

**MINUTES OF THE WILLOWS CITY COUNCIL REGULAR MEETING HELD**

**October 23, 2012**

1. The meeting was called to order at 7:00 p.m. by Mayor Holvik.
2. **PLEDGE OF ALLEGIANCE:** Council Member Yoder led the Pledge of Allegiance.

3. **ROLL CALL:**

Present: Council Members Yoder, Cobb, Hansen & Mayor Holvik

Absent: Council Member Taylor-Vodden

4. **Agenda Review:** It was pointed out that there was a typographical error on the agenda under item 7 (f) and the date should read December 25 rather than December 24. It was then **moved** by Council Member Yoder and **seconded** by Council Member Hansen to accept the October 23, 2012, City Council Meeting agenda with the amendment to item 7 (f). The motion unanimously passed.

5. **Presentations & Proclamations:** None

6. **Public Comment/Written Communications:**

Stephanie Southam, representing the Willows Monday Afternoon Club, announced that on Thursday, October 25 at 5:30 p.m. the club would be hosting a Bunko night fundraiser at 120 North Lassen Street. She stated that she has tickets available this evening for \$10.00 and people can also purchase tickets at the door. She stated the event is open to anybody and encouraged everybody to attend.

Keith Parrish informed the Council that he has been in contact with a gentleman named Jim Dahl and Mr. Dahl has agreed to host a meeting at City Hall on Thursday, October 25 at 6:30 p.m. to talk to people about the new "fire tax" that was recently passed by the state legislature.

Forrest Sprague presented the City Clerk with a letter addressed to the Mayor and the Council Members. Essentially the letter is asking the Council to establish a clear procedure whereby complaints against the City Manager or other City employees could be presented and acted upon. He also hinted that he believes pursuant to the City Manager's contract, the Council could dismiss the City Manager "with cause" under one of the provisions of his contract where it states that "cause" is defined as "conduct incompatible with the position of City Manager".

Todd Miller stated that during the October 9 City Council meeting, he presented a written personnel complaint about the City Manager to the Council. The complaint was essentially that Mr. Miller believed the City Manager lied while answering a question asked by a citizen at the September 28, 2012 City Council Meeting. He received a written response to his complaint from Mayor Holvik dated October 15, that stated that there was a consensus opinion of the City Council that the City Manager responded in an appropriate manner and was acting on behalf of the Council and as advised by legal counsel. Mr. Miller inquired what the vote of the Council was in order to reach the consensus. Mayor Holvik stated there was no vote. Mr. Miller then asked how it could be that the Council came to a consensus. Mayor Holvik stated that he made an error in the letter to Mr. Miller and that the use of the word "consensus" was an oversight on his part. He stated that he did not consult with any other members of the Council, but only sought legal advice on the subject and came to the conclusion that was stated in his letter. The Mayor

stated that the City Manager responded to the question that was asked at the September 28, 2012, in a manner which he was told to respond based on legal advice.

Rose Marie Thrailkill, speaking as a representative for the Chamber of Commerce, thanked Mayor Holvik, Council Member Hansen and the candidates running for the City Council that were present at tonight's meeting for their attending and taking part in the recent Candidates' night. She then, on behalf of herself as a citizen, thanked Mayor Holvik for his written responses to questions that she provided him about six weeks ago. Ms. Thrailkill then asked if there would be written minutes prepared for the September 28 Council Meeting and if the audio would be placed on the website. The City Clerk stated that the audio is on the website and the written minutes will come before the Council for approval at a future meeting. . Lastly, Ms. Thrailkill inquired about the status of one of the conditions of approval for the Wal-Mart Super Center. The condition she was specifically referring to was that Wal-Mart was supposed to assist with the provision of referral services to local merchants to help obtain access to management and financial counseling services in the region. Such resources that may be helpful in assisting merchants to restructure their product line pricing or advertising to better compete against the Super Center. At one time she had a discussion with a gentleman with River City Communications out of Grass Valley, and his opinion was that the independent business owners in Willows already know how to compete, therefore, he asked if Wal-Mart could just give money rather than offer the training. She explained to the gentleman that he would need to bring that up to the City because it was a City's condition of approval for the project and she couldn't make that decision. She asked if anything has been done about this at the City's level, and where is that one condition that has not yet been met. The City Manager stated that when the discussions that were being held between the River City Communications and the Chamber had broken down, the Chamber had requested his assistance in getting things back on track. That was when there were some discussions about a cash contribution. As the project unfolded with the Wal-Mart bulletin board and the pictures to be encapsulated in that bulletin board, the cash contribution discussion had been set aside as a pending item while the City was trying to finalize the design of the bulletin board. Ultimately, the Council gave approval of the final design for the bulletin board. Once that item was finalized, Wal-Mart indicated that there was still the item of the cash contribution pending, and they inquired whether or not the City wanted to accept the contribution in lieu of Wal-Mart providing training and financial counseling serves, etc. to the current Willows businesses. The City Manager referred this item to Council Member Taylor-Vodden to meet with the Chamber to hold additional discussions because he believed this is a decision that is beyond the scope of the City Manager's responsibility to decide whether to accept that payment or not. If there is an agreement between Wal-Mart's constituents and the Chamber to accept the contribution, he would be happy to advocate that the Council approve that. If that is not the case, then it will be up to the Council to accept the cash contribution and decide how to allocate it or not. This is still a pending item and there has been no cash payment or no final decision made. He stated that staff would move forward depending on whatever the direction of the Council is. Ms. Thrailkill stated that there has been no discussion on this topic with the Chamber of Commerce or with Council Member Taylor-Vodden either. Ms. Thrailkill asked what could be done to get this moving forward. The City Manager stated that if the Council desires, City staff will enter into final negotiations with Wal-Mart. Mayor Holvik agreed that the City should enter into final negotiations. Mayor Holvik stated that Ms. Thrailkill could contact the City Manager for any follow-up on this pending item.

Doug Ross echoed Ms. Thrailkill's comments and stated that he believes that if a Corporation says they are going to do something, they should do it. He believes if there were statutory conditions between the City and Wal-Mart, Wal-Mart should be obligated to comply with the conditions.

7. **Consent Agenda:**

It was **moved** by Council Member Hansen and **seconded** by Council Member Cobb to approve the Consent Agenda as presented. The motion unanimously passed and the following items were approved/adopted:

- a) Approval of General Check Register (25231-25284).
- b) Approval of Payroll & Direct Deposit Check Registers (Z0809-Z03841 & 32157-32181).
- c) Approval of the City of Willows Statement of Investment policy as submitted.
- d) Adoption of a Resolution authorizing the City Manager to sign a Notice of Completion for the Gateway Monument Sign Phase II Project.
- e) Authorize the adjustment of Holiday Schedule and closure of City Hall for the week between Christmas and New Year's Day.
- f) Cancel the December 25, 2012, Regular City Council Meeting.
- g) Approval of a proposed amendment and ratification to the Joint Powers agreement between the County of Glenn and the Cities of Willows and Orland to provide Transportation Services and authorize the Mayor to sign the amendment.

**8. Public Hearings:**

- a) Public hearing to consider adoption of a Resolution approving rate increase for solid waste collection services to be effective December 1, 2012:

Waste Management (dba, Glenn County Disposal) has requested consideration of a rate adjustment for residential and commercial solid waste services provided within the City of Willows. Provisions approved in November 2006 as part of the Franchise Agreement renewal, included consideration for annual rate increases to be calculated based upon several factors as defined in Article I, Sections 1, 2 & 3. In accordance with the aforementioned provisions; Waste Management may seek recovery of increased costs associated with any future CPI, Tipping Fee or Fuel Cost Adjustment impacts requiring increases during the same annual adjustment period.

The Franchise agreement (Article I, Sections 1, 2 & 3) defines specific impacts involving justification for periodic rate adjustments. The applicable criteria in conjunction with this annual rate adjustment proposal are:

- Annual rate increase consideration in conjunction with changes to the CPI (based upon the Department of Labor Consumer Price Index for All Urban Consumers within the Western States Index area) and the annual changes in conjunction with Fuel Cost adjustment impacts.

Waste Management has requested a rate adjustment of 2.09% for residential and commercial customers, to become effective December 1, 2012. The purpose of this rate increase is to provide an adjustment due to increases in the Consumer Price Index and recovery of costs in conjunction with Fuel Costs. The CPI change from August 2011 thru August 2012 is equal to 4.779 index points or an equivalent 2.09% increase to Urban Consumers in the Western States Index area. This percentage is applied to base rate of the prior year solid waste rates in Willows. This result becomes the CPI portion of the rate adjustment for the subsequent year. The CPI adjustment for the 2012 - 2013 year is 2.09% for all Willows solid waste customers.

This adjustment request also allows Waste Management to calculate costs associated with Fuel Adjustment Expenses over the preceding year. Those calculations actually result in an overall increase in

Fuel Expense Adjustments of 1.48%. The current Agreement prohibits annual adjustment in excess of 2.00% in conjunction with the Fuel Cost Adjustment. Therefore the overall 1.48% increase in base rates pursuant to the terms of the Franchise Agreement have been included in the calculations of this Fuel Rate Adjustment Request.

The requested rate adjustment of 3.54% for residential customers will result in a \$0.54/per month increase on average. This results in an annual cost increase of approximately \$6.45 per customer in Willows. Staff recommends City Council conduct the Public Hearing and following the public hearing, approve the proposed rate increase for solid waste collection services to become effective December 1, 2012.

Mayor Holvik opened the public hearing at 7:35 p.m. and hearing no comments, closed the public hearing at 7:30 p.m. It was **moved** by Council Member Yoder and **seconded** by Council Member Hansen to adopt a Resolution approving rate increase for solid waste collection services to be effective December 1, 2012. The motion unanimously passed.

9. **Ordinances:** None

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

Police Chief Spears announced that the 2012 Toys for Tots and Cans 2 Cops programs are currently underway.

11. **New Business:**

- a) Consider adoption of a Resolution acknowledging the dissolution of the Willows Community Redevelopment Agency and Authorize the Finance Director to perform the final steps to dissolve the Redevelopment Agency:

As part of the 2011-12 State of California Budget, the State Legislature passed, and the Governor signed, AB 26. This bill called for the wind-down and dissolution of Redevelopment Agencies in California, with the return of funds not specifically earmarked for debt repayment or existing construction projects be returned to the RDA's respective County for redistribution of tax increment received. These funds were to be redistributed according to the tax rate split for the given area of the RDA. In addition, a number of bureaucratic steps were to be taken in the process of dealing with the RDA. These steps were designed to provide a "successor" agency to oversee the ongoing process dealing with the wind-down of an active RDA.

The Willows Community Redevelopment Agency has been on inactive status for a number of years. The RDA stopped receiving tax increment from property taxes sometime in the early 1990's, and indications are that all RDA bonds have been submitted for repayment, with the last bond payment made in 1994.

In addition to the inactive status of the RDA, the life span of the Redevelopment Project Area that was controlled by the RDA was for 40 years from the date of the adoption of the Redevelopment Plan. The Plan was adopted on June 24, 1969. As a result, the Plan expired in 2009, in advance of the passage of AB 26. While this does not relieve the RDA of the requirement to return remaining funds to the County for redistribution, City Staff has taken the approach that the bureaucratic steps associated with AB 26 are for active project areas under the control of the RDA and that direct dissolution and return of funds is the most efficient and effective method of dissolving the entity and returning the maximum amount possible for redistribution, which is the intent of AB 26.

Staff has sent a letter to the California Department of Finance outlining the steps that will be taken for dissolution. Upon adoption of the Resolution by Council, it is the intent to commence with the final procedures to complete the dissolution process. As of June 30, 2012, \$61,647 remained in the RDA. A final audit will need to be completed, and staff sought the assistance of an RDA consultant to complete the dissolution processes, so those will be expensed through the RDA funds. The remaining funds will be distributed back to the County in accordance with the terms outlined in the letter. It is important to note that funds pertaining to the RDA have not been held as General Fund activity. Rather, the RDA funds have been specifically identified and accounted for as such. At this time staff is seeking Council approval to Authorize the Finance Director to perform the final steps in order to dissolve the Redevelopment Agency.

It was **moved** by Council Member Hansen and **seconded** by Council Member Yoder to adopt a Resolution authorizing the dissolution of the Willows Community Redevelopment Agency and authorizing the Finance Director to perform the steps to dissolve the Redevelopment Agency. The motion unanimously passed.

12. **Unfinished/Continued Business:**

- a) Performance Evaluation – City Manager (Continued from October 9 Council Meeting): Council will be selecting, by random drawing, community participants to be interviewed as part of this year's performance review process.

Mayor Holvik stated that the City Council will be evaluating the City Manager's performance since his last performance review in September of 2011. He stated that this is not a termination action unless the review indicates some level of cause, such as dereliction of duty, missed goals and objectives as outlined by the Council, or a violation of the contractual obligations. If this were to be the case, a proper notice of action would be given at that time. Tonight each Council Member will randomly draw names of citizens who submitted a request to be interviewed as part of the City Manager's evaluation. Mayor Holvik also stated that originally the Council was also going to draw employee names at random, but he has since been contacted by a City employee and a Union Representative about that issue and found that there were concerns over some employees not wanting to be included in the process and also concerns over their confidentiality. In order to comply with the employees' concerns, the Mayor stated that between now and next Tuesday, October 30, any employees that are interested in participating in the evaluation process can submit their names and then those names will be drawn privately by the Mayor and he will assign the names of the employees to different Council Members for them to contact the employee for an interview. The City Manager will not be informed of which employees are interviewed. Since the majority of the City Manager's interaction is with Department Heads, each Department Head will be interviewed by a Council Member at a time to be determined in the future. Mayor Holvik briefly outlined some of the questions that will be asked during the interviews. Once all of the interviews are complete, the information from each group and Council Member will be combined to retain the confidentiality. As this information could potentially end up being a legal document, the Council will not be using rumors or any second-hand information. Also as part of the evaluation process, the City Manager's employment agreement will be reviewed and could always be amended by mutual agreement. At the conclusion of the evaluation process, a thorough public disclosure will be made involving information that is not considered confidential or a public record. Since this is a continuation of the City Manager's evaluation process from the last Council Meeting where the public had an opportunity to speak and express their comments, no additional public comments on this topic will be heard this evening. With that, Mayor Holvik announced that the Council will now draw, at random, names of citizens who submitted their names to be

interviewed as part of the evaluation process. Mayor Holvik asked Council Member Yoder to draw the first name on behalf of absent Council Member Taylor-Vodden. Council Member Yoder drew the name of Dana Owens. No other citizens, other than Ms. Owens, turned in their names to be included in the random draw and the evaluation process, therefore, Mayor Holvik moved on to the next item on the agenda.

**13. Council Member Reports:**

Council Member Hansen reported that he attended the Scarecrow Contest event put on by the Recreation Department and it appeared everybody was having a good time. He also stated that he attended the recent Transportation Commission meeting. Last, he attended the recent Candidates' Night hosted by the Chamber of Commerce and he thanked the Chamber for organizing the event.

**14. Adjournment:** Mayor Holvik adjourned the meeting at 7:51 p.m.

Dated: October 23, 2012

NATALIE BUTLER

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City Clerk

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