

MINUTES OF THE WILLOWS CITY COUNCIL
REGULAR MEETING HELD June 28, 2016

1. Mayor Hansen called the meeting to order at 7:00 p.m.
2. **PLEDGE OF ALLEGIANCE:** Council Member Williams led the Pledge of Allegiance.

3. **ROLL CALL:**

Present: Council Members Domenighini, Mello, Williams, Yoder & Mayor Hansen.

Absent: None

4. **Presentations & Proclamations:** None
5. **Public Comment/Written Communications:** None

6. **Consent Agenda:**

M/S –Williams/Domenighini to approve the Consent Agenda as presented. All Ayes and the motion unanimously passed 5/0 and the following items were approved/adopted:

- a) Approval of General Checking, Payroll Checks & Payroll Direct Deposit Registers (33634-33672; Z07378-Z07412; 36191-36207).
- b) Approval of the Minutes of the Willows City Council Meeting held on May 24, 2016.
- c) Approval of the Minutes of the Willows City Council Meeting held on June 14, 2016.

7. **New Business:**

- a) 2016-2017 General Fund Budget Adjustments:

At the budget hearing held on June 1, staff presented a General Fund budget that contained an operating deficit for 2016/17 of \$219K and for 2017/18 of \$265K. At that time the Council directed staff to table the 2017/18 budget and bring back the 2016/17 budget for adoption as presented and follow with proposed adjustments at the meeting scheduled for October 11, 2016.

While additional time for staff to analyze a number of cost saving measures was appreciated, the effect of certain cuts are diminished if they are not implemented at or near the beginning of the fiscal year. In addition to the proposed cuts, staff had received updated information in several areas after the budget hearing on June 1 that create adjustments to the originally presented General Fund budget. These proposed cuts/adjustments are:

- **Postpone salary step increase for Management positions.**
When Council approved the salary scale for Management and Confidential Employees in July of 2015, the resolution contained a clause that allowed Council, via approval of

expenditures in the budget, to postpone or delay salary step increases. Management staff is requesting that the Council implement this postponement, set to occur on January 1, 2017, for the positions of Fire Chief/Interim City Manager, Police Chief, Public Works Director, Finance Director, Recreation Director, Building Official and City Clerk, but that the positions of Administrative Analyst and Police Administrative Secretary (the “Confidential” positions in the Management and Confidential Group) receive their respective step increases. The resolution to adopt this postponement is before the Council for adoption this evening and it will be in effect until the end of the fiscal year (6/30/17), where Council will then have another opportunity whether or not to fund the step increase. The estimated cost savings to the General Fund if this resolution is adopted is \$19,109.

- **Implement 5% furlough for management positions.**

Similar to the step increase deferral, the furlough would be for management positions (confidential positions would not be included). Ultimately, Management would be compensated for 38 hour/35.625 hour work weeks rather than 40/37.5, depending on the employee’s existing schedule. It is the intent to keep the hours of operation of City Hall as currently in place, which is Monday through Friday from 8:00 a.m. to 5:00 p.m. The furlough, if approved, would go into effect on July 11, which will be the start of the first full pay period of the fiscal year. The resolution to implement the furloughs is before the Council for adoption this evening. It was noted by Finance Director Tim Sailsbery that the resolution that was included in the original agenda packet has been amended to remove the clause that “directs the Fire Chief/Interim City Manager to implement and manage the work schedules of the positions in order to meet the furlough status” and a revised copy of the resolution had been distributed to the Council just prior to the meeting. This clause was removed at the direction of City Attorney, Bob Hunt, as he opined that it could potentially compromise the status of “exempt” Management employees that are generally responsible for their own work schedules. The estimated cost savings to the General Fund if this resolution is adopted is \$33,551.

- **Updated Workers Compensation Insurance Premiums.**

Staff received updated net premium numbers regarding workers compensation following the June 1 meeting. Net savings from the original estimate is \$8540 to the General Fund and \$1113 to the Sewer Enterprise Fund. No Council action, separate from adopting the 2016/17 Budget is necessary.

- **Updated Cafeteria (Health and other benefit costs).**

PERS has published the 2017 rates for the Blue Shield Access Plus HMO, the basis for the cafeteria plan benefit for employees. Each year a 5% increase is used as an estimate for budgeting purposes. We now have exact numbers, and the increase is 8.47%.

In addition, those who are subject to the postponed step increase and 5% furlough are also subject to receiving 80% of the cafeteria plan benefit rather than the full benefit. It is requested that the cafeteria benefit for 2017 for this group be set so that the out-of-pocket contribution is held at 2016 levels rather than resetting at 80% of 2017 amounts.

The net result of these items is additional cost of \$8469 in the General Fund and \$1110 to the Sewer Enterprise Fund. Council will take action on the Cafeteria Plan documents in the fall (as occurs each year). However, at this point, this will be included in the 16/17 budget to be adopted.

The net result of all of the items listed is a General Fund budget savings of \$52,731. The projected deficit moves from \$219,748 to \$167,017. Staff requests that Council take action on the proposed resolutions prior to moving to the public hearing for the 2016/17 budget adoption coming up later on tonight's agenda.

M/S – Domenighini/Williams to adopt a Resolution temporarily deferring step increases for selected positions. The motion unanimously passed 5/0 with a roll-call vote.

M/S – Domenighini/Mello to adopt a Resolution temporarily authorizing a 5% furlough for selected positions. The motion unanimously passed 5/0 with a roll call vote.

b) Solid Waste Management Parcel Fee

Each residential, commercial and industrial parcel within the City is charged a fee for disposal of solid waste at the Glenn County Disposal site. Sections 5470-5473 of the California Health and Safety Code provide for the Board of Supervisors of any county to establish a schedule of fees to be imposed for the operation and maintenance of county waste disposal sites. Section 5471 also provides that prior to imposing this fee, the Board of Supervisors shall obtain the consent of the legislative bodies of the cities.

For fiscal year 2016/2017 the parcel fee is proposed to be \$42.74 per unit. This reflects no increase from the previous year. Staff is requesting that the Council adopt the Resolution consenting to this service charge.

M/S – Yoder/Williams to adopt a Resolution consenting to the imposition of Fiscal Year 2016-2017 Solid Waste Management Parcel Fee. The motion unanimously passed 5/0 with a roll call vote.

c) Election Policy – Discuss and potentially amend Administrative Policy 9-1

The County Elections Office has recently provided the City with a Municipal Elections Calendar in anticipation of the November 8, 2016, General Election. Prior to noticing the public and accepting nomination documents for available Council seats, it seems an appropriate time for the Council to review, discuss, reaffirm and possibly modify the City's current Election Policy.

City of Willows Administrative Procedures and Policy #9-1 currently limits the candidate statement to 200 words and indicates that the Candidate is responsible for the cost of publishing the statement.

California Elections Code 13337 (a) (1) states as follows:

“Each candidate for non-partisan elective office in any local agency, including any city, county, city and county, or district, may prepare a candidate’s statement on an appropriate form provided by the elections official. The statement may include the name, age, and occupation of the candidate and a brief description, of no more than 200 words, of the candidate’s education and qualifications expressed by the candidate himself or herself. *However, the governing body of the local agency may authorize an increase in the limitations on words for the statement from 200 to 400 words.* The statement shall not include the party affiliation of the candidate, nor membership or activity in partisan political organizations.”

On July 11, 2006, this item was on the agenda for discussion and it was requested at that time that the Council be given the opportunity to review this policy prior to each election. The last revision to the policy was June 26, 2012.

Council discussion ensued regarding the number of words currently allowed by Admin Policy 9-1, and some Council Members wondered why the City has historically kept the maximum amount of words at 200 instead of 400. Willows resident Kerri Warren addressed the Council and stated that she believes the reason it may have been kept at a 200-word maximum was for spacing purposes in the Official Voter Information Guide. As discussions continued, the Council Members concluded that since Candidate Statements are optional and if the Candidate does opt to have a Statement placed in the Voter Information Guide, the Candidate bears the cost; therefore they believed they should increase the maximum number of words to 400.

M/S – Domenighini/Yoder to amend Administrative Policy 9-1, Section II Item 1 to read “Candidates’ statements shall be limited to a maximum of 400 words”. The motion unanimously passed 5/0.

d) Appointments of 3 members to the Library Board of Trustees:

Currently there are three seats on the Willows Library Board of Trustees which terms will expire on June 30, 2016. At the May 28, 2016 City Council Meeting, staff was directed to advertise and solicit applications to fill these seats and Council Members Mello and Williams agreed to serve on a subcommittee to review applications, conduct interviews and make their recommendations for three individuals to fill these positions. Four applications were received – two from current Trustees Lisa Kennedy and Robert Griffith and two new applicants, Joni Lehr and Sunshine Kelly. The subcommittee conducted applicant interviews on June 20, 2016 and will make their recommendations to the full Council who they believe should fill these three seats. The terms of office for these seats run from July 1, 2016 to June 30, 2019.

Council Member Williams stated that he thoroughly enjoyed this process and it was a pleasure to serve on this subcommittee along with Council Member Mello. He stated that during the process he was happy to have heard very positive comments from all of the applicants about the Willows, Elk Creek and Bayliss Libraries and also about Library Director Jody Meza and “Friends of the Willows Library” President Brian Ramos. While this was a difficult decision since all four applicants were qualified to serve and would have served well, unfortunately there are only three seats available and his and Council Member Mello’s recommendations are to reappoint Robert Griffith and Lisa Kennedy and to also appoint Sunshine Kelly. The decision

was not an easy one but it ultimately came down to which of the candidates had the greatest amount of experience with library operations. Council Member Williams thanked Joni Lehr for going through the application and interview process and he encouraged her to continue to be actively involved with the library. Council Member Domenighini also addressed Mrs. Lehr and he encouraged her to attend Library Board meetings and to take advantage of any future vacancies on the board. Council Member Mello concurred with all of Council Member Williams' comments and again reiterated that it was not a decision that was easily made but it came down to a matter of who had the most experience.

M/S – Domenighini/Yoder to appoint Sunshine Kelly and reappoint current members Robert Griffith and Lisa Kennedy to the three seats on the Library Board. The motion unanimously passed 5/0.

Robert Griffith addressed the Council and thanked them for allowing him to continue to serve on the board for another three years.

8. Public Hearings:

a) 2016/2017 Budget Adoption:

The City Council conducted a budget review and analysis session workshop on June 1 and as part of the workshop sessions, the Council received input from staff in an open, public session. As a result, Council provided direction to staff to return to the Council with a budget resolution.

As presented for adoption, the budget includes expenditure levels of \$6,621,045. The proposed budget carries a General Fund operating deficit of \$167,017 for 2016/17 which will be covered by General Fund Reserves currently estimated to be at \$997,352.

Additionally, in accordance with debt covenants associated with the USDA loan for the wastewater treatment plant renovation, 1/10th of an annual loan payment must be placed into reserved status each year from the Sewer Enterprise Fund. This will continue annually until the equivalent of a full annual loan payment is held in reserve. The amount to be designated for 2016/17 is \$36,000 each. This will be the tenth and final year of said debt reserve designation.

Attachments to the staff report include summary recaps of revenue and expenditure projections for General and Special Revenue Funds, Sewer Enterprise Fund (including designation of debt reserve) and Water Enterprise Funds.

This Budget is presented for adoption without consideration of actions yet to be taken by the State of California or the County of Glenn regarding their respective 2016/17 budgets. Should actions taken by these agencies have an impact on the financial status of the city, Staff will return to the Council for further budgetary action.

It was noted by Finance Director Tim Sailsbery that the resolution presented in the original agenda packet failed to include the hiring freeze, therefore an amended resolution with that

addition was handed out to the Council just prior to the meeting and that will be the resolution that the Council will be acting on.

Mayor Hansen opened the public hearing at 7:28 p.m., and hearing no comments, subsequently closed the public hearing at 7:28 p.m.

M/S – Mello/Yoder to adopt a Resolution adopting the 2016/17 Annual Budget and designating Sewer Enterprise Fund Debt Reserve. The motion unanimously passed 5/0.

9. **Ordinances:** None

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

Finance Director Sailsbery announced that there was a recent email sent out regarding “cooling stations” in Glenn County. He informed the Council that one of the designated cooling stations is the Willows Library. He also announced that there will be a fireworks display at Jensen Park on the night of the 4th of July and encouraged everybody’s attendance.

11. **Council Member Reports:**

- Council Member Williams reported that he attended a Transit & Transportation meeting and that Gloria Ponciano is now officially retired from Para-Transit Services.
- Mayor Hansen stated that he wanted to go on record publicly thanking Gloria Ponciano for her many dedicated years of service with both Glenn County and with Para-Transit Services. He also reported that he assisted with the Community Clean-Up Day on June 18 and that it was an extremely successful event. There was nearly twice the amount of trash, furniture, scrap metal and other discarded household items as there was at last year’s event. He thanked the entire Public Works Department for their help and he also thanked Public Works Director Steve Soeth, Fire Chief/Interim City Manager Wayne Peabody, Fire Captain Skip Sykes and Building Official Clay Dawley for all of their hard work and assistance with the event.

12. **Executive Session:** None

13. **Adjournment:** Mayor Hansen adjourned the meeting at 7:37 p.m.

Dated: June 28, 2016

NATALIE BUTLER

City Clerk

The City of Willows is an Equal Opportunity Provider