

CITY COUNCIL A G E N D A MONDAY FEBRUARY 5, 2024 6:00 P.M. Special Session 33 Church Street, Sutter Creek CA 95685 The Agenda can be found on the City's Website: <u>www.cityofsuttercreek.org</u>

THE CITY OF SUTTER CREEK CITY COUNCIL MEETING WILL BE AVAILABLE VIA ZOOM AND IN PERSON.

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Please note: Zoom participation is only available for viewing the Council meeting. *Public comment will not be taken from Zoom.*

or

Dial by phone: 301-715-8592 Meeting ID: 956 852 0224

Unless stated otherwise on the agenda, every item on the agenda is exempt from review under the California Environmental Quality Act ("CEQA") per CEQA Guidelines Sections 15060(c), 15061(b)(3), 15273, 15378, 15301, 15323 and/or Public Resources Code Section 21065.

1. CALL TO ORDER AND ESTABLISH A QUORUM FOR REGULAR MEETING

2. PLEDGE OF ALLEGIANCE TO THE FLAG

3. PUBLIC FORUM

At this time, the public is permitted to address the City Council on items not appearing on the agenda. Comments may not exceed 5 minutes. In accordance with State Law, however, no action or discussion may take place on any item not appearing on the posted agenda. The City Council may respond to statements made or questions asked or may request Staff to report back at a future meeting on the matter. The exceptions under which the City Council may discuss and/or take action on items not appearing on the agenda are contained in Government Code §54954.2. Public comment on any item listed below shall be limited to five minutes, unless additional time is permitted by the Mayor/Council.

4. CITY MANAGER'S REPORT

This section is an opportunity to provide Council members with a brief status update on staff activities. No action is expected to be taken by the Council.

5. **PRESENTATIONS – None**

6. APPROVAL OF MINUTES

A. City Council Minutes of January 16, 2024. *Recommendation: By motion approve minutes as presented.*

7. CONSENT AGENDA

Items listed on the consent agenda are considered routine and shall be enacted in one motion. Any item may be removed for discussion at the request of Council or the Public. A. City Council 2024 Committee Assignments – LATE PACKET

8. ORDINANCES & PUBLIC HEARING – None.

9. ADMINISTRATIVE AGENDA

A. Fiscal Sustainability: Long Range Financial Forecast – LATE PACKET

- B. Waste Water Plant Grant Update
- C. City Response Letter to School District Draft EIR LATE PACKET
- D. Potential Land Acquisition Near Plant

10. MAYOR AND COUNCIL MEMBER REPORTS

This section is to provide Council members an opportunity to present updates on their activities and to request items be placed on future agendas.

11. CITY ATTORNEY'S REPORT

This section provides an opportunity for the City Attorney to report on any activities or upcoming legislation of importance to the City. No action is expected to be taken by the Council.

12. FUTURE AGENDA ITEMS

This section provides an opportunity for Council members to request items to be added to the agenda in the future with a majority Council vote.

13. INFORMATION/CORRESPONDENCE

14. CLOSED SESSION

 A. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION (Paragraph (1) of subdivision (d) of Gov. Code Section 54956.9)
SEIU Local 1021 v. City of Sutter Creek, Pub. Emp. Rel. Bd. Case No. SA-CE-1244-M

15. REPORT FROM CLOSED SESSION

16. ADJOURNMENT

The next regularly scheduled meeting is TUESDAY, FEBRUARY 20th at 6:00 P.M

Committee Representatives									
Committee	Council member	Alternate	Tentative Meeting Times						
Amador County Recreation Association (ACRA)	Sierk	Riordan	2nd Wed @ 1pm						
Amador County Transportation & Transit Commission (ACTC)	Riordan	Sierk	1st Thurs @ 9am						
Amador Council of Tourism (ACT)	Feist	Sierk	3rd Thurs @ 9:00						
Amador Air District Board	Sierk	Riordan	3rd Tues @ 1:30pm						
Airport Land Use Commission	Riordan	Swift							
Amador Regional Sanitation Agency (ARSA)	Swift/Gunselman	Riordan	3rd Thursday @ 3:00						
City Select Committee	Mayor								
Fire District Liaison	Swift	Gunselman	3rd Tues @ 7:30 pm						
LAFCO	Swift (app by CSC)								
AB 939 JPA	Gunselman	Swift							
Amador Tuolumne Community Action Agency	Gunselman (app by BOS)		2nd Fri (even months) 9-2						
SC Business Professional Association	Feist	Sierk	1st Thurs @ 8:30 am						



Item 9A

TO:	THE CITY COUNCIL
MEETING DATE:	FEBRUARY 5, 2024
FROM:	TOM DUBOIS, CITY MANAGER
SUBJECT:	FISCAL SUSTAINABILITY, PART 1 of LONG-RANGE FINANCIAL FORECAST
TYPE:	INFORMATION REPORT

RECOMMENDATION: Accept this report as input to the 2024-2025 budget planning process.

BACKGROUND: As part of our budget process this year, we are developing a long-range financial forecast over six years to show whether the city's financials are sustainable in the long term. In the past, budgets have been balanced by accessing reserves and differing needed maintenance. Tonight, we are only looking at the General fund and general fund capital projects. Not dedicated reserves, which are primarily wastewater related.

Wastewater makes up a large portion of the budget expense. Sutter Creek staff also staff the Amador Regional Sanitation Authority (ARSA) and ARSA's budget has an enormous impact on Sutter Creek's budget that may not always have been obvious or transparent. That will be a discussion for a later report – but it's important to note.

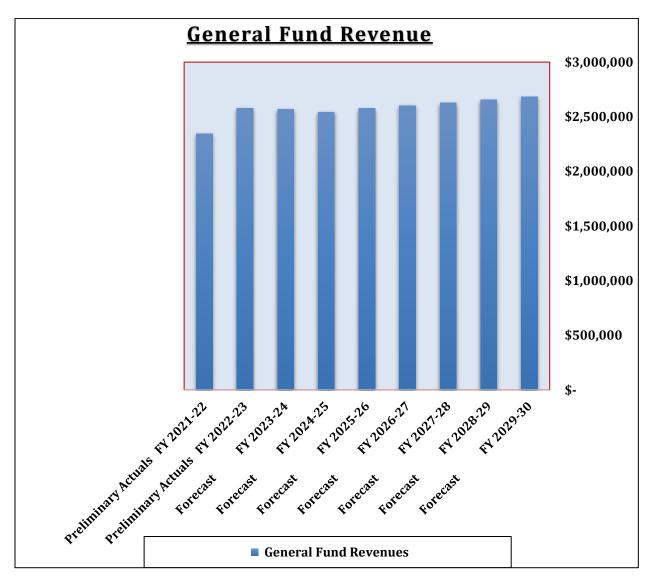
We want to highlight several areas for council members that have enormous impacts on the budget – Revenue Forecast, long-term Capital Improvement and Fleet Plans, Unfunded Pension costs, and alignment of sewer rate studies with wastewater capital improvements and the ARSA budget.

Staff is continuing to analyze expenses and reserve funds and will return with a "Part 2" of the long-range forecast once that work is complete to present a comprehensive view of revenue and expenses.

DISCUSSION:

The base case Revenue forecast anticipates that city revenue will slowly increase from \$2.56M in the current fiscal year to \$2.68 M in FY2029-2030. The Base case scenario assumes a slowly growing local economy with property tax increasing 2% a year, sales tax increasing 1% a year and everything else flat. A strong change in economic direction, either a recession or stronger growth accompanied by more development in Sutter Creek would impact these numbers. But

based on past practices and current trends, the base case is the most likely scenario. It's important to note that different sources of revenue will lag changes in economic conditions. TOT will react quite quickly. Property tax can lag up to 12 months. Sales tax will lag about 6 months due to collections lag.



FY 2021-22 to FY 2029-30 General Fund Forecast									
	Prelim. Actuals FY 2021- 22	Prelim. Actuals FY 2022- 23	Updated FY 2023- 24	Forecast FY 2024- 25	Forecast FY 2025- 26	Forecast FY 2026- 27	<i>Forecast</i> <i>FY 2027-</i> <i>28</i>	Forecast FY 2028- 29	Forecast FY 2029- 30
Revenues	\$ 2,343,976	\$ 2,577,478	\$ 2,568,230	\$ 2,542,912	\$ 2,575,798	\$ 2,601,546	\$ 2,627,760	\$ 2,654,447	\$ 2,681,617

SCENARNIOS FOR REVNEUE GROWTH

Revenue growth would most be impacted by a local sales and use tax. Based on current sales tax in Amador County, the City could institute a local sales tax up to 1.5%

Revenue at 0.5% level would grow to \$3m in FY 2029-2030

	Preliminar y Actuals FY 2021- 22	Preliminary Actuals FY 2022- 23	Forecast FY 2023- 24	Forecast FY 2024- 25	Forecast FY 2025- 26	Forecast FY 2026- 27	Forecast FY 2027- 28	Forecast FY 2028- 29	Forecast FY 2029- 30
General Fund Revenues	\$ 2,343,976	\$ 2,577,478	\$ 2,568,230	\$ 2,582,287	\$ 2,733,298	\$ 2,760,621	\$ 2,788,426	\$ 2,816,719	\$ 2,845,512

Revenue at 1.0% would grow to

	Preliminar y Actuals FY 2021- 22	Preliminary Actuals FY 2022- 23	Forecast FY 2023- 24	Forecast FY 2024- 25	Forecast FY 2025- 26	Forecast FY 2026- 27	Forecast FY 2027- 28	Forecast FY 2028- 29	Forecast FY 2029- 30
General Fund Revenues	\$ 2,343,976	\$ 2,577,478	\$ 2,568,230	\$ 2,621,662	\$ 2,890,798	\$ 2,919,696	\$ 2,949,091	\$ 2,978,992	\$ 3,009,407

Revenue at 1.5% local sales tax would be:

	Preliminar y Actuals FY 2021- 22	Preliminary Actuals FY 2022- 23	Forecast FY 2023- 24	Forecast FY 2024- 25	Forecast FY 2025- 26	Forecast FY 2026- 27	Forecast FY 2027- 28	Forecast FY 2028- 29	Forecast FY 2029- 30
General Fund Revenues	\$ 2,343,976	\$ 2,577,478	\$ 2,568,230	\$ 2,661,037	\$ 3,048,298	\$ 3,078,771	\$ 3,109,757	\$ 3,141,264	\$ 3,173,302

Long Term Capital Improvement and Fleet Plan

If revenue were not a constraint, the City would maintain its infrastructure on a set schedule, and reserve funds to cover those expenses. The table below summarizes a scenario that would do just that. It is based on our current CIP wish list that included cost estimates for roads, sidewalks, stormwater, and city facilities. Infrastructure was assumed to be fixed on the following cycle:

Road projects	Completed over the next 20 years
Sidewalk improvements	Completed over the next 6 years
Stormwater improvements	Completed over next 5 years
City Facilities	Completed over the next 15 years
Fleets	Catch up with older vehicles and then replace on a seven year cycle

Known Capital Needs (per schedule):							
Inflation Factor:		103.00%	106.09%	109.27%	112.55%	115.93%	119.41%
	FY						
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Police Vehicles /	\$	\$	\$	\$	\$	\$	\$
Apparatus	58,500	185,400	190,962	98,345		104,335	107,465
PW Vehicles /	\$	\$	\$	\$	\$	\$	\$
Apparatus	15,000	206,000	53,045	355,136	309,515	278,226	149,257
Roadway	\$	\$	\$	\$	\$	\$	\$
maintenance	650,000	669,500	689,585	710,273	731,581	753,528	776,134
Sidewalk	\$	\$	\$	\$	\$	\$	\$
improvements	333,333	343,333	353,633	364,242	375,170	386,425	398,017
Stormwater	\$	\$	\$	\$	\$	\$	\$
improvements	172,800	177,984	183,324	188,823	194,488	200,323	206,332
City Facility	\$	\$	\$	\$	\$	\$	\$
improvements	866,667	866,667	866,667	866,667	866,667	866,667	866,667
TOTAL	\$	\$	\$	\$	\$	\$	\$
	2,096,300	2,448,884	2,337,216	2,583,486	2,477,420	2,589,503	2,503,872

The above table shows a capital need growing from \$2M per year up to \$2.5M in 6 years. Based on the revenue forecast, this will not be achievable. Part 2 of the forecast will come back with reasonable tradeoffs and prioritization. Some projects will need to be stretched over longer time frames. The challenge is that this is just for the current known list. During the next 20 years, new projects will arise.

Wastewater Rate Study

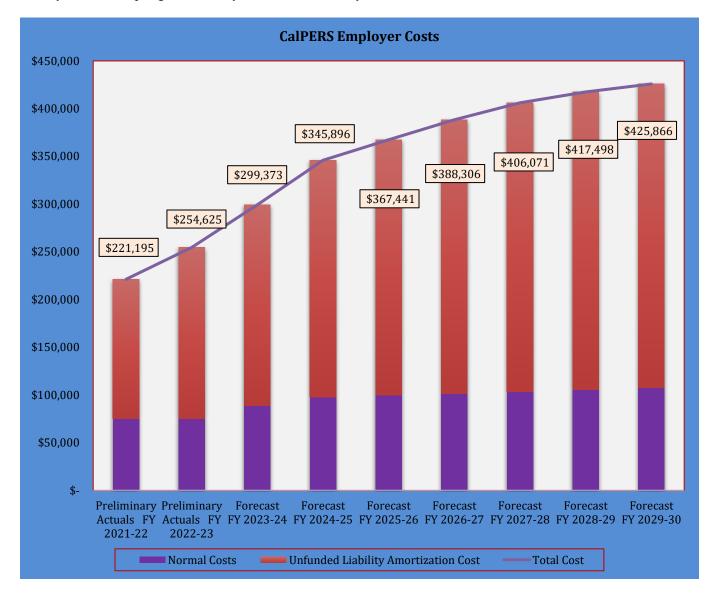
While this report is not going into reserves and the wastewater utility needs, Council should note that similar analysis has started for the wastewater Utility and an updated rate study is underway. Given Capital infrastructure plans for wastewater collection (projected to replace the cities lines over 58 years), wastewater treatment plant (at the lowest cost alternative) and ARSA CIP needs, we are developing a forecast of wastewater needs. The rate study report will be coming to Council as soon as it is completed.

Unfunded Pension Liability

Unfunded Pension Accrued Liability or UAL can have a big impact on a Cities budget. The Actual Determined Contribution by a City to employee pensions is the total of the Normal Cost and Unfunded Accrued Liability (UAL). The Normal Cost reflects the employer contribution for the plan retirement benefits provided to current employees based on the current set of assumptions and is billed as a percentage of payroll. 2. The UAL represents the employer amortization of unfunded accrued liability and

is billed as a flat dollar rate. The CalPERS's annual payment is calculated to pay down the City's unfunded accrued pension liability over the amortization timeline. If all actuarial assumptions were realized through the amortization timeline, the City would eliminate its unfunded pension liability after making these annual payments. However, that is rarely the case.

You can think of this as a variable rate mortgage with the requirement to make additional payments dependent on the investment return that CalPERS achieves. CalPERS historically assumed high returns that have gotten harder and harder to achieve as the fund has grown in size. In Nov 22021, CalPERS dropped its discount rate from 7.0% to 6.8% - many experts consider even that rate too high. The impact on a city can mean that a growing proportion of the general fund is going to cover pension benefits. In order for a city to paydown that unfunded liability, some city's budget additional funds to save for pensions. By assuming a lower discount rate, say 5.3%, and putting that additional money in a pension reserve, a city can eliminate its unfunded liability over time, freeing up general fund money for city operations. It takes incredible discipline by council and staff to achieve this. An appropriate analogy is a 30 year mortgage – by making extra mortgage payments, you are able to spend less money on interest and pay down the principle over many years. The challenge is that most of us will no longer be involved with the city, so it is tempting to use today's funds in other ways.



18 Main St., Sutter Creek, CA 95685 • Telephone: (209)267-5647 • Fax: (209)267-1655 • TTY: 711 The City of Sutter Creek is an equal opportunity service provider and employer Sutter Creek's UAL is continuing to grow, though the curve is flattening. Ideally, we would see the curve start to decrease and the total to go down. UAL is currently about 2.5X the Normal cost, growing to 3X by FY29-30. Prudent fiscal planning would have the city assume a more realistic discount rate and reserve additional funds for pensions. CalPERS is likely dropping its rate to 6% over the next 20 yrs, every drop they make increases the bill for agencies across the state. We can be more in control of our fate by assuming a lower rate ahead of CalPERS. Special pension savings instruments are available to cities, called Section 115 Trusts. Money can be placed there and invested more aggressively than other city funds.

CONCLUSION AND NEXT STEPS:

The City's budget is extremely stretched. If we are to fully account for maintaining city infrastructure and being able to cover future pension costs, which the city has a fiscal responsibility to do, we would need more funds than city revenue growth will cover.

As we form this year's budget, staff will consider only funding the most critical projects, spreading maintenance over longer time frames, and making some additional contribution to unfunded pension liabilities.

Other sources of revenue such as grants will need to be leveraged and possible forms of debt financing.

More development in Sutter Creek will increase property tax revenue. Economic development efforts also need to be a priority to increase sales tax and transit occupancy taxes.



Item 90

DRAFT

February 2, 2024

Jared Critchfield Deputy Superintendent, Business Services Amador County Unified School District Jackson, CA 95624 <u>CEQAcomments@acusd.org</u> CC: Placeworks, Tori

RE: Draft Environmental Impact Report (DEIR) for the Amador County Unified School District's School Closure and Consolidation Program Project

Dear Mr. Critchfield;

The City of Sutter Creek has reviewed the Draft Environmental Impact Report (DEIR) on the Amador County Unified School District's School Closure and Consolidation Program Project and offers the following comments.

Project Description

The project description in the DEIR does not adequately describe the long term operational changes required for the project. It is focused on near term facility improvements and needs more analysis of long term operational changes. The City sees this project as more than just a reshuffle of students throughout the County with necessary site improvements to existing school campuses. Mitigation measures can't be deferred or defined in the future.

There are existing school facilities that will go unused with no clear plan for their disposition - as such the future development of these sites (including Sutter Creek Primary School) is unclear along with the cumulative impacts for its future use.

There is inadequate analysis on the use of the school facilities year round and for after school programs. The document includes information of additional teaching stations but does not address if additional teachers/staff will be hired or if teachers/staff from other schools within the district will be relocated.

Table 3-2 Permits and Approvals fails to include discretionary approvals that the City of Sutter Creek may be required to issue for the Sutter Creek Primary School and for necessary changes to circulation and parking (see transportation and parking comments below) at the Junior High School and Sutter Creek Elementary School. Additional information is required including:

 Better description of Junior High and ES facility improvements or necessary modifications including student and staff access and parking. Existing access (drop off and pick up) plans
18 Main St., Sutter Creek, CA 95685 • Telephone: (209)267-5647 • Fax: (209)267-1655 • TTY: 711 The City of Sutter Creek is an equal opportunity service provider and employer for Sutter Creek Elementary School are inadequate and congestion/illegal parking will be worsened with expansion of student and staff capacity.

- More detailed discussion of demolition or redevelopment plans for Sutter Creek Primary school.
- Better description of staffing changes to coincide with proposed student population changes.
- Better description of year round and/or outside of school hour uses at each school site especially the Junior High School (how does after school hour uses differ from the current High School)..

Project Alternatives

The DEIR includes Alternatives to the Proposed Project but lacks any analysis of potential sites outside of the existing schools. By failing to include an alternative site as a project alternative or providing analysis to support rejection of such alternatives, the DEIR fails to consider whether consolidation could occur with fewer environmental impacts. The appearance is that the School District has already pre-determined the outcome of the proposal.

Transportation and Parking

Caltrans and ACTC have been focused on impacts to highways. There are similar impacts to local streets that concern the City of Sutter Creek. During morning dropoff, parents remain in cars and the issues are about maximizing the flow to minimize queuing. Afternoon pickup at Elementary school pickup is the biggest issue - parents come and park anywhere they can, often illegally on Spanish street and Sutter Ione road. They then walk within the roadway to school facilities to collect their child - it's a safety problem for pedestrians, other vehicles and restricting emergency vehicle access to the neighborhood. These impacts would be worsened with increased site access for additional students previously attending the Primary School and no proposed improvements to site access or parking. Impacts 5.15-3 and 15.-4 need to be revised to analyze the impacts of further exacerbating congestion and student and parent/staff safety during morning pick up and afternoon drop off times. Mitigation measures need to be outlined that will reduce both the existing site safety impacts and the exacerbated condition that will result from moving Sutter Creek Primary School students to the ES site.

- To properly study health and safety impacts related to General Plan consistency, drop off and pick up queuing analysis need to be studied at the following intersections for proposed operational changes at Sutter Creek ES and the Junior High School:
 - Spanish Street and Old Highway 49
 - Spanish Street and Sutter Ione Road
 - Sutter Ione Road and State Route 49
 - Sutter Ione Road and Oro Madre Way
- Queuing analysis should use Sychro software for analysis to be consistent with other queueing analysis asked for by Caltrans and ACTC.
- Need to use student home addresses for additional students for queueing analysis.
- Proper VMT threshold should be used, demonstrating the preferred alternative results in lower VMT to reduce GHG.

- Traffic Demand Management (TDM) / Drop off/pick up zones and parking for each school needs to be better defined. Reliance on the stated intentions (e.g., pages 3-16 and 5.13-9) of the campus supervisor to oversee a valet program and meter vehicles is not adequate to reduce existing and worsened impacts from campus consolidation. If this was a viable mitigation measure, it would be in use today at the Sutter Creek Elementary School to improve roadway congestion and site safety.
- Detailed requirements with quantifiable commitments to TDM goals specifying number of students that must be on buses vs single occupancy vehicles. Mitigation needs to include better commitment to expand bus routes/and greater ridership. Amador High School currently includes driving age students that will not attend the Junior High School. As such, the future Junior HS students not taking a bus will result in more vehicle trips then their current HS student equivalents. Parents will have to make two trips to both drop off and pick up their students, doubling the traffic on local roadways/intersections for each student not riding the bus. Compliance with a strict TDM requiring more bus readership will reduce VMT.
- Compliance with No parking restrictions on Spanish Street. Parking creates a safety impact for pedestrians (parents and students) during school operations.
- Sutter Creek Elementary School need to prepare a proper circulation study DEIR simply states no improvements so no impacts yet student population (and presumably staffing) is nearly doubling. See notes from monitoring existing drop off and pick up.
- Existing elementary school access and parking needs to be reviewed for improvements/expansion to handle drop off and pick up for expanded capacity. Create pickup areas for parents in the current lower High School parking lot and the rear area near the Gym for parents picking up elementary students. Consider removing some parking near the administration building to make a larger dropoff area.
- Consider replacing the three way stop at the joint school entrance to the new Jr High and the Elementary school with a roundabout that will speed the flow and minimize queueing.
- For Events, specify the number of events per year and only allow parking on campus. Require parking attendants to manage flow.
- All parking at the Junior High and the Elementary school should be used together in order to manage events at either location. This should include dropoffs and pickups for both schools by staggering times and events to avoid periods where both schools have transportation impacts at the same time.

<u>Construction Impacts</u> Specify construction traffic will access the sites only via Sutter Ione road. No construction traffic on Spanish Street past the school entrance. Specify construction hours will adhere to Sutter Creek requirements that construction occurs between 7AM - 7 PM Monday through Friday

Hazards and Hazardous Materials

The evaluation of Hazard and Hazardous Materials impacts does not cover the disposition, demolition or redevelopment/reuse of the Sutter Creek Primary School. Without that information and additional studies to ensure hazardous materials will not be transported through the City, the evaluation is incomplete. Measures should be outlined using existing information about the facilities on necessary remediation if/when the building is removed (Asbestos, lead).

Cultural Resources

The Cultural Resources section lacks an evaluation of the Historic Sutter Creek Grammar School building and what mitigation measures will be put in place to protect it during future redevelopment/reuse of the site.

Land Use and Planning

The Land Use and Planning section of the DEIR lacks analysis on what will happen with the Sutter Creek Primary School. There is no discussion on what plans the School District has for the land, if the existing zoning will remain in place and disposition of the current parking lot. The lot supports visitors to the historic school site. Need to investigate the possible requirements for future redevelopment or reuse of the site.

- Potential lot split of Historic Grammar School and Primary school that will enable both lots to be fully functional with sufficient parking.
- Description of any anticipated rezoning requests.

Utilities - Wastewater Collection, Stormwater

Because of nearby residential growth that has already occurred over the past several years, significant impacts to the sewer collection system may result from the increase in the elementary population. The school district will need to pay its fair share for any needed improvements. City engineers recommend:

- Wastewater infrastructure studies completed that include all affected on-site and off-site infrastructure. If the increased flows from the expanded school site will result in exceedance of the capacity of the wastewater collection or treatment systems, the studies shall identify necessary upgrades or modifications to the existing wastewater infrastructure.
- The City of Sutter Creek (City) has identified two segments of the sewer collection system that need to be upgraded to conform to City standards. The City design standards require sewer collection lines which serve schools to be eight (8)-inches in diameter at a minimum. The collection system line segments identified as needing to be upgraded are P-366 (6-inch diameter currently) and P-374 (5-inch diameter currently). A further reason for the necessary increase in sewer main size is that pipe segment P-374 has collection system piping upstream which is 8-inch so the current pipe is a known bottleneck and should be increased in size.
- Water studies should be submitted to the City of Sutter Creek as well as Amador Water Agency as proposed water use also impacts wastewater collection and treatment.
- Include Sutter Creek Elementary in Stormwater management improvements. The City disagrees with Impact 5.17.3 conclusion that the proposed Sutter Creek ES improvements would have no impact on stormwater collection and treatment. The modifications to existing land coverage may result in changes to off site stormwater flows.

<u>Air Quality</u>

It is unclear from the document and project timeline if any construction will take place during the school year when students are present. If construction takes place during the school year students will be present and are considered a sensitive population. The document also does not take into consideration the potential impacts from the disposition or redevelopment/reuse of the Primary School.

<u>Noise</u>

Potential noise impacts from the disposition or redevelopment/reuse of the Primary School are not covered in this section of the DEIR. Please analyze the impacts.

If you have any questions concerning these comments, please contact me at 209-215-4890 or tdubois@cityofsuttercreek.org.

Sincerely

Tom DuBois, City Manager City of Sutter Creek

CC: Torie Gibson, Superintendent torie.gibson@acusd.org Paceworks <u>info@placeworks.com</u> Dwayne Mears, Principal, Environmental Services and School Facilities Planning dmears@placeworks.com Mark Brewer, Consolidated High School Principal, mark.brewer@acusd.org