion. There will be no separate discussion on these items unless a Councilperson or citizen requests, in which event the item will be removed from the consent agenda.
  - a) Consider approval of General Check Register.
  - b) Consider approval of Payroll & Direct Deposit Check Registers.

- c) Consider approval of Minutes of the Special City Council Budget Meeting held May 17, 2011.
  - d) Consider rejecting the two bids received as part of the Energy Grant Project for light replacement in the City of Willows.
  - e) Consider adoption of a Resolution to allow the City Manager to sign the agreement with California Northern Railroad to upgrade the crossing on Laurel Street, east of S. Tehama Street.
10. **Public Hearings:** *(Persons wishing to speak on a Public Hearing item are asked to approach the microphone to address the Council and limit comments to three minutes. It is also requested that you please state your name for the record.)*
- a) Conduct a Public Hearing and upon conclusion, by motion, consider adoption of a Resolution approving the Final Engineer's Report as filed, confirming the assessment diagram and amounts as set forth therein and authorizing the levy and collection of assessments for the Fiscal Year 2011-12 for the City of Willows Landscaping and Lighting Assessment District Zone A – Birch Street Village.
  - b) Conduct a Public Hearing and upon conclusion, by motion, consider passage of first reading by title only of an Ordinance entitled "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILLOWS AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY COUNCIL OF THE CITY OF WILLOWS AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM".
11. **Ordinances:** Action taken under item 10 (b).
12. **Items introduced by City Council or Administrative Staff for discussion purposes only:**
13. **New Business:** None.
14. **Referred Matters Pending:**
- a) Discuss and give final direction to Staff for preparation of Fiscal Year 2011/2012 final budget for Budget Adoption scheduled for June 21, 2011.
15. **Adjournment:**

**CERTIFICATION:** Pursuant to Government Code §54954.2 (a), the agenda for this meeting was properly posted on June 9, 2011.

A complete agenda packet, including staff reports and back-up information, is available for public inspection during normal work hours at City Hall or the Willows Public Library at 201 North Lassen Street in Willows or on the City's website at [www.cityofwillows.org](http://www.cityofwillows.org).

In compliance with the Americans with Disabilities Act, the City of Willows will make available to members of the public any special assistance necessary to participate in this meeting. The public should contact the City Clerk's office at 934-7041 to make such a request. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

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**MINUTES OF THE WILLOWS CITY COUNCIL SPECIAL BUDGET MEETING**  
**HELD May 17, 2011**

1. The meeting was called to order at 5:30 p.m. by Mayor Hansen.
2. **PLEDGE OF ALLEGIANCE:** Council Member Hobbs led the Pledge of Allegiance.
3. **ROLL CALL:**  
Present: Yoder, Cobb, Hobbs, Holvik & Hansen  
Absent: None
4. **Agenda Review:** It was **moved** by Council Member Yoder and **seconded** by Council Member Hobbs to accept the May 17, 2011, Special City Council Budget Meeting Agenda as presented. The motion unanimously passed.
5. **Public Comment:** No members of the Public chose to speak at this time.

**FY 2011/2012 Budget Overview:**

- Review of 2011/2012 proposed General Fund Budget.
- Council review and discussion of alternative reductions in staffing and/or other methods to reduce the anticipated deficit.
- Council review and discussion of City Hall Hours of Operation.

The City Manager and Finance Director gave the Council an update on the current budget deficit projection for Fiscal Year 2011/2012, informing them that since their last budget meeting held on March 30 when the budget deficit was estimated to be nearly \$333,000, it is now anticipated that the deficit will grow to nearly \$463,000 due to the loss of some state and local funding sources with law enforcement generally used primarily for personnel costs.

At the Council's previous direction, the City Manager and Finance Director met with the two labor associations and the unrepresented employees to request that they take a voluntary 10% wage and benefit reduction in an attempt to cut down the deficit amount. They informed the Council of the outcome of their several negotiation meetings with the Willows Public Safety Association and the Willows Employees Association, stating that both labor groups were asked if they would be willing to voluntarily take the 10% wage & benefit reduction and neither association expressed any willingness to do so. There were some other alternatives regarding the possibility of looking into the employee paying a portion of their PERS which the City currently pays in its entirety, but the level of savings resulting from that was found to be minimal as opposed to the across the board 10% pay reduction. They also met with the four unrepresented employees that have yet not voluntarily given up 10% in wages and benefits that all of the other unrepresented employees voluntarily gave up two years ago, and those four individuals stated that they would be agreeable to a voluntarily 10% reduction in wages and benefits. Additionally it was announced that three Public Works Employees have expressed a serious interest in taking

advantage of the early retirement incentive that the Council directed the City Manager and Finance Director to offer, which would net approximately \$110,000 in savings, bringing the projected deficit from \$463,000 to approximately \$353,000.

Staff is now looking to the Council to give them specific direction on how to proceed at this point and where they propose cuts should be made in order to reach the targeted acceptable deficit of \$100,000 that they agreed upon at the March 30 Special Budget Meeting.

Council discussion ensued and due to the fact that since the last budget meeting the City was projecting a \$333,000 deficit and it has now grown to \$463,000, the consensus of the Council was to raise the targeted acceptable deficit from \$100,000 to \$150,000, however, it was strongly stated that the Council will need to keep a close eye on the budget throughout the fiscal year and they must stick to that target. It was mentioned that even with a \$150,000 deficit, the City may still need to lay off some positions, possibly as many as three members of staff. Mayor Hansen stated that he would implore the bargaining units to continue to work with the City in order to come up with some sort of salary savings, as layoffs are looming.

The Finance Director then gave the Council the net savings if a Public Safety Position were to be laid off (approximately \$57,000), if a Non Public Safety Position were to be laid off (approximately \$30,000 - \$40,000) and if a Department Head Position were to be laid off (approximately \$50,000-\$75,000). He also spoke about net savings if Council were to implement a mandatory 10% furlough (approximately \$137,000), a 12½ % furlough (approximately \$185,000) or a 15% furlough (approximately \$234,000).

Council discussion ensued. Council Member Cobb stated that in looking at the current numbers, it appears that two positions may need to be laid off from Public Safety— one from Police and one from Fire – and that there would still need to be a furlough to make up the shortage of reaching the \$150,000 targeted deficit. Another option would be the layoff of only one Public Safety position with a higher level of furlough.

Council Member Cobb stated that he believes two positions from Public Safety will probably need to be laid off and that still would not get the deficit to it's targeted amount, so there will likely need to be a furlough imposed. If only one position were to be laid off, the furlough would have to be at a rather high level. He stated that he really doesn't see much choice other than two Public Safety positions being laid off and a mandatory furlough in order to achieve the target deficit amount.

Council Member Hobbs inquired whether the employees were given the option or if there were any discussions with the Associations to a high level of furlough as opposed to layoff of positions. The City Manager stated that furloughs have not been discussed with the Labor Organizations. What was discussed with the Associations, per the Council's previous direction, was for them to voluntarily participate in a 10 % wage and benefit reduction across the board. Knowing that if everybody did cooperate and agree to the 10% wage and benefit reduction, the City would still fall significantly short of the deficit number, and some positions would still have to be reduced. At one point, assuming that the Public Works employees were planning to retire and everybody took the 10% reduction, and the Council was willing to use \$100,000 out of

reserves, the City was exceptionally close to being in balance with that number. However, due to the State Supplemental funding going away and the local district funding going away, the discussions were never changed with the labor organizations, but the City has now added over an additional \$100,000 in deficit. The concept of furlough or furlough and layoffs was not discussed with the associations. What was discussed was their willingness to voluntarily adjust wages and benefits to get the City to a point which would be comfortable. There was a discussion with the groups about locking in a particular number on payment of PERS, without the ability to identify what cost in position or staffing it would cost the labor group, but that was as far as they got into the discussion other than to agree that at any level less than 10% or more, it was still likely that there may be a need for reduction in staff. That is the point in which the discussions stopped relative to PERS, as that was going to be significantly below the target levels, so there have been no discussions with the groups about any level of furlough. Furlough discussions are something that have been held in reserve, and something that he spoke to the Council Members about in the past. Council's preference and direction was to work with the labor groups to ask for voluntary participation in a 10% reduction of wages and benefits. During the discussions with the groups, the negotiators and the groups were not able to come to an agreement, therefore an option for the City Council could be to order mandatory furloughs because it is essentially the Council's right to legally control the scheduling and the number of positions that the City has. If the Council is seeking a permanent solution for this year and future years to come, the best option would be layoffs and permanent reductions in work force. If Council is seeking to temporarily address this Fiscal Year's deficit, mandatory furloughs are an option. Most of the neighboring Cities have been implementing furloughs for the last two years, as well as many State agencies. Furloughs are something that the Council can control and it is relatively easy to administer and manage and get into and out of because it can be done relatively quickly. The longer, more permanent solution takes longer to implement and to restore. However \$57,000 in savings from the loss of a Public Safety Position in year one would get the City through the 2011/12 Budget, but in the future fiscal years, the savings would be significantly higher and could be as much as \$90,000 to \$100,000 in some cases.

Council Member Hobbs then expressed that she is not comfortable with asking the Public Works Department to take a 10% wage reduction in light of the fact that three people in that department agreed to take the early retirement option and those three positions will not be re-filled. She believes it is unfair to ask the remaining employees in that department to give up 10% in wages and benefits after they have already given more than what the Council has asked of them and then they are expected to do more tasks with less bodies and less pay. She stated that with the potential savings of \$110,000 that the Public Works early retirements will generate, she really thinks the City needs to look at other Departments to make cuts.

Council Member Yoder asked how many currently unfilled or frozen positions are showing as being funded on the currently proposed budget. The Finance Director responded that there are currently two positions that are unfilled but are still showing as being funded on the proposed budget. Those positions are for the part-time CSO and the part-time Accounting Analyst, which combined comes to a total of roughly \$25,000 to \$30,000. The Finance Director did caution the Council however, that due to a medical issue and the need to hire temporary staff, some of the funds allocated in the current fiscal year's budget for the Accounting Analyst are being used up and will likely continue to be used going into the 2011/12 fiscal year. It is uncertain at this time

how long the temporary staff will need to be utilized. Council then said if there is a potential savings in de-funding these two positions, they directed the positions to be frozen and unfunded, however, not eliminated. This could potentially drop the deficit amount by approximately \$25,000 to \$30,000, depending on the outcome of the medical issue and how long the City needs to utilize temporary staff.

Council Member Holvik then stated that he wanted to go back to Council Member Cobb's original proposal. He stated that he is comfortable at looking into furloughs as an option. He stated that he knew that the Council would definitely be looking at one layoff of a Public Safety position, or perhaps even two or as many as three, but he now believes that the City can avoid three layoffs, and look at the layoff of two Public Safety positions and a 5% furlough.

Council Member Cobb then stated that he and Council Member Holvik appear to be thinking along the same lines, except he believed that there should be only one position laid off with a 10% across the board furlough. The furloughs added to the three early retirements and the de-funding of the CSO and Accounting Analyst positions, would bring the deficit down to approximately where the Council had targeted it to be.

Council Member Holvik stated that his concern about the 10% furlough versus 5% is the same concern that Council Member Hobbs stated earlier, which was that the City is already back-filling the Public Works Department with the early retirement of three members of the department and then to ask the remaining employees to take an additional 10% furlough would be very difficult.

Council Member Cobb understood, but questioned the numbers and if he was correct that if only one employee were laid off and there was a 10% furlough across the board that the City would actually fall below the \$150,000 projected deficit. The Finance Director confirmed that if that were the scenario, it would bring the projected deficit down to approximately \$131,000. Council Member Hobbs then questioned that if Public Works were to be excluded from the furlough, would that still be the projected deficit amount? The Finance Director stated that the numbers that he prepared this evening for the various levels of furloughs were created with the assumption that the furloughs would be across the board for all employees. The Council then directed the Finance Director to put together several scenarios for Council to Review at the next budget meeting. The scenarios requested were to show the net savings if 1 position was laid off and there was a 10% furlough across the board, if 2 positions were laid off and there was a 10% furlough across the board, if 1 position was laid off and there was a 5% furlough across the board, and if 2 positions were laid off and there was a 5% furlough across the board. The Council added that they also wanted to see the net savings of these same scenarios *without* the remaining staff in the Public Works Department having to furlough (assuming there are three early retirements).

Mayor Hansen then questioned whether the Part-Time Recreation position is necessary, stating that he has a real concern with laying off Public Safety Personnel when there are some part-time positions that the City could trim down. He stated that he didn't mean to indicate that these positions weren't important, but since the Council is looking at cost saving measures from all departments, he wondered if some of the part-time positions were in fact necessary.

Council Member Holvik stated that he believed that there may be many nickel and dime line items in the budget that the Council could also look at in order to get the numbers down to something that is workable. He reiterated that he knows the Council is definitely looking at one layoff, and possibly two depending on how the numbers come out. His concern is looking at the community also and what the City will be able to provide. He stated that he would have really liked to avoid the furloughs if possible because that has a big impact on the services provided by the City to the Citizens. It would have been his preference to see the employees agree to the 10% pay cut rather than furloughs, however, there is nothing that the Council can do to implement a 10% pay cut if the unions don't agree to it. A 10% furlough essentially results in a 10% reduction in City services provided to the Community.

Mayor Hansen then added that he would like to see a line-item budget presented to Council at the next budget meeting so the Council can really see what services are essential and can't be cut and what services may not be so essential and could possibly be eliminated. Council Member Holvik agreed that this is something he would also like to see. The Finance Director indicated that he will put together a line-item budget before the next budget meeting but he would need approximately 2 weeks in order to prepare the line-item budget. For clarification purposes, he stated that what he will present to the Council at the next budget meeting will be a line-item budget which starts out with the \$462,000 deficit, then takes into account the net effect of the three Public Works Department retirements and the \$26,000 put-back for part-time seasonal Public Works help, and the reduction of the Accounting Analyst and CSO positions. This will leave roughly a \$325,000 deficit and at that point Council will make the decisions regarding personnel layoffs and furloughs based on the various scenarios that will also be presented to them at that time. The Council concurred that this is what they would like to see take place at the next budget meeting.

Due to the time of evening and the fact that there was a Regular City Council Meeting scheduled to occur at 7:00 this evening, the Council decided to table discussions about the City Hall Hours of Operation until the next budget meeting. It was determined that the next Budget Meeting would take place on June 2 at 7:00 p.m.

Mayor Hansen adjourned the meeting at 6:46 p.m.

Dated: May 17, 2011

NATALIE BUTLER

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City Clerk

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**AGENDA ITEM**

**TO:** Willows City Council  
**FROM:** Public Works Director  
**SUBJECT:** 2009 ARRA Funding for Energy Efficient Projects.

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**RECOMMENDATION**

Adopt by motion to reject the two bids received as part of the Energy Grant Project for light replacement in the City of Willows.

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**SITUATION (or BACKGROUND)**

The City of Willows received notification of grant funding available for retrofitting lights that qualified through out Willows with a more energy efficient type.

Lighting in the Willows Westside Mall Area as well as Street Lights still owned by the City was identified for this type of retrofit.

The City Engineer put together a bid package and this was put out to bid on April 16, 2011 with bids being opened on May 17, 2011.

Two bidders submitted for the project with both bidders far exceeding the engineers estimate for the project. The bid results sheet is attached; the engineers estimate for the project was \$ 31,000 dollars respectively.

No other money is available to augment this project, therefore the Public Works Director and the City Engineer will explore other options along with input from the State Energy Commission to either scale down the project or perhaps use City forces to purchase and install the new units.

**RECOMMENDATION**

Adopt by motion to reject the two bids received as part of the Energy Grant Project for light replacement in the City of Willows.

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Respectfully submitted,

  
Greg Fyhurst  
Public Works Director

Approved by,

  
Steve Holsinger  
City Manager

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Attachment: Bid Results Sheet.

City of Willows  
 530 934-7041 - Engineering Department  
 Willows, CA 95988

**Bid Opening Summary**  
 Bid Opening 2:00 p.m. on 5/17/11  
 Project - Streetlight Replacement Project

Bidder Name	Bid Amount (BB-13)	Bid Bond (BB-15)	Signed Bid Form (BB-14/28)	Are they a C-10 licensed Contractor? (BB-17)	List of Subcontractors (BB-18)	Non-Collusion Affidavit (BB-21)
Terry Hansen	\$4,400	✓	✓	✓	✓	✓
Osterdorf Electric Inc.	82,114 <sup>92</sup>	✓	✓	✓	✓	✓

City Engineer

Attest: City Clerk

**AGENDA ITEM**

**TO:** Willows City Council

**FROM:** Public Works Director

**SUBJECT:** Laurel Street Grade Crossing Agreement.

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**RECOMMENDATION**

Adopt by resolution to allow the City Manager to sign the agreement with California Northern Railroad to upgrade the crossing on Laurel Street, east of S.Tehama Street.

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**SITUATION (or BACKGROUND)**

The railroad crossing at E. Laurel and S. Tehama Streets is in need of repair as the asphalt near the track rails has risen significantly.

The Public Works Director contacted the railroad to ask for their assistance in repairing this crossing as it is becoming a hazard for the motoring public.

The railroad agreed to fix the crossing replacing the rails and replacing the old ties underneath, I asked if it was possible to put concrete pads down like the crossing on East Wood, they agreed to do so if we shared the cost with them.

The amount of \$ 8700 dollars will be the City's share of the project and will come out of street maintenance funds.

**RECOMMENDATION**

Adopt by resolution to allow the City Manager to sign the agreement with California Northern Railroad to upgrade the crossing on Laurel Street, east of S.Tehama Street.

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Respectfully submitted,



Greg Tyhurst  
Public Works Director

Approved by,



Steve Holsinger  
City Manager

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RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS AUTHORIZING THE CITY  
MANAGER TO SIGN AN AGREEMENT WITH CALIFORNIA NORTHERN RAILROAD TO SHARE  
IN THE COST OF IMPROVING THE RAIL CROSSING ON EAST LAUREL STREET AT SOUTH  
TEHAMA STREET.  
(Grade Crossing Improvement Agreement)**

RESOLVED by the City Council of the City of Willows, State of California that it Finds, Determines, Orders and hereby declares THAT:

1. The City Manager is hereby authorized to sign the Grade Crossing Agreement for work performed under the Agreement, dated June 15, 2011 for the City to share the cost of replacing and upgrading the rail crossing on East Laurel Street at South Tehama Street.
2. The work described in this Agreement will be scheduled to commence once this agreement has been received by California Northern Railroad and the prescribed funds are deposited with them.
3. The funds used for this project will come from Street Maintenance funding as a normal expenditure for this type of work on City Streets.

NOW, THEREFORE, BE IT RESOLVED that the City will share in the expense as described in the agreement furnished by Northern California Railroad in the amount of eighty seven hundred dollars.

PASSED AND ADOPTED by the City Council of the City of Willows at the meeting held on June 14, 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: \_\_\_\_\_  
Natalie Butler, City Clerk

\_\_\_\_\_  
Gary Hansen, Mayor

## GRADE CROSSING IMPROVEMENTS AGREEMENT

AGREEMENT entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by and between THE CALIFORNIA NORTHERN RAILROAD, called herein "CFNR" and THE CITY OF WILLOWS, CALIFORNIA, called herein "City".

WHEREAS, the City desires to have concrete panels installed at the existing grade crossing at Laurel Street; and

WHEREAS, CFNR is agreeable to completing the at grade crossing improvement work performed subject to the following terms and conditions of this Agreement;

NOW, THEREFORE, the parties agree as follows:

1. The total estimated cost for the City's portion of railroad work is \$8,700. This cost will cover the concrete panels for installation at Laurel Street. City's obligation under this Agreement shall not exceed the estimated cost, without further approval by the City. Prior to CFNR performing any work on this project, City will deposit with CFNR the amount of \$8,700 to cover the estimated costs of material as. Should the actual bids for material exceed the estimate; the CFNR shall submit a written request to the City for an increase in the project cost. If permission cannot be obtained from the City, the CFNR shall return all funds advanced from the City and this Agreement shall be considered terminated pursuant to Section 6. Should the actual material costs be less than estimated, the CFNR will refund the difference with a final bill for actual costs and with a written accounting of the final costs. The City will reimburse CFNR for the net actual costs of the project with 45 days of receipt of the bill.
  
2. The scope of work covered by this Agreement is as follows:  
By CFNR – Provide labor and materials for track repairs at Laurel Street and remove existing crossing surface material. CFNR to provide any necessary flagging for City paving crew's while working within 25' of the tracks.  
  
By City – Provide asphalt and labor to install new approaches at Laurel Street. Haul away any removed asphalt from the existing crossing. Provide funding for concrete panels per Item 1 above.
  
3. Work is to be done during normal working hours and will require a 48 hour closure for the crossing. If the City requires the surface improvement work to be performed on a weekend, City agrees to pay for any additional costs incurred due to overtime pay for CFNR and/or Contractors or any other extra expenses associated with the weekend work. City will install asphalt road approaches and be responsible for any required notification of the public.
  
4. The City shall, when returning this agreement to CFNR, cause same to be accompanied by the Resolution of the governing body of the City, passed and

approved as by law prescribed, and duly certified, evidencing the authority of the person executing this agreement on behalf of the City with the power so to do.

5. This Agreement shall commence upon execution of this Agreement by both parties and shall continue for 150 calendar days, subject to prior termination as hereinafter described.
6. If either party shall default in any of the agreements contained in this document the other may terminate this Agreement by serving ten (10) days notice in writing upon the defaulting party. Any waiver by the non-defaulting party of any default shall not constitute a waiver of the right to terminate this Agreement for any subsequent defaults, nor shall any such waiver in any way affect the parties' ability to enforce any sections of this Agreement. The remedy set forth in this section shall be in addition to and not in limitation of any other remedies may have at law or in equity.
7. This agreement may be terminated by either party, at any time, by serving ten (10) days written notice of termination on the other party.
8. The parties shall observe and comply with any and all federal, state, and local laws and regulations in the performance of this Agreement.
9. This Agreement is the full and complete Agreement between the parties and supersedes any and all other agreements between the parties hereto relating to the installation of the improvements at the grade crossings.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate the day and year first above written.

THE CALIFORNIA NORTHERN RAILROAD      CITY OF WILLOWS

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

## AGENDA ITEM

June 14, 2011

**TO:** Honorable Mayor Hansen and Members of City Council  
**FROM:** John Wanger, City Engineer  
**SUBJECT:** Annual City of Willows Landscaping and Lighting Assessment District – Engineer's Report

## RECOMMENDATION

Conduct the required public protest hearing and consider the attached resolution approving the Engineer's Report as filed, confirming the assessment diagram and amounts as set forth therein and authorizing the levy and collection of assessments for the Fiscal Year 2011-12

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## SUMMARY

The Willows Landscaping and Lighting Assessment District ("District") was initially formed by the City in 2005 to pay for costs associated with maintaining landscaping and maintenance in the Birch Street Village subdivision; (Zone A), in accordance with the Landscaping and Lighting Act of 1972 ("Act").

The Landscaping and Lighting Act requires that the City undertake certain proceedings for any fiscal year in which assessments are to be levied and collected. These proceedings are typically accomplished at three separate Council meetings. The first action (appointing an Engineer of Work and directing the preparation of the annual Engineer's Report) was completed by the Council on February 8, 2011. The second action (receiving the Preliminary Engineer's Report and setting the date of the required public protest hearing) was completed on June 1, 2011. Tonight is the third and final step in the process – conduct the public protest hearing, approve the Engineer's Report and authorize the levying of assessments for FY 2011-12.

Attached to this staff report is the Final Engineer's Report as prepared by Coastland Civil Engineering. Because the Council did not request any changes to the preliminary report filed on June 1, 2011, the proposed assessments shown in the final report have not changed from the preliminary report. The City Council should review the report one final time and let staff know if there are any desired changes to be made to the report. If not, the proposed assessments shown in the report will be passed on to the County Assessor's office for inclusion on the tax roles.

In brief, the attached report outlines costs from FY 2010-11, summarizes the projected costs for FY 2011-12 and provides the proposed overall assessments. In order to keep up with inflation, the estimated maximum annual assessment is proposed for increase by the allowable annual CPI (year 2010) of +1.4%. This raises the maximum annual assessment to \$406.17

While the estimated maximum annual assessment will increase, the actual amount that will be levied and collected during FY 2011-12 be reduced from \$385.82 in FY 2010-11 to \$258.00. This reduced assessment is due to the 5 year developer payback period being completed in FY 2010-11. Starting with this fiscal year, only ongoing annual maintenance and administrative costs need to be assessed. This assessment will provide projected revenue of \$8,772.00 to cover the estimated expenses.

During FY 2008-09, the Council implemented a minimum reserve balance of 10% to 20%. It is noted that the projected Assessment District reserve balance at the end of FY 2011-12 is slightly above that target. If it is found that an excess reserve balance does exist at the end of FY 2011-12, the assessments may be reduced the following year.

At tonight's meeting, the rules governing this type of an assessment district (found in the Streets and Highways Code) requires that a public protest hearing be held to hear any comments/concerns from property owners within the district. At the close of the hearing, if the Council finds the report acceptable, the Council should adopt the attached resolution approving the Engineer's Report and authorizing the levy of assessments per the Engineer's Report. The adoption of tonight's resolution is pursuant to Section 22631 of the Streets and Highways Code. The assessment information will then be transmitted to the County for the inclusion on the tax roles.

**FINANCIAL CONSIDERATIONS** - All costs associated with this assessment district (operation, maintenance and administration) are recovered through the assessments. All anticipated costs are shown in the budget in the Engineer's Report. The total proposed Assessment District budget for Fiscal Year 2011-12 is \$8,772.00. The funding source is from proposed assessment revenues levied and collected during FY 2011-12.

**NOTIFICATION**

The public protest hearing was noticed as required by the Streets and Highways Code Sections 22550-22556.

**ALTERNATE ACTIONS**

None recommended.

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**RECOMMENDATION**

Conduct the required public protest hearing and consider the attached resolution approving the Engineer's Report as filed, confirming the assessment diagram and amounts as set forth therein, authorizing the levy and collection of assessments for the Fiscal Year 2011-12

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Respectfully submitted,

John Wanger  
City Engineer

Attachments: Resolution approving the Annual Engineer's Report  
For Final Approval Engineer's Report

**CITY OF WILLOWS  
CITY COUNCIL  
RESOLUTION NO.       -2011**

**A RESOLUTION APPROVING THE ANNUAL ENGINEER'S REPORT, CONFIRMING THE  
ASSESSMENT DIAGRAM AND THE ANNUAL ASSESSMENT AMOUNTS AND AUTHORIZING THE  
LEVY AND COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2011-12 FOR THE  
CITY OF WILLOWS LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT  
ZONE A – BIRCH STREET VILLAGE  
(PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972)**

**WHEREAS**, on October 11, 2005 the City Council ordered the formation of the City of Willows Landscaping and Lighting Assessment District (Assessment District) to levy and collect assessments pursuant to the Landscaping and Lighting Act of 1972; and

**WHEREAS**, the City Council of the City of Willows intends to levy and collect assessments within the Assessment District during FY 2011-12, and the lands to be assessed are located within the City of Willows corporate boundaries, Glenn County; and

**WHEREAS**, on February 8, 2011, the City Council adopted a resolution appointing Coastland Civil Engineering as the Engineer of Work, directing the preparation and filing of the annual FY 2011-12 Engineer's Report, and describing the potential changes to the Assessment District; and

**WHEREAS**, on June 1, 2011, the City Council adopted a resolution of intention to levy and collect assessments, preliminarily approving the Engineer's Report for FY 2011-12, and setting the date of the public hearing pursuant to Section 22624 of the Streets and Highways Code; and

**WHEREAS**, for FY 2011-12 the maximum annual assessment is proposed to increase in accordance with a Consumer Price Index (CPI) of +1.40% (year 2010) , resulting in a maximum annual assessment of \$406.17 per ESD for Zone A; and

**WHEREAS**, developer installed improvements funded over the first five years of this assessment were paid in full at the end of FY 2010-11 leaving annual, ongoing costs only; and

**WHEREAS**, for FY 2011-12 the annual assessment is proposed to be reduced from the FY 2010-11 level of 397.78 to \$258.00 per ESD for Zone A; and

**WHEREAS**, no annexations to the District are proposed for FY 2011-12; and

**WHEREAS**, on June 14, 2011 the City Council conducted a public hearing and gave every interested person an opportunity to comment on the FY 2011-12 Engineer's Report either in writing or orally and the City Council has considered each comment; and

**WHEREAS**, this Resolution is adopted pursuant to Section 22631 of the California Streets and Highways Code.

**NOW, THEREFORE BE IT RESOLVED** that the City Council of the City of Willows hereby:

1. Approves the annual FY 2011-12 Engineer's Report as filed, as it pertains to Zone A.
2. Confirms the assessment diagram and assessment amounts as set forth in the FY 2011-12 Engineer's Report and any amendments incorporated at the City Council's direction and hereby authorizes the levy and collection of the annual assessments set forth in said report for the FY 2011-12, as pertains to Zone A.

3. In order to keep up with inflation, the estimated maximum annual assessment for Zone A for FY 2011-12 shall be adjusted up from FY 2010-11 as allowed by the original formation and annexation proceedings, by the 2010 annual CPI factor of 1.40% resulting in a maximum assessment for FY 2011-12 of \$406.17 in Zone A.
4. The amount to levy and collect for FY 2011-12 will be reduced to \$258.00 per ESD in Zone A.
5. That this resolution is adopted pursuant to Section 22631 of the Street and Highway Code.

It is hereby certified that the foregoing Resolution No. \_\_\_\_\_ -2011 was duly introduced and duly adopted by the City Council of the City of Willows at its regular meeting held on this 14th day of June, 2011 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:  
APPROVED:

ATTESTED:

---

Gary Hansen, Mayor

---

Natalie Butler, City Clerk

**FY 2011-12**



**ANNUAL ENGINEER'S REPORT  
FOR  
CITY OF WILLOWS  
LANDSCAPING & LIGHTING ASSESSMENT DISTRICT  
ZONE A – BIRCH STREET VILLAGE**

**FOR FINAL APPROVAL**

**CITY OF WILLOWS  
COUNTY OF GLENN  
STATE OF CALIFORNIA**

**June, 2011**

**Prepared By:  
Coastland Civil Engineering, Inc.**

FY 2011-12

**WILLOWS LANDSCAPING AND LIGHTING SPECIAL ASSESSMENT DISTRICT**  
(Pursuant to the Landscaping and Lighting Act of 1972)

The undersigned respectfully submits, as directed by the City Council of the City of Willows on February 8, 2011, the enclosed Engineer's Report on the 6<sup>th</sup> day of June, 2011.

COASTLAND CIVIL ENGINEERING INC.

By: John L. Wanger

John L. Wanger, RCE 43148, Exp. 3/31/12



I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment and Assessment Diagram thereto attached, was filed with me on the \_\_\_\_ day of \_\_\_\_\_, 2011.

By: \_\_\_\_\_

Stephen Holsinger, City Manager, City of Willows  
Glenn County, California

I HEREBY CERTIFY that the enclosed Final Engineer's Report, together with Assessment and Assessment Diagram thereto attached, was approved and confirmed by the City Council of the City of Willows, California, on the \_\_\_\_ day of \_\_\_\_\_, 2011.

By: \_\_\_\_\_

Stephen Holsinger, City Manager, City of Willows  
Glenn County, California

I HEREBY CERTIFY that the enclosed Final Engineer's Report, together with Assessment and Assessment Diagram thereto attached, was filed with the County Auditor of the County of Glenn on the \_\_\_\_ day of \_\_\_\_\_, 2011.

By: \_\_\_\_\_

Stephen Holsinger, City Manager, City of Willows  
Glenn County, California

**FY 2011-12 ANNUAL ENGINEER'S REPORT FOR  
WILLOWS LANDSCAPING & LIGHTING SPECIAL ASSESSMENT DISTRICT**  
(Pursuant to the Landscaping & Lighting Act of 1972)

**Annual Assessment For FY 2011-12**

Coastland Civil Engineering, Engineer of Work for the Willows Landscaping & Lighting Special Assessment District, City of Willows, Glenn County, California, makes this annual Engineer's Report, as directed by the City Council on February 8, 2011, pursuant to Sections 22565 and 22620 of the California Streets & Highways Code for the Willows Landscaping & Lighting Special Assessment District for Fiscal Year (FY) 2011-12.

**Background**

The Willows Landscaping & Lighting Assessment District (Assessment District) was formed in October 2005 by the City of Willows to recover costs associated with the operation and maintenance of landscaping and streetlights within the public right-of-way for the Birch Street Village development. In order to levy and collect assessments each subsequent fiscal year, the Landscaping & Lighting Act of 1972 requires the preparation and filing of annual Engineer's Reports. During these annual proceedings, new cost estimates are developed to determine the costs to operate and maintain the Assessment District improvements for the upcoming fiscal year. Further, as new subdivisions are created within the Willows City limits, they can be annexed into the Assessment District on an annual basis.

For FY 2011-12, the maximum annual assessment is proposed to be adjusted up by the allowable CPI of +1.4%. The assessments proposed to be levied and collected for FY 2011-12 are reduced from those collected in FY 2010-11. The total proposed Assessment District budget for FY 2011-12 is \$8,772.00.

No subdivision development, land use changes to existing parcels or proposed annexations into the Assessment District are proposed for this fiscal year. The proposed changes, budgets, assessments and Proposition 218 impacts to the Assessment District are included below:

**Zone A – Birch Street Village**

Zone A covers the costs associated with operation and maintenance of turf, ground cover, shrubs, trees, plants, irrigation systems, masonry walls or other fencing, entryway monuments, street lights and associated appurtenances located within the Birch Street Village subdivision. Additionally, when the Birch Street Village development was originally constructed, the City agreed to fund construction of the installation of improvements within the areas to be maintained within this assessment district, with the understanding that the installation costs would be assessed to the parcels benefiting from the improvements equally over a five (5) year period. FY 2010-11 was the fifth and final year of assessing for these original construction costs. This allows the assessment for FY 2011-12 to be reduced to annual, ongoing costs only.

The FY 2011-12 assessment is to be reduced from \$397.78 in FY 2010-11 to \$258.00 per parcel. The total proposed Zone A budget for FY 2011-12 is \$8,772.00. FY 2011-12 assessment revenue will be used to cover the budget. No reserve contribution is required. The proposed funding will be from the following sources:

Zone A Assessment Revenues:	<u>\$8,772.00</u>
Total:	\$8,772.00

The estimated reserve fund balance for Zone A is projected to be just above the desired reserve budget range of 10%-20% at the end of FY 2011-12.

## FY 2011-12 Engineer's Report Format

This Engineer's Report consists of 6 Parts as follows:

- PART A - Plans and Specifications (Page 6)** - This portion of the Engineer's Report describes any plans and specifications that may be needed for the installation of the improvements. If plans and specifications exist, they are filed with the City Clerk. Although separately bound, the plans and specifications are part of this Engineer's Report and are included in it by reference.
- PART B - Budget Cost Estimates (Page 7)** - Budget cost estimates associated with the operations and maintenance of the described improvements for Zone A are described in Part B of this report. In addition to an overall budget summary for Zone A, a detailed FY 2011-12 Budget sheet and a FY 2011-12 Summary of Fund Balance sheet is provided.
- PART C - Assessment Roll (Page 10)** - A listing of the annual assessment on each benefited parcel of land in Zone A within the Assessment District. The assessment amount is the estimated cost each parcel will contribute during FY 2011-12 towards the operation and maintenance of their respective Zone within the Assessment District, as well as their portion of the 5-year installment payment for the installation of the improvements.
- PART D - Method of Apportionment of Assessment (Page 12)** - A statement of the method used by Engineer of Work to determine the amount proposed to be assessed against each parcel within Zone A of the Assessment District. Additionally, this section describes the maximum assessment allowable and any inflationary adjustments.
- PART E - Property Owners List (Page 14)** - A list of the names and addresses of the owners of real property within this Assessment District, as shown on the last equalized assessment roll for taxes. The Assessor Parcel Number (A.P.N.) keys the list into the Assessment Roll of Part C.
- PART F - Assessment Diagrams (Page 16)** - The Assessment Diagrams (maps) showing all of the parcels of real property within Zone A of the Assessment District. The assessment number keys the diagram Part C - Assessment Roll.

## **PART A**

### **PLANS AND SPECIFICATIONS**

The Assessment District provides funds for the operation and maintenance of landscaping and streetlights located in the public rights-of-way in Zone A. Maintenance may include repair, removal or replacement of any landscape improvement, damaged irrigation facilities, diseased landscaping, weed and brush clearing, maintenance of street lights and any other allowable maintenance items per Section 22531 of the California Streets and Highways Code for the life of the Assessment District. Because the installation of the improvements are funded by this assessment district, the plans and specifications showing the improvements are on file at the City offices for the Birch Street Village development.

**PART B**  
**FY 2011-12 Budget Cost Estimate**

Part B includes the detailed budget for FY 2011-12 for all those costs associated with the operation and maintenance of Zone A within the Assessment District. Also included is the Summary of Fund Balance sheet for FY 2011-12. The total budget summary for FY 2011-12 for Willows Landscaping & Lighting Assessment District is as follows:

	<b>As Filed <u>With the City</u></b>	<b>As Preliminarily <u>Approved</u></b>	<b>As Finally Approved <u>At the Public Hearing</u></b>
Zone A:	\$ 8,772.00	\$ 8,772.00	\$

Table 1

**CITY OF WILLOWS**  
**Landscaping and Lighting Assessment District**  
**Fiscal Year 2011-12**  
**Zone A - Birch Street Village**  
**Budget**

<b>Item</b>	<b>2010-11 Budget</b>	<b>2011-12 Budget</b>
Architecture**	\$540.00	\$0.00
Engineers Report	\$4,230.00	\$4,020.00
Legal Services	\$400.00	\$250.00
Landscape Construction**	\$1,900.00	\$0.00
Landscape Maintenance	\$2,700.00	\$3,242.00
Lighting Installation**	\$2,350.00	\$0.00
Lighting Utilities & Maintenance	\$916.00	\$909.00
Formation Fees**	\$1,500.00	\$0.00
County Assessor Fees (3.5% of Revenue)	\$459.13	\$307.02
Contingency	\$0.00	\$43.98
<b>Total Expenses</b>	<b>\$14,995.13</b>	<b>\$8,772.00</b>
Contribution from Reserves	\$1,877.25	\$0.00
<b>Total Assessment Costs</b>	<b>\$13,117.88</b>	<b>\$8,772.00</b>
<b>Total Assessment Revenue</b>	<b>\$13,117.88</b>	<b>\$8,772.00</b>
Estimated Number of Units in Zone A	34.0	34.0
<b>Proposed Assessment for Zone A*</b>	<b>\$397.78</b>	<b>\$258.00</b>

\* See Maximum Allowable Assessment Analysis

\*\* These items were reimbursed to developer. Reimbursement was paid in full FY 2010-11

Table 2

**CITY OF WILLOWS**  
**Landscaping and Lighting Assessment District**  
**Fiscal Year 2011-12**  
**Zone A - Birch Street Village**  
**Summary of Fund Balance**

	<u>2011-12</u>
<b>Estimated Starting Reserve Fund as of July 1, 2011</b>	<b>\$2,000.00</b>
<b>Estimated Interest Earned</b>	<b>\$60.00</b>
<b>Estimated Revenue</b>	<b>\$8,772.00</b>
<b>Total Estimated Funds Available</b>	<b>\$10,832.00</b>
<b>Total Estimated Expenditures**</b>	<b>\$8,772.00</b>
<b>Estimated Reserve Fund Balance at End of Fiscal Year</b>	<b>\$2,060.00</b>

Note: Of the original \$31,450 installation and construction costs to be reimbursed to the developer, all \$31,450 (5 years \* \$6,290) were reimbursed by the end of the 2010-11 Fiscal Year.

## **PART C**

### **FY 2011-12 ASSESSMENT ROLL**

As described in Part B, the total proposed Assessment District revenues of \$8,772.00 for FY 2011-12 consist entirely of assessments associated with Zone A of this district. As other zones are annexed into this assessment district, separate line items will be shown for each zone.

The breakdown of FY 2011-12 annual assessment per parcel is shown in Table 3 of this report. The lines and dimensions of each parcel are shown on the maps in the office of the County Assessor of the County of Glenn.

Table 3

**CITY OF WILLOWS**  
**Landscaping and Lighting Assessment District**  
**Fiscal Year 2011-12**  
**Zone A - Birch Street Village**

APN	Assessment Diagram Number	Land Use Code	Land Use Type	Assessment Amount	Owner Name	Address
001-07-1-009	26	R1XX	Single Family	\$258.00	Kindy Eugene M Jr & Kindy Roberta A	8600 Mecca Rd, Elk Grove, CA 95624
001-07-1-010	27	R1XX	Single Family	\$258.00	Patel Deepak A & Bina D	330 S Humboldt Ave, Willows, CA 95988
001-07-1-011	28	R1XX	Single Family	\$258.00	Medina Humberto	340 S Humboldt Ave, Willows, CA 95988
001-07-1-012	29	R1XX	Single Family	\$258.00	Pollock Robert R	350 S Humboldt Ave, Willows, CA 95988
001-07-1-013	30	R1XX	Single Family	\$258.00	Wells Fargo Bank	3476 Stateview Blvd, Fort Mill, SC 29715
001-07-1-014	31	R1XX	Single Family	\$258.00	Singh Kulwinder	521 Greg Thacht Cir, Sacramento, CA 95835
001-07-1-015	32	R1XX	Single Family	\$258.00	Ross Jack & Ross Candace J/T	6141 W 4th St, Rio Linda, CA 95673
001-07-1-016	33	R1XX	Single Family	\$258.00	Holsinger Stephen A	P.O. Box 2021, Willows, 95988
001-07-1-017	34	R1XX	Single Family	\$258.00	Dover Jerome W	3323 Knollridge Dr, El Dorado Hills, CA 95762
001-07-1-018	16	R1XX	Single Family	\$258.00	Kumar Priti	199 N Humboldt Ave, Willows, CA 95988
001-07-1-019	15	R1XX	Single Family	\$258.00	Street Amy L & Street Timothy R	451 El Dorado Ave, Willows, CA 95988
001-07-1-020	14	R1XX	Single Family	\$258.00	Lombard Tyler	461 El Dorado Ave, Willows, CA 95988
001-07-1-021	17	R1XX	Single Family	\$258.00	Birch Street Village LP	3323 Knollridge Dr., El Dorado Hills, CA 95762
001-07-1-022	18	R1XX	Single Family	\$258.00	Raygoza Orlando P & Raygoza Lourdes F	421 El Dorado Ave, Willows, CA 95988
001-07-1-023	19	R1XX	Single Family	\$258.00	Dover Jerome W	3323 Knollridge Dr, El Dorado Hills, CA 95762
001-07-1-024	20	R1XX	Single Family	\$258.00	Ngo Cuong Bach & Tra Thuy Thanh Thi	371 El Dorado Ave, Willows, CA 95988
001-07-1-025	21	R1XX	Single Family	\$258.00	Vang Chao & Vang Khou S/S	361 El Dorado Ave, Willows, CA 95988
001-07-1-026	22	R1XX	Single Family	\$258.00	Olmos Steven A & Olmos Charissa M	351 El Dorado Ave, Willows, CA 95988
001-07-1-027	23	R1XX	Single Family	\$258.00	Baker Nicole C	341 El Dorado Ave, Willows, CA 95988
001-07-1-028	24	R1XX	Single Family	\$258.00	Murillo Lorena	331 El Dorado Ave, Willows, CA 95988
001-07-1-029	25	R1XX	Single Family	\$258.00	Clark Janie C TRS	321 El Dorado Ave, Willows, CA 95988
001-07-1-030	13	R1XX	Single Family	\$258.00	Cook Kenneth & Jamie	1981 Co Rd B, Willows, CA 95988
001-07-1-031	12	R1XX	Single Family	\$258.00	Hernandez Jaime & Hernandez Gabriela	320 El Dorado Ave, Willows, CA 95988
001-07-1-032	11	R1XX	Single Family	\$258.00	Askeland Kevin	PO Box 310, Willows, CA 95988
001-07-1-033	10	R1XX	Single Family	\$258.00	Jaramillo Jose Luis & Jaramillo Brenda	340 El Dorado Ave, Willows, CA 95988
001-07-1-034	9	R1XX	Single Family	\$258.00	Fannie Mae	3476 Stateview Blvd, Fort Mill, SC 29715
001-07-1-035	8	R1XX	Single Family	\$258.00	Haman Galen & Monica M	360 El Dorado Ave, Willows, CA 95988
001-07-1-036	7	R1XX	Single Family	\$258.00	McDonald David S	370 El Dorado Ave, Willows, CA 95988
001-07-1-037	6	R1XX	Single Family	\$258.00	Cook, Kenneth & Jamie	1981 Co Rd B, Willows, CA 95988
001-07-1-038	5	R1XX	Single Family	\$258.00	Carrillo Fernando & Rodriguez Yadira	410 El Dorado Ave, Willows, CA 95988
001-07-1-039	4	RVXX	Single Family (vacant)	\$258.00	Birch Street Village LP	3323 Knollridge Dr, El Dorado Hills, CA 95762
001-07-1-040	3	R1XX	Single Family	\$258.00	Neuhardt Floyd Jr & Neuhardt Carol	430 El Dorado Ave, Willows, CA 95988
001-07-1-041	2	R1XX	Single Family	\$258.00	Dover Jerome W	3323 Knollridge Dr, El Dorado Hills, CA 95762
001-07-1-042	1	R1XX	Single Family	\$258.00	Southam Boyd & Southam Stephanie	450 El Dorado Ave, Willows, CA 95988
Lot A	Lot A	Null	Easement	\$0.00	Null	Null
<b>Total Units:</b>	<b>34</b>		<b>Total Assessment:</b>	<b>\$8,772.00</b>		

## PART D

### METHOD OF APPORTIONMENT OF ASSESSMENT

The following is a brief description of the manner that the annual assessment has been apportioned (spread) to each parcel in Zone A in the Assessment District:

#### **Zone A – Birch Street Village**

With the Birch Street Village development, both lighting and landscaping were installed as part of the improvements. Special benefit derived by each of the parcels within this Zone for these improvements are as follows:

Street Lights: Because the improvements have met the City's lighting requirements, the lights within the subdivision are spaced per adopted City standards, thereby providing the direct and special benefits of safety for vehicular traffic and pedestrian travel at night and safety lighting of the neighborhood in general for all parcels within this zone. Therefore each parcel receives approximately equal and special benefit. Accordingly, the method by which each parcel is proposed to be assessed for costs associated with Zone A is a total estimated cost of maintenance and operation of street lighting and for the appropriate administrative costs associated with this zone divided by the total number of lots within Zone A.

Landscaping: The type of street landscaping and subsequent required operation and maintenance costs associated with this street landscaping gives approximate equal benefit to all of those parcels in this Zone. Each parcel benefits directly from the pleasing aesthetics of the landscaping for the subdivision as well as increased air quality from additional plant life. Accordingly, the method by which the assessment is spread to each of the parcels within Zone A is by taking the total estimated cost of the operation and maintenance of the street landscaping and for the appropriate administrative costs associated with this zone divided by the total number of lots within Zone A.

Developer Installed Improvements Funded by this Assessment District: The City and developer agreed that during the formation of this assessment district in 2005, that the costs for the design and installation of the landscaping and lighting improvements, as well as the costs associated with formation of the assessment district would be funded through the assessment district and would be paid back by this assessment district over a 5 year period. These costs, totaling \$31,450, were scheduled to be paid back over a 5 year period (with the 2010-11 fiscal year being the fifth and final year of the five years.) The portion of the assessment associated with the landscaping, lighting and formation of the district gives approximate equal benefit to all of those parcels in this Zone. Accordingly, the total installation costs (along with the incidental and administrative costs) were divided by the total number of lots within Zone A to derive the increased portion of the assessment for each parcel associated with paying back the costs for installation of the improvements. These costs were paid in full at the end of FY 2010-11 and are no longer being assessed.

Government Owned Parcels: No charges associated with Zone A shall be imposed upon a federal, state or local government agency, upon a parcel without a dwelling used exclusively for greenbelt, or

open space. In future years however, a federal, state or local government agency receiving special benefit from Zone A shall be assessed by virtue of Proposition 218. Article XIID, Section 4(a) states that public agencies, "shall not be exempt from assessment".

### MAXIMUM ALLOWABLE ASSESSMENT AND INFLATIONARY FACTORS

In 2005, the original Engineer's Report stated that assessments may be adjusted each year to account for inflation of costs and services in accordance with the Bay Area (San Francisco-Oakland-San Jose) Consumer Price Index (CPI) for all urban consumers, or 3%, whichever is greater. An Annual CPI increase has been applied for each year, however it should be noted that, due to the economic climate, in the past 2 years the implemented increase has been less than 3%. A history of the CPI adjustments and the FY 2011-12 Maximum Allowed Assessment per Parcel are shown as follows:

<b>Maximum Allowable Assessment Analysis</b>				
	<b>Annual CPI Increase</b>			<b>Total Assessment Maximum</b>
	<b>Year</b>	<b>%</b>	<b>Amount</b>	
<b>FY 2006-07 Original Assessment per Parcel</b>	n/a	n/a		<b>\$361.92</b>
<b>FY 2007-08 Maximum Allowed Assessment per Parcel</b>	2006	3.20%	\$11.58	<b>\$373.50</b>
<b>FY 2008-09 Maximum Allowed Assessment per Parcel</b>	2007	3.30%	\$12.32	<b>\$385.82</b>
<b>FY 2009-10 Maximum Allowed Assessment per Parcel</b>	2008	3.10%	\$11.96	<b>\$397.78</b>
<b>FY 2010-11 Maximum Allowed Assessment per Parcel</b>	2009	0.70%	\$2.78	<b>\$400.56</b>
<b>FY 2011-12 Maximum Allowed Assessment per Parcel</b>	2010	1.40%	\$5.61	<b>\$406.17</b>

Actual assessments amounts to be collected do not have to be set at the maximum assessment. Establishing the maximum available assessment each year and keeping up with inflation allows the assessments to be increased to this maximum amount sometime in the future if costs associated with this Assessment District increase (e.g. if in any year there are unanticipated expenditures due to such things as vandalism) and will preclude having to go through electorate approval per California Constitution Article XIIC, Section 2(b) (Proposition 218 requirements.)

## **PART E**

### **FY 2011-12 PROPERTY OWNERS LIST**

The names and addresses of each of the property owners as shown on the County of Glenn Assessor's Tax Assessment Roll are shown below. The names and addresses have been keyed to the special assessment number (the assessor parcel number) as shown in Part C of this Engineer's Report.

Table 4

**CITY OF WILLOWS**  
**Landscaping and Lighting Assessment District**  
**Fiscal Year 2011-12**  
**Zone A - Birch Street Village**

APN	Assessment Diagram Number	Owner Name	Address
001-07-1-009	26	Kindy Eugene M Jr & Kindy Roberta A	8600 Mecca Rd, Elk Grove, CA 95624
001-07-1-010	27	Patel Deepak A & Bina D	330 S Humboldt Ave, Willows, CA 95988
001-07-1-011	28	Medina Humberto	340 S Humboldt Ave, Willows, CA 95988
001-07-1-012	29	Pollock Robert R	350 S Humboldt Ave, Willows, CA 95988
001-07-1-013	30	Wells Fargo Bank	3476 Stateview Blvd, Fort Mill, SC 29715
001-07-1-014	31	Singh Kulwinder	521 Greg Thacth Cir, Sacramento, CA 95835
001-07-1-015	32	Ross Jack & Ross Candace J/T	6141 W 4th St, Rio Linda, CA 95673
001-07-1-016	33	Holsinger Stephen A	P.O. Box 2021, Willows, 95988
001-07-1-017	34	Dover Jerome W	3323 Knollridge Dr, El Dorado Hills, CA 95762
001-07-1-018	16	Kumar Priti	199 N Humboldt Ave, Willows, CA 95988
001-07-1-019	15	Street Amy L & Street Timothy R	451 El Dorado Ave, Willows, CA 95988
001-07-1-020	14	Lombard Tyler	461 El Dorado Ave, Willows, CA 95988
001-07-1-021	17	Birch Street Village LP	3323 Knollridge Dr., El Dorado Hills, CA 95762
001-07-1-022	18	Raygoza Orlando P & Raygoza Lourdes F	421 El Dorado Ave, Willows, CA 95988
001-07-1-023	19	Dover Jerome W	3323 Knollridge Dr, El Dorado Hills, CA 95762
001-07-1-024	20	Ngo Cuong Bach & Tra Thuy Thanh Thi	371 El Dorado Ave, Willows, CA 95988
001-07-1-025	21	Vang Chao & Vang Khou S/S	361 El Dorado Ave, Willows, CA 95988
001-07-1-026	22	Olmos Steven A & Olmos Charissa M	351 El Dorado Ave, Willows, CA 95988
001-07-1-027	23	Baker Nicole C	341 El Dorado Ave, Willows, CA 95988
001-07-1-028	24	Murillo Lorena	331 El Dorado Ave, Willows, CA 95988
001-07-1-029	25	Clark Janie C TRS	321 El Dorado Ave, Willows, CA 95988
001-07-1-030	13	Cook Kenneth & Jamie	1981 Co Rd B, Willows, CA 95988
001-07-1-031	12	Hernandez Jaime & Hernandez Gabriela	320 El Dorado Ave, Willows, CA 95988
001-07-1-032	11	Askeland Kevin	PO Box 310, Willows, CA 95988
001-07-1-033	10	Jaramillo Jose Luis & Jaramillo Brenda	340 El Dorado Ave, Willows, CA 95988
001-07-1-034	9	Fannie Mae	3476 Stateview Blvd, Fort Mill, SC 29715
001-07-1-035	8	Haman Galen & Monica M	360 El Dorado Ave, Willows, CA 95988
001-07-1-036	7	McDonald David S	370 El Dorado Ave, Willows, CA 95988
001-07-1-037	6	Cook, Kenneth & Jamie	1981 Co Rd B, Willows, CA 95988
001-07-1-038	5	Carrillo Fernando & Rodriguez Yadira	410 El Dorado Ave, Willows, CA 95988
001-07-1-039	4	Birch Street Village LP	3323 Knollridge Dr, El Dorado Hills, CA 95762
001-07-1-040	3	Neuhardt Floyd Jr & Neuhardt Carol	430 El Dorado Ave, Willows, CA 95988
001-07-1-041	2	Dover Jerome W	3323 Knollridge Dr, El Dorado Hills, CA 95762
001-07-1-042	1	Southam Boyd & Southam Stephanie	450 El Dorado Ave, Willows, CA 95988
Lot A		Null	Null

## **PART F**

### **FY 2011-12 ASSESSMENT DIAGRAM**

Attached, you will find an Assessment Diagram (map) for Zone A within the Assessment District. Please note that the lines and dimensions of each parcel, as well as the distinctive assessment number, are shown on the Assessor's Maps for the City of Willows available at the County of Glenn Assessor's Office. The attached pages also provide the reference to the appropriate Assessor Books at the County for the subdivision.

**Zone A**

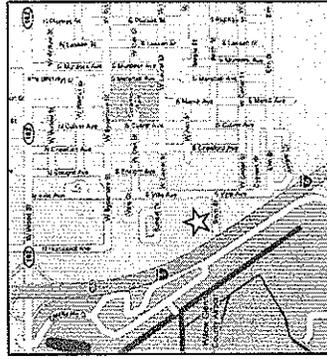
All the land lying within the Birch Street Village Subdivision, filed in the Recorder's Office of the County of Glenn in Book 13, Page 64.

# CITY OF WILLOWS

## LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT

### ASSESSMENT DIAGRAM

#### ZONE A - BIRCH STREET VILLAGE



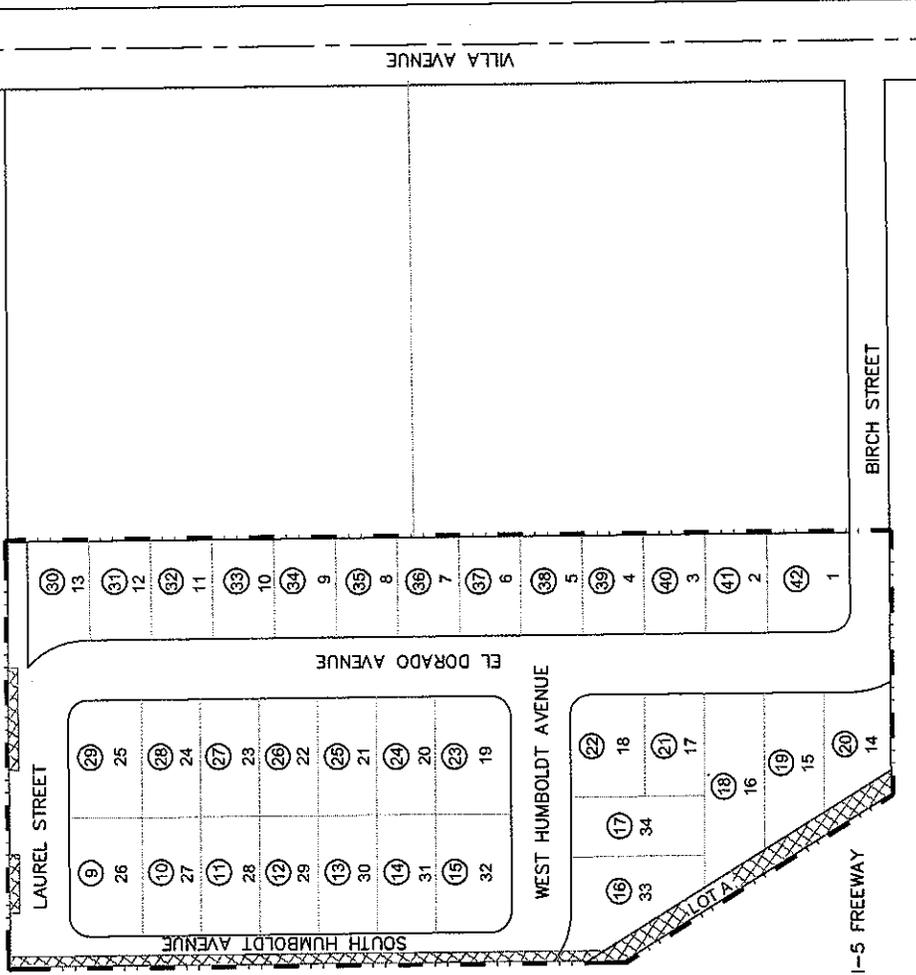
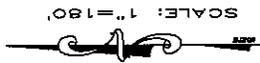
VICINITY MAP

- Landscape Maintenance Area
- Assessment District Boundary

**NOTE:**  
FOR THE DISTINCTIVE ASSESSMENT NUMBER AND DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF EACH PARCEL REFER TO THE ASSESSORS MAPS FOR THE CITY OF WILLOWS AVAILABLE AT THE GLENN COUNTY ASSESSORS OFFICE.

PREPARED FOR  
**CITY OF WILLOWS**  
GLENN COUNTY CALIFORNIA  
2011-2012 Fiscal Year

APN: BOOK 001, PAGE 07, BLOCK 1.  
THE SPECIFIC LOT NUMBER IS SHOWN IN THE CIRCLE  
THE ASSESSMENT DIAGRAM NUMBER IS BELOW THE LOT NUMBER



**Coastland Civil Engineering, Inc.**  
1400 Neotomas Avenue, Santa Rosa, CA 95405  
707/571-0005

**AGENDA ITEM**

**TO:** Steve Holsinger, City Manager

**FROM:** Tim Sailsbery, Finance Director

**SUBJECT:** PERS Contract Amendment-Section 20903-Two Years Additional Service Credit-Ordinance Authorizing Amendment with Cal PERS and Disclosure of Total Cost of Implementing Two Years Additional Service Credit

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**RECOMMENDATION**

Introduce the Ordinance of the City Council of The City of Willows Authorizing An Amendment to the Contract Between the City Council of the City of Willows and the Board of Administration of the California Public Employees Retirement System and Pass First Reading

**SITUATION (or BACKGROUND):**

Council has directed staff to proceed with the process of adding Public Employees Retirement Law Section 20903-Two Years Additional Service Credit. The first step in this process, the adoption of a Resolution of Intention to amend the City's contract with PERS for both the public safety and miscellaneous members, occurred on June 1.

At this time, an ordinance is now introduced for Council Consideration. Said ordinance will authorize the Mayor to execute an amendment to the existing contracts between the City and CalPERS for both public safety and miscellaneous members to add Section 20903-Two Years Additional Service Credit.

Government Code Section 7507 requires disclosure of the future cost of the proposed contract amendment. A total of 14 employees are eligible to elect this benefit based upon a City-wide offering of two years additional service credit. The estimated future cost of these 14 employees utilizing the two years additional service credit would be \$477,937. Said benefit would be amortized over a twenty year period, with an estimated annual amortized cost of \$23,897. At this time, however, 3 employees have committed to accepting the two years additional service credit. The estimated future cost of providing the additional benefit is \$71,005. Amortization over a twenty year period provides and estimated annual amortized cost of \$3,550.

If adopted by Council, additional employer contributions pertaining to the additional service credit would commence July 1, 2013.

**FINANCIAL CONSIDERATIONS:**

Noted in the Situation portion of the Staff Report.

**NOTIFICATION**

Public Notification of Ordinance published in newspaper of general circulation on June 4, 2011.

**RECOMMENDATION**

Adopt the Resolution of Intention to Approve an Amendment to Contract Between the Board of Administration—California Public Employees' Retirement System and the City Council of the City of Willows

Respectfully submitted,



Tim Sallsbery  
Finance Director

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Attachments:      Ordinance  
                            Amendment to Contract

ORDINANCE NO. \_\_\_\_\_ - 2011

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILLOWS  
AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY  
COUNCIL OF THE CITY OF WILLOWS AND THE BOARD OF ADMINISTRATION  
OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

The City Council of the City of Willows does ordain as follows:

Section 1 - That an amendment to the contract between the City Council of the City of Willows and the Board of Administration, California Public Employees' Retirement System is hereby authorized, a copy of said amendment being attached hereto, marked Exhibit, and by such reference made a part hereof as though herein set out in full.

Section 2 - The Mayor of the City Council is hereby authorized, empowered, and directed to execute said amendment for and on behalf of said Agency.

Section 3 - This Ordinance shall take effect 30 days after the date of its adoption, and prior to the expiration of 10 days from the passage thereof shall be published at least once in the Sacramento Valley Mirror, a newspaper of general circulation, published and circulated in the City of Willows, County of Glenn, and thenceforth and thereafter the same shall be in full force and effect.

Introduced for first reading on June 14, 2011.

ADOPTED AND APPROVED by the City Council of the City of Willows this  
28<sup>th</sup> day of June, 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

\_\_\_\_\_  
Gary Hansen, Mayor

\_\_\_\_\_  
Natalie Butler, City Clerk



**EXHIBIT**

California  
Public Employees' Retirement System

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**AMENDMENT TO CONTRACT**

Between the  
Board of Administration  
California Public Employees' Retirement System  
and the  
City Council  
City of Willows

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The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective February 1, 1965, and witnessed December 14, 1964, and as amended effective November 1, 1965, July 1, 1972, May 1, 1996, July 10, 1998, July 1, 2001 and January 1, 2005 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 12 are hereby stricken from said contract as executed effective January 1, 2005, and hereby replaced by the following paragraphs numbered 1 through 13 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 60 for local miscellaneous members and age 50 for local safety members.

PLEASE DO NOT SIGN "EXHIBIT ONLY"

2. Public Agency shall participate in the Public Employees' Retirement System from and after February 1, 1965 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.
  
3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorneys fees that may arise as a result of any of the following:
  - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
  - (b) Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than existing retirement benefits, provisions or formulas.
  - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
  - (d) Public Agency's election to file for bankruptcy under Chapter 9 (commencing with section 901) of Title 11 of the United States Bankruptcy Code and/or Public Agency's election to reject this Contract with the CalPERS Board of Administration pursuant to section 365, of Title 11, of the United States Bankruptcy Code or any similar provision of law.
  - (e) Public Agency's election to assign this Contract without the prior written consent of the CalPERS' Board of Administration.
  - (f) The termination of this Contract either voluntarily by request of Public Agency or involuntarily pursuant to the Public Employees' Retirement Law.
  - (g) Changes sponsored by Public Agency in existing retirement benefits, provisions or formulas made as a result of amendments, additions or deletions to California statute or to the California Constitution.

PLEASE DO NOT SIGN "EXHIBIT ONLY"

4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
  - a. Local Fire Fighters (herein referred to as local safety members);
  - b. Local Police Officers (herein referred to as local safety members);
  - c. Employees other than local safety members (herein referred to as local miscellaneous members).
5. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:
  - a. **PERSONS COMPENSATED ON AN HOURLY BASIS WHO ARE EMPLOYED ON OR AFTER NOVEMBER 1, 1965.**
6. The percentage of final compensation to be provided for each year of credited prior and current service as a local miscellaneous member in employment before and not on or after January 1, 2005 shall be determined in accordance with Section 21354 of said Retirement Law subject to the reduction provided therein for Federal Social Security (2% at age 55 Modified and Full).
7. The percentage of final compensation to be provided for each year of credited prior and current service as a local miscellaneous member in employment on or after January 1, 2005 shall be determined in accordance with Section 21354.3 of said Retirement Law subject to the reduction provided therein for Federal Social Security (3% at age 60 Modified and Full).
8. The percentage of final compensation to be provided for each year of credited prior and current service as a local safety member shall be determined in accordance with Section 21362.2 of said Retirement Law subject to the reduction provided therein for Federal Social Security (3% at age 50 Modified).
9. Public Agency elected and elects to be subject to the following optional provisions:
  - a. Section 20965 (Credit for Unused Sick Leave).
  - b. Section 21024 (Military Service Credit as Public Service).
  - c. Section 20903 (Two Years Additional Service Credit).
10. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.

11. Public Agency shall also contribute to said Retirement System as follows:
- a. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
  - b. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.
12. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.
13. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

BOARD OF ADMINISTRATION  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL  
CITY OF WILLOWS

BY \_\_\_\_\_  
DARRYL WATSON, CHIEF  
CUSTOMER ACCOUNT SERVICES DIVISION  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY \_\_\_\_\_  
PRESIDING OFFICER

\_\_\_\_\_  
Witness Date

Attest:

\_\_\_\_\_  
Clerk

CITY OF WILLOWS  
2011/12  
GENERAL FUND BUDGET UPDATE  
STATUS @ 06/14/11

**06/14/11 Update Items-** Per continued review of departmental level budgets, an additional \$16,430 in General Fund savings is proposed via cuts and allocation transfers. This moves the projected deficit from \$297K to \$281K.

Additional cuts are pending Council action, and, as such, are not included in the total. The attached budget worksheet is provided to include other items as action is taken or recommendation made by the Council.

City of Willows  
 Budget Update  
 Schedule of Changes  
 Update 6/14/11

Projected General Fund Deficit at 0517/11	\$	463,000
Projected Effect of 3 retirements at 10/01/11	\$	(136,000)
Backfill of Part Time Staff due to Retirements	\$	26,000
Elimination of Funding- Part Time CSO Position	\$	(17,000)
Partial Elimination of Funding- Part Time Accounts Analyst	\$	(11,000)
Revision to Liability Insurance Premium and one-time dividend received to offset portion of liability insurance	\$	(26,000)
Revision to Revenue Estimates	\$	(2,000)
Projected Deficit at 06/01/11	\$	<u>297,000</u>
Departmental Level Cuts and Allocation Transfers	\$	(16,430)
Note: Effect of Other Cuts Not Included as Items Remain Pending Council Decision		<u>                    </u>
		<u>                    </u>
Net Deficit (Target=\$150,000)		<u><u>                    </u></u>