



**SUMMARY MINUTES OF THE WILLOWS CITY COUNCIL  
SPECIAL MEETING HELD May 23, 2018**

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Mayor Warren called the meeting to order at 3:00 p.m.

The meeting opened with the Pledge of Allegiance led by Administrative Services Director Tim Sailsbery.

**Roll Call:**

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

Council Members Absent: None.

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

**Public Comment/ Written Communications:** No public comments or written communications.

**FY 2018/2019 Proposed Budget With 2019/2020 Projections**

- **Budget Overview**
- **Operations**
- **Capital**
- **Enterprise Funds**

-Consider Adoption of the Resolution Approving the Preliminary 2017/18 Budget

-Direct Staff Regarding Bringing Forward the Budget for Adoption

Tim introduced the item giving the council a brief description of the 2018/2019 budget analysis and summary.

The 2018/2019 projected budget contains a General Fund deficit of \$98K, based on projected revenues of \$3.828MM and appropriated expenditures of \$3.926MM. 2019-20 projections include the trending increase of PERS. The benefit costs is projected to be about \$250K. Again, these are projections-worst case scenario.

Mr. Sailsbery then proceeded with the City underwent a major re-organization during 17/18. The transition of the policing services to the Glenn County Sheriff's Office. Building Department was staffed with an in-house Building and Planner assisting in the support of inspections. With Plan checks being moved to contracted services. Vertical integration of Department Heads, with Fire, Community Development, and Administrative Services adding additional Departmental responsibilities.

Moving on, Mr. Sailsbery went over the items to be noted in the revenue side of the general fund. Starting with Sales Tax. Explaining that the sales tax appears to have flattened out during 17/18. Clarifying the growth projections are minimal. More specially our chemical plant on the south side of the City taking some setbacks with the competition and the decline of agriculture sales etc.

With Property tax, the County Assessor is allowed to raise rates by percentages per year. The City will assume that the overall increase in property tax will be 2% per year as allowed. The "correction" sue to Manville unsecured property tax has been allocated over 4 years, lessening the impact per year for the City.

Roughly we will start about \$65K greater than the past year and with the Golden Pheasant Motel closed, that is a good sign. The effect of the planning and building at the Cal Plant facility has been a solid source of TOT growth for 2017/18 and is anticipated to continue into 2018/19 with the Sites Reservoir. The City remains very grateful for the economic boost that the various jobs have done for the TOT tax revenue.

Looking at the expenditure side,

The PERS unfunded liability will continue to be an ongoing issue, as the unfunded liability payment for 2018/19 is \$78K higher than 2017/18 and another estimated \$85K greater for the 2019/20 vs. 2018/19.

Continuing on, Mr. Sailsbery reminded Council of the wages cost for the City that reflect the agreements entered that become effective 07-01-2017 with two labor groups, with 07/01/18 increases for the WPSA (2%) and the WEA (3%). In addition, the scale for Management and Confidential Employees include a number of step increases that go into effect throughout the year.

Worker's Compensation Insurance is about \$40K less than it was last year. With the combination of no longer having Policing Services, favorable experience and an equity dividend from our JPA.

Mr. Sailsbery then went on about carry over funds and how that is not something that is within typical practice unless it is a specific project. However, it has been requested this year for \$30K in Capital Expenditures for Public Works. Community Development Service Director Soeth was looking to purchase a new mower that is more efficient.

In sharing all of that, Mr. Sailsbery shared that is the overall synopsis of the general fund. Capital wise there will be a \$50K hold for the Fire Department at the Chief's discretion. Other items, the City will use various gas taxes on various issues.

Moving onto Sewer Enterprises, as discussed earlier we have not had rate increases since 2006, we coming in now cash flow negative and so we have entered into an agreement that will begin at fiscal year for a rate study. Finishing up with that, Mr. Sailsbery gave the item to Council for any questions.

Council Member Hansen began with kudos to Administrative Services Director for his work with the budget. He then asked a question pertaining to PERS unfunded liability, clarifying that they were in year four. Mr. Sailsbery responded with wither it ends up being a 30 or 20, it's a lot of money each year and is a huge drain on resources. If the South Willows Development continues to move forward, there is hope.

Council Member Hansen aside from PERS were are a city that is lean and good with money. He asked City Manager/Fire Chief Peabody if there is any grant funding available for replacing the SCBA's. In short,

Mr. Peabody responded with no. Then Council Member Hansen asked if the line item would cover the full amount to replace all of the tanks. Mr. Peabody responded with yes it will.

Council Member Williams then commented on the some information that he had discussed with Administrative Director Sailsbery prior to the meeting. Sharing with those present the questions he had addressed with the estimated deficit on 17/18 prior to what we are at now? Administrative Services Director shared that the estimated was \$85K, coming back from mid-year there was an additional request for monies to clean up the remaining costs for the police consolidation. Along with legal fees and planning fees pertaining to cannabis. Moving the deficit to about \$100K-110K. However, with additional hotel revenue and the stewardship of the organization we have revised that deficit to about \$17K.

Council Member Williams then expressed his concerns with the PERS rate. Articulating that is a huge amount of money that we owe. But that he understood there is not much that can be done about it.

He then shared with those present that many community members had approached him and shared they thought Interim City Manager/ Fire Chief received two salaries and that he wanted to go on the record that he does not. He then shared that he appreciated his work he does for the City.

Council Member Williams then gave some thoughts about the maintenance of the Willows Walk Mall parking lot and the possibility of selling off some of the City's real estate, more specifically the houses that are being rented out near City Hall. He shared that he had went to the Assessor's office and pulled information on the properties that the city owns. He also expressed the possibilities of looking at what it costs the City to do business and if some of those services could be looked at to become more efficient.

Council Member Yoder gave brief thoughts of the distributed budget, sharing he had read it and felt it was well crafted. He then expressed that he felt the attorney fees were surprising to him as he thought with both the marijuana and basin street needs it would have been higher. He then shared that he agreed with his fellow Council Members on the Unfunded Liability.

He then requested that he thought the discussion with the properties would be a good idea. Getting some appraisals on them to see what we could do with them and if it would be beneficial to the City.

Vice Mayor Mello started his thoughts with mutual feelings for the unfunded liability. But then went on to elaborate on the properties. Sharing he thought it would be beneficial that the City follow through with a past plan and purchase the remaining one house next to City Hall for future expansion. More conversation was had on the properties leading to consensus on requesting that staff look into the purchase of the house next to City Hall.

Vice Mayor Mello then asked staff if any marijuana licenses have been given from the City. Staff shared that there are zero applications submitted.

Mayor Warren Concluded comments with very brief thoughts. Agreeing with Council Member Yoder she too felt the City Attorney Fees looked to be low.

By consensus, Council would like the budget to move forward though the process and see it at the next meeting for a Public Hearing.

**Administrative Analyst-Finance and Human Resources- By Motion, Approve the Updated Job Description and Re-Establish Wage Scale to \$3,930-\$4,778 per month, to Coincide with other Administrative Positions in the City Employ.**

Administrative Services director introduced the topic sharing the highlighted reasons as to why staff felt that the Administrative Analyst-Finance and Human Resources wage should be reestablished. Including that this request was factored into the budget as proposed to you.

Council had brief discussion regarding the topic, Council Member Williams and Council Member Yoder both expressing concerns for the raise. While the others expressed the benefits of the decision.

**Action:**

Motion: Council Member Hansen/ Second: Vice- Mayor Mello.  
Moved to approve the Updated Job Description and Re-Establish Wage Scale to \$3,930-\$4,778 per month, to Coincide with other Administrative Positions in the City Employ.

The motion passed 4/1 carried by the following roll call vote:

AYES: Hansen, Yoder, Vice-Mayor Mello, Mayor Warren

NOES: Williams

ABSENT:

ABSTAIN:

**Adjournment:**

The Meeting was adjourned at 4:06 p.m.

Dated: May 24, 2018

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Robyn Johnson, City Clerk