



Willows City Council Regular Meeting

September 12, 2023
Willows City Hall
Closed Session – 4:00 PM
Regular Session - 6:00 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. CHANGES TO THE AGENDA

5. CLOSED SESSION

Pursuant to Government Code Sections §54954.3, the public will have an opportunity to directly address the legislative body on the item below prior to the Council convening into closed session. Public Comments are generally restricted to three minutes.

a. Conference with Legal Counsel – Existing Litigation (§ 54956.9) (1 Case)

Name of Case: Forbes v. County of Glenn et al No. 23CV03205

b. Conference with Legal Counsel – Substantial Risk of Litigation

Potential exposure to litigation pursuant to § 54956.9(b)

6. CEREMONIAL MATTERS (6:00PM)

a. Award Presentation – Commendations of Valor & Appreciation

Fire Captain Kyle Enos, Rural District Fire Chief Alex Paraiso, Firefighter Riley Eff
and Fire Engineer John Peterich

Presenter: Nathan Monck, Fire Chief

7. PUBLIC COMMENT & CONSENT CALENDAR FORUM

All matters on the Consent Calendar are considered routine and are approved by one motion and vote, unless Councilmembers or the City Manager first requests that a matter be removed for separate discussion and action. Individuals wishing to address the City Council concerning Consent Calendar items or regarding matters that are not already on the agenda 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. 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. **Register Approval**

Recommended Action: Approve general checking, payroll, and direct deposit check registers.

Contact: Amos Hoover, City Clerk, ahoover@cityofwillows.org

b. **Minutes Approval**

Recommended Action: Approve the August 16 and August 22, 2023, City Council meeting minutes.

Contact: Amos Hoover, City Clerk, ahoover@cityofwillows.org

c. **Opposition to Initiative No. 21-0042A1, The Taxpayer Protection and Government Accountability Act**

Recommended Action: Approve a resolution opposing Initiative No. 21-0042A1, the Taxpayer Protection and Government Accountability Act.

Contact: Amos Hoover, City Clerk, ahoover@cityofwillows.org

d. **Cal Cities General Assembly Voting Delegate Designation**

Recommended Action: Designate Mayor Thomas as the voting delegate representative for the City of Willows at the 2023 General Assembly of the League of California Cities Conference.

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

8. **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. **FY 2023-2024 Budget Amendment**

Recommendation: Consider amending the FY 2023-24 budget to rescind budget approval of the design contract for repairs of the City Swimming Pool (\$94,980), as well as defund the full-time Recreation Director and Children's Librarian positions (\$79,255).

Requested by: Mayor Richard Thomas

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

b. **New City Planning Services Contract**

Recommended Action: Approve bid award for contract Planning Services with new firm replacing Willdan's Planning Services contract.

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

c. **Civic Center Air Conditioning Unit Replacement**

Recommended Action: Approve a resolution authorizing the City Manager to execute an agreement with North State Air Conditioning for \$15,000 to replace one of the HVAC units on the roof of City Hall and establish an overall budget for the project not-to-exceed \$16,500.

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

d. **City Council Vacancy and Appointment Process**

Recommended Action: Consider the process and options to fill a vacant City Council seat and provide direction to staff.

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

e. **Planning Commission Vacancy and Appointment Process**

Recommended Action: Consider the process and options to fill a vacant Planning Commission seat and provide direction to staff.

Contact: Amos Hoover, City Clerk, ahoover@cityofwillows.org

f. **Sewage Ad Hoc Committee Appointment**

Recommendation: Consider appointment of Councilmember Sprague to the Sewage Ad Hoc Committee replacing former Councilmember Williams.

Requested by: Councilmember Forrest Sprague

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

9. **COMMENTS & REPORTS**

- a. Council Correspondence
- b. City Council Comments & Reports
- c. City Manager's Report

10. **CLOSED SESSION**

Pursuant to Government Code Sections §54954.3, the public will have an opportunity to directly address the legislative body on the item below prior to the Council convening into closed session. Public Comments are generally restricted to three minutes.

a. **Conference with Legal Counsel – Substantial Risk of Litigation**

Potential exposure to litigation pursuant to § 54956.9(b)

11. **ADJOURNMENT**

This agenda was posted on September 7, 2023.

Amos Hoover

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.

The City of Willows is an Equal Opportunity Provider.



CLOSED SESSION



CEREMONIAL MATTERS



PUBLIC COMMENT & CONSENT CALENDAR FORUM



PERIOD

08/04/2023 TO 08/22/2023

Payroll Direct Deposit 00077 TO 00078

Check Register 53497 TO 53503 &
53518 TO 53544

APPROVAL DATE 09/12/2023

APPROVED _____



City of Willows

Payroll Check Register

Employee Pay Summary

Packet: PYPKT00088 - FINAL CHECKS 20230822

Payroll Set: Payroll Set 01 - 01

Employee	Employee #	Payment Date	Number	Earnings
FAHEY, LORI	FAH00	08/22/2023	78	5,322.72
LOPEZ, JOSE	LOP02	08/22/2023	77	2,935.37
			Totals:	8,258.09



City of Willows

Check Register

Packet: APPKT00056 - 20230630 ACCRUAL #5 KB

By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: Gen Chk-General Checking						
1004	3CORE	08/04/2023	Regular	0.00	1,250.00	53497
1033	AIRGAS NCN	08/04/2023	Regular	0.00	150.70	53498
1252	CLEARWAY ENERGY LLC	08/04/2023	Regular	0.00	11,648.63	53499
1255	COASTLAND CIVIL ENGINEERI	08/04/2023	Regular	0.00	32,942.14	53500
	Void	08/04/2023	Regular	0.00	0.00	53501
1534	HI-TECH EMERGENCY VEHICLE	08/04/2023	Regular	0.00	11,515.54	53502
2335	KITTELSON & ASSOCIATES INC	08/04/2023	Regular	0.00	2,497.50	53503

Bank Code Gen Chk Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	21	6	0.00	60,004.51
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	21	7	0.00	60,004.51



By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: Gen Chk-General Checking						
1014	ACCESS	08/10/2023	Regular	0.00	92.67	53518
1082	ARAMARK	08/10/2023	Regular	0.00	326.84	53519
1261	COMCAST CABLE	08/10/2023	Regular	0.00	147.94	53520
1308	DAHLMEIER INSURANCE AGENC	08/10/2023	Regular	0.00	50.00	53521
1429	FEDEX	08/10/2023	Regular	0.00	11.02	53522
1606	JEREMY'S PEST STOMPERS	08/10/2023	Regular	0.00	90.00	53523
1680	LANNIE'S SEPTIC TANK SERV	08/10/2023	Regular	0.00	123.34	53524
1689	LEAGUE OF CA. CITIES	08/10/2023	Regular	0.00	25.00	53525
1770	MENDES SUPPLY COMPANY	08/10/2023	Regular	0.00	208.32	53526
1792	MJB WELDING SUPPLY, INC.	08/10/2023	Regular	0.00	53.32	53527
2312	NAPA AUTO PARTS	08/10/2023	Regular	0.00	226.50	53528
1916	NATISA PFYL	08/10/2023	Regular	0.00	100.00	53529
1851	NORTH STATE WATER TREATME	08/10/2023	Regular	0.00	150.00	53530
1852	NORTHERN CALIF. GLOVES	08/10/2023	Regular	0.00	191.98	53531
1896	PAPE MACHINERY INC.	08/10/2023	Regular	0.00	3.07	53532
1917	PG & E	08/10/2023	Regular	0.00	160.92	53533
1926	PLEXUS GLOBAL LLC	08/10/2023	Regular	0.00	80.00	53534
2337	ROGELIO GONZALEZ	08/10/2023	Regular	0.00	15.00	53535
2056	SCALVINI TIRE & AUTO	08/10/2023	Regular	0.00	1,840.52	53536
2079	SIGNCO	08/10/2023	Regular	0.00	214.50	53537
2207	TYLER TECHNOLOGIES, INC	08/10/2023	Regular	0.00	7,424.00	53538
2210	U.S. BANK NATIONAL ASSOCIATION	08/10/2023	Regular	0.00	1,939.90	53539
1798	UBEO WEST, LLC	08/10/2023	Regular	0.00	63.28	53540
2232	US BANK	08/10/2023	Regular	0.00	362.84	53541
2233	US BANK ST. PAUL CM-9703	08/10/2023	Regular	0.00	329,813.04	53542
2260	WAL-MART COMMUNITY	08/10/2023	Regular	0.00	105.59	53543

Bank Code Gen Chk Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	35	26	0.00	343,819.59
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	35	26	0.00	343,819.59



City of Willows

Check Register

Packet: APPKT00067 - 20230630 ACCRUAL #6 KB

By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
1866	OFFICE DEPOT, INC.	08/10/2023	Regular	0.00	276.64	53544

Bank Code Gen Chk Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	2	1	0.00	276.64
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	2	1	0.00	276.64



Willows City Council Special Meeting Draft Action Minutes

Agenda Item #7b.

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

1. CALL TO ORDER – 5:02pm

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Councilmembers Present: Councilmembers Hansen, Sprague, Vice Mayor Vodden, and Mayor Thomas

Councilmembers Absent: Councilmember Hofhenke

4. PRESENTATION

Public Comments Received:

Doug Ross

a. Governance Training

Action: Received governance training related to the Brown Act.

5. DISCUSSION AND ACTION CALENDAR

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

Action: Approved response to the Grand Jury Report – *Do you know what TOT Tax is?* for submission to the Presiding Judge of the Grand Jury.

Moved/Seconded: Councilmember Hansen and Vice Mayor Vodden

Yes: Councilmembers Hansen, Sprague, Vice Mayor Vodden, and Mayor Thomas

No: None

Absent: Councilmember Hofhenke

b. Grand Jury Report Response – Emergency Medical Services

Action: Approved response to the Grand Jury Report – *Emergency Medical Services* submission to the Presiding Judge of the Grand Jury.

Public Comments Received:

Jeff Williams

Moved/Seconded: Councilmember Hansen and Vice Mayor Vodden
Yes: Councilmembers Hansen, Sprague, Vice Mayor Vodden, and Mayor Thomas
No: None
Absent: Councilmember Hofhenke

c. Grand Jury Report Response – Willows Sewer Report

Action: Approved response to the Grand Jury Report – *Willows Sewer Report* for submission to the Presiding Judge of the Grand Jury.

Public Comments Received:

Dennis Asbury

Moved/Seconded: Councilmember Hansen and Mayor Thomas
Yes: Councilmember Hansen, Vice Mayor Vodden, and Mayor Thomas
No: None
Recused: Councilmember Sprague
Absent: Councilmember Hofhenke

6. ADJOURNMENT 7:40pm

Amos Hoover, City Clerk



Willows City Council Regular Meeting Draft Action Minutes

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

August 22, 2023
Willows City Hall
Closed Session - 5:00 PM
Regular Session - 6:00 PM

City Manager
Marti Brown

City Clerk
Amos Hoover

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

1. CALL TO ORDER – 5:01pm

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Councilmembers Present: Vice-Mayor Vodden, and Councilmembers Hansen, Hofhenke, and Sprague

Councilmembers Absent: Mayor Thomas

4. CHANGES TO THE AGENDA

5. CLOSED SESSION

Report out from the closed session:

a. Conference with Legal Counsel – Substantial Risk of Litigation

Advice was received from staff and counsel, Council requested staff return with additional information at a later date.

6. CEREMONIAL MATTERS

a. Proclamation: *Patriot Day - A Day to Remember*

b. Proclamation: *National POW/MIA Recognition Day*

Proclamations accepted by: Carol Lemenager

7. PUBLIC COMMENT & CONSENT CALENDAR FORUM

Public Comments Received:

Roberta Asbury

Jeff Williams

a. Register Approval

Action: Approved general checking, payroll, and direct deposit check registers.

b. Minutes Approval

Action: Approved the minutes of the August 8, 2023, City Council meeting.

Moved/Seconded: Councilmembers Hansen and Hofhenke

Yes: Councilmembers Hansen, Hofhenke, Sprague, and Vice Mayor Vodden

No: None

Absent: Mayor Thomas

8. DISCUSSION AND ACTION CALENDAR

a. CAL FIRE Rural Fire Capacity Grant

Action: Adopted a resolution to provide \$8,025 of matching funds from the City's General Fund for \$8,025 of Rural Fire Capacity grant funds (e.g., 50/50 match) for a total of \$16,050 to purchase Personal Protective Equipment (PPE); and authorize the City Manager, or her designee, to execute an agreement, and all associated documents, with CAL FIRE to accept the RFC grant funds.

Moved/Seconded: Councilmembers Hansen and Hofhenke

Yes: Councilmembers Hansen, Hofhenke, Sprague, and Vice Mayor Vodden

No: None

Absent: Mayor Thomas

b. Solicit Bids for Lease of City Owned Property

Action: Item moved to October 10, 2023, Council Meeting.

c. FY 2023-2024 Budget Amendment

Action: Item moved to September 12, 2023, Council Meeting.

d. Sewage Ad Hoc Committee Appointment

Action: Item moved to September 12, 2023, Council Meeting.

9. COMMENTS & REPORTS

- a. Council Correspondence
- b. City Council Comments & Reports
- c. City Manager's Report

10. CLOSED SESSION

Report out from the Closed Session:

a. Conference with Legal Counsel – Substantial Risk of Litigation

Action: Item moved to the September 12, 2023, Council Meeting.

b. Conference with Legal Counsel – Existing Litigation (§ 54956.9) (1 Case)

Name of Case: Forbes v. County of Glenn et al No. 23CV03205

Information was received from City Staff. No action was taken.

11. ADJOURNMENT 6:56pm

Amos Hoover, City Clerk



Date: September 12, 2023
To: Honorable Mayor and Councilmembers
From: Marti Brown, City Manager
Subject: Opposition to Initiative No. 21-0042A1, The Taxpayer Protection and Government Accountability Act

Recommendation:

Approve a resolution opposing Initiative No. 21-0042A1, the Taxpayer Protection and Government Accountability Act.

Rationale for Recommendation:

The Taxpayer Protection and Government Accountability Act would amend the California Constitution with provisions that limit voters' authority and input, adopt new and stricter rules for raising taxes and fees, and may make it more difficult to impose fines and penalties for violation of state and local laws. The measure puts billions of local government tax and fee revenues at risk statewide with related core public service impacts. The measure would have significant negative impacts on city operations and core service delivery.

Background:

On January 4, 2022, the California Business Roundtable filed the "Taxpayer Protection and Government Accountability Act" or AG# 21-0042A1. On February 1, 2023, the measure qualified for the November 2024 ballot. The League of California Cities, along with a broad coalition of local governments, labor and public safety leaders, infrastructure advocates, and businesses, strongly oppose this initiative. Local government revenue-raising authority is currently substantially restricted by state statute and constitutional provisions, including the voter approved provisions of Proposition 13 of 1978, Proposition 218 of 1996, and Proposition 26 of 2010. The Taxpayer Protection and Government Accountability Act adds and expands restrictions on voters and local government tax and fee authority.

Discussion & Analysis:

Major provisions of the initiative include:

Fees and Charges:

- Except for licensing and other regulatory fees, fees and charges may not exceed the “actual cost” of providing the product or service for which the fee is charged. “Actual cost” is the “minimum amount necessary.” The burden to prove the fee or charge does not exceed “actual cost” is changed to “clear and convincing” evidence.
- Requires fees and charges paid for the use of local and state government property and the amount paid to purchase or rent government property to be “reasonable.” These fees and charges are currently allowed to be market-based. Whether the amount is “reasonable” (introducing a new legal standard aiming to force below market fee and charge amounts) must be proven by “clear and convincing evidence.” The standard may significantly reduce the amount large companies (e.g., oil, utilities, gas, railroads, garbage/refuse, cable, and other corporations) will pay for the use of local public property.
- Prohibits fees on new development based on vehicle miles traveled.

Taxes:

- Taxes and fees adopted after January 1, 2022, that do not comply with the new rules, are void unless reenacted.
- Invalidates *Upland* decision that allows a majority of local voters to pass special taxes. The measure specifies that taxes proposed by the initiative are subject to the same rules as taxes placed on the ballot by a city council.
- Expressly prohibits local advisory measures which allow local voters to express a preference for how local general tax dollars should be spent.
- Requires voter approval to expand existing taxes (e.g., Utility, Transient Occupancy) to new territory (e.g., annexations) or to expand the tax base (e.g., new utility service).
- New taxes can only be imposed for a specific period of time.
- City charters may not be amended to include a tax or fee.
- All State taxes require majority voter approval.

Fines and Penalties:

- May require voter approval of fines, penalties, and levies for corporations and property owners that violate state and local laws unless a new, undefined adjudicatory process is used to impose the fines and penalties.

Fiscal Impact:

The Taxpayer Protection and Government Accountability Act will take billions of dollars away from local government services statewide and will directly impact the ability of the city to propose or implement updated fees and taxes potentially impeding core public services.

Attachments:

- Attachment 1: Resolution XX-2023



RESOLUTION NO. XX-2023

A RESOLUTION OF THE CITY COUNCIL OPPOSING THE TAXPAYER PROTECTION AND GOVERNMENT ACCOUNTABILITY ACT

WHEREAS, an association representing California’s wealthiest corporations and developers is spending millions to push a deceptive proposition aimed for the November 2024 statewide ballot; and

WHEREAS, the measure includes undemocratic provisions that would make it more difficult for local voters to pass measures needed to fund local services and infrastructure, and would limit voter input by prohibiting local advisory measures where voters provide direction on how they want their local tax dollars spent; and

WHEREAS, the measure creates new constitutional loopholes that allow corporations to pay far less than their fair share for the impacts they have on our communities, including local infrastructure and our environment; and

WHEREAS, the measure may make it much more difficult for state and local regulators to issue fines and levies on corporations that violate laws intended to protect our environment, public health and safety, and our neighborhoods; and

WHEREAS, the measure puts billions of dollars currently dedicated to local services at risk and could force cuts to fire and emergency response, law enforcement, public health, parks, libraries, affordable housing, services to support homeless residents, mental health services, and more.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WILLOWS AS FOLLOWS:

1. The City of Willows opposes Initiative 21-0042A1.
2. The City of Willows will join the No on Initiative 21-0042A1 coalition, a growing coalition of public safety, education, labor, local government, and infrastructure groups throughout the state.

PASSED AND ADOPTED by the City Council of the City of Willows this 12th day of September, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTESTED:

Richard Thomas, Mayor

Amos Hoover, City Clerk



Date: September 12, 2023
To: Honorable Mayor and Councilmembers
From: Marti Brown, City Manager
Subject: Cal Cities General Assembly Voting Delegate Designation

Recommendation:

Designate Mayor Thomas as the voting delegate representative for the City of Willows at the 2023 General Assembly of the League of California Cities Conference.

Rationale for Recommendation:

Mayor Thomas is the only registered representative from the City of Willows attending the 2023 League of California Cities Annual Conference and able to cast a vote on behalf of the City of Willows during the General Assembly meeting.

Background:

The League of California Cities General Assembly is taking place on September 22, 2023, as part of the League of California Cities Annual Conference and Expo. The General Assembly is comprised of voting delegates appointed by each member city and every city has one voting delegate.

Discussion & Analysis:

To be eligible to cast a vote during the General Assembly, the voting member must be registered for the conference and be designated through Council Action to vote on behalf of the City.

Fiscal Impact:

No fiscal impact.



DISCUSSION & ACTION CALENDAR



Date: September 12, 2023
To: Vice-Mayor Vodden and Councilmembers Hansen, Hofhenke and Sprague
From: Mayor Thomas
Subject: FY 2023-24 Proposed Budget Amendments

Recommendation:

Consider amending the FY 2023-24 budget to rescind budget approval of the design contract for repairs of the City Swimming Pool (\$94,980), as well as defund the full-time Recreation Director and Children’s Librarian positions (\$79,255).

Rationale for Recommendation:

Due to the sizable disparity in the Council’s approved budget for Law Enforcement Services and the current proposal from the Sheriff’s office, prudence dictates that the Council rescind approval of the pool design contract, as well as the full-time Recreation Director and Children’s Librarian positions. Once an agreement for Law Enforcement Services has been secured, further budget amendments may be necessary.

Background:

The Council’s adopted FY 2023-24 Budget reflects a \$400,000 operational deficit in the General Fund. In addition, the approved budget also includes \$300,000 of General Fund Reserve spending to restore the Willows City Swimming Pool.

In 2017, the City entered a five-year contract with the Glenn County Sheriff’s Office to provide law enforcement services, which included provisions for renewing the contract at the end of the term. In May of 2022, the City established a tentative agreement with then Sheriff Warren for another five-year roll-over and renewal of the existing contract with the addition of Animal Control Services in the amount of approximately \$49,000. The FY 2022-23 contract amount was \$1,574,756 (the final year of the first five-year contract). After the election in June 2022, the City continued its effort to establish a contract for law enforcement services with Sheriff-Elect Gibbs, and now Sheriff Gibbs.

From July 2022 until April 2023, the City and County operated without a formal contract for law enforcement services. In the fall of 2022, and working through the County Administrator,

Sheriff-Elect Gibbs requested a one-year extension of the former five-year contract stating that he wished to negotiate the new longer-term contract after being officially sworn into office in January 2023. As a result, the City approved the one-year extension in January 2023, and the County approved the extension in April 2023. During the first half of the 2023 calendar year, City staff unsuccessfully attempted to negotiate a new contract with the Sheriff's Office on more than one occasion. In the absence of a new proposal and contract budget, the City moved forward with, and Council approved the new FY 2023-24 budget as required by State law increasing the Sheriff's contract by 3% to \$1,621,999 (as identified in the previous five-year contract). On June 23, 2023, the Sheriff's Office submitted its first proposed budget for FY 2023-24 increasing the new contract to \$ 2,848,447.84.

At the Council's June 27, 2023 meeting, the Council created a Sheriff's Contract Ad Hoc Committee and appointed Councilmember Hansen and Mayor Thomas to work with the City Manager on the Sheriff's contract extension, as well as negotiations with the Sheriff's Office.

On June 30, 2023, while the Council was in closed session and shortly after approving its FY 2023-2024 Budget, the Sheriff's Office delivered a letter to the front counter of City Hall stating that the city's contract for law enforcement services would expire at midnight on June 30, 2023, included in the letter was the following statement:

"...the Sheriff's office will continue to provide limited law enforcement services to the City of Willows for the next 30 days. It is our hope, and intent, that a fair and equitable agreement can be reached within those 30 days, law enforcement services will be terminated at midnight of July 31, 2023."

The Sheriff's Office has indicated that it will continue to issue 30-day notices while and so long as negotiations and discussion continue.

On August 7, 2023, the Ad-Hoc Committee met with Undersheriff Goodwin to discuss the contract. On August 15, the City received an updated proposal and budget on from the Sheriff's Office that included a revised contract budget of \$2,570,613 (which includes 12 Sworn Officers). On August 16, the City offered a counter proposal of \$1,782,452 (which included 9 sworn officers). The Sheriff responded that the contract budget of \$2,570,613 includes the minimum staffing levels that he will authorize for this contract. The Sheriff's proposal also includes a budget of \$251,326 for Dispatch Services. In contrast, the City's proposed contract budget of \$1,782,452 includes \$205,639 for Dispatch Services. Discussions between the Sheriff's Office and the City are on-going.

Discussion & Analysis:

Considering the significant proposed increase in the law enforcement services contract with the Glenn County Sheriff's Office, it seems imperative that the Willows City Council reconsider moving forward with the design of its previously approved Swimming Pool Repair Project and the creation of two new full-time staff positions. Funding for the design project and positions should be halted until the Council is confident that there is sufficient funding for the law enforcement contract, as well as the pool repair project and the two full-time positions.

On July 11, 2023, in an effort to return the Willows City Swimming Pool to service for the 2024 swim season, the City Council approved a contract with Aquatic Design Group for an amount not to exceed \$94,980. As Mayor, I directed staff to delay the project kickoff meeting with the contractor as a result of the extreme difference between the Sheriff's Office proposed contract budget and the City's proposed budgeted for Law Enforcement Services. To date, the City has only expended a few hundred dollars toward the Pool Project and no funds have been spent on moving the part-time Recreation Coordinator and Children's Librarian positions to full-time (as approved in the FY 2023-24 Budget).

Fiscal Impact:

By rescinding approvals of the Swimming Pool Repair Project (\$94,980) and the two full-time positions (\$79,255), the City will add \$174,235 to the General Fund enabling it to meet expected increases in the City's law enforcement services contract.



Date: September 12, 2023
To: Honorable Mayor and Councilmembers
From: John Wanger, City Engineer
Marti Brown, City Manager
Subject: Civic Center Air Conditioning Unit Replacement

Recommendation:

Approve a resolution authorizing the City Manager to execute an agreement with North State Air Conditioning for \$15,000 to replace one of the HVAC units on the roof of City Hall and establish an overall budget for the project not-to-exceed \$16,500.

Rationale for Recommendation:

In mid-August 2023, one of the HVAC units on the roof of City Hall completely stopped working. An HVAC technician field checked the unit with the hopes of repairing it. However, upon examination, several major components of the HVAC unit required replacement. Because the unit is more than 28 years old, it is doubtful that replacement parts would be readily available. Since the cost to replace the parts would be well into the thousands of dollars and the unit is at least eight years past its useful life, it was determined that the unit should be replaced.

Background:

Due to the urgency of the situation, on August 22, a Notice to Bidders was sent to Sinclair Heating and Air Conditioning, Jessee Heating and Air Conditioning, Greg's Heating and Air Conditioning and North State Air Conditioning requesting bids for the project.

On August 28, 2023, bids were opened for the replacement of one of the HVAC units on the roof of City Hall at 201 North Lassen Street. Two bids were received ranging in price from \$15,000 to \$16,810. The lowest responsible bid was submitted by North State Air Conditioning in Willows. Based on both the City of Willows Municipal Code and the State Public Contract Code, the project must be awarded to the lowest responsive and responsible bidder.

Staff completed a check of North State Air Conditioning's bid and found that:

- The bid was responsive,
- The contractor's license is active and valid (e.g., they possess a Class C-20 license as required by the bid documents that expires on 11/30/23), and
- The bid contained the required information per the Notice to Bidders.

Please note, there was an anomaly in the recommended bid. The unit cost for the work was different than the total cost shown on the line item. However, the total cost shown for the line item also matches the written total of the bid. In verifying this with the contractor, the contractor was under the impression that the unit price was the price of the actual HVAC unit and that the total price reflected both the equipment and the labor. The contractor confirmed that the total price of the bid is \$15,000.

Typically, Public Works contracts require the contractor to be registered with the Department of Industrial Relations (as required by State law); However, Section 1725.5(f) of the Labor Code states that a contractor does not have to be registered with the Department of Industrial Relations (DIR) if:

“...the work performed on a public works project of twenty-five thousand dollars (\$25,000) or less when the project is for construction, alteration, demolition, installation, or repair work or to work performed on a public works project of fifteen thousand dollars (\$15,000) or less when the project is for maintenance work.”

As this project is both less than \$25,000 (e.g., the project cost is \$15,000) and is for maintenance work, the contractor does not have to be registered with the DIR. North State Air Conditioning is not currently registered with the DIR.

Environmentally, the project is determined to be Categorically Exempt in accordance with Section 15301(a) in that this project is maintenance of existing facilities.

Staff has found that North State Air Conditioning’s bid satisfies the bidding requirements for the project and, therefore, recommends an award of the project to them.

Fiscal Impact:

Based on the low bid for the project, the overall recommended budget for this project is as follows:

Construction:	\$ 15,000
Contingency (10%):	<u>\$ 1,500</u>
Estimated total	\$ 16,500

The primary source of funding for this project would be a combination of General Fund and Enterprise Fund monies.

Attachment:

- Attachment 1: Resolution XX-2023

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF WILLOWS, STATE OF CALIFORNIA,
AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH NORTH STATE AIR
CONDITIONING FOR THE REPLACEMENT OF ONE OF THE HVAC UNITS AT CITY HALL AND
APPROVE AN OVERALL BUDGET FOR THE PROJECT**

WHEREAS, in August 2023, one of the HVAC units on the roof of City Hall completely stopped working; and

WHEREAS, an HVAC technician field checked the unit with the hopes of repairing it; However, upon examination, several major components of the HVAC unit required replacement; and

WHEREAS, because the unit is more than 28 years old, it is doubtful that replacement parts would be readily available; and

WHEREAS, since the cost to replace the parts would be well into the thousands of dollars and the unit is at least eight years past its useful life, it was determined that the unit should be replaced; and

WHEREAS, in accordance with California Public Contract Code Sections 20162-20164 and other applicable law, the City of Willows solicited bids for the replacement of one of the HVAC units at City Hall located at 201 North Lassen Street ("Project"); and

WHEREAS, bids for the Project were opened on August 28, 2023, in accordance with California Public Contract Code Section 4104.5 and other applicable laws; and

WHEREAS, two bids were received with the bids ranging from a low bid of \$15,000 to a high of \$16,810, with the lowest bid from North State Air Conditioning; and

WHEREAS, staff has determined that North State Air Conditioning bid satisfies the bidding requirements for the Project; and

WHEREAS, staff has verified that North State Air Conditioning possesses valid California Contractor's Licenses under the requested Class C-20, number 449275 (expires 11/30/2023) as required to qualify to perform the Project; and

WHEREAS, the Project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Section 15282(a) of Title 14 of the California Code of Regulations in that this project involves maintenance work on existing facilities.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WILLOWS AS FOLLOWS:

1. The above recitals are true and correct and are hereby incorporated into this Resolution as findings of the City Council of the City of Willows.

2. The Project is categorically exempt from CEQA in accordance with Section 15282(a) of Title 14 of the California Code of Regulations.

3. In accordance with California Public Contract Code Section 20160 and following other applicable laws, the City Council of the City of Willows hereby finds the bid of North State Air Conditioning for the replacement of one of the HVAC units at City Hall to be the lowest responsive bid and waives any irregularities in such bid in accordance with applicable law.

4. The contract for the Project is hereby awarded to North State Air Conditioning, in the amount of \$15,000.00, conditioned on North State Air Conditioning’s timely execution of the Project contract and submitting all required documents, including, but not limited to, certificates of insurance, and endorsements, in accordance with the Project bid documents.

5. The City Manager is hereby authorized and directed to execute with North State Air Conditioning for performance of the Project in accordance with the bid documents and applicable law upon submission by North State Air Conditioning of all documents required pursuant to the Project bid documents.

6. That the overall budget for the Project be established at \$16,500.

7. The City Manager is hereby authorized to execute any contract change orders in accordance with the Project contract documents so long as the total Project cost does not exceed the total funding for this Project in the adopted budget.

8. City staff is hereby directed to issue a Notice of Award to North State Air Conditioning.

9. This Resolution shall become effective immediately.

10. All portions of this resolution are severable. Should any individual component of this Resolution be adjudged to be invalid and unenforceable by a body of competent jurisdiction, then the remaining resolution portions shall be and continue in full force and effect, except as to those resolution portions that have been adjudged invalid. The City Council of the City of Willows hereby declares that it would have adopted this Resolution and each section, subsection, clause, sentence, phrase and other portion thereof, irrespective of the fact that one or more section subsection, clause sentence, phrase or other portion may be held invalid or unconstitutional.

PASSED AND ADOPTED by the City Council of the City of Willows, State of California this 12th day of September 2023, by the following vote:

AYES:
NOES:
ABSENT:

ABSTAIN:

APPROVED:

Richard Thomas, Mayor

ATTESTED:

Amos Hoover, City Clerk



Date: September 12, 2023
To: Honorable Mayor and Councilmembers
From: Marti Brown, City Manager
Subject: City Council Vacancy and Appointment Process

Recommendation:

Consider the process and options to fill a vacant City Council seat and provide direction to staff.

Rationale for Recommendation:

As of September 7, former Councilmember Casey Hofhenke resigned as a City of Willows City Councilmember requiring that the vacancy be filled.

Background:

On September 6, 2023, former Councilmember Casey Hofhenke notified the City Council and staff that he was resigning from his Councilmember position effective September 7, 2023.

According to Government Code Section 36512(b)(Gov. C.), "If a vacancy occurs in an elective office, the council shall, within 60 days of the commencement of the vacancy, either fill the vacancy by appointment or call a special election to fill the vacancy."

Should the council wish to call a special election, it shall be held on the next regularly established election date not less than 114 days from the call of the special election (Gov. C. 36512(b)(1)). A person appointed or elected to fill a vacancy holds office for the unexpired term of the former incumbent. Should the Council fill the vacancy by appointment in the second half of a term of office, the person appointed to fill the vacancy shall hold office for the unexpired term of the former incumbent (Gov. C. 36512(b)(2)(B)).

Discussion & Analysis:

Consistent with Government Code Section 36512(b), the City Council has 60 days from the commencement of the vacancy on September 7, 2023, to choose one of the following courses of action:

1. Appoint someone to fill the vacancy; or

2. Call a special election to be held on the date of the next regularly scheduled election, which in this case would be March 5, 2024.

Council Appointment Process:

It is the Council's discretion to determine the process by which an appointment is made for a vacant Council seat. Appointment options include (but may not be limited to):

- Accept nominations and appoint a nominee;
- Appoint an applicant from the previous (July 2023) round of applications;
- Appoint the next highest vote getter from the last election (November 2022);
- Invite applications from those who ran for Council seats in the last election/appointment process; and
- Initiate an open call for applications to all eligible and interested parties and appoint an applicant.

In the event of a call for applications and in order to adhere to the timeline established in Government Code Section 36512(b) for filling council vacancies, a proposed timeline and process for the appointment process is as follows:

1. September 13-29, 2023 - Solicit applications
2. October 10, 2023 - City Council to review the submitted applications and consider the following options:
 - Appoint one of the applicants based on a discussion and review of the applications;
 - Identify the top 3-5 applicants to interview at a subsequent City Council meeting; or
 - Interview all applicants at a subsequent City Council meeting.
3. October 17, 2023 (Special CC Meeting) - Conduct interviews, review and discuss applicants and appoint preferred candidate.
4. October 24, 2023 - Swear in and seat newly appointed Councilmember (Regular Meeting).

Fiscal Impact:

There is no significant fiscal impact by choosing the above referenced appointment process; however, should the City Council wish to schedule a Special Election, the estimated cost would be approximately \$10,000 (if an appointment process was not employed). The County Elections Office has notified us that the cost would be shared with the County and State by merging a

Special Election with the California State primary on March 5, 2024. While the Elections Office could not specify an exact cost, the previous election cost the City of Willows \$9,819.32.

Attachment:

- Attachment 1: Proposed Draft City Council Application



Application For Willows City Council (expires November 2026)

Application Requirements: 1. Application 2. Current Resume 3. Proof of Residency Documents (2 Required) - Sample documents include a Driver's License/State Identification Card, Utility Bill, Internet/Cable Bill, etc. Please bring the application and proof of residency documents to the City Clerk's Office.

Name: _____

Full Address: _____

E-mail Address:

Primary Phone Number:

Secondary Phone Number:

Are you a registered voter? Yes No

Have you previously attended a City Council meeting? Yes No

Present Employer: _____ Job Title: _____

Previous Governmental Bodies/ Elective Offices Applicant has served:

Position/ Office Held:

Dates:

Position/ Office Held:	Dates:

Civic or Charitable Organizations to which Applicant has belonged:

Position(s) Held: Dates:

Special Interests, Hobbies or Talents:

College, Professional, Vocational Schools attended:

Major Subject:

Degree/Dates:

Special awards or recognition received:

Please attach a statement explaining the reasons why you want to become a member of this City Council, including what specific objectives you would be working toward as a member of this Council.***

Please state any other information which you feel would be useful to the City Council in reviewing your application:

Are you associated with any Organization/Employment that might be deemed a conflict of interest in performing your duties if appointed to this position? If yes, please name the Organization or Employment.

Yes No Unsure

Organization/Employment: _____

City policy and state law directs all Council members not to vote on matters where there exists a potential conflict of interest. Would you be willing to abstain from voting if such a conflict arises?

____ Yes ____ No

Signature of Applicant: _____ Date Signed: _____

By signing you are confirming that you are the person listed in this application, and that all information provided is truthful and correct. You can submit the completed application packages to the City Clerk's Office, 201 N. Lassen St. Willows, CA 95988. All information provided will be public information. **Applications are due to the City Clerk's Office by Friday, September 29 at 4:00 p.m.**

*** Add additional, numbered pages as needed.



Date: September 12, 2023
To: Honorable Mayor and Councilmembers
From: Marti Brown, City Manager
Subject: Planning Commission Vacancy and Appointment Process

Recommendation:

Consider the process and options to fill a vacant Planning Commission seat and provide direction to staff.

Rationale for Recommendation:

Former Planning Commissioner Kellie Burt recently resigned her position on the Planning Commission requiring that the vacancy be filled.

Background:

On August 22, 2023, former Planning Commissioner Kellie Burt notified the City of her resignation effective immediately. Her term on the Planning Commission was expected to run through December 31, 2025.

Discussion & Analysis:

It is the Council's discretion to determine the process by which a Planning Commission appointment is made. Options may include, but are not limited to, the following:

1. Initiate an open call for applications to all eligible and interested parties and make an appoint; and
2. Appoint a previous applicant based on the application (who is not already serving on the Commission).

In the event of a call for applications, a proposed timeline and process for the appointment process is as follows:

1. September 13-29, 2023 - Solicit applications

2. October 10, 2023 - City Council to review the submitted applications and consider the following options:
 - Appoint one of the applicants based on a discussion and review of the applications;
 - Identify the top 3-5 applicants to interview at a subsequent City Council meeting;
or
 - Interview all applicants at a subsequent City Council meeting.
3. October 24, 2023 – Regular City Council Meeting to conduct interviews, review and discuss applicants and appoint preferred applicant.

Fiscal Impact:

There is no fiscal impact.

Attachment:

- Attachment 1: Proposed Draft Planning Commission Application



City of Willows

Attachment 1

Application for Appointment to the Planning Commission

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

A seat on the Willows Planning Commission is currently vacant. In accordance with the Willows City Code, appointments to the Planning Commission are made by the Mayor with the approval of the City Council. Appointment will be for the **remaining term** of the former Planning Commissioner and will be for the time period of October 2023 through December 31, 2025.

Letters of interest and/or applications will be accepted until September 29, 2023, at 4:00 p.m. The City Clerk must have physically received applications for consideration.

It is anticipated that all applications will be reviewed, and an appointment will be made by the City Council at the following Regular meeting.

QUALIFICATIONS: To be considered eligible, an applicant must live within the incorporated area of the City of Willows and be a registered voter (elector) at the time of nomination. Individuals appointed to the Planning Commission are required to attend all regular and special meetings of the Commission. Regular meetings generally occur on the third Wednesday of each month. Individuals appointed to the Planning Commission are required to complete and file a Statement of Economic Interests Form with the Fair Political Practices Commission and also required to complete the AB 1234 course (Ethics Training) approved by the Attorney General and FPPC.

EXCEPTION: When the City finds it in the best interest of the City, the City Council may, by a vote of three-fifths majority, waive the residency qualification and appoint one individual to the Commission who is a registered voter of the County, residing within the City's sphere of influence.

The City of Willows in an Equal Opportunity Provider



City of Willows

Application for Appointment to the Planning Commission

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

THIS DOCUMENT IS PUBLIC RECORD

Name: _____

Residence Address: _____

Mailing Address: _____

E-Mail Address: _____

Home Phone: _____ Business Phone: _____

* Are you a registered voter? _____

Please list all prior experience on City or local service commissions, committees, boards, clubs, etc.:

_____.

Please provide a statement as to why you wish to serve on the Planning Commission of the City of Willows at this time:

_____.

Applicant Signature _____

THIS BOX IS FOR CITY CLERK USE ONLY
Date: _____
Time: _____
Signature: _____ 42

FORREST J. SPRAGUE

Agenda Item #8f.

801 Applewood Way Willows, CA 95988
Ph: 530-514-8700 Email: forsprague@aol.com

September 6, 2023

Dear Mayor Thomas and Council Members

MY REQUEST: Please re-establish the Sewer Fund Ad Hoc Committee and appoint me to replace past Councilman Jeff Williams.

PURPOSE: To develop a fair and equitable sewer rate within the Sewer District based on actual and verifiable costs to provide the Sewer Service, *as required by law.*

HISTORY: In 2019, the then City Council proposed a sewer rate increase. Upon review of the April 2019 Sewer Rate Study by members of the public it was revealed that the proposed rates were erroneously based on “historical charges” paid from the Sewer Fund. It was also discovered that payments were made from the Sewer Fund for activities that should have been paid from the City’s General Fund. As a result, the Council abandoned the first attempt to increase the sewer rates. Because the financial data was provided to them by the City, the authors of the 2019 Rate Study included a disclaimer stating “...no warranty is expressed or implied as to the correctness, accuracy or completeness of the information herein.”

After the 2019 effort failed, the Council created an ad hoc committee and appointed two members from the public to look deeper into the expenses of Sewer Fund and more misuse was quickly discovered. The then City Manager’s response was that the Ad Hoc Committee went far beyond their objective by truly looking into the “actual costs” to provide the sewer service. Instead, he insisted that their *only purpose* was to agree upon a sewer fee that would be merely “palatable” to the ratepayers and he immediately shut down the Committee.

In 2020, the City Council again proposed a sewer fee increase. This second attempt was based on lesser rate percentages than those proposed in 2019. However, members of the public had discovered even more misappropriation of the Sewer Fund, which was admitted to by City staff. The City Council again rightly rejected the proposed rates. Shortly after, the Council received a list of other instances of the misuse of the Sewer Fund. Subsequently, the City Council went into a Closed Session to evaluate the problems. The following week the Finance Director resigned and a couple of weeks later the City Attorney also resigned.

In mid-2021, the City Council moved forward with a third sewer rate increase. This time the proposed rates were based on a new Wastewater Rate Study completed by NBS. Apparently the then City Attorney’s partner negotiated cost and he awarded the contract directly to NBS. But this Study was not based on actual and verifiable costs to provide the service, as required by law. Instead, the 2021 NBS Rate Study used terms like “industry standard principles” and “new methodology” while describing the estimated costs supporting the sewer fees “adjustments.” NBS employees have acknowledged that their sewer fee modifications didn’t fully comply with the Proposition 218 process. In addition, they describe their flawed practice of estimating their costs as “defensible” in the event that their illogical fees were challenged.

The NBS Rate Study is clearly faulty. In calculating the sewer fees for apartment complexes, the NBS Study used the metered amount of fresh water consumed by apartment complexes instead of the actual quantity of effluent the apartment tenants generate on an annual basis.

Recent census figures confirm that in Willows the number of people living within a single apartment unit is equivalent to those living in a single family home. Nevertheless, based on the erroneous NBS Study, the then City Council gave substantial sewer rate reductions to apartment owners while increasing the fees on single-family homes and local businesses.

If fresh water consumption is a valid factor for establishing sewer rates, then the fees for a downtown business with only a toilet, sink, *and no landscaping at all*, should have the lowest rates—not the highest. NBS literature rightly says “...that rates [should] be proportionate to the cost of providing service for all customers” and that one “customer group” cannot legally subsidize any fees for another customer group. Nevertheless, the homeowner and business “groups” located in Willows are subsidizing the sewer costs for the out-of-town corporations that own apartment complexes.

WHERE WE ARE TODAY:

Depending upon which NBS sewer expense forecast, or City budget, or fiscal yearend revenue and expense ledger, or the audits people compare, there are significant and unexplained disparities in the figures found in certain categories contained within those documents.

For example, the timecards filled out by Public Works employees confirm that of the more than 7,000 man hours they were paid *per year* from the Sewer Fund, approximately 100 of their hours were in reality spent maintaining the in-town portion of the sewer system. Even if their salaries and benefits equaled \$100 per hour, (the cost that Inframark charges the City) the accurate total would be less than \$10,000 for the entire year.

Nevertheless, the NBS Rate Study forecasted the in-town maintenance costs for employee salaries and benefits for the fiscal year 2020/21 to be \$331,393. And the 2020/21 Adopted City Budget listed \$315,077 for that category, about \$16,000 *lower than* the NBS predictions. However the 2022/23 City Budget shows \$281,877 for FY 2020/21 was paid from the Sewer Fund for the City employee salaries and benefits.

From October 2020 until October 2021, the City paid Inframark \$95,000 for the in-town sewer system maintenance. It’s not clear what tasks Inframark completed, but we were told that no City employees were paid from the Sewer Fund during that same time period.

Nevertheless, the 2023/24 the City’s Budget records the “actual” amount for salaries and benefits paid to City employees for FY 2020/21 was \$282,906 for sewer maintenance. What’s even more confusing is that the 2021 fiscal yearend Auditor’s Report displays a (\$70,853) negative figure for employee salaries and benefits for sewer maintenance during FY 2020/21.

Another example is that the costs listed on the Sewer Fund expense ledger for Equipment Maintenance range from a low of \$5,783 in 2011 to a high of \$16,653 in 2017. But in 2018, that figure jumped by \$100,000 to over \$116,000. City staff has not provided any explanation for the huge increase.

One more unexplained inconsistency is the General Administration account paid from the Sewer Fund. For several years, that amount was around \$69,000 to \$77,000 per year. When it was discovered that Sewer Fund was unlawfully charged to pay the police department staff, the Administration cost category was reduced to \$39,000 per year. The new General Administration rate proposed in the NBS Study jumped to over \$165,000 per year starting in FY 2021/22. But the City records show that only \$39,000 was paid from the Sewer Fund for General Administration in FY 2021/2022.

For the fiscal years 2022/23 and 2023/24 the City Budgets show no expenditures for “Administrative Overhead.” Instead, a new category of Overhead-General Fund appears in the Budget showing amounts of \$147,000 and \$154,000 respectively for those two fiscal years.

MY POINT: Whether a person compares the above accounts, or the ones for the discharge permit, insurance, professional services, tires, fuel, vehicle maintenance, or PG&E costs, there are noticeable differences in the estimated and/or actual charges to the Sewer Fund.

RECOMMENDATION: Reinstate the Sewer Fund Ad Hoc Committee to look deeper into and distinguish the “historic expenditures” paid by the Sewer Fund from the *actual costs* to provide the service, *again as required by law*. Appoint members from the public to the Ad Hoc Committee who have the specialized skill sets needed to examine City records and report on their findings. For example, a local auto mechanic could review the City’s vehicle maintenance logs to separate any costs associated with the sewer related from the non-sewer equipment. Someone else knowledgeable of solar systems might determine the causes for the failures related to the solar equipment installed at the sewer treatment plant. Another person could review the employee timecards and segregate the actual hours they spent on their sewer related tasks from their non-sewer activities.

RATIONALE FOR THE RECOMMENDATION: First, during their respective campaigns, three new Council members vowed to revisit the current Sewer Rates to determine a fair and equitable fee that should be borne by all ratepayers. Second but most important, there are still too many unanswered questions and unexplained expenditures from the Sewer Fund for which the ratepayers deserve honest and accurate explanations. Third, it is the City Council’s fiduciary responsibility to undertake this endeavor.

SUGGESTED TIMEFRAME FOR THE COMMITTEE’S ACTIVITIES: My hope is that within six months from now the Committee would produce an all encompassing Report with findings and recommendations for the entire Council to analyze and consider. I envision at least four Committee meetings to periodically review the progress of those who will have studied and analyzed specific subdivisions of the Sewer Fund. I suggest that these meetings should be announced for maximum public participation and for full transparency.

FISCAL IMPACT: Apart from the staff time to provide copies of public information, I don’t see huge costs stemming from this necessary obligation. The Council might consider whether staff time should be spent taking minutes or managing the audio recordings of the Committee meetings. It has been questioned whether there could be a cost associated with creating a new Sewer Rate Study to support any changes in sewer fees after the Committee’s Report is completed. I already have the commitment from an experienced associate of mine who is qualified to provide a revised Study, *at no cost to the City*, if one becomes necessary.

THE END GOAL: Again, to develop a fair and equitable sewer rate within the Sewer District based on actual and verifiable costs to provide the Sewer Service, *as required by law*. Thank you in advance for your favorable consideration on this matter.

Sincerely,


FORREST J. SPRAGUE
Council Member



COMMENTS AND REPORTS



CLOSED SESSION