

THIS NOTICE AND AGENDA WAS POSTED ON THE WINDOW BULLETIN BOARD OF CITY HALL BY 6:00 PM ON THE 29TH DAY OF APRIL 2011 IN ACCORDANCE WITH GOVERNMENT CODE §54954.2. MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE CITY COUNCIL FOR THE CITY OF BIGGS AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION IN CITY OFFICES AT 465 C STREET, BIGGS, CA DURING NORMAL BUSINESS HOURS.

THIS SPECIAL MEETING WILL BE HELD IN COUNCIL CHAMBERS, 3016 SIXTH STREET, BIGGS, CA
AGENDA of the CITY COUNCIL
CITY OF BIGGS
6:00 PM - MONDAY
MAY 2, 2011
SPECIAL MEETING

1. SPECIAL MEETING CALLED TO ORDER.

The Council will announce the opportunity for public comment at some point during the Council's consideration of each action item on the agenda. Please limit comments to five minutes per person per topic. Once the public comment period is closed, the public is asked to refrain from comment, allowing the Council the opportunity to continue its consideration of the item without interruption.

p. 1-5
2. PUBLIC HEARING: *Water Service Rates – Consideration of Amending Chapter 10.10 of the Biggs Municipal Code to Increase Water Services Rates. (Proposition 218)*
Consideration of Protests

Public Hearing Procedures:

- A. Staff comments.
- B. Open the hearing to the public.
 - 1. Proponents.
 - 2. Opponents.
 - 3. Proponents rebuttal.
 - 4. Opponents rebuttal.
- C. Close hearing to the public.
- D. Council discussion.

Recommendation: Move for FIRST READING and INTRODUCTION of ordinance by reading of title only.

ORDINANCE NO. 392 “AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIGGS AMENDING CHAPTER 10.10 OF THE BIGGS MUNICIPAL CODE (CITY WATER SYSTEM) TO INCREASE WATER SERVICE RATES.”

3. RESOLUTION:

p. 7-9
RESOLUTION NO. 2011-10 “RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIGGS RELATING TO THE CALIFORNIA DEPARTMENT OF WATER RESOURCES’ EARLY IMPLEMENTATION GRANT FUNDING PROGRAM – AS A FORMAL ACKNOWLEDGMENT OF THE CURRENT LEVEL OF FLOOD RISK WITHIN THE CITY OF BIGGS.”

p. 10-13
4. STUDY SESSION: City Council and Administrator will discuss budget considerations and assumptions being made in the formulation of the Fiscal Year 2011-12 budget. This is expected to be the first of several budget discussion meetings.

5. ADJOURNMENT:

Presented by:



Peter R. Carr, City Administrator (for the City Clerk)

April 29, 2011



City of Biggs

Agenda Item Staff Report for the Special City Council Meeting: May 2, 2011 6:00PM

DATE: April 29, 2011
TO: Honorable Mayor and Members of the City Council
FROM: Pete Carr, City Administrator/Finance
SUBJECT: Water Rate Adjustment (Public Hearing/Action)

Council will consider proposed adjustments to water rates which are expected to result in increased water service fees for many customers and revenue generation sufficient to balance the city water utility expenses, including operations and capital improvement debt service. This hearing is part of the required public notice process for utility rate adjustments.

Background

Extensive discussions, research and data analysis, plus input from a citizen's water rate advisory committee, resulted in the February 2011 issuance of a public notice of intent to modify the structure of the City's water rates and increase the capital improvement charge. Data and details are in February 28th and previous staff reports and meeting minutes.

This evening's proposed action is to adopt an ordinance which carries out the Council's intention to provide a more equitable distribution of cost sharing among customers, while meeting the utility's fixed and variable operational cost coverage. The ordinance may be adopted as-is or modified. A second hearing and final adoption is scheduled for May 16th, with anticipated application of new rates in the May/June billing cycle; this is typically a consent calendar item.

Appropriate notices were mailed to customers 45 days in advance of this hearing, describing the amount of the rate adjustment, stating the effective date of the adjustment if approved, advising the customer of the protest procedure, and stating the date of the public hearing. The notices for water fees did not include ballots. Instead, those who wish to protest were instructed to submit a written protest (usually in the form of a letter). The City Clerk tabulates and reports the protests received.

Attachment: Proposed Ordinance 392

Recommendation:

Adopt Ordinance 392 by reading of the title only.

Fiscal Impact of Recommendation:

For customers, this ordinance will tend to levelize the share of costs of owning and operating the city water system by raising the metered base allotment to a volume which will include most customers' irrigation requirements most of the time. All customers will incur a rise in the monthly capital improvement fee from \$4.25 to \$13.15 – an amount which will cover roughly half of the City's debt obligation on its water system infrastructure improvements (the balance coming from operational revenue). The modified operations charge and the increased capital fee is expected to result in a combined increase of \$15,000/yr for operations and \$60,000/yr for the water system improvement fund, starting in July 2011.

ORDINANCE NO. 392

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIGGS AMENDING
CHAPTER 10.10 OF THE BIGGS MUNICIPAL CODE
(CITY WATER SYSTEM) TO INCREASE WATER SERVICE RATES**

WHEREAS, Section 10.10.080 of the Biggs Municipal Code provides that the City Council shall, by ordinance, establish rates for the sale of water; and,

WHEREAS, the City has determined it is fiscally responsible to increase water service rates effective June 16, 2011, and by prior action proposed to increase said rates; and,

WHEREAS, the City has identified the parcels upon which the charges will be imposed, calculated the amount of the charge to be imposed on each parcel, mailed notice to all record owners of properties responsible for water charges, wherein the City provided written notice of the proposed charges, the amount of the proposed charges, the basis for the calculation, the reason for the charge, and the date, time, and location for a public hearing not less than 45 days after the notice; and,

WHEREAS, on Monday, May 2, 2011, at 6:00 PM, the City Council held the duly noticed public hearing and considered any and all property owner protests all in accordance with the procedures previously adopted by the Biggs City Council; and,

WHEREAS, written protests against the water rates were not presented by a majority of owners of the identified parcels;

NOW, THEREFORE, the City Council of the City of Biggs does ordain as follows:

SECTION 1: Proposition 218. In accordance with Article XIII D, Section 6(b), of the California Constitution, the City Council finds that:

A. The revenues derived from the water service charges shall not exceed the funds required to provide water service, because the rates are calculated to allow the City to recover its costs.

B. The revenues derived from the water service charge will not be used for any purpose other than that for which the charge is imposed.

C. The amount of the charge does not exceed the proportional cost of the water service attributable to each parcel, because it is based upon necessary pipe size and water consumption.

D. The water service charge will not be imposed upon parcels for which water service is not available.

E. The water service charge will be used to enable the City to provide water service rather than general governmental services.

SECTION 2: Rates. The following water service rate schedules are adopted in accordance with Section 10.10.080 of the Biggs Municipal Code after mailed notice and a public hearing and Section 10.10.045(1) of the Biggs Municipal Code is hereby amended as follows:

Metered Rates:

Pipe Size	Minimum Service Charge	Minimum Usage (C.F.)	Rate per 1000 CF
3/4"	\$41.85	7000	\$8.20
1"	\$41.85	7000	\$8.20
1.5"	\$46.57	7000	\$8.20
2"	\$54.57	7000	\$8.20
3"	\$105.14	9032	\$6.20
4"	\$145.14	15,510	\$6.20
6"	\$253.14	32,984	\$6.20

Flat Rates:

Type	Flat Rate
Residential - Single Family	\$41.85
Residential - Multi Family	\$41.85
Churches/Lodges	\$52.85
Business/Retail	\$71.85
Restaurants/Bars	\$81.85
Service Stations	\$182.85
Day Care Centers & Pre School Facilities Up to 10 Children	\$52.85
Day Care Centers & Pre School Facilities More than 10 Children	\$62.85
Schools	Set Case by Case
Industrial	Set Case by Case

Note: 1.) Metered Rates are per month. Charges above the minimum usage are based on a per 1000 C.F. (cubic feet) amount.

Note 2.) The city will also collect \$13.15 per month from each account for the Capital Improvement Account.

SECTION 3: Severability. The City Council hereby declares that every section, paragraph, sentence, clause and phrase is severable. If any section, paragraph, sentence, clause or phrase of this Ordinance is for any reason found to be invalid or unconstitutional, such invalidity, or unconstitutionality shall not affect the validity or constitutionality of the remaining sections, paragraphs, sentences, clauses or phrases.

SECTION 4: Effective Date: This ordinance shall be in full force and effective 30 days after its adoption and shall be published and posted as required by law.

I HEREBY CERTIFY that the above and foregoing Ordinance was introduced on the 2nd day of May, 2011, and was passed and adopted by the City Council of the City of Biggs at a regular meeting thereof duly held on the 16th of May, 2011, by the following vote, to wit:

AYES: COUNCILMEMBER: _____

NOES: COUNCILMEMBER: _____

ABSENT: COUNCILMEMBER: _____

ABSTAIN: COUNCILMEMBER: _____

ATTEST:

APPROVED:

Roben Dewsnup
CITY CLERK

Roger L. Frith
MAYOR



City of Biggs

Agenda Item Staff Report for the Special City Council Meeting: May 2, 2011 6:00PM

DATE: April 29, 2011
TO: Honorable Mayor and Members of the City Council
FROM: Pete Carr, City Administrator/Finance
SUBJECT: Levee Repair Resolution (Action)

Council will consider changes made to a proposed resolution in support of the Sutter Butte Flood Control Agency's (SBFCA) application for project financing. References to 100-year event flood risk were removed by staff from the original draft, at the request of Council and in concurrence with the SBFCA.

Additional staff report information may be found in the April 18th meeting agenda packet and minutes.

Attachment: Proposed Resolution 2011-10

Recommendation:

Adopt Resolution 2011-10 by reading of title only.

Fiscal Impact of Recommendation:

None.

RESOLUTION NO. 2011-10

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIGGS RELATING TO THE CALIFORNIA DEPARTMENT OF WATER RESOURCES' EARLY IMPLEMENTATION GRANT FUNDING PROGRAM – AS A FORMAL ACKNOWLEDGMENT OF THE CURRENT LEVEL OF FLOOD RISK WITHIN THE CITY OF BIGGS

WHEREAS, in November 2006 the California voters approved the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, and the Disaster Preparedness and Flood Prevention Bond Act of 2006 (collectively “Proposition 1E and 84”); and

WHEREAS, the Federal Emergency Management Agency (FEMA) has determined that portions of the Feather River west levee protecting portions of Sutter and Butte Counties no longer provide 100-year flood protection; and

WHEREAS, the Sutter Butte Flood Control Agency (SBFCA) has developed a project of improvements that would rehabilitate the Feather River west levee; and

WHEREAS, the State has included the Feather River West Levee Rehabilitation Project in the State’s 2010-11 as a Capital Outlay Expenditure Project; and

WHEREAS, DWR advised SBFCA that before the State could execute a funding agreement to fund a share of the eligible project costs of its project, SBFCA must complete an application review process which includes demonstrating its financial capability to meet local cost share requirements and providing additional materials including a resolution adopted and signed by the Board of Directors of the Sutter-Butte Flood Control Agency formally acknowledging the current level of flood risk; and

WHEREAS, as a condition of granting such support, the State has required that SBFCA adopt a resolution acknowledging the present risk of flooding in the area and agreeing that any subsequent resolution which proposes to revise the related risk of flooding for the project area requires the written concurrence of the Department of Water Resources; and

WHEREAS, the City of Biggs, as a member of SBFCA, desires to additionally indicate its acknowledgment of the deficiencies of the Feather River westside levees, and its commitment to work with SBFCA in repair of said levees.

NOW THEREFORE, BE IT RESOLVED the City Council of the City of Biggs acknowledges that the condition of the existing levee system protecting the project area presents a risk of flooding; efforts are underway to improve this system; and that these efforts could result in a re-evaluation of the level of flood protection provided to City of Biggs. The City Council of the City of Biggs agrees that a change in circumstances, or a reevaluation of risk, may change the acknowledged risk of flooding.

BE IT FURTHER RESOLVED, that the Mayor of the City of Biggs and his/her designees are authorized by the Biggs City Council to represent the City of Biggs in dealings with the SBFCA and Department of Water Resources in matters relating to the Feather River West Levee Rehabilitation Program.

I HEREBY CERTIFY that the foregoing **RESOLUTION** was duly introduced, passed and adopted at a regular meeting to the City Council of the City of Biggs, held on the 2nd day of May, 2011, by the following vote:

AYES: COUNCILMEMBER _____

NOES: COUNCILMEMBER _____

ABSENT: COUNCILMEMBER _____

ABSTAIN: COUNCILMEMBER _____

ATTEST:

APPROVED:

Roben Dewsnup
CITY CLERK

Roger L. Frith
MAYOR



City of Biggs

**Agenda Item Staff Report
for the Special City Council Meeting:
May 2, 2011 6:00PM**

DATE: April 29, 2011
TO: Honorable Mayor and Members of the City Council
FROM: Pete Carr, City Administrator/Finance
SUBJECT: Study Session: Budget for Fiscal Year 2011-12 (Discussion Only)

City Administrator will present an overview of significant considerations for the FY12 budget, provide summary budget pages to review, and seek Council input. The focus of this discussion will be on the General Fund and its reserve accounts, Street Funds, and personnel costs.

Attachment: Discussion outline

Fiscal Year 12 Budget Study Session #1: May 2, 2011
City of Biggs

First session focus: Consider the big picture
Check assumptions
Focus on General Fund, street funds, personnel costs
Pete to preview draft budget pages

Next session: Enterprise funds
Expenditure cuts and additions

Big picture:

1. City continues to provide all basic and desired services in an environment of constrained resources, reduced staffing, and escalating costs of health insurance.
2. General economy is preventing growth and development, deflating property values (and thus property taxes), and making it more difficult to maintain neighborhood aesthetics.
3. City has recovered much of its lost ground in reserves. Interest earnings remain low.
4. City is barely breaking even on solid waste utility, in process of correcting in-red water utility operation, and facing large cost increase for sewer utility which is already slightly red. Water and sewer rates have been stable for five years, solid waste two years.
5. Electric utility is the main work horse for electric and general city operations, is experiencing second favorable cost year in a row. 5-year forecast suggests stability but is partly weather-dependent. Rates have not adjusted since 2008.
6. Law enforcement costs reduced by 42% last year, appear to be likely to increase 3-6% per year due to additional GBPD staffing and fuel costs. Continued SRO and K-9 funding is not assumed in the budget.

What's different in this year's budget process:

- All FY10 data is complete and tied out to audited financials and MOM system.
- FY11 projection data is more accurate with quarterly postings of allocations, tied to MOM.
- Multiple intra-fund transfers were approved and implemented to zero-out obsolete funds.
- California Independent System Operator (CAISO) security reserve funds for Biggs are now shown on summary pages.
- Staff accounting skills have leap-stepped.

Assumptions being made in FY12 budget:

- A. Electric costs will remain stable, RPS issues managed, no rate adjustment. Prop 26 will not be an issue for Biggs until the next rate adjustment case is made, if even then.

- B. Water rates will be adjusted per current rate case process, resulting in \$15,000 increase in revenue to water operating, \$66,000 to water improvement/debt service funds. All customers will normally pay the same monthly bill.

- C. Sewer utility stable. WWTP upgrade project will be revised, finalized, and obtain financing this year, start construction in 2012. Project financials will drive rate study for sewer utility. Budget does not assume any change in rates.

- D. Solid waste fund assumes 3% cost increase (fuel) for contract Jan 2012.

- E. October 2010 office staffing is restored with one employee on 25 hrs/week. This is a \$30k assumption. Contract professionals are started closer to where they ended this year and last year.

- F. Public Works staffing continues as is.

- G. Health insurance costs will rise 10% is built into budget while we work to reduce costs by shopping for carriers and plans this spring/summer. A change in this \$119k expense can significantly impact the general and all enterprise funds.

- H. General Plan Update project continues at measured pace. Policy document is completed, get halfway on EIR.

- I. No major construction projects this fiscal year except 6th Street bridge replacement in summer 2012. Replace gutter valleys in-house.

- J. No development at NBE this year, thus no impact fee revenue. City will advance work on alternative energy project but no project construction this year. Work will continue on hotel as a potential business site with opening no sooner than spring 2012.

- K. SunWest project will be complete in November, adding to job growth and reducing in-town truck traffic. May help local housing market.

- L. City will step up work to obtain grant funding for special projects, volunteer efforts to beautify the town, and neighborhood improvement by code enforcement.

- M. City may do some in-house renovation and furnishings upgrade at Biggs Community Hall.