

MINUTES OF THE ORLAND CITY COUNCIL
REGULAR MEETING HELD MAY 17, 2021

CALL TO ORDER

Meeting called to order by Mayor Roundy at 5:35 p.m.

ROLL CALL

Councilmembers present via teleconference: Councilmembers Dennis Hoffman, Chris Dobbs, Billy Irvin (*signed on at 5:38 p.m.*) Vice Mayor Jeffrey A. Tolley and Mayor Bruce T. Roundy

Councilmembers absent: None

Staff present via teleconference: City Manager Pete Carr and City Attorney Greg Einhorn

Mayor Roundy asked for public comments. With none received, the meeting was adjourned to Closed Session.

Closed session was held regarding significant exposure to litigation pursuant to Government Code section 54956.9(d)(2): one potential case.

RECONVENE TO REGULAR SESSION – 6:00 p.m.

ROLL CALL

Councilmembers present via teleconference: Councilmembers Dennis Hoffman, Billy Irvin, Chris Dobbs, Vice Mayor Jeffrey A. Tolley and Mayor Bruce T. Roundy

Councilmembers absent: None

Staff present via teleconference: City Manager Pete Carr, City Attorney Greg Einhorn, Public Works Director Ed Vonasek, Fire Chief Justin Chaney, Accounting Manager Rebecca Pendergrass and City Clerk/Administrative Services Manager Janet Wackerman

REPORT FROM CLOSED SESSION

Mayor Roundy stated the item will be brought forward at a future City Council meeting.

Meeting opened with the pledge of allegiance.

ORAL AND WRITTEN COMMUNICATIONS

Citizen Comments: None

CONSENT CALENDAR

- A. Approve Warrant List (payable obligations).
- B. Approve City Council minutes for May 3, 2021.
- C. Approve City Council minutes for May 10, 2021.
- D. Receive and file minutes of Arts Commission of November 18, 2020.
- E. Receive and file minutes of Planning Commission of January 21, 2021.
- F. Fire Department Engine 27 Financing Documents

Action: Councilmember Hoffman moved, seconded by Vice Mayor Tolley to approve the consent calendar. The motion carried 5-0 by the following roll call vote:

AYES: Councilmember Hoffman, Vice Mayor Tolley, Councilmembers Dobbs and Irvin, Mayor Roundy

NOES: None

ABSENT: None

ABSTAIN: None

ADMINISTRATIVE BUSINESS

A. Pension Cost Management: Bond Counsel (Discussion/Director) – Jeffrey Small, Capitol PFG

Mr. Carr stated Councilmembers will consider the engagement of bond counsel and may proceed with the preliminary steps in the pension obligation bond process by adopting Resolution 2021-10 and accepting the trust agreement between the City and US Bank National Association.

Mr. Small stated the Council is considering replacing the City's 7% PERS debt service with a potential 4% or less debt service rate. The resolution commences the process without a commitment of funds and different options can still be pursued. Brian Quint, legal counsel with Quint & Thimmig, stated the Council is looking at the refinancing of an existing obligation.

Mr. Einhorn stated the Council is approving a procedural step that allows the process to proceed.

Councilmember Irvin asked if CalPERS had a good year would the City lose out on that benefit. Mr. Small stated that would be taken into consideration when calculating the debt to be refinanced. Mr. Quint added it would be unlikely for PERS' rate to go under 4%.

Councilmember Irvin asked whether taxpayers would have extra costs. Mr. Quint stated there would be no impact to the taxpayer. Mr. Carr added that these bonds will not show up on property tax bills.

Action: Councilmember Hoffman moved, seconded by Vice Mayor Tolley to adopt Resolution 2021-10, Authorizing the Issuance and Sale of Bonds to Refund Certain Pension Obligations of the City, Approving the Form and Authorizing the Execution of a Trust Agreement, Authorizing Judicial Validation Proceedings Relating to the Issuance of Such Bonds and Authorizing Actions Related Thereto. The motion carried 5-0 by the following roll call vote:

AYES:	Councilmember Hoffman, Vice Mayor Tolley, Councilmembers Dobbs and Irvin, Mayor Roundy
NOES:	None
ABSENT:	None
ABSTAIN:	None

B. Options for Use of American Rescue Plan Act (ARPA) Funds (Discussion/Direction) – Pete Carr, City Manager

Mr. Carr stated the City expects to receive \$1.4 million in ARPA funds, half this June and the balance in 2022. Staff has determined a 12.67% loss has occurred in sales tax due to COVID and suggests \$1 million be used for fiscal stabilization for the General Fund and \$400K for Measure A. A final decision on how the funds could be used will not be needed until more guidance is received on US Treasury guidelines.

A list of proposed uses for the funds was reviewed. Mayor Roundy requested adding the Arts Commission to the list. They report they lost approximately \$5,500 due to the Gallery being closed for a year.

Councilmember Dobbs asked if the City's sales tax receipts will return to original amounts in ten years. Mr. Carr stated the city's sales tax consultant suggests growth the next few years will be 4.1%.

Vice Mayor Tolley stated he was excited about #13 on the list (extending westside water service to Co Rd 15) because of its impact on economic development. Mr. Carr added that extending water and sewer service to the west side of I5 at Hoff Way opened the door to economic development to that area and extending services to Co Rd 15 and/or 16 will allow the same.

Bryon Denton, citizen, stated he appreciated all the options and does not want Orland to miss out on the money.

Ms. Wackerman stated she had received one public comment. Sharon Nord, citizen, suggested the ARPA funds be used for infrastructure so water rates will remain the same or reduced.

C. FY22 Budget: Water/Sewer Enterprise Fund Expenditures and Debt Schedule (Discussion/Direction) – Pete Carr, City Manager

Mr. Carr stated the Chamber of Commerce submitted financial management reports and offered to participate in economic development projects. The draft budget has \$11,000 set-aside for Chamber support which represents 15% of the projected hotel tax revenue.

The water and sewer operations budgets are balanced, and their fund balances are strengthened for future project needs. No additions or deletions were suggested.

Mr. Denton stated he doesn't want to fall behind and supports keeping up with the water/sewer projects.

Mayor Roundy stated the Chamber could be more pro-active and with the Council work better with local businesses. The Economic Development Commission may need to work hands-on with the Chamber. He is glad to see Chamber membership has increased but suggested Vice Mayor Tolley head up an ad hoc committee to determine what can be done.

Vice Mayor Tolley stated the more advocacy we have with businesses, the better. He thought the Shop & Hop event was great but could have been better with more communication.

Councilmember Hoffman stated funding is always an issue but with Covid restrictions, business meetings couldn't be held.

Mayor Roundy stated he will be receiving information from other mayors in the League of Cities Sacramento Valley Division about how their Chamber of Commerce's are doing and will pass it on to Councilmembers.

After further discussion and upon consensus of the Councilmembers, the Chamber contribution will be stated as \$11,000 in the FY 21/22 Budget. The matter can be brought back for more discussion.

D. Proposed City Manager Employment Agreement – Gregory Einhorn, City Attorney

Mr. Einhorn stated the City Manager voluntarily proposed in May 2020 and City Council accepted, to extend his contract at no change in salary for 2020-2021 due to Covid-19 fiscal uncertainty. The extension expires May 24, 2021. City Council and the City Manager have been negotiating a successor agreement through the City Attorney. A City Manager salary survey for nine (9) local and comparably sized cities in this region shows an average City Manager salary of \$152,000. The annual salary proposed for May 25, 2021 is \$150,000, May 25, 2022 \$160,000 and May 25, 2023 \$160,000. The proposed contract eliminates the deferred compensation benefit and City Manager's use of the city-owned vehicle for commuting purposes.

Action: Councilmember Hoffman moved, seconded by Vice Mayor Tolley to accept the City Manager contract commencing May 25, 2021 and ending May 24, 2024. The motion carried 5-0 by the following roll call vote:
AYES: Councilmember Hoffman, Vice Mayor Tolley, Councilmembers Dobbs and Irvin, Mayor Roundy
NOES: None
ABSENT: None
ABSTAIN: None

Mayor Roundy stated he is really pleased with the City Manager and appreciates where the City has come to be, with the management team working together. He added that at the Butte College groundbreaking event there were a lot of positive comments about City staff.

E. Verbal update on Covid-19's impact on the local economy and City operations (Discussion/Direction) – Pete Carr, City Manager

Mr. Carr reported there was one new positive case over the weekend, 31 active cases and five hospitalizations. On June 15 the color stages will no longer be used, and restrictions will be lifted.

There are no changes in City operations due to COVID.

CITY COUNCIL COMMUNICATIONS AND REPORTS

Vice Mayor Tolley:

- Attended Butte College groundbreaking ceremony.

Councilmember Hoffman:

- Will be attending the upcoming Chamber of Commerce meeting and County transportation meetings.

Councilmember Irvin:

- Played in the Laws & Paws tournament.

Councilmember Dobbs:

- Attended the monthly dinner meeting of the volunteers of the fire department with Vice Mayor Tolley in attendance;
- Attended Library Commission meeting. They were excited to hear about the automatic doors for the library entrance.

Mayor Roundy:

- Attended Butte College groundbreaking ceremony.
- Attended Arts Commission meeting.
- Asked Councilmember Dobbs to attend the next County transportation meetings on his behalf.

Meeting adjourned at 7:55 p.m.

Janet Wackerman, City Clerk

Bruce T. Roundy, Mayor