

**MINUTES
PARADISE TOWN COUNCIL
SPECIAL MEETING – 6:30 P.M. – September 29, 2010**

The Special Meeting of the Town Council of the Town of Paradise was called to order by Mayor Lotter at 6:32 p.m. in the Council Chambers, Town Hall, 5555 Skyway, Paradise, California.

COUNCIL MEMBERS PRESENT: Steve "Woody" Culleton, Joe DiDuca, Frankie Rutledge, Alan White, and Scott Lotter, Mayor.

COUNCIL MEMBERS ABSENT: None.

STAFF PRESENT: Town Clerk Gutierrez, Town Manager Rough, Town Attorney Moore, Police Chief Buzzard, HR Manager Ivey, HR Assistant Peters, Finance Director Will, Assistant and Assistant Town Clerk Volenski.

2. CLOSED SESSION

Mayor Lotter stated that he will announce the closed session items, take public comment prior to adjourning to closed session, and when the meeting reconvenes, the Council will consider the Council Consideration Items 3a, 3b, 3c and 3d and will take public comments on those items.

Mayor Lotter announced that the following persons are the Council's designated representatives concerning the following: Dennis Ivey shall be the designated representative of the Council relating to Charles L. Rough Employment Agreement for Town Manager Services; Charles L. Rough, Jr., shall be the designated representative of the Council relating to Joanna Gutierrez Employment Agreement for Town Clerk services; Charles L. Rough, Jr., Lauren Gill, Dennis Ivey, Crystal Peters and Gina Will shall be the designated representatives for the Memorandum of Understanding between the Town of Paradise and the Management Unit; and, Charles L. Rough, Jr., Lauren Gill, Dennis Ivey, Crystal Peters and Gina Will shall be the designated representatives for the Memorandum of Understanding between the Town of Paradise and Police Mid-Management Unit.

Mayor Lotter opened the matter to public input, with a reminder that the comments must be limited to the items that are on the special meeting agenda.

1. Fred Aldred, questioned the timing of this special meeting regarding salaries and contracts only one month before an

election as it seemed a little odd to him, that it is not an accusation but did not look right to him, that the explanation he received was that the savings gained by the Town in that month would be significant, and even if that is true, didn't see what 30 more days would accomplish. He then discussed the Brown Act and how it relates to email and that the reason he asked the Town Attorney to clarify the matter is so that nobody would get in trouble.

2. Loren Harvey stated he thinks it's a little strange that the Council is talking about budget issues this close to the election when there might be different faces on this Council soon who will be responsible for those budgets
3. Jon Remalia stated that he was here tonight to state that he thinks everybody should take the same salary cuts across the board, from the guys on the street to management, and that his concern was that the public have the opportunity to voice their opinions on the dollars and cents of salaries.

Manager Rough stated that he has used the term "shared sacrifice concessions" in his budget messages because there have been shared concessions throughout the organization, that he thinks the press did a good job reporting on the concessions, and that there is documentation of these concession within the budgets and within the contracts that are available at the Town for public view.

There was discussion that employee negotiations started in May of this year, that the budget approval occurred in June and will be reviewed again mid-year, that the negotiations are ongoing, that employees are going into their second year of concessions and that memorandums of understanding with employee groups were approved earlier this year with 6% reductions and are public documents available for view.

4. Cindy Brace stated that she is new to the Town, and that she wants to understand and be clear that there are no new additions being added to staff, no new increases in salaries and no new additions in management.
5. Steve Brace stated that he is new to the Town and stated that he understands that there is a new Assistant Manager position, and asked if the upper management was taking pay cuts.

Mayor Lotter stated that salary reductions for the Town Manager and the Town Clerk are on tonight's meeting agenda.

Manager Rough clarified that there is not a new Assistant Manager position, that when the Assistant to the Town Manager/Business and Housing Services Director was promoted to the existing Assistant Manager position, the position previously held by that employee was eliminated. Essentially, the two positions have been combined into one. The same combining of positions occurred when the Community Development Department Director retired and the Assistant was promoted – the Assistant Community Development Department Director position was eliminated.

There was discussion regarding how other positions in the organization have changed with combination of duties, and that when promoted, a person steps into a new position at lower pay rates when retirements occur. It was noted that memorandums of understanding with employee groups do not guarantee any individual employee a job; that it is an understanding of salary and benefits for the various positions.

6. Barbara Ely stated that she is a 28 year resident of the town, that she was in management as an RN at FRH, and that when there was a shortage, management did the lower level work, that she graduated from Chico State University and has experience running a business in the Town of Paradise which is 38% down from three years ago and 28% from two years ago. She discussed that the community perception of the Town government is very important, that it is perceived that there has been an increase in management, addressed the sales tax issues, the TOT funding cuts to the chamber, and that she sees nothing being done where people are being encouraged to stay in Paradise and support the businesses.

Council Member called for a point of order, stating that this is a special meeting and the Council has to stick to the agenda

7. Loren Harvey stated that he came to Paradise in 1947 and that he had not been paying attention to local government because everybody had money in their pocket and could buy what they wanted, but because times are different, they have woken up and are paying attention and asked Council to bear with them as they attend these meetings.
8. Robert L. Cheney Jr. asked how many people who own private businesses had to reduce their income and then asked

how many in government had to reduce their pay and that he would like to see those figures.

9. Bob Bell stated this reminds him of a congressional committee meeting that he sees on TV, that the people on the dias remind him of Harvard educated lawyers/government workers, and that he gets the opinion that elected officials are elitists and the people are a bunch of peasants paying the bill.

At 7:10 p.m. Mayor Lotter announced that pursuant to Government Code Section 54957.6, the Town Council will hold a closed session to meet with Charles L. Rough, Jr., Lauren Gill, Dennis Ivey, Crystal Peters and Gina Will, its designated representatives, for the following:

(1) To review amending and restating of the Employment Agreement between the Town of Paradise and Charles L. Rough for Town Manager services; and, Joanna Gutierrez for Town Clerk services; and, (2) Regarding labor relations between the Town and the Police Mid-Management Association; the Paradise Firefighters' Association; the Management Unit.

The Town Council, the Town Attorney and Dennis Ivey went into closed session regarding the employment agreement between the Town and Charles L. Rough for Town Manager services.

Charles L. Rough went into closed session regarding the employment agreement between the Town and Joanna Gutierrez for Town Clerk services.

Joanna Gutierrez and Crystal Peters went into closed session regarding the Memorandum of Understanding between the Town and the Management Unit.

Gina Will went into closed session regarding the Memorandum of Understanding between the Town and the Police Mid-Management Unit.

Mayor Lotter reconvened the meeting at 8:15 p.m.

3. COUNCIL CONSIDERATION

Mayor Lotter stated that the first item on the agenda is the Town Manager's employment agreement and that Vice Mayor DiDuca would report on the agenda item.

Vice Mayor DiDuca reported that the closed session was about pay and benefits cuts, that the Town Manager has agreed to pay 75% of the PERS employee retirement share this year, and then 86% next year, that he thinks this is a big step and is unprecedented, and that the Town Manager is also taking a pay cut over the next two years which will amount of \$15,000.

Vice Mayor DiDuca then reported that the Town Clerk will this year pay 50% of the PERS employee retirement, 75% for the next year and 86% in the third year of her contract, in addition to deferring her merit increase. He stated that he approves of these measures, that they are big steps for management to take, and that it will save the taxpayers in the long run.

It was noted that the Town Manager cuts that began in 2008/2009 and will continue through 2010/2011 will total \$56,000.

Mayor Lotter opened the discussion on agenda items 3a and 3b for public input.

1. Robert L. Cheney, Jr., stated that he takes umbrage at the \$56,000 cuts, that he thinks it is like the housing bubble, that government employees are getting paid too much, as the \$56,000 cut is more than some people earn in a year.
2. Jon Remalia thanked the Town Manager for what he did with his contract, asked for an explanation on how CalPers is based, and that he hopes the actions by the contract employees sets a precedence.
3. Loren Harvey thanked the Town Manager and stated that no matter how much a person makes, a cut is a cut.
4. Tim Titus asked if the cuts are temporary or permanent.

It was explained that the Town Manager cuts are permanent, that the Town Clerk cuts are through the term of her contract, and that there are differences in how negotiations are accomplished with employee groups.

5. Ken McAllister asked for clarification of the \$56,000 cuts.

Council stated that the staff reports regarding the agenda items are available for the public to review.

TOWN COUNCIL MINUTES

Date: September 29, 2010

Special Meeting

Agenda Item 3a: MOTION by DiDuca, seconded by Rutledge, approved an amended Employment Agreement for Town Manager services with Charles L. Rough, Jr., approving certain reductions relating to salary and/or benefits. Roll call vote was unanimous.

TC (AGT) [APPR] Town Manager amended employment agreement. (C96-08)

Agenda Item 3b: MOTION by DiDuca, seconded by Culleton, approved an amended Employment Agreement for Town Clerk Services with Joanna Gutierrez, approving certain reductions relating to salary and/or benefits. Roll call vote was unanimous.

TC (AGT) [APPR] Town Clerk amended employment agreement. (C06-11)

Agenda Item 3c: MOTION by Culleton, seconded by Rutledge, adopted Resolution No. 10-37, A Resolution of the Town Council of the Town of Paradise Rescinding Resolution No. 06-23 and Adopting Resolution No. 10-37; A Resolution Adopting the Amended Memorandum of Understanding Between the Town of Paradise and the Town of Paradise Management Group covering the Period From July 1, 2010 to June 30, 2011. Roll call vote was unanimous.

TC (RES) [ADOPT] Res No 10-37, MOU between the Town and the Management Unit 7/1/10 to 6/30/11.

Agenda Item 3c: MOTION by Culleton, seconded by Rutledge, adopted Resolution No. 10-38, A Resolution of the Town Council of the Town of Paradise Rescinding Resolution No. 09-37 and adopting Resolution No. 10-38; A Resolution Adopting the Amended Memorandum of Understanding Between the Town of Paradise and the Town of Paradise Police Mid-Management Association covering the Period From July 1, 2010 to June 30, 2011. Roll call vote was unanimous.

TC (RES) [ADOPT] Res No 10-38, MOU between the Town and the Police Mid-Mgt Association.

4. ADJOURNMENT

The Council Meeting was adjourned at 8:40 p.m.

APPROVED: October 12, 2010


SCOTT LOTTER, Mayor


JOANNA GUTIERREZ, CMC, Town Clerk