

Gridley City Council – Regular City Council Meeting Minutes

Monday, December 5th, 2016; 6:00 pm
Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

Approved as Submitted

“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.”

1. CALL TO ORDER

At 6:00 p.m. Vice Mayor Bruce Johnson called the meeting to order.

2. ROLL CALL

Councilmembers

Present: Draper, Borges, Stiles, Johnson

Absent: Hall

Arriving post roll call: None

Staff present:

Paul Eckert, City Administrator
Tony Galyean, City Attorney
Matt Michaelis, Finance Director
Donna Decker, Planning Consultant
Daryl Dye, Electric Superintendent
Dean Price, Chief of Police

3. PLEDGE OF ALLEGIANCE

Vice Mayor Johnson led the pledge of allegiance.

4. INVOCATION

The invocation was given by David Henry from the First Baptist Church.

5. COMMUNITY PARTICIPATION FORUM

Martha Stiles, 284 Hazel Street, inquired on the status of street markers.

6. CONSENT AGENDA

A. Council minutes dated November 21, 2016

B. Second Reading and Adoption of Ordinance No. 822-2016: An Ordinance of the City Council of the City of Gridley amending various chapters of Title 17, Zoning. (Citywide)

C. City Services Update

D. Appointment to the Butte County Abandoned Vehicle Abatement Board

Councilmember Stiles asked for clarification pertaining to recommended actions relating to Title 17 on the agenda (consent agenda item #B and consideration item #B). Planning Consultant Donna Decker explained that the consent item was for the second reading and adoption of Ordinance 822 which is a portion of Title 17 and the consideration item #B is for the approval of the remainder portion of Title 17.

Motion to approve the consent agenda by Councilmember Stiles, seconded by Councilmember Draper.

Roll Call Vote

Ayes: Draper, Stiles, Borges, Johnson Noes: None Motion passed 4-0

7. OTHER ITEMS FOR COUNCIL CONSIDERATION

A. FY 15-16 Preliminary Audit Results – Preliminary Concerns

Finance Director, Matt Michaelis provided a verbal update of the preliminary status of the FY 15/16 Audit and areas of concern. The fy 15/16 audit is nearing completion and staff anticipates issuing a detail audit report and audit presentation next month. The preliminary indications are that the financial processes and reporting are considered favorably by the third party independent auditor. There are important financial issues concerning three primary areas of concern as it pertains to the FY 15-16 Audit and the City's fiscal solvency. The areas of concern were the status of the General Fund balance, projected low Water Enterprise fund balance, and the low Electric Fund balance.

Finance Director, Matt Michaelis began his presentation by reporting on the Water Fund balance and stated that the water fund has not approached a deficit but is dangerously close. He referred to page 2 of the staff report of water fund figures. He noted that the growing decrease of the fund balance accounts for the lowest total fund balance in the last five years. Furthermore, this problem of not having adequate reserves in the fund is a critical threat to the water operation as an enterprise. The water rate schedule has not been updated in many years and as a result he will be requesting an RFP to find a capable firm that can conduct a rate study to determine if the current rates are adequate for the size of the utilities operation. Staff anticipates bringing the study results to Council and public early next year for possible options.

Next, Finance Director Michalis referred to the Electric Fund balance. The reported that the fund has not approached a deficit but also dangerously close. The utility billing revenues or operating costs have not decreased, but the decline is due to the result of the significant increases in purchase costs. City Staff is working on a wide variety of initiatives to overcome the Electric Utility growing deficit. The City Council will be presented some options and addressing any opportunities in the coming months.

Councilmember Ray Borges expressed concern and explained that part of the problem was the power purchases through NCPA. The City is paying for power that is not being used.

Vice Mayor Bruce Johnson entertained having study sessions relating to electrical issues. He expressed that the electrical fund is a major component that supports the

City. It would be beneficial for City Council to have a complete understanding of electrical matters and moving forward with study sessions it would be prudent to invite NCPA.

City Administrator, Paul Eckert confirmed the direction received from Vice Mayor Johnson and suggested scheduling immediate study sessions. They could begin as early as the second meeting in January, 2017, (as a starting point) and continuing into February 2017. The timing of the study sessions would align well with the strategic planning efforts. He further commended the efforts of Finance Director, Michaelis to bring forth the concerns early by notifying both the Council and public.

Councilmember Jeff Draper inquired if other cities are experiencing the same challenges. City Administrator Eckert explained the unique situation of the City is in by being faced with different growth numbers and renewable energy schedule challenges. He added it would be wise to research the matter further, having a complete understanding of the functions is vital, as well as being well informed of the roles and responsibilities of various parties and requirements that the City needs to abide by. In turn it would be best to also find perspective from NCPA and then and make future plans for potential changes to improve the status of the City. Vice Mayor Johnson concurred.

Finance Director, Michaelis closed his staff report by providing positive news relating to the General Fund deficit that has been a financial issue during the last three budget cycles. He explained the measures that were taken to address the deficit (furlough's, layoffs, reduction of operating costs, deferment of projects, early retirement incentive) and announced that due to this effort the City will report a positive fund balance of approximately \$300,000 at June 30th, 2016. Staff will continue cost containment and implementation of an updated fee system and cost allocation model.

B. Introduction and first reading of Ordinance No. 823-2016: An Ordinance Amending Various Chapters of Title 17 of the Gridley Municipal Code

Planning Consultant, Donna Decker reviewed the staff report and highlights. She explained the purpose of this amendment was to implement the 2030 General Plan and ensure consistency within Title 17 for zoning. She summarized the several major amendments to Title 17 such as the following: the creation of five new zoning districts (Urban Reserve 17.16 high density residential R4) increasing from 16 to 30 dwelling unit per acre, added M3 Agricultural Industrial zoning, and 2 new mixed use zones (Downtown mixed use and Neighborhood mixed use designation), height and density changes modifications (Residential Suburban which changed from 3 dwelling units to 2), two subzones added to the R1 district to implement the general plan, and yard and side setback modifications.

Councilmember Stiles inquired from Ms. Decker regarding Title 17, Sections 17.88 & 17.89 and how this aligns with current ordinances prohibiting of medical marijuana growth. Ms. Decker explained that the only changes in the section where numerical restructuring and did not encompass any recent changes to the legislation relating to allowing growth of medical marijuana in the City.

Motion for the introduction and first reading of Ordinance No. 823-2016: An Ordinance Amending Various Chapters of Title 17 of the Gridley Municipal Code by Councilmember Jeff Draper and seconded by Councilmember Owen Stiles.

Roll Call Vote

Ayes: Draper, Stiles, Borges, Johnson Noes: None Motion passed 4-0

City Administrator, Paul Eckert thanked and acknowledged the Planning Commission, Planning Consultant, Donna Decker, and Recording Secretary, Elisa Arteaga for their efforts on the heavy workload and having weekly meetings to meet necessary deadlines.

C. Update to Gridley Resolution 2011-R-048, RPS Enforcement Program

City Administrator, Paul Eckert provided a verbal staff report. He reported that Staff respectfully requests the City Council review and accept the attached Resolution, which is an update to the City’s Renewable Portfolio Standard (RPS) Procurement Plan which was most recently adopted on October 21, 2013, formally establishing a cost limitation provision. He explained doing so would provide an opportunity for the City to utilized the law that permits us to demonstrate a hardship to our rate payers, therefore reduce some of the renewable portfolio standard purchases. He provided a brief background on the California Senate Bill 1X2 (Statues of 2011) and table 1 RPS Procurement Requirements (2013-2020) and calculations. In the past, there have been discussions on this issue however a resolution has never been adopted. There were no questions from Council or the Public.

Motion to update to Gridley Resolution 2011-R-048, RPS Enforcement Program by Councilmember Ray Borges, and seconded by Councilmember Own Stiles.

Roll Call Vote

Ayes: Draper, Stiles, Borges, Johnson Noes: None Motion passed 4-0

8. CITY STAFF AND COUNCIL COMMITTEE REPORTS

Councilmember Own Stiles provided a verbal update on the Christmas Tree Lighting/Parade event he attended. It was a well-attended event, there were food vendors and the parade was a success.

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

1. First Reading of 2 nd Half of Title 17 Amendments	12/19/16
2. Second Reading of 1 st Half of Title 17 Amendments	12/19/16
3. Adopt Portion of Title 16	12/19/16
4. Adopt Portion of Revised Development Standards	12/19/16
5. Seating of New City Councilmembers	12/19/16
6. Council Selection of Mayor and Vice Mayor	12/19/16
7. Council Committee Appointments	01/16/17
8. Annual Audit	01/16/17

9. Cost Allocation/Fee Study Results	01/16/17
10. Swimming Pool Discussion update	01/16/17
11. Study Session – Building Code Resp, City vs. State	02/21/17

Vice Mayor Bruce Johnson acknowledged and commended both Councilmember Owen Stiles and Councilmember Jeff Draper. They were presented with plaques and thanked for their hard work and dedication to the City of Gridley.

Councilmember Own Stiles thanked all in attendance and quoted General McArthur “I shall return”. He expressed that he has enjoyed the time on the Council and working with the City and all staff. He will enjoy spending more time with his family, other projects and much needed vacations.

Councilmember Jeff Draper stated he appreciated the opportunity to serve on Council. He thanked all of those that were in attendance. He thanked Staff; Jodi Molinari & Elisa Arteaga, all Administrative, Electrical, Public Works Staff, City Attorney Tony Galyean & Brant Bordsen, Matt Michaelis, Daryl Dye, Mike Hensley, Donna, Decker, Paul Eckert and Dean Price for their leadership and hard work to move the City forward.

There was a reception held for both Councilmembers Owen Stiles and Jeff Draper.

10. CLOSED SESSION

None

ADJOURNMENT

At 7:10 p.m., with no further items for discussion, Council adjourned to the next meeting on December 19th, 2016.



Paul Eckert, City Clerk

