

1. Call To Order:

The special meeting of the Biggs City Council was called to order at 6:00 p.m. by Mayor Frith. Vice Mayor Thompson and Councilmembers Arnold, Bottorff and Sheppard were present. Staff present: City Administrator Pete Carr, City Attorney Greg Einhorn, City Engineer Dave Swartz and City Clerk Roben Dewsnup.

2. PUBLIC HEARING: *Water Service Rates Adjustment.*

- A. Staff Comments. City Administrator Pete Carr reviewed the staff report and stated the introduction and first reading of Ordinance No. 392 would put into effect the rate adjustment council agreed upon in February. Proposition 218 requires a 45 day notice and an opportunity to submit protests.
- B. Mayor Frith opened the hearing to the public. No public comments.
- C. Mayor Frith closed the hearing to the public.
- D. Council Discussion. Vice Mayor Thompson asked how many protest letters were received. City Clerk Roben Dewsnup stated seven valid and two non-valid letters were received.

City Attorney Greg Einhorn stated because the number of letters was so far below 50 percent, the protest letters did not need to be validated.

Councilmember Arnold stated his desire would be to split the water rate increase over the next three years.

Councilmember Sheppard asked if the meters had been installed at SunWest Mill. Mr. Carr said the meters were on order. Mayor Frith asked for a follow-up about the meters before the next meeting.

First Reading and Introduction **ORDINANCE 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.”** (Frith/Thompson, MCU)

Mayor Frith asked to track the revenues from the rate increase and evaluate in six months.

- 3. **RESOLUTION:** Mr. Carr stated all of the Sutter Butte Flood Control Agency Members were asked to pass a resolution recognizing their flood risk due to inadequate levees. This resolution is needed by the agency in order to seek federal financing for the levee repair project. Mr. Carr reminded council this resolution had been introduced at the April 2011 City Council Meeting and council was concerned with some of the statements made in the resolution. Mr. Einhorn worked with the agency to re-write the resolution.

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.” (Thompson/Bottorff, MCU)

The city attorney and engineer were excused at 6:23 p.m.

4. STUDY SESSION: Mr. Carr presented an overview of significant considerations for the FY12 budget:

- City continues to provide all basic and desired services.
- General economy is preventing growth and development, deflating property values and making it more difficult to maintain neighborhood aesthetics
- City has recovered much of its lost ground in reserves.
- City is barely breaking even on solid waste utility, is in process of correcting in-red water utility operation, and is facing large cost increases for sewer utility which is already slightly red. Water and sewer rates have been stable for five years, solid waste two years.
- Electric rates are stable.
- Law enforcement costs reduced by 42% last year and will likely increase 3-6% per year due to additional police department staffing and fuel costs.

Resident Jon Crawford stated his concerns about the police contract and felt the city should draw the line and set standards for this contract.

Mr. Carr discussed differences 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 allocation, tied to MOM.
- Multiple intra-fund transfers were approved and implemented to zero-out obsolete funds.
- California Independent System Operator security reserve funds for Biggs are now shown on summary pages.
- Staff accounting skills have leap-stepped.

Mr. Carr outlined assumptions for FY12 budget.

- Electric costs would remain stable.
- Water rates would be adjusted resulting in \$25,000 increase in water operating, \$66,000 to water improvement/debt service funds.
- Sewer utility should remain stable.
- Solid waste fund assumes 3% cost increase for contract January 2012.
- The employee out at this time will be back at 25 hours a week. Contract professionals are started closer to where they ended this year and last year.

Mayor Frith stated his concerns about starting at a high point for contract professionals. He would like to start at a more conservative number and then authorize additional work as needed. Vice Mayor Thompson didn't feel it would make sense to budget low when it was known the professional costs would be higher. After much discussion, council agreed to budget low for professional services.

- Public works staffing will continue as is.
- Assumed that health insurance costs will rise 10%. City administrator is working to reduce costs by shopping for carriers and plan this spring/summer.
- General Plan Update project would continue at measured pace. Council could not agree whether to continue this project or not. More discussion was needed.

- No major projects were planned. The Sixth Street Bridge replacement could possibly take place next spring or summer. Gutter valley replacement could be accomplished in-house.
- Assume no development at North Biggs Estates this year. City will advance work on alternative energy project but no project construction this year.
- SunWest project will be complete in November, adding to job growth and reducing in-town truck traffic.
- City will step up work to obtain grant funding for special projects.
- City may do some in-house renovation and furnishings upgrade at Biggs Community Hall.

Mr. Carr reminded council general fund money comes from electric fund, property and VLF taxes, licenses and fees. Fifty-nine percent of the general fund goes to fire, police and animal control.

Mr. Carr reviewed the 2010-11 and 2011-12 Budget Summaries provided to council at the meeting.

Council discussed looking at costs for Biggs Community Hall and possibly raising the rental fee and having a special fund to help replace the equipment.

5. ADJOURNMENT: Special meeting adjourned at 8:03 p.m.

ATTEST:



Roben Dewsnap, CITY CLERK

APPROVED:



Roger L. Frith, MAYOR