**JULY 28, 2020 MINUTES**
**REGULAR WHEATLAND CITY COUNCIL MEETING**
**WHEATLAND COMMUNITY CENTER**
**101 C STREET, WHEATLAND, CA**
**6:30 – 6:52 P.M.**

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

**OTHERS PRESENT:** J. Goodwin, City Manager
T. Raney, Community Development Director
S. Mahoney, Finance Director
R. Shanahan, City Attorney
D. Schilling, City Engineer
D. Sylvester, Police Chief
A. Paquette, Fire Chief

**PLEDGE OF ALLEGIANCE:** Mayor R. West led the pledge of allegiance.

**PUBLIC COMMENT:**

None.

**CONSENT CALENDAR**

Motion was made by Vice Mayor J. Pendergraph, Seconded by City Council Member R. Coe to **approve the minutes from the regular City Council meeting on July 14, 2020 and to File and Receive and File the 2020 City of Wheatland Community and Economic Development Action Program Mid-Year Progress Report .** Vote called – AYES: All. Motion carried

**REGULAR CALENDAR**

1) City Manager Jim Goodwin presented the staff report for discussion and consideration of adoption of resolution approving a grant and loan agreement with Yuba Water Agency. City Council provided direction to staff to move forward with plans for a regional solution to Wheatland's lack of wastewater capacity to support new investment in the community. On June 9, 2020, the City Council approved an MOU with Olivehurst Public Utility District (OPUD) to work together on evaluating the potential of working with OPUD as a partner in that regional solution. City staff also applied to Yuba Water Agency (YWA) for assistance with funding the engineering design and environmental review of a pipeline connecting Wheatland to the proposed expanded OPUD wastewater collection infrastructure. That application was approved by YWA on July 7. The agreement includes the terms for acceptance of the award approved by YWA. Specifically, the agreement provides for: a $1.3 million grant to the city for completing the infrastructure design a $1.3 million loan to the city for infrastructure design; no interest accrual on the loan for five years after approval of this agreement; no payment requirement for five years after approval of this agreement; future interest will match the average rate of interest earned by funds deposited with the Yuba County Treasurer during the preceding 12 months of each year. The rate will be adjusted annually on June 30th; payment of the loan balance in full by June 30, 2030 and a provision for a loan extension or loan forgiveness should new development not occur. YWA's

commitment to infrastructure development supporting investment is clear based on the grant and favorable loan terms included in this agreement.

Motion was made by Council Member R. Coe, Seconded by Vice Mayor J. Pendergraph to **Adopt Resolution No. 35-20 Approving a Grant and Loan Agreement with Yuba Water Agency**. Vote called – AYES: All. Motion carried.

2) City Finance Director S. Mahoney presented the staff report for a software upgrade purchase. Wheatland Comprehensive Drinking Water Project has two main components: water accounting/conservation improvements and water storage improvements. The water accounting/conservation improvements component includes the Advanced Metering Infrastructure (AMI) Water System Metering Upgrade project and the Accounting Software Upgrade project. These projects will be completed concurrently as the metering upgrades will require upgraded accounting software to process meter reads and to provide information to our water customers. The City has used Tyler Technologies' Fundbalance software for the past nineteen years to process and record the City's financial activities. The software is made up of accounting modules. The utility billing module is used to process meter reads, bill customers, and record water/sewer usage and payment history. This is a very basic module that does not offer reporting and customer information features. The remaining modules also have limited capabilities and are based on systems and processes that are nearly twenty years old. Tyler Technologies offers several software packages specifically designed for small and medium sized agencies. Their Incode software package includes a robust utility billing module that gives the City the ability to: Export meter data from radio reading devices. Currently, staff must physically read each meter once a month with a handheld device. Incode software gives the City the ability to receive radio meter reads every few minutes; monitor customer water usage to detect leaks and promote water conservation; provide customers with secure, online access to their water and sewer utility information and bill payment options; empower citizens with access to real-time and historical data regarding their water consumption and the cost associated with their consumption and generate a variety of reports to help monitor the distribution system and promote water conservation. Tyler Technologies is the only software vendor that can offer upgrades to the current Fundbalance software. By upgrading instead of selecting a different vendor and changing software, the City will have software that is compatible with existing software, will minimize the potential loss of existing data, and will eliminate an unknown level of extra work by City staff to implement and learn new accounting modules. Tyler Technologies will also allow the City to "grandfather" in additional users in the future without an added cost. This is a sole source purchase authorized under the City's Purchasing Policy.

Motion was made by Vice Mayor J. Pendergraph, Seconded by Council Member L. McIntosh to **approve Resolution No. 34-20 Authorizing The City Manager to Spend Up To $57,505 To Purchase Upgrades To The City's Tyler Technologies Accounting Software Using Grant Proceeds From The Comprehensive Drinking Water Project**. Vote called – AYES: All. Motion carried.

3) City Finance Director S. Mahoney presented the staff report for second reading and Adoption of Ordinance No. 476 to Amend Wheatland Municipal Code Chapter 3.34, Transactions and Use Tax, and Extend the One-Half Cent Transactions and Use Sales Tax for Essential City Services. At the July 14, 2020 Council meeting, the City Council voted to introduce and waive the first reading of

Ordinance No. 476. The existing City of Wheatland voter approved one-half cent transactions and use sales tax began on April 1, 2011 and is set to expire on March 31, 2021. The tax was enacted to partially offset the revenue reductions suffered as a result of the Great Recession with funding that cannot be taken by the State. It was anticipated that significant growth would occur in the City between 2011 and 2021 and that the additional property tax and sales tax revenue generated from this growth may eliminate the need for the transaction tax after March 2021. Unfortunately, the anticipated growth did not occur, and future growth is not projected to generate sufficient revenue to sustain public safety and park and street maintenance at current or adequate service levels. It is important to note that extension of the one-half cent sales tax with no increase in the tax rate will allow the City to continue to provide existing levels of public safety services and park and street maintenance. It will not provide revenue to enhance City services. The failure to either extend the tax or implement drastic service reductions will result in the City of Wheatland General Fund being completely out of cash by June 30, 2024. The June 30, 2024 date is an optimistic timeline based on a stable economic and political climate and does not take into consideration any unforeseen financial emergency that may occur such as the recent COVID- 19 pandemic or the Malone Culvert replacement. The ordinance does not modify the existing one-half cent tax rate. In 2017 the California legislature transferred sales tax administration responsibilities from the Board of Equalization to a new Department of Fee and Tax Administration. Consequently, the proposed ordinance also changes "State Board of Equalization" to "California Department of Tax and Fee Administration." Mahoney explained the timeline for placing a measure on the November 2020 ballot and the steps to implement the tax if approved by the voters.

Motion was made by Vice Mayor J. Pendergraph, seconded by Council Member R. Coe to **waive the second reading and adopt Ordinance No. 476, which will amend Chapter 3.34 of the Wheatland Municipal Code and, subject to voter approval, extend the one-half cent transactions and use sales tax for essential City services for 10 years**. Vote called – AYES: All. Motion carried.

4) City Finance Director S. Mahoney presented the staff report for discussion and consideration to adopt a resolution to include a one-half cent Transactions and Use Sale Tax Extension Measure on the November 3, 2020 Consolidated Ballot. The existing City of Wheatland voter approved one-half cent transactions and use sales tax began on April 1, 2011 and is set to expire on March 31, 2021. This locally controlled revenue funds essential public safety services and street and park maintenance. By approving Ordinance No.476, Council has expressed their desire to have a measure placed on the November 3, 2020 statewide ballot to extend the one-half cent transactions and use tax for an additional 10 years. Wheatland voters will decide whether to extend the funding and maintain existing public safety and street and park maintenance service levels or not to extend the funding and accept reduced public safety and street and park maintenance service levels.

Motion was made by Vice Mayor J. Pendergraph, Seconded by Council Member R. Coe to **Adopt Resolution No. 33-20 Calling Election on Extension of One-Half Cent Transactions and Use Tax (A.K.A. Sales Tax) for Essential City Services**. Vote called – AYES: All Motion carried.

**REPORTS**

Finance Director S. Mahoney reported of the GFOA Award.
City Manager J. Goodwin reported on letters sent to local businesses regarding outdoor dining, City Hall improvements and the monthly eNews email.

City Council Member L. McIntosh reported on resident complaints on water/sewer bill and asked the City to revisit the current rate structure on an upcoming City Council meeting agenda.
Fire Chief A. Paquette reported on engines sent for coverage with CalFire.
City Engineer D. Schilling reported on the Caltrans meeting regarding the design on Highway 65 Donut Hole project and the SACOG meeting for discussion of bikes and trails.

There being no further business, Mayor R. West adjourned the meeting at 6:52 p.m.

Minutes approved and adopted on this 11th day of August 2020.

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Rick West, *Mayor*

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Lisa J. Thomason, *City Clerk*

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