

**MT. SHASTA CITY COUNCIL REGULAR MEETING MINUTES**  
**MONDAY, JUNE 24, 2013; 6:30 p.m.**  
**Approved as Submitted – July 8, 2013**

**1. Call to Order And Flag Salute**

At the hour of 6:32 p.m. Mayor Moore called the meeting to order and led the audience in the recitation of the Pledge of Allegiance.

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**2. Roll Call**

**Present:** Council Members Michael Burns, Sr., Jeffrey Collings, and Mayor Tom Moore; Council Member Stearns arrived in time for Item 6.

**Absent:** Council Member Geoff Harkness.

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**3. Public Comment: NONE**

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**4. Approval Of Minutes:** Minutes of June 10, 2013 Regular City Council Meeting  
Minutes of June 19, 2013 Special City Council Meeting

**Council Action:** Council Member Burns moved, seconded by Council Member Collings to approve the minutes of the June 10, 2013 Regular City Council Meeting and June 19, 2013 Special City Council Meeting. Motion carried on a voice vote of 3-0 with Council Members Harkness and Stearns noted as absent.

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**5. Special Presentations & Announcements – NONE**

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**6. Consent Agenda - The City Manager recommends approval of the following Consent Agenda items:**

**a. Approval of Disbursements:** Accounts Payable: 06/6/13, and 06/13/13

Total Gross Payroll and Taxes: For Period Ending 06/09/2013

**b. Adopt Resolution No. CCR-13-XX RE: Establishing An Appropriations Limit For Fiscal Year 2013–2014 (Finance Director)**

**c. Mayoral Appointment of Melanie Findling to fill the Vacancies on the ATAC Committee**

**Council Action:** Council Member Collings moved, seconded by Council Member Stearns to approve Consent Agenda Items **6a-6c** including the adoption of Resolution No. CCR-13-26: Establishing An Appropriations Limit For Fiscal Year 2013–2014 by title only. Motion carried on a voice vote of 4-0 with Council Members Harkness noted as absent.

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**7. Adopt Resolution No. CCR-13-XX RE: Issuing A Taxicab Permit To Shelly Craig DBA: Road Runner Taxi Cab And Setting Levels For Security Against Claims For Damages (Finance Director)**

**Council Action:** Council Member Stearns moved, seconded by Council Member Collings to approve and adopt Resolution No. CCR-13-27 A Resolution of the City Council of the City of Mt. Shasta Issuing A Taxicab Permit To Shelly Craig DBA: Road Runner Taxi Cab And Setting Levels For Security Against Claims For Damages by title only. Motion carried on a voice vote of 4-0 with Council Members Harkness noted as absent.

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**8. Mayoral Appointment of Ad Hoc Committee to Work with Consultant on Wastewater Treatment and Disposal Feasibility Study**

Paul Reuter of PACE Engineering, was present to answer any questions the Council had regarding the Ad Hoc Committee. Paul Reuter requested Council involvement in order to ensure that when the final presentation was presented it would not be the first time the Council had heard about the study.

Mayor Moore appointed Council Members Collings and Stearns with Council Member Burns as an alternate. Council Member Stearns deferred to Council Member Burns or Council Member Harkness. Mayor Moore appointed Council Members Collings and Burns with Council Member Stearns as an alternate to work with PACE.

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**9. Consider Resolution No. CCR-13-XX RE: Adopting An Operating Budget For Fiscal Year 2013–2014 And Approving Authorized Positions for the Fiscal Year (City Manager/Finance Director)**

City Manager Marconi presented the staff report. The current proposal incorporates freezing the two current vacant positions, one in the Police Department and one in Public Works Department. The proposal includes community participation that Council agreed to fund at the last meeting as well as the one time expenditure items discussed at the last work shop.

Mayor Moore opened up the discussion to comments.

Police Chief Cross spoke regarding the hiring freeze and the profoundness of the decision and how it adversely affects the community and the Police Department. In the last two and a half years the City Police Department has responded to 14,000 calls for service. In addition there were approximately 600-700 cases per year. 97% of the time the current officers are working alone during their 12 hour shifts. After 3am there is no Sheriff's Department. CHP is available but is stretched between La Moine to North Weed and will only have two or three officers on during that time. The Department is currently a reactive department and do not do preventative police work due to only one officer on at a time and the amount of calls that occur during that time frame. In addition, any transports for arrests require a 70 mile round trip to the jail, which reserve officers were once relied on to assist. Two reserve officers have recently been lost, dropping numbers further. Court requirements and training also affect the schedule. The Department is vulnerable. In regards to the community and victims that are out there, the Department could be doing a better job by filling the vacant position. Morale and safety of the officers is a concern due to the officers being alone for 12 hours, without dispatch after 3am. The impact of having another officer as backup would impact not only the safety aspect but also the emotional wellbeing of the officers who are at a high risk for suicides, domestic violence, and substance and alcohol abuse. Police Chief Cross expressed that the safety of the community and his officers are number one and the department is not doing an adequate job on either of those aspects. 22% of the department is not available to work.

Council Member Stearns stated that if the Council had a choice that they would fill that position. However the budget has already been cut, but Council hopes that by mid-year the budget will have the turnaround necessary to fill the position. Council Member Stearns suggested other alternatives that Police Chief Cross could explore such as half time or quarter time positions and return to the Council.

Public Works Director Bryan stated that the decision to freeze the position will have a large impact on the Public Works Department. The Department has to maintain the streets, water, and sewer collection system and is currently operating two positions short. It is increasingly more difficult to accomplish the projects and maintain the same level of service. Due to time off, sick time, and vacation time the Department is at a minimal crew while maintaining the appearance that the missing positions are not a significant impact. The critical projects such as Fourth of July and chip sealing projects have been accomplished, but it is the smaller projects that the community and the Council do not see that will suffer. A position down will have a significant impact on snow removal season, which will require putting more money out to pay equipment operators. Public Works Director Bryan reiterated that between funding the equipment replacement or personnel, which without the personnel there is no sense in having the equipment. Currently there are only 5 people on call which has negatively impacted morale. Public Works Director Bryan stated that another concern is that this position is frozen temporarily however it is unknown when that position can be filled. Previously the Utilities position had been frozen and has not been returned which has resulted in the loss of that position. If the current vacancy is frozen, the fear is that it will remain frozen.

Mayor Moore asked if there is a way to bring on both positions with the auspice that the positions are temporary until mid-year review of the budget. Mayor Moore stated that he understood the fear of when the mid-year review arrives that fear and trepidation from the Council would continue to keep the positions frozen. Mayor Moore restated the question if there was a way to have both positions and that they will become permanent after the mid-year budget review.

Public Works Director Bryan stated that it is year probation for the Public Works Department, so the position is not permanent for a year.

Police Chief Bryan stated the probation is the same for the Police Department.

Council Member Stearns stated that probation is different than being temporary. Nothing prevents Council from looking at this in November or December instead of January or February.

Mayor Moore wants to do everything that the Council said that they would do. Council would be filling those positions, but if the budget does not rebound then those positions would be gone. This statement could be added to the position contracts.

Council Member Burns asked if that when the positions are filled, they are hired on as probationary but also as a permanent employee.

Mayor Moore clarified that it would be called an introductory period and would be introducing the employee to the company.

Council Member Burns clarified that these employees would be under PERS and Union. Council Member Burns stated that other than the probationary period there would be no other exclusions for those employees.

City Manager Marconi stated that the labor law is somewhat confusing in this regard and that Mayor Moore is correct in stating that there is no longer a probationary period. When introductory periods occur it means that an employee is under more scrutiny.

Council Member Burns stated that from the Federal Sector, employees have a probation period and up until the last day for due cause can be released.

Council Member Stearns stated that there is a difference between due cause and without cause and in this case it was without cause. The question is can the employees be terminated without cause and the answer is no.

Mayor Moore clarified that he said with cause and with the clause that the employees understand that should the budget not rebound and falls below the 10% that the employees will be terminated.

Council Member Collings stated that this is not the issue and that the issue is cash flow. There were two Chiefs present here while Fire also needs monies as well. Council Member Collings stated that the three Department Heads should get together. Within 90 days, staff should know the state of the budget and then the three Department Heads can work together to determine which positions are funded in what order. Department Heads would work with the City Manager and present to the Council. Council Member Collings admitted that he cannot make a decision on which department is more deserving of the funds.

Police Chief Cross stated that it is part of the Council's job to make that decision.

Council member Collings stated that it is the City Manager's job.

Police Chief Cross reminded Council that the City Manager did present a budget that incorporated the two positions.

Public Works Director Bryan stated that the budget had also been at a level of reserve that the Council had indicated in the past that they were comfortable with.

Council Member Collings stated that the proposed budget did not include the Fire Department overtime.

Council Member Stearns stated that the Public Works department should not feel that this position is permanently gone. Council Member Stearns stated that it is his intent to fill the position and if the funds were present that both positions would be filled.

Police Chief Cross requested to know what the criterion was in where the Council would increase the level of service and allow the two positions.

Council Member Stearns stated that the Council would look at that in September or October when the mid-year budget is reviewed. Council Member Stearns indicated that the Department Heads would be able to speak with the Finance Director to see if the Finance Director believes there is funding or not.

Public Works Director Bryan asked if the revenue projections for this year are higher than last year.

Mayor Moore affirmed that revenue projections for this year were higher than last year.

Public Works Director Bryan reminded Council that these two positions have been funded last year with less revenue. Public Works Director Bryan asked that if the positions were funded last year and the request is to continue to be funded, why the positions no longer are being funded.

Council Member Stearns stated that the Department Heads have seen the budget and that money is being taken out of savings to make ends meet.

Mayor Moore stated that he wanted to pass the resolution approving the two positions. Mayor Moore restated that the City Manager makes the budget and yet the Council has taken the budget and disagreed. Mayor Moore wished to make it clear that the positions could be removed mid-year, however the fear is that come mid-year the Council will believe the revenue is not as high as it should be and continue to postpone the positions. Mayor Moore believes the TOT and sales will be up, however Labor Negotiations are the undetermined factor. Mayor Moore posed the question that if they do not fund these positions now, when will the Council fund the positions.

Public Works Director Bryan proposed a question regarding 30 days.

Mayor Moore stated to bring the employees on now and review in mid-year. Within 30 days, negotiations may not be finalized. Mayor Moore moved to approve and adopt Resolution No. CCR-13-28 A Resolution of the City Council of the City of Mt. Shasta Adopting An Operating Budget For Fiscal Year 2013–2014 And Approving Authorized Positions for the Fiscal Year including the Public Works and Police Department positions.

Council Member Burns reminded Council that the City Manager had presented a budget that included the two positions that brought the reserve down to an acceptable level. Council voted at that time with a 4-1 vote. Council Member Burns clarified if Mayor Moore was re-entertaining that vote.

Mayor Moore clarified that Council gave Staff direction of where to present the budget and that there was not a vote on the budget. Mayor Moore stated that he is rescinding his the previous vote.

Council Member Burns seconded.

Council Member Stearns opened discussion and reminded Council of the previous discussion regarding the disruption it would cause of hiring and laying off employees. Council Member Stearns stated that the Council is dipping into the savings and with the positions the Council would be dipping into savings even more hoping that revenue would be there. Council Member Stearns stated that he has never been one to spend money on the assumption of money coming into the budget and that such action is not financially prudent. Council Member Stearns stated that the prudent approach would be to continue to freeze the two positions and look at the budget at mid-year.

Mayor Moore states that there will not be more information at 90 days than what the Council currently has before them. The proposed budget is not going into savings and is contains a 13.3% reserve which is higher than the current adopted budget. Mayor Moore would rather error on the side that the budget will have the finances to keep the positions. In the past, positions have been frozen and then those positions are never funded.

Finance Director Terrell stated that in 90 days Staff would know TOT, sales tax, and where the ending fund balance would be which would provide the exact amount of carry over into the next year.

Council Member Collings asked if labor negotiations would be concluded by that time.

Council Member Stearns verified that historically labor negotiations would be completed by that time.

Council Member Collings asked what the financial ramifications of approving both positions were.

City Manager Marconi referred to the budget on page 42.

Council Member Stearns clarified that the 9.8% contingency did not include any appropriation for vehicle or equipment replacement or for fire.

Council Member Collings added that the budget did not include appropriations for labor increases. Council Member Collings stated that he is not supportive of the motion. Council Member Collings would like to fund the two positions and in 90 days the Council would know more. In 90 days the information would be clearer and that the three Departments would be able to determine how to fund the positions, including fire.

Mayor Moore repeated his concerns of if the positions are not funded will they permanently be removed. Worst case scenario would be laying off the employees. The best case scenario would be improving morale which coincides with labor negotiations.

**Council Action:** Mayor Moore moved, seconded by Council Member Burns to approve and adopt Resolution No. CCR-13-28 A Resolution of the City Council of the City of Mt. Shasta Adopting An Operating Budget For Fiscal Year 2013–2014 And Approving Authorized Positions for the Fiscal Year including the Public Works and Police Department positions by title only. Motion died on a voice vote of 2-2 with Council Members Harkness noted as absent.

**Council Action:** Council Member Stearns moved, seconded by Collings to approve and adopt Resolution No. CCR-13-28 A Resolution of the City Council of the City of Mt. Shasta Adopting An Operating Budget For Fiscal Year 2013–2014 And Approving Authorized Positions for the Fiscal Year by title only. Motion died on a voice vote of 2-2 with Council Members Harkness noted as absent.

Council Member Stearns asked Council Member Burns what needed to change for him to vote yes.

Council Member Burns stated that last meeting a budget had been presented that included the two positions and though it brought the reserves down below 10% it was not out of the range of acceptance with finances of the upcoming year favorable. Council Member Burns still supports having those two positions filled. Council Member Burns brought up a concern of what would happen in six months if the budget does not allow for the positions and the Council has to put off the positions for another six months. Council Member Burns stated that Fire does have support through mutual aid and Calfire and though he would like to fund Fire as well, the other two positions do not have support. The budget was there to support both of those positions.

Council Member Stearns asked if Council Member Burns would be willing to adopt the budget as presented if a 90 day review was added.

Council Member Burns responded that he would refer to the Police Chief and Public Works Director on what impact 90 days would have on their departments.

Police Chief Cross stated that he would be the person laying off the employee. However, with the 14 week FTO requirement, he could bring on a new officer as a reserve to complete the training required for the officer to patrol on their own. If that officer were to be laid off, that officer could now be a reserve that is fully trained and can accomplish shift work on their own.

Council Member Burns confirmed with the Finance Director that in 90 days the Council would know the outcome of the budget.

Council Member Stearns clarified with Police Chief Cross that the new officer would go through the FTO training in the 90 days and at the end of the 90 days that reserve officer would be hired.

Police Chief Cross stated that if the position remains frozen, he will still finish the process with the officer and bring him on as a reserve, however that officer works at another employ which translates to 16 hours of FTO training a month which would take years to complete.

Council Member Stearns will not adopt a budget that goes below 10%. Council Member Stearns posed the question of if it is possible to hire a Police Officer and Public Works Employee part time. Council Member Stearns posed the question if the Departments heads could create a compromise that would assist the Council.

Mayor Moore clarified that the person hired for the Police Department needs a 40 hour a week job and at 20 hours a week would not complete the training by the time that officer is needed. Mayor Moore motioned to adopt the resolution including the Public Works and Police Department positions with a review at 90 days.

Council Member Burns seconded.

Council Member Collings clarified that the motion is to adopt the budget, including the two positions to be hired now with a 90 day review to determine whether or not the employees will remain.

Mayor Moore stated that if the Council waits for 90 days then the Department is three months behind having the officer trained. This would also be a positive statement for the labor negotiations.

**Council Action:** Mayor Moore moved, seconded by Council Member Burns to approve and adopt Resolution No. CCR-13-28 A Resolution of the City Council of the City of Mt. Shasta Adopting An Operating Budget For Fiscal Year 2013–2014 And Approving Authorized Positions for the Fiscal Year including the Public Works and Police Department positions with a review at 90 days by title only. Motion died on a voice vote of 2-2 with Council Members Harkness noted as absent.

City Manager Marconi provided options to the Council regarding possible budgets. One option is funding the two positions as part time positions for no more than 90 days to guarantee that the Council revisits the budget in 90 days and the employees only expect a 90 day position. Another option is to adopt a budget that includes the positions in full however the positions are frozen for 90 days. This option keeps the two positions and saves approximately a quarter of the funds of those two positions.

Council Member Stearns asked what the finances involved were if the positions are frozen for 90 days and funded thereafter.

City Manager Marconi approximated \$120,000 is being discussed. If the two positions were frozen for 90 days, essentially \$30,000 would be saved which would bring the contingency up from \$282,000 to \$312,000.

Council Member Stearns clarified that assumes no change in pay in regards to labor negotiations.

City Manager Marconi stated it would bring the budget up to a 10.7% contingency.

Council Member Stearns stated that historically any changes in pay have not been more than 1% to which City Manager Marconi confirmed. Council Member Stearns also stated that labor negotiations historically have been settled by the end of September.

City Manager Marconi stated that if the Council authorizes the appropriations for those positions as well as freeze those positions, within 90 days the City would have the \$30,000.

Council Member Stearns stated that if the Council does not appropriate those funds as it is more than the projected revenue, the Council would be adopting a budget that has greater expense than revenue without considering the financial effect of the labor negotiations.

City Manager Marconi stated that any budget that is adopted for this year will have a greater expense than revenue, expect for the budget that removes the two positions.

Mayor Moore stated that if a motion was made to approve the budget that includes the two positions and freeze those two positions for 90 days until mid-year than in 90 days the funds would be available for those positions. If the Council approved a budget where funds were not appropriated for those two positions, the Council would have to return in 90 days to re-appropriate additional funds to the budget.

Council Member Collings agreed with Mayor Moore regarding having the funds in the budget and freeze the two positions until mid-year.

Mayor Moore moved to approve the budget for \$2,975,081 and freeze the two positions within the Police Department and Public Works for 90 days.

Council Member Stearns clarified the motion to include authorizing the two positions.

Police Chief Cross requested to know what the criteria were to hire those positions after the 90 days.

Mayor Moore stated that if labor negotiations go poorly, the budget will not support the two positions. However, if the labor negotiations remain as projected, then the budget will have the monies to fund the two positions.

Council Member Stearns clarified the motion further by stating that the positions would be frozen for 90 days and the funds would be appropriated and authorized for those positions to ensure that they do not go away permanently. Council would be announcing a budget and freezing the positions to ensure all expenses are covered and in 90 days the Council would take action to freeze further or not continue to freeze those positions.

Mayor Moore stated that the difference is that the monies would be available for those two positions and the Council would not have to re-appropriate the funds in 90 days.

Police Chief Cross requested to know the determining factor to proceed with hiring or to not hire.

Mayor Moore stated that if the monies are in the budget which is approved then in 90 days the Council could see that nothing in the budget has changed and the positions can be filled.

Council Member Burns clarified that in 90 days the two positions would be filled if the Finance Director has determined that nothing has changed within the budget. Council Member Burns asked how this motion would impact the Police Chief and the Public Works Director.

Police Chief Cross stated that it would delay counteracting any staff shortages and postpone the FTO training.

Mayor Moore stated that the Police Chief still maintains the ability to return to Council before the 90 days should a staff shortage occur.

Council Member Stearns stated that nothing at this time would prevent Police Chief Cross from returning to the Council should an employee be lost.

Mayor Moore clarified that an employee would not be lost but rather if an employee goes on workman's comp and there is a void that needs to be filled, the Council would be moving sooner than was expected.

Council Member Stearns stated that further action by the Council would then need to be made as the motion is set to freeze those two positions.

Mayor Moore stated that the Council would have to take action, however the monies would already be appropriated for that position.

Council Member Burns referred to the Public Works Director regarding the 90 day impact on the department.

Public Works Director Bryan stated that the department would get by however the department would complete fewer projects.

Council Member Burns stated that the Council needs to be receptive to the fact that the Public Works department is down a position and those expectations of completed projects needs to change.

Mayor Moore requested a second.

Council Member Collings seconded.

City Manager Marconi asked to clarify the motion.

Mayor Moore clarified the motion.



City Manager Marconi stated that the Council will be approving the previous proposed budget that includes the two positions that will be filled after October 1, 2013.

Council Member Stearns asked City Manager Marconi why the budget would not be reduced by \$30,000. The authorized expenditure should reflect the freezing of positions for 90 days.

City Manager Marconi stated that calculations could not be made quickly at this time due to the spread of funds throughout the budget from removing the two positions at Councils previous request. Staff will provide a revised budget with the proposed changes mid-year for review.

**Council Action:** Mayor Moore moved, seconded by Council Member Collings to approve and adopt Resolution No. CCR-13-28 A Resolution of the City Council of the City of Mt. Shasta Adopting An Operating Budget For Fiscal Year 2013–2014 And Approving Authorized Positions for the Fiscal Year including the Public Works and Police Department positions which will remain frozen until a review at 90 days by title only. Motion carried on a voice vote of 3-1 with Council Member Stearns voting no and Council Members Harkness noted as absent.

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**10. Consider Resolution No. CCR-13-XX RE: Adopting A Five Year Capital Improvement Program (CIP) for Fiscal Years 2013-2014 to 2017-2018 (City Manager)**

**Council Action:** Council Member Stearns moved, seconded by Council Member Burns to approve and adopt Resolution No. CCR-13-29 A Resolution of the City Council of the City of Mt. Shasta Adopting A Five Year Capital Improvement Program (CIP) for Fiscal Years 2013-2014 to 2017-2018 by title only. Motion carried on a voice vote of 4-0 with Council Members Harkness noted as absent.

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**11. Consider Resolution No. CCR-13-XX RE: Adopting A Five Year Fleet & Equipment Replacement Program for Fiscal Years 2013-2014 to 2017-2018 (City Manager)**

**Council Action:** Council Member Stearns moved, seconded by Council Member Burns to approve and adopt Resolution No. CCR-13-30 A Resolution of the City Council of the City of Mt. Shasta Adopting A Five Year Fleet & Equipment Replacement Program for Fiscal Years 2013-2014 to 2017-2018 by title only. Motion carried on a voice vote of 4-0 with Council Members Harkness noted as absent.

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**12. Brown Act Committee Minutes/Meetings - NONE**

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**13. Reports RE: Attendance at Outside Meetings**

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**14. Future Agenda Items:**

- **Adopt Resolution No. CCR-13-XX RE: Approving The City's Investment Policy (Finance Director)**
- **Adoption of An Illness & Injury Prevention Plan (City Manager/Police Chief)**
- **Annual Fire Assessments (See CCR-12-36 Dated 07-23-2012)**
- **Report on Deed for Centennial Park**

Council Member Stearns requested an update on the RFP for the IT Bid.

Mayor Moore requested to discuss a proclamation for Jim Parker day around his birthday of February 4<sup>th</sup>.

Council Member Stearns requested to create an Ad hoc subcommittee to meet with the Dunsmuir City Council to discuss mutual factors.

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**15. Council and Staff Comments**

At the hour of 8:07 p.m. Mayor Moore adjourned the meeting to Closed Session; Reconvened at the hour of 8:41p.m.

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**16. Closed Session**

- a. Conference With Labor Negotiator – Pursuant to Government Code §54957.6  
Agency Negotiators: City Manager and Director of Finance  
Employee Organization: Operating Engineers Local Union No. 3; Police and Police Communications Dispatcher Units; and Teamsters Union: Miscellaneous Unit
- b. Public Employment – Pursuant to Government Code §54957  
Position to be filled – City Manager

Mayor Moore reported that staff had been provided with direction and no final action was taken on the Closed Session items.

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**17. Adjourn**

There being no further business before the Council, the meeting was adjourned at the hour of 8:42p.m. to the next Regular City Council Meeting to be held on Monday, July 8, 2013 at 6:30p.m.

Respectfully Submitted,

*Kimberly Barden*

Kimberly Barden, Deputy City Clerk/Administrative Assistant  
For John E. Kennedy Sr., City Clerk