

CITY COUNCIL

Gary L Hansen, Mayor  
Jim Yoder, Vice Mayor  
Larry Domenighini, Council Member  
Lawrence Mello, Council Member  
Jeff Williams, Council Member



INTERIM CITY MANAGER  
Fire Chief, Wayne Peabody

CITY CLERK  
Natalie Butler

201 North Lassen Street  
Willows, CA 95988  
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[www.cityofwillows.org](http://www.cityofwillows.org)

**CITY COUNCIL REGULAR MEETING AGENDA**  
**September 13, 2016**  
**7:00 p.m.**

1. **Call to Order Willows City Council Regular Meeting – 7:00 p.m.**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Presentations & Proclamations:**
  - a) Mayor Hansen will present a Certificate of Appreciation to the Willows Car & Bike Show Association.
5. **Public Comment / Written Communications:** Members of the public wishing to address the Council on any item(s) *not on the agenda* may do so at this time when recognized by the Mayor/Vice Mayor; however, no formal action will be taken unless a majority consensus of the Council directs staff to place the item on a future agenda. ***(Public Comment is generally restricted to three minutes)***.
6. **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. It is recommended that the Council:
  - a) Consider approval of general checking, payroll & direct deposit check registers.
  - b) Consider approval of Minutes of the Regular City Council Meeting held on August 23, 2016.
  - c) Consider approval of Minutes of the Special City Council Meeting held on August 25, 2016.
  - d) Consider approval of the City of Willows Statement of Investment Policy.
7. **Public Hearings:** None scheduled.
8. **Ordinances:** None.

9. **Items to be introduced by City Council or Administrative Staff for discussion purposes only:**
10. **New Business:**
  - a) Consider adoption of a resolution establishing a customer service fee for the use of credit or debit cards in paying for City-related transactions:
11. **Council Member Reports:**
12. **Executive Session:** None
13. **Adjournment:**

**CERTIFICATION:** Pursuant to Government Code §54954.2 (a), the agenda for this meeting was properly posted on or before September 9, 2016.

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.

The City of Willows is an Equal Opportunity Provider

Period

8/19/2016 TO 9/7/2016

General Checking 33904 TO 33941

Payroll Direct Deposit 207609 TO 207643 (\*GAP IN SEQUENCE)

Payroll Checks 36327 TO 36341

APPROVAL DATE 9/13/2016

Approved \_\_\_\_\_

Number	Date	Vendor/Organization	Invoice Id	Date	Description/Reference	Period	Amount	Amount Paid
33904	08/25/16	CAL20 CALIFORNIA STATE DISBURSEM	B60822	08/22/16	GARNISHMENT	08-16	224.30	224.30
33905	08/25/16	EDD01 EMPLOYMENT DEVELOP.DEPT.	B60822	08/22/16	STATE INCOME TAX	08-16	1473.06	
33905	08/25/16	EDD01 EMPLOYMENT DEVELOP.DEPT.	1B60822	08/22/16	SUI	08-16	.00	1473.06
33906	08/25/16	EDD02 EMPLOYMENT DEVELOPMENT DEP	B60822	08/22/16	SDI	08-16	562.41	562.41
33907	08/25/16	GLE21 GLENN CO. SHERIFFS DEPT.	B60822	08/22/16	GARNISHMENT	08-16	396.27	396.27
33908	08/25/16	ICM01 ICMA RETIREMENT TRUST 457	B60822	08/22/16	DEFERRED COMP - ICMA	08-16	1241.11	1241.11
33909	08/25/16	NAT00 NATIONWIDE RETIREMENT SOLU	B60822	08/22/16	USCM DEF. COMP.	08-16	697.20	697.20
33910	08/25/16	PER01 P.E.R.S.	B60822	08/22/16	PERS-EMPLOYEE SHARE	08-16	10251.03	
33910	08/25/16	PER01 P.E.R.S.	1B60822	08/22/16	PUBLIC SAFETY PERS	08-16	2699.94	12950.97
33911	08/25/16	SIE01 SIERRA CENTRAL C.U.	B60822	08/22/16	CREDIT UNION	08-16	46.15	46.15
33912	08/25/16	UMP01 UMPQUA BANK - MYTAXPAYER	B60822	08/22/16	FEDERAL INCOME TAX	08-16	5773.43	
33912	08/25/16	UMP01 UMPQUA BANK - MYTAXPAYER	1B60822	08/22/16	PTCA	08-16	7748.86	
33912	08/25/16	UMP01 UMPQUA BANK - MYTAXPAYER	2B60822	08/22/16	MEDICARE	08-16	1812.26	16334.55
TOTAL DISBURSED...							32926.02	32926.02

REPORT.: Aug 30 16 Tuesday  
 RUN...: Aug 30 16 Time: 10:37  
 Run By.: JANE COLLINS

CITY OF WILLOWS  
 Cash Disbursement Detail Report  
 Check Listing for 08-16 Bank Account.: 1045

PAGE: 001  
 ID #: FY-DP  
 CTL.: WIL

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Payment Information	
							Invoice #	Description
033895	08/26/16	PGE01	PG & E	-4612.51	.00	-4612.51	B60816u	Ck# 033895 Reversed
033903	08/22/16	GLE13	GLENN CO. CLERK-RECORDER	50.00	.00	50.00	B60822P	RECORDING FEE 24 UNIT MF
033913	08/30/16	ATT01	A.T. & T.	1079.11	.00	1079.11	8448108	TELEPHONE EXP. 7/12-8/11/
033914	08/30/16	BAK06	BAKER & TAYLOR BOOKS	625.06	.00	625.06	11681367	NEW PRINT MAT. LIBRARY
033915	08/30/16	CAL01	CALIFORNIA WATER COMPANY	3082.13	.00	3082.13	B60829	WATER EXPENSE JULY 2016
033916	08/30/16	COM14	COMPLETE ASPHALT SERVICE	171.57	.00	171.57	970421	STREET PATCH
033917	08/30/16	COM16	COMCAST CABLE	145.97	.00	145.97	B60829	INTERNET ADMIN 8/29-9/28/
				150.97	.00	150.97	B60830	INTERNET FD 8/19-9/18/16
			Check Total.....	296.94	.00	296.94		
033918	08/30/16	GOR02	CORBIN WILLITS SYSTEMS	407.87	.00	407.87	B608151	CONT.SERV. FINANCE SEPT 2
033919	08/30/16	CRE01	CREATIVE COMPOSITION	221.72	.00	221.72	93146	RECEIPT BOOKS
033920	08/30/16	EWI00	EWING IRRIG. PRODUCTS, INC	862.69	.00	862.69	2061281	SPRINKLER REPAIR
033921	08/30/16	FED00	FEDEX	54.85	.00	54.85	551837224	SHIPPING EDA GRANT
033922	08/30/16	FER08	FERRARA FIRE APPARATUS IN	360.04	.00	360.04	W78225	T-4 REPAIR
033923	08/30/16	FGL00	FGL ENVIRONMENTAL	210.00	.00	210.00	676161A	INORGANIC ANALYSIS
033924	08/30/16	GLE05	GLENN CO. FLEET SERVICES	3576.73	.00	3576.73	FL1642	VEHICLE RENTAL, MAINT & R
033925	08/30/16	HIN02	HINDERLITER DELLAMAS & AS	505.06	.00	505.06	25896IN	AUDIT SERVICES QTR 1 2016
033926	08/30/16	KNI03	KNIFE RIVER CONSTRUCTION	547.68	.00	547.68	172855	VARIOUS PATCHING
				634.07	.00	634.07	173087	VARIOUS PATCHING
				224648.12	.00	224648.12	B60830	TEHAMA STREET PROGRESS #1
			Check Total.....	225829.87	.00	225829.87		
033927	08/30/16	LIN01	LINCOLN AQUATICS	490.45	.00	490.45	SL298942	POOL SUPPLIES
033928	08/30/16	MAT01	MATSON & ISOM TECHNOLOGY	2376.00	.00	2376.00	22495IN	MS OFFICE SUBSCRIPTION RE
033929	08/30/16	MCD01	MCDONALD'S ELECTRIC STORE	74.68	.00	74.68	22875	STREETLIGHT REPAIR
				14.51	.00	14.51	229.13	EXHAUST FAN REPAIR
			Check Total.....	89.19	.00	89.19		
033930	08/30/16	MEN02	MENDES SUPPLY COMPANY	175.32	.00	175.32	R013947	BATHROOM SUPPLIES
033931	08/30/16	NAP00	NAPA SOLANO ICC	175.00	.00	175.00	B60829	CONTINUING EDUCATION REGI
033932	08/30/16	NOR03	NORTHNET LIBRARY SYSTEM	1757.00	.00	1757.00	1487	LIBRARY SYSTEM RETIREMENT
033933	08/30/16	PGE01	PG & E	15933.25	.00	15933.25	B60830	P.G. & E. 7/14-8/14/16
033934	08/30/16	PIN00	PINPOINT PRODUCTS	346.70	.00	346.70	1635	HYDRAULIC SAW REPAIR
033935	08/30/16	SAC08	SACRAMENTO VALLEY MIRROR	70.00	.00	70.00	B60830	BAYLISS LIBRARY SUBSCRIPT
033936	08/30/16	STA01	STANDARD INSURANCE CO.	798.25	.00	798.25	B60829	LIFE INSURANCE 3/2-9/1/20
033937	08/30/16	THR00	3CORE	5000.00	.00	5000.00	B60829	OTC CONTRACT EXECUTION PA
033938	08/30/16	VAL14	VALLEY TRUCK & TRACTOR CO	14.44	.00	14.44	643472	#14 BACKHOE REPAIR
033939	08/30/16	WAL07	WAL-MART COMMUNITY	578.44	.00	578.44	B60829	JULY STMT PER ATTACHED
033940	08/30/16	WILL17	WILLDAN	7755.00	.00	7755.00	712070	PLANNING SERVICES THROUG
033941	08/30/16	WOR00	JESSE WORTHINGTON	628.00	.00	628.00	B60829	REFUND PLANNING FEES
			Cash Account Total.....	268908.17	.00	268908.17		
			Total Disbursements.....	268908.17	.00	268908.17		
			Cash Account Total.....	.00	.00	.00		

**MINUTES OF THE WILLOWS CITY COUNCIL**  
**REGULAR MEETING HELD August 23, 2016**

1. Mayor Hansen called the meeting to order at 7:00 p.m.
2. **PLEDGE OF ALLEGIANCE:** Barbara LaDoucer of the American Legion Auxiliary led the Pledge of Allegiance.
3. **ROLL CALL:**  
Present: Council Members Mello, Domenighini, Williams, Yoder & Mayor Hansen.  
Absent: None
4. **Presentations & Proclamations:**
  - a) Mayor Hansen presented a Proclamation entitled "A Day to Remember" honoring the lives of all of those who perished during the attacks on the United States on September 11, 2001, to Barbara LaDoucer of the American Legion Auxiliary.
  - b) Mayor Hansen presented a Proclamation declaring September 16, 2016 as "National POW/MIA Recognition Day" to Barbara LaDoucer of the American Legion Auxiliary.
5. **Public Comment/Written Communications:**
  - April Hine, Coordinator of the Glenn County Friday Night Live program, along with other members of Friday Night Live, presented the City Council with a Certificate of Appreciation for their generous donation of Sycamore Park and free swim days to the Friday Night Live program's third annual "Summer Movies in the Park".
  - Jody Samons, Glenn County Community Development Director, stated that she just wanted to attend tonight's meeting to introduce herself. She has been in the Community Development Director role for three months and she has really enjoyed working with the staff at the City of Willows and she looks forward to a continued relationship as everybody works together to try to grow Glenn County in the most intelligent manner that they possibly can.
6. **Consent Agenda:**  
M/S –Yoder/Williams to approve the Consent Agenda as presented. All Ayes and the motion unanimously passed 5/0 with and the following items were approved/adopted:
  - a) Approval of General Checking (33769-33902), Payroll (36237-36241 & 36270-36325) and Direct Deposit Check Registers (Z07489-Z07574).
  - b) Approval of the Minutes of the Willows City Council Meeting held on July 26, 2016.
  - c) Approval of the Report of the Treasury schedule of cash and investments as of June 30, 2016.

7. **Public Hearings:** None
8. **Ordinances:** None
9. **Items introduced by City Council or Administrative Staff for discussion purposes only:**

Council Member Mello stated that he recently came across some interesting information on the internet about blight tax ordinances. This is an additional tax that is assessed to property owners that have blighted buildings and the tax money that is collected goes towards community development revitalization of the City. He thinks this might be something the City could look into for some of the old and rundown properties. He stated that he will look into this further and will give Council more information in the future. Finance Director Tim Sailsbery asked Council Member Mello if he found any cities in California that do this because he believes it would not be allowed in California due to Proposition 13. Council Member Mello stated that he couldn't remember if there were any California cities, but he would investigate further and let Finance Director Sailsbery know.

Council Member Williams stated that he would like to look at possibly having a projection screen that would project the agenda page-by-page during the Council Meetings. He has been to other City Council meetings that have done this and he found it very easy to follow along with what was going on. Interim City Manager Wayne Peabody stated if that is the consensus of the Council, staff will place the agenda packet on the projection screen at future meetings. Brief discussion ensued among the Council and the consensus of the Council was to have staff begin implementing the projection of the agenda face and other more pertinent information in the packet during future Council Meetings and start out small and make modifications as needed in the future.

ICM Peabody reminded the Council about the Special Meeting scheduled to occur on Thursday, August 25 at 2:00 p.m.

Finance Director Sailsbery stated that he sent the Council an email about two weeks ago informing them that the City received their first invoice and the list of activity for the first month of utilizing the new credit card machine and the service fees that were charged to the City on the first invoice. While staff is pleased to now be able to offer credit card services to customers and a handful of customers did take advantage of this service during the first month, the down-side is that of the roughly \$38,000 of credit card revenues received, the City's portion of the service fees was over \$1100. That is a fairly significant charge at about 3% of overall revenues. A few Council Members, after having received the Finance Directors email, contacted him and asked if there was a chance that this item could be revisited. Finance Director Sailsbery is seeking Council consensus to come back before the

Council with this item to see if it is something that they are open to discuss about possibly adding a convenience fee to each purchase made with a credit card in order to help off-set some of the City's fees. In doing a quick and short survey of three cities in neighboring Counties, those Cities are charging customers a convenience fee anywhere from 2 to 3%. He inquired whether there was a consensus of the Council to bring this back for discussion at a future meeting to possibly adopt a resolution implementing a maintenance fee for credit card transactions. Brief Council discussion ensued and it was the consensus of the Council for this item to come back before the Council to revisit the possible implementation of charging a certain percentage for each purchase that is captured.

**10. New Business:**

a) Additional Funding for South Tehama Infrastructure Project (Basin Street Project):

Council will consider 1) Authorizing the ICM to pursue additional grant funding from California Housing & Community Development via the CDBG Over-The-Counter Block Grant Program; 2) Authorizing the ICM to enter into a Packaging Agreement with 3Core for development and submittal of the Grant Application; and 3) Appropriating \$30,000 of Community Discretionary Funds (Fund 330) for the application services to be provided by 3Core:

Back in September of 2015, the City entered into a grant agreement with the EDA for the infrastructure improvements along South Tehama Street to the entrance of the Basin Street Commercial Development. The original project proposal was roughly \$3.5MM. Of the \$3.5MM, \$2,979,431 was attributed to actual construction and contingency costs. After having moved through a number of processes since the approval of the grant (environmental, design edits, development agreement, etc.), City Engineer John Wanger has completed a new Preliminary Engineer's Estimate of probable cost of construction which is now approximately \$4,465,633, or \$1,486,202 greater than the original estimate. Required re-design (including the bridge) and material cost changes since the original estimates have led to this significant change.

In staff having conversations with Marc Nemanic, Executive Director of 3Core, it appears that this project may fit the parameters of a CDBG Over-The-Counter (OTC) Grant. This appears to be the only viable option available, from a grant standpoint, to fill the funding gap. Other resources are going to be out-of-pocket or loan-based, so this appears to be the City's best viable option.

The OTC grant process is competitive and must meet certain economic development parameters, including job retention. As such, the City would be entering into this agreement without certainty that we will be awarded the grant. However, in staff's opinion, it is worth the \$30,000 for the professional assistance to apply in order to leverage approximately \$1.5MM in additional grant funds.

It should be noted that within the \$30,000 is included the completion of a Revised Program Income Reuse Plan (\$3500). The City's Program Income Reuse Plan is now out-of-date, and a revised Plan is required for any further CDBG applications. As a result, the City needs to complete this process, and the plan will be in place for up to 5 years. This will allow us to not only apply for this grant, but is also a requirement to have in place for future CDBG grant applications.

Council discussion ensued. Council Member Yoder stated that the City is already committed to this project, but he wonders if, at build-out, the City will once again find that they are short and will have to find a way to come up with even more money. Finance Director Sailsbery stated that Council Member Yoder is right in that the City is committed to the original grant and the project and also that the City will be at the function of what the actual bid estimates will eventually reflect. Additionally, based upon the fact that the City was using an estimate for as many as two years before they were ever awarded the EDA grant, some of the numbers were found to be dated; which unfortunately, is the nature of how these things work from time to time. Next, the Finance Director stated that these are Federal dollars being used, and as such, the project is not just subject to the California Environmental Quality Act (CEQA) reviews, it was also subject to NEPA reviews. As the biological and environmental studies began to take place, the bridge across the drainage channel became a whole lot more substantial and expensive because now it is required that the utilities be undergrounded; which was not part of the original Engineer's estimate. Interim City Manager Peabody also stated that he wanted to make the Council aware that he has informed our City Engineer that the City cannot and will not be seeking any more funding for this project beyond this time, therefore he asked the Engineer to add an additional 5% contingency to the bid amount – over and above the normal 10% contingency. He stated that he would rather give money back at the end than to have to go out to seek more funding.

Council Member Williams inquired where the original numbers for the project came from. Finance Director Sailsbery stated that originally when the concept of the Basin Street project was put together, it was going to be a privately financed project. Rolls-Anderson Engineering Company out of Chico provided the original estimate in conjunction with Basin Street. Finance Director Sailsbery stated that the timing of the issue, the not knowing of the additional requirements as it pertains to the bridge span, the undergrounding of utilities, etc. were all factors that led to the dramatic increase to the original estimate. He stated that he is hesitant to place blame on anybody. It's a matter of timing and a matter of the project becoming much more substantial following the issues discovered through the Environmental Review. Although this is unfortunate, Finance Director Sailsbery stated that he would not want to go so far as to say that anybody did something egregiously wrong. This is really not that unusual on large projects that have lengthy time factors involved. Council Member Williams then stated that he knows that the Finance Director is trying to tip-toe around it, but he was just trying to see if somebody was negligent in not knowing the regulations. Finance Director Sailsbery stated that he won't tip-toe around it and that he will just say outright that he has no reason to believe that negligence was an issue. Council Member Williams then inquired whether the bridge is required. Finance Director Sailsbery and ICM Peabody both stated that there has to be a bridge in order for people to gain access to the

site. Council Member Williams then asked if there wasn't already an entrance to the property off of Highway 99. ICM Peabody explained that that road is not an approved entrance for truck and vehicle traffic because it is a farm entrance. Council Member Williams then asked what would happen if the City didn't get the grant. Finance Director Sailsbery stated that if that were the case, the next step would be to go through the creation of some form of infrastructure financing district on that property and the City would have to float bonds to finance that. Then it would take property tax increments over time to pay back those bonds.

Council Member Domenighini asked if this is just a one-time shot for the City to get this grant or if there are additional opportunities to keep putting in the application. Staff responded that the opportunity to apply for the grant is on a yearly basis.

Council Member Mello asked if there was a time-line on the initial EDA grant that has previously been awarded to the City. ICM Peabody told him that the City and/or Developer has to be there and working on the project by October of 2017.

Mayor Hansen stated that the Basin Street Project is the future of Willows and the future of this Community rests on this project moving forward. The balance of the City's Community Discretionary Funds is at \$108,000 and the cost to have 3Core apply for the grant is \$30,000. He believes that this is exactly the type of thing that community discretionary funds are meant to be used for. While he appreciated Council Member Williams' questions, he stated that the vast majority of the overage is due to mitigating factors of environmental concerns by the State and Federal Governments, plus the additional infrastructure costs for getting the utilities undergrounded; it was not due to negligence. This is the type of thing that happens quite often with large projects like Basin Street. He believes that the City must move forward with this grant opportunity in order to secure the future development and growth of the city.

Jody Samons, Glenn County Community Development Director, stated that she has been involved in the Basin Street project and some other projects in that same vicinity. She stated that the Developer at Basin Street has expressed some interest in doing some other additional developments. If this grant is awarded and Basin Street doesn't have to spend the money on the infrastructure, she looks at it as a real bonus to get some other projects moving down the line. She believes that whole area is going to need that infrastructure and not just Basin Street. She has been given a verbal agreement by CalBiz that if some of the other projects that she is working on go through and move forward, they will be in the mix to help find funding from their end.

**M/S – Mello/Yoder** to authorize the Interim City Manager to pursue additional grant funding from California Housing and Community Development via the CDBG Over-The-Counter Block Grant Program. The motion unanimously passed.

**M/S – Domenighini/Williams** to authorize the Interim City Manager to enter into a Packaging Agreement with 3Core for development and submittal of the Grant Application. The motion unanimously passed.

**M/S – Yoder/Domenighini** to appropriate \$30,000 of Community Discretionary Funds (Fund 330) for the application services to be provided by 3Core. The motion unanimously passed.

**11. Council Member Reports:**

- Council Member Williams reported that he attended the last Transit and Transportation Commission Meeting. He also reported that he attended the car and bike show and had a nice time.
- Council Member Mello reported that he hasn't had to attend any subcommittee meetings in the last year.
- Councilmember Domenighini reported on the LAFCO Meeting and the Library Board Meeting.
- Mayor Hansen reported that he attended the Waste Management Regional Agency Meeting and the landfill closure is set for September of 2017 at a cost of between \$5 - \$10MM. He also gave accolades to the Willows Car and Bike Show Committee for putting on a great event for their 30 year anniversary. He stated that he was asked to make the Mayor's Pick at the event and that he chose Toad Parisio's car.

**12. Executive Session: None**

**13. Adjournment: Mayor Hansen adjourned the meeting at 7:56 p.m.**

Dated: August 23, 2016

NATALIE BUTLER

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City Clerk

The City of Willows is an Equal Opportunity Provider

**MINUTES OF THE WILLOWS CITY COUNCIL**  
**SPECIAL MEETING HELD August 25, 2016**

1. Mayor Hansen called the meeting to order at 2:00 p.m.
2. **PLEDGE OF ALLEGIANCE:** Vice Mayor Yoder led the Pledge of Allegiance.
3. **ROLL CALL:**

Present: Council Members Mello, Domenighini, Williams, Yoder & Mayor Hansen.  
Absent: None

At this time Mayor Hansen requested that Vice Mayor Yoder run the remainder of the meeting.

4. **Public Comment:** None. (No members of the public or the press were present in the audience).
5. **City Council Election November 8, 2016:**

**Council discussion and consideration whether to continue with Municipal Election on November 8, 2016, where only 3 nominations have been received for three open Council positions or, alternatively, to adopt resolutions appointing three nominees to the open City Council positions, as permitted by California Elections Code.**

The three Council positions subject to the November election are those of Council Members Larry Domenighini, Larry Mello and Mayor Gary Hansen. California Elections Code Section 10225(a) states that “if nomination papers for an incumbent officer of the city are not filed by or on the 88<sup>th</sup> day before the election...the voters shall have until the 83<sup>rd</sup> day before the election to nominate candidates other than the person who was the incumbent on the 88<sup>th</sup> day, for that incumbent’s elective office”. Because Incumbent Larry Domenighini did not file by or on the 88<sup>th</sup> day, the filing period was extended from August 12 to August 17, 2016.

At the close of nominations at 5:00 p.m. on August 17, 2016, the only nomination papers filed were those of Kerri Warren, Gary Hansen & Larry Mello.

Section 10229(a) of the California Elections Code indicates that when there is only one person who has been nominated for each office, the City Clerk shall notify the City Council and they may adopt one of the following courses of action:

1. Appoint to the office the person who has been nominated, or

2. Hold the election, if either no one, or only one person has been nominated.

Pursuant to Section 10229(b), Section 10229(a) shall not apply if, “at the regularly scheduled municipal election, more than one person has been nominated to another city office to be elected on a citywide basis or a city measure has qualified and is to be submitted to the voters at that municipal election”. In this instance, there are no other city offices up for election other than these 3 council positions, and there are no city measures on the ballot.

In order to preserve the Council options under the Elections Code, a legal notice was sent to the paper for publication on August 20, 2016, establishing a special meeting for August 25, 2016 at 2:00 p.m. in the Council Chambers. The purpose of this special meeting is to make the determination of whether to appoint or hold the election. The last occasion when this same situation arose was in the November 2006 election. At that time the Council chose to appoint the two nominated candidates Peter Towne and Heather Baker.

If the Council chooses to make the appointments there will be minimal to not cost. If the Council chooses to hold the election the cost would be somewhere between \$5,000 to \$10,000. It is staff’s recommendation that the Council appoint the 3 nominees to the City Council positions as permitted by California Elections Code.

Brief Council discussion ensued and all were in agreement that it would make the most sense fiscally to appoint in order to save the cost of holding the election and they also didn’t believe that it was likely that there would be any qualified write-in candidates.

The Council then took the following action(s):

1. **M/S – Williams / Domenighini** to adopt a resolution entitled “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS PROVIDING FOR THE APPOINTMENT OF THE ONLY NOMINEES TO THE OFFICES OF THIS CITY THAT WERE TO BE ELECTED TUESDAY, NOVEMBER 8, 2016, CANCELING THE GENERAL MUNICIPAL ELECTION CURRENTLY SCHEDULED FOR NOVEMBER 8, 2016 AND REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF GLENN TO TAKE ALL STEPS REQUIRED TO REMOVE SAID ELECTION FROM THE CONSOLIDATED ELECTION SCHEDULED FOR THAT DATE” (Appointing Keri Warren). The motion unanimously passed 5/0.
2. Prior to the Council taking action on the second proposed resolution, Mayor Hansen announced that he is disqualifying himself from discussion or voting on this item and he exited the Council Chambers. **M/S - Domenighini / Williams** to adopt a resolution entitled “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF

WILLOWS PROVIDING FOR THE APPOINTMENT OF THE ONLY NOMINEES TO THE OFFICES OF THIS CITY THAT WERE TO BE ELECTED TUESDAY, NOVEMBER 8, 2016, CANCELING THE GENERAL MUNICIPAL ELECTION CURENTLY SCHEDULED FOR NOVEMBER 8, 2016 AND REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF GLENN TO TAKE ALL STEPS REQUIRED TO REMOVE SAID ELECTION FROM THE CONSOLIDATED ELECTION SCHEDULED FOR THAT DATE” (Appointing Gary Hansen). The motion unanimously passed 4/0. Mayor Hansen then re-entered the Council Chamber.

3. Prior to the Council taking action on the third proposed resolution, Council Member Mello announced that he is disqualifying himself from discussion or voting on this item and he exited the Council Chambers. **M/S – Williams / Domenighini** to adopt a resolution entitled “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS PROVIDING FOR THE APPOINTMENT OF THE ONLY NOMINEES TO THE OFFICES OF THIS CITY THAT WERE TO BE ELECTED TUESDAY, NOVEMBER 8, 2016, CANCELING THE GENERAL MUNICIPAL ELECTION CURENTLY SCHEDULED FOR NOVEMBER 8, 2016 AND REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF GLENN TO TAKE ALL STEPS REQUIRED TO REMOVE SAID ELECTION FROM THE CONSOLIDATED ELECTION SCHEDULED FOR THAT DATE” (Appointing Larry Mello). The motion unanimously passed 4/0. Council Member Mello then re-entered the Council Chamber.

Prior to adjourning the meeting, Vice Mayor Yoder wanted it noted on the record that no members of the public or the press were in attendance at any time during this meeting to speak on behalf of this topic.

6. **Adjournment:** Vice Mayor Yoder adjourned the meeting at 2:15 p.m.

Dated: August 25, 2016

NATALIE BUTLER

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City Clerk

The City of Willows is an Equal Opportunity Provider

**AGENDA ITEM**

**TO:** Wayne Peabody, Interim City Manager   
**FROM:** Tim Sailsbery, Finance Director  
**SUBJECT:** Investment Policy- Annual Renewal

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**RECOMMENDATION**

Approve, by motion, the City of Willows Statement of Investment Policy as submitted.

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**SITUATION (or BACKGROUND):**

Per Government Code Section 53646 the Statement of Investment Policy is to be reviewed and submitted annually to the City Council for approval. The Investment Policy serves as the guidance mechanism for investment of City funds.

Safety and liquidity remain the primary focus points of investment activities. While corporate notes remain on the list of investment options, the City currently does not hold any such notes and the Finance Director will consult with the Council Finance Committee before considering such investments in the future.

**FINANCIAL CONSIDERATIONS:**

No direct expenditure impact. However, the policy provides the guidelines for investment that ultimately affect safety, liquidity, and rate of return.

**NOTIFICATION**

City Auditor (After Approval)

**ALTERNATE ACTIONS**

1. Approve by motion

2. Reject staff recommendation and/or direct item to be returned at later date.

**RECOMMENDATION**

Approve, by motion, the City of Willows Statement of Investment Policy as submitted.

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Respectfully submitted,



Tim Sailsbery  
Finance Director

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Attachment:

EXHIBIT A: City of Willows Statement of Investment Policy

CITY OF WILLOWS  
STATEMENT OF INVESTMENT POLICY

1. Introduction

The purpose of this document is to identify various policies that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities. Related activities that compose good cash management include accurate cash projections, expeditious collection of revenue, control of disbursements, and cost effective banking relations.

2. Scope

The investment policy covers all funds and investment activities under the direct authority of the City of Willows.

3. Objective

- A. Safety: Safety of principal is the foremost objective of the investment program. Investments of the City of Willows shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
- B. Liquidity: An adequate percentage of the portfolio will be maintained in the liquid, short-term securities which can be converted to cash if necessary to meet disbursement requirements. Since all cash requirements cannot be anticipated, investments in securities with active secondary or resale markets is highly recommended. Emphasis will be on low sensitivity to market risk.
- C. Yield: Yield becomes a consideration only after the basic requirements of safety and liquidity have been met.
- D. Market-Average Rate of Return: The investment portfolio shall be designed to attain a market average rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, the cash flow characteristics of the portfolio, and State and local laws, ordinances.
- E. Diversification: The investment portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding either specific security types or individual financial instruments.
- F. Prudence: The City of Willows adheres to the guidance provided by the "Prudent Man Rule" (Civil Code Section No. 2261), which obligates a fiduciary to ensure that:  
  
    "...investment shall be made with the exercise of that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation but for investment considering the probable safety of their capital as well as the probable income to be derived."

G. Public Trust: All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust.

4. Declaration of Authority

The City Treasurer has the authority to invest funds in certain eligible securities (Government Code Section 53635).

5. Reporting

The City Treasurer may submit a quarterly investment report to the City Council, which shall include all the elements of the report as prescribed by Government Code Section 53646.

6. Investment Instruments

Investments for the City of Willows are to be made in one or more of the following:

Investment Instrument	Maximum Percentage or Amount	Maximum Maturity
A. Certificates of Deposit	Unlimited	5 years
B. Negotiable Certificates of Deposit	30%	5 years
C. Local Agency Investment Fund	\$40MM	n/a
D. Passbook Savings Account	Unlimited	n/a
E. Securities of the U.S. Government Or Agencies Thereof	Unlimited	5 years
F. Bankers Acceptances	40%	270 days
G. Commercial Paper	30%	180 days
H. Medium Term Corporate Notes	30%	5 years

7. Internal Controls

A system of internal controls shall be established to prevent losses of public funds arising from fraud, employee error, misrepresentation of their parties, unanticipated changes in financial markets, and imprudent actions by employees and officers of the City.

8. Maturities

Security purchases and holdings shall be maintained within statutory limits imposed by Government Code.

9. Banks and Securities Dealers

The Finance Director, in selecting financial institutions for deposits and investments of the City funds, shall consider the creditworthiness of such institutions. The Finance Director shall continue to monitor financial institutions' credit characteristics and financial history throughout the period in which City funds are either deposited or invested.

10. Risk Tolerance

The City of Willows recognizes that investment risk can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to control risk. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. The Finance Director shall periodically establish guidelines and strategies to control risk of default, market price changes, and illiquidity. A review of available investments, when practical, will be used to place all investments.

11. Statement of Investment Policy

This statement of Investment Policy shall be reviewed and submitted annually to the City Council.

09/13/15  
Date

/S/ Tim Sailsbery  
Tim Sailsbery  
Finance Director

**AGENDA ITEM**

**TO:** Wayne Peabody, Interim City Manager *wp*  
**FROM:** Tim Sailsbery, Finance Director  
**SUBJECT:** Establish Credit Card Service Fee

**RECOMMENDATION**

Adopt the Resolution Establishing a Customer Service Fee for the Use of Credit or Debit Cards in Paying for City Related Transactions

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**SITUATION (or BACKGROUND):**

The City began accepting credit and debit cards at the City Hall front counter in July to assist in payment convenience for a variety of transactions (recreation fees, building permits, planning fees, business licenses, TOT, etc.). With the acceptance of credit cards, the City (or any merchant) does not ultimately receive the full amount of the transaction. Credit card vendor holdbacks, credit card processing fees, and bank fees all come out of the gross amount of the transaction, or are charged as a fee to the bank account. Thus far, the cost to the City has been approximately 3.1%. Based on this, it is recommended that the fee be set at 3% of the transaction.

Unlike private sector businesses, which have the flexibility to routinely pass along these costs by setting their pricing structure to absorb these costs, it is somewhat more difficult for a public agency to do so. Some fees may be able to be set by Council resolution, but others may require a public notification/protest process (aka "Proposition 218 process") or may need to go to the voters in an election format. Also, arguments have been made that to place credit card fees within the fee structure of such fees is outside the bounds of the cost recovery of the fee, because those who pay by check or cash would pay a fee for a service or product not used.

A brief survey of surrounding agencies notes the following:

<u>Entity</u>	<u>Credit Card Usage Fee</u>
County of Glenn	2.85%
City of Orland	2.49%
City of Corning	3.00%

**FINANCIAL CONSIDERATIONS:**

It is anticipated that by setting a credit and debit service fee at 3%, the revenue/cost of such transactions become neutral.

**NOTIFICATION**

Agenda posted in accordance with the Brown Act.

**ALTERNATE ACTIONS**

1. Adopt Resolution as Presented
2. Recommend Alternatives

**RECOMMENDATION**

Adopt the Resolution Establishing A Customer Service Fee for the Use of Credit or Debit Cards in Paying for City Related Transactions

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Respectfully submitted,



Tim Sailsbery  
Finance Director

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Attachment:

Resolution

**RESOLUTION NO. XX-2016**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS  
ESTABLISHING A CUSTOMER SERVICE FEE FOR THE USE OF CREDIT OR  
DEBIT CARDS WHEN PAYING FOR CITY RELATED TRANSACTIONS**

WHEREAS, the City of Willows began the acceptance of credit and debit cards effective July of 2016, and

WHEREAS, the City incurs various fees or costs pertaining to the acceptance of credit and debit cards, and

WHEREAS, said costs reduce the overall revenue available for City services and programs

WHEREAS, the City maintains that those who pay by other methods should not be required to cover the cost of such transactions via an increase in individual fees

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Willows hereby establishes a customer service fee in the amount of 3% of the transaction for those who elect to pay for City related transactions via credit or debit cards

BE IT FURTHER RESOLVED that the City Council of the City of Willows sets a fee imposition date of October 1, 2016.

PASSED AND ADOPTED by the City Council of the City of Willows this 13th day of September, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

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GARY L. HANSEN, MAYOR

ATTEST:

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NATALIE BUTLER, CITY CLERK