



CITY OF ISLETON

101 2nd Street
Isleton, CA 95641
916-777-7770

City of Isleton AGENDA

Special Meeting
January 21, 2025 05:30 PM

City Council Chambers
101 2nd Street, Isleton, CA 95641
<https://cityofisleton.com/>

Council Members

Mayor Iva Walton • Vice-Mayor David Kent • Councilmember Pamela Bulahan • Councilmember Dean Dockery • Councilmember Aleida Suarez

The public may participate and provide public comments in person and/or zoom. Please be advised that teleconferencing option is provided as a courtesy to the public. If, for any reason, there are technical difficulties, the City Council meeting will continue in person. Members of the public can dial in by phone at 408-638-0968. Enter the Personal Meeting ID 337-903-7904 #. Enter the Personal ID #. Enter the Passcode 123456#. How to Listen to or comment on the City Council Meeting via Zoom:

<https://us02web.zoom.us/j/3379037904?pwd=cWdVNkN5aHUxcjVwRGR1M1BpajcwZz09&omn=85933387418>

Meeting ID: 337 903 7904

Passcode: 123456

REASONABLE ACCOMMODATIONS

In compliance with the Americans with Disabilities Act, persons needing a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, may contact Interim Co-City Manager Jon Kennedy, at (916) 777-7770, by fax at (916) 777-7775 or by email to jon@civassist.com at least 48 hours prior to the meeting.

***** NOTE THAT COUNCIL WILL MEET IN CLOSED SESSION AT 5:30PM. OPEN SESSION WILL BEGIN NO EARLIER THAN 6:30PM. MEMBERS OF THE PUBLIC ARE ENTITLED TO SPEAK ON ANY CLOSED SESSION ITEMS BEFORE CLOSED SESSION BEGINS AT 5:30PM. *****

1. Call to Order

A. Roll Call

2. Closed Session

Discussion Possible Action  [Comment](#)

A. Labor Negotiations Pursuant to Government Code Section 54957.6

Conference with Labor Negotiators -

Agency Designated Representatives: Interim Co-City Managers Adam Cox and Jon Kennedy,
and City Attorney Rebekah Mojica

Bargaining Units: All employees

B. Public Employee Discipline/Dismissal/Release

Closed Session pursuant to Government Code Section 54957 – Public Employee
Discipline/Dismissal/Release

C. Litigation - Anticipated Litigation (Significant Exposure to Litigation)

Conference with Legal Counsel - Anticipated Litigation Pursuant to Gov. Code Section 54956.9
(d)(2) or (3)

D. Litigation - Pending/Existing Litigation

Conference with Legal Counsel - Existing Litigation Pursuant to Gov. Code Section 54956.9
(d)(1)

E. Litigation - Anticipated Litigation (Initiation of Litigation)

Conference with Legal Counsel - Anticipated Litigation Pursuant to Gov. Code Section 54956.9
(d)(4)

3. Public Comments

Discussion  [Comment](#)

This is an opportunity for the public to speak to the Council on any item other than those listed on this Agenda. Speakers are requested to use the podium in front of the Council and to begin by stating their name. The Mayor may impose a time limit on any speaker depending on the number of people wanting to speak and the time available for the rest of the Agenda. In the event comments are related to an item scheduled on the Agenda, speakers will be asked to wait to make their comments until that item is being considered.

4. Approve Minutes for the January 15, 2025 Special Meeting

Discussion **Possible Action**  [Comment](#) [View Item](#)

5. Bank Account Signature Authorization and Removal

Discussion **Possible Action**  [Comment](#)

An immediate update to the City's bank account signature card(s) is required.

It is recommended that the Council authorize the following actions to all City bank accounts at F&M Bank:

Add Mayor Iva Walton, Vice-Mayor David Kent, and Interim Co-City Managers Jon Kennedy and Adam Cox as signers. All other existing signers are to be removed.

6. Budget Review

Discussion **Possible Action**  [Comment](#) [View Item](#)

A verbal report will be provided with supporting documents attached.

7. Debt and Bankruptcy Filing Update

Discussion  [Comment](#)

A verbal report will be provided.

8. Insurance Update: Small Cities Organized Risk Effort (SCORE)

Discussion Possible Action  [Comment](#) [View Item](#)

Discuss options and next steps to retain insurance coverage. A detailed staff report and recommendation is attached.

9. Reduction in Force and Employee Handbook Updates

Discussion Possible Action  [Comment](#) [View Item](#)

Possible reduction in work force due to budget crisis. A detailed staff report and recommendation is attached.

10. City Fire Services

Discussion Possible Action  [Comment](#) [View Item](#)

Discuss alternatives for continued fire protection services within the city. A detailed staff report and recommendation is attached.

11. Financial Consulting Agreement with Ridgeline Municipal Strategies, LLC

Discussion Possible Action  [Comment](#) [View Item](#)

Municipal financial consulting agreement to determine feasibility of restructuring some debt(s) prior to or in lieu of filing Chapter 9 bankruptcy. A detailed staff report and recommendation is attached.

12. Adjournment



CITY OF ISLETON

101 2nd Street
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City of Isleton
Minutes
Special Meeting
January 15, 2025 06:30 PM
101 2nd Street, Isleton, CA 95641
<https://cityofisleton.com/>

1. Call to Order

The meeting was called to order at 6:30 pm by Mayor Iva Walton.

A quorum was established. The Mayor welcomed the attendees and led the Pledge of Allegiance. Vice Mayor Kent was designated as the Clerk Pro Tempore

A. Roll Call

Present: Mayor Iva Walton, Vice-Mayor David Kent, Councilmember Dean Dockery, Councilmember Pamela Bulahan, Councilmember Aleida Suarez

Staff Present:

B. Pledge of Allegiance

Led by Mayor Iva Walton

2. Public Comments

No Public comment for non Agenda items

No Public comment in advance of the Closed Session

3. Closed Session

A. Closed Session pursuant to Government Code Section 54957 – Public Employee Appointment: City Manager / Interim City Manager

Council went into Closed Session at 6:32 PM and returned to Open Session at 8:10 PM

Council made a motion to approve the appointment of Sectaris Partners, LLC as the City Manager/Interim City Manager

Vice-Mayor David Kent motioned to approve. Councilmember Aleida Suarez seconded the motion.

The roll call vote:

Aye Mayor Iva Walton Aye Vice-Mayor David Kent Aye Councilmember Pamela Bulahan Aye Councilmember Aleida Suarez Nay Councilmember Dean Dockery

4. Contract with Sectaris Partners LLC for City Manager / Interim City Manager Services

Council discussed changes negotiated to Contract with Sectaris Partners, LLC: Per Diem expense allowance and mileage reimbursements eliminated, maximum hours charged reduced to a maximum of 130 hours per month, and the Mayor was granted the authority to execute the Contract on behalf of the City.

Council noted in response to questions from the Public that this is a full service firm which will cover all operations, negotiations and restructuring. The City is late filing for bankruptcy due to disruptions and risks losing transportation funding, grant awards and insurance coverage in about 6 months. We can no longer operate unlawfully and misspend tax dollars. This firm will act as a rescue CEO to stabilize the City. The pay of \$125/hour is the rate for the team of 2 1/2 to 3 people working for the City. They need about 2 weeks to let the City know where we stand.

Vice-Mayor David Kent motioned to approve. Councilmember Aleida Suarez seconded the motion.

The roll call vote:

Aye Mayor Iva Walton Aye Vice-Mayor David Kent Aye Councilmember Pamela Bulahan Aye Councilmember Aleida Suarez Nay Councilmember Dean Dockery

5. Adjournment

Meeting adjourned at 8:25 PM

CASH ANALYSIS

Fiscal Year 2024 to Date

6 months of 2024 (7.1.24 to 12.31.24)

| | | |
|--------------------------------|-------------------------|-----|
| General Fund Collected Revenue | 598,867 | |
| LESS: Cost of payroll | <u>(481,042)</u> | 80% |
| Revenue less payroll | 117,826 | |
| LESS: Other payments/expenses | <u>(436,943) ^</u> | |
| NET CASH LOSS Fiscal YTD | <u><u>(319,117)</u></u> | |

The City of Isleton is spending more than 150% of the revenue being brought in

If the city operate as is you will run out of cash within 3-5 months

^Other payments does not include all necessary debt payments to stay afloat

BUDGET FY 2024

PROJECTED REVENUE

| | | |
|-------------------------|------------------|---|
| General Fund Revenue | 1,196,902 | revenue amounts are projected from cash collections 1.1.24-12.31.24 |
| Sewer Fund Revenue | <u>378,491</u> | |
| Total Projected Revenue | <u>1,575,393</u> | |

ACTUAL EXPENDITURES FISCAL YTD

| | |
|-------------------------------|---------|
| Expenses (7.1.24 to 12.31.24) | 917,985 |
|-------------------------------|---------|

REMAINING 6 MONTHS PROJECTED EXPENDITURES

| | | |
|---|-------------------------|--|
| Sewer: Oversight, Testing, Maintenance Fees | 89,456 | |
| Sewer: Public Works Personnel | 49,501 | |
| Sewer: Emergency Repairs | 25,000 | |
| Sheriff: Contracted Services | 51,250 | |
| Fire: Contracted Services | - | under negotiation |
| Code Enforcement: Personnel | 44,478 | |
| Streets and Safety: Personnel | 37,816 | |
| City Management: Contracted | 89,375 | |
| Legal: Contracted | 45,000 | |
| Finance Office: Contracted | 74,400 | |
| Operations: Utilities/Other | 132,000 | |
| Admin: Services/Supplies/Other | 36,000 | |
| All Departments: Residual January Payroll | 35,000 | |
| Financial Audit 21/22: Contracted | 32,000 | |
| Projected Expenditures (1.1.25 to 6.30.25) | 741,276 | bare bones budget, but still not including MANY debt obligations |
| SCORE: CY Premiums & Debt Payment | 211,000 | Required to be repaid by 6.30.25 |
| Projected LOSS 6.30.25 | <u><u>(294,868)</u></u> | |



MEETING DATE: January 21, 2025

AGENDA ITEM: 8. Insurance Update: Small Cities Organized Risk Effort (SCORE)

FROM: Adam Cox / Jon Kennedy

RE: Insurance Update: Small Cities Organized Risk Effort (SCORE)

BACKGROUND:

The City of Isleton contracts with Small Cities Organized Risk Effort ("SCORE"), a Joint Powers Authority that purchases primary and excess insurance coverage for its members.

EXECUTIVE SUMMARY:

Isleton currently contracts with SCORE to provide the following lines (along with 2024/25 annual premiums)

-General & Professional Liability (\$89,666)

-Property & Auto (\$62,487)

-Crime, Employee Assistance, Watercraft, Deadly Weapons, and other minor lines (\$1,621)

Total annual premiums for the current fiscal year are \$153,774, however as of January 17, 2025, SCORE reports that Isleton owes premiums of over \$211,000, due in its entirety by June 30, 2025. The reason that the city owes more than the total amount of its annual premiums is because the city hasn't paid its full bill to SCORE since at least 2022 and is severely in arrears. Notably, the city does not have a Crime policy or an Employment Practices Liability policy with SCORE; staff have been unable to locate alternative policies if they exist.

In 2024, SCORE set Isleton up with a \$15,000 per month payment plan to remain in good standing. So far in this fiscal year the city has made only three of the monthly payments, the last of which was in October.

On January 15 the SCORE executive committee voted to terminate Isleton's liability coverage in order to prevent the past-due amount from growing. The full SCORE board of directors will meet on January 24 and is expected to ratify Isleton's termination. Participation in the liability program is a requirement of SCORE membership, meaning that the city will lose liability coverage immediately* and its other coverages later this year at renewal time. (*Although liability coverage will be cancelled immediately it will not take effect until 90 days after the SCORE board vote.)

SCORE staff have notified the city that if it is able to make significant progress on paying the arrears by SCORE's March 28 meeting, the SCORE board may rescind the termination.

RECOMMENDATION:

None at this time; city staff are working to understand the city's ability to pay past-due and current SCORE premiums.

FISCAL IMPACT:

Approximately \$211,000 - specific funding source currently unknown



MEETING DATE: January 21, 2025

AGENDA ITEM: 9. Reduction in Force and Employee Handbook Updates

FROM: Adam Cox / Jon Kennedy

RE: Reduction in Force and Employee Handbook Updates

BACKGROUND:

A Reduction in Force ("RIF") of city personnel is required in order to preserve resources to keep the city's infrastructure functional as well as make progress on the debt/financial crisis.

EXECUTIVE SUMMARY:

Although it is unclear exactly which positions and job classifications have been approved and funded by the City Council (as required under California Government Code Section 37206), the city has nonetheless been hiring and paying employees. In order to preserve cash resources while also protecting public infrastructure, the city's payroll expenses must be modified.

The Interim Co-City Managers are recommending that the following positions be subject to a Reduction in Force (layoff), in accordance with Chapter 9.5 of the 2014 version of the Employee Handbook. Affected employees are entitled to a payment of two weeks worth of wages upon the RIF.

Reduction in Force:

- All paid fire department staff
- Assistant City Manager
- Accounts Payable Clerk
- Building Inspector

City Hall may need to be closed every day, including Wednesdays, for up to a month while we work to stabilize the city. Fire protection services will immediately be provided by River Delta Fire Protection District on an interim basis while a longer-term contract for fire protection is negotiated.

RECOMMENDATION:

It is recommended that the City Council approve the Reduction in Force according to the provided list.

FISCAL IMPACT:

Estimated savings of up to \$400,000 on an annual basis.



MEETING DATE: January 21, 2025

AGENDA ITEM: 10. City Fire Services

FROM: Adam Cox / Jon Kennedy

RE: City Fire Services

BACKGROUND:

The City of Isleton historically has operated its own fire department, most recently with a payroll (approx. \$235,000) well in excess of dedicated fire department revenues (\$120,000 budgeted but unverified).

EXECUTIVE SUMMARY:

The City of Isleton is not in a financial position to directly provide fire protection services.

City staff have held discussions with River Delta Fire Protection District about the possibility of Isleton contracting with River Delta to provide fire protection services. River Delta is open to the possibility and likely can provide a substantially higher level of service than what the city currently provides on its own. River Delta is staffed by a volunteer corps of firefighters on a 24/7 basis, most of whom are EMTs, Advanced EMTs, or paramedics.

Isleton Fire has responded to over 300 calls in the past year, however fewer than one-third of those calls were for service within the city limits. River Delta has the capacity and the interest in serving the residents of Isleton.

RECOMMENDATION:

It is recommended that the City Council direct and authorize the interim co-city managers to negotiate a services agreement with River Delta Fire Protection District and return to the council for final approval.

FISCAL IMPACT:

Unknow at this time.



MEETING DATE: January 21, 2025

AGENDA ITEM: 11. Financial Consulting Agreement with Ridgeline Municipal Strategies, LLC

FROM: Adam Cox / Jon Kennedy

RE: Financial Consulting Agreement with Ridgeline Municipal Strategies, LLC

BACKGROUND:

The Interim Co-City Managers believe that there may be opportunities to restructure some city debt prior to or in lieu of filing Chapter 9 bankruptcy.

EXECUTIVE SUMMARY:

Ridgeline Municipal Strategies, LLC is a respected municipal financial advisory firm. They have agreed to assess the feasibility of refinancing or otherwise restructuring some city debt as an alternative to bankruptcy. Of particular concern is the now-defaulted debt owed to Red Tower Capital in the amount of \$500,000 with an APR of 12%.

The Red Tower loan used three city properties as collateral: City Hall, Fire Station, Community Center.

This agreement with Ridgeline Municipal Strategies, LLC is for a Not-to-Exceed amount of \$10,000.

RECOMMENDATION:

It is recommended that the City Council authorize a professional services agreement with Ridgeline Municipal Strategies, LLC to assess the feasibility of refinancing or restructuring city debts.

FISCAL IMPACT:

Up to \$10,000
