



**OROVILLE CITY COUNCIL**  
Council Chambers  
1735 Montgomery Street  
Oroville, CA. 95965

**APRIL 25, 2018**  
**OPEN SESSION 3:00 P.M.**  
**SPECIAL MEETING MINUTES**

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## **OPENING**

- 1.1 Called to Order at 3:00 p.m. by Vice Mayor Janet Goodson.
- 1.2 Roll Call
- 1.3 Pledge of Allegiance to the Flag of the United States of America

**Council Members Present:** Council Members Jack Berry, Marlene Del Rosario, Linda Draper, Art Hatley, Scott Thomson, Vice Mayor Janet Goodson, Mayor Linda Dahlmeier.

**Council Members Absent:** None

**Staff Present:** Interim City Administrator Tom Lando, Interim City Clerk Joanna Gutierrez, Police/Fire Chief Bill LaGrone, Director of Finance Ruth Wright, Human Resources Manager Elizabeth Ehrenstrom and City Treasurer Karolyn Fairbanks.

## **2. BUDGET WORKSHOP FOR THE 2018/2019 FISCAL YEAR**

- 2.1 MOTION by Council Member, seconded by Vice Mayor Goodson,** approved a letter of support for SB 955, legislation that would form a Citizen Advisory Commission relating to the Oroville Dam, for signature by the Mayor and Council Members. Council vote was unanimous.
- 2.2** Second in the series of budget workshops.

Director of Finance Ruth Wright presented information to Council relating to City expenditures and discussed:

- (1) The fiscal impact of mandatory funding requirement by the California Public Employees Retirement System (Cal PERS) to fund employee unfunded liability, which amounts to \$22 million for the City of Oroville;
- (2) The increases to the cost of medical insurance; and,
- (3) The decline in levels of staffing in City government.

Director Wright informed Council that the Cal PERS financial crisis is a result of PERS overstating the expected rate of return on investments and resulted in a \$22 million liability for the City of Oroville, which is on a 30-year payment plan. The term will be affected if the discount rate is lower than expected; if the City pays the balance off earlier than 30 years; and, if Cal PERS realizes a rate of return higher than 7%. Director Wright explained the PARS Trust Fund, a pension trust fund that is separate from PERS and that the City has committed over \$3 million to the PARS Trust Fund.

Interim City Administrator Tom Lando stated that he thinks the Council should be proud of its City's efforts relating to the unfunded liability, in that two nearby cities are in very serious trouble with unfunded liabilities in amounts over \$200 million. Contract employees are being utilized in many instances but the labor unions are opposing efforts of the cities to utilize contracted labor to diminish the liability created by employees.

Staff discussed the impact of the museums that do not bring in sufficient revenue to cover the cost of operation, mainly due to the cost of electricity.

1. Frieda Flint provided a summary of the efforts within the community to keep costs down and suggested increasing admission fees for individuals and to consider an increased fee for special tours.

Director Wright stated that Council needs to address vehicle replacement which will come back at another time with the Capital Replacement Plan.

Council Member Thomson left the meeting at 3:55 p.m.

### **2.3 LOCAL SALES TAX AS POTENTIAL REVENUE SOURCE**

Police/Fire Chief Bill LaGrone presented information to Council regarding whether or not the Council wishes to pursue implementation of a local sales tax that would directly benefit the city; and, if so, if the Council desires to hire a professional consultant to assist the City staff with public outreach.

Council Member Hatley stated that he would like to know how much money is needed, how much revenue a sales tax would provide, and that the voters already said 'no' to a 1% general sales tax.

Interim City Administrator Lando suggested that a one-half percent (0.05%) sales tax would be amendable to the public, and that the Town of Paradise passed a one-half cent local tax measure for a term of six years.

Police/Fire Chief Bill LaGrone stated that the ballot measure proposed by the City of Oroville in 2016 used the same language as the Town of Paradise measure, the exception being the amount of tax proposed. Mr. LaGrone stated that the issues before the Council today are whether or not the Council wishes to pursue a local sales tax measure and if Council would like to hire a consultant to reach out to the community and what would be the scope of work.

Chief LaGrone stated that he believes the Council must be unified on the matter for it to be successful. A consultant could promote a measure within the community using various means communication, such as Facebook, Twitter, local press, presentation to community groups, etc. City staff can only provide information and is prohibited by law from promoting a tax measure.

Council Member Del Rosario stated that she would like to tax cannabis, and City Administrator Lando reminded Council that they have already hired SCI Consulting to address the cannabis issue.

- (a) **MOTION by Del Rosario, seconded by Draper, directed staff to move forward with the ballot measure process for a local sales tax measure that would approve a special/general or percentage increase of sales tax that would directly benefit the City of Oroville. Council vote was unanimous; Council Member Thomson absent and not voting.**
  
- (b) **MOTION by Draper, seconded by Berry, approved hiring of sales tax consultant William Berry in an amount not to exceed \$40,000 for services relating to promotion of a local sales tax ballot measure. Ayes of Council Member Berry, Council Member Draper, Vice Mayor Goodson and Mayor Dahlmeier; noes of Council Member Hatley and Council Member Del Rosario; Council Member Thomson absent and not voting.**

**3. PUBLIC COMMUNICATION** – None.

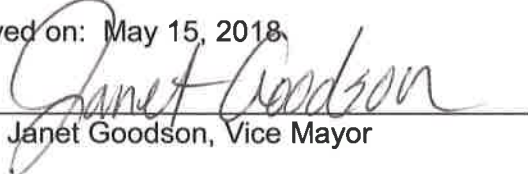
**4. ADJOURNMENT**

At 4:20 p.m. Mayor Dahlmeier adjourned to May 1, 2018 at 5:00 p.m. for the purpose of conducting a Regular Council Meeting.

Submitted on: May 15, 2018

By:   
Joanna Gutierrez, Interim City Clerk

Approved on: May 15, 2018

By:   
Janet Goodson, Vice Mayor

