

**PORTOLA CITY COUNCIL
REGULAR MEETING
JUNE 27, 2012
7:00 P.M.**

CALL TO ORDER

Mayor Mark called the meeting to order at 7:00 p.m. and led the pledge of allegiance.

ROLL CALL

Councilmembers Oels, McBride, Weaver, Mayor Pro Tem Larrieu and Mayor Mark responded to the roll call. City Manager/City Clerk Leslie Tigan, City Attorney Steve Gross and Finance Officer Susan Scarlett were also in attendance.

PUBLIC COMMENT

There were no comments from the public.

CITY COMMUNICATIONS

Transportation Commission – Ms. Scarlett reported that their budget had been passed.

Integrated Waste Management Board – Ms. Tigan reported that the revisions to the County waste hauler contracts were available for public review and a public meeting would be scheduled for the Portola area.

SCORE – Ms. Tigan reported that the Town of Colfax was being levied a fine for not attending meetings, that Isleton had paid the premium and would remain in the JPA and that the next meeting would be in October.

CITY MANAGER'S REPORT

Ms. Tigan reported on the following: a donation of kick boards for the pool; water usage and associated cost for the four month period of February through May; Railroad Days and Concerts in the Park were moving forward and staff was continuing to work with the Beckwourth Fire Department.

CONSENT CALENDAR

It was moved by Councilmember Weaver seconded by Mayor Pro Tem Larrieu to approve the consent calendar with the exception of Item C. All members present voted in favor.

- A. Minutes – Adopted the minutes of the regular meeting held on June 13, 2012.
- B. Claims – Adopted Resolution No. 2130 authorizing payment of claims for the period June 9, 2012 to June 22, 2012.

Accounts Payable:	\$ 22,251.59
Payroll:	<u>\$ 21,158.46</u>
Total:	\$ 43,380.05

ITEMS REMOVED FROM THE CONSENT CALENDAR

- C. Contract for Geotechnical Services

City Engineer Dan Bastian explained that this contract is for services necessary for the Safe Routes to Schools project. The cost of the contract would be fully reimbursed to the City by the State funded project. He explained that the contract was for testing of materials.

It was then moved by Mayor Pro Tem Larrieu, seconded by Councilmember Weaver to approve the contract with Black Eagle Consulting conditioned upon approval of the City Attorney. All members present voted in favor.

ORDER OF BUSINESS

A. 2012/2013 City Budget, Fee Schedule & Appropriations Limit – Public Hearing

City Manager Leslie Tigan the City Budget was being presented for final consideration at tonight's meeting. Along with the budget the Appropriations Limit and a revised fee schedule for water and sewer rates should also be considered. She noted that a public hearing had been scheduled to allow for public comment prior to taking action on the items.

Mayor Mark opened the public hearing at 7:15 p.m.

Portola resident Larry Douglas commented that the City Council should lower the rates to benefit the City and not lose people and businesses.

There being no further public comment the public hearing was closed at 7:16 p.m.

It was then moved by Mayor Pro Tem Larrieu, seconded by Councilmember McBride to adopt Resolution No. 2131 approving the Appropriations Limit. Under roll call vote all members present voted in favor.

Resolution No. 2131

A Resolution of the City Council of the City of Portola Approving and Adopting the Annual Appropriations Limit for Fiscal Year 2012-2013

It was then moved by Mayor Pro Tem Larrieu, seconded by Councilmember McBride to adopt Resolution No. 2132 adopting a fee schedule for 2012/2013. Under roll call vote Councilmembers McBride, Weaver, Mayor Pro Tem Larrieu and Mayor Mark voted in favor. Councilmember Oels voted against.

Resolution No. 2132

A Resolution of the City Council of the City of Portola Adopting Monthly Rates for Water and Wastewater

It was then moved by Mayor Pro Tem Larrieu, seconded by Councilmember Weaver to adopt Resolution No. 2133 approving the 2012/2013 Fiscal Year Budget. Under roll call vote all members present voted in favor.

Resolution No. 2133

A Resolution of the City Council of the City of Portola Approving the Operating Budget for Fiscal Year 2012/2013

B. Woodbridge Development Project

City Manager Leslie Tigan reported that she, along with City Attorney Steve Gross and Planner Karen Downs, had met with Woodbridge Developer David Wade on Tuesday June 12, 2012. She explained that the meeting had not been reported on to the City Council at the June 13, 2012 meeting because staff members had come up with additional questions following the meeting with Mr. Wade which required answers prior to presenting a report on the meeting. She also noted that staff was considering a request for a special meeting once they completed the follow-up with Mr. Wade.

Before staff was able to have a second conversation with Mr. Wade, Mayor Mark made a request to have an item on tonight's agenda for discussion of the Woodbridge project. Staff then participated in a conference call with Mr. Wade on Friday June 15, 2012 and then determined the appropriate time to report on the conversations with Mr. Wade was at this meeting under the item requested by Ms. Mark.

Ms. Tigan explained that Mr. Wade has updated staff on financial issues with the project and presented an idea for the development of three small portions of the project that he felt he may be able to find investors for. He indicated that if this plan isn't successful the project may not be able to move forward.

She reported that Mr. Wade had also stated that he had been having conversations with Mayor Mark, Councilmember Oels and realtor B.J. Pearson and had discussed the possibility of the City purchasing the land or note back at a discounted rate. Ms. Tigan suggested that Mayor Mark and Councilmember Oels could report on their meetings with Mr. Wade and Mr. Pearson and reminded the Councilmembers of the potential for a Brown Act violation when these types of discussions take place.

Portola resident Mike Matus stated that Woodbridge is the City's best hope and would like to see and ad hoc committee to entertain everything including reduction of fees to make things easier.

Mayor Mark stated that she did not want the City to lose the project. She explained that she was approached by BJ Pearson and is always ready to listen to anything anyone has to say. Mr. Pearson suggested the City purchasing the loan or the property.

Councilmember Oels explained that he had met with Mr. Wade and Mr. Pearson to discuss creative financing and ways to get the project going.

Bob Nally inquired if the Councilmembers who owned their own businesses had ever been bailed out when they were having financial difficulties.

Developer David Wade addressed the City Council, he first explained that he was not in a position to be asking for anything from the City and continued to review his financing issues and options. He stated that although the threat is that they will foreclose on him he is not giving up.

He explained that he was working on three specific development plans to present to potential investors, and assisted living facility, a small apartment complex and a small section of single family homes. He stated that the challenge would be creating these projects with enough profit to complete the infrastructure, satisfy the lender and provide a return to the investors. And he again stated that it would be premature for him to be asking the City for anything, such as the City acquiring the note.

Portola resident Larry Douglas indicated that he would be contacting the top investor in Sonoma County to see if there is interest in this project.

Plumas County Supervisor Terry Swofford asked how much he would need from the City. Mr. Wade stated that the note is for 1.8 million but the assumption is that they would take a lesser, unknown amount. Mr. Swofford explained that Cities are going bankrupt and he did not want to see the City where his family lives put at risk.

Portola County Supervisor Jon Kennedy explained that he felt it would be a bad decision for the City to invest in real estate; this is not a "if you build it, they will come" situation.

Mayor Mark wanted to make it clear that no Councilmember has said the City would loan or give money to the project, she agreed that it would be a big risk.

Portola resident Ken Tibbedeaux said that Mr. Wade wasn't asking for money just for human endeavor to be put into it.

Planner Karen Downs asked Mr. Wade what the City could do for him. Mr. Wade indicated that things like making modifications to the Woodbridge Road and South Gulling intersection and to improvements that trigger the improvements on Gulling up to 4th Ave. may be helpful.

C. Proposition 218 Procedure

City Manager Leslie Tigan explained that this agenda item had been requested by Councilmember Oels and asked him to review it for the City Council.

Mr. Oels noted that he would like to see the City Council adopt a Resolution requiring that future Prop 218 processes would ensure the people affected by the rate or tax would be able to protest the rate or tax.

Portola resident Larry Douglas stated that the rate increases should be done by the people and that the City did it legally but not right, the HDR study was a waste of money.

Portola resident Ken Tibbedeaux noted that the renters were disenfranchised.

Councilmember McBride and Mayor Pro Tem Larrieu suggested that the City Council could look at each Prop 218 process on an individual basis and make decisions at the time.

Following a brief discussion it was moved by Councilmember McBride, seconded by Councilmember Weaver to leave the process as it is and not consider the resolution. Councilmembers McBride, Weaver, Mayor Pro Tem Larrieu and Mayor Mark voted in favor. Councilmember Oels voted against.

D. Utility Assistance Program

City Manager Leslie Tigan explained that this item had also been requested by Councilmember Oels. She gave a brief overview of the City's current program that allows for assistance through the Resource Center.

Councilmember Oels indicated that he would like to have the City Council direct City staff to work on finding funding for an assistance program that could help customers more often than the current program.

Councilmember McBride indicated that a program like this shouldn't be run by the City and again offered to help Councilmember Oels with fund raising organization and efforts.

Plumas County Supervisor Jon Kennedy indicated that the Community Development Commission had some utility assistance programs available for all residents of Plumas County including City residents.

After a brief discussion it was the consensus of the City Council to have Councilmember Oels and McBride work together.

E. City Treasurer

City Clerk Leslie Tigan explained that when drafting the Resolutions for the November election the position of the City Treasurer was inadvertently omitted. She presented Resolution No. 2135 that would add the position to the November election.

It was then moved by Mayor Pro Tem Larrieu, seconded by Councilmember Oels to adopt Resolution No. 2135. All members present voted in favor.

Resolution No. 2135

***A Resolution of the City Council of the City of Portola
Adding the Election of the City Treasurer to the
Notice of the General Municipal Election
to be held on Tuesday, November 6, 2012***

F. Transient Occupancy Tax (TOT) and Sales Tax

City Manager Leslie Tigan explained that earlier in the week the Plumas County Board of Supervisors had voted to place two measures on the November ballot. One measure would raise the TOT from 9% to 11% and the other would increase sales tax by .25%. She explained that the sales tax measure would affect all sales within Plumas County including the City of Portola and that the entire increase would be a benefit to the County not the City. The TOT on the other hand would only affect the unincorporated areas of the County and if the City wished to increase TOT within the City the City would need to place a measure on the ballot for City voters to consider. She explained that both measures would be on the ballot and the voters will ultimately determine if they take effect and that the County's measure would only raise the taxes for a 4 year period when the rates would be lowered to the current rate.

Mayor Pro Tem Larrieu indicated that he felt the City's TOT rate should mirror the County's.

Pullman House owner Jan Breitwieser indicated that she did not think the TOT rate was a determining factor when selecting lodging and that rates range from 8% to 15%.

Sierra Motel owner Glen Brashear voiced his concerns he noted that since Reno and Las Vegas had increased their TOT to 13% the lodging business was down. He felt the increase would be detrimental to his business and didn't think the timing was good.

Supervisor Kennedy indicated that the County was having greater financial issues than the City and the increase would mean quite a bit to them.

Ms. Tigan indicated that the TOT increase would mean about an \$8000 annual increase to TOT and she agreed that the City was not struggling financially as much as the County.

Councilmember McBride noted that it seems that everyone is bombarded by taxes and if the increase isn't necessary then it shouldn't move forward.

After further discussion it was moved by Councilmember Weaver, seconded by Councilmember Oels to adopt Resolution No. 2136 placing a measure to increase TOT within the City to 11% for the period of January 1, 2013 to December 31, 2016 on the November 6, 2012 ballot.

Councilmember Oels and Weaver vote in favor. Councilmember McBride, Mayor Pro Tem Larrieu and Mayor Mark voted against.

ADJOURNMENT

There being no further business it was moved by Councilmember Weaver, seconded by Councilmember McBride to adjourn the meeting at 9:15 p.m. All members present voted in favor.

Leslie Tigan, CMC
City Clerk