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*****MEDIA ALERT*****

MARCH 2, 2021 CITY COUNCIL MEETING SUMMARY

(Chico, CA – March 3, 2021 –) The regular City Council meeting of March 2, 2021 was held with various agenda items of note. Below is a summary of some of the items that drew interest from members of the community.

REGULAR AGENDA ITEMS

- 5.1 Five-Year Projection Update & 5.12 Pension Obligation Bonds – Administrative Services Director Scott Dowell delivered a detailed five-year budget presentation regarding the City’s operating expenditures and reserves. Included in the presentation was a synopsis of the cost savings provided by CalPERS Unfunded Accrued Liability (UAL) restructuring through the issuance of Pension Obligation Bonds, and a request by City staff for approval to continue exploring the restructuring process by moving into the legal validation process, public outreach and education, and continued analysis.

Through diligent cost-saving measures implemented over an eight-year period, the City has reached a positive desired operating reserve and the effects of the COVID-19 pandemic on City finances were not as detrimental as anticipated. Interest rates are currently at historic lows, and a Pension Obligation Bond could be used to restructure all or a portion of the UAL at a projected interest rate between 3.0% to 4.0%, making the timing prudent to begin the process of further evaluation. A motion to direct staff to move forward with the initial phase of the process passed 7-0.

- 5.2 Consideration of Legal Services Agreement – During Closed Session at the February 2, 2021 regular Council Meeting, Council opted to terminate the contract for City Attorney Services with Colantuono, Highsmith & Whatley, and appointed Alvarez-Glasman & Colvin for City Attorney Services.

The City appreciates the work Mr. Andrew Jared has provided to Council, City staff, and the City of Chico, and wishes to welcome Mr. Vincent Ewing as incoming City Attorney. A motion to approve the Agreement for Legal Services for City Attorney Services between the City and Alvarez-Glasman & Colvin and for the City Manager to execute the agreement passed 5-2.

- 5.7 Mayor Coolidge Request to Discuss a Sales Tax Measure for Police and Fire, and a Bond for Road Improvements

A motion to move the discussion of a potential sales tax measure for funding of the Police and Fire Departments, and a bond for road improvements to the Finance Committee for further review passed 5-1, with 1 abstention.

- 5.8 Commercial Cannabis Revenue Generating Models and Fees – At the December 15, 2020 regular Council meeting, Council reconsidered their vote on the Commercial Cannabis Fee Resolution, resulting in the pausing of the application process and requesting staff to return with additional information related to revenue generating models used in other cities.

The previously adopted revenue generating model reflected a cost recovery-only approach. The City deliberately brought forward the previously approved fee schedule based upon the immediate needs of getting the program off the ground. Other cities have used various avenues to support revenue generation surrounding commercial cannabis, including development agreements, community benefit agreements, and tax assessments. A motion was made to direct the City Attorney to further review the difference between a community benefit agreement and a development agreement revenue generating model, and to report back to Council on all processes that might be needed to implement either decided model. In addition, Council also directed the City Attorney to advise upon the best way to move ahead with a cannabis tax measure. The motion passed 6-1.

- 5.10 Councilmember Denlay’s Request to Discuss the Greater Chico Homeless Task Force (GCHTF) – Councilmember Kami Denlay requested to consider amending the GCHTF to make it an official Commission of the City.

The City currently provides administrative support to the GCHTF, which was formed at under the auspices of a previous Council. A motion was made to direct the City Clerk’s office to analyze the Greater Chico Homeless Task Force, including assessing the City’s involvement, and provide feedback and direction towards the creation of an official Commission. The motion passed 4-2, with 1 abstention.

“I am greatly looking forward to this continued discussion,” said Councilmember Denlay. “In light of current City issues surrounding homelessness, as well as recent State Auditor reports surrounding CoC’s (Continuums of Care) nationwide, it is important that we do our due diligence in evaluating any committees related to homeless issues.”

COUNCILMEMBER REQUESTS

- Councilmember Alex Brown – Councilmember Brown requested to bring forward a discussion regarding establishing a sheltering location on 4/5 of an acre at the current BMX site near the Silver Dollar Fairgrounds. *Motion passed 6-1.*
- Mayor Andrew Coolidge – Mayor Coolidge requested a review of the Butte County Continuum of Care (CoC), including an assessment of where the funding the organization receives is being spent and how they are helping those experiencing homelessness in the City and County.

“I requested to agendize this discussion so that the community can have a better understanding of the funding sources and allocations for Butte County’s Continuum of Care, and of how their mission affects the outreach and scope of work they do within Chico and Butte County,” said Mayor Coolidge.

Motion passed 5-2.

To view the agenda in its entirety, or to watch the recorded meeting, please go to http://chico-ca.granicus.com/GeneratedAgendaViewer.php?view_id=2&clip_id=943.

For media inquiries, please contact Lynda Gizzi, Public Information Officer, at (530) 896-7204.

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