

**APRIL 09, 2019 MINUTES
REGULAR WHEATLAND CITY COUNCIL MEETING
WHEATLAND COMMUNITY CENTER
101 C STREET, WHEATLAND, CA
6:30 –6:58 P.M.**

COUNCIL MEMBERS PRESENT: R. Coe, J. Henderson, *L. McIntosh, J. Pendergraph, R. West
*L. McIntosh arrived at 6:41 p.m.

OTHERS PRESENT J. Goodwin, City Manager
T. Raney, Community Development Director
S. Mahoney, Finance Director
A. Paquette, Fire Chief

PLEDGE OF ALLEGIANCE:

Council Member R. Coe led the pledge of allegiance.

PUBLIC COMMENT

None.

CONSENT CALENDAR

Motion was made by Council Member J. Pendergraph, Seconded by Council Member R. Coe to **approve minutes of the regular meeting on March 26, 2019 and the Proclamation Honoring April 2019 as Child Abuse Prevention Month.** Vote called – AYES: Pendergraph, Henderson, Pendergraph and West. ABSENT: McIntosh. Motion carried.

PUBLIC HEARING

1) City Manager J. Goodwin presented the staff report for approving amendments to the Collection Services Agreement with Recology Yuba Sutter. The City of Wheatland is part of a six-member Joint Powers Authority (JPA) agency known as the Regional Waste Management Authority (RWMA). The RWMA members are Yuba County, Sutter County and the cities of Live Oak, Marysville, Wheatland and Yuba City. One elected council member or board member from each member jurisdiction make up the RWMA Board. Currently Councilmember Jay Pendergraph serves as the City of Wheatland’s representative with Councilmember Bob Coe as the alternate. Since 1990, Wheatland has had an agreement with a private entity, Recology Yuba-Sutter (“Recology”), to provide waste collection and disposal to its residents and businesses. The 1990 collection service agreement was amended to extend it through December 31, 2011. In December 2011 a new collection service agreement was awarded to Recology for the period January 1, 2012 through September 30, 2019. Sutter County, Yuba County and the cities of Live Oak, Marysville and Wheatland (“Participating Member Agencies”) worked together to negotiate a new agreement with Recology. Yuba City conducted a separate procurement process and ultimately also selected Recology. A new Collection Service Agreement was approved by the Wheatland City Council on September 11, 2018 with an effective date of October 1, 2018. Additional negotiations were conducted after adoption of the agreement to make minor improvements. Those changes are included in the amendment proposed.

Mayor J. Henderson commented that he has requested a card board recycling container for Wheatland residents. City Manager J. Goodwin responded that he will follow up.

Public Comment

June Swift questioned how much will the increase be on her bill
City Manager J. Goodwin responded the amendment has no impact on the current rates.

Motion was made by Council Member J. Pendergraph, Seconded by Council Member R. Coe to **approve Resolution No. 11-19 Approving Amendment No. 1 to the Solid Waste Collection Services Agreement by and Between the City of Wheatland and Recology Yuba-Sutter**. Vote called – AYES: Pendergraph, Coe, Henderson and West. ABSENT: L. McIntosh. Motion carried.

REGULAR CALENDAR

1) Finance Director S. Mahoney presented the staff report for the Construction Cost Account Program. The City's current purchasing policy (Wheatland Municipal Code Chapter 3.04 Purchasing System) requires all public projects in excess of \$5,000 to be awarded through formal, noticed bidding per the State's Public Contract Code 20162. This process includes preparation of formal bid documents, noticing in the newspaper and trade journals, a 14-day minimum advertisement period, a specified time and date of receipt of sealed bids, and a specified time of bid opening. This rigorous process is appropriate for larger capital improvement projects however, it is very time consuming and resource intensive to implement for smaller projects. In order to provide an expedited delivery process for smaller capital and maintenance projects through an informal bidding process, staff is recommending that the City participate in the State of California's Uniform Public Construction Cost Accounting Act (Public Contract Code 2200 et seq.). The Act is a voluntary program that a governing body must elect by resolution to become subject to. If the City elects to be subject to the Act, it can use alternative bidding procedures for lower-cost public projects. Under the Act; public projects of \$61,000 or less may be performed with the City's own work force, by negotiated contract, or by purchase order; public projects of \$200,000 or less may be awarded pursuant to the Act's informal bid procedures; public projects over \$200,000 would be awarded under formal noticed bidding procedures. Under the Act, the City would have two primary duties, maintain an informal bidders list and use cost accounting procedures to record all direct and indirect labor, materials, and overhead costs associated with each project performed by City staff. The Public Works department will create and maintain a qualified bidders list. The Finance Department's accounting procedures are already set up to record costs associated with individual projects. Should the Council adopt Resolution 12-19, staff will return with the required updates to the City's ordinance and file a copy of the resolution with the State Controller's Office as required by the Act.

Vice Mayor R. West commented on the next steps.

S. Mahoney responded the next steps are notifying the state and updating the ordinance.

It was moved by Vice Mayor R. West, Seconded by Council Member J. Pendergraph to **approve Resolution No. 12-19 Electing to Become Subject to the State of California's Uniform Public Construction Cost Accounting Act Procedures**. Vote called – AYES: West, Pendergraph, Coe and Henderson. ABSENT: McIntosh.

2) Community Development Director T. Raney presented the staff report for consideration to approve the staff funding agreement for the citywide Agricultural Production Standards Project Processing. On October 10, 2017, the Wheatland City Council gave direction to city staff to apply a staff funding agreement approach to ongoing projects within the City. Therefore, city staff and the Bear River Walnut Ranch, LLC would like to enter into an agreement to create the zoning protections and citywide standards for agricultural production operations within the City. City staff has been working with the Bear River Walnut Ranch, LLC to create zoning protections and standards for agricultural production operations within the City. The City of Wheatland

General Plan and Municipal Code currently do not include standards that regulate agricultural land and agricultural production. The City of Wheatland proposes to prepare citywide Agriculture Standards for the existing and on-going agricultural production within the City of Wheatland and to create an Agricultural Zoning Overlay District. In addition, during this process, the City will also consider the creation and adoption of a citywide Right-to-Farm Ordinance, consistent with General Plan Implementation Program 1.12.

Vice Mayor R. West questioned if the pricing from the T. Raney proposal in 2018 still good.

T. Raney responded, yes.

Council Member R. West commented on change orders.

J. Goodwin responded there is a reference in the Scope of Work document.

T. Raney explained his role in the process.

J. Goodwin pointed out the matrix on Page 7 of the Scope of Work document.

Mayor J. Henderson questioned citywide, how does it apply to a single unit house on a certain acre size?

T. Raney explained the Overlay District.

Council Member R. Coe questioned if any other municipality in involved in anything like this.

T. Raney responded there are a few.

Motion was made by Council Member R. Coe, Seconded by Council Member J. Henderson **approve adoption of the Staff Funding Agreement between the City and the Bear River Walnut Ranch, LLC and direct the City Manager to sign.** Vote called – AYES: All. Motion carried.

3) Finance Director S. Mahoney presented the staff report of the Fiscal Year 2018-2019 Mid-Year Review. The FY 2019 budget was adopted by Council on June 26, 2018. The mid-year budget includes; the financial status of all funds at mid-year; updated budget projections for the June 30, 2019 year end and an updated beginning Fund Balance and Net Position balances for July 1, 2018 per the FY 2018 audit. The General Fund projected FY 2019 Fund Balance is dependent all the costs for the emergency repair of the Malone Culvert. At mid-year, the Special Revenue Funds are on target with original budget projections. Two new Capital Projects have been added to the budget through budget amendments approved by Council. The Net Position of the enterprise Funds (Water and Wastewater) are expected to be better than originally projected. It is too early to determine any effects from the utility rate adjustments approved by Council in March 2019.

Mayor J. Henderson commented on sales tax revenue.

S. Mahoney explained the Transaction Tax reserve.

J. Henderson commented that he noticed the waste water budget is spot on.

4) Finance Director S. Mahoney presented the staff report for Transaction and Sales Tax. The Great Recession that began in 2007 resulted in plummeting property valuations throughout the State including the City of Wheatland. Revenue reductions caused by lower property tax revenues forced the City to reduce staff, reduce wages and benefits" and eliminate or reduce nonessential services. To partially offset these reductions, the City proposed a one-half cent sales tax to be imposed on all retailers in the City. The purpose of the tax was to provide General Fund revenue to pay for general City services such as Police, Fire, and Parks maintenance. In November 2010, Wheatland voters approved the tax. The operative date (first day the tax was imposed) was, April 1, 2011. The tax sunsets March 31, 2021. The transaction tax was originally meant to partially offset the revenue reductions suffered as a result of the Great Recession. It was anticipated that the transaction tax would generate revenue equal to about half of the Bradley-Burns 1% sales tax. However, the allocation of transaction taxes is different than the 1% Bradley-Burns allocation. Whenever a sale is made and goods are shipped into a jurisdiction with a transaction tax, the 1% Bradley Burns tax will stay in the location where the sale was made (a place outside the City), but the business will collect and remit the transaction tax to the agency where the

goods were delivered (Wheatland). The result is that in addition to the City receiving the' transactions tax for all sales inside the City, the City also receives the transaction tax for certain sales made outside the City such as vehicles, furniture, Amazon etc. Because of this, the City's transaction tax has generated revenue that is almost double the 1% Bradley-Burns tax revenue. This was an unexpected but much needed revenue source. The City's property tax valuations have only recently reached the, same level as prior to the Great Recession while the City's operating costs have continued to increase'. The transaction tax revenue has allowed the City to restore the staffing and service reductions imposed during the Great Recession. In FY 2019, the transaction tax is expected to be almost 30% of total General Fund revenues. Extension of the transaction tax will not provide revenue to enhance City services. Extension of the transaction tax will allow the City to continue' to provide existing services.

Council Member J. Pendergraph commented that the Transaction and Sales Tax has helped maintain the City's reserve.

Council Member R. Coe concurred.

Mayor J. Henderson questioned the Bradley Burns Sales Tax.

S. Mahoney responded it is statewide.

Motion was made by Council Member J. Pendergraph, Seconded by Council Member R. West to **begin the process of placing a measure on the November 2020 ballot asking voters to approve an extension of the current one-half cent transaction and use tax.** Approval for placing the measure on the ballot will be brought back to Council at a later date. Vote called – AYES: All. Motion carried.

REPORTS

None.

ADJOURN

There being no further business, Council Member J. Henderson adjourned the meeting at 7:58 p.m.

Minutes approved and adopted this 23rd day of April 2019.

Joseph Henderson, *Mayor*

Lisa J. Thomason, *City Clerk*