

**MINUTES
REGULAR MEETING OF
CITY COUNCIL & REDEVELOPMENT AGENCY
CITY OF YUBA CITY
Council Chambers
September 15, 2009
Closed Session 6:00 P.M.
Regular Meeting 7:00 P.M.**

Closed Session 6:00 p.m.—Butte Room

Conferred with legal counsel pursuant to Government Code Section 54956.9(b) regarding potential litigation – one potential case.

Conferred with labor negotiators Steven Jepsen and Steve Kroeger regarding negotiations with the following associations: Yuba City Police Officers, Police Sergeants, Yuba City Firefighters Local 3793, Yuba City Fire Management, Confidential Employees, Executive Services Employees, First Level Managers, Mid Managers, and Yuba City Employees, pursuant to Section 54957.6 of the Government Code.

Call to Order

The City Council of the City of Yuba City was called to order by Mayor McBride at 7:06 p.m.

Roll Call

Present: Councilmembers Dukes, Gill, Maan, Miller and Mayor McBride
Absent: None

Invocation

Councilmember Dukes gave the invocation.

Pledge of Allegiance to the Flag

River Valley High School student Brenden Malory led the Pledge of Allegiance to the Flag.

Public Hearings

1. Proposed 2008-2009 Consolidated Annual Performance and Evaluation Report (CAPER) for Community Development Block Grant (CDBG)

Community Development Director Aaron Busch stated the Consolidated Annual Performance and Evaluation Report (CAPER) is mandated for all jurisdictions that receive Community Development Block Grant (CDBG) entitlement funds from the U.S. Department of Housing and Urban Development (HUD). The City of Yuba City remains on target for meeting the goals of the CDBG program and utilizing the resources available through annual CDBG entitlement grants, program income, and other local, state, and federal resources.

Mayor McBride opened the public hearing. Hearing no comment, she closed the public hearing.

Councilmember Miller moved to approve the CAPER and authorize staff to submit the CAPER to the Department of Housing and Urban Development. Councilmember Maan seconded the motion that passed with a unanimous vote.

2. Consideration of a Neighborhood Stabilization Program (NSP) Program Income Reuse Plan that establishes guidelines on the policies and procedures for the administration and utilization of program income received as a result of the activities funded under the Federal Neighborhood Stabilization Program (NSP)

Community Development Director Aaron Busch stated that on June 2, 2009 the City Council approved a Joint Application Agreement between Yuba City, Sutter County, and Live Oak, allowing the agencies to jointly receive \$1,794,005 from the Federal Neighborhood Stabilization Program (NSP) program. Additionally, the Council also approved a Joint Partnership Agreement (JPA) and Memorandum of Understanding (MOU) between all three agencies for purposes of administering the program in compliance with NSP guidelines. As part of the JPA, Yuba City was identified as the Lead Entity responsible for the required annual reporting and handling for program income.

Mayor McBride opened the public hearing. Hearing no comment, she closed the public hearing.

Council asked Mr. Busch if there were specific areas where the funds had to be used. Mr. Busch replied that Live Oak has requested that \$182,000 of the funds be used in their city specifically. As for the remainder of the funds, they will be used throughout the community with a few targeted areas.

Councilmember Gill moved to adopt Resolution No. 09-097 approving the Neighborhood Stabilization Program (NSP) Program Income Reuse Plan. Councilmember Dukes seconded the motion that passed with a unanimous vote.

Public Communication

3. Written Requests - None

4. Appearance of Interested Citizens - None

Bid Openings

5. Water Meter Boxes and Lids (FB10-02)

General Services/IT Director Devin Barber stated that this purchase for water meter boxes and lids is funded by the Drinking Water State Revolving Funds as a part of the Stimulus Water Retrofit Project. The water meters have already been purchased using a previous vendor contract.

Council stated that they are glad to see that out of 5 bids received, 3 are from our community.

Councilmember Maan moved to award the purchase to the low bidder, Groeniger of Hayward, CA for Water Meter Boxes and Lids in the amount of \$187,329.01. Councilmember Gill seconded the motion that passed with a unanimous vote.

6. Stimulus Water Meter Retrofit Project (Award of Contract)

Senior Engineer Diana Langley stated that this is a continuation of the Walton Water system transfer. The Stimulus Water Meter Retrofit Project involves the installation of

approximately 3,200 one inch (1") water meters on existing water services. The project was advertised for bid in July and August. Plans and specifications were supplied to 27 contractors/suppliers as well as local builder/contractor exchanges. Of those, 12 bids were received.

Council congratulated the Public Works and Utilities departments for their diligent efforts in obtaining grant funding and controlling the costs of this project. To date, these departments have saved residents approximately \$2 per month for the conversion from groundwater to surface water.

Councilmember Gill moved to award Contract No. 09-20, Stimulus Water Meter Retrofit Project, to United Building Contractors, Inc., of Chico, CA in the amount of their bid of \$1,479,955; authorize the City Manager to execute the contract on behalf of the City, following approval by the City Attorney; and authorize supplemental appropriations in the amount received for reimbursable work performed under the Stimulus Water Meter Retrofit Project from the State of California to Account No. 941042 (Water Meter Installation). Councilmember Dukes seconded the motion that passed with a unanimous vote.

Consent Calendar

Councilmember Maan moved to adopt the consent calendar as presented. Councilmember Gill seconded the motion that passed with a unanimous vote.

7. City Council Approval of Minutes of September 1, 2009

Approved the Council meeting minutes of September 1, 2009.

8. Sam Brannan Park Improvement Project (Notice of Completion)

Adopted Resolution No. 09-098 accepting the subject project and authorizing the Public Works Director to file a Notice of Completion.

9. Easement Agreement with Mohammad Bath

Authorized the City Manager to sign an Easement Agreement with Mohammad Bath, for dedication of right-of-way and a public utility easement associated with AP# 58-033-014. [Northwest corner of Franklin Road and Neil Drive]

General Items

10. Implementation of GASB 45 (Accounting Standards for Other Post Employment Benefits) and related Actuarial Valuation

Finance Director Robin Bertagna stated the Governmental Accounting Standards Board (GASB) approved Statement No. 45, Accounting Standards for Other (than pensions) Post Employment Benefits (OPEB). Agencies which provide broad medical benefits to retirees (for example, lifetime medical) have a much larger liability in the form of OPEB than Yuba City. Yuba City funds post retirement health benefits for the retirees from the Executive Service group until they reach age 65 in addition to an implicit or implied rate subsidy for early retirees.

Ms. Bertagna commended Spencer Morrison, Accountant for the City of Yuba City, for his efforts in compiling the information needed for this report. The Actuarial Report was prepared by Bartel and Associates with the assistance of staff.

Currently, the City has two options available. The options are to select No Pre-Funding – the Actuarial Accrued Liability is approximately \$215,000; or select Pre-Funding – the Actuarial Accrued Liability is approximately \$124,000.

The City may select either of the above 2 scenarios; or partial pre-funding. Any pre-funding (whether full or partial) would require additional cash payments to a trust. Given the City's current economic situation, staff recommends that the Council select no-pre-funding at this time.

Additionally, the City's health insurance broker has been able to split out the cost of the early retiree (pre Medicare eligible age) health insurance premiums separate from the City's active employees. Previously, there was not sufficient claims data to break these costs out separately, and, as such, the City had a "blended rate" wherein the City and active employees were effectively subsidizing the cost of the early retirees. It is anticipated that with the next renewal in January, 2010, the early retirees will begin paying the total unsubsidized cost. If this occurs, the implied subsidy will no longer exist when the City has its next GASB 45 Actuarial Report prepared. Therefore, the related liability in the future will decline as it relates to the implied subsidy. This, again, points to the "Pay As You Go" methodology being the preferred approach.

Councilmember Gill moved to approve the "Pay As You Go" methodology. Councilmember Miller seconded the motion that passed with a unanimous vote.

11. Draft Flood Control Strategy for New Development

Community Development Director Aaron Busch stated that during the March 2009 Goal Setting Workshop Council identified by that a strategy dealing with new development projects and the forthcoming flood maps would need to be created. At the Goal Setting Workshop, both the Public Works and Community Development Departments were tasked with preparing a strategy that would address how to educate the development community about current and future flood related matters. The purpose for this report is to present a strategy that outlines the steps that the City could undertake as a means for addressing the impending flood mapping and how it will potentially impact future development projects.

Mr. Busch gave a presentation outlining the steps new developers would have to take to ensure compliance with FEMA guidelines to protect new developments from flood damage. New developers would also be required to sign a "hold-harmless agreement" which transfers the liability of flood damage on future projects from the City to the developer.

Council directed staff to develop a "hold-harmless agreement" as a condition of building/developing in Yuba City; and directed staff to develop an outreach plan to citizens and the development community to address the impacts of FEMA remapping.

12. Approval of a Sub-Recipient Agreement between Yuba City and the Consolidated Area Housing Authority of Sutter County for the administration of the Federal Neighborhood Stabilization Program (NSP)

Community Development Director Aaron Busch stated that on June 2, 2009, the City Council approved a Joint Application Agreement between Yuba City, Sutter County, and Live Oak, allowing the agencies to jointly receive funds from the Federal Neighborhood Stabilization Program (NSP) program. The Consolidated Area Housing Authority of Sutter County prepared the NSP application on behalf of the three agencies for review by the California Department of Housing and Community Development (HCD). The Housing Authority will continue to be involved with the administration of the NSP program as the administrative consultant for the newly formed JPA. As such, per the NSP guidelines,

Yuba City as the Lead Entity must enter into a Sub-Recipient agreement with the Housing Authority for purposes of administering the receipt and expenditure of the future NSP funds.

Councilmember Maan moved to approve the agreement and authorize the City Manager to execute the Sub-Recipient Agreement between the City of Yuba City and the Consolidated Area Housing Authority of Sutter County. Councilmember Gill seconded the motion that passed with a unanimous vote.

13. "Buy Local" Program Media Marketing Agreement

Economic Development Manager Darin Gale stated that the City Council approved the formation of an Ad Hoc Committee for the purpose of evaluating the effectiveness a "Buy Local" Marketing Campaign.

The "Buy Local" Ad Hoc Committee has met to discuss the details of the marketing campaign. Throughout the process, the Yuba-Sutter Chamber of Commerce and the Appeal-Democrat proposed a wide range of budgets and ideas for the Committee to consider. As a result, the Committee asked the marketing agency of the Appeal-Democrat, Wag the Frog, MarComm Communications, to provide proposals.

Upon evaluation of the proposals it was discovered that marketing firms charge a 15% mark up on all media buys and/or printing projects. This fee is on top of hourly or management charges to a project and can be significant in a campaign using mass media. Both Wag the Frog and MarComm Communication has offered to waive these charges and reinvest those savings back into the "Buy Local" campaign.

The "Buy Local" Marketing Campaign will consists of several different types of outreach such as: logo design; website design and publishing; creation and production of campaign advertising for print, TV and radio; purchase of radio, TV and print advertising; creation and implementation of a social networking marketing action plan; and, printed marketing materials for use by local businesses.

The following citizens spoke on this item:

Larry Ozeran, Yuba City Resident

Robert Mackensen, Yuba City Taxpayers' Association

Council stated that they understand the community's concern for using City monies for this type of campaign, but that it is extremely important that we take action in these financial times. Sitting back and not educating the community of the importance of making their purchases in the Yuba-Sutter area has a direct impact on the lifestyles that the citizens have grown accustomed to.

Council also stated that the value of these marketing campaigns far outweigh the cost to the City, costs that will hopefully be recouped by the success of the campaign. It was stated that the loss of even one auto dealership would have a devastating effect on our community, so every effort should be made to ensure that the businesses remain in our community.

Councilmember Gill moved to authorize the City Manager to enter into an Agreement with Wag the Frog for "Buy Local" Program marketing services with a subcontract to MarComm Communications in an amount not to exceed \$100,000 of which \$50,000 will be matched by private sector businesses, with the finding that it is in the best interest of the City. Councilmember Miller seconded the motion that passed with a unanimous vote.

Business from the City Council/Redevelopment Agency Board

14. City Council Reports

- Councilmember Dukes stated that he was selected to participate in preparation of the new animal shelter project. The County had originally planned to build a facility of 16,000 square feet, but has since reduced the size to 10,000 square feet, which is still far larger than what is need.

Councilmember Dukes directed staff to look into other options for animal control services.

- Councilmember Maan thanked Councilmember Dukes for his participation in the animal shelter project and stated that it is nice that we now have someone looking out for the City's interest in this matter.

Councilmember Maan also thanked Mr. Bill Lewis for the tour of the newly remodeled Water Treatment Facility.

- Councilmember Miller stated that Mayor Pro Tem Gill and he participated in the Sutter Butte Flood Control Agency meeting at which Mr. Bill Edgar gave a wonderful presentation. Currently, the Agency is looking at the conditions of the levees and what needs to be done, as well as the costs, funds at both state and local levels. The construction that is being done on the Star Bend levee is moving along nicely and is expected to be completed by November 1, 2009.

- Mayor Pro Tem Gill stated that the Sutter Butte Flood Control Agency has been diligently working for 3 years and has been able to accomplish a lot for our community in that time period.

Mayor Pro Tem Gill also stated that Saturday, September 26th the Youth Commission is holding a paloozza with several bands and entertainment.

- Mayor McBride had nothing to report.

Adjournment

Mayor McBride adjourned the regular City Council meeting of the City of Yuba City in at 8:25 p.m.

Leslie McBride
Mayor

ATTEST:

Terrel Locke
City Clerk