

CITY COUNCIL

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

CITY MANAGER  
Steve Holsinger

CITY CLERK  
Natalie Butler



201 North Lassen Street  
Willows, CA 95988  
(530) 934-7041  
[www.cityofwillows.org](http://www.cityofwillows.org)

**CITY COUNCIL REGULAR MEETING AGENDA**  
**Tuesday, September 8, 2015**  
**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. Agenda Review: (Requested Changes by Council or Staff).
  - a) Consider acceptance, by motion, of the City Council's September 8, 2015 Agenda.
5. Presentations & Proclamations:
  - a) Mayor Domenighini will Present "A Day to Remember" Proclamation to Barbara LaDoucer, President of the Jefferson L. Winn Unit 98 American Legion Auxiliary.
6. 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 a future agenda. *(Public Comment is generally restricted to three minutes).*
7. 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 Checking, Payroll Checks & Payroll Direct Deposit.
  - b) Consider approval of the Minutes of the July 28, 2015, regular City Council Meeting.
  - c) Consider approval of the Minutes of the August 19, 2015, special City Council Meeting.
  - d) Consider approval of the Minutes of the August 25, 2015, regular City Council Meeting.
  - e) Consider approval of the Minutes of the August 28-29, 2015, special City Council Meeting.
  - f) Consider adoption of a Resolution affirming addendum to the compensation plan and wage schedule entered into with unrepresented employees originally entered into on July 14, 2015.
  - g) Consider adoption of two Resolutions affirming and updating cafeteria plan terms with the City of Willows and the Willows Employees Association, Willows Public Safety Association and with the City Manager and eligible department heads and confidential employees.
  - h) Consider approval of the City of Willows statement of investment policy as submitted.

8. **Public Hearings:** None Scheduled.  
*(Persons wishing to speak during a Public Hearing are asked to approach the microphone to address the Council and limit comments to three minutes. Although not required, it is also requested that you please state your name for the record).*
9. **Ordinances:** None.
10. **Items introduced by City Council or Administrative Staff for discussion purposes only:**
11. **New Business:**
- a. Consider approval of a Resolution authorizing acceptance of the U.S. Economic Development Administration Assistance Program Grant; EDA Control Number 109314 and the execution of any standard agreement, any amendments thereto, and of any related documents necessary to participate in the EDA funding program opportunity.
  - b. Consider approval of the schedule and procedures for appointment of one individual to fill the unexpired term of Adrienne Haylor on the Willows Library Board of Trustees and select two Council Members to serve as a Selection Subcommittee.
12. **Council Member Reports:**
13. **Public Comment on Closed Session item listed below:** *Pursuant to Government Code Section 54954.3 the public has an opportunity to directly address the legislative body on the item(s) below prior to the Council convening into Closed Session. Public Comments are generally restricted to three minutes.*
14. **Council will convene into 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) PUBLIC EMPLOYMENT APPOINTMENT/EMPLOYMENT pursuant to Section 54957(b)1  
Title: City Manager
15. **Reconvene to Open Session & Report out on Closed Session:**
16. **Adjournment:**

**CERTIFICATION:** Pursuant to Government Code §54954.2 (a), the agenda for this meeting was properly posted on or before September 4, 2015.

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.

# City of Willows

## Proclamation

### “A DAY TO REMEMBER”

**WHEREAS**, the unprovoked attacks of September 11, 2001, upon America by foreign terrorists have thrust the United States and other countries into a war it never envisioned, militarily or diplomatically; and

**WHEREAS**, the challenges facing all the civilized people of the world as they relate to the war on terrorism will not end until those fanatics responsible are eliminated or brought to justice; and

**WHEREAS**, America is fully committed to ensure our freedoms remain unfettered and sovereign for all generations, now and forever; and

**WHEREAS**, world opinion needs to remain focused upon the eradication of these inhuman acts perpetrated around the globe; and

**WHEREAS**, one way to accomplish this is to NEVER FORGET that those innocent victims did not die in vain; and

**WHEREAS**, America can fight back by reminding the world that the deaths of these people will always be remembered, and they will be forever loved; and

**WHEREAS**, a noble and appropriate way to accomplish this is through the annual celebration of their living; and

**WHEREAS**, this commemoration should be held each September 11 throughout the land to include:

- The promotion of global peace and goodwill;
- The demonstration of America’s resolve and perseverance to win the war on terrorism;
- The advancement of responsible citizenship;
- The encouragement of patriotism and love of county; and
- The poignant remembrance of those innocent victims who died on September 11 as heroes, one and all.

**NOW, THEREFORE, BE IT PROCLAIMED** that I, Larry Domenighini, Mayor of the City of Willows and on behalf of the City Council and the Citizens of the City of Willows, issue this Proclamation to memorialize those men, women, and children who lost their lives; and

**BE IT FURTHER PROCLAIMED** that this Proclamation be publicized for all to see, and know that the citizens of Willows remember with eternal respect those lives which were suddenly, without cause, and pointlessly taken on September 11, 2001--**May They Forever Rest in Peace and Abide in our Memories.**

**PROCLAIMED** this 8th day of September, 2015.

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*Larry Domenighini, Mayor*

Period

8/20/2015 TO 9/2/2015

General Checking 29979 TO 30034

Payroll Direct Deposit 206583 TO 206618

Payroll Checks 34323 TO 34344

APPROVAL DATE 9/8/2015

Approved \_\_\_\_\_

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information	Description
029979	08/24/15	AIT01	ALITEC INDUSTRIES, INC.	207.75	.00	207.75	437514		VEHICLE MAINTENANCE
029980	08/24/15	ARR02	ARROWHEAD EMBLEMS	842.75	.00	842.75	10302		WILLOWS POLICE PATCHES
029981	08/24/15	ATT01	A.T.& T.	56.34 85.16	.00 .00	56.34 85.16	910198 915618		TELEPHONE EXP.EC LIBRARY TELEPHONE EXP.JAIL 7/12-8
			Check Total.....	141.50	.00	141.50			
029982	08/24/15	BUR03	BURNHAM VETERINARY CLINIC	44.00 203.40 58.50	.00 .00 .00	44.00 203.40 58.50	107924 108083 108084		VETERINARY SERVICES VETERINARY SERVICES VETERINARY SERVICES
			Check Total.....	305.90	.00	305.90			
029983	08/24/15	CAJ01	CALIFORNIA WATER COMPANY	2583.91	.00	2583.91	B50824		WATER EXPENSE 7/15-8/13/1
029984	08/24/15	COA00	COASTLAND CIVIL ENGINEERI	1341.25 9997.50 345.50 526.25 1665.00 415.00 6722.50 1518.75	.00 .00 .00 .00 .00 .00 .00 .00	1341.25 9997.50 345.50 526.25 1665.00 415.00 6722.50 1518.75	37811 37812 37816 37818 37819 37821 37843 37844		STARKWEATHER DEVELOPMENT SACRAMENTO BUTTE RECONSTR WILLOWS CITY ENGINEERING WORTHINGTON LOT LINE ADJU PG&E SERVICE CENTER THROU WILLOWS LLAD THROUGH 7/31 DRINKING WATER TREATMENT WILLOWS SR AFS THROUGH 7
			Check Total.....	22531.75	.00	22531.75			
029985	08/24/15	COM16	COMCAST CABLE	148.82	.00	148.82	B50824		INTERNET PD 8/19-9/18/15
029986	08/24/15	COR02	CORBIN WILLIAMS SYSTEMS	407.87	.00	407.87	B50815		CONT.SERV. FINANCE SEPT 2
029987	08/24/15	EDG00	ADAM EDGINGTON	150.00	.00	150.00	B50824		TRAFFIC COLLISON INVESTIG
029988	08/24/15	GLE05	GLENN CO. FEJET SERVICES	3048.56	.00	3048.56	FL1574		JULY VEHICLE RENTAL & MAI
029989	08/24/15	GLE13	GLENN CO. CLERK-RECORDER	50.00	.00	50.00	B50824		NOTICE OF EXEMPTION FILIN
029990	08/24/15	HIN02	HINDERLITER DELLAMAS & AS	521.97	.00	521.97	242001N		AUDIT SERVICES-SALES TAX
029991	08/24/15	JON01	JONES & MAYER	189.10	.00	189.10	73809		208 N SACRAMENTO
029992	08/24/15	LAN03	LANNIE'S SEPTIC TANK SERV	222.53	.00	222.53	19465		TOILET RENTAL AUG FARMERS
029993	08/24/15	LED01	LED LIGHT SOURCE	213.93	.00	213.93	082015		LED WALL WASHER
029994	08/24/15	MAT01	MATSON & ISOM TECHNOLOGY	2376.00	.00	2376.00	22038		MS OFFICE SUBSCRIPTIONS
029995	08/24/15	MID02	MIDAMERICA BOOKS	304.89	.00	304.89	356181		BOOKS
029996	08/24/15	NOR18	NORTHERN CALIF. GLOVES	134.10	.00	134.10	183692		SUPPLIES
029997	08/24/15	OFF05	OFFICE DEPOT, INC.	75.24 209.11	.00 .00	75.24 209.11	640001 920001		LABLER PD OFFICE SUPPLIES PD
			Check Total.....	284.35	.00	284.35			
029998	08/24/15	PRO00	PRO FORCE LAW ENFORCEMENT	439.68	.00	439.68	246250		HAND GUN
029999	08/24/15	R&R01	R & R AUTOBODY	2297.81	.00	2297.81	3939		VEHICLE REPAIR CLAIM
030000	08/24/15	RAD00	RADIO GUYS	317.79	.00	317.79	14783		SPEAKER MIC
030001	08/24/15	SAC08	SACRAMENTO VALLEY MIRROR	178.20	.00	178.20	13521		ORDINANCES/PLAN. COMM
030002	08/24/15	SAC20	SAC. REGIONAL PUBLIC SAFE	145.00	.00	145.00	B50824		TRAFFIC COLLISON TRAINING
030003	08/24/15	SER00	SERVICEMASTER SELECT	382.50 873.80	.00 .00	382.50 873.80	70097 70233		FD FLOOR CARE FD FLOOR CARE
			Check Total.....	1256.30	.00	1256.30			
030004	08/24/15	SPP00	SPP FUND MASTER TENANT, I.	10142.83	.00	10142.83	454232		SOLAR ELECTRICITY 7/1-7/3
030005	08/24/15	VER02	VERIZON WIRELESS	50.08	.00	50.08	327803		TELEPHONE EXP. EC LIBRARY
030006	08/24/15	VIE00	VIFVU	45.88	.00	45.88	14573		SPRING CLIP
030007	08/24/15	WAL07	WAL-MART COMMUNITY	442.81	.00	442.81	B50824		AUGUST S'MT PER ATTACHED
			Cash Account Total.....	49982.06	.00	49982.06			
			Total Disbursements.....	49982.06	.00	49982.06			

REPORT: Sop 01 15 Tuesday  
 RUN: Sop 01 15 Time: 12:55  
 Run By: JANE COLLINS

CITY OF WILLOWS  
 Cash Disbursement Detail Report:  
 Check Listing for 08-15 Bank Account.: 1050

PAGE: 001  
 ID #: PY-DP  
 CTR.: WIL

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information	Description
33024	09/01/15	WIL01	WILLOWS EMPLOYEES ASSOC.	-12.00	.00	-12.00	B40228u	Clk# 033024	Reversed
33072	09/01/15	WIL01	WILLOWS EMPLOYEES ASSOC.	-12.00	.00	-12.00	B40331u	Clk# 033072	Reversed
33293	09/01/15	WIL01	WILLOWS EMPLOYEES ASSOC.	-12.00	.00	-12.00	B40731u	Clk# 033293	Reversed
33345	09/01/15	WIL01	WILLOWS EMPLOYEES ASSOC.	-12.00	.00	-12.00	B40831u	Clk# 033345	Reversed
33750	09/01/15	WIL01	WILLOWS EMPLOYEES ASSOC.	-12.00	.00	-12.00	B50327u	Clk# 033750	Reversed
030008	08/31/15	AB000	STEVE ABOLD	200.00	.00	200.00	B50831		PUB. WKS. TOOL PARKS/PUB.
030009	08/31/15	ALT01	ALTEC INDUSTRIES, INC.	90.56	.00	90.56	10444406		SEAL KIT
030010	08/31/15	ATT01	A.T.& T.	830.19	.00	830.19	B50831		TELEPHONE EXP7/19-8/18/15
				95.66	.00	95.66	B50901		TELEPHONE EXP. LIBRARY 7/
			Check Total.....	925.85	.00	925.85			
030011	08/31/15	BAR01	BARCINOX BROTHERS AUTO	238.74	.00	238.74	B50831		AUGUST STMT PER ATTACHED
030012	08/31/15	CIT02	CITIZENS BUSINESS BANK	52603.58	.00	52603.58	B50831		FIRE ENGINE LEASE 06-063-
030013	08/31/15	COL05	COLUSA MOTOR SALES, INC.	278.66	.00	278.66	B50831		AUGUST STMT PER ATTACHED
030014	08/31/15	COM16	COMCAST CABLE	143.82	.00	143.82	B50831		ADMIN INTERNET 8/29-9/20/
030015	08/31/15	COR10	CORNING LUMBER CO., INC.	366.82	.00	366.82	B50831		AUGUST STMT PER ATTACHED
030016	08/31/15	EWI00	EWING IRRIG. PRODUCTS, INC	260.15	.00	260.15	151115		SPRINKLER REPAIR JENSEN P
				143.02	.00	143.02	166760		SPRINKLER REPAIR 20/30 PA
				418.16	.00	418.16	192180		SPRINKLER REPAIR
				248.33	.00	248.33	246116		SPRINKLER REPAIR SYCAMORE
				142.33	.00	142.33	252735		SPRINKLE REPAIR SYCAMORE
			Check Total.....	1211.99	.00	1211.99			
030017	08/31/15	PGL00	PGL ENVIRONMENTAL	21.00	.00	21.00	576417A		BACTI ANALYSIS
030018	08/31/15	FRI00	FRIESEN COMPUTER COMPANY	21.45	.00	21.45	5963		COOLING FAN
030019	08/31/15	HOL05	STEVE HOLSINGER	300.00	.00	300.00	B50831		VEHICLE ALLOW. CITY MANAG
030020	08/31/15	INT00	INTERSTATE OIL COMPANY	1272.80	.00	1272.80	531174		PUBLIC WORKS VEHICLES
030021	08/31/15	TWO00	iWorQ SYSTEMS	1272.00	.00	1272.00	7118		MANAGEMENT/SUPPORT 9/2015
030022	08/31/15	KRU02	LEONARD G. KRUP	112.50	.00	112.50	23114		PROFESSIONAL SERVICES AUG
				123.00	.00	123.00	23115		KUWATA VS CITY OF WILLOWS
			Check Total.....	235.50	.00	235.50			
030023	08/31/15	KUW00	KIMLY KUWATA	21.13	.00	21.13	B50831		DOG FOOD REIMBURSEMENT
030024	08/31/15	LEM01	CAROL LEMENAGER	200.00	.00	200.00	B50831		VEHICLE ALLOW. RECREATION
030025	08/31/15	OFF05	OFFICE DEPOT, INC.	19.80	.00	19.80	483001		ADMIN OFFICE SUPPLIES
030026	08/31/15	PGR01	PG & R	14734.77	.00	14734.77	B50831		P.G. & R. 7/15-8/13/15
030027	08/31/15	RAD00	RADIO GUYS	114.27	.00	114.27	14794		MOTOROLA REPAIR
030028	08/31/15	SAT02	TIMOTHY L. SALLSBERRY	200.00	.00	200.00	B50831		VEHICLE ALLOW. FINANCE SE
030029	08/31/15	SAN02	SANT FOOD MARKET, INC.	12.38	.00	12.38	250		CM INTERVIEWS REFRESHMENT
030030	08/31/15	STO01	STONY CREEK UNITED SCHOO	100.00	.00	100.00	B50831		RENT MC LIBRARY SEPT 2015
030031	08/31/15	USB04	U.S. BANK CORPORATE PAYME	2228.28	.00	2228.28	B50831		AUGUST STMT PER ATTACHED
030032	08/31/15	VCS00	VIGILANT CANINE SERVICES	250.00	.00	250.00	2213		CANINE SERVICE MAINTENANC
				250.00	.00	250.00	2214		CANINE SERVICE MAINTENANC
			Check Total.....	500.00	.00	500.00			
030033	08/31/15	WIL01	WILLOWS EMPLOYEES ASSOC.	60.00	.00	60.00	B50901		REPLACE STALE DATED CHECK
030034	08/31/15	WILL17	WILLDAN	6650.08	.00	6650.08	711932		MAY 2015 PLANNING SERVICE

REPORT.: Sep 01 15 Tuesday  
 RUN...: Sep 01 15 Time: 12:55  
 Run By.: JANE COLLINS

CITY OF WILLOWS  
 Cash Disbursement Detail Report  
 Check Listing for 08-15 Bank Account.: 1050

PAGE: 002  
 ID #: PY-DP  
 CTL.: WIL

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Description
030034	08/31/15	WILL17	WILLDAN	6725.00	.00	6725.00	711932B	JULY 2015 PLANNING SERVIC
				5534.50	.00	5534.50	B90901A	JUNE 2015 PLANNING SERVIC
Check Total.....:				18909.58	.00	18909.58		
Cash Account Total.....:				96222.98	.00	96222.98		
Total Disbursements.....:				96222.98	.00	96222.98		
Cash Account Total.....:				.00	.00	.00		

**MINUTES OF THE WILLOWS CITY COUNCIL REGULAR MEETING HELD**  
**July 28, 2015**

1. Mayor Domenighini called the meeting to order at 7:00 p.m.
2. **PLEDGE OF ALLEGIANCE:** Barbara LaDoucer, of the audience, led the Pledge of Allegiance.
3. **ROLL CALL:**  
Present: Williams, Yoder, Mello, Hansen & Mayor Domenighini.  
Absent: None
4. **Agenda Review:**
  - a) **M/S – Hansen/Yoder** to accept the July 28, 2015 City Council agenda as presented. The motion unanimously passed.
5. **Presentations & Proclamations:**
  - a) Barbara LaDoucer, President of the Jefferson L. Winn Unit 98 American Legion Auxiliary, presented a Certificate of Appreciation to the City Council and the Citizens of Willows in recognition and appreciation of outstanding service and assistance which contributed to the advancement of the American Legion Auxiliary programs and activities.
6. **Public Comment/Written Communications:**
  - Vince Holvik, City of Willows' Representative on the Glenn County Mosquito and Vector Control District Board, gave the Council an update on mosquito activity in the County. He reported that there are currently 3 human cases of West Nile Virus in Glenn County. He also reported that of the 40 mosquito-fish ponds in the County, 14 of them tested positive for the virus. He stated that sitting on this Board has been very interesting and he expressed his gratitude to the Council for appointing him to serve as the City's representative on the Board. Lastly, Mr. Holvik suggested that the City consider building or installing a standing podium for people to address the Council, as he stated that the current table where people have to sit down to address the body can tend to be intimidating.
7. **Consent Agenda:**

**M/S – Hansen/Mello** to approve the Consent Agenda as presented. The motion unanimously passed and the following items were approved:

  - a) Approval of General Checking, Payroll Checks & Payroll Direct Deposit.
  - b) Approval of City Council Minutes of the June 23, 2015 Regular City Council Budget Meeting.

- c) Approval of appropriation of additional County Library Funding of \$4900 total to the Willows Branch (\$3773; Fund 338.4030.120), the Bayliss Branch (\$490; Fund 338.4030.121) and to the Elk Creek Branch (\$637; Fund 338.4031.122).
- d) Passage of second reading by title only and final adoption of an Ordinance entitled "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILLOWS AMENDING TITLE II SECTION 2.10.100 OF CHAPTER 2.10; CITY MANAGER, OF THE WILLOWS MUNICIPAL CODE".
- e) Passage of second reading by title only and final adoption of an Ordinance entitled "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILLOWS ADDING SECTION 15.55.025 TO THE MUNICIPAL CODE RELATING TO EXPEDITED PERMITTING PROCEDURES FOR SMALL RESIDENTIAL ROOFTOP SOLAR SYSTEMS".

**8. Public Hearings:**

- a) Weed Abatement Public Hearing:

On April 28, 2015 the Council adopted a resolution declaring rubbish, refuse and weeds to be a public nuisance and that the City Fire Department had made a survey of the areas in town that had nuisances and notified the property owners that they must remove the nuisances or the City would perform the task and bill the property owner accordingly.

In accordance with the California Administrative Code, a hearing is required prior to the adoption of the resolution confirming cost of weed abatement and declaring those costs a lien against those properties on which work was performed. The purpose of this hearing is to discuss the cost of abatement only. The hearing on protesting and ordering abatement was previously held on May 26, 2015.

Properties that the City Contractor abated will be billed to the property owner plus a 25% administration fee. For the property owners that do not pay their abatement bill, a lien will be placed against their property and will appear on their tax statement from the county.

Mayor Domenighini opened the public hearing at 7:13 p.m. David Connelly of 801 Tamarack Way spoke during the public hearing. Mr. Connelly stated that he had received an abatement notice for a nuisance in his front yard and that he abated that nuisance; however, the City's abatement contractor abated his back yard and he then received an invoice from the City for \$763.48 which he is disputing. Fire Chief Wayne Peabody presented before and after photographs of Mr. Connelly's property which showed the nuisance that had been abated by the Contractor. Chief Peabody also advised the Council that even though the original abatement notices that are mailed to property owners may specify a particular area, essentially the abatement notices are attached to the entire parcel, not just a portion, and that over the months that the abatement season is ongoing, other nuisances may appear on noticed properties and those nuisances, if not self-abated, will be abated by the contractor. Mayor Domenighini closed the public hearing at 7:22 p.m. Council discussion ensued and the Council was satisfied that the abatement of Mr. Connelly's property was warranted; however, due to the misunderstanding of

what the original notice stated versus what was abated, the Council agreed that they would waive \$152.70 which was the 25% Administrative Fee.

**M/S – Williams/Mello** to amend the charges for 801 Tamarack Way from \$763.48 to \$610.48. The Motion unanimously passed. **M/S – Hansen/Yoder** to adopt a Resolution confirming costs of the abatement and declaring them a special assessment, with an amendment to reduce the fee from \$763.48 to \$610.48. The motion unanimously passed.

9. **Ordinances:** Action taken under items 7 (c) & (d).

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

The City Manager announced that he would be on vacation beginning July 29 through August 9 and during his absence Finance Director Tim Sailsbery will be the acting City Manager. He also announced that it was brought to his attention that three Council Members will be absent for the next meeting scheduled on August 11. It was the unanimous consensus of the City Council to cancel the regular meeting of August 11 due to lack of a quorum.

Council Member Mello stated that he liked Mr. Holvik's suggestion about having a podium in the Council Chambers for members of the public to address the Council. Other Council Members concurred and it was the unanimous consensus of the Council to direct staff to get a podium for the Council Chambers. Council Member Mello also stated that he wished the City could do something about the old dilapidated Tower Theatre building that is across from the Post Office because it is an eye sore.

11. **New Business:** None scheduled.

12. **Council Member Reports:**

- Council Member Hansen reported that he attended the July 16 Transportation Meeting and that the Transit Meeting had been cancelled.
- Mayor Domenighini reported that there is a LAFCO meeting scheduled for August 10. He also announced that Adrienne Haylor indicated that she plans to resign from the Library Board of Trustees in December.

13. **Executive Session:** Pursuant to Government Code Section 54954. Pursuant to Government Code Section 54954.3, the public had an opportunity to directly address the legislative body on the items below prior to the Council convening into Closed Session. No members of the Public spoke and the City Council convened into Executive Session at 7:40 p.m. for the following:

PUBLIC EMPLOYEE APPOINTMENT/EMPLOYMENT pursuant to Section 54957(b)1  
Title: City Manager

14. **Report out from Executive Session:** The Council entered back into open session at 8:58 p.m. with Mayor Domenighini reporting that direction was given to staff to continue with the recruitment process for the City Manager. No formal reportable action was taken by the Council.
15. **Adjournment:** Mayor Domenighini adjourned the meeting at 8:59 p.m.

Dated: July 28, 2015

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 19, 2015**

1. Mayor Domenighini called the meeting to order at 5:03 p.m.
2. **PLEDGE OF ALLEGIANCE:** Council Member Yoder led the Pledge of Allegiance.
3. **ROLL CALL:**  
  
Present: Williams, Yoder, Hansen, Mello & Mayor Domenighini.  
Absent: None
4. **Public Comment:** *Pursuant to Government Code Section 54954.3 the public had an opportunity to directly address the legislative body on the items below prior to the Council convening into Closed Session. No members of the public spoke and the Council entered into Closed Session at 7:05 p.m.*
5. **Executive Session:** Pursuant to California Government Code Sections 54950 et seq., the City Council held a Closed Session. More Specific information regarding this closed session is indicated below:  
  
**a) PUBLIC EMPLOYMENT APPOINTMENT/EMPLOYMENT pursuant to Section 54957(b)1**  
  
**Title: City Manager**
6. **Report Out from Executive Session:** The Council reconvened into Regular Session at 6:31 p.m. with Mayor Domenighini reporting that direction was given to staff to continue with the City Manager recruitment process. No formal reportable action was taken by the Council.
7. **Adjournment:** Mayor Domenighini adjourned the meeting at 6:33 p.m.

Dated: August 19, 2015

NATALIE BUTLER

\_\_\_\_\_  
City Clerk

The City of Willows is an Equal Opportunity Provider

**MINUTES OF THE WILLOWS CITY COUNCIL REGULAR MEETING HELD**  
**August 25, 2015**

1. Mayor Domenighini called the meeting to order at 7:00 p.m. and he asked all in attendance at the meeting to please observe a moment of silence for the recent passings of Reggie Boelman who worked for the Willows Police Department for 20 years and for Dean Stoullil who served on the Willows City Council and as the City's Mayor for several years.

2. **PLEDGE OF ALLEGIANCE:** Council Member Williams led the Pledge of Allegiance.

3. **ROLL CALL:**

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

Absent: None

4. **Agenda Review:**

a) **M/S – Yoder/Hansen** to accept the August 25, 2015 City Council agenda as presented. The motion unanimously passed.

5. **Presentations & Proclamations:** City Manager Steve Holsinger announced that the parties that would be presenting an award to a member of City Staff were running late and would be arriving shortly. Mayor Domenighini continued on with the business of the meeting.

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

- Kristin Cushman of the Glenn County Office of Education and a representative of the 'Friday Night Live' program, presented a Certificate of Appreciation to the Council for their support of this summer's Friday Night Live Movies in the Park program.
- Vince Holvik, City of Willows' Representative on the Glenn County Mosquito and Vector Control District Board, gave the Council an update on mosquito activity and West Nile Virus cases in the County.

7. **Consent Agenda:**

**M/S – Hansen/Yoder** to approve the Consent Agenda as presented. The motion unanimously passed and the following items were approved:

- a) Approval of General Checking, Payroll Checks & Payroll Direct Deposit.
- b) Approval of City Council Minutes of the July 14, 2015 Regular City Council Budget Meeting.

8. **Public Hearings:** None

9. **Ordinances:** None

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

The City Manager announced that the Special Meeting of the City Council to interview potential City Manager candidates will take place on Friday, August 28 and will begin at 7:15 a.m.

11. **New Business:**

- a) Discuss & Advise – Additional Fund Appropriation to add one Patrol Officer to the Personnel Roll for the Willows Police Department.

At the request of the Council during the deliberation and passage of the 2015/16 budget, the concept of adding an additional Patrol Officer to the Willows Police Force is being brought back before the Council for further consideration. Council discussion ensued and although it was the consensus of the Council Members that they would like to see a new Patrol Officer position, it was the decision of the consensus of the Council to wait until after the September 8, 2015 meeting when the EDA grant goes before the Council for consideration of grant match approval to secure the grant before they would take action on this item. **M/S - Hansen/Yoder** to table this item for discussion and possible action at the meeting to be held on September 22, 2015. The motion unanimously passed

- b) Discuss & Advise – Additional Fund Appropriation to purchase a replacement command vehicle for the Fire Chief.

Much like the previously discussed item, the Council indicated that they would like to wait for the outcome of the EDA grant funding item at the meeting on September 8 before they take action on this item. **M/S – Hansen/Mello** to table this item for discussion and possible action at the Meeting to be held on September 22, 2015. The motion unanimously passed.

At this time the City Manager announced to Mayor Domenighini that the parties that were planning on presenting an award to a member of staff have arrived at the meeting and would like to make their presentation at this time.

Robert Stresak, Executive Director of the West Sacramento POST division, presented Police Chief Jason Dahl with the highest possible State Peace Officers Standards and Training honor, a framed Executive Certificate. Mr. Stresak stated that in the past 50

years, only 1500 Executive Certificates have been awarded and this is a very honorable achievement. Staff and Council congratulated Chief Dahl and Mayor Domenighini called for a brief recess at 7:45 p.m.

Mayor Domenighini reconvened the meeting at 7:53 p.m.

- c) Staff is seeking direction from the City Council on the methodology or procedural preference for the ultimate replacement of the City Attorney:

City Attorney Gary Krup has previously advised the Council and the Management staff that he is retiring later this year. Although a specific date has not been officially identified, communication between staff and Attorney Krup's office suggests this is an appropriate time for the Council to commence preparation for the ultimate replacement of the City Attorney.

The City Manager outlined the options for Council consideration on potential methods for seeking a replacement for Attorney Krup. First, the Council may choose to develop a formal RFP process to solicit proposals from interested firms around the State. This would be the most costly and time consuming process and therefore may not be the most ideal method, especially if Attorney Krup vacates the office prior to selection of a replacement firm/attorney. Alternatively, the Council could solicit proposals through a less formal process, inviting attorneys/firms representing other public agencies in the Northern Sacramento Valley Region to submit proposals for consideration. Council could choose to interview potential replacements from among the respondents and make a subsequent selection based upon the process. Additionally, Council might basically just invite attorneys of record that may have performed specialized services for the city in the past to interview before the Council, if interested, and make a subsequent selection from this process as well. Finally, the Council may perhaps already have an identified preference from among firms or attorneys, familiar to one or more members on this or other agency boards. The Council could direct staff to contact an identified attorney and commence negotiations on a proposal/contract for services, to ultimately be approved by the Council at a subsequent meeting.

Council discussion ensued. Vice Mayor Hansen recommended that the City try to contact Bob Hunt and Associates. The City has utilized Mr. Hunt in the past on the recommendation of City Attorney Gary Krup, and Vice Mayor Hansen stated that he is professional and ethical and would be his preferred choice. All four Council Members agreed with Vice Mayor Hansen's suggestion and the consensus of the Council was to have the City Manager reach out to Mr. Hunt to see if he has an interest in the position.

d) **Planning Commission Vacancies/Appointments:**

Three seats on the Willows Planning Commission will become open on December 31, 2015 when the terms of Commissioners Kerri Warren, Robert Griffith and Candis Woods will expire. Staff is requesting that the Council select two members to serve as a selection subcommittee to review applications, conduct interviews and give their recommendations to the full Council on who they would like to appoint at the meeting to be held on December 8. Council Member Yoder and Vice Mayor Hansen volunteered to serve on the subcommittee.

12. **Council Member Reports:**

- Vice Mayor Hansen once again congratulated Chief Dahl on his receiving the POST Executive Certificate. He also thanked Fire Chief Peabody for inviting him to the recent Chiefs' Meeting & dinner. He reported that he attended the Transit and Transportation Meetings on August 20. He stated that a new 40 foot bus has recently been ordered and he reported that the fare box average for Glenn Ride is up. Mayor Domenighini asked Vice Mayor Hansen if he had any information on the bus shelter that was supposed to be placed at the corner of Sycamore & Butte Streets. Vice Mayor Hansen stated that he would follow-up with Mardy Thomas at the County to find out the status of the project.
- Council Member Mello reported that he attended his first LAFCO meeting and he found it interesting.
- Council Member Williams stated that he has utilized the Glenn Ride transportation system to come to Willows from Chico and the busses are nice and clean and the drivers are very friendly and he has always had a good experience.
- Mayor Domenighini reported that he attended the annual Willows Car and Bike show and it was a nice event. He also announced that Adrienne Haylor would be retiring from the Willows Library Board and would likely be giving her letter of resignation to City Staff in the near future.

13. **Executive Session:** None

14. **Adjournment:** Mayor Domenighini adjourned the meeting at 8:20 p.m.

Dated: August 25, 2015

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 28 - 29, 2015**

The City Council of the City of Willows held a Special Meeting on Friday, August 28, 2015 at the Willows Civic Center, 201 North Lassen Street, Willows, California. The purpose of this Special Meeting was to interview candidates for City Manager. No other business was discussed by the Council during this meeting.

1. Mayor Domenighini called the meeting to order at 7:15 a.m. on Friday, August 28, 2015.

2. **PLEDGE OF ALLEGIANCE:** Vice Mayor Gary Hansen led the Pledge of Allegiance.

3. **ROLL CALL:**

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

Absent: None

4. **Public Comment:** *Pursuant to Government Code Section 54954.3 the public had an opportunity to directly address the legislative body on the items below prior to the Council convening into Closed Session. No members of the public spoke and the Council entered into Closed Session at 7:17 a.m.*

5. **Executive Session:** Pursuant to California Government Code Sections 54950 et seq., the City Council held a Closed Session. More Specific information regarding this closed session is indicated below:

a) **PUBLIC EMPLOYMENT APPOINTMENT/EMPLOYMENT pursuant to Section 54957(b)1**

**Title: City Manager**

6. **Reconvene to Open Session:** The Council reconvened into Regular Session at 5:35 p.m. No formal reportable action was taken by the Council and Mayor Domenighini adjourned the Special Meeting to 8:30 a.m. on August 29, 2015.

7. **Reconvene Special Meeting into Executive Session:** Pursuant to California Government Section 54957(b)1, Mayor Domenighini reconvened the Special Meeting on Saturday, August 29, 2015 at 8:30 a.m.

8. **Report Out on Closed Session:** The Council reconvened into open session at 4:56 p.m. on August 29, 2015, and Mayor Domenighini reported that the Council has identified a preferred candidate to become the new city manager and directed staff to extend a conditional offer of employment subject to a successful background and reference check.

9. **Adjournment:** Mayor Domenighini adjourned the meeting at 4:57 p.m.

Dated: August 29, 2015

NATALIE BUTLER

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City Clerk

The City of Willows is an Equal Opportunity Provider

**AGENDA ITEM**

**TO:** Steve Holsinger, City Manager

**FROM:** Tim Sailsbery, Finance Director 

**SUBJECT:** Cafeteria Plan Reduction-Unrepresented and City Manager

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**RECOMMENDATION**

Adopt Resolutions Affirming Addendum to the Compensation Plan and Wage Schedule Entered into with Unrepresented Employees Originally Entered Into July 14, 2015

**SITUATION (or BACKGROUND):**

At the time of the processing and approval of the wage adjustments for Unrepresented Employees (see 7/14/15 meeting agenda and minutes), the reduction in Cafeteria Plan Benefits for these employees (a 20% reduction in cafeteria plan benefit) was also to be included in the original resolution/agreement. This resolution provides the addendum necessary to include the Cafeteria Plan reduction into the overall agreement as originally intended.

Please note that while the City Manager's position was excluded from the salary adjustment portion of the agreement, it is included in the cafeteria plan benefit reduction as noted in the resolution and addendum verbiage.

**FINANCIAL CONSIDERATIONS:**

The effect of the Cafeteria Plan Benefit reduction was factored into the updated FY 2015-16 Approved Budget.

**NOTIFICATION**

N/A

**ALTERNATE ACTIONS**

1. Adopt resolution as presented
2. Reject affirmation and update
3. Request additional information and postpone authorization consideration to a future date.

**RECOMMENDATION**

Adopt Resolutions Affirming Addendum to the Compensation Plan and Wage Schedule Entered into with Unrepresented Employees Originally Entered Into July 14, 2015

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Respectfully submitted,



Tim Sailsbery  
Finance Director

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Attached: Addendum to Salary and Benefit Agreement  
Resolution

Addendum to Salary and Benefit Agreement  
City Manager  
Department Heads  
Confidential Employees (Full Time)

Effective 12/1/15, the Cafeteria Plan Benefit for the above noted employees shall be as follows:

Tier 1 (Opt-Out of Health Insurance)-Cafeteria Plan Allowance of \$384.80 per month

Tier 2 (Employee Only)-Cafeteria Plan Allowance shall be set at 80% of the Employee Only- CalPERS published premium for the current period for the Blue Shield Access Plus HMO-Other Northern California Rates less the Contracting Agency Minimum Employer Contribution for Health Insurance for the current period.

Tier 3 (Employee Plus 1)-Cafeteria Plan Allowance shall be set at 80% of the Employee Plus one- CalPERS published premium for the current period for the Blue Shield Access Plus HMO-Other Northern California Rates less the Contracting Agency Minimum Employer Contribution for Health Insurance for the current period.

Tier 4 (Employee Plus Family)-Cafeteria Plan Allowance shall be set at 80% of the Employee Plus Family- CalPERS published premium for the current period for the Blue Shield Access Plus HMO-Other Northern California Rates less the Contracting Agency Minimum Employer Contribution for Health Insurance for the current period.

RESOLUTION NO. \_\_\_\_\_

**Resolution of the City Council of the City of Willows Affirming Addendum to the Compensation Plan and Wage Schedule Entered into With Unrepresented Employees Originally Entered into July 14, 2015**

WHEREAS, the City entered into a Compensation Plan and Wage Schedule with Unrepresented Employees on July 14, 2015, and

WHEREAS, It was the intent of the City and the Unrepresented Employees to alter the Cafeteria Plan to set a revised Cafeteria Plan Benefit Level as part of the Compensation Plan and Wage Schedule, and

WHEREAS, said alteration was not made at the time of the passage of the Compensation Plan and Wage Schedule, and

WHEREAS, the intent remained to include said alteration as part of the agreement and extend said alteration to the position of City Manager as well while not including the position of City Manager in other aspects of the Agreement dated 7/14/15;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Willows does hereby approve an Addendum to the Compensation Plan and Wage Schedule With the Unrepresented Employees as follows:

*Addendum to Salary and Benefit Agreement  
City Manager  
Department Heads  
Confidential Employees (Full Time)*

*Effective 12/1/15, the Cafeteria Plan Benefit for the above noted employees shall be as follows:*

*Tier 1 (Opt-Out of Health Insurance)-Cafeteria Plan Allowance of \$384.80 per month*

*Tier 2 (Employee Only)-Cafeteria Plan Allowance shall be set at 80% of the Employee Only-CalPERS published premium for the current period for the Blue Shield Access Plus HMO-Other Northern California Rates less the Contracting Agency Minimum Employer Contribution for Health Insurance for the current period.*

*Tier 3 (Employee Plus 1)-Cafeteria Plan Allowance shall be set at 80% of the Employee Plus one-CalPERS published premium for the current period for the Blue Shield Access Plus HMO-Other Northern California Rates less the Contracting Agency Minimum Employer Contribution for Health Insurance for the current period.*

*Tier 4 (Employee Plus Family)-Cafeteria Plan Allowance shall be set at 80% of the Employee Plus Family-CalPERS published premium for the current period for the Blue Shield Access Plus HMO-Other Northern California Rates less the Contracting Agency Minimum Employer Contribution for Health Insurance for the current period.*

PASSED AND ADOPTED by the Willows City Council this 8th day of  
September, 2015 by the following vote:

AYES:  
NOES:  
ABSENT:

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Larry Domenighini, Mayor

ATTEST:

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City Clerk

**AGENDA ITEM**

**TO:** Steve Holsinger, City Manager

**FROM:** Tim Sailsbery, Finance Director



**SUBJECT:** Updating Cafeteria Plan Terms

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**RECOMMENDATION**

Approve Resolutions Affirming and Updating Cafeteria Plan Terms With the City of Willows and the Willows Employees Association, Willows Public Safety Association and with the City Manager and Eligible Department Heads and Confidential Employees

**SITUATION (or BACKGROUND):**

The City has provided various employee benefits via a cafeteria plan since the late 1990's. Part of the process of maintaining the cafeteria plan is to update the terms and conditions of the plan periodically. The attached resolutions provide the proper update to the terms, conditions, and amounts provided to all full-time, benefitted employees through November 30, 2016. Such resolutions will continue on a periodic "housekeeping" basis to reflect terms and conditions of the plan.

The content in the resolution for the City Manager and Eligible Department Heads and Confidential Employees includes the effect of the reduction of cafeteria benefit agreed upon by Council.

**FINANCIAL CONSIDERATIONS:**

No additional appropriation currently. The effect of the cafeteria plan and corresponding health insurance rates will be double checked against the 2015-16 adopted budget, and adjustments, if appropriate will be brought forth as part of mid-year budget review.

**NOTIFICATION**

N/A

**ALTERNATE ACTIONS**

1. Authorize as presented
2. Reject affirmation and update
3. Request additional information and postpone authorization consideration to a future date.

**RECOMMENDATION**

Approve Resolutions Affirming and Updating Cafeteria Plan Terms With the City of Willows and the Willows Employees Association, Willows Public Safety Association and with the City Manager and Eligible Department Heads and Confidential Employees

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Respectfully submitted,



Tim Sailsbery  
Finance Director

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Attached: Cafeteria Plan Documents  
Resolutions (2)

CITY OF WILLOWS' Cafeteria Plan

Willows Employee Association  
Willows Public Safety Association

1. **Term of Agreement:** The agreement is for the period beginning December 1, 2015 and ending November 30, 2016.
2. **Continuation of Existing Agreements:** Except as specifically indicated in this Resolution, the terms and conditions contained in the previously approved MOUs and resolutions between the City and the Associations will continue in effect through the duration of this agreement.
3. **Health Insurance:**

Effective December 1, 2015

The City will provide payment for health insurance premiums in the amount of \$125 per employee, per month, towards enrollment in the City's sponsored CalPERS health plan, regardless of the number of dependents the employee has enrolled in the City's sponsored CalPERS health plan.

Employees may choose not to enroll in the City of Willows' sponsored CalPERS health plan. Employees who opt out of enrollment in the City of Willows' sponsored CalPERS health plan will not receive the City's payment for health insurance premiums provided to other employees who are enrolled in the City's sponsored CalPERS health plan. If an employee in this status subsequently elects to be covered by the City's sponsored health plan, they may enter the plan subject to enrollment criteria established by CalPERS.

4. **Employer Contributions to Cafeteria Plan Benefits:**

The City will maintain a Section 125 qualifying Cafeteria Plan which shall provide for the following menu of benefits:

- Balance of premiums for the City's sponsored CalPERS health plan
- AFLAC supplemental insurance
- Dental and vision insurance through Premier Access Dental and Vision
- Deferred Compensation in a Section 457 plan with ICMA or Nationwide

A benefit under the Cafeteria Plan is contingent upon an understanding that the benefit qualifies as a pre-tax benefit pursuant to State and Federal tax laws. If for any reason

State or Federal law precludes one or more of the above listed benefits from the protection of a Section 125 Cafeteria Plan, the City may remove that benefit from the Plan in order to maintain the City's Cafeteria Plan as a Section 125 qualifying plan.

The City will contribute a flexible benefit allowance to all employees eligible to participate in the Cafeteria Plan. Receipt of any flexible benefit allowance to the Cafeteria Plan shall be in addition to the City's contribution that is provided towards the employee's premiums for the City's sponsored health plan as stated above. The City's flexible benefit allowance provided to an employee shall be determined based on the employee's participation level, as follows:

TIER 1: Eligible Employees who opt-out of enrollment in the City's sponsored CalPERS health plan shall receive a Cafeteria Plan allowance of \$481.00 per month. The allowance is to be used only towards the purchase of those benefits available through the City's Cafeteria Plan. In order to be eligible for this benefit, the employee must provide written proof of other medical insurance coverage.

TIER 2: Eligible employees who elect to enroll in employee-only medical coverage under the City's CalPERS sponsored health plan shall receive a Cafeteria Plan allowance of \$754.96 per month effective December 1, 2015. The allowance is to be used only towards the purchase of those benefits available through the City's Cafeteria Plan.

TIER 3: Eligible employees who elect to enroll in employee-plus-one medical coverage under the City's CalPERS sponsored health plan shall receive a Cafeteria Plan allowance of \$1,634.92 per month effective December 1, 2015. The allowance is to be used only towards the purchase of those benefits available through the City's Cafeteria Plan.

TIER 4: Eligible employees who elect to enroll in employee-plus-two-or-more medical coverage under the City's CalPERS sponsored health plan shall receive a Cafeteria Plan allowance of \$2162.90 per month effective December 1, 2015. The allowance is to be used only towards the purchase of those benefits available through the City's Cafeteria Plan.

All MOU changes will be memorialized in a resolution of the City of Willows City Council.

## CITY OF WILLOWS' Cafeteria Plan

City Manager

Eligible, Non-Represented Department Heads and Confidential Employees

1. **Term of Agreement:** The agreement is for the period beginning December 1, 2015 and ending November 30, 2016.
2. **Continuation of Existing Agreements:** Except as specifically indicated in this Resolution, the terms and conditions contained in the previously approved MOUs and resolutions between the City and the Associations will continue in effect through the duration of this agreement.
3. **Health Insurance:**

### Effective December 1, 2015

The City will provide payment for health insurance premiums in the amount of \$125 per employee, per month, towards enrollment in the City's sponsored CalPERS health plan, regardless of the number of dependents the employee has enrolled in the City's sponsored CalPERS health plan.

Employees may choose not to enroll in the City of Willows' sponsored CalPERS health plan. Employees who opt out of enrollment in the City of Willows' sponsored CalPERS health plan will not receive the City's payment for health insurance premiums provided to other employees who are enrolled in the City's sponsored CalPERS health plan. If an employee in this status subsequently elects to be covered by the City's sponsored health plan, they may enter the plan subject to enrollment criteria established by CalPERS.

4. **Employer Contributions to Cafeteria Plan Benefits:**

The City will maintain a Section 125 qualifying Cafeteria Plan which shall provide for the following menu of benefits:

- Balance of premiums for the City's sponsored CalPERS health plan
- AFLAC supplemental insurance
- Dental and vision insurance through Premier Access Dental and Vision
- Deferred Compensation in a Section 457 plan with ICMA or Nationwide

A benefit under the Cafeteria Plan is contingent upon an understanding that the benefit qualifies as a pre-tax benefit pursuant to State and Federal tax laws. If for any reason

State or Federal law precludes one or more of the above listed benefits from the protection of a Section 125 Cafeteria Plan, the City may remove that benefit from the Plan in order to maintain the City's Cafeteria Plan as a Section 125 qualifying plan.

The City will contribute a flexible benefit allowance to all employees eligible to participate in the Cafeteria Plan. Receipt of any flexible benefit allowance to the Cafeteria Plan shall be in addition to the City's contribution that is provided towards the employee's premiums for the City's sponsored health plan as stated above. The City's flexible benefit allowance provided to an employee shall be determined based on the employee's participation level, as follows:

TIER 1: Eligible Employees who opt-out of enrollment in the City's sponsored CalPERS health plan shall receive a Cafeteria Plan allowance of \$384.80 per month. The allowance is to be used only towards the purchase of those benefits available through the City's Cafeteria Plan. In order to be eligible for this benefit, the employee must provide written proof of other medical insurance coverage.

TIER 2: Eligible employees who elect to enroll in employee-only medical coverage under the City's CalPERS sponsored health plan shall receive a Cafeteria Plan allowance of \$578.97 per month effective December 1, 2015. The allowance is to be used only towards the purchase of those benefits available through the City's Cafeteria Plan.

TIER 3: Eligible employees who elect to enroll in employee-plus-one medical coverage under the City's CalPERS sponsored health plan shall receive a Cafeteria Plan allowance of \$1,282.94 per month effective December 1, 2015. The allowance is to be used only towards the purchase of those benefits available through the City's Cafeteria Plan.

TIER 4: Eligible employees who elect to enroll in employee-plus-two-or-more medical coverage under the City's CalPERS sponsored health plan shall receive a Cafeteria Plan allowance of \$1,705.32 per month effective December 1, 2015. The allowance is to be used only towards the purchase of those benefits available through the City's Cafeteria Plan.

All agreement changes will be memorialized in a resolution of the City of Willows City Council.

RESOLUTION NO. \_\_\_\_\_

**Resolution of the City Council of the City of Willows Affirming and Updating Cafeteria Plan Terms in Agreement With the City of Willows and the Willows Employees Association and the Willows Public Safety Association**

WHEREAS, the City endeavors to provide adequate health and welfare benefits for employees and their dependents;

WHEREAS, the City and the City Manager believe it to be in the best interest of the City to continue to make available quality health insurance, as well as access to other flexible welfare benefits via the City's Cafeteria Plan

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Willows does hereby approve an agreement between the City and the City Manager following:

1. **Term of Agreement:** The agreement is for the period beginning December 1, 2015 and continue through November 30, 2016.
2. **Continuation of Existing Agreements:** Except as specifically indicated in this Resolution, the terms and conditions contained in the previously approved Memorandums of Understanding and resolutions between the City and the Willows Employees' Association and the Willows Public Safety Association will continue in effect through the duration of the agreement.
3. **Health Insurance:**

Effective December 1, 2015

The City will provide payment for health insurance premiums in the amount of \$125 per employee, per month, towards enrollment in the City's sponsored CalPERS health plan, regardless of the number of dependents the employee has enrolled in the City's sponsored CalPERS health plan.

Employees may choose not to enroll in the City of Willows' sponsored CalPERS health plan. Employees who opt out of enrollment in the City of Willows' sponsored CalPERS health plan will not receive the City's payment for health insurance premiums provided to other employees who are enrolled in the City's sponsored CalPERS health plan. If an employee in this status subsequently elects to be covered by the City's sponsored health plan, they may enter the plan subject to enrollment criteria established by CalPERS.

**4. Employer Contributions to Cafeteria Plan Benefits:**

The City will maintain a Section 125 qualifying Cafeteria Plan which shall provide for the following menu of benefits:

- Balance of premiums for the City's sponsored CalPERS health plan
- AFLAC supplemental insurance
- Dental and vision insurance through Premier Access Dental and Vision
- Deferred Compensation in a Section 457 plan with ICMA or Nationwide

A benefit under the Cafeteria Plan is contingent upon an understanding that the benefit qualifies as a pre-tax benefit pursuant to State and Federal tax laws. If for any reason State or Federal law precludes one or more of the above listed benefits from the protection of a Section 125 Cafeteria Plan, the City may remove that benefit from the Plan in order to maintain the City's Cafeteria Plan as a Section 125 qualifying plan.

The City will contribute a flexible benefit allowance to all employees eligible to participate in the Cafeteria Plan. Receipt of any flexible benefit allowance to the Cafeteria Plan shall be in addition to the City's contribution that is provided towards the employee's premiums for the City's sponsored health plan as stated above. The City's flexible benefit allowance provided to an employee shall be determined based on the employee's participation level, as follows:

**TIER 1:** Eligible Employees who opt-out of enrollment in the City's sponsored CalPERS health plan shall receive a Cafeteria Plan allowance of \$481.00 per month. The allowance is to be used only towards the purchase of those benefits available through the City's Cafeteria Plan. In order to be eligible for this benefit, the employee must provide written proof of other medical insurance coverage.

**TIER 2:** Eligible employees who elect to enroll in employee-only medical coverage under the City's CalPERS sponsored health plan shall receive a Cafeteria Plan allowance of \$754.96 per month effective December 1, 2015. The allowance is to be used only towards the purchase of those benefits available through the City's Cafeteria Plan.

**TIER 3:** Eligible employees who elect to enroll in employee-plus-one medical coverage under the City's CalPERS sponsored health plan shall receive a Cafeteria Plan allowance of \$1,634.92 per month effective December 1, 2015. The allowance is to be used only towards the purchase of those benefits available through the City's Cafeteria Plan.

**TIER 4:** Eligible employees who elect to enroll in employee-plus-two-or-more medical coverage under the City's CalPERS sponsored health plan shall receive a Cafeteria Plan allowance of \$2,162.90 per month effective December 1, 2015. The allowance is to be used only towards the purchase of those benefits available through the City's Cafeteria Plan.

PASSED AND ADOPTED by the Willows City Council this 8th day of  
September, 2015 by the following vote:

AYES:  
NOES:  
ABSENT:

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Larry Domenighini, Mayor

ATTEST:

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City Clerk

RESOLUTION NO. \_\_\_\_\_

**Resolution of the City Council of the City of Willows Affirming and Updating Cafeteria Plan Terms in Agreement With the City of Willows and the City Manager and Eligible, Non-Represented Department Heads and Confidential Employees**

WHEREAS, the City endeavors to provide adequate health and welfare benefits for employees and their dependents;

WHEREAS, the City and the City Manager believe it to be in the best interest of the City to continue to make available quality health insurance, as well as access to other flexible welfare benefits via the City's Cafeteria Plan

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Willows does hereby approve an agreement between the City and the City Manager following:

1. **Term of Agreement:** The agreement is for the period beginning December 1, 2015 and continue through November 30, 2016.
2. **Continuation of Existing Agreements:** Except as specifically indicated in this Resolution, the terms and conditions contained in the previously approved Memorandums of Understanding and resolutions between the City and the City Manager and Eligible Non-Represented Department Heads and Confidential Employees will continue in effect through the duration of this agreement.

3. **Health Insurance:**

Effective December 1, 2015

The City will provide payment for health insurance premiums in the amount of \$125 per employee, per month, towards enrollment in the City's sponsored CalPERS health plan, regardless of the number of dependents the employee has enrolled in the City's sponsored CalPERS health plan.

Employees may choose not to enroll in the City of Willows' sponsored CalPERS health plan. Employees who opt out of enrollment in the City of Willows' sponsored CalPERS health plan will not receive the City's payment for health insurance premiums provided to other employees who are enrolled in the City's sponsored CalPERS health plan. If an employee in this status subsequently elects to be covered by the City's sponsored health plan, they may enter the plan subject to enrollment criteria established by CalPERS.

**4. Employer Contributions to Cafeteria Plan Benefits:**

The City will maintain a Section 125 qualifying Cafeteria Plan which shall provide for the following menu of benefits:

- Balance of premiums for the City's sponsored CalPERS health plan
- AFLAC supplemental insurance
- Dental and vision insurance through Premier Access Dental and Vision
- Deferred Compensation in a Section 457 plan with ICMA or Nationwide

A benefit under the Cafeteria Plan is contingent upon an understanding that the benefit qualifies as a pre-tax benefit pursuant to State and Federal tax laws. If for any reason State or Federal law precludes one or more of the above listed benefits from the protection of a Section 125 Cafeteria Plan, the City may remove that benefit from the Plan in order to maintain the City's Cafeteria Plan as a Section 125 qualifying plan.

The City will contribute a flexible benefit allowance to all employees eligible to participate in the Cafeteria Plan. Receipt of any flexible benefit allowance to the Cafeteria Plan shall be in addition to the City's contribution that is provided towards the employee's premiums for the City's sponsored health plan as stated above. The City's flexible benefit allowance provided to an employee shall be determined based on the employee's participation level, as follows:

**TIER 1:** Eligible Employees who opt-out of enrollment in the City's sponsored CalPERS health plan shall receive a Cafeteria Plan allowance of \$384.80 per month. The allowance is to be used only towards the purchase of those benefits available through the City's Cafeteria Plan. In order to be eligible for this benefit, the employee must provide written proof of other medical insurance coverage.

**TIER 2:** Eligible employees who elect to enroll in employee-only medical coverage under the City's CalPERS sponsored health plan shall receive a Cafeteria Plan allowance of \$578.97 per month effective December 1, 2015. The allowance is to be used only towards the purchase of those benefits available through the City's Cafeteria Plan.

**TIER 3:** Eligible employees who elect to enroll in employee-plus-one medical coverage under the City's CalPERS sponsored health plan shall receive a Cafeteria Plan allowance of \$1,282.94 per month effective December 1, 2015. The allowance is to be used only towards the purchase of those benefits available through the City's Cafeteria Plan.

**TIER 4:** Eligible employees who elect to enroll in employee-plus-two-or-more medical coverage under the City's CalPERS sponsored health plan shall receive a Cafeteria Plan allowance of \$1,705.32 per month effective December 1, 2015. The allowance is to be used only towards the purchase of those benefits available through the City's Cafeteria Plan.

PASSED AND ADOPTED by the Willows City Council this 8th day of  
September, 2015 by the following vote:

AYES:  
NOES:  
ABSENT:

---

Larry Domenighini, Mayor

ATTEST:

---

City Clerk

**AGENDA ITEM**

**TO:** Steve Holsinger, City Manager  
**FROM:** Tim Sailsbery, Finance Director   
**SUBJECT:** Investment Policy- Annual Renewal

---

**RECOMMENDATION**

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

---

**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.

The Statement of Investment Policy, as submitted, remains the same as the Statement approved by Council in September, 2014. 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, acting as the City Treasurer, 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.

---

Respectfully submitted,



Tim Sailsbery  
Finance Director

---

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 City Treasurer, in selecting financial institutions for deposits and investments of the City funds, shall consider the creditworthiness of such institutions. The Treasurer 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 Treasurer shall periodically establish guidelines and strategies to control risk of default, market price changes, and illiquidity. A competitive bid process, 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.

09/8/15  
Date

/S/ Tim Sailsbery  
Tim Sailsbery  
Finance Director/ City Treasurer

## **AGENDA ITEM**

September 8, 2015

**TO:** Honorable Mayor Domenighini and Members of City Council

**FROM:** Steve Holsinger, City Manager

**SUBJECT:** Approve by Resolution, authorization for Staff to submit to the US Economic Development Administration written documentation verifying City matching funds in an amount not less than \$1,071,429.00 in conjunction with formal acceptance of EDA Grant award: EDA Control No. 109314, specified in the notice of non-binding award, dated July 27, 2015 and authorizing augmentation of the FY 2015/16 Budget Documents to include the funding match; identifying transfers of \$535,715.00 from each of two city reserve accounts: General Fund and Sewer Enterprise Fund reserves, and directing staff to develop formal agreements with Basin Street Properties, Inc. and 3CORE, Inc. for the repayment/replenishment of the reserve account debt/loans prior the formal adoption of the FY 2016/17 City of Willows Budget.

## **RECOMMENDATION**

Staff recommends that the City Council approve by Resolution, authorization for Staff to formally accept the EDA Grant: Control No. 109314 and provide verification of all compliance requirements and documentation specified in the EDA Notice of Award Letter, dated July 27, 2015.

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## **SUMMARY**

3CORE on behalf of the City of Willows, in partnership with Basin Street Properties have been investigating funding opportunities in support of the necessary infrastructure improvements; including Highway 99 traffic accommodations, bridge work necessary to access the business park, main street/entry-way highway, frontage improvements, as well as water, sewer and associated improvements to commence development of the North Valley Commercial Center Project.

Under a recently announced Federal Funding Opportunity, US Economic Development Assistance programs sought applications from agencies in rural and urban areas to provide investments that support construction, non-construction, technical assistance, and revolving loan fund projects under EDA's Public Works and Economic Adjustment Assistance programs. Grants and cooperative agreements made under these programs are designed to leverage existing regional assets and support the implementation of economic development strategies that advance new ideas and creative approaches to advance economic prosperity in distressed communities.

This past February, City Council authorized staff to submit the initial application to the EDA for funding consideration during the Cycle Two funding period; ending March 12, 2015.

Unfortunately on April 27, 2015 city staff was notified that our initial application was not funded in cycle two. However this letter of notification included a statement that the Investment Review Committee found our application to be consistent with EDA Investment priorities and therefore we could elect to re-submit our application for consideration in the next funding cycle. On May 7<sup>th</sup> staff submitted a written request for re-consideration of our application and provided some additional clarifying information concerning our project proposal. On July 27<sup>th</sup> city staff received an award letter from the EDA notifying us of a non-binding approval of our funding request. In addition to the award, staff was notified of several required documents; including written documentation that the City of Willows could provide proof of matching funds in an amount not less than \$1,071,429.00.

Although the matching funds component of the project budget is typically reimbursed through a formal process involving developer agreements, it is the City that must demonstrate the financial capacity to commit funding necessary to accept the Award portion of the total project budget. The total project budget was estimated at \$3,571,429.00 and was selected for funding at the seventy-percent (70%) level. This is the highest funding level allowable under this type of federal grant program. Therefore, the City of Willows as the principle applicant for funding under the federal guidelines is required to submit a proof of funding commitment to cover the remaining thirty-percent (30%) match required or \$1,071,429.00. In essence, for every dollar the city commits toward the project, the grant will provide \$2.33 in project funding. This is essentially too good a deal to pass up, even if the city didn't expect to recover any portion of their initial infrastructure investment funding.

As mentioned above, it is possible to negotiate reimbursement agreements with the developer of record involved in the final construction process of the infrastructure improvement process. As a final condition of approval however, the assets created by the construction of streets, utilities and other public improvements, are always dedicated or transferred back to the ownership/control of the City of Willows. These improvements are essential elements in the economic enhancements of the project site and basically facilitate the economic drivers that generate higher rates of revenue to the City of Willows. It is therefore common practice for municipal agencies to share in the development burden of this type of business park investment environment. Thus, staff is recommending the Council authorize the augmentation of the FY2015/16 Budget via the utilization of General Fund and Sewer Enterprise Fund Reserve accounts. Repayment agreements for these accounts will be formalized prior to completion of the anticipated construction process. It is anticipated, at least in theory, that a full restoration of reserve funding utilized will be returned to the City of Willows through a process of development agreements and property tax incremental increases; resulting directly from the development of the project site.

Approximately half of the matching funds requirement or essentially \$535,715.00 will be paid to the City of Willows via a development agreement with the principle project proponent; Basin Street Properties, Inc. The remaining half will be made available via a formal loan agreement between the City of Willows and 3CORE, Inc. The loan terms and anticipated repayment details are defined in the attached documents. It is anticipated, the debt service on this loan will be available to the City of Willows through the anticipated tax increment increase resulting from the significant improvements made available through the project construction cycle. Although there is moderate risk associated with this projected debt service repayment schedule, the anticipated benefits of development may easily exceed the

anticipated repayment schedule. Therefore staff is recommending approval of the terms provided and formal action by a Resolution of the Council to formally acknowledge acceptance of the EDA Grant; Control No. 109314.

**FINANCIAL CONSIDERATIONS -**

Matching funds commitment for acceptance of the EDA Grant is not less than \$1,071,429.00 The City of Willows must demonstrate funds available to comply with the aforementioned match requirements. Currently the City of Willows has estimated Reserve Fund balances, as of 6/30/2015 as follows:

Fund number 301 General Fund Reserve Balance available: \$1.363MM

Fund number 318 Sewer Enterprise Reserve Balance available: \$1.527MM

Staff is recommending transfer of \$535,715 from each fund to augment the FY2015/16 budget update; allocating necessary funding for the EDA Grant required match.

**NOTIFICATION**

Bill White, Chairperson, Basin Street Properties

Marc Nemanic, Executive Director, 3CORE, Inc.

Courtney Farrell, Community Resource Manager, 3CORE, Inc.

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**RECOMMENDATION**

Staff recommends that the City Council approve by Resolution, authorization for Staff to formally accept the EDA Grant: Control No. 109314 and provide verification of all compliance requirements and documentation specified in the EDA Notice of Award Letter, dated July 27, 2015.

Respectfully submitted,

  
Steve Holsinger  
City Manager

Attachments:            Resolution authorizing acceptance of the US Economic Development Assistance Grant, EDA Control No. 109314  
                                 Letters from EDA dated April 27<sup>th</sup> and July 27, 2015  
                                 Staff email to EDA acknowledging receipt of letter and notice of intent  
                                 Copy 3CORE Financing Proposal for half of matching funds required  
                                 Finance Director Sailsbery's debt service analysis and repayment obligations

## RESOLUTION # \_\_\_ 2015

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS  
AUTHORIZING ACCEPTANCE OF THE U.S. ECONOMIC DEVELOPMENT  
ADMINISTRATION ASSISTANCE PROGRAM GRANT; EDA CONTROL NO 109314  
AND THE EXECUTION OF ANY STANDARD AGREEMENT, ANY AMENDMENTS  
THERE TO, AND OF ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE  
IN THE EDA FUNDING PROGRAM OPPORTUNITY.**

**WHEREAS**, The U.S. Economic Development Administration is authorized to allocate Grants; under the Economic Development Assistance Program, made available from the FFO ending June 12, 2015; funding for cycle three, FY 2015 and

**WHEREAS**, on May 7, 2015 the City of Willows submitted a written request for re-consideration of our funding application previously not funding during the cycle two Notice of Funding Availability under the EDA program; and

**WHEREAS**, on July 27, 2015 the City of Willows a municipal corporation (the "Applicant"), was notified by U.S. Economic Development Administration that Willows would receive an allocation of, Economic Development Assistance funds.

**NOW THEREFORE BE IT RESOLVED THAT:** To comply with the matching share of cost requirement for the financial assistance requested from EDA, the City of Willows affirms the following:

- A No less than \$1,071,429.00 will be allocated to meet the non-federal matching share of cost requirement of the EDA-funded project
- B The matching funds are specifically committed to the project described in the application for funding and approved by EDA
- C The matching funds will be available as needed on or after the official start date of the financial assistance award
- D The matching funds are not conditioned or otherwise encumbered in any way that would preclude their use consistent with the requirements of the financial assistance award

**BE IT FURTHER RESOLVED THAT:** The applicant authorizes the City Manager or his designee(s) to execute, in the name of the applicant, all the required documents.

- A. Applicant hereby agrees to use the EDA funds for eligible activities in the manner presented in its application as approved by the EDA in accordance with the statutes and regulations cited in the FFO Application process & requirements.
- B. The Applicant may also execute any standard agreement, any amendments thereto, and any and all other documents or instruments necessary or required

by the EDA for participation in the Economic Development Assistance program (collectively, the required documents).

**PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council on this 8th day of September, 2015, by the following vote:**

**AYES in favor of:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**APPROVED:**

---

**Mayor Larry Domenighini**

The above Mayor of the City of Willows ("the applicant") does hereby attest and certify that the foregoing is a true and full copy of a resolution of the governing board of the applicant passed and adopted at a duly convened meeting on the date set forth above, and said resolution has not been altered, amended, or repealed.

**ATTESTED:**

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**Natalie Butler, City Clerk**

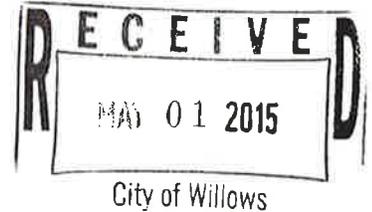


**U. S. DEPARTMENT OF COMMERCE**  
Economic Development Administration  
915 Second Avenue, Room 1890  
Seattle, WA 98174  
Fax: 206.220.7669  
Voice: 206.220.7660

April 27, 2015

In reply refer to:  
EDA Control No. 108807

Mr. Tim Sailsbery  
Finance Director  
Administration Department  
City of Willows  
201 North Lassen Street  
Willows, California 95988



Dear Mr. Sailsbery:

The U.S. Economic Development Administration's (EDA) Seattle Regional Office Investment Review Committee (IRC) has considered your application for investment assistance in the current funding cycle to fund the construction of a roadway and utilities infrastructure to support access to and utilization of a commercial center. For each funding cycle, EDA receives many more meritorious proposals than it can fund. Although the IRC found your application consistent with EDA investment priorities, the Agency regrets to inform you that your application has not been selected for this cycle.

Although EDA cannot fund your project in this cycle, you may elect to have your application carried forward and re-considered in the next competitive funding cycle, which will begin after June 12, 2015. The option to carry your application forward does not guarantee that the application will be funded. The Seattle Regional Office IRC, however, is willing to re-consider your application for funding with other applications that are received in the next funding cycle.

If you would like EDA to carry your application forward and consider it in the next funding cycle, please respond in writing to this notice no later than May 29, 2015. If you do not respond, EDA will consider the application withdrawn. You also have the option of withdrawing the application and submitting a completely new application for the next funding cycle.

Please, do not hesitate to contact your Economic Development Representative, Malinda Matson at (916) 235-0088 or [MMatson@eda.gov](mailto:MMatson@eda.gov), if you would like to discuss your application. In addition, you may contact the Project Officer, Brian Parker at (206) 220-7675 or [BParker2@eda.gov](mailto:BParker2@eda.gov).

Thank you for your interest in EDA. For more information about our programs and other upcoming funding opportunities, please consult our website at [www.eda.gov](http://www.eda.gov).

Sincerely,

A. Leonard Smith  
Regional Director, Seattle Regional Office

c: Courtney Farrell, 3CORE, Inc.  
Malinda Matson, Economic Development Representative



**U. S. DEPARTMENT OF COMMERCE**

Economic Development Administration

915 Second Avenue, Room 1890

Seattle, WA 98174

Fax: 206.220.7669

Voice: 206.220.7660

July 27, 2015

In reply refer to:  
EDA Control No. 109314

Mr. Steve Holsinger  
City Manager  
Administration Department  
City of Willows  
201 North Lassen Street  
Willows, California 95988

Dear Mr. Holsinger:

The U.S. Economic Development Administration (EDA) is pleased to inform the City of Willows that your application for the funding of the construction of a roadway and utilities infrastructure to support access to and utilization of a commercial center has been selected through EDA's competitive application review process for further consideration for funding. Please, note that this notification of further consideration is intended to inform you of EDA's competitive preliminary selection of your project for this funding cycle, **but does not guarantee final approval or legally bind EDA to make an award.** Subject to availability of funds, the proposed project, estimated to cost \$3,571,429, will be considered for \$2,500,000 in EDA funding under the Public Works and Economic Development Facilities Program, authorized under section 201 of the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. section 3121 et seq.).

If you would like EDA to further consider your application, you must provide:

1. **Acknowledgement.** Within 10 business days of the date of this letter, notify EDA via email or letter that you, the applicant(s) agree to provide EDA the information requested by the deadline stated in item 2 of this letter and acknowledge and accept the terms and conditions of EDA's further consideration as stated in item 2.

2. **Additional Information.** Provide EDA the following information by August 21, 2015:

- a. Written documentation that specifies the matching share of cost contribution from the City of Willows will be no less than \$1,071,429.

- b. Determine and inform EDA whether business enterprises identified in application other than Rumiano Cheese Company can be converted to committed project beneficiaries. If successful, submit letters of commitment to make investment in the form of jobs created and/or saved, as well as any monetary contributions to the regional economy. For businesses estimating the creation and/or retention of 15 or more jobs will need to complete and submit Exhibit A of Form ED-900, 'Assurances of Compliance with Civil Rights and Other Legal Requirements'.
- c. Applicant Certification Clause (Appendix A of Environmental Narrative) – Submit original version of a completed, signed and dated form.
- d. Copies of correspondence or documentation pertaining to any items submitted by the City of Willows to the State Historic Preservation Officer of the State of California and/or other entities with regulatory mandates under the National Environmental Policy Act to show that required consultations have commenced.
- e. Clarification of the role of Basin Properties in the execution of the project and confirmation that the firm will not have significant involvement in the design, construction, or management of the project and will not receive a direct benefit from the infrastructure improvements.

The information requested above will supplement your application and enable EDA to proceed with processing your application. Failure to meet this deadline, or the submission of incorrect or incomplete information, will jeopardize approval of your application. If you cannot meet this deadline, please, advise Brian Parker, as soon as possible.

Upon receipt, EDA will assess the information provided. EDA's assessment of this information may result in a determination that:

1. No additional information is necessary;
2. Additional information is required, because the submission is incomplete, inaccurate, or otherwise unacceptable to EDA, and the applicant(s) must revise the submission before EDA will consider processing the application further; or
3. EDA will discontinue considering your application for funding, because the information submitted does not present a project that complies with applicable law or EDA's regulations or policies.

Your organization must comply with EDA's regulations (see 13 C.F.R. chapter III), as well as the Federal Funding Opportunity announcement Economic Development Assistance Programs—Application Submission and Program Requirements for EDA's Public Works and Economic Adjustment Assistance Programs, which was published February 9, 2015. **Final approval of an award is conditioned upon EDA's assessment of the additional information requested, project feasibility, funding priorities, and the availability of funds for obligation.**

EDA's mission is to lead the Federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy. Please, do not hesitate to contact Brian Parker at (206) 220-7675 or [BParker2@eda.gov](mailto:BParker2@eda.gov), if you have questions regarding the requested information or status of your application.

Sincerely,



A. Leonard Smith  
Regional Director, Seattle Regional Office

Enclosures

c: Malinda Matson, Economic Development Representative

## Steve Holsinger

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**From:** Parker, Brian <BParker2@eda.gov>  
**Sent:** Friday, July 31, 2015 12:48 PM  
**To:** Tim Sailsbery  
**Cc:** Steve Holsinger; cfarrell@3coreedc.org; Karen Mantele; mnemantic@3coreedc.org; Natalie Butler  
**Subject:** RE: EDA Funding Request, Control No. 109314: Notice of Non-Binding Commitment to Make A Financial Assistance Award

Tim:

I am sending this message to confirm receipt of the City of Willows' intent to move forward in the application process to obtain EDA funding.

Thank you for your prompt response.

*Brian*

---

**From:** Tim Sailsbery [<mailto:tsailsbery@cityofwillows.org>]  
**Sent:** Friday, July 31, 2015 11:24 AM  
**To:** Parker, Brian; Steve Holsinger  
**Cc:** [cfarrell@3coreedc.org](mailto:cfarrell@3coreedc.org); Karen Mantele; [mnemantic@3coreedc.org](mailto:mnemantic@3coreedc.org); Natalie Butler  
**Subject:** RE: EDA Funding Request, Control No. 109314: Notice of Non-Binding Commitment to Make A Financial Assistance Award

Mr. Parker, please be advised that the City of Willows, in accordance with the request in Item #1-Acknowledgement in the Notice of Non-Binding Commitment to Make a Financial Assistance Award, please be advised that:

- The City of Willows agrees to provide EDA the information requested by the deadline stated in Item 2, and
- The City of Willows acknowledges and accepts the terms and conditions of EDA's further consideration.

The letter states that the acknowledgement noted may be done so by e-mail. If the above is not sufficient to comply with Item #1 in the letter, please notify me as soon as possible of acceptable methodology of complying with Item #1.

Thank you for your time and assistance,

*Timothy L. Sailsbery, CPA*  
*Finance Director*  
*City of Willows*  
*530.934.7011*  
*530.934.7402 (FAX)*

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**From:** Parker, Brian [<mailto:BParker2@eda.gov>]  
**Sent:** Thursday, July 30, 2015 1:03 PM  
**To:** Steve Holsinger

**Cc:** Tim Sailsbery; [cfarrell@3coreedc.org](mailto:cfarrell@3coreedc.org); Karen Mantele; [mnemanic@3coreedc.org](mailto:mnemanic@3coreedc.org)

**Subject:** EDA Funding Request, Control No. 109314: Notice of Non-Binding Commitment to Make A Financial Assistance Award

Mr. Holsinger:

I am sending this message pursuant to the application submitted by your organization to receive an investment assistance grant from the Economic Development Administration. We are pleased to inform the City of Willows that EDA has made a non-binding commitment to award funding. A formal notification letter has been sent to your attention via UPS Next Day Air. You can track the delivery progress of the shipment through the United Parcel Service Web site, [www.ups.com](http://www.ups.com), by using Tracking Number 1ZA5465A194294902.

An electronic copy of the correspondence is attached to this message for your records.

If you have questions, or need additional assistance, please, contact me.

Thank you for your interest in working with EDA.

*Brian*

Brian Parker  
Economic Development Specialist

**Seattle Regional Office**  
**Economic Development Administration**  
**915 Second Avenue, Room 1890**  
**Seattle, Washington 98174-1012**  
**(206) 220-7675 (Voice)**  
**(206) 220-7669 (Fax)**  
**E-mail: [BParker2@eda.gov](mailto:BParker2@eda.gov)**  
**World Wide Web: [www.eda.gov](http://www.eda.gov)**



August 18, 2015

Steve Holsinger  
Willows City Manager  
201 N. Lassen  
Willows, CA 95988

RE: Financing Proposal

Dear Steve,

3CORE, Inc. is prepared to provide the City of Willows with a financing proposal for infrastructure costs for property located in the southern portion of the City. Please note that this letter is not intended to constitute a loan commitment but rather to outline the general terms and conditions under which we would be requesting loan approval. These proposed terms and conditions are subject to final approval from our governing body and/or our program administrator. Additional terms and conditions may be attached.

**Proposed Terms:**

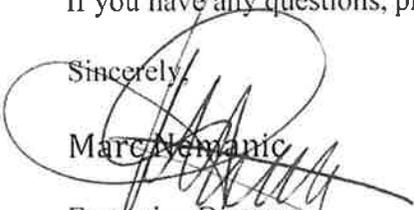
Maximum Amount	\$500,000
Authorized Use of Proceeds	Term loan with draw period to meet cash match required for a \$2.5M Economic Development Administration (EDA) grant supporting infrastructure costs as identified in the City's EDA application for property located in the southern portion of the City of Willows, occupying an area immediately east of California Interstate Highway 5 and west of Tehama Street
Term	10 years
Interest Rate	5.0% fixed
Fees	Direct closing costs due on or before loan closing, costs to include 4% loan loss contribution fee.
Re-Payment	2 years interest only followed by 8 years annual payments consisting of principal and interest; fully amortized. Interest only period to be billed to interest reserve quarterly as noted in Condition #4 below.
Collateral	Unsecured.
Conditions	1) Final approval of EDA grant in the amount of \$3,571,429, inclusive of the match; including all conditions of the grant being met; 2) Final approval by EDA of loan documents;

- 3) Final approval of the 3CORE Board of Directors or their designee;
- 4) Subject to the acceptance of a repayment plan approved thru a resolution made by the City of Willow City Council;
- 5) Provision of a \$50,000 up-front interest reserve for interest only period;
- 6) Receipt and acceptance of City documents authorizing Council to enter into a loan commitment with 3CORE, Inc.;
- 7) Minimum \$50,000 draws with disbursement to be made based on schedule approved by City and provided to 3CORE, and upon verification of completed work/costs as outlined in approved EDA grant;
- 8) EDA approval of 3CORE loan documents;
- 9) Receipt and acceptance of other Loan Application information as requested; and
- 10) Other standard loan conditions to be stated at the time of loan approval.

Our commitment to enter into this transaction is conditioned upon there being no (i) material adverse change in your business affairs or financial condition between the date hereof and the date on which the closing documents have been executed, and (ii) there being no material misstatement in any information provided to us in connection with this transaction. This commitment shall expire on September 30, 2015 if not sooner accepted in writing.

If you have any questions, please don't hesitate to contact me.

Sincerely,

  
Marc Nemanic

Executive Director  
3CORE, Inc.  
3120 Cohasset Road; Suite 1  
Chico, CA 95973  
(530) 893-8732 x204  
[mnemanic@3coreedc.org](mailto:mnemanic@3coreedc.org)

---

Please sign below to acknowledge acceptance.

\_\_\_\_\_  
Steve Holsinger, City Manager

\_\_\_\_\_  
Date

\*Please return this signed form to us at your earliest convenience.

**CITY OF WILLOWS  
INTRA-OFFICE MEMO**

DATE: September 1, 2015  
TO: Steve Holsinger  
FROM: Tim Sailsbery   
SUBJECT: Paying For EDA Match Loan

Steve, while I have not been approached by a Councilmember regarding the revenue generation side of covering the loan payments associated with the EDA grant match, I want to provide some thoughts regarding what it does take to generate the revenue stream to cover the loan payments.

Based on the terms of the proposed loan, the payment stream appears to be \$70,000 in year one and then approximately \$77,300 per year in years Three through Ten. As it is difficult to know the ultimate type of business developed in the Basin Street area, I am taking a generic approach as to what it would take to generate \$77,300 per year in General Fund revenue.

Property Tax

Again, as the build out of Basin Street is unknown, and the generation of various types of tax revenue is unknown, if one considers this to be a light industrial only complex, then the source of tax revenue generated will be limited to property tax.

The 1% property tax charged on the assessed value of real and business property is split among a number of entities (City, County, WUSD, GCOE, Butte College, Mosquito District, Cemetery District, etc.). The City's share of a property tax dollar will vary based upon the section of the City and the nature of the split between various entities.

The estimated City share of a property tax dollar in the Basin Street-Commercial area is estimated to be 23.327%, based upon this, the estimated assessed value of buildings and business property that would need to be added in the development to cover \$77,300 in annual revenue is:

Value Added to Development	\$33,200,000
<u>Overall Property Tax Rate</u>	<u>1%</u>
Total Property Tax Revenue	\$ 332,000
<u>City Share of Property Tax</u>	<u>23.327%</u>
Estimated City Share of Property Tax	\$ 77,446

Please keep in mind that infrastructure (road, sewer, etc.) are not directly value added items. Property tax is based on assessed value of the building, underlying real estate (already being received at this point), and business property held within the building.

Sales Tax

Of the 7.5% sales tax collected on taxable sales within the City, the revenue breakdown is as follows:

State of CA	6.25%
City of Willows	1.00%
<u>Glenn County</u>	<u>.25%</u>
Total Sales Tax	7.50%

Since the City receives 1% of the Sales Tax levied, the amount of additional taxable sales necessary to cover the proposed loan payment is:

Taxable Sales	\$7,730,000
<u>City Share of Sales Tax</u>	<u>1%</u>
Sales Tax Revenue-City	\$ 77,300

Conclusion

Again, I don't know if revenue generation is a factor among any of the Councilmembers as they deliberate this issue. However, if it is, the above provides very generic scenarios regarding "Return on Investment" of participating in the EDA match.

**AGENDA ITEM**

September 8, 2015

**TO:** Honorable Mayor Domenighini and Members of the City Council

**FROM:** Natalie Butler, City Clerk

**SUBJECT:** Resignation of Library Board Trustee Adrienne Haylor, effective September 11, 2015.

**RECOMMENDATION**

Approve, by motion, the proposed schedule and procedures for appointment of an individual to fill an upcoming vacancy on the Library Board of Trustees due to the resignation of Adrienne Haylor, effective September 11, 2015, and select two Council Members to serve as a subcommittee to review applications and conduct interviews.

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**SITUATION**

On August 20, 2015, Adrienne Haylor submitted a written letter of resignation to the City, giving up her seat on the Library Board of Trustees effective September 11, 2015. The term of this seat is set to expire on June 30, 2016. It has been the City's practice to advertise these positions in order to give citizens an opportunity to participate on the Library Board. Staff is proposing the following schedule for Council's consideration:

- September 8, 2015 – Selection of two Council Members to serve as a Subcommittee to review applications and/or interview applicants.
- September 9, 2015 – Provide notice of the upcoming Library Board of Trustees vacancies to the local news media (copy attached).
- September 9 – 4:00 p.m. October 9, 2015 – Accept letters of interest and/or applications (copy attached).
- Week of October 12, 2015 – Council Subcommittee review of applications and interviews of candidates.
- October 27, 2015 – Council Subcommittee recommendations presented to Council and appointment made to fill the vacancy.

**FINANCIAL CONSIDERATIONS**

None.

**NOTIFICATION**

Media

**ALTERNATE ACTIONS**

Approve, with modifications, the attached schedule.

Leave the Library Board seat vacant until its term expiration in June, 2016.

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**RECOMMENDATION**

Approve, by motion, the proposed schedule and procedures for appointment of an individual to fill an upcoming vacancy on the Library Board of Trustees due to the resignation of Adrienne Haylor, effective September 11, 2015, and select two Council Members to serve as a subcommittee to review applications and conduct interviews.

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Respectfully submitted,

  
Natalie Butler  
City Clerk

Approved by:

Steve Holsinger  
City Manager

Attachments:

Advertisement of vacancy  
Application form for Library Board Trustee

**NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

The Willows City Council is accepting applications for appointment to the Willows Library Board of Trustees in order to fill a vacancy as of September 11, 2015, with the term expiration date being June 30, 2016. The Board has responsibility for administration of Library hours, trust funds, and establishing operational policies for the Willows Library. The Trustees meet on the second Thursday of each month at 10:00 a.m. in the Eubank Room of the Library at 201 North Lassen Street.

Individuals who desire to take an active part in the direction of Library operations and enhancement of services are encouraged to apply. Applications are available at the Public Library, the City Offices, and on the City's website at [www.cityofwillows.org](http://www.cityofwillows.org) and must be returned no later than 4:00 p.m. on October 9, 2015. Postmarks will not be accepted.

Appointment will be considered by the City Council on Tuesday, October 27, 2015. Appointment to this position involves yearly filing of Statements of Economic Interest required by the State of California Fair Political Practices Commission.



**APPLICATIONS FOR WILLOWS PUBLIC LIBRARY BOARD OF TRUSTEES**

THIS DOCUMENT IS A PUBLIC RECORD

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

To the Honorable Mayor and City Council,

I wish to serve on the Willows Public Library Board of Trustees on a voluntary basis.

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Address \_\_\_\_\_ Yrs. In Area: \_\_\_\_\_

\_\_\_\_\_ E-Mail: \_\_\_\_\_

Occupation: \_\_\_\_\_

I feel that I can be an asset to the City in the above capacity because: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

My Library concerns are: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature

The City of Willows is an Equal Opportunity Provider

August 20, 2015

The City of Willows  
The Willows Public Library Board  
201 North Lassen Street  
Willows, CA 95988

Dear Willows City Council

This letter is to inform you of my resignation from the Willows Public Library Board of Trustee's as the Elk Creek Representative to the Board as of the 11<sup>th</sup> of September 2015.

After 36 wonderful years here in the state of Californian, 24 years in the North Sate and the last 15 years in Glenn County, I will be heading East to my hometown of Newport, RI., the end of September.

It has been my pleasure to have served on the board for several years with two different appointments from the Willows City Council.

I have served as President, Vice President of the board and the Willows Public Library's SAB representative to the North State Co-operative System.

My terms as a trustee have been informative and educational. I personally uphold the Library's function in our communities and am fully supportive of Literacy Programs in our communities supported by the California State Library.

To the Willows City Council and the Glenn County Board of Supervisors, I thank you for your support and funding of the City Library, Bayliss Branch Library and my home library , the Elk Creek Branch.

Keep up the good work.

I wish you all good cheer and "Keep on Reading" !!!!!!!

Sincerely



Adrienne C Haylor  
480 Elm Street  
Elk Creek, CA 95939

