

Gridley City Council – Regular City Council Meeting Agenda

Tuesday, September 3, 2019; 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 Johnson

ROLL CALL - Recording Secretary

PLEDGE OF ALLEGIANCE – Councilmember Torres

INVOCATION – Pastor Bill Hammond, Lighthouse Tabernacle

PROCLAMATIONS – None

INTRODUCTION OF NEW OR PROMOTED EMPLOYEES - 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 on the Consent Agenda 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 Council minutes dated August 19, 2019
2. Consideration and Approval of revision to the City’s Position Classification Plan including the reclassification the Finance Business Service Supervisor Position

PUBLIC HEARING – None

ITEMS FOR COUNCIL CONSIDERATION

3. Police Vehicle Purchase
4. Consideration and Approval of Temporary Residential Housing Incentive Program #2

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):

Animal Control Program Revisions	9/16/2019
Police Department Digital Radio System	10/7/2019

CLOSED SESSION

5. Conference with Labor Negotiators pursuant to Government Code 54957.6 to meet and confer with International Brotherhood of Electrical Workers and Gridley Police Officers Association

ADJOURNMENT – adjourning to the next regularly scheduled meeting on Monday, September 16, 2019

NOTE 1: POSTING OF AGENDA- This agenda was posted on the public bulletin board at City Hall at or before 6:00 p.m., August 30th, 2019, 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.

Gridley City Council – DRAFT City Council Meeting Minutes

Monday, August 19th, 2019; 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 Johnson called the meeting to order at 6:00 p.m.

ROLL CALL

Councilmembers

Present: Johnson, Crye, Torres
Absent: Williams, Borges
Arriving after roll call: None

Staff present: Tony Galyean, City Attorney
Rodney Harr, Sergeant
Daryl Dye, Utilities Director

PLEDGE OF ALLEGIANCE

Councilmember Crye led the Pledge of Allegiance

PROCLAMATIONS – None

INTRODUCTION OF NEW OR PROMOTED EMPLOYEES - 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 Council minutes dated August 5, 2019
2. Approval of Resolutions 2019-R-018, 2019-R-019, 2019-R-020, and 2019-R-021 Authorizing the Levy of Assessment District Expenses for the Butte County 2019-2020 Tax Roll

Motion to approve the consent agenda by Councilmember Torres, seconded by Councilmember Crye

ROLL CALL VOTE

Ayes: Crye, Johnson, Torres
Motion passed, 3-0

PUBLIC HEARING – None

ITEMS FOR COUNCIL CONSIDERATION

3. Approval of Butte Subbasin Cooperation Agreement

Motion to approve the Agreement by Councilmember Torres, seconded by Councilmember Crye

ROLL CALL VOTE

Ayes: Crye, Torres, Johnson

Motion passed, 3-0

4. Approval of New Playground Equipment for Vierra Park

Recreation Manager Trina Leishman spoke briefly and answered questions from Council. Councilman Torres was concerned that Vice Mayor Williams was not present for the discussion since Park improvements have been a focus of his. Councilmember Torres suggested at one point that the item be discussed at a later meeting when Vice Mayor Williams is present. Trina reminded the Council that certain discounts expire at the end of August.

Members of the public spoke, some of whom sit on community Boards, and vowed to seek donations from their respective Boards. Some even promised personal donations in order to see the project happen. Those who spoke were Steve Stark, Margaret Hughes, Mike Dahl and Cindy Scott.

Motion to approve the new playground equipment by Councilmember Torres, seconded by Mayor Johnson.

ROLL CALL VOTE

Ayes: Johnson, Torres, Crye

Motion passed, 3-0

5. City Council Committee Assignments

Mayor Johnson re-assigned the Council Committee representatives.

CITY STAFF AND COUNCIL COMMITTEE REPORTS

Mayor Johnson reported on the meeting he attended with the Butte County Mosquito and Vector Control District.

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

Potential Cessation of Net Metering Program	9/3/2019
Police Department Digital radio system	9/3/2019
Police Vehicle Purchase	9/3/2019
Cat Population Control Program	9/16/2019

CLOSED SESSION

1. Conference with Labor Negotiators pursuant to Government Code 54957.6 to meet and confer with International Brotherhood of Electrical Workers and Gridley Police Officers Association

The Closed Session was rescheduled to the next regular City Council meeting on September 3.

ADJOURNMENT

With no items for further discussion, Council adjourned at 6:31 p.m. to the next regularly scheduled meeting on September 3, 2019.

Paul Eckert, City Clerk

City Council Agenda Item #2
Staff Report

Date: September 3, 2019

To: Mayor and City Council

From: Paul Eckert, City Administrator/Finance Director

Subject: Consideration and Approval of revision to the City's Position Classification Plan including the reclassification of the Finance Business Service Supervisor Position

X	Regular
	Special
	Closed
	Emergency

Recommendation

City staff respectfully requests that the City Council consider and approve revising the City's Position Classification Plan by reclassifying the Finance Business Service Supervisor position to the position of Assistant Finance Director and revising the salary range accordingly.

Background

The City of Gridley maintains a Position Classification Plan. In keeping with City Council direction, staff has reclassified the Finance Business Service Supervisor position to the Assistant Finance Director position. With the City Council's approval of this item, the Classification Plan will be formally revised to reflect this change. As Council is aware, the City Administrator has assumed the responsibilities of the Finance Director resulting in staff reduction in the Finance Department. The recommended reclassification will result in additional oversight of the Finance Department, ensuring greater accuracy and customer service while at the same time reducing costs to tax payers and rate payers. As previously discussed with the City Council, the salary will be adjusted as described below.

	Step 1	Step 2	Step 3	Step 4	Step 5
Assistant Finance Director	4,964	5,238	5,522	5,818	6,130
Business Service Supervisor				4,958	5,206

Fiscal Impact

The Finance Department Reorganization will result in savings of approximately \$120,000 during FY 2019-20.

Compliance with City Council Strategic Plan or Budget Goals

This recommendation is consistent with our ongoing effort to be responsive and transparent regarding all business transactions and financial matters.

Attachment – The Assistant Finance Director Job Description will be provided separately.

City Council Agenda Item #3
Staff Report

Date: September 3, 2019
To: Mayor and City Council
From: Chief Allen Byers
Subject: Police Vehicle Purchase

X	Regular
	Special
	Closed
	Emergency

Recommendation

Staff respectfully requests the City Council consider and approve the purchase of a new Police Patrol vehicle to replace two older Patrol vehicles.

Background

The Department has discontinued using two of its existing Police Patrol units within the last six months due to breakdowns which would cost more to repair than feasible. Both vehicles have in excess of 130,000 miles, placing them at the end of their useful life due to their aggressive use. Both vehicles will be used for parts to repair existing older vehicles as needed and will eventually be surplus in compliance with State law.

The recommended replacement vehicle is a Ford Explorer Police Interceptor Hybrid. The additional cost of the hybrid will be easily recovered in fuel savings, additional warranty and extended life on the engine. The cost of the vehicle is \$49,162.70 from Gridley County Ford. This Patrol unit is completely equipped. The only other item required is the Police radio. The price of the Patrol vehicle is at the government cost rate based upon a State discounted rate.

Financial Impact

There is no request for additional Departmental appropriations as the FY2019-20 Budget was approved by the City Council with \$50,000 designated for purchase of a Patrol Vehicle. The City's COPS Program Budget has the necessary funding.

Compliance with City Council Strategic Plan or Budget Goals

This recommendation is consistent with our ongoing effort to be responsive and transparent regarding all business transactions and financial matters.

Attachment - Vehicle Bid

CNGP530

VEHICLE ORDER CONFIRMATION

06/27/19 16:36:17

==>

Dealer: F72464

2020 EXPLORER 4-DOOR

Page: 1 of 2

Order No: 1234 Priority: J2 Ord FIN: QH540 Order Type: 5B Price Level: 020

Ord Code: 500A Cust/Flt Name: CITY GRIDLEY PO Number:

RETAIL

RETAIL

K8A	4DR AWD POLICE	\$40615	.RR MOUNT PLATE	
	.119" WHEELBASE		CA BOARD FEES	NC
YZ	OXFORD WHITE		16D BADGE DELETE	NC
9	CLTH BKTS/VNL R		17T CARGO DOME LAMP	50
6	EBONY		425 50 STATE EMISS	NC
500A	EQUIP GRP		43A REAR AUX LIGHTS	395
	.AM/FM STEREO		43D COURTESY DISABL	25
99W	.3.3L HYBRID	NC		
44B	.10-SP MOD HYBRD	NC	TOTAL BASE AND OPTIONS	50170
	JOB #2 ORDER		TOTAL	50170
67H	ROAD READY PKG	3595	*THIS IS NOT AN INVOICE*	
	.DR LOCK PLUNGER		*TOTAL PRICE EXCLUDES COMP PR	
	.100 WATT SIREN			
	.TAIL LAMP PKG			
	.REAR LIGHT PKG			

* MORE ORDER INFO NEXT PAGE *

F8=Next

F3/F12=Veh Ord Menu

F9=View Trailers

F1=Help

F4=Submit

F2=Return to Order

F5=Add to Library

S006 - MORE DATA IS AVAILABLE.

QC07773

Your Price \$45,718²²

*Including Crew
Upfit*

85 Doc Fee

30 DMV Trans Fee

875 CA Title Fee

Ø Lic Exempt

3320⁷³ CA Tax

42,218

85

30

875

Ø

3166.35 TAX

** \$45,508.10 **

NON-HYBRID COST

+ RADIO (\$?)

Total \$49,162⁷⁰

+ RADIO (\$?)

NON-HYBRID IS \$8500⁰⁰ LESS =

City Council Agenda Item #4
Staff Report

Date: September 3, 2019

To: Mayor and City Council

From: Paul Eckert, City Administrator/Finance Director

Subject: Consideration and Approval of Temporary Residential Housing Incentive Program #2

X	Regular
	Special
	Closed
	Emergency

Recommendation

City staff respectfully requests that the City Council consider adoption of the attached Resolution No. 2019-R-022 that supports implementation of the Temporary Residential Housing Incentive Program #2 (TRHIP#2). The proposed Program is recommended to address the lingering and significant economic challenges of the 2008 National Financial Crisis. The Resolution authorizes the City Administrator to execute a program similar to the attached Temporary Residential Housing Incentive Program.

Background

The City Council adopted the Temporary Residential Housing Incentive Program #1 at the August 6, 2018 Council meeting. Prior to that adoption the City Council previously received and reviewed a summary comparison of the City of Gridley's Development Impact Fees, including comparisons of nearby communities. The City's Development Impact Fee (DIF) rates were adopted on February 20, 2007, utilizing a study from January, 2007 and further revised in 2011. The Study included models established to collect costs of future projects based upon various master plans, reports, and studies.

The Temporary Residential Housing Incentive Program #1 was very successful. The Program included a limited number of 45 permits with only 15 permits being available for any individual developer. If a Certificate of Occupancy is issued on or before December 31, 2021, the owner will receive the 75% reduction of impact fees including separate Sewer, Water, Electric, Police, Fire, Parks, and Streets on residential units within the Gridley City Boundary. The Program does not affect the Gridley Unified School District Impact fee. Two developers have now used or reserved their allotment of 15 permits.

The impact will be as follows on the average home or Equivalent Dwelling Unit:

Total Current Impact Fees	Total Proposed Temporary Fees
\$29,234.55	\$7,308.64

The new proposed Temporary Residential Housing Incentive Program #2 (TRHIP#2) will include an increase per developer allotment to 30 Units. A total of 150 permits will be issued through the Program through December 31, 2022 with only 30 permits being available for any individual developer. If a Certificate of Occupancy is issued on or before December 31, 2022, the owner will receive the 75% reduction. Failure to receive a Certificate of Occupancy prior to January 1, 2023, will result in the requirement to pay 100% of the City of Gridley DIF's, regardless of when the project began. After December 31, 2022, or sooner if the 150 permits are exhausted, a review by City Council may be performed to determine if any extension of the TRHIP Program is desired.

Staff has conducted a study of various incentive policies/Programs used by other California cities. In October, 2013 the Governor signed AB562, which established regulations outlining the offering of economic development incentives by cities. The proposed Program documents were formulated to comply with AB562 and reflect the “Best Practices” throughout the State.

While some areas of the City’s economy have been recovering from the last recession, residential housing has continued to develop more slowly than pre-recession periods. The more limited construction of new residential, be it single or multi-family, combined with a resale market impacted by underwater mortgages and lagging home values, has created adverse economic impact.

Councilmembers and members of our community have consistently encouraged the City to pursue a temporary Program to incentivize residential construction in an attempt to address adverse economic issues. The goal of any temporary reduction in fees would be to stimulate the creation of new housing and create opportunities for new and varied levels of housing inventory throughout the City; to generate jobs in the construction industry; and ultimately increase local spending by homeowners who are outfitting their new homes.

Fiscal Impact

In any residential project, there are direct and indirect economic impacts. Direct economic impacts for the City represent fees and property tax revenue increases.

Indirect impacts are more difficult to measure, so the City reviewed a 2010 study *Analysis of the Fiscal and Economic Effects of New Housing Construction in California* which was prepared for The California Housing Finance Agency. In the study, which was performed during the housing downturn, the authors estimated the total economic impact of a single family residential home is approximately \$421,696 in the larger Bay Area. This figure incorporates not only construction material and jobs, but ancillary spending like moving companies and sales of furnishings and other items which occur when someone moves into a new home. The following chart illustrates the estimated economic impact of the Program using the economic impact information. The Gridley area cost of a home, using averages of \$165 sq. feet and an average size of 1,800 sq. feet, results in average home value of \$297,000. Using the data below, the overall costs of the TRHIP will be offset in less than five years.

150 Permits Issued with 75% Discount

Temporary Residential Housing Incentive Program Analysis	Costs	Revenues
Est. total one-time cost of 75% TRHIP Discount Offered by City (Total of 150)	\$3,288,887	
Est. total one-time revenues from 25% DIF Received by City (Total of 150)		\$1,096,296
Est. total new Annual Property Tax on 150 Permits (Assumes average values of \$297,000)		\$445,500

Compliance with City Council Strategic Plan or Budget Goals

Temporary reduction of the City’s Development Impact Fees to encourage increased economic development is consistent with the City Council’s commitment to enhance and expand quality of life opportunities and grow Gridley pride and quality.

Attachment

1. Resolution No. 2019-R-022
2. City of Gridley Temporary Residential Housing Incentive Program #2

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRIDLEY
AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A TEMPORARY
RESIDENTIAL HOUSING INCENTIVE PROGRAM #2**

WHEREAS, Government Code Section 66000 et seq., known as the Mitigation Fee Act (AB 1600), authorizes local agencies to collect fees to mitigate impacts of new development for infrastructure improvements; and

WHEREAS, the City Council has adopted ordinances and resolutions establishing and revising City of Gridley Impact Fees required to be paid at the time a building permit is issued for new development; and

WHEREAS, due to the economic downturn over the past decade, the pace of residential housing development has declined dramatically; and

WHEREAS, a balance of residential housing is essential in attracting and retaining quality employers and maintaining a high quality of life; and

WHEREAS, a Temporary Residential Housing Incentive Program will stimulate the local economy and provide jobs.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Gridley does hereby authorize the City Administrator to execute a Temporary Residential Housing Incentive Program similar to the Program outlined at the September 3, 2019, City Council meeting effective immediately upon adoption of this Resolution.

I HEREBY CERTIFY that the foregoing resolution was duly passed and adopted by the City Council of the City of Gridley at a regular meeting thereof, held on the 3rd day of September, 2019, by the following vote:

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

ATTEST:

APPROVE:

Paul Eckert, City Clerk

Bruce Johnson, Mayor

City of Gridley

Temporary Residential Housing Incentive Program #2

September 3, 2019

CITY OF GRIDLEY TEMPORARY RESIDENTIAL HOUSING INCENTIVE PROGRAM #2

September 3, 2019

INTRODUCTION AND DEFINITIONS

Introduction

Historically, the City of Gridley has enjoyed a reasonably strong housing market. However, the Great Recession coupled with the implementation of new Development Impact Fees has reduced new housing opportunities in Gridley. As a result, the City has developed the Temporary Residential Housing Incentive Program (TRHIP). The TRHIP is designed to stimulate private sector investment in the Gridley Housing Market with the goal of prudently growing our population, tax income, and job growth that are essential to maintaining a high quality of life for residents and businesses. The TRHIP impacts City of Gridley Impact Fees on residential units only. Fees under the jurisdiction of other agencies, including the Gridley Unified School District, are not associated with this Program

Findings Required

It is not the intent of this Program to divert funds from other communities. In compliance with Government Code sections 53084 and 53084.5, such incentives may not be offered to businesses that relocate their business from another city to Gridley. The Program is also not intended to be used to relocate a business from one location to another within the City.

When applying any such efforts, the City must determine that the incentive is not a gift of public funds, and specific findings must be made. Therefore, the City Council must find that the incentives under this Program will advance the public welfare and provide adequate consideration in return to the City as follows:

1. The long-term net financial benefit to the public will exceed the value of the incentives provided;
2. The residential projects will provide a direct public benefit through the generation of property, sales tax, and impact fees or other benefits to the City;
3. The incentives represent a partial return of revenues or fees that will be realized once the project is completed, such that the incentives will not impact the City's current General Fund balance as the incentives will be based on future, additional revenues to the General Fund.

Definitions

Eligible Applicant means an applicant who meets the eligibility requirements for a particular Program and excluding any business that would trigger the requirements of Government Code sections 53084 and 53084.5.

Direct Public Benefits means benefits to the City and community which justify an incentive under this Program.

TEMPORARY RESIDENTIAL HOUSING INCENTIVE PROGRAM

Purpose

While some areas of the City's economy have been recovering from the last recession, residential housing has continued to develop more slowly than pre-recession periods. The more limited construction of new residential, be it single or multi-family, combined with a resale market impacted by underwater mortgages and lagging home values, has created adverse economic impact. The lack of available quality and appealing housing in the City is inciting employees of current or potential businesses to purchase or rent homes in adjoining communities, negatively impacting the City's overall economy.

The City's Impact Fee structure has not reflected the needs of the current adverse marketplace and as a result there is little financial ability for the housing market to experience significant growth. City Councilmembers and area property owners have recommended the City pursue a temporary program to stimulate residential construction in an attempt to address these adverse economic issues. The current City Impact Fees per Equivalent Dwelling Unit (EDU) are as follows:

Account	Impact Fees	EDU	Temp. EDU
660-3641	Sewer Development Impact Fee	\$10,970.00	\$2,742.50
650-3641	Sewer Collection Fee	\$1,750.00	\$437.50
650-3641	Sewer Connection Fee	\$1,850.00	\$462.50
640-3641	Water Development Impact Fee	\$2,325.00	\$581.25
630-3641	Water Collection/Distribution	\$746.01	\$186.50
630-3641	Water Connection Fee	\$1,955.54	\$488.89
020-3641	Park Fee	\$3,659.00	\$914.75
020-3641	Streets and Road Fees	\$1,461.00	\$365.25
020-3641	Police	\$119.00	\$29.75
020-3641	Fire	\$1,601.00	\$400.25
620-3641	Electric	\$998.00	\$249.50
	\$998 up to 200 Amps		
	\$1996 up to 400 Amps		
620-3641	Electric Distribution Fee	\$900.00	\$225.00
600-3641	Electric Connection Fee	\$900.00	\$225.00
	Total	\$29,234.55	\$7308.64

The goal of any temporary reduction in fees would be to incentivize the creation of new housing and create opportunities for new and varied levels of housing inventory throughout the City; to generate jobs in the construction industry; and ultimately increase local spending by new homeowners who are outfitting their new homes.

Proposed Program

This Temporary Residential Housing Incentive Program (TRHIP) incentive program has been developed to address existing residential housing market challenges. The Program offers a 75% reduction to the City of Gridley's Impact Fees that include separate Sewer, Water, Electric, Police, Fire, Parks, and Streets Development Impact Fees (DIF's). The Program will include a limited number of participants. A total of 150 permits will be issued through the Program through December 31, 2022. Only 30 permits would be available for any individual developer.

If a Certificate of Occupancy for a residential unit is issued between September 3, 2019 and on or before December 31, 2022, the owner will receive the 75% reduction. Failure to receive a Certificate of Occupancy prior to January 1, 2023 will result in the requirement to pay 100% of the City of Gridley Development Impact Fees, regardless of when the project began.

Financial Impact

In any residential project, there are direct and indirect economic impacts. Direct economic impacts for the City represent fees and property tax revenue increases.

Indirect impacts are more difficult to measure, so the City reviewed a 2010 study *Analysis of the Fiscal and Economic Effects of New Housing Construction in California* which was prepared for The California Housing Finance Agency. In the study, which was performed during the housing downturn, the authors estimated the total economic impact of a single family residential home is approximately \$421,696 was in the larger Bay Area. This figure incorporates not only construction material and jobs, but ancillary spending like moving companies and sales of furnishings and other items which occur when someone moves into a new home. The following chart illustrates the estimated economic impact of the 30 permit Program using the economic impact information. The Gridley area cost of a home, using averages of \$165 sq. feet and an average size of 1,800 sq. feet, results in average home value of \$297,000. Using the data below, the overall costs of the TRHIP will be offset in less than five years.

150 Permits Issued with 75% Discount

Temporary Residential Housing Incentive Program Analysis	Costs	Revenues
Est. total one-time cost of 75% TRHIP Discount Offered by City (Total of 150)	\$3,288,887	
Est. total one-time revenues from 25% DIF Received by City (Total of 150)		\$1,096,296
Est. total new Annual Property Tax on 150 Permits (Assumes average values of \$297,000)		\$445,500

Reporting

The City Council will receive annual reports describing the activity in the Program and its overall financial impacts. During the 5-year payback period, the City Council will receive annual reports on the funding activity and the economic impact of the Program.

