

# CITY OF LOYALTON

COUNTY OF SIERRA  
605 SCHOOL STREET  
P.O. BOX 128  
LOYALTON, CALIFORNIA 96118  
(530) 993-6750  
cityofloyalton.org



OFFICE OF THE MAYOR

## **AGENDA FOR THE SPECIAL MEETING OF THE LOYALTON CITY COUNCIL 5:30 PM – CITY HALL AUDITORIUM 605 SCHOOL STREET AUGUST 27th, 2024 LOYALTON, CA.**

**AGENDA AND PACKET AVAILABLE ON CITY WEB SITE  
cityofloyalton.org**

**NEXT ORDINANCE #425  
NEXT RESOLUTION #6-2024**

**CALL TO ORDER:**

**PLEDGE OF ALLEGIANCE:**

**ROLL CALL:**

**APPROVAL OF AGENDA:**

**ANNOUNCEMENTS:**

**STAFF REPORTS:**

### **PUBLIC COMMENT:**

This is an opportunity for members of the public to address the Council on items which are not on the agenda. Please state your name for the record. Comments are limited to three minutes. Written comments should be submitted to the Board Clerk 24 hours prior to the meeting to allow for distribution. Under Government Code Section 54954.2 – Brown Act, the Council cannot take action on any item not on the agenda. The City Mayor may choose to acknowledge the comment or, where appropriate, briefly answer a question, refer the matter to staff, or set the item for discussion at a future meeting.

**A SPECIAL MEETING IS BEING HELD TO DISCUSS THE FOLLOWING BUSINESS**

1. Discussion and Possible action regarding Fire Department Financials and Financial Policy.

**Agenda Input of Upcoming Meetings**

**Council Member Closing Remarks**

**ADJOURNMENT**

**From:** pdemartinid@aim.com  
**Sent:** Monday, August 12, 2024 4:17 PM  
**To:** kellychampionoffice@gmail.com; de.riede@yahoo.com;  
councilwomanmarkum@gmail.com; Sue McIlravy; William Mertton; Kathy LeBlanc  
**Cc:** Shawn Heywood; Robert DeMartini; Phyllis DeMartini  
**Subject:** updated addendum for Fire Department Financial Policy  
**Attachments:** payroll withholding for Wildland checks.jpg; City-Loyalton Fire Dept. Financial Policy.jpg; Financial Policy 2021.pdf

Darlene and fellow council members,

Please find attached the updated Fire Department financial policy.

I have attached the previous document so you can see where the changes have been made. These changes stem from a meeting we had with the Finance Committee on 4/11/23 and the agreement we came to at that time with Joy and Sara. Nothing was updated, and luckily we didn't have any wildland fires that would have been effected by this agreement. Being that we are hot and heavy into Wildland Fires we find it necessary to get the updates in place. Main changes are the addition of payroll and workman's comp updates, which we feel helps the City. We would like to get this on the agenda for next week and have the mayor sign the document. If the City feels there needs to be changes please advise ASAP.

One item that I question is the billing of the generator. Is there a possibility that the County receives the bill and in turn bills Fire Department for their half. With our continuing changes of bookkeeping I don't believe County gets billed half the time and the Fire Department pays the whole bill. I know we should have two bills this year from Cashman, the yearly maintenance and there was a repair done sometime in May or June. Kelly made the comment that it might be an asset of the City and that's why we get the bill. I would like that statement to be validated by the upcoming meeting.

Be aware that we feel the City is out of compliance with the existing Financial Policy due to the amount of \$4,603.17 that we feel was left from our 22/23 fiscal budget and never transferred to the reserve. We have asked about it multiple times with no action taken. We would like an acknowledgement as if this is correct and what action can be taken by the upcoming meeting. There is a strong possibility that we would have a budget surplus for the 23/24 year as well.

With the last payment by the City to the Reserve of 20K the remaining balance owed is \$61,464.08. We once again urge the City to make monthly payments to lower this debt.

Thanks  
Phyllis

1. The City of Loyalton commits to an annual budgeted contribution (typically \$10,000) to the City of Loyalton Fire Department budget. This amount will be transferred from the General Fund to the Fire Department budget annually on July 1<sup>st</sup>, or the first business day of each fiscal year.
2. The Fire Department budget will be reviewed periodically at Finance Committee meetings as well as Regular City Council meetings.
3. When Fire Department equipment is surplus or sold the revenues will be recorded to the Fire Department Reserve account and will be available to be transferred to the Fire Department Reserve account if there is Net Income after the FY audit is completed.
4. The entire Net Income from the Fire Department Budget will be transferred into the Fire Department Reserve account after the City Council accepts the Final Audit each Fiscal Year.
5. Hours spent by City bookkeeping staff directly relating to the Fire Department only, will be classified as personnel expense in the Fire Department operating budget. Exception to this will be time spent on Wildland entries, which is described in item 7C.
6. Expenses relating to the generator that is shared with Sierra County Health & Human Services will be paid in full by the City of Loyalton and listed as an expense on the Fire Department Budget. The City bookkeeping staff will invoice the County for their portion and when paid it will be recorded as income in the Fire Department budget.
7. The City of Loyalton Fire Department participates in Wildland Firefighting which brings additional firefighting revenue into the City with the intent to fund future purchases of firefighting equipment to include vehicles. The City of Loyalton Fire Department budget will be updated to include Wildland Firefighting Revenue and Expenses.
  - a) Personnel wages for Wildland Firefighting will be paid with a W4/W9, whichever applies. **Medicare and social security are exempt for withholding for City and personnel, just State and Federal taxes are to be withheld.**
  - b) Expenses relating to Wildland Firefighting will be paid with **Engine Revenue.**
  - c) 50% of **personnel** administrative funds received will go to the City for time spent issuing checks, year-end W4/W9's, whichever applies, and entering expenses to appropriate fires. These staff hours are not to be charged to our operating budget.
  - d. Workman's comp revenue received will be used to offset our yearly budget workman's comp expenses. If anything is left over it will go into City's workman's comp account.
  - e) All remaining Wildland Firefighting revenue will be transferred to the Fire Department Reserve Account after each Wildland Fire payment/check has been reconciled against the submitted expenses and personnel wages. **All personnel wages are to be paid immediately, no council approval required.**
8. All reviews or changes to the Fire Department Financial Policy will include input and agreement from the designated Fire Chief and Assistant Fire Chief.

This policy is in effect as of 8/1/2024 and will remain in effect until changed by City Council, the Fire Chief and the Assistant Fire Chief.

By: \_\_\_\_\_ date \_\_\_\_\_  
 Mayor, City of Loyalton

By: *Ann Hayward* date 8/11/2024  
 Fire Chief, City of Loyalton


By: *Robert DeWitt* date 8-11-24  
 Assistant Fire Chief, City of Loyalton

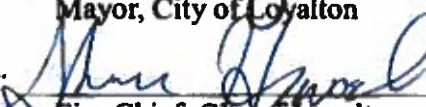
**Addendum – Loyalton Fire Department  
The City of Loyalton Financial Policy**

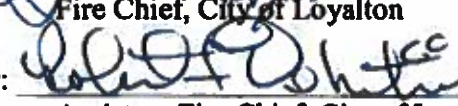
The addendum specifically addresses the City of Loyalton Fire Department budget and financial policies.

1. The City of Loyalton commits to an annual budgeted contribution (typically \$10,000) to the City of Loyalton Fire Department budget. This amount will be transferred from the General Fund to the Fire Department budget annually on July 1<sup>st</sup>, or the first business day of each fiscal year.
2. The Fire Department budget will be reviewed periodically at Finance Committee meetings as well as Regular City Council meetings.
3. When Fire Department equipment is surplussed or sold the revenues will be recorded to the Fire Department Budget as "other income" and will be available to be transferred to the Fire Department Reserve account if there is Net Income after the FY audit is completed.
4. The entire Net Income from the Fire Department budget will be transferred into the Fire Department Reserve account after the City Council accepts the Final Audit each Fiscal Year.
5. Hours spent by City bookkeeping staff directly relating the Fire Department only will be classified as personnel expense in the Fire Department operating budget.
6. Expenses relating to the generator that is shared with Sierra County Health & Human Services will be paid in full by the City of Loyalton and listed as an expense on the Fire Department Budget. The City bookkeeping staff will invoice the County for their portion and when paid it will be recorded as income in the Fire Department budget.
7. The City of Loyalton Fire Department participates in Wildland Firefighting which brings additional firefighting revenue into the City with the intent to fund future purchases of firefighting equipment to include vehicles. The City of Loyalton Fire Department budget will be updated to include Wildland Firefighting Revenue and Expenses.
  - a) Personnel wages for Wildland Firefighting will be paid with a 1099.
  - b) Expenses relating Wildland Firefighting will be paid with Engine Revenue.
  - c) All remaining Wildland Firefighting revenue will be transferred to the Fire Department Reserve Account the each Wildland Fire payment / check has been reconciled against the submitted expenses and personnel wages.
8. All reviews or changes to the Fire Department Financial Policy will include input and agreement from the designated Fire Chief and Assistant Fire Chief.

This policy is in effect as of 01/01/2021 and will remain in effect until changed by City Council, the Fire Chief and the Assistant Fire Chief.

By:  5/18/2021  
Mayor, City of Loyalton date

By:  5-24-2021  
Fire Chief, City of Loyalton date

By:  5-18-2021  
Assistant Fire Chief, City of Loyalton date