



Willows City Council Special Meeting

August 16, 2023
Willows City Hall
5:00 PM

City Council
Rick Thomas, Mayor
David Vodden, Vice Mayor
Gary Hansen, Council Member
Casey Hofhenke, Council Member
Forrest Sprague, Council Member

City Manager
Marti Brown

City Clerk
Amos Hoover

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

Agenda

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. PRESENTATION

a. Governance Training

Recommended Action: Council and interested members of the public to receive governance training. This training will provide council members with information to help clarify their roles so they may fully engage in policy decision-making effectively and lawfully. This program will help teach members effective governance including council meeting structure, Brown Act issues and ethical considerations. Further, this training can help explain these complex issues to city staff and members of the public who may want to learn more about how their local government operates and how they can participate.

Presented by: Carolyn Walker, City Attorney and Amanda Uhrhammer,
Assistant City Attorney

Contact: Marti Brown, City Manager, mbrown@cityofwillows.org

5. DISCUSSION AND ACTION CALENDAR

All matters in this section of the agenda are discussed and will be acted on individually. Individuals wishing to address the City Council concerning any of these items are invited to make oral comments of up to three minutes at this time. Please address your comments to the Mayor and Councilmembers, and not to staff and/or the audience. When the Mayor calls for public comment, please raise your hand to be acknowledged. While not required, the City requests that you please state your name clearly for the audio recording. By State law, the Council is not permitted to undertake any action or discussion on any item not appearing on the posted agenda. If you have any documentation that you would like distributed to the City Council, please mail it to the City Clerk at 201 North Lassen Street, Willows, CA 95988 or email it to: ahoover@cityofwillows.org.

a. Grand Jury Report Response – Do you know what TOT Tax is?

Recommended Action Approve the attached letter (Attachment 1) as the City of Willows Response to the Grand Jury Report – *Do you know what TOT Tax is?* and submit it to the Presiding Judge of the Grand Jury.

Contact: Marti Brown, City Manager, mbrown@cityofwillows.org

b. Grand Jury Report Response – Emergency Medical Services

Recommended Action: Approve the attached letter (Attachment 1) as the City of Willows Response to the Grand Jury Report – *Emergency Medical Services* and submit it to the Presiding Judge of the Grand Jury.

Contact: Marti Brown, City Manager, mbrown@cityofwillows.org

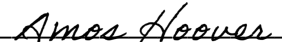
c. Grand Jury Report Response – Willows Sewer Report

Recommended Action: Approve the attached letter (Attachment 1) as the City of Willows Response to the Grand Jury Report – *Willows Sewer Report* and submit it to the Presiding Judge of the Grand Jury.

Contact: Marti Brown, City Manager, mbrown@cityofwillows.org

6. ADJOURNMENT

This agenda was posted on August 15, 2023.



Amos Hoover, City Clerk

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.

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. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132). 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.



PRESENTATION & DISCUSSION



DISCUSSION & ACTION CALENDAR



Date: August 16, 2023
To: Honorable Mayor and Councilmembers
From: Marti Brown, City Manager
Subject: City of Willows Response to Grand Jury Report - *Do you know what TOT Tax is?*

Recommendation:

Approve the attached letter (Attachment 1) as the City of Willows Response to the Grand Jury Report – *Do you know what TOT Tax is?* and submit it to the Presiding Judge of the Grand Jury.

Rationale for Recommendation:

The Grand Jury Report requested a response from the City of Willows and the Willows City Council. It is appropriate and consistent to provide a single response from both entities.

Background:

The 2023 Grand Jury Report was released on June 15, 2023 and included a report called, *Do you know what TOT Tax is?*. The Report requested a response to its Findings and Recommendations from the City of Willows and the Willows City Council.

Discussion & Analysis:

Attachment 1 fully explains the City’s response to the Report.

Fiscal Impact:

There is no fiscal impact.

Attachment:

- Attachment 1: City of Willows Response to the Grand Jury Report – *Do you know what TOT Tax is?*



201 North Lassen • Willows, California 95988 • (530) 934-7041 • FAX: (530) 934-7402

August 16, 2023

Presiding Judge
 Superior Court, County of Glenn
 526 West Sycamore Street
 Willows, CA 95988

Re: Grand Jury Report – Do you know what TOT Tax is?

Dear Presiding Judge:

Please accept the following response to the 2022-23 Grand Jury Report, Do you know what TOT Tax is? from the City of Willows on behalf of the Mayor, City Council and City Manager.

Finding #1:

There were many miscommunications and misunderstandings between the City of Willows and the Property Owner. There were errors made in the paperwork and the City of Willows policies were not followed. Findings show that there was inconsistency communicated to the Property Owner from each Official of the City of Willows that participated in the permit process to the final occupancy certificate filed.

Recommendation #1:

For the City of Willows to have better communication and be consistent with policies and procedures. Consistency between City Hall, building department, City Council, and property owners is mandatory.

Response to Finding #1:

The City wholly disagrees with the Finding. The Finding offers no specific examples and/or details demonstrating that there were miscommunications and/or errors in paperwork.

Response to Recommendation #1:

The City continues to improve its communication with the public regarding the permitting process, including updating the Cost Recovery and Pass-Through Agreement, revising and clarifying application submission checklists, and offering pre-development roundtable meetings with Building, Planning, Engineering, and Fire.

Finding #2:

That according to City of Willows Municipal Code 3.25.130, if Operator did not collect hotel user tax (TOT), then hotel user is responsible for tax to city.

Recommendation #2:

For the City of Willows to rescind the TOT that the City of Willows billing issued to the Property Owner.



Response to Finding #2:

The City wholly disagrees with the finding. The finding is incorrect, citing only a portion of the Willows Municipal Code that is relevant to the Property Owner's situation. The legal interpretation of this section of the Code by the Grand Jury is also incorrect. In addition, there is very important legal analysis absent from the Grand Jury Finding that makes it misleading and inaccurate.

Response to Recommendation #2:

The recommendation will not be implemented, because the Property Owner had a legal obligation to collect the hotel user tax and prevent guests from staying in the "Extended Stay Motel" more than 30 days as clearly stated in the Conditions of Approval that the Property Owner signed before receiving the Certificate of Occupancy. Furthermore, at the May 23, 2018 Planning Commission meeting, the Property Owner publicly stated and is documented (at 45:31 on the recorded audio of this meeting) that he has systems in place to pay the occupancy taxes (e.g., hiring Titus Properties to manage the property). Instead, however, the Property Owner did not comply with the Conditions of Approval and executed long-term lease agreements with the motel guests/occupants allowing them to stay more than 30 days prior to Planning Commission approval of the change of use, and then stated that he was not required to pay hotel user tax (even though he was in non-compliance of the Conditions of Approval to begin with). The Property Owner could not legally execute long-term lease agreements with the occupants, nor did he notify the Planning Commission and/or City of his intentions at the Public Hearing held on May 23, 2018. Therefore, he owes the City Hotel User Tax for the time that the property's Use Permit and Certificate of Occupancy was issued for an "Extended Stay Motel" and before he received a new Use Permit and Certificate of Occupancy that changed the use to "Apartments."

Although the Property Owner did not collect hotel user taxes during the time that the property's Use Permit and Certificate of Occupancy were in effect for an "Extended Stay Motel", he is in non-compliance with the Conditions of Approval that he signed by allowing occupants to stay longer than 30 days. Therefore, he is still responsible for paying the hotel user tax, because he did not have city approval for stays of greater than 30 days nor to enter into lease agreements. If the Property Owner had approval from the City to allow stays at the "Extended Stay Motel" for 30 days or more, then he would not owe the City hotel user taxes.

Furthermore, the Grand Jury Finding did not cite the correct section of the Willows Municipal Code that is relevant to this case. Please see the following sections that pertain to this situation:

3.25.090 Failure to collect and report tax – Determination of tax by tax administrator.

(1) If any operator shall fail or refuse to collect said tax and to make, within the time provided in this chapter, any report and remittance of said tax or any



portion thereof required by this chapter, the tax administrator shall proceed in such manner deemed best to obtain facts and information on which to base an estimate of the tax due. As soon as the tax administrator shall procure such facts and information upon which to base the assessments of any tax imposed by this chapter and payable by any operator who has failed or refused to collect the same and to make such report and remittance, the tax administrator shall proceed to determine and assess against such operator the tax, interest, and penalties provided for by this chapter. In case such determination is made, the tax administrator shall give a note of the amount so assessed by serving it personally or by depositing it in the United States mail, postage prepaid, addressed to the operator so assessed at his last known place of address.

3.25.100 Appeal.

Any operator aggrieved by any decision of the tax administrator with respect to the amount of such tax, interest, and penalties, if any, may appeal to the council by filing a notice of appeal with the city clerk within 15 days of the serving or mailing of the determination of tax due. The council shall fix a time and place for hearing such appeal, and the city clerk shall give notice in writing to such operator at operator's last known place of address. The findings of the council shall be final and conclusive and shall be served upon the appellant in the manner prescribed above for service of notice of hearing. Any amount found to be due shall be immediately due and payable upon the service of notice. [Ord. 658-98, 5-12-98; Ord. 462 § 10, 11-12-68. Prior code § 15-70].

The City of Willows and the City Council followed the aforementioned process and procedure as outlined in the WMC Sections 3.25.090 and 3.25.100 and determined that the Property Owner owed the City of Willows Hotel User Taxes for the duration of the time that the Property Owner held a valid Use Permit and Certificate of Occupancy for an "Extended Stay Motel" and before he converted it to apartments with a new valid Use Permit and Certificate of Occupancy.

Sincerely,

Marti Brown
City Manager
City of Willows



Date: August 16, 2023
To: Honorable Mayor and Councilmembers
From: Marti Brown, City Manager
Subject: City of Willows Response to Grand Jury Report – *Emergency Medical Services*

Recommendation:

Approve the attached letter (Attachment 1) as the City of Willows Response to the Grand Jury Report – *Emergency Medical Services* and submit it to the Presiding Judge of the Grand Jury.

Rationale for Recommendation:

The Grand Jury Report requested a response from the City of Willows, the Willows City Council, and the Fire Department. It is appropriate and consistent to provide a single response from all entities.

Background:

The 2023 Grand Jury Report was released on June 15, 2023 and included a report called, *Emergency Medical Services*. The Report requested a response to its Findings and Recommendations from the City of Willows, the Willows City Council, and the Fire Department.

Discussion & Analysis:

Attachment 1 fully explains the City’s response to the Report.

Fiscal Impact:

There is no fiscal impact.

Attachment:

- Attachment 1: City of Willows Response to the Grand Jury Report – *Emergency Medical Services*.



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August 16, 2023

Presiding Judge
 Superior Court, County of Glenn
 526 West Sycamore Street
 Willows, CA 95988

Re: Grand Jury Report – Emergency Medical Services

Dear Presiding Judge:

Please accept the following responses to the 2022-23 Grand Jury Report, Emergency Medical Services, from the City of Willows on behalf of the Mayor, City Council and Fire Department.

Finding #1:

That if the smaller, outlying, Fire Departments are closed due to lack of funding, it would put a burden on the Orland and Willows Fire Departments

Recommendation #1:

The county invests into a countywide grant writer to be used in county departments to fulfill the needs of funding for grants, by October 2023.

Response to Finding #1:

The City agrees with this finding. The 11 special districts that provide fire protection services in Glenn County are all struggling to provide services with current funding levels. The two largest Special Districts, Orland Fire Protection District and Willows Rural Fire Protection District, are no exception. The consequences of Proposition 13, ERAF, Special Assessments with no CPI escalator, inflation, increases in demand for services, and reduction in nationwide volunteerism are just a few of the hurdles these all-volunteer organizations face. Should districts begin to fail it will likely cause a domino effect, which will undoubtedly cause additional strain on both the Cities of Willows and Orland.

Response to Recommendation #1:

The City disagrees with this recommendation. The County of Glenn has no stake in Fire Protection and until recently has provided little to no support to the Rural Glenn County Fire Districts. State mandates have increased workload and liability for these small all volunteer departments and districts compounding the problem. In addition to grant writing, the districts will need assistance managing the administrative burden associated with managing, monitoring and reporting grant awards. Grants are also unreliable one-time monies that cannot be counted on for ongoing operations. The small districts need additional permanent funding from Glenn County to ensure that these districts remain solvent and capable of providing services.



Finding #2:

New technology, up to date radios are needed for our firemen, especially during Mutual Aid: large fires, emergencies like on I-5 bus accident, Camp fire, etc.

Recommendation #2:

To set in place the newly anticipated radio technology as soon as possible or by October 2023.

Response to Finding #2:

The City agrees with this finding.

Response to Recommendation #2:

This Project is well underway. In FY 22-23, The Willows Fire Department received \$195,000 in grant funding from the California Fire foundation (\$15,000), USDA (\$100,000) and Rural Fire Capacity Grant (\$80,000). All handheld radios have been replaced with state-of-the-art P25 complaint radios that are much more reliable and robust than the prior handheld radios. A new station alerting system has been installed at the Willows Central Fire Station bringing unprecedented reliability in emergency response notifications. Approximately 50 percent of mobile radios have been replaced in Fire Department apparatus. It is anticipated that an additional \$40,000 of grant funding will be awarded in FY 23-24 to finish mobile radio upgrades. In FY 2022-23, 110 emergency pagers were purchased with grant funding, supplying each of the 13 Glenn County Fire Departments and/or Districts with new reliable emergency pagers.

Finding #3:

With LUCAS being so beneficial, it would be imperative for each rural fire department to have a minimum of one LUCAS machine on site.

Recommendation #3:

That smaller rural fire departments obtain at least one LUCAS device to aid in medical CPR emergencies by October 2023.

Response to Finding #3:

The City partially agrees with this finding; however, the timeline given for each rural fire department to obtain a LUCAS device is unrealistic.

Response to Recommendation #3:

The Willows Fire Department has been awarded funding to purchase its first LUCAS device as part of a federal Homeland security grant. This critical piece of life saving equipment will arrive once grant documents are executed and purchasing is authorized according to the grant criteria.



Finding #5:

That not all SCBA masks can be used with all air tanks.

Recommendation #5:

That the fire departments (Willows and Orland) insure all SCBA masks have compatibility with the proper air tanks by October 2023.

Response to Finding #5:

The City agrees with this finding.

Response to Recommendation #5:

In August 2022, the Willows Fire Department was awarded a regional Assistance to Firefighters grant which garnered \$802,040 to replace old, unsafe, and outdated Self-Contained Breathing Apparatus (SCBAs) for the following departments: City of Willows, Willows Rural Fire Protection District, City of Orland, Capay Fire District, Bayliss Fire District, Glenn-Codora Fire District. This grant purchased 101 new SCBAs, bringing unprecedented levels of standardization and fire department SCBA reliability to the County. The City of Willows has made it a priority to ensure that public safety services are adequately funded to provide acceptable levels of emergency services within the current budgetary constraints. The Fire Chief has been aggressive in his efforts to secure outside funding to acquire safety equipment and apparatus that, otherwise, would not be possible with the City's General Fund monies.

Sincerely,

Marti Brown
City Manager
City of Willows



Date: August 16, 2023
To: Honorable Mayor and Councilmembers
From: Marti Brown, City Manager
Subject: City of Willows Response to Grand Jury Report – *Willows Sewer Report*

Recommendation:

Approve the attached letter (Attachment 1) as the City of Willows Response to the Grand Jury Report – *Willows Sewer Report* and submit it to the Presiding Judge of the Grand Jury.

Rationale for Recommendation:

The Grand Jury Report requested a response from the City of Willows, the Willows City Council, and the City Manager. It is appropriate and consistent to provide a single response from all entities.

Background:

The 2023 Grand Jury Report was released on June 15, 2023 and included a report called, *Willows Sewer Report*. The Report requested a response to its Findings and Recommendations from the City of Willows, the Willows City Council, and the City Manager.

Discussion & Analysis:

Attachment 1 fully explains the City's response to the Report.

Fiscal Impact:

There is no fiscal impact.

Attachment:

- Attachment 1: City of Willows Response to the Grand Jury Report – Willows Sewer Report.



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August 16, 2023

Presiding Judge
 Superior Court, County of Glenn
 526 West Sycamore Street
 Willows, CA 95988

Re: Grand Jury Report – Willows Sewer Report

Dear Presiding Judge:

Please accept the following responses to the 2022-23 Grand Jury Report, Willows Sewer Report from the City of Willows on behalf of the Mayor, City Council and City Manager.

Finding #1:

The City of Willows used money from the Storm Drain Development Impact Fees accounts to pay for non-sewer related costs.

Recommendation #1:

The City performs an outside audit from 2019 to current revealing funds used from the Storm Drain Development Impact Fees releasing the outcome to the public during a Council Meeting by March 2024.

Response to Finding #1:

The City wholly disagrees with the finding. First, Storm Drain Development Impact Fees cannot be used for sewer related costs as the finding implies (they can only be used for storm drain improvements associated with development/growth). Second, Storm Drain Impact and Sewer enterprise monies were used as matching funds for the U.S. Economic Development Administration (EDA) grant and were used legally for storm drain related improvements (e.g., bridge over the major drainage ditch, detention ponds and storm drain pump station that serve areas south of the GCID canal) and sewage improvements (e.g., major backbone sewer improvements that will serve all development south of the GCID canal).

Response to Recommendation #1:

The recommendation will not be implemented because it is not warranted, and the City's actions were legal.

Finding #2:

The City of Willows used money from the #318 Enterprise Fund to pay for non-sewer related costs.

Recommendation #2:

The City performs an outside audit from 2019 to current revealing funds used from the #318



Sewer Enterprise Fund releasing the outcome to the public during a Council Meeting by March 2024.

Response to Finding #2:

The City wholly disagrees with the finding. No #318 Enterprise Funds were used to pay for non-sewer related costs as it relates to the EDA grant funded project known as the South Willows Commercial and Industrial Center Project. The monies were used as matching monies to help pay for the major sewer improvements as described in Response to Finding #1.

Response to Recommendation #2:

The recommendation will not be implemented because it is not warranted, and the City's actions were legal.

Finding #3:

The City of Willows used \$535,715 from the Storm Drain Development Impact Fees and Sewer Enterprise Fund to use as matching funds for the Basin Street bridge leading to an industrial complex.

Recommendation #3:

The City of Willows repay the Sewer Fund and the Storm Drain Development Impact Fees used as matching funds to fund the bridge to the industrial complex by March 2024.

Response to Finding #3:

The City wholly disagrees with the finding. The \$535,715 was used as matching funds for a grant from the EDA. The entire grant and matching funds were used to construct the bridge over the major drainage ditch, as well as storm water related improvements (e.g., detention ponds, storm drain pump station) and sewage improvements (e.g., sewer backbone improvements serving a large area south of the GCID canal) at the same location. The construction of the bridge supports the storm water drainage system and associated storm water drainage, and the detention ponds and sewer pump station were constructed to help mitigate additional storm water that was generated from the commercial/industrial project, as well as the proposed residential development in the area. A sewage main was also installed from the Wastewater Treatment plant, north on Tehama Street to Harvest Court (location of Rumiano Cheese) and ultimately stubbed to the north to serve the proposed residential area with the EDA grant and the City's matching funds. Furthermore, the 2008 Development Impact Mitigation Fee Feasibility/Nexus Study allows for general use of Storm Water Impact Fees to offset needed improvements to mitigate growth. The use of those fees is not project specific. Sewer Enterprise Funds may be used as matching funds for a grant if the project results in sewage related improvements. Improvements at the project site have regional significance and are not just serving one entity. The project was more than construction of a bridge; there were other significant improvements including sewage main, storm drain detention ponds, a storm drain



pump station, and sewer lines that serve undeveloped areas between GCID canal and Harvest Drive.

Response to Recommendation #3:

The recommendation will not be implemented because it is not warranted, and the City's actions were legal.

Finding #4:

The City of Willows owns 35 parcels that have been exempted from paying sewer assessments and/or fees.

Recommendation #4:

The City pays for sewer on each parcel owned by the City from 2019 to current by April 2024.

Response to Finding #4:

The City wholly disagrees with the finding. The City was not exempted from paying its sewer assessment and/or fees. Until recently, City staff were unaware that the City was not paying the same sewage fees as the public and should be on City owned property.

Response to Recommendation #4:

The recommendation has been implemented and the City currently pays sewage fees on city owned properties.

Finding #5:

Many residents reported that they did not get notices until the day of the meeting or that they did not get a notice at all. This caused many people not to have their voice heard.

Recommendation #5:

The City of Willows performed a new Wastewater Study with a different company and formed an ad hoc committee to look into the facts and figures, as well as NBS calculations that resulted in the five-year assessments to property owners by January 2024.

Response to Finding #5:

The City wholly disagrees with the finding. NBS, the firm that conducted the rate study, publicly noticed the community of the potential sewage rate increase according to State law.

Response to Recommendation #5:

The recommendation will not be implemented because it is not warranted, and the City's actions were legal.

Finding #6:

The City of Willows has violated the Brown Act in passing, implementing, and charging residents based on the NBS Wastewater Rate Study Report.



Recommendation #6:

In the future, the City of Willows needs to fully follow the Brown Act and Proposition 218 to provide citizens a right to appeal, have their voice heard, and be able to have their vote counted, before voting to approve matters that affect them.

Response to Finding #6:

The City wholly disagrees with the finding. The City of Willows and the City Council did not violate the Brown Act by approving the Prop 218 sewage rate increase and implementing it.

Response to Recommendation #6:

The recommendation will not be implemented because it is not warranted, and the City's actions were legal.

Finding #7:

The City Manager is evaluated by the current sitting Council yearly. Currently, the City Manager's contract does not include a performance evaluation.

Recommendation #7:

The City Council amend the City Manager's contract to require yearly performance evaluations to include yearly goals by July 1, 2023.

Response to Finding #7:

The City wholly disagrees with the finding. First, the City Manager's performance evaluation is completely unrelated to the subject matter of this report and investigation – Willows Sewer Report. Second, the City Manager's contract does state that there will be a performance evaluation in April of each year. Lastly, the City Manager's contract and performance evaluation are a personnel matter and outside the purview of the Grand Jury.

Response to Recommendation #7:

The recommendation will not be implemented because it is not warranted.

Finding #8:

The City Manager evaluation is based on performance and goals, as well as mutual trust and common objectives. Furthermore, the City Manager's contract and performance evaluation are a personnel matter and outside the purview of the Grand Jury.

Recommendation #8:

The City Council bi-annually evaluate the annual goals set between the City Manager and the City Council in measuring the achieved goals to ensure the Council and the City Manager are in agreement in the leadership direction by October 2023.



Response to Finding #8:

The City wholly disagrees with the finding. Again, this finding is irrelevant and completely unrelated to the subject matter of this report – Willows Sewer Report.

Response to Recommendation #8:

The recommendation will not be implemented because it is not warranted.

Sincerely,

Marti Brown
City Manager
City of Willows