
FINANCE COMMITTEE REPORT – Regular Meeting

A Committee of the Chico City Council: Councilmember Bennett, Mayor Coolidge, and Chair Morgan

Meeting of Wednesday, January 26, 2022 – 8:30 a.m. to 10:30 a.m.

Meeting Location: This meeting was held virtually via Zoom

PUBLIC PARTICIPATION: Due to the recent universal masking indoors mandate issued by the California Department of Public Health and to protect the health of its citizens, the Finance Committee meeting was held virtually via Zoom. The public was invited to participate in the meeting using the information provided on the agenda.

Due to technical difficulties, the meeting was called to order at 8:33 a.m. by Chair Morgan, with Mayor Coolidge present, and Councilmember Bennett absent. The technical difficulties were resolved and the meeting was available to the public to participate.

REGULAR AGENDA

A. APPOINTMENT OF MEMBERS TO THE AD HOC CITIZEN'S COMMITTEE (CDBG-CAC) FOR THE PURPOSES OF REVIEWING AND RECOMMENDING COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PUBLIC SERVICES APPLICATIONS

In October 2021, the Finance Committee forwarded a recommendation to City Council that approved an Administrative Policy and Procedure (AP&P) that formalized the appointment process and responsibilities of the Community Development Block Grant Ad Hoc Citizen's Committee (CDBG-CAC). The CDBG-CAC is responsible for reviewing grant applications and making recommendations to the Finance Committee for the use of CDBG Public Service funding as part of the City's Annual Action Plan process. The CDBG-CAC membership has fallen below five members which requires staff to notice the vacancy and solicit applications. Applications were made available through the month of December 2021 and six applications were received during the recruitment period. ***(Report—MaryJo Alonzo, Housing Specialist)***

Housing Specialist MaryJo Alonzo reviewed the staff report. It was noted that Elizabeth Nordhus withdrew her application.

Mayor Coolidge stated that he wanted to delay these appointments until Councilmember Bennett could be present.

Chair Morgan stated they will forward recommendations to the Clerk by the end of day to facilitate the appointments.

B. CONSIDERATION OF THE SEWER UTILITY RATE ANALYSIS REPORT AND FINDINGS

Costs for ongoing wastewater treatment have increased over the years to address more stringent regulations and operational needs while sewer fees collected by the City have remained largely unchanged. Capital Improvement Projects (CIP) for the collection system have not been realized due to low revenue collection causing infrastructure to age far beyond its normal useful life in many areas. The lack of sufficient long term capital improvement funding for both the Water Pollution Control Plant (WPCP) and collection system have become concerning for staff. In late 2015 staff were alarmed with the annual ending fund balance trends in sewer fund 850 due to its annual payment to the State Revolving Loan (SRL) for the last expansion. At its January 5, 2016 meeting Council adopted the mission, vision, and objectives initiating a broad and full sewer analysis to study all aspects of the sewer utility and make recommendations to confirm long term fiscal solvency.

Multiple technical studies were performed including a full WPCP facility analysis, sewer enterprise valuation analysis, collection system analysis, and a rate study combining all the information to recommend monthly sewer rates to properly manage and operate the full sewer enterprise. ***(Report – Erik Gustafson, Director of Public Works O&M)***

Director Gustafson reviewed the staff report and presented the Sewer Rate Study presentation.

Councilmember Morgan and Mayor Coolidge requested that Staff return with additional options at the February Finance Committee meeting, including the following:

- **Automatic inflator**
- **50% versus the 100% that is needed**
- **Options of 40%, 62%, and 85% of what is needed**

City Clerk Debbie Presson requested clarification on the direction provided regarding Item A. the Ad Hoc Citizen's Committee appointments. She stated that action is needed on this item and asked if the Committee would like to call for a Special Meeting to make the appointments.

Chair Morgan stated that the Committee would like to receive input from Councilmember Bennett and to call for a Special Meeting to make the appointments.

C. MONTHLY FINANCIAL REPORT

The Deputy Director – Finance presented the Monthly Financial Report and Budget Monitoring Reports through December 31, 2021. **(Report – Barbara Martin, Deputy Director – Finance)**

D. BUSINESS FROM THE FLOOR – None

E. **ADJOURNMENT** - The meeting adjourned at 9:58 a.m. to the next regular Finance Committee Meeting on February 23, 2022 at 8:30 a.m. in Conference Room 1 at 421 Main St. or via Zoom if the mask mandate is still in place.

Prepared by:



Dani M. Rogers, CMC
Deputy City Clerk

FINANCE COMMITTEE REPORT – Special Meeting

A Committee of the Chico City Council: Councilmember Bennett, Mayor Coolidge, and Chair Morgan

Meeting of Monday, January 31, 2022 – 9:00 a.m.

Meeting Location: This meeting was held virtually via Zoom

PUBLIC PARTICIPATION: Due to the recent universal masking indoors mandate issued by the California Department of Public Health and to protect the health of its citizens, the Finance Committee meeting was held virtually via Zoom. The public was invited to participate in the meeting using the information provided on the agenda.

The Zoom meeting was called to order by Chair Morgan, with Councilmember Bennett present and Mayor Coolidge absent.

SPECIAL AGENDA

A. APPOINTMENT OF MEMBERS TO THE AD HOC CITIZEN'S COMMITTEE (CDBG-CAC) FOR THE PURPOSES OF REVIEWING AND RECOMMENDING COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PUBLIC SERVICES APPLICATIONS

In October 2021, the Finance Committee forwarded a recommendation to City Council that approved an Administrative Policy and Procedure (AP&P) that formalized the appointment process and responsibilities of the Community Development Block Grant Ad Hoc Citizen's Committee (CDBG-CAC). The CDBG-CAC is responsible for reviewing grant applications and making recommendations to the Finance Committee for the use of CDBG Public Service funding as part of the City's Annual Action Plan process. The CDBG-CAC membership has fallen below five members which required staff to notice the vacancy and solicit applications. Applications were made available through the month of December 2021 and six applications were received during the recruitment period. ***(Report—MaryJo Alonzo, Housing Specialist)***

Housing Specialist MaryJo Alonzo reviewed the staff report and the composition of the Committee. She also noted that Elizabeth Nordhus withdrew her application.

Councilmember Bennett nominated Christine Boyle and Tina Reszler.

Councilmember Morgan nominated Christine Boyle, Tina Reszler, and Eric Nilsson.

The Committee members concurred (2-0-1, with Coolidge absent) on the nominations, appointing Christine Boyle, Tina Reszler and Eric Nilsson to the Ad Hoc Citizen's Committee.

B. ADJOURNMENT - The meeting adjourned at 9:05 a.m. to the next regular Finance Committee Meeting on February 23, 2022 at 8:30 a.m. in Conference Room 1 at 421 Main St. or via Zoom if the mask mandate is still in place.

Prepared by:



Dani M. Rogers, CMC
Deputy City Clerk