

Gridley City Council – Regular City Council Meeting Agenda

Monday, December 18, 2017; 6:00 pm
Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”

CALL TO ORDER - Mayor Hall

ROLL CALL - Recording Secretary

PLEDGE OF ALLEGIANCE – Vice Mayor Johnson

INVOCATION – Bishop John Walton, Church of Jesus Christ of Latter-Day Saints

PROCLAMATIONS - None

COMMUNITY PARTICIPATION FORUM - *Members of the public may address the City Council on matters not listed on the agenda. The City Council may not discuss nor take action on any community participation item brought forward by a member of the community. Comments are requested to be limited to three (3) minutes.*

CONSENT AGENDA – *Items 1 thru 3 of the Consent Agenda and are considered routine and acted upon by one motion. Any Council member may request that an item be removed for separate consideration. The City Council may only make minor comments; otherwise the item should be removed from the Consent Agenda and placed as the first item(s) under “Items for Council Consideration”.*

1. City Services Update
2. City Council minutes dated November 20, 2017
3. Finance Director Employment Agreement Approval

PUBLIC HEARING

4. Public Hearing to receive public testimony on the City’s intention to approve Resolution No 2017-R-031: A Resolution of the City Council of the City of Gridley Amending Gridley’s Master Fee Schedule to Modify Title 13 (C), Electric Charges
 - a. Receive Staff Report
 - b. Open Public Hearing
 - c. Receive Public Comment
 - d. Close Public Hearing
 - e. Council Discussion

OTHER ITEMS FOR COUNCIL CONSIDERATION

CITY STAFF AND COUNCIL COMMITTEE REPORTS - *Brief updates from City staff and brief reports on conferences, seminars, and meetings attended by the Mayor and City Council members, if any.*

POTENTIAL FUTURE CITY COUNCIL ITEMS - (Appearing on the Agenda within 30-90 days):

Sewer Pond Improvements and Policies	2/20/2018
General Fund fee study work session	2/20/2018
AM/PM Application	1/15/2018

CLOSED SESSION - None

ADJOURNMENT – adjourning to the next regularly scheduled meeting on January 2, 2018

NOTE 1: POSTING OF AGENDA- This agenda was posted on the public bulletin board at City Hall at or before 6:00 p.m., December 13, 2017, in accordance with Government Code Section 54954.2. This agenda along with all attachments is available for public viewing online at www.gridley.ca.us and at the Administration counter in City Hall, 685 Kentucky Street, Gridley, CA.

NOTE 2: REGARDING UNSCHEDULED MATTERS – In accordance with state law, it shall be the policy of this Council that no action shall be taken on any item presented during the public forum or on unscheduled matters unless the Council, by majority vote, determines that an emergency situation exists, or, unless the Council by a two-thirds vote finds that the need to take action arose subsequent to the posting of this agenda.

City Council Agenda Item #1
Staff Report

Date: December 18, 2017
To: Mayor and City Council
From: Paul Eckert, City Administrator
Subject: City Services Update

<input checked="" type="checkbox"/>	Regular
<input type="checkbox"/>	Special
<input type="checkbox"/>	Closed
<input type="checkbox"/>	Emergency

Recommendation

Staff respectfully requests the Mayor and City Council review and accept the attached City Services Update.

Background and Compliance with City Council Strategic Plan or Budget Goals

The attached Update is provided to the Mayor and City Council in keeping with the Council's commitment to ensure that all members of our community are fully informed of all City activities and initiatives. The Update is shared online at <http://www.gridley.ca.us/>. The Update is also shared timely with all City of Gridley coworkers.

Financial Impact

There are no financial impacts associated with this Agenda item. Council review and acceptance of the City Services Update is consistent with our ongoing efforts to transparently share all City financial and budgetary information.

Attachments:

City Services Update

City of Gridley

To: Mayor Hall and City Councilmembers
From: Paul Eckert, City Administrator
Subject: City Services Weekly Update
Date: December 4, 2017

Thank you for your leadership and dedication to the Gridley community!

This Weekly Update is intended to provide useful and timely updates to the Gridley Community, Visitors, our Elected Officials, and our City Coworkers. We regret if we have inadvertently omitted useful items from this report. As always, your input and guidance are appreciated. Please send any response to me directly and do not "copy all."

City Administrator/City Council/Information Technology

- Preliminary Financial Audit – The third party independent financial auditors completed their onsite visits last week. During their exit interview they indicated the City will receive a clean audit without conditions. The Auditors will provide suggestions for improvements. It appears the Audit will be presented to the Council and community on January 16th. Special thanks to each member of the Finance Team and to our Consultant, Kristen West of VTD, who helped during the Finance Director transition!
- City staff from all City Departments actively supported the annual Winter Wonderland Parade in Downtown Gridley. The Chamber of Commerce, other voluntary agencies, and City staff teamed-up to provide a wonderful family event. The event had the largest crowds in recent memory. Special thanks to our Electric and Public Works leadership and Crews for the best-ever levels of support and participation!
- The new Boat Dock construction is underway offsite.
- County Inspections Services – We continue to meet with the County to review our partnership and their performance with their Building Inspections here in Gridley. We are also meeting on a weekly basis to ensure success with the quick build McDonalds.
- Staff continues to progress efforts for a state-of-the-art new 30-unit senior housing project. The project is currently in the State and Federal funding phase.
- Financial Update to Council – Spending is being critically analyzed in preparation of the FY 2018-19 Annual Budget. We anticipate providing a FY 2017-18 Mid-Year Financial Update to the City Council in February. As frequently shared with the City Council, we anticipate that our greatest challenge will be the Water Fund and Electric Fund. Preliminarily, it appears that our General Fund will be in satisfactory condition.
- Our Information Technology Director Mike Hensley continues to update various technology systems.



Economic Development

- City Industrial Park - The City contracted with Cory Hammond to market and sell all available properties in the City's Industrial Park. Mr. Hammond is currently implementing the marketing plan for the Park.
- The City Administrator in recent weeks has met with representatives of four new projects that

are underway on Highway 99.

- The City Administrator met again with Butte County Economic Development staff and continues to meet weekly with local retailers and business leaders.

Engineering/Planning/Building/Code Enforcement

- Engineering Update – City Engineer Trin Campos has been active with several new projects in Town and continues to focus on developing plans for street improvements.
- Building Activity – The County Inspections Department was busy last month with 25 building permits in Gridley. Historically, we've averaged about 14 permits monthly.

Finance

- The Finance Department is very active with financial year end closing; completion of the annual audit; development of a wide array of grant responsibilities; payroll and benefits issues; worker's compensation cases; and organization of all work areas and file systems.
- The City Administrator, Finance Department, Information Technology, and Electric and Public Works Leadership are currently working to improve our Utility Billing Processes.
- The Fiscal Year 2017/18 Operating Budget and Capital Improvements Plans can be found online at http://gridley.ca.us/public/uploads/pdfs/17-18_ADOPTED_BUDGET_DOCUMENT.pdf

Electric Utility

- Electric Crewmembers very actively participated in this year's Annual Holiday Tree Lighting and Parade of Lights. Among many other efforts, our Crews: prepared the City Christmas Tree for the lighting ceremony; set-up warming stations; fabricated and installed a wide array of Holiday lights around the City; and positioned generators and power supply boxes for the vendors in the Downtown area. It was a great honor to have Mayor Frank Hall throw the switch to light the Tree to kick-off the 2017 Holiday Season.



- Crew Members took advantage of recent wet weather to conduct housekeeping around the Electrical Shop Building and perform equipment maintenance.
- Gridley 12KV Maintenance - Crews installed a new service at Gridley High School to service the recently installed Baseball Scoreboard. Crews performed the weekly inspections of the 12KV Distribution System Line Reclosers. The Distribution system has three Units, one on each of the three circuits. The Units are designed to keep power on along the Highway should there be an outage on the Westside of Gridley.
- Biggs 12KV Maintenance - The on-call personnel assisted Sun West Mills with de-energizing the primary feed to the Wild Rice Milling location to allow Hart High Voltage to make needed repairs to the main breaker.

- Substation - Personnel performed weekly inspections of the Substations in Biggs and Gridley. Both Substations are operating as designed.
- McDonalds Project - Crews completed site inspections and provided information as requested by the contractor. Staff also attended the weekly phone conference with Butte County Building Department, Project representatives, and the City Administrator.
- Finance - Crews assisted the Finance Department with Non-payment shut-offs and sets and outs.
- USA's - Crews performed Underground Service Alerts for Gridley and Biggs.

Electrical Activity	Gridley	Biggs
Street Light Repairs	5	0
Nonpayment Shut-off/on	0	0
Underground Service Alerts (USA'S)	2	1
Sets & Outs	10	0
Service calls	0	0
Trim/Remove tree	0	0
Discrepancy Report	0	0
After Hours Call out's	0	8
Solar Read	0	0

Fire

- The Gridley Fire Department and local businesses have received the Toys for Tots boxes and have begun collecting toys. Please encourage folks to participate with this effort to assist Gridley families in need. Employees continue safety and physical training and new employees are currently training to become Truck Operators.
- Emergency Responses for the week are adjacent.
- Fire Volunteers Wanted – If you know of anyone who may want to get involved and make a difference by helping neighbors and friends, please encourage them to become a Gridley Volunteer Firefighter! The City of Gridley is a combination Fire Department with full-time CAL FIRE Firefighters and Gridley area resident Volunteer Firefighters. Our Volunteers meet regularly for training. Training is conducted cooperatively with Butte County Fire and includes all basic firefighting skills: first aid, ladders, breathing apparatus use, hose streams, vehicle extrication, etc. This ongoing training is in addition to the initial basic operations training course. For more information about becoming a Gridley Volunteer Firefighter, go to www.joinbcfd.org and submit a Volunteer Firefighter Interest Form.

Emergency Responses	City	County
Medical Aids	6	2
Traffic Collisions	2	2
Structure Fires	0	1
Vegetation Fires	0	0
Vehicle Fires	0	0
Public Assist	4	0
Cover Assignments	0	1
Other (hazardous conditions, etc.)		1
Technical Rescues	0	0

Police

- Dispatch and Supervisory personnel are busy preparing for the upcoming California Law Enforcement Telecommunication System (CLETS) audit. This State on-site audit is a review of Gridley-Biggs Police Department's technology hardware systems, security systems, and business practices over the use and dissemination of law enforcement and criminal justice information data.
- The Department continues in its goal to provide quality service in all aspects of public safety to the citizens we serve. The October 2017 statistics are provided below.
- Animal Control continues to provide proactive patrol and compassion for lost/stray animals.
- Police personnel has been active in the deterrence and enforcement of property theft crimes in the communities we serve. Police patrol was active in both communities of Gridley and Biggs. The Department served several local arrest warrants during the week.
- Police personnel participated with City of Gridley personnel in the annual Winter Wonderland Parade in downtown Gridley. The event was well attended and it was a great experience for all!
- Police patrol personnel continue to provide foot patrol in Daddow Park and Vierra Park. The Police Department continues to encourage safe and responsible experiences while visiting our community parks.

- The Police Department is conducting a background investigation for the top candidate for vacant police officer position.
- Police Personnel participated in the Training Manager's Course that instructs personnel in the proper reporting and record keeping of Police Officers Standards and Training (POST) programs and our narcotics detective attended the California Narcotics Officers' Association's Annual Training Symposium covering topics such as Butane Hash Oil, Human Trafficking, Informant Management, Search and Seizure, Outlaw Motorcycle Gangs, and investigation strategies.

City of Gridley - Police Activity	October 2017	Year Total
Adult Arrests	41	577
Juvenile Arrests	2	19
Misdemeanor Arrests	37	508
Felony Arrests	6	80
Felony Crimes Reported	7	127
Misdemeanor Crimes	45	552
Total Police Incidents*	1,192	11,727
Battery	11	96
Burglary	8	65
Deceased Person	0	12
Vandalism	6	62
Stolen Vehicle	5	22
Robbery	1	3
Public Intoxication	7	50
Patrol Request	30	366
Medical Aid	13	277
Area Checks	168	1,389
Pedestrian Checks	56	554
Disturbing the Peace	40	291
Total 911 Calls	325	2,864
Total Accidents	5	70
Name Exchanges	2	12
Total Traffic Citations	43	540
DUI Arrests	0	16
Traffic Stops	141	1,677
Extra Help Hours	266.00	3,053.25
RSVP Hours	20	180
<i>"Police Incidents" are those Police responses originating from telephone calls to the Dispatch Center, walk-ins at the Police lobby, Police Officer self-initiated activity and email or social media communications.</i>		

Public Works

The Public Works Department Leadership and Crewmembers are responsible for a broad array of important duties including: Water Distribution; Water Production; Sanitary Sewer Collection; the Wastewater Treatment Plant; Street and Sidewalk Maintenance; our Maintenance Districts; Parks Maintenance; City Building maintenance. Maintenance; City Building and Facility Maintenance.

- Public Works Crews were called out over the Thanksgiving holiday weekend to repair a 10” water main break.
- Crews continue pruning trees around streets, sidewalks, and street signs in various locations throughout the city.
- Public Works Crews filled pot holes in streets in various locations throughout the City.
- Crews cleaned storm drains due to last weekend’s storm.
- Street sweeping was performed this week. As leaves are continuing to fall more heavily, street sweeping will be conducted weekly throughout the fall and winter months.
- Public Works Crew Member Mike Little completed fabricating a security door for the Little League Snack Bar.
- Crews started removing curb, gutter, and sidewalk in preparation for stump grinding.
- Public Works Crews assisted with the Holiday events by fabricating fixtures, street sweeping and general clean-up, and managing street closure barricades and no parking signs.
- Crews have been repairing Recreation equipment, including basketball hoops.
- Public Works Crews, along with the Electric Department and other City staff, attended driver safety class this week.

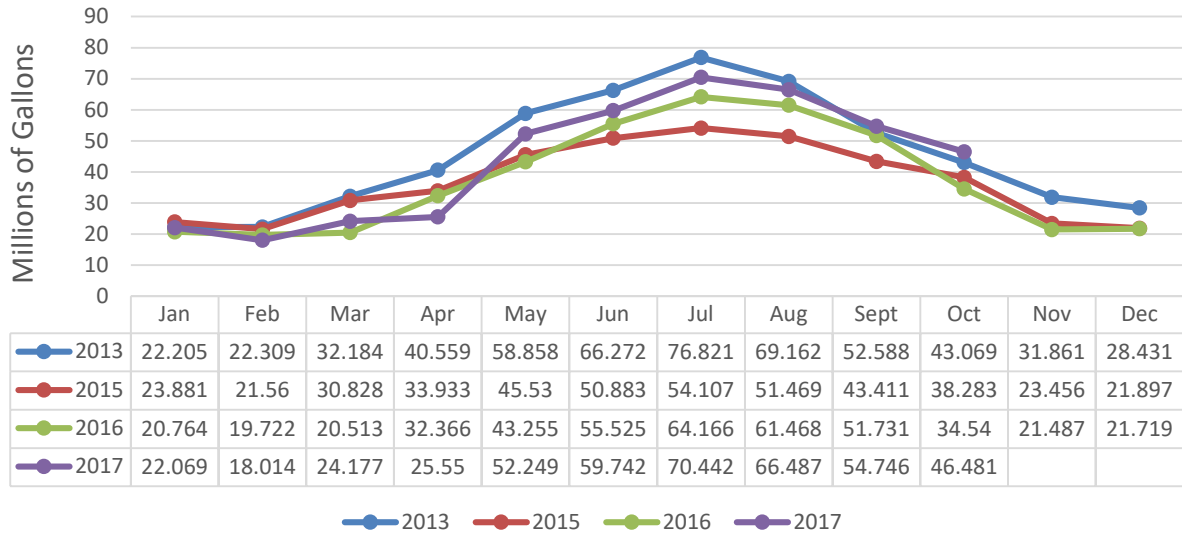
Department of Public Works Activity	
Water Leaks Repaired	1
Water Encoder Receiver Transmitter installed/Replaced (ERT's)	0
Sewer Plugs	0
Tree Removal/Trimmed	8
Water Related Service Calls	1
Sewer Related Service Calls	0
Under Ground Service Alerts (USA's)	13
Park Related Service Calls	0
Other Service Calls	1



Production Well	Volume Pumped	Calc. Fl	Calc. Chlor
Eagle Meadows	30.791 M.G.	.67 mg/l	.2207 mg/l
Spruce	00.000 M.G.	.00 mg/l	.0000 mg/l
Wilson	00.000 M.G.	.00 mg/l	.0000 mg/l
Little Ave.	00.000 M.G.	.00 mg/l	.0000 mg/l
Liberty	12.627 M.G.	.71 mg/l	.2328 mg/l
Parkside	3.063 M.G.	.70 mg/l	.2385 mg/l

Monthly Water Production	
Total water pumped to system:	46.481 M.G.
Ave. chlorine residual in the system:	.22 mg/l
Ave. tested fluoride in the system:	.74 mg/l
Lab tested fluoride in the system:	.8 mg/l

Comparative Water Usages for 2013 - 2017



Past Month's Flow's at the Waste Water Treatment Plant

Total flow to the Plant was 39.156 gals.

Flow from Butte County Housing Authority was 449,200 gals.

Recreation

- Recreation staff implemented another successful Breakfast with Santa Program this past weekend.
- Staff actively assisted with the Chamber of Commerce Holiday Light Parade.
- Letters to Santa are being accepted through December 16th at the Recreation Center. More information can be found at the Gridley Recreation Facebook site and the Gridley Chamber of Commerce web/FB sites.
- Checkout Recreation's Facebook page at <https://www.facebook.com/groups/120025737091/>
- The Recreation Community Center meeting rooms are available for rent on evenings and weekends. The rental fee is \$100 per room, with an additional refundable \$50 cleaning deposit.



City Council Formal Calendar

- The City Council will hold its next Regular City Council meeting on Monday, December 18th at 6:00 pm at City Hall.
- The Butte County Board of Supervisors Agenda for the 9:00 am meeting on Tuesday, December 12th in Oroville can be accessed at the following link: <http://www.buttecounty.net/boardofsupervisors/BoardMeetings.aspx>

Thank you for your ongoing support and guidance.

Respectfully,

PAUL

Gridley City Council – DRAFT City Council Meeting Minutes

Monday, November 20, 2017; 6:00 pm
Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”

CALL TO ORDER

Mayor Hall called the meeting to order at 6:00 p.m.

ROLL CALL

Councilmembers

Present: Borges, Hall, Johnson, Davidson
Absent: Williams
Arriving post roll call: None

Staff present:

Paul Eckert, City Administrator
Tony Galyean, City Attorney
Daryl Dye, Electric/Public Works Superintendent
Dean Price, Police Chief
Donna Decker, Planning Consultant

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Councilmember Borges

INVOCATION

Reverend Dan Boeger of St. Timothy’s Episcopal Church provided the invocation

PROCLAMATIONS - None

COMMUNITY PARTICIPATION FORUM

The Mayor opened the forum and seeing no one present wishing to speak, the forum was closed.

CONSENT AGENDA

1. City Services Update
2. City Council minutes dated November 6, 2017

Motion to approve the consent agenda by Vice Mayor Johnson, seconded by Councilmember Borges

Motion passed, all in favor

PUBLIC HEARING

3. Second Reading and Adoption of Ordinance 831-2017: An Ordinance of the City of Gridley to amend Chapter 14, Development Impact Fees, to the Gridley Municipal Code establishing reduced development impact fees for second residential units.

With no comments or questions from Council, the public hearing was opened. With no one present wishing to comment, the hearing was closed. Second reading and adoption of Ordinance 831-2017 by Vice Mayor Johnson, seconded by Councilmember Borges

ROLL CALL VOTE

Ayes: Borges, Davidson, Hall, Johnson

Motion passed, 4-0

4. 2017 Community Development Block Grant (CDBG) Application Submittal Public Hearing

Administrator Eckert reviewed the staff report. The City is applying for \$1,000,000 and the funds will be used for housing rehabilitation and first time home buyer programs. There is already a waiting list for participation in the rehab program. This hearing is for the public to comment regarding the types of activities the City should apply for. The public hearing was opened and with no one present wishing to speak, the hearing was closed.

Motion to approve Resolution No. 2017-R-030 approving the 2017 CDBG Application by Vice Mayor Johnson, seconded by Councilmember Borges.

ROLL CALL VOTE

Ayes: Hall, Davidson, Johnson, Borges

Motion passed, 4-0

OTHER ITEMS FOR COUNCIL CONSIDERATION

5. Waste Water Treatment Plant Truck Replacement

Superintendent Dye briefly reviewed the staff report. There were no questions or comments from Council.

Motion to approve the purchase from Gridley Country Ford in the amount of \$59,153.74 by Vice Mayor Johnson, seconded by Councilmember Borges

ROLL CALL VOTE

Ayes: Davidson, Borges, Hall, Johnson

Motion passed, 4-0

6. Overview of Gridley Electric Fund and Potential Rate Changes

Administrator Eckert reviewed in detail the staff report presented. The City electric enterprise fund balance is dangerously close to a deficit. The reasons for this situation as well as possible solutions were presented to Council. Eckert highlighted that staff has and will continue to implement cost saving strategies, but an immediate increase is required and must be

implemented beginning 2018. He highlighted that even with the proposed 18% increase, the City is still much cheaper than PG&E. Gridley's residential rate is currently 19.2 cents per kWh.

Councilmembers Johnson and Borges expressed their concern about raising the rates and commented that the City should look at every possible avenue to reduce costs prior to a rate increase.

This item was informational only, no action was taken.

CITY STAFF AND COUNCIL COMMITTEE REPORTS

Mayor Hall commented on the Sutter Butte Flood Control meeting he attended.

POTENTIAL FUTURE CITY COUNCIL ITEMS - (Appearing on the Agenda within 30-90 days):

Sewer Pond Improvements and Policies	12/4/2017
Potential Electric Rate Changes	12/18/2017
General Fund fee study work session	1/15/2018

CLOSED SESSION

7. Government Code 54956.9, Conference with Legal Counsel Concerning Anticipated Litigation
8. Government Code 54957(b), Public Employment, Finance Director

ADJOURNMENT

With no items for further discussion, Council came out of closed session at 8:05 and adjourned to the next regularly scheduled meeting on December 4, 2017.

Paul Eckert, City Clerk

City Council Agenda Item #3
Staff Report

Date: December 18, 2017

To: Mayor and City Council

From: Paul Eckert, City Administrator

Subject: Finance Director Employment Agreement Approval

X	Regular
	Special
	Closed
	Emergency

Recommendation

Staff respectfully requests that the Mayor and City Council approve and adopt the City Employment Agreement between the City of Gridley and Juan Solis.

Background

The City of Gridley Council assigned City staff with the facilitation of the recent recruitment to fill the Gridley Finance Director vacancy. Staff worked closely with the City Council and members of the City's Leadership Team to develop a list of competent and qualified Finance Director candidates. Following the application period and initial background reviews; oral panel interviews; and a medical clearance; the City selected Juan Solis as our new City Finance Director.

The attached Finance Director Employment Agreement has been developed and reviewed by the City Council in closed session. The employment agreement has been reviewed and accepted by candidate Juan Solis. The start date for Juan Solis will be January 2, 2018. The City Council needs only to adopt the agreement at this point.

Fiscal Impact

The compensation of the City Finance Director position is included in the FY 2017/2018 Adopted Budget.

Compliance with City Council Strategic Plan or Budget Goals

Selection of the most qualified staff possible, utilizing highly professional recruitment techniques is consistent with the City Council's commitment to attracting and retaining the most effective, customer focused workforce possible.

Attachment

City of Gridley City Employment Agreement with Juan Solis

City of Gridley
Employment Agreement
Finance Director

This Employment Agreement (hereinafter called the “Agreement”) made and entered into on December 18, 2017, by and between the City of Gridley, California, a general law city, (hereinafter called the “City”) and Juan Solis, Finance Director (hereinafter called the “Employee”) with respect to employment as the Finance Director of Gridley, California.

1. Appointment of the Finance Director:

The City Council of the City of Gridley seeks to hire the Employee as the City’s Finance Director to serve and perform such duties at such times and places and in such a manner as the City may from time to time direct. Furthermore, the City Council of the City of Gridley is the sole appointing body of the position of Finance Director, as per the adopted City ordinance(s), resolution(s) and City policy manual.

2. At Will Employment:

Employee is an “at will” employee who shall serve at the pleasure of the City Council. Accordingly, the City Council may terminate Employee’s employment at any time, with or without cause. The provision may not be altered except by a written instrument by Employee, and formally approved by the City Council, which specifically references this Agreement and section.

3. Term of Agreement:

The Employee acknowledges that he serves in the position of Finance Director at the discretion and pleasure of the Gridley City Council. The parties of this Agreement may terminate the Agreement pursuant to the provisions of paragraphs 6 and 7 below.

4. Duties and Responsibilities:

a) Employee shall serve as the Finance Director of the City of Gridley and he shall be vested with the powers, duties and responsibilities set forth in the City’s adopted job description for Finance Director and shall be responsible for directing, administering and coordinating the finance department functions of the City of Gridley.

b) Employee agrees to devote his productive time, ability and attention to the City business. For the duration of this Agreement, Employee shall not hold secondary employment, unless it is vocational training as it relates to municipal finance and/or management and cannot be done to encumber any City time, resources or facilities. The secondary employment must be so de minimis that it is transparent that it is for the continuing education of the Employee and to benefit the leadership and education of the Employee as the Finance Director. The de minimis secondary employment shall not constitute interference with or a conflict of interest with his responsibilities under the Agreement. The City Council shall be the sole body that authorizes any de minimis secondary employment.

- c) As an exempt employee and subject to City resolution regarding administrative leave, the Employee shall not receive any overtime or compensation for work performed outside of normal business hours.

5. Hours of Work:

It is recognized that the Employee must devote a great deal of time outside the normal office hours on business for the City, and to that end the Employee shall be allowed to establish an appropriate work schedule. The Employee will normally work 80 hours per (two week) pay period.

6. Performance Evaluation:

The City shall annually review the performance of the Employee subject to a process, form, criteria, and format for the evaluation which shall be mutually agreed upon by the City and Employee. The process at a minimum shall include the opportunity for both parties to: (1) prepare a written evaluation, (2) meet and discuss the evaluation, and (3) adopt an appropriate improvement plan and/or goals.

7. Termination of Employment and Severance:

- a) Per Section Two (2) of this Agreement – At Will Employment - Employee understands and acknowledges that Employee serves at the pleasure and discretion of the City Council and that Employee may be terminated at any time for any reason (or no reason at all) by the City Council. Except upon the event that the City terminates Employee’s employment for reasons involving the alleged commission of a crime, the alleged commission of an act of moral turpitude, the alleged commission of any act constituting an abuse of Employee’s public office under the laws of the State of California or the performance of an act of gross negligence (any of which shall be deemed as being reason(s) to terminate Employee’s employment under this Agreement as being “for cause”), then, in all such other circumstances of Employee’s termination, Employee shall receive three(3) month’s severance pay. Employee understands and acknowledges that in the event City terminates Employee’s employment with City “for cause” as defined above, Employee will not be eligible to receive said three (3) month severance pay.
- b) In a like manner, nothing in this contract shall interfere with the right of the Employee to resign at any time. The employee shall give a minimum of a 30-day notice to terminate this Agreement. During such a notice period, all the rights and obligations of the parties under this agreement shall remain in full force and effect.
- c) Prior to payment by the City of any Severance, and as an express condition to receiving such Severance or Supplemental Severance, Employee shall sign and deliver to the City a waiver in the form of a release that fully releases the City (including employees, officers and agents) from any and all claims by Employee.

8. Compensation Benefits:

- a) Employee shall be paid a base salary per the current adopted salary schedule found in the most recent adopted resolution, current step four (4) of \$9,340 per month effective as of the adoption date of this Agreement. The salary shall be payable in installments at the same time the other management employees of the City are paid.
- b) The Employee is entitled to the earn longevity incentive as listed in the Management, Mid-Management, Confidential and Unrepresented Employees agreement (Resolution).
- c) The City Council shall retain the discretion to provide additional adjustments as it sees fit depending on the performance and accomplishment of Council objectives.
- d) Consideration shall be given on an annual basis to increase compensation based upon the evaluative process discussed in Section Six (6) – Performance Evaluation above.
- e) City shall not at any time during the term of this contract reduce the salary, compensation, or other benefits of the Finance Director below the initial offer of compensation, except to the degree of such reduction for all management employees of the City. If this section is violated, such action will constitute a breach of this Agreement and will be regarded as termination.
- f) Retirement: Contributions to the Public Employees’ Retirement System (PERS) shall be in accordance with State Law.
- g) Sick Leave/Vacation/Holidays: Sick leave, vacation and holiday accruals and their use shall be the same as provided to management employees of the City.
- h) Health, Dental and Vision: City agrees to pay insurance premiums for health, dental and vision plans Employee participates in, including coverage for his/her family as per the Management Resolution. The employee shall pay his portion of health insurance consistent with past Council direction. This amount for Department Directors is \$61.04 per month in 2017. The amount is expected to increase by approximately 12% in 2018.
- i) Professional Memberships: Subject to approval by the City, the City agrees to provide for membership in any trade appropriate and position appropriate associations and/or organizations. The Employee is also authorized participation in two (2) conferences and meetings of organizations, which provide professional information to Employee relative to his performance as Finance Director of the City of Gridley. Attendance and participation in any conference(s) or symposium(s) shall be subject to City Council approval, availability of funds and within the fiscal year’s budget.
- j) Cell Phone Allowance: City agrees to provide a cell phone allowance to the Employee in an amount not to exceed seventy-five dollars (\$75) per month.
- k) Administrative Leave: Per current resolution there is available to the Employee one

hundred twenty (120) hours of paid administrative leave each fiscal year. All unused administrative leave shall be paid out at the standard hourly rate. There shall be no accrual of administrative leave from one fiscal year to another.

l) Education Reimbursement: City shall pay for college tuition costs up to \$500 annually.

9. Notices:

Notices pursuant to this Agreement shall be given by depositing in the custody of the United States Postal Service, postage prepaid, addressed as follows:

The City: City Administrator
 685 Kentucky Street
 Gridley, CA 95948

Employee: Juan Solis

Alternatively, notice required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service.

10. Other Terms and Conditions of Employment:

The City, only upon agreement with the Employee, shall fix any such other terms and conditions of employment, as it may determine from time to time, provided such terms and conditions are not inconsistent with or in conflict with the provisions of the Agreement, The Gridley Municipal Code, or any other law.

11. General Provisions:

This Agreement sets forth and establishes the entire understanding between the City and the Employee relating to the employment of the Employee by the City. Any prior discussions or representations by or between the parties are merged into and rendered null and void by this Agreement. The parties by mutual written agreement may amend any provision of this Agreement during the life of the Agreement. Such amendments shall be incorporated and made a part of this Agreement.

This Agreement shall be binding upon and inure to the benefit of the successors, assigns, heirs at law and personal representative of the Employee.

If any provisions, or any portion thereof, contained in this Agreement is held to be unconstitutional, invalid, or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable. Shall not be affected, and shall remain in full force and effect.

City Council Agenda Item #4
Staff Report

Date: December 18, 2017

To: Mayor and City Council

From: Paul Eckert, City Administrator

X	Regular
	Special
	Closed
	Emergency

Subject: Approval of Resolution No. 2017-R-031: A Resolution of the City Council of the City of Gridley Amending Gridley's Master Fee Schedule to Modify Title 13 (C), Electric Charges

Recommendation

Staff respectfully requests that the Mayor and City Council consider and approve Resolution No. 2017-R-031: A Resolution of the City Council of the City of Gridley Amending Gridley's Master Fee Schedule to Modify Title 13 (C), Electric Charges.

Background

The City Administrator provided a detailed and lengthy report to the City Council at the November 20, 2017 City Council meeting. The public report focused on the significant financial challenges associated with the Electric Fund, including the very large Electric Fund deficit. Prior to that meeting, the Finance Director recently presented information to the City Council and to the public at public Council meetings on May 1, 2017, June 5, 2017, and June 19, 2017 at which time the City Council adopted the annual Operating Budget. Detailed background was provided regarding the dire condition of the fund, the urgent actions undertaken to avoid a deficit, and the potential actions required, including rate adjustments, to be implemented in FY 2017-18 to avoid a deficit in the next fiscal year.

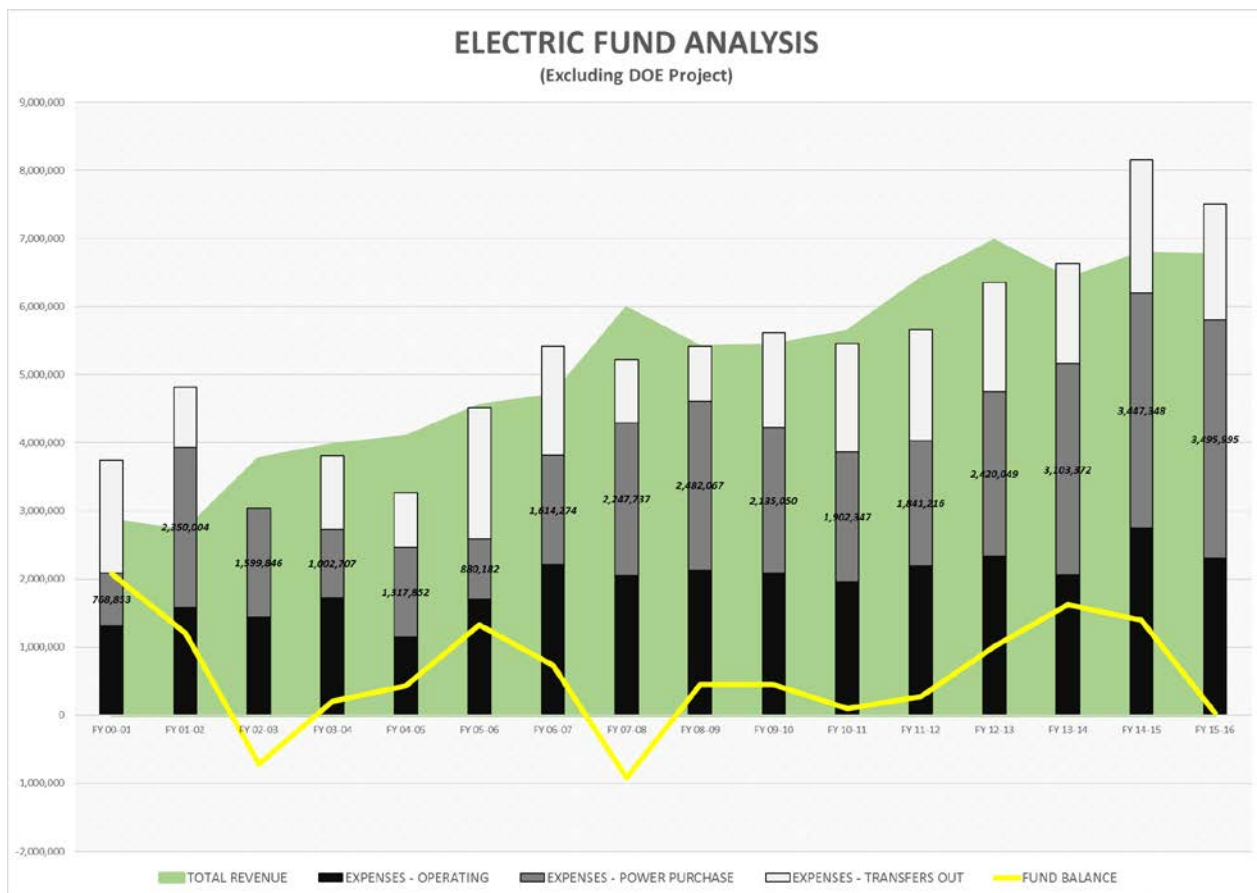
The current financial crisis is the direct result of massive increases in power purchase commitments and the regulatory changes imposed by the State of California. These costs have increased by over a million dollars annually since FY 10-11. The unaudited Electric Fund Balance at June 30, 2016 was only \$25,000 and the June 30, 2017 fund balance is projected at nearly \$400,000 in deficit. This growing deficit represents a significant and imminent threat to the City as a whole due to the General Funds significant reliance on the Electric Fund transfers.

As discussed at previous public meetings, the primary causes of the rapid loss of Electric Enterprise Fund balance are: 1) Statewide increases in electric power purchase costs primarily due to increased environmental regulation by the State of California; 2) Transmission System costs imposed by the State of California; 3) the City of Gridley's very large over purchase of power of the Lodi Energy Center (LEC) due to flawed growth projections.

Following more than 10 years of planning and construction, the Lodi Energy Center came online in recent years, triggering the need for the City to pay its portion of the debt service of approximately \$600,000 annually. The recent elimination of Electric Enterprise Fund Balance can be directly tied to the LEC starting up and going into full operation. The LEC liability is compounded by the City's contractual commitment that included a significant over purchase of power. Gridley's excessive power purchase commitment was made during the planning stages of the Lodi Energy Center, roughly November 2006 through May 2010. As confirmed by a variety of sources, it was during that period that a very liberal forecasting method was utilized while calculating the City's future electric power needs.

Immediate Actions Recently Implemented to avoid Electric Fund Crisis – The City Council recently supported the following efforts to prevent the Electric Enterprise Fund from going negative in FY 17-18. The Council approved action items below represent \$1,530,000 of required “one-time” adjustments to the Electric Enterprise Fund. Stated otherwise, the Electric Fund was short by more than \$1,530,000.

- We increased our Electric Enterprise Fund by withdrawing \$400,000 from the NCPA General Operating Reserve they held for emergency reserves on our behalf.
- The City successfully completed extensive negotiations to recover \$168,000 from the City of Biggs for Electric Maintenance Services previously provided to Biggs.
- The annual Electric Operating Fund transfer was reduced to \$1.5 million instead of the routine amount of \$1.6 million in an effort to prevent the FY 17-18 projected year-end balance from going negative.
- The Electric Capital Fund transferred \$622,000 to the Electric Operating Fund to reimburse the capitalization of the T-3 substation construction project for the last three fiscal years.
- The Electric Capital Fund incurred \$180,000 in CIP (Capital Improvement Project) costs presented during the budget process.
- The Electric Construction Fund incurred \$60k in CIP costs.
- We postponed construction of the \$120,000 electric building expansion in an effort to prevent the Electric Operating Fund from going negative.



Rate Discussion and Comparisons – The City Council previously directed City staff to vigorously assess all other options prior to introducing any potential rate adjustments. As directed, City staff has or is currently pursuing: a decrease in the City’s ownership of the Lodi Energy Center; changes to City solar policies; billing improvements; and methods to further reduce the transfer to the General Fund. Even with these aggressive efforts, there

appears to be limited potential for any meaningful financial improvements in the next two years. Consequently, rate adjustments are required and must be implemented at the beginning of 2018.

As stated previously, the annual shortfall is \$1,530,000. The City Council Adopted 2017/18 Budget includes total Utility Billing Fees of \$6,327,361. As a total percentage, the shortfall of \$1,530,000 equals 24% of the projected revenue. The City’s shortfall equals 24% of rate revenue.

Given the City Council’s clear direction that City staff must identify methods to reduce expenditures prior to rate increases being implemented, staff recommends that we be tasked to identify \$390,000 of reductions over the next six months. Consequently, an increase of 18% is recommended for all classes including Residential, Commercial, and Industrial effective January 1, 2018 and that overall financial condition of the Electric Enterprise Fund be revisited in May during the annual Budget Process. The recommended Customer Charge for Domestic is \$15 and \$11 for Life Support; \$30 for Commercial; \$65 for Demand; and \$180 for Industrial. It is also recommended that a new “Summer and Winter” rate structure be considered prior to December 31, 2018. Several other NCPA member cities utilize the “Summer and Winter” rates to equalize payments for rate payers. The table below provides a comparison of Gridley average rates with Pacific Gas and Electric (PG&E). The rate comparison was provided by the Northern California Power Agency (NCPA).

Average Rates -- Cents / kWh						
	Rate Sched.		Rate Sched.		Rate Sched.	
Utility		Residential		Commercial		Industrial
Gridley	Res	19.20	Cml	19.19	I	12.96
Gridley - 18% Increase	Res	22.66	Cml	22.65	I	15.29
Pacific Gas & Electric	E-1	29.89	A-1	24.27	E20S	16.69

Fiscal Impact and Public Notice

The recommended increase is projected to increase annual Electric Fund revenues by approximately \$1,140,000. Two Public Notices were published in the Gridley Herald and Notices were posted on the City’s Website and several public spaces.

Compliance with City Council Strategic Plan or Budget Goals

This report is consistent with our efforts to ensure that our community members are fully informed of all City activities and all budgetary and financial efforts.

Attachment

Resolution 2017-R-031 including the proposed January 1, 2018 Electric Rates

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRIDLEY AMENDING GRIDLEY’S MASTER FEE SCHEDULE TO MODIFY TITLE 13 (C), ELECTRIC CHARGES

WHEREAS, the City of Gridley levies electric system usage fees (or service charges) to offset the operation and maintenance expenses of the existing electric systems; and

WHEREAS, the recent surge of power purchase costs and transmission system costs imposed by the State of California have exceeded the growth of the electric system usage fee collections and require the usage fees to be amended; and

WHEREAS, a duly noticed public hearing was conducted for the purpose of receiving public input on this matter; said hearing being conducted on December 18, 2017.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Gridley that Title 13 (C) of the Master Fee Schedule is hereby amended to reflect that all electric system usage charges (base and consumption rates) shall be as follows:

<u>Domestic (residential) Rate R-1:</u>	Current	Effective	1/1/2018
<i>(applies to ea. unit in any group - apt., duplex)</i>			
Customer charge	\$12.00	\$15.00	min/month
Energy charge: <i>(Life line)</i> to 475 KWh	\$0.137	\$0.162	per KWh
476 to 575 KWh	\$0.190	\$0.224	per KWh
576 to 1,800 KWh	\$0.250	\$0.295	per KWh
1,801 to 2,000 KWh	\$0.270	\$0.319	per KWh
2,001 KWh and over	\$0.293	\$0.346	per KWh
California Public Benefit Charge	2.85%	2.85%	of charges
California Energy Commission Surcharge	\$0.0003	\$0.0003	per KWh
<u>Life Support Program (residential) Rate L-S:</u>			
Customer charge	\$9.00	\$11.00	min/month
Energy charge <i>(Life line)</i> to 475 KWh	\$0.120	\$0.142	per KWh
476 to 526 KWh	\$0.160	\$0.189	per KWh
527 to 2,100 KWh	\$0.220	\$0.260	per KWh
2,101 KWh and over	\$0.239	\$0.282	per KWh
California Public Benefit Charge	2.85%	2.85%	of charges
California Energy Commission Surcharge	\$0.0003	\$0.0003	per KWh
<i>(must meet eligibility requirements)</i>			
<u>General (commercial) Rate C-1:</u>			
<u>No demand meter:</u>			
Customer charge	\$23.43	\$30.00	min/month
Energy charge to 625 KWh	\$0.150	\$0.177	per KWh

626 to 2,500 KWh	\$0.184	\$0.217	per KWh
2,501 to 7,500 KWh	\$0.190	\$0.224	per KWh
7,501 to 10,000 KWh	\$0.200	\$0.236	per KWh
10,000 KWh and over	\$0.240	\$0.283	per KWh
Demand charge per KWh over 30 KWh	\$7.50	\$8.85	per KWh
California Public Benefit Charge	2.85%	2.85%	of charges
California Energy Commission Surcharge	\$0.0003	\$0.0003	per KWh
<i>Single phase meter-all usages</i>			
<i>4-phase - less than 25,000 KWh annual usage</i>			

Demand (commercial) meter Rate C-3:

Customer charge	\$51.73	\$65.00	min/month
Energy charge 0 - 7,000 KWh	\$0.200	\$0.236	per KWh
7,001-10,000 KWh	\$0.210	\$0.248	per KWh
10,001 KWh and over	\$0.160	\$0.189	per KWh
Demand charge per KWh over 30 KWh	\$7.50	\$8.85	per KWh
California Public Benefit Charge	2.85%	2.85%	of charges
California Energy Commission Surcharge	\$0.0003	\$0.0003	per KWh
<i>3-Phase meter/more than 25,000 KWH annual usage</i>			

Industrial Rates:

Customer charge	\$150.00	\$180.00	min/month
Energy charge	\$0.115	\$0.136	per KWh
Demand charge per KWh over 100 KWh	\$5.25	\$6.20	per KWh
California Public Benefit Charge	2.85%	2.85%	of charges
California Energy Commission Surcharge	\$0.0003	\$0.0003	per KWh
<i>3-Phase meter - more than 25,000 KWh annual usage; and Average monthly demand greater than 500 KWh over the past 12 months actual (or estimated for new accounts).</i>			

I HEREBY CERTIFY that the foregoing resolution of the City Council of the City of Gridley was duly introduced, passed and adopted at a regular meeting of the City Council of the City of Gridley held on the 18th day of December, 2017, by the following vote, to-wit:

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

ATTEST:

APPROVE:

Paul Eckert, City Clerk

Frank Hall, Mayor