



## SUMMARY MINUTES OF THE WILLOWS CITY COUNCIL SPECIAL MEETING HELD FEBRUARY 21, 2018

Meeting audio is available at the City of Willows website. This is not a live feature. Audio recordings are posted the succeeding business day following the scheduled City Council Meeting.  
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Mayor Warren called the meeting to order at 4:00 p.m.

The meeting opened with the Pledge of Allegiance led by Council Member Gary Hansen.

### **Roll Call:**

Council Members Present: Council Members Williams, and Hansen, Vice-Mayor Mello and Mayor Warren.

Council Members Absent: Council Member Yoder

Staff Present: Interim City Manager Wayne Peabody, Administrative Services Director Tim Sailsbery, and Community Development Services Director.

### **4. Public Comment/ Written Communications:**

No public comments or written communications.

### **5. FY 2017/18 MID YEAR BUDGET REVIEW-**

**-Overall Budgeted Revenue and Expenditures**

**-General Fund Revenue Projection**

**-General Fund Expenditures by Department and vs. 2016/17 to Date**

**-Appropriations**

**-Enterprise Funds**

Administrative Services Director Sailsbery introduced item to Council. Sharing with them a number of topics throughout the Midyear Budget Documents. *(Below is an outlined summary of sections discussed)*

#### **Section 1- Original Budget: (Page 8 & 9)**

-These pages kind of recap what Council passed 2017-18.

-takeaway from this section (Page9) even though the City has transferred law enforcement to the Glenn County Sherriff's, He pointed out that the City is still making a large investment in police services. Which is the 2<sup>nd</sup> largest expenditure in the City.

#### **Exhibit 2- Primary Funding: (Page 11)**

-These pages track the general fund revenue

- Property tax has gone slightly downwards at about just under \$6,000.00.

-Manville Past Equipment, has required the County to pay which the City will be responsible for \$23,000.00 dollars structured over 4 years. Which is about \$6,000.00.

-Occupancy Tax has remained strong to staff's surprise with the fire at the Golden Pheasant. TOT taxes continue to rise. The rice straw plant has helped to fill our hotels.

Council Member Williams then made a comment that the Race Track has also helped with the TOT tax and keeping our hotels filled. Along with gas purchase and frequent visits to local restaurants.

-Note 7: Net proceeds from the auction of surplus property came in less than originally projected which made the a decrease in the overall net funding about \$4,000.00

#### Exhibit 2-2-Original Budget: (Page 12)

-Approval of the operation deficit of just under \$84,000.00

-Requesting of a few appropriations will be discussed later in the conversation.

-Additional \$54,000.00 of expenditures and that these are one time expenditures and not ongoing.

-As a result to these appropriations staff will be asking to revise the deficit to \$142,000.00 in deficits.

#### Exhibit 2-3 Revenue and Expenses: (Page 13)

-shows a comparison to where we are now to a revised budget.

- The City has collected 49% of projected revenues and the City has spent about 53% of the projected budget.

-Two that are paid upfront that are pretty substantial, the unfunded liability in July and all of our Liability Property Insurance.

Couple of Line items:

-City Managers budget shows that is 94% expended, that reflects the unfunded liability for past City Managers along with a bit of travel costs. Being that is paid at the first month it exhausts quickly.

- Parks Department, This is from a significant project at all Parks throughout the City for seeding and fertilizing; which all has to be paid upfront.

Council Member Williams then shared he has visited with Administrative Services Director Sailsbery prior to the meeting, inquiring information about some of the extremes which he has clarified as he did just know that those expenditures come from the upfront payments.

#### Exhibit 2-4- General Fund: (Page 14)

-This section is comparing the first 6 months of this year to last.

-Revenue side: we are about \$30,000.00 lower than last year. The difference is a onetime payment of insurance proceeds from the Fire Station.

-Expenditures: Full time Wages and Benefits are down this year, this reflects the disassembling of the Police Department.

-2 lines down you still see the Police under contracted services, which reflects the City is still paying for the Services.

-Overall general fund expenditures, has fluctuated and with the way PERS works, we will pay \$50-\$60K for about the first ten years, however that may change.

Council Member Williams asked Administrative Services Director Sailsbery "What year is the City in with this process?" Mrs. Sailsbery responded with year three.

#### Exhibit 3-1 &3-2- Appropriation/Transfer Request: (Page 16-17)

-Here will be the General Fund and appropriation requests.

-Requested is an additional \$54,000.00 in appropriations.

-As a result of Cannabis: lots of monies have gone towards the City Attorney and City Planner. To keep them going, the request is another 20,000.00 to the City Attorney and \$10,000.00 to the City Planner.

-Police Department: The City did not transition by July 1 as expected it took till August 8<sup>th</sup>. During that time we an officer that was on medical along with one who did not make it through the academy. The

request is \$24,000.00 for personal costs during transition to GCSO that could not be passed onto the County.

-Economic Development: requesting additional funds for 3Core for EDA grant support. City funds have been exhausted. And with the wonderful work they are doing currently, staff expects that they will need an additional \$3,750.00 for the remaining of the year.

-Community Discretionary:

-First item, Old housing grants and rental incomes go into this fund. 139 N. Lassen needs a new roof. Community Services Director Soeth has been working with this rental property and will be taking care of this with them.

-The second item is the Gap Loan with 3Core.

-The third item is a request for website development.

#### Exhibit 4-1- Sewer Enterprise Funds: (Page 19)

-Past ten years we have been able to have a cash flow from the sewer enterprise fund, however, we are starting to get into a deficit.

-Look into Rate increases- receiving assistance on a rate study and have started the process. Helping us to keep in cash flow neutral.

Council Member Williams suggested that the City look into the possibility of not contracting out these services. Possibly look into a survey to see if it would be beneficial to the City.

Administrative Services director shared that he felt this is something that can be looked at however, he would suggest waiting until the City is near the end of the contract.

Council Member Hansen shared with Council that about 7 years ago he had the same questions with different staff at the time. He also shared it doesn't hurt to look into a survey.

Part 5 (Pages 21-50): Mr. Sailsbery shared that unless there are questions, this section is pretty self-explanatory and broken down. No questions from Council were addressed.

Mayor Warren then opened the floor for Council Comment.

Council Member Hansen shared the appropriation requests are the cost of doing business. He doesn't see an issue with the requests.

Council Member Williams echoed Council Member Hansen's thoughts. Sharing the Cannabis expenses are brought to us from the state level and not something that can be deferred.

Director Sailsbery then shared with Council that he wanted to clarify that these requests are one time requests.

Mayor Warren then shared that she too was in agreement of the appropriation requests.

By Consensus, Council agreed to place the appropriations on the Consent Calendar of the following meeting.

#### **6. DISCUSS AND ADVISE REGARDING AN INCREASE TO THE MONTHLY CITY COUNCIL STIPEND**

Discussion was had and the item moved forward by consensus of a Council stipend raise to \$250.00 per month. An ordinance will be drafted by staff and addressed at the next scheduled meeting.

**7. DISCUSS AND ADVISE REGARDING THE ESTABLISHMENT OF A PLANNING COMMISSION STIPEND**

Discussion was had and the item moved forward by consensus for a new Planning Commission stipend of \$50.00 per month. An ordinance will be drafted by staff to include both Council raises and new Planning Commission stipends at the next regular scheduled meeting.

**Adjournment:**

The Meeting was adjourned at 5:01 P.M.

Dated: February 21, 2018

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Robyn Johnson, City Clerk