

MT. SHASTA CITY COUNCIL REGULAR MEETING MINUTES
Monday, February 25, 2013; 6:30 p.m.
Approved As Submitted - March 25, 2013

1. Call to Order and Flag Salute

At the hour of 6:30 p.m. Mayor Moore called the meeting to order and led the audience in the Pledge of Allegiance.

2. Roll Call

Present: Council Members Michael Burns, Sr., Jeffrey Collings, Geoff Harkness, Tim Stearns, and Mayor Tom Moore

Absent: None

3. Public Comment:

Janelle Walker: Stated that the School District is considering the consolidation of Mt. Shasta Elementary School which serves Kindergarten – Third grade students with Sisson School which now serves Fourth – Eighth grade students. Ms. Walker expressed the opinion that parents and community members would like Mt. Shasta Elementary to remain a Kindergarten – Third grade school. Ms. Walker requested the support of the City Council to keep Mt. Shasta Elementary School open for the Kindergarten – Third grade students and to oppose the consolidation of the two schools. Ms. Walker stated there would be a special School Board meeting tomorrow night at the Sisson Gym at 6:30 p.m. and she would appreciate Council showing their support by attending that meeting.

No further public comments were noted.

4. Approval Of Minutes: Minutes of February 7, 2013 Special City Council Workshop Meeting

Council Action: Council Member Stearns made a motion seconded by Council Member Burns to approve the Minutes of the February 7, 2013 Special City Council Workshop meeting as submitted. Motion carried on a voice vote of 5-0.

5. Special Presentations & Announcements - None

6. Consent Agenda:

a. Approval of Disbursements: Accounts Payable: 02/07/13, and 02/14/13

Total Gross Payroll and Taxes: For Period Ending 02/21/2013

Council Action: Council Member Harkness made a motion seconded by Council Member Collings to approve consent agenda item No. **6a**. Motion carried on a voice vote of 5-0.

7. Discussion and Possible Action RE: Annual Review and Acceptance of General Plan Annual Progress Report (City Planner)

At the hour of 6:34 p.m. City Planner McKinley presented the staff report.

Council Member Collings asked City Planner McKinley about how the parking situation is within the Downtown area.

City Planner McKinley responded that the last time he had done a survey during the peak business periods the parking spaces in the Downtown area, including on streets and parking lots, were at about 63% full. Based on the results of the parking studies done, Council had concurred that there wasn't a shortage of parking spaces within the Downtown area.

Council Member Collings stated, in terms of housing, he has been contacted by contractors interested in constructing either senior housing or multi-family affordable dwellings in Mt. Shasta. Council Member Collings asked as to what category of housing the City might need.

City Planner McKinley responded there is a need in Mt. Shasta for more housing for median income households or perhaps assisted living facilities.

Council Member Collings asked about the Noise Ordinance that City Planner McKinley had mentioned in his staff report and whether City Planner McKinley would recommend the City has a Noise Ordinance.

City Planner McKinley responded he had recommended adoption of a Noise Ordinance because that would be consistent with the General Plan's policy. City Planner McKinley noted the difficulties in enforcement when there is no adopted Ordinance that sets forth enforcement processes. City Planner McKinley made the observation that whether there are noise problems or not is subject to the opinion of whoever is asked. City Planner McKinley noted Noise Ordinances are subject to the language of the Noise Pollution Act.

Council Member Burns asked for City Planner McKinley's clarification concerning the City's requirements in terms of implementing the City's Housing Element and facilitating the development of a minimum of 58 dwelling units as stated on page 53 under Policy HO-7.1.

City Planner McKinley responded that the City's housing policy requires the City to make available the zoning for the dwellings to be constructed and that is how the City is compliant with those requirements.

Council Member Harkness asked City Planner McKinley whether there are any other General Plan issues that need to be addressed in the immediate future.

City Planner McKinley responded that could be something that is considered during the Council's goal setting discussions. City Planner McKinley stated that perhaps the issue of making sure the City has adequate infrastructure in order to be able to absorb development would be one of those issues but he would like to think about that before bringing any further ideas forward.

Council Member Harkness stated the recollection the issue of signage had been brought forward during the Community Workshop such as the brightness of signage and he asked whether City Planner McKinley saw that as something that needed to be addressed as a part of the General Plan.

City Planner McKinley responded not necessarily in terms of the General Plan because he had proposed reviewing the Sign Ordinance again because over the years problems have arisen. City Planner McKinley stated the sign mentioned at the Community Workshop is a type of sign, a digital sign, which is not addressed in the City's current Sign Ordinance. Although internally lit signs are not allowed in the Downtown District, there are no such limitations outside of the Downtown area. City Planner McKinley noted the business in question has been very accommodating by agreeing to turn the sign off by about 7:00 PM and they have turned the lights down to 25% of its lighting capabilities. City Planner McKinley noted that although the City's Sign Ordinance limits the wattage of signs, that isn't very applicable to LED lights because they can be very bright with very little wattage.

Council Member Harkness asked whether the Noise, Condominium Conversion, and Sign Ordinances are topics for which the Planning Commission could review and make suggestions to the City Council.

City Planner McKinley responded in the affirmative and noted the Planning Commission had requested he bold those items on his report when bringing them forward during the annual General Plan review process. City Planner McKinley noted there is a Noise Element in the General Plan and he suggested the Planning Commission would like to receive direction from Council to review these issues to be sure that Council supports such review.

Council Member Harkness noted for the record that DANCO and Pacific West are the two entities who have indicated an interest in development of housing within the City and he asked whether staff has suggested they might consider building moderate income housing.

City Planner McKinley responded that both of those entities are interested in construction of housing using HUD Funding as a result of their having seen a Notice of Funding Availability. City Planner McKinley pointed out that such funding can only be used for low income housing projects.

Council Member Stearns suggested that staff provide the Bay Area Economics Study and the Indigo Architects information to the newest members of the City Council as they have not seen them. Council Member Stearns made the observation that affordable housing with footprints of about 450-600 square feet might be appropriate for the City of Mt. Shasta as it is his understanding that about 24% of the housing in Mt. Shasta is occupied by single persons.

Mayor Moore stated the understanding that both DANCO and Pacific West are going to be pursuing the same funding source for their different projects. Mayor Moore stated the recollection that one was a 44 unit and the other a 21 unit development. Mayor Moore asked as to the cost of connections to the City's utilities per unit.

City Manager Marconi responded that it is about \$20,000 for the sewer and water connections for one unit.

Mayor Moore expressed his concerns regarding the cost for the developer for each unit to connect to the City's utilities and expressed the opinion that is something the Council needs to take a look at. Mayor Moore suggested this as being an appropriate time to do so as the Council will be looking at rate adjustments anyway.

City Planner McKinley made the observation that in order to put those costs into context he would suggest that Council takes a look at the cost to put in a well and a septic system for a single residence outside of the City limits. City Planner McKinley pointed out there is the additional requirement that residences in the County have to be built on a minimum parcel size of 2.5 acres, so there is the added cost of the purchase of the land.

Mayor Moore stated his suggestion is to investigate what other cities in Siskiyou County are charging to make sure that the City of Mt. Shasta is marketable. Mayor Moore stated his appreciation that the Planning Commission would be willing to revisit the City's Sign Ordinance to bring it up-to-date.

Council Action: Council Member Stearns made a motion seconded by Council Member Collings to approve and accept the Annual General Plan Progress Report and direct staff to forward it to the Office of Planning and Research and HCD. Motion carried on a voice vote of 5-0.

8. Discussion And Possible Action RE: Presentation by Alternative Transportation Advisory Committee on Grant Funding Opportunities (ATAC Chair) (THIS ITEM IS CONTINUED FROM THE FEBRUARY 11, 2013 REGULAR CITY COUNCIL MEETING)

At the hour of 7:26 p.m. ATAC Chair Williams addressed the Council and noted that at the last Council meeting he had chosen not to make his request for Council's permission to go forward with a grant application to the Community Based Transportation Planning (CBTP) Grant Program that is administered by Caltrans because former Chair Ken Ryan was working with the Recreation & Parks District in an effort to submit a grant application for funding for a project using the same funding source. ATAC Chair Williams noted that since that last meeting it has become evident that there is no lead agency to sponsor former Chair Ryan's proposed regional project. ATAC Chair Williams suggested that former Chair Ryan has indicated support for submitting an application to Caltrans for this alternate project being proposed for the City of Mt. Shasta. ATAC Chair Williams stated that he is back this evening to request Council's support for submitting a grant application for a project that would expand upon the Bicycle & Pedestrian Trails Master Plan developed by the City some years back. ATAC Chair Williams noted that a 10% local match would be required should the grant be awarded. ATAC Chair Williams stated this funding is specific to planning and does not include CEQA and requires an emphasis on community involvement for the planning process. ATAC Chair Williams noted the application deadline is April 2, 2013 and ATAC would like to apply for grant funds for planning the section of trail that runs from Downtown and ends at Lake Siskiyou. ATAC Chair Williams noted one issue with the trail is locating it on the railroad right-of-way.

ATAC Chair Williams stated that ATAC was planning on using Alta Planning & Design as the entity to prepare the plan because they have lots of experience with co-locating trails with railroads. ATAC Chair Williams stated that Alta has provided an estimate of approximately \$80,000 for the cost of the project which includes evaluating routes for the trail, conducting public meetings, co-locating with the railroad right-of-way, and talking with private property owners along the route. ATAC Chair Williams noted the need for \$8,000 in matching funds and asked the City to contribute \$2,000 and the remainder would be raised locally. ATAC Chair Williams stated a resolution from the City Council would be required showing their support of the project, the dedication of funding, and lead agency status. ATAC Chair Williams stated he would have more information at the next meeting. ATAC Chair Williams requested Council's consensus as to whether ATAC should put their efforts into drafting the grant application.

Council Member Harkness stated the recollection Mt. Shasta would be competing with other cities such as Los Angeles and he had understood that the bigger the project the more probable it would be to be awarded the grant funding.

ATAC Chair Williams noted when ATAC had submitted an application requesting \$6,000 Caltrans had turned it down saying that the amount was so small they would not even consider the grant application.

Council Member Harkness stated the understanding that former Chair Ryan's project had been to map out bicycle trails and alternative transportation trails throughout the County.

ATAC Chair Williams responded it had been one that included Dunsmuir, Mt. Shasta, and Weed and was based on the countywide plan that was approved by the Siskiyou Board of Supervisors in 2000. ATAC Chair Williams stated he is working with George Jennings of EGG in pursuing that other project.

Council Member Stearns asked why the mid-town northern section of the City is not being included in this project.

ATAC Chair Williams responded they had wanted to apply for only one project. ATAC Chair Williams stated he did not want to include something that would result in scattered or different pieces throughout the City because it would result in a project that did not have contiguous properties.

Council Member Stearns stated the understanding that ATAC Chair Williams would be bringing back written materials for the Council in two weeks that included a resolution.

ATAC Chair Williams responded that the final grant application would not be available at that time. ATAC Chair Williams suggested the grant application draft would be brought back at the March 25th Council meeting rather than at the next meeting.

Mayor Moore asked whether there was consensus of the Council for ATAC to move forward in preparing the grant application.

Council Member Stearns made the observation that this project would further implement the City's Master Bicycle & Pedestrian Trail Master Plan and is consistent with moving the City's goals forward. Council Member Stearns expressed his support of the application.

Council Member Collings and Council Member Harkness stated their support for the project.

Council Member Burns stated the understanding that this grant would only provide for planning, so would additional funding be required for actual construction of the trail?

ATAC Chair Williams responded in the affirmative.

Council Member Burns stated he had no issues with providing \$2,000 for the suggested planning project.

Mayor Moore acknowledged the consensus of the Council for moving forward with the grant application process.

9. Consider Resolution No. CCR-13-XX RE: Appropriating \$16,820 of Citizens' Option for Public Safety Program (COPS) Allocations In the Supplemental Law Enforcement Services Fund for the 2011-2012 Fiscal Year (Police Chief)

At the hour of 7:46 p.m. Police Chief Cross presented the staff report.

Council Member Stearns asked what the deadline is for using this \$16,820.

Police Chief Cross responded the funds had to be spent by June 30, 2013.

Council Member Stearns made the observation there is no itemization provided in terms of how much money would be spent on what. Council Member Stearns suggested there is time for Police Chief Cross to get those figures together and bring that information back. Council Member Stearns expressed concerns with purchasing new tazers due to liability issues associated with their use. Council Member Stearns expressed the opinion that Council did not have enough information in order to take action.

Council Member Collings stated he agreed with Council Member Stearns and although all of the equipment appears to be valuable he would support having more information on exactly what would be purchased with these additional dollars. Council Member Collings asked whether two weeks would provide Police Chief Cross with enough time to put together more definitive information.

Police Chief Cross responded in the affirmative. Police Chief Cross pointed out that in term of generalities, if Council takes a look at the first resolution, on page 71 of the Agenda Packet, approved by the City Council on September 26, 2011 that resolution also provides general expenditure information rather than specific information as to how the COPS Funds will be spent. Police Chief Cross made the observation that in terms of COPS funds, Council and the COPS oversight committee routinely approve resolutions containing general information as to the equipment to be purchased using the funds, so being general is not inappropriate. Police Chief Cross noted that it would take some time to clarify the costs due to the fact that labor is also involved in addition to the equipment costs. Police Chief Cross pointed out that in terms of the tazers, the Mt. Shasta Police Department Officers have all been trained and approved for use of tazers and are already using them on the job. Police Chief Cross made the observation that having more tazers does not increase the City's liability any further than already exists for its Police Department because Officers are already using them. Police Chief Cross noted that he would do whatever the Council wishes to do.

Council Member Burns made the observation that these are additional funds that have to be spent by the end of June. Council Member Burns made the observation the City's Police Chief has the knowledge and experience to know what is needed for his Department and uses that knowledge to spend these monies prudently and wisely for the needs of the Department. Council Member Burns stated he did not need an itemized list back and made the observation there is only about \$16,000 that can be spent. Council Member Burns stated he trusted and is okay with Police Chief Cross making the appropriate choices for the Police Department.

Council Member Harkness stated his concurrence with Council Member Burns. Council Member Harkness stated the understanding the Police Department needs a 911 and voice recorder system which runs about \$140,000 and asked whether there was any way to apply this funding towards that amount.

Police Chief Cross responded in the negative noting that this amount was too small to get the Department there and the City would not be able to be hold the monies in reserve for use towards that purchase because the monies must be spent by the end of June.

Mayor Moore stated he did not wish to micromanage the Police Department. Mayor Moore made the observation that Police Chief Cross has provided good ideas as to how to spend the money. Mayor Moore stated support for providing Police Chief Cross with the discretion to use the monies to purchase the equipment he believes to be in the best interests of the Department. Mayor Moore asked whether there was any motion.

Council Member Stearns suggested the Council has a legitimate roll in seeing public money being spent in the best way. Council Member Stearns made the observation Council did not know what the priorities are nor the specific equipment that would be purchased and how the purchases will affect the rest of the City. Council Member Stearns suggested further information is needed.

Council Action: Council Member Burns made a motion, seconded by Council Member Harkness to approve and adopt Resolution No. CCR-13-08 A Resolution of the City Council of the City of Mt. Shasta Appropriating \$16,820 of Citizens' Option for Public Safety Program (COPS) Allocations In the Supplemental Law Enforcement Services Fund for the 2011-2012 Fiscal Year by title only. Motion carried on a roll call vote of 3-2 with Council Members Collings and Stearns noted as dissenting.

10. Discussion and Possible Action RE: Considerations and Strategy for Recruitment to Fill Pending City Manager Vacancy (City Manager) (THIS ITEM IS CONTINUED FROM THE FEBRUARY 11, 2013 REGULAR CITY COUNCIL MEETING)

At the hour of 8:00 p.m. City Manager Marconi presented the staff report.

Council Member Burns noted that at the last meeting the Mayor had requested each of the Council Members to come back with five City Manager qualities they believed to be important for the new City Manager to possess. Council Member Burns asked whether it was appropriate for him to bring his items forward at this time or later in this discussion.

Mayor Moore responded that Council Member Burns could bring them up whenever he chooses to. Mayor Moore interjected that although he had asked everyone to do that he believes that what the Council is looking at tonight is determining a strategy for recruitment. Mayor Moore requested Council's support in moving in that direction.

Council Member Burns agreed to do that. Council Member Burns stated he had reviewed the timeline and noted the importance of drafting the advertisement for recruitment of the new City Manager. Council Member Burns asked whether there were any limitations in terms of where the advertisement should be sent.

City Manager Marconi responded in the negative and noted the only limits on how widely the advertisement is disbursed would be based on how much money the City is willing to spend on advertising. City Manager Marconi suggested there are a number of agencies and venues the City can use for advertising with some being more expensive than others and some that provide a lot more bang for the buck. City Manager Marconi stated he had been advised the City's best option might be advertising outside of the state of California because of the position the City is in in terms its salary scale. City Manager Marconi pointed out the City would not be competitive with other cities in the state of California. City Manager Marconi noted that he had already advised the Council that the City would probably be looking at a City Manager at the beginning or at the end of their career for that very reason. City Manager Marconi noted that the International City Manager's Association is one of those national agencies that is able to hit a very broad spectrum of potential candidates across the country. City Manager Marconi made the observation that Western Cities Magazine is relatively expensive and is limited to the West Coast that includes California, Oregon, and Washington.

Council Member Burns asked whether the City has an in-house brochure that could be used as a template for this newest recruitment process.

City Manager Marconi responded that he had provided Council with a copy of the brochure in the last City Council Agenda Packet used 5 years ago during the City's last recruitment process. City Manager Marconi noted those in tonight's Agenda Packet are samples from other cities. City Manager Marconi suggested that a graphic designer would be required to put together a new brochure.

Council Member Burns asked the Mayor whether an Ad Hoc Committee with Council Members included would be needed to help in putting together a flier.

Mayor Moore made the observation that Council should first come up with a strategy such as does the Council want to do the recruitment themselves or hire someone, like Jeff Butzlaff, who could come in and help recruit the new Manager, or hire a head hunting agency. Mayor Moore suggested Council should come to a consensus on which of the three processes the Council is most comfortable with.

Council Member Collings noted he had been in support of using a recruiting firm, at a cost of \$25,000-\$30,000, and if that is not a viable option, as it didn't appear to be the way Council wanted to go, then what is the budget for that middle ground where a consultant is hired?

City Manager Marconi noted the last recruitment was done in house and in the previous City Manager recruitment process the City had used a retired City Manager as an interim City Manager who had lead the recruitment process, had screened the applications, and then brought forward a number of final candidates for the Council to interview. City Manager Marconi stated that staff has included \$10,000 in the budget as a place holder for City Manager Recruitment purposes and the final amount needed may be a bit more or less than that. City Manager Marconi stated this would be enough for the City to use the assistance of an interim City Manager's services specifically for the recruitment process.

Council Member Collings asked whether Council should consider the salary in terms of whether moving costs will be paid for by the City.

Council Member Stearns made the observation that moving costs is a negotiable item as is the salary. Council Member Stearns noted that a car allowance has been something the City has provided in the past. Council Member Stearns suggested it would be helpful for Council to know the activities Jeff Butzlaff would be providing to the City. Council Member Stearns made the observation that California has some particular laws and ways of doing things and the candidate's having prior contacts and networking abilities in California has some advantages.

City Manager Marconi suggested that whoever that consultant might be, they would handle recruitment process from developing and distributing the brochures and advertisements, setting up and dealing with the interview process, the process for vetting the applications and reducing the number down to 10 or so that Council would then review in order to end up with perhaps no more than five finalists who would then be interviewed. City Manager Marconi noted that given the changes in technology since the City's last recruitment process, some of those interviews can be done over the internet, on the phone, or through some kind of conference process. City Manager Marconi pointed out the City does not necessarily have to have someone from out of state travel here. City Manager Marconi stated that paying for travel is one of the most expensive parts of the recruitment process. City Manager Marconi suggested the City should not subsidize any travel until the second interview of the candidate. City Manager Marconi suggested if the candidate doesn't have enough interest to come here on their own.....the City doesn't want to be paying for someone's California vacation. City Manager Marconi made the observation that once the City has identified a viable candidate then the City would be obligated to pay for a second trip here.

Council Member Collings asked whether that would include the City paying for a spouse to come as well.

City Manager Marconi responded in the affirmative noting that such additional cost would not be that much more. City Manager Marconi made the observation the City should want a spouse and family to come here because one of the most important things in seeking a City Manager is their fit with the community and their family is a very important part of that fit. City Manager Marconi made the observation that if their spouse or children are not going to be happy here then the City Manager won't be happy here and that would mean the City would be looking for a new City Manager in a much shorter time. City Manager Marconi suggested it might be worthwhile for the City to send someone back to where the candidate comes from in order to interview people there to determine just what kind of City Manager and/or previous experience the candidate has.

City Manager Marconi made the observation that you can ask all kinds of questions and read all kinds of resumes but sometimes that man on the street at the previous place knows more about what this person is really about than can be learned from any official documents. City Manager Marconi made the observation that might be costly but it may be worth that cost in the long run.

Council Member Burns stated support for the recruitment budget of \$10,000 and for tasking Mr. Butzlaff with the process as suggested by City Manager Marconi.

Council Member Harkness made the observation the proposed schedule provides some insight into what a consultant would bring to the table. Council Member Harkness made the observation that it would include creation of a flier, of a supplemental questionnaire, doing the first review of the resumes, to bringing a recommendation as to the suggested candidates for the Council to interview. Council Member Harkness stated that in terms of the three strategies he definitely is leaning toward using a consultant because the City cannot incur the costs associated with the use of a recruitment firm. Council Member Harkness expressed concerns with trying to do the recruitment in-house and stated the understanding that use of that process in the past has not had positive results.

Council Member Stearns made the observation that since it will be the Council that will be working with the new City Manager and because the Council knows more than anyone else what traits Council wants to see in a new City Manager, if a hybrid method is used then the Council would want to work closely with Jeff Butzlaff rather than delegating to him to take care of the matter. Council Member Stearns expressed the opinion that it is critical that Council is clear about the traits desired in the City Manager and work with someone like Jeff Butzlaff. Council Member Stearns suggested that the Council should not let someone else do all the work for them.

Mayor Moore summarized that he was hearing and would suggest that for this meeting the Council should give direction to City Manager Marconi to interview Jeff Butzlaff and he would also like to appoint two Council Members to participate in that interview. Mayor Moore stated he would like to appoint Council Member Stearns and Council Member Harkness to do that and discuss what is expected of him and have Mr. Butzlaff tell us what he can do for the City and how much it will cost. Mayor Moore suggested that information could be brought back to the Council at the next meeting so Council can use that information to decide if that meets the Council's needs.

Council Member Collings stated that if the City ends up with a personal search firm that is also invested in the City and saves \$15,000 he is in support of that. Council Member Collings expressed the opinion that makes great sense.

Mayor Moore suggested there are 1-2 other candidates in this area that could provide these same services. Mayor Moore stated that in the interest of time he is okay with going forward with talking to Jeff Butzlaff if the rest of the Council concurs.

Council Member Harkness stated his willingness to participate in the interview and reminded everyone that he has previously met with Mr. Butzlaff, prior to knowing that Mr. Butzlaff might be providing the City with his services and during that meeting Mr. Butzlaff had mentioned a lot of information as to what he could do and the services he could provide to the City.

Council Member Stearns suggested that during the interview process it might be helpful to come up with a proposal that could be brought to the full Council for review and consideration that would include information about the process, the cost, and allocation of responsibility.

Mayor Moore responded that rather than having two Council Members coming up with a proposal he would prefer that Mr. Butzlaff bring forward his own proposal. Mayor Moore suggested the Council Members could interview Mr. Butzlaff to see whether he meets our needs and then the proposal would be brought back by Mr. Butzlaff at a future meeting so that the Council can then pick from it. Mayor Moore stated he did not want a proposal coming back to him next time, he wanted to be able to decide what that proposal is going to be.

Council Member Stearns pointed out the City is working on a deadline and he thinks it would be better to move things forward. Council Member Stearns made the observation that getting Mr. Butzlaff's proposal by the next meeting is a good start and he believes more could be accomplished by the next meeting than just an interview.

Mayor Moore asked how the rest of the Council feels. Mayor Moore stated he is in favor of the whole Council coming up with a proposal. Mayor Moore stated he only wanted the information brought back at the next meeting as to what services Mr. Butzlaff says he can provide, so Council can use that information to decide what he will do and then the whole Council puts together the proposal.

Council Member Stearns pointed out that Council often appoints a sub-committee of two Council Members to do all sorts of things. Council Member Stearns made the observation that a sub-committee is not required for Mr. Butzlaff to bring a proposal to the whole Council. Council Member Stearns suggested the sub-committee could get more accomplished between now and the next City Council meeting than simply interviewing Mr. Butzlaff. Council Member Stearns stated support for a sub-committee regardless of which two Council Members make up that sub-committee. Council Member Stearns suggested that between now and the next meeting that the meeting with Mr. Butzlaff takes place and the sub-committee, along with the City Manager and Mr. Butzlaff comes up with a proposed timetable that would meet the City's needs and provides information on the actions Mr. Butzlaff would be providing to the City and the cost for those actions. Council Member Stearns made the observation Council could use that information to pick and choose from.

Mayor Moore asked how the rest of the Council feels about that. Mayor Moore stated he did not support having something brought to Council especially if after the interview the recommendation from the sub-committee is that Mr. Butzlaff is not the right consultant for the City.

Council Member Harkness expressed the opinion that both tasks could be accomplished. Council Member Harkness stated they could certainly interview Mr. Butzlaff to make sure he is the right candidate but it is also within reason to ask Mr. Butzlaff to come with a template proposal for the City. Council Member Harkness made the observation this would also meet Mayor Moore's objective as well.

Council Member Collings asked whether someone else should be actively interviewed as well.

Mayor Moore made the observation that Mr. Butzlaff has a good track record. Mayor Moore stated that if there is another candidate that City Manager Marconi finds, then that candidate can be interviewed as well and the findings brought back to the Council and Council could go from there.

Council Member Stearns stated the understanding there is a list of City Managers who provide this type of service to cities that is available through the League and typically all of them would be out of the area which is why the City Manager has suggested Mr. Butzlaff because he is part of the community and there would not be housing or travel costs associated with his services.

Mayor Moore made the observation the sub-committee appointments have been made and direction has been provided to staff.

11. Consider Resolution No. CCR-13-XX RE: Adopting A Revised Operating Budget for Fiscal Year 2012-2013 (Finance Director)

At the hour of 8:36 p.m. Finance Director Terrell presented the staff report.

Council Member Harkness noted the additional \$180,000+ in expenditures for the General Fund. Council Member Harkness asked whether this is a common occurrence at this time of the year. Council Member Harkness expressed the hope that at the end of the year decreases in expenses would be seen.

Finance Director Terrell responded at the end of the year there would be particular line items in the budget where monies were not spent that were appropriated. Finance Director Terrell agreed that it would be common to see more decreases at the end of the year.

Council Member Harkness made the observation the cost of unemployment insurance went up significantly and asked as to the reason for that.

Finance Director Terrell responded it is because the City is actually paying unemployment benefits. Finance Director Terrell stated the City has been paying extended unemployment benefits to employees and because of that it results in an increase in the budget.

Council Member Burns stated he has no further questions since he has already gone over this material earlier today with Finance Director Terrell.

Council Member Collings asked for clarification of the seasonality of the budget and that if it dips this much now is it likely to come back up by the end of the year.

Finance Director Terrell responded yes and no. Finance Director Terrell stated that the majority of the changes seen in the General Fund, one of the numbers is the \$75,000 that was transferred to the Equipment Replacement Fund and the other is \$53,000 for snow removal costs and those are the big hit items, although the City gets some reimbursement for the snow removal costs those monies aren't received until the following year. Finance Director Terrell stated it is not as bad as it looks because some of the money will come back and the \$75,000 transfer is money that is still in our pockets it has just been designated for future use to replace equipment when necessary.

Council Member Stearns asked about the short and long term impacts to the City if the City did not continue paying both the employer's portion of retirement contribution and the 7% employee's portion of the retirement contribution.

Finance Director Terrell responded that the short term implication would not be much of an impact, however over time if the City continues to pay both the employee and employer portion of the retirement costs the City would not be able to sustain paying that over a long period of time.

Council Member Stearns requested Finance Director Terrell to explain, for the benefit of the newer Council Members, what the employer's portion and the employee's portion are and why that long term impact is as you say.

Finance Director Terrell responded that the City has elected in past years to pay all of the retirement benefits for its employees which includes the 7% employee portion currently being paid by the City and the employer's portion which varies in percentage depending on whether the employee is a Miscellaneous or Safety employee and those amounts range from 13.2% up to 21%. Finance Director Terrell pointed out that the extra 7% paid by the City on behalf of its employees is a pretty good chunk of money over time.

Council Member Stearns stated the understanding that most cities have the employees pay their own share.

Finance Director Terrell responded that was not necessarily true. Finance Director Terrell noted that it has been standard practice throughout the State of California for employers to pay the employee portion of the retirement benefits and it has been something that over time through Union negotiations that employees have not been given raises because the City is paying for the employee portion of their retirement. Finance Director Terrell made the observation that it has been used as a negotiating tool over time throughout the State of California.

Council Member Stearns asked for clarification of his understanding from what Finance Director Terrell said that she was suggesting the City, in the long term, would not be able to sustain itself by continuing to do this.

Finance Director Terrell responded that she did not believe that any City in the State of California over the long term would be able to continue the practice in an economic situation where revenues are declining. Finance Director Terrell stated that was only her opinion.

Council Member Stearns asked whether the Council should allocate the \$2,000 for the matching funds promised to the ATAC for the Caltrans grant in the budget now or wait until the grant is awarded.

Finance Director Terrell made the recommendation it should be put in next fiscal year's budget.

Finance Director Terrell pointed out that the firm mentioned by ATAC Chair Williams would not be able to do the work for the project without the City's going through an RFP process to determine who the best consultant and price for the project might be, something that is a requirement of such grants. Finance Director Terrell stated the importance of taking into consideration the amount of maintenance that would be needed for upkeep of these trails and what mechanism would be used to provide funding for such maintenance.

Council Member Stearns noted that \$4,500 had been budgeted for Microsoft Office Licenses.

Finance Director Terrell responded that Council had approved the expenditure about 6-7 months ago.

Council Member Stearns asked whether it was an annual license cost.

Finance Director Terrell responded in the affirmative.

Council Member Stearns suggested staff might consider use of Open Office or some other public domain that has the same function and is compatible with Microsoft Office that would not have the same price tag.

Mayor Moore stated he had no questions and thanked staff for their hard work.

Council Action: Council Member Harkness made a motion, seconded by Council Member Stearns to approve and adopt Resolution No. CCR-13-09 A Resolution of the City Council of the City of Mt. Shasta Adopting A Revised Operating Budget for Fiscal Year 2012-2013 by title only. Motion carried on a voice vote of 5-0.

12. Monthly Finance/Investment Report - January 2012 Including Budget Cash Flow & Possible Policy Changes to Support Decrease in Expenses (Finance Director)

At the hour of 8:51 p.m. Mayor Moore introduced the item and suggested in order to save time, since this matter follows the same venue as the preceding matter, that Council could ask questions at this time should they have any.

Council Member Stearns asked whether City Council Members can receive City health care benefits if they are willing to pay for the cost of the health care plan themselves.

Finance Director Terrell responded she did not know the answer to that question and would have to do some research in order to be able to come back with an answer.

13. Discussion and Possible Action RE: Follow-Up to Community Wide Forum On City Council Strategic Planning (City Manager)

At the hour of 8:53 p.m. City Manager Marconi presented the staff report.

Council Member Collings suggested the next step would be for the five Council Members to meet together again and consider their own ideas and those from the community to determine the City's priorities.

Council Member Harkness agreed that as being the next step and solidifying the City's objectives and then refine them to the specific goals the City wants to accomplish in the next two years.

Council Member Stearns stated his agreement. Council Member Stearns made the observation that there had been some Chamber Officers who had expressed an interest in participating in a round table discussion with the Council regarding the community and economic interests. Council Member Stearns suggested the Council holds a second meeting at which the Chamber is invited to participate.

Council Member Burns stated support for Council Member Harkness' suggestion as it is important to do a follow up meeting for Council to consider goals and objectives. Council Member Burns asked whether the Chamber Officers had provided any feedback or had indicated their concerns as to why they want to meet with the Council.

Council Member Stearns noted the City works with the Chamber in terms of events and provides the Chamber with funding. Council Member Stearns made the observation the Mayor has suggested there should be more events held in Mt. Shasta, something he also supports, and there needs to be some clarification of who is going to be responsible for the additional events, who will pay for them, and how are they going to be coordinated. Council Member Stearns made the observation that is probably part of what they were interested in discussing with Council.

Mayor Moore stated support for another community meeting at which Council could do strategic planning and where members of the community, including Chamber Officers, could bring forward any issues they feel are important to the community. Mayor Moore pointed out the City Manager acts as a liaison for the City by attending Chamber Board Meetings. Mayor Moore suggested Council could also set timelines for the issues that are brought forward at that meeting as to when they might be accomplished by the City. Mayor Moore made the observation that appears to be what the other Council Members have stated their support for as well.

Council Member Stearns made the observation that is not what he had heard from the Council. Council Member Stearns stated the understanding there seemed to be support for another City Council Workshop to consider the information received from the community and that Council could come up with their priorities at that meeting.

Council Member Harkness suggested the next step as being a follow-up meeting with the five Council Members within the next two weeks to define Council's objectives and goals. Council Member Harkness made the observation that perhaps after that Council could meet with the Chamber of Commerce as suggested by Council Member Stearns or alternatively that the meeting includes the Chamber and other entities in the community to help to refine those goals. Council Member Harkness suggested Council could consider the next step following another meeting of only the five Council Members.

Mayor Moore pointed out that all Council Meetings are open to the public so he was suggesting welcoming all of the community to come to the meeting if they wish to expound on their ideas, he did not believe it necessary to meet solely with the Chamber Board.

Council Member Harkness agreed that is okay because everyone is invited to come to City Council meetings at any time but his understanding of what Council Member Stearns had said is that at some point Council would give a specific invitation to an entity, such as the Chamber, in order to provide direct input. Council Member Harkness made the observation that a specific invitation might be appropriate at times and he questioned whether Council needed to send out a formal invitation to any one organization aside from the five Council Members for this next meeting.

Mayor Moore stated the importance of having the CEDAC members at that meeting as well.

Council Member Stearns pointed out there is a difference between a workshop and a regular meeting because at a workshop the Council doesn't take action, there is only discussion taking place.

Council Member Harkness suggested that within that realm was Council's discussion and the defining of objectives and goals that Council would like to pursue. Council Member Harkness made the observation that Council would define but could take no action on those goals.

Council Member Burns made the observation that Council has heard from the public and has received their input, has reconvened at an open Council Meeting to consider the input received and determine how they align with our goals and objectives and then from there he asked whether it was necessary to have a second follow up back to the public at which Council sets forth the issues they themselves have decided to be the City's priorities or is that done through a different forum?

Council Member Stearns responded that if Council has a workshop to discuss goals and objectives he believes an agenda item would follow.

Council Member Burns summarized that the City would have heard from the public, applied that public input into the two year goals and objectives decided upon by the City Council and then Council would provide an opportunity for input and feedback. Is that correct?

Mayor Moore responded in the affirmative and there was a consensus of the Council with the process as described by Council Member Burns.

Council Member Stearns suggested there was a consensus of the Council to hold the next Council Member workshop meeting prior to Council's next regular meeting.

Council discussion took place to determine the best time and day to hold a meeting next week.

Deputy City Clerk Studer stated the understanding the best day for the workshop appeared to be Monday, March 4th and she would take the appropriate actions for holding the meeting.

14. Brown Act Committee Minutes/Meetings:

- a. Minutes of January 23, 2013 Beautification Committee Adjourned Regular Meeting

No comments were noted.

15. Reports RE: Attendance at Outside Meetings

No comments were noted.

16. Future Agenda Items:

- **Amendments to CDBG Program Policies and Procedures**
- **Public Hearing and Adopt Resolution RE: Approving An Application for Funding from the Community Development Block Grant (CDBG) Program**

At the hour of 9:10 p.m. Council Member Stearns noted the need to add the ATAC Grant Application item to the list. Council Member Stearns requested that discussion and possible action to direct the Planning Commission to revisit the Sign Ordinance for possibly changing some portions of the Ordinance, perhaps changing wattage to lumens, be added to this list. Council Member Stearns requested information from staff regarding the availability of Prop 20 funding for undergrounding of utilities.

Mayor Moore stated his support for staff providing information on the availability of Pacific Power funding for undergrounding of utilities.

Deputy City Clerk Studer stated the understanding that another future additional item is consideration of the proposal from a consultant to provide City Manager recruitment services.

17. Council and Staff Comments

At the hour of 9:13 p.m. Mayor Moore expressed his thanks to the Council for staying on task tonight in order to get through all of the items that are on the agenda and getting that accomplished earlier than he had anticipated.

At the hour of 9:21 p.m. Mayor Moore adjourned the meeting to Closed Session; reconvened at the hour of 9:38 p.m.

18. Closed Session

- a. Liability Claims – Pursuant to Government Code §54956.95 - 4 Cases
Claimants – 1) Donna L. Saunders; 2) Steve R. Hector; 3) Cold Creek Inn; and 4) Nathan Gilliam
Agency claimed against: City of Mt. Shasta

Mayor Moore reported that Council had provided direction to staff and had taken no action on the four Claims discussed during the Closed Session.

19. Adjourn

There being no further business before the Council, the meeting was adjourned at the hour of 9:39 p.m. to the next Regular City Council Meeting to be held on Monday, March 11, 2013 at 6:30 p.m.

Respectfully Submitted,

Sandra K. Studer

Sandra K. Studer, Deputy City Clerk
For John E. Kennedy, Sr., City Clerk