



## ORLAND CITY COUNCIL REGULAR MEETING MINUTES

Tuesday, February 6, 2024

### CALL TO ORDER

Meeting called to order by Mayor Chris Dobbs at 6:30 PM.

### ROLL CALL

Councilmembers present:

Councilmembers John McDermott, Bruce T. Roundy, Jeffrey Tolley, Vice Mayor Matt Romano, and Mayor Chris Dobbs

Staff present:

City Manager Pete Carr; Director of Administrative Services/ACM Rebecca Pendergrass; City Clerk Jennifer Schmitke; City Attorney Greg Einhorn; Police Chief Joe Vlach; Library Director Jody Meza; City Planner Scott Friend

### PLEDGE OF ALLEGIANCE

### CONSENT CALENDAR

- A. Warrant List (Payable Obligations)
- B. Approve City Council Minutes for January 16, 2024
- C. Approve City Council Minutes for January 23, 2024
- D. Receive and file Arts Commission Minutes from November 15, 2023
- E. Receive and file Planning Commission Minutes from December 21, 2023

**ACTION:** Councilmember Roundy moved, seconded by Councilmember Tolley, to approve the consent calendar as presented. Motion carried by a voice vote 5-0.

### PUBLIC HEARING

#### **A. Modoc Annexation, Pre-zoning, and Conditional Use Permit (ANNEX #2023-01, PZ #2023-01, & CUP 2023-04) – Bruce J. Myers (Applicant/Owner)**

City Planner Scott Friend presented a 4-part request to annex an existing +/-5.7 -acre parcel of land into the City limits of Orland, to pre-zone the parcel with the City of Orland “R-1” zoning district (Residential One-Family) in anticipation of the annexation, and, to approve a Conditional Use Permit to allow for the continued use of the existing “church” (Church of Jesus Christ of Latter-day Saints) as specified in Section 17.20.040 (C) of the Orland Municipal Code (OMC).

The project site is located just beyond the northern edge of the Orland City Limits at the northernmost end (cul-de-sac) of Modoc Street, in the unincorporated area of Glenn County. The site is bordered on the north by a single-family residence, with Stony Creek beyond; Modoc Street to the west with a vacant parcel used as a cattle pasture beyond; the U.S. Bureau of Reclamation (BoR) / Orland Unit Water Users Association (OUWUA) Lateral 40 canal abuts the southern border of the site, with a

single-family residential neighborhood beyond; and a vacant parcel to the east, that has been previously proposed for a single-family residential development (Creekside Estates) with a single-family residential neighborhood beyond. The property is currently zoned "RE-5" in the County of Glenn and is designated in the City of Orland General Plan as "R-L". The property is located within the City Council adopted and Glenn LAFCo approved Sphere of Influence of the City of Orland. Currently, the site contains the existing church on the northern half of the parcel, with vacant land making up the majority of the southern half (adjacent to the US BoR/OUWUA Lateral 40 canal).

Mr. Friend noted that the notice of Public Hearing was published and mailed out, and that the City had not received any comments. The Planning Commission recommended this project at their December meeting with a 5-0 vote. Mr. Friend made clear that this item does not include a development proposal; if development was wanted in the future that project would have to come back to the City Council for approval.

Mayor Dobbs opened the Public Hearing at 6:38 PM.

Orland resident and neighbor to the proposed project Jake Hutson shared his concerns which included the legality of the proposed project, additional traffic on the narrow road, additional homes in the area and where water would be coming from.

Mayor Dobbs closed the Public Hearing at 6:40 PM.

Councilmember McDermott clarified that tonight's vote is only for annexation not for development. Mr. Friend stated that this item is strictly annexation, no development has been proposed.

Romano recused himself from voting due to being an active member in the church. The city attorney noted that Mr. Romano was not legally obligated to recuse himself in this case.

**ACTION:** Councilmember McDermott moved, seconded by Councilmember Roundy, to approve City Council Resolution 2024-04, a Resolution of the City Council directing staff to file an application for the annexation of the parcel into the City of Orland with the Glenn County Local Agency Formation Commission (LAFCo) as provided in attachments. Motion carried by a roll call vote 4-0. Councilmember

**Ayes:** Councilmembers McDermott, Tolley, Roundy and Mayor Dobbs

**Nays:** None

**ACTION:** Councilmember Tolley moved, seconded by Councilmember Roundy to approve City Council Ordinance CC 2024-01, an Ordinance of the City Council assigning the pre-zoning of the parcel with the R-1, One-Family Residential zoning district subject as provided in Attachment C and making the Findings as provided in Attachment E and Conditions of Approval provided as Attachment F. Motion carried by a roll call vote 4-0.

**Ayes:** Councilmembers McDermott, Tolley, Roundy and Mayor Dobbs

**Nays:** None

**ACTION:** Councilmember Tolley moved, seconded by Councilmember Roundy to approve City Council Ordinance CC 2024-02, approving a Conditional Use Permit (CUP 2023-03) on the parcel to authorize

the continued use of the parcel as a Church as required by OMC Section 17.040(c) as provided in Attachment D and making the Findings provided as Attachment E and Conditions of Approval provided as Attachment F. Motion carried by a roll call vote 4-0.

**Ayes:** Councilmembers McDermott, Tolley, Roundy and Mayor Dobbs

**Nays:** None

**ACTION:** Councilmember Tolley moved, seconded by Councilmember Roundy, to approve that the action is exempt from further review pursuant to Sections 15301 and 15319 of the Public Resources Code. Motion carried by a roll call vote 4-0.

**Ayes:** Councilmembers McDermott, Tolley, Roundy and Mayor Dobbs

**Nays:** None

## **ADMINISTRATIVE BUSINESS**

### **A. Mid-year Budget Review and Reconciliation**

City Manager Carr delivered a comprehensive mid-year budget review for fiscal year 2023/2024 to the Council. During his presentation, Mr. Carr highlighted that while General Fund revenues are currently trailing the budget plan by 8%, there are positive indicators such as property tax revenues meeting or potentially exceeding expectations by up to 3%. However, there is a notable decrease of 12% in sales tax revenue. On the expenditure side, spending remains in line with the budget. Mr. Carr provided insights into Measure A revenue, noting a 7% shortfall compared to the budget, while expenditures are significantly under budget by 48%.

Mr. Carr provided a comprehensive update on the water and sewer funds, affirming fiscal stability for the year. The water fund has approximately \$1.13 million in revenues which effectively covers operating expenses for the water system and storm drainage, with expenditures totaling about \$0.92 million (\$920,000). This surplus will facilitate the execution of essential capital projects as planned. Notably, revenues for this fiscal year have exceeded expectations by 12%, while expenditures remain 4% under budget. Similarly, the sewer fund revenue stands in alignment with projections at \$687,000, with expenditures totaling \$657,000.

Mr. Carr briefly presented to the Council the status of a few project funds, for which the City Staff seek approval for reconciliation.

Vice Mayor Romano expressed apprehension regarding the adequacy of reserves for water and sewer capital maintenance plans and expenditures, highlighting concerns that current allocations may not sufficiently cover necessary infrastructure improvements. Specifically, Vice Mayor Romano emphasized the need for reserves to not only cover operational costs but also to account for pipe replacements and other critical infrastructure needs. Vice Mayor Romano proposed involving the Public Works and Safety Commission in devising a comprehensive plan. In response, Mr. Carr acknowledged the existence of water and sewer master plans but acknowledged their need for updating. He explained that while the City Engineer was initially tasked with this update, the prioritization of the Department of Water Resources (DWR) project has temporarily sidelined these efforts. Mr. Carr suggested adding the water and sewer master plans into the budget for 2025, and Vice Mayor Romano agreed, stating that this action would serve as an excellent initial step forward.

Director of Administrative Services/ACM Rebecca Pendergrass reminded the Council that during the January 16<sup>th</sup> City Council meeting, they had approved the increased rates for water and sewer. Ms. Pendergrass emphasized that these adjusted rates have positioned the City more favorably to secure grant funding for infrastructure projects.

**ACTION:** Vice Mayor Romano moved, seconded by Councilmember Tolley, to approve the fund balance transfers as outlined. The motion carried 5-0 by a voice vote.

## **B. Consider Local Transactions Tax for Specific Local Purposes**

City Manager Pete Carr reviewed previous discussions with the Council held in October and November, during which staff proposed considering an additional ½ cent of new local add-on transactions and use (sales) tax. He outlined the voting requirements for each measure in an example:

Measure B “R Tax” (special tax requiring 2/3 voter support – specific to Road maintenance)

Measure C “RRR Tax” (general tax with intended priority for rescue, reading and recreation, 50% +1)

Councilmember Roundy emphasized the importance of establishing clear objectives for each measure and providing precise information to voters to ensure they fully comprehend what they are voting on. He expressed his support for allocating funds for Library and Recreation purposes.

Mr. Carr explained that while the City can provide educational efforts, it cannot engage in a persuasive campaign. He stressed that City Staff would need to receive clarity on the Council's decision by mid-March to effectively prepare the Measures for the November election.

Councilmembers engaged in discussion regarding the potential consequences if the measure requiring a two-thirds majority did not pass, or if both tax measures failed to gain approval. They voiced their apprehensions about these potential scenarios. Mr. Carr provided insight into why the staff recommended two separate ¼ cent taxes.

Vice Mayor Romano expressed concerns he had gathered from citizens regarding the growing amount of money in the Measure A fund, which remains protected. He advocated for specific allocations for the Library and Recreation Department, emphasizing the importance of establishing firm figures to support capital improvements and assets rather than salaries.

Councilmember Tolley conveyed that numerous constituents have approached him with a request to avoid imposing new taxes. While acknowledging the valuable contributions of the Orland Volunteer Fire Department to the City, he expressed observations regarding the department's financial stability from Measure A, particularly noting the acquisition of new fire engines. Councilmember Tolley stated public perception could start to question whether the Measure A funds allocated to the fire department could be diversified to address other areas in the community in need. Councilmember Tolley noted that the Fire Department utilizes various fundraisers, including Measure A funds, to generate revenue. He suggested that in the future, Measure A funds could potentially be allocated to other needs within the community since the Fire Department is already well-supported by these funds.

Councilmember McDermott addressed the concerns regarding Measure A, highlighting that the Fire Department is unique in its practice of saving money to finance its own equipment. McDermott emphasized the department's frugality in spending and the ongoing challenge of rising equipment costs

amidst changing regulations. He agreed that public perception is crucial and stressed the Council's responsibility to provide accurate information to the community by engaging and educating citizens.

Orland resident and Chairperson of the Economic Development Commission Ron Lane expressed support for the proposed additional taxes, highlighting that the majority of revenue would come from travelers along Interstate 5. He emphasized that sales tax revenue, particularly from gas purchases, would directly benefit the City.

Orland resident and Economic Development Commissioner Brandon Smith raised some questions regarding the measures and shared his opinion that combining both measures could increase their chances of passing. He suggested that once the general tax passed, the City could strategically allocate the funds to specific departments.

Questions were raised regarding the distinction between special and general tax measures, with City Attorney Greg Einhorn explaining how adding percentages and dollar amounts could classify a measure as a special tax. Mr. Einhorn recalled that Measure A, as a general tax, was intended for separate allocations to Fire, Police, and Public Works departments, as promised to voters by the Council. He clarified that specific amounts were not listed on the ballot to avoid classifying the measure as special, but rather as a direction from the Council to allocate funds as specified in a staff report. Mr. Einhorn suggested that the Council would benefit from reviewing draft ballot language, which the Council agreed to and requested to be brought back for discussion at the next meeting and would include the integration of the road maintenance measure into the "RRR Tax," believing it would have a higher chance of passing as a general tax, requiring a simple majority of 50%+1.

### **Council Member Compensation**

City Attorney Greg Einhorn revisited a discussion from the August 15th meeting regarding Council member compensation. He reminded the Council that amendments to Government Code §36516, allowing for the first city council member compensation increases in nearly four decades, are now in effect. These amendments grant cities like Orland the option to adjust council member compensation to account for inflation and promote diversity on the City Council. Increased compensation can facilitate participation from individuals across various income levels. Mr. Einhorn informed the Council that for Orland, the maximum compensation increased from \$300 to \$950 per month. However, he emphasized that this adjustment will not take effect until a new council member is elected or reelected.

The Council discussed the compensation increase and shared why they felt they would like to see the adjustment to allow for a more diverse pool of applicants on City Council. A suggestion was made to give commissioners stipends also.

Mr. Smith shared that getting involved with EDC and the Chamber of Commerce has helped him understand what it takes to run a community and commended the Councilmembers for often putting the community before their families to make the City a better place.

Orland resident Earl Megginson shared that attending City Council meetings has changed his opinion of what City Council does, stating City Council does not have an easy job and he appreciates all they do for the community.

County resident and Orland Chamber of Commerce President Dee Dee Jackson shared appreciation for all Councilmembers do for the community and stated the Council should get the increase.

Mr. Lane stated he sees all the work the Councilmembers put in for meetings and events that the everyday public does not see. Mr. Lane thanked the Council for all they do behind the scenes.

County resident Susie Smith shared that she felt a mentoring program would help to get a more diverse Council.

Mr. Einhorn indicated that he would present an ordinance to establish the new compensation amount at an upcoming meeting. Additionally, he mentioned that he would reintroduce the discussion on commissioner compensation stipends as a discussion item on a future agenda.

## **ORAL AND WRITTEN COMMUNICATIONS**

### **PUBLIC COMMENTS:**

Mr. Lane presented an idea for a 4<sup>th</sup> of July drone light show that is fire and pet safe, that would keep the community here and even bring people into Orland to see something new and exciting.

Ms. Smith asked about an update on the spay and neutering program. The Mayor shared that the City has approved the funding, now the City is just waiting for the County to put it on their agenda for approval.

## **CITY COUNCIL COMMUNICATIONS AND REPORTS**

Councilmember Tolley:

- Attended the Glenn Grows opening on January 22<sup>nd</sup>;
- Attended the Special City Council meeting January 23<sup>rd</sup>;
- Attended the two EDC meetings January 9<sup>th</sup> and 30<sup>th</sup> .

Councilmember McDermott:

- Will be attending the Fentanyl Town Hall Meeting;
- Will be attending the Planning meeting on February 15<sup>th</sup>.

Vice Mayor Romano:

- Nothing to Report.

Councilmember Roundy:

- Shared he liked the drone show idea or seeing Orland get a fireworks show for 4<sup>th</sup> of July;
- Attended the Glenn Ground Authority meeting and provided an update.

Mayor Dobbs:

- Nothing to Report.

## **MEETING ADJOURNED AT 8:43 PM**

Jennifer Schmitke, City Clerk

Chris Dobbs, Mayor