

**JUNE 28, 2016 MINUTES
REGULAR WHEATLAND CITY COUNCIL MEETING
WHEATLAND COMMUNITY CENTER
101 C STREET, WHEATLAND, CA
6:00 – 7:29 P.M.**

COUNCIL MEMBERS PRESENT: R. Coe, J. Henderson, L. McIntosh, R. West
J. Pendergraph

OTHERS PRESENT

G. Greeson, City Manager
R. Miller, Administrative Services Director
K. Gonzales, City Attorney
A. Wightman, Police Chief
J. Waggershauser, Fire Chief

PLEDGE OF ALLEGIANCE:

Council member J. Pendergraph led the pledge of allegiance.

PUBLIC COMMENT

None.

Jackie Sillman, Recology Yuba-Sutter presented council and audience members with information related to the 2016 Community Benefit Report and ongoing recycling education efforts.

CONSENT CALENDAR

It was moved by council member R. Coe, seconded by J. Pendergraph to **approve the minutes from the regular City Council meeting on June 12, 2016.** Vote called – AYES: All. Motion carried.

REGULAR CALENDAR

1) Rex Miller presented discussion of the 2016-2017 Annual Operating Budget. The General Fund portion of this budget anticipates having a year-end reserve in excess of \$1,400,000. This amount is projected to include an amount of \$780,000 of Contingent Transaction Tax revenue that has been set aside pending clarification of the appropriate allocation of this tax and that there are no other unanticipated adjustments generated by the adoption of the state budget. The levels of service to the citizens of Wheatland will remain at the level of staffing that the City had in this past year. This budget includes funds to provide a cost-of-living adjustment to all employees of 3.0% effective July 1, 2016. However, as of the date of preparation of this budget for adoption, the City has not reached an agreement for a successor memorandum of understanding with any of the employee units. This budget will maintain a basic O & M program at the level experienced by the City for the past five years. While economic indicators are mixed in the prediction of development activity there has been no indication from the developers of the entitled properties in the City that there will be any significant building activity occurring this upcoming fiscal year. General Fund revenues are projected to be up by 5.4% from the prior year. Based on experience this past year, Property taxes are projected to increase by 9.2% based on normal resale activity. Sales tax is projected to increase 6.5% based on Board of Equalization forecasts. The Transactions tax provided significant revenue in 2015-2016 of \$460,000 which includes \$280,000 that has been classified as contingent revenue. Transaction Tax revenue that was classified as Contingent more than three

years ago has been reclassified as available for use in 2016-2017 in the amount of \$240,000. Overall the City is projecting \$78,100 more in General Fund revenue in 2016-2017 than was actually received last year. The City is assuming that it will continue to receive \$100,000 in SLESF funds to be used for Police salaries. The City is also anticipating receiving \$30,000 in funds from the Bureau of State and Community Corrections to cover increased demand for services in the law enforcement area. The Admissions Fee revenues generated by users at Bishop's Pumpkin Farm continue to generate more revenue than was anticipated and that projection has been included in this budget. The personnel budget includes the level of sworn staffing in the Police Department at five officers, one sergeant, one corporal and the chief. The budget also reflects two reserve officer positions working variable hours. This budget reflects the creation of a full-time Police Administrative Assistant position in the Department. There is no change in the staffing level in the Public Works Department. There is no change in the staffing level in the Administrative Departments. The City is completing two Safe-Routes-To-School Projects that will carry-over into the 2016-2017 fiscal year. The funds were obtained several years ago. Capital expenditures in the Police Department include one patrol unit replacement (\$50,000), hand held radio replacements (\$10,000) and tenant improvements in the Police facility (\$50,000). Major Capital Projects in the Public Works Division include rehabilitation of Well 8 (\$40,000), renovation of the Forest Glen sewage lift station (\$35,000), acquisition of camera and monitoring equipment to inspect the sewer lines (\$35,000), install of a storm drain manhole on Main Street (\$10,000) and the renovation of the Highway 65 Retention Pond Pumps and related equipment (\$10,000). This budget carries forward the funding to contract with the California Public Employees Retirement System to conduct an actuarial study to determine the costs of providing PERS retirement benefits to the Wheatland employees. The completion of the application has been a very cumbersome process and is proceeding slowly. The records storage facility was acquired this past year and we are in the process of developing a records retention program. The geo-based parcel system is in process and is very near being available for staff use and training. The City of Wheatland continues to provide service to its citizens at an acceptable level while maintaining reasonable fund reserves. While the General Fund reserve has improved, it is still subject to many decisions made at the state and federal level that could have significant negative impacts. This proposed budget reflects prudent fiscal control for the coming year. Miller added that Pursuant to Article XIII B of the California Constitution, the appropriations limit for the City of Wheatland for fiscal year 2016-2017 is hereby established as \$4,317,016. The factors used to calculate the 2016-2017 appropriations limit are the percentage change in California per capita personal income of 5.37% and the percentage change in the County of Yuba population of minus 0.13%.

It was moved by Council member R. West, seconded by J. Henderson to **approve Resolution No. 13-16 Adopting the Annual Budget, Control Policies and Appropriations Limit for Fiscal Year 2016-2017**. Vote called – AYES: All. Motion carried.

2) Rex Miller presented discussion of the loan to the Water Enterprise fund. It has been brought to the City Council's attention for the past several months, the cash fund balance in the Water Fund has been declining for the past several years. The revenues received have not been sufficient to cover all of the costs of operating the water system, making capital repairs as have been necessary and to cover the reserve requirements of the USDA loan indenture. The indenture requires the City to maintain a cash reserve in the amount of one year's debt service of about \$170,000. After reaching the debt service reserve amount, the indenture requires us to put aside \$17,000 each year for Capital replacements to the existing system. If the City does not make this transfer to the Water fund, the City would have a negative cash balance of \$44,600 in the Water fund as of June 30. There is no alternative but to cover this projected deficit from some source as of June 30. The most obvious source is to loan the funds from the Sewer Fund. After loaning the funds from the Sewer Fund, the Sewer Fund will have a balance of \$403,000. Another source of funds could be from the Sewer Impact Fee fund or from the General Fund; however it is not recommended that the loan be made from the General Fund. This transfer will only carry water operations for no more than one year.

It was moved by Council member R. Coe, seconded by J. Henderson **to approve Resolution No. 14-16 Authorizing the Loan of \$250,000 Fund Balance from the Sewer Enterprise Fund to the Water Enterprise Fund.** Vote called – AYES: All. Motion carried.

3) Greg Greeson presented discussion of the Nuisance Abatement Hearing Board Appointments. Staff is pursuing several nuisance abatement actions in the City that may result in nuisance abatement hearings. Pursuant to Section 8.08.030 of the City’s Municipal Code, “The mayor shall appoint one or more persons to serve as city nuisance abatement hearing officer. Such officer or officers shall serve at the pleasure of the mayor.” In discussions with the Mayor, he has indicated his desire to appoint three people to serve as the City’s Nuisance Abatement Hearing Board: one from the City Council, one from the Planning Commission, and one from the general public.

Mayor Pendergraph appointed Council Member Lisa McIntosh, Planning Commission Chair Tom Mihalyi and resident Jim Buck to serve as the City’s nuisance abatement hearing officer or board.

REPORTS

1) Jay Pendergraph reported on the City sending a team of Wheatland Fire Authority fire fighters to assist in the firefighting efforts in southern California.

CLOSED SESSION

No reportable action.

ADJOURN

There being no further business, Mayor Jay Pendergraph adjourned the meeting at 7:20 p.m.

Minutes approved and adopted this 12th day of July, 2016.

Jay Pendergraph, *Mayor*

Lisa J. Thomason, *City Clerk*