

**RIO DELL CITY COUNCIL
REGULAR MEETING
APRIL 18, 2017
MINUTES**

The regular meeting of the Rio Dell City Council was called to order at 6:33 p.m. by Mayor Wilson.

ROLL CALL: Present: Mayor Wilson, Mayor Pro Tem Johnson, and Councilmember Marks

Absent: Councilmembers Garnes and Strahan (excused)

Others Present: City Manager Knopp, Finance Director Woodcox, Chief of Police Hill, Water/Roadways Superintendent Jensen, Wastewater Superintendent Trainee Yapple and City Clerk Dunham

Absent: Community Development Director Caldwell (excused)

CEREMONIAL MATTERS

Mayor Wilson opened the meeting and called for a moment of silence in honor of Ernie Cannady who passed away on March 12th and Ruth Nally who passed away the prior week. He said Ernie served as Councilmember and Mayor for 8 years from 1988-1996, worked in the public works department for 6 years during the 1980's and worked as a dispatcher and police reserve officer during the 1970's and was very involved in the community since that time.

He stated that Councilmember Strahan's mother, Ruth Nally passed away at the age of 83 and said she too was very active in the community.

PUBLIC PRESENTATIONS

Nick Angeloff reported on the Chamber of Commerce meeting held earlier in the day and said Jim Brickley was present to provide a report on plans for this year's Christmas decorations. He added that there was also an artist present who made a presentation at the Chamber luncheon today and thinks the Council would be very interested in hearing what he has to say. He said his proposal is in no way in competition with the artist scheduled on the agenda to also make a presentation and would actually compliment him.

He then reported that the Little League season has started although the field is still like a swamp. He asked for assistance from the public works department with mowing of the baseball field once it dries out.

Jim Brickley addressed the Council on behalf of the Chamber and presented a written proposal

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including an estimate of probable costs for Christmas decorations for the downtown. The proposal included lighting both the North and South Rio Dell signs with LED lights, plywood cutouts along Wildwood Ave., lights on the Spruce tree at City Hall, decorating and lighting a tree downtown, LED lights on the Chamber building, and lamp post banners. He noted that the estimate did not include lights on the trees at Memorial Park.

Mayor Wilson referred to the \$2,450 quote and asked if the Chamber is asking the City to assume that cost.

Mr. Brickley indicated that the proposal is for the City to cover the cost of decorations with the chamber providing the labor to construct the plywood cutouts and install the decorations.

Mayor Wilson stated that the Council cannot take action on matters presented under *Public Presentations* but said the matter can be agenzized for a later meeting.

Dan McCauley, Dan's Custom Metals addressed the Council and provided a handout of proposed rough draft renditions of sculptures for possible placement in the Wildwood Avenue median. He noted that he has been doing welding and sculptures for 23 years and that his designs have a lot of movement with the wind to bring them alive so to speak and are all very structurally sound.

Mayor Wilson said that the City appreciates the opportunity to work with him and explained that the Rio Dell Sculpture Committee meets as often as they can and that his renderings will be provided to staff to present to the Sculpture committee for consideration and recommendation to the Council.

CONSENT CALENDAR

Motion was made by Johnson/Marks to approve the consent calendar including approval of minutes of the March 28, 2017 Joint Study Session; approval of minutes of the April 4, 2017 Regular meeting; approval of the selection of JJA CPA, Inc. for auditing services for fiscal years 2016/17 through 2020/21; approval of Pay Request No. 3 in the amount of \$27,274.37 to Wahlund Construction for work related to the Metropolitan Wells Project; adoption of Resolution No. 1332-2017 including Rio Dell in the Humboldt County Tourism Business Improvement District (HCTBID); to continue second reading and adoption of Ordinance No. 356-2017 Water Rates and Regulations requiring that all new residential dwellings, commercial and industrial buildings within the City connect to the City's water system and establishing fees and charges by Resolution to the meeting of May 2, 2017; and to receive and file the check register for March 2017. Motion carried 3-0.

SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

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Authorize the City Manager to pursue a Memorandum of Understanding (MOU) with the County of Humboldt designating the City of Rio Dell as the Lead Agency for repair of the 2017 Winter Storm Damage on Monument Road

City Manager Knopp provided a staff report and noted that City Engineer Steve McHaney was present to answer any questions related to the project. He said during the winter storm events of 2017; there were initially two (2) potential problem areas identified; a slip out on Monument Road and an issue at the wastewater disposal field. He said the storm events have been declared federal and state disasters with damages to Monument Road estimated at \$1 million. He noted that the damage at the wastewater disposal field was so minimal, that damage will not be included in any disaster related work.

He said there is clearly a significant amount of damage on Monument Road and it happens to fall on the City boundary line with the County at the foot of John Deere Lane. He said the recommended action is to authorize the City Manager to pursue a Memorandum of Understanding (MOU) with the County designating Rio Dell as the lead agency for repair of the storm related damage.

He further reported that the damage initially started with approximately 50% in the City and 50% in the County but it has now moved further within the City limits. He said City and County staff met with FEMA representatives to take a look at the damage which extends approximately 210 feet in total and it was advised that one agency take the lead on the project. He pointed out that this is an area that was identified by the City Engineer last year as potential for failure.

City Manager Knopp also noted that local jurisdictions are on the hook for no less than 6.25% of the costs so in this case the City and the County will need to come to some sort of agreement regarding cost share of the project.

City Engineer, Steve McHaney addressed the Council and said he visited the site with the County, City staff and FEMA representatives and noted that this site is something he has actually been watching for around 20 years and that it is located on a particularly steep hillside and has been probable to damage and it was just a matter of time this would occur. He said the worst part of the damage is within the County however; as the City Manager indicated it is creeping down further into the City. He said for the City to spend the money now with a small shared cost it's a real bargain.

He explained that it is important to make sure in moving forward that FEMA is willing to fund this kind of repair so they put together a conceptual cost estimate based on several factors and came up with a rough estimate of \$1 million to basically repair 210 feet. He noted that the costs could be less but it's easier to estimate high and not use all the money than to estimate low and have to go back and try to get additional funding. He said the site needs to have a geotechnical evaluation, a survey and design work done to really figure out how deep and wide they will need to go with the repairs.

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City Engineer McHaney explained the plan is to work with FEMA collaboratively and come up with a realistic but pretty comprehensive project that works, find out if FEMA will fund the project, then come back to the Council for approval to begin the geotechnical work, survey and design. He pointed out that construction of the project will not start anytime soon; the earliest date probably next summer as it takes months to go through the FEMA process and also you don't want to disturb the area during the wet season.

Mayor Pro Tem Johnson commented that it looks like the easterly portion that is clearly in the City has tremendous risk for closing both lanes of traffic this next winter. He said he sees that as huge potential and feels there needs to be some provisions for potentially some really costly maintenance for the next year.

City Engineer McHaney commented that is a possibility so they will need to watch it closely but hopefully it will dry out this summer to keep things stable. He noted that in his opinion, the City's portion is slightly more stable than the County's portion and if there is another really wet winter the County's portion will get larger.

Mayor Pro Tem Johnson asked if FEMA covers 100% of maintenance.

City Engineer McHaney explained that they will sometimes pay 100% of debris removal and emergency protective measures such as sand bags during a flood. He said as an example, if the during a declared disaster the City had to rent barricades or something to that affect, FEMS would likely cover that expense.

Mayor Pro Tem Johnson commented that this could represent a huge expense to the City and possible closure of Monument Road.

City Engineer McHaney said it certainly will be closed to one-lane traffic for the next year at the very minimum. He noted that the exact boundary between the City and the County seems to be of some debate and since they don't know precisely where the boundary is, that will need to be determined with the survey including any existing right-of-ways before they can design the project.

Mayor Pro Tem Johnson said provided the City Manager is authorized to proceed, in very short order he would expect GHD to be developing some kind of schedule for initial surveying, geotechnical borings and whatever else is needed.

City Engineer McHaney explained assuming FEMA gives the City the go ahead and the City is identified as the lead agency on the project, at that point they will come back to the Council for authorization to proceed.

Mayor Wilson called for public comment; there was no public comment received.

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Motion was made by Johnson/Marks to authorize the City Manager to pursue a Memorandum of Understanding (MOU) with the County of Humboldt designating the City of Rio Dell as the lead agency for repair of the 2017 Winter Storm Damage on Monument Road. Motion carried 3-0.

Budget Workshop – FY 2017/18 Proposed Operating and Capital Budget

Finance Director Woodcox provided a power point presentation on the *FY 2017/18 Proposed Operating and Capital Budget*. Provided in the presentation was an overview of:

- Position Allocations
- General Fund Revenues
- General Fund Expenditures
- Enterprise Funds
- City-Wide Expenditures
- Proposed Capital Projects

18.5 full-time positions were proposed for the 2017/18 budget representing an increase from the current year of 16.8 positions.

City-wide revenues were forecasted at \$3.6 million, General Fund revenues at \$923,579, and General Fund expenditures at \$1,056,836, representing a draw on General Fund reserves of \$133,256 for the 2017/18 fiscal year.

With regard to the Enterprise funds, \$2,317,545 was projected for total revenues; \$1,102,763 Water revenue and \$1,214,782 Sewer revenue. Operating costs increased by \$86,368 from the 2016/17 fiscal year due to one additional position in Public Works and the Measure Z position.

City wide expenditures including operating expenditures, debt service and capital projects totaled \$4,119,688 as proposed with expenditures exceeding revenues by \$446,675.

Next was review of proposed Capital projects with \$200,000 in General Fund projects; \$189,500 in Water Fund projects; \$164,250 in Sewer projects; \$74,250 in Streets projects; and \$160,000 in CDBG projects for a total of \$788,000.

Other Capital projects for consideration included a \$60,000 Street fund subsidy; \$45,000 for a Code Enforcement Officer for 6 months; \$4,500 for accounting software (AccuFund IT); \$15,000 for Economic Development assistance; and \$10,000 for vehicle maintenance and repairs.

Finance Director Woodcox said while it looks like there are deficits in the budget she wanted to point out that the reserves are healthy and the City's overall financial outlook is good.

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Mayor Pro Tem Johnson questioned the expenditure for replacement of the sewer machine and push camera.

Water/Roadways Superintendent Jensen commented that the current sewer machine was purchased in 2004 and requires a lot of maintenance and the push camera is outdated.

Mayor Wilson asked for the detail of the \$31,581 proposed expenditure for computer maintenance and support (5173).

Finance Director Woodcox stated that it basically includes IT services with Nylex, AccuFund support and email access. She noted that the contract with Nylex is approximately \$13,000 annually.

Mayor Wilson said he would like to know how much time they actually spend and exactly what services they perform for that amount.

Finance Director Woodcox commented that they provide weekly onsite computer support and other services as needed.

Mayor Wilson then questioned the age of the computer equipment and asked if there are frequent problems with the equipment.

Finance Director Woodcox indicated that the server was replaced around the time she started (2014).

Chief of Police Hill added that the server in the police department was replaced approximately 5 years ago and explained that when they get a new server, it takes Nylex several days to integrate it with DocStar and the Crime Management system.

Mayor Wilson noted that in the current year budget there were funds budgeted for replacement of some computers and asked if that was done.

Staff noted that new computers were purchased in the Finance Department, the Police Department and that the City Clerk's computer will also be replaced before the end of the year.

Mayor Pro Tem Johnson questioned the age of the laptop computers in the police vehicles.

Chief of Police Hill stated that those laptops are now obsolete and are not in the vehicles anymore. He said in the future they will be going the next step and getting a system that speaks to dispatch via cellular rather than the laptops that speak to the police department.

Mayor Wilson called for public comment on the proposed budget.

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Hunter Cresswell, reporter for the Times-Standard commented on the proposed expenditure of \$20,000 for a lawn mower and flippantly asked if that mower will fly or something.

City Manager Knopp explained that commercial mowers are expensive and the current mower is being replaced because of high maintenance costs. He said the \$20,000 is just an estimate based on replacement of the current mower which is a 4WD all-terrain type mower.

Mayor Wilson questioned the General Fund subsidy and asked if the proposed budget includes any salary increases or contractual changes.

Finance Director Woodcox explained the subsidy is \$133,000 and includes two (2) additional positions and a Building Department subsidy of \$8,621. She said overall salaries increased by \$136,000 due to one additional position and some contractual changes and changes in benefits throughout the year but no current salary increases were included.

Finance Director Woodcox asked for Council direction regarding any proposed changes to the proposed budget including any modification to Capital projects.

Mayor Wilson asked for clarification on the replacement of three (3) public works vehicles.

City Manager Knopp explained the plan is to retire the 2004 Jeep Liberty and an older small truck and replace those vehicles with a new utility truck.

Mayor Wilson asked the age of the forklift.

Water/Roadways Superintendent noted that it was purchased used in 2008 for around \$6,000 and it is basically worn out.

Mayor Pro Tem Johnson asked if the improvements to the entryway at City Hall will be added to the existing ADA porch project contract.

City Manager Knopp stated that it is potentially an option but the scope of that project is very specific to the porch improvements may need to be done under a separate contract because the ADA project has already exceeded the available funding.

Finance Director Woodcox pointed out that the Code Enforcement position as proposed under *Other Capital Projects to Consider* would be a great asset to the City.

Water/Roadways Superintendent and Wastewater Superintendent Trainee Yapple left the meeting at this time.

Short Presentation on Draft Cannabis Enforcement and Needs Assessment Report

City Manager Knopp provided a staff report and said the initial outline of the *Draft Cannabis Enforcement and Needs Assessment Report* was prepared to give Council the opportunity to review the outline and make suggestions for areas to include or prioritize. He said at this point, the idea is to introduce it to the Council then come back at perhaps a workshop to have a detailed discussion about aspects of cannabis enforcement and the processes involved for effective and efficient administration of policies and procedures.

He provided an overview of the report including:

- Summary of City Enforcement Responsibilities
- City Relationships and “Responsibilities with County, State and Federal Governments
- Revenue Collection
- Code Enforcement
- Law Enforcement
- City Permitting

Mayor Wilson said regarding the track and trace program, asked if the City will be required to purchase software to integrate it with our computer system.

City Manager Knopp noted that software will be needed but it will largely be the burden of the cannabis related businesses.

Mayor Wilson mentioned the need for hiring additional staff to implement and enforce the policies. He commented that staff needs to be able to enforce the ordinance so neighbors are not impacted by the odor associated with someone growing recreational marijuana indoors without proper filters and fans.

He pointed out that new software always comes with promises that it will work magically but it rarely does. He said staff needs to be careful and make sure the software will integrate with the State’s program.

City Manager Knopp noted that the State will essentially be selecting the track and trace vendor and everyone will then jump on board. He pointed out that the City may not have the need for relationships with some of these agencies but needs to have a plan in place.

Discussion continued regarding a needs assessment for the track and trace program, the degree of the workload on staff to administer the taxes, banking and cash management, code enforcement versus law enforcement, the complaint process, and the administrative hearing process.

City Manager Knopp indicated there needs to be one (1) central point of contact for code enforcement complaints and said the start-up costs for a code enforcement officer is around \$45,000 but the expectation is that the position will be paid for by the permittees.

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He said in the end, the report will help identify clear needs of the enforcement plan. He reiterated that staff will schedule a workshop with the Council to provide a more in-depth review of the program.

Mayor Wilson said he would like staff to encourage stakeholders to attend the workshop so there are no surprises down the road.

Mayor Pro Tem Johnson asked if the Planning Commission will be included in the workshop.

City Manager Knopp said it's not really a land use issue but he would encourage them to attend.

Mayor Wilson called for public comment on the report; there was no public comment received.

Short Presentation from Byran McWaters (MadMetals) Regarding a Conceptual Sculpture of an Eagle and Fish and Appoint an Alternate City Councilmember to the Sculpture Committee

Byran McWaters provided a brief presentation and said he was approached by Dennis Wendt regarding the idea of doing a sculpture for the City and said his concept includes an eagle with a steelhead in its mouth landing on a concrete podium. He said in looking at the history of Rio Dell, he thought it would be nice to incorporate a saw blade into the wings of the eagle. He said the sculpture is designed to be five (5) feet tall with the eagle's wings spanning out 10 to 15 feet. He said the head and tail feathers will be done in aluminum and the body in steel and said these metals will require little or no maintenance.

Mayor Wilson asked for clarification as to who will be funding the sculpture.

Mr. McWaters clarified that the sculpture is being paid for by Dennis Wendt and donated to the City.

Mayor Wilson thanked Dennis on behalf of the City for his generous contribution.

Dennis Wendt said he wanted to do something for the City in the way of a sculpture and Mr. McWaters is the person that can do it. He noted that one deviation from the original plan is to perhaps place the sculpture in the center median on Wildwood Ave. rather than on the City Hall lawn.

Mayor Wilson expressed concern about the possibility of someone running into the sculpture if it is placed in the median.

Mr. McWaters explained a vehicle would hit the concrete pedestal before hitting the sculpture and said he will take photos of potential locations for placement of the sculpture and do a mockup with the scale of the sculpture before constructing it to make sure it fits properly.

By consensus of the Council, Councilmember Marks was appointed as Alternate to the Rio Dell Sculpture Committee.

ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

Resolution No. 1331-2017 Amending Project Budget for 2017 Slurry Seal Project to include an additional \$7,200 General Fund Subsidy for Sealing of Lower Monument Road

City Manager Knopp provided a staff report and said he received an email from the contractor asking if the City would like to add any extra work for slurry sealing. He said under the 2017 Asphalt Repair project included crack sealing of the lower portion of Monument Road but in light of the recent storms, staff is recommending the contractor focus on crack sealing on the upper portion of Monument Road above Pacific Ave. and add slurry sealing on the lower portion of Monument Road. He noted that the addition of this section of roadway is estimated to cost \$7,200 including a 10% contingency and the project is likely to come in lower than the estimate.

Mayor Wilson called for public comment on the proposed resolution; no public comment was received.

Motion was made by Johnson/Marks to approve Resolution No. 1331-2017 amending the project budget for the 2017 Slurry Seal Project to include an additional \$7,200 General Fund Subsidy for sealing of lower Monument Road. Motion carried 3-0.

Second reading (by title only) and adoption of Ordinance No. 355-2017 Amending Section 17.30.020 "Accessory Uses and Buildings" of the Rio Dell Municipal Code (RDMC) to include Cargo/Shipping Containers used as Accessory Structures

City Manager Knopp provided a brief staff report and said at the April 4, 2017 meeting the Council considered and approved the Planning Commission's recommendations regarding the use of cargo containers in certain zones throughout the City. He explained that new cargo containers in residential zones are not allowed unless an exception is approved by the Planning Commission through the Conditional Use Permit (CUP) process. He said the Council also followed the recommendation of the Planning Commission to allow existing cargo containers on lots larger than 10,000 sq. ft. to remain subject to certain performance standards including a building permit, location standards and limiting the number of containers to no more than two (2).

The Council also directed staff to amend the screening provisions to require vegetation and/or fencing from public view which he noted was incorporated into the ordinance.

Mayor Pro Tem Johnson asked if existing cargo containers will be required to obtain a building permit.

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City Clerk Dunham explained that cargo containers used as accessory structures are considered the same as any other accessory structure and that any structure over 120 sq. ft. requires a permit.

Mayor Pro Tem Johnson said he would like to see the fees for existing containers waived.

Mayor Wilson stated that the idea was to prohibit cargo containers in residential zones so in the event a container wears out, feels they shouldn't be allowed to be replaced.

City Clerk Dunham explained that existing cargo containers are considered legal non-conforming uses and can be replaced however; if the use ceases for 12 months or more it is deemed to an abandonment of the use and it would then revert back to the current requirements of the zone.

Councilmember Marks stated that he is perfectly happy with the original ordinance to not allow them at all.

Mayor Wilson opened a public hearing to receive input on the proposed ordinance. There being no public comment, the public hearing was closed.

City Manager Knopp suggested the matter be continued to the next regular meeting on May 2, 2017.

Motion was made by Johnson/Wilson to continue the discussion, consideration and possible adoption of Ordinance No. 355-2017 to the meeting of May 2, 2017. Motion carried 3-0.

Mayor Wilson stated that he would also like staff to send out notices to all property owners with existing cargo containers and that they be identified by assessor parcel number so there is no misconception later on.

REPORTS/STAFF COMMUNICATIONS

City Manager Knopp provided a written City Manager update of recent activities and events. (attachment 1 to these minutes).

Finance Director Woodcox reported on recent activities and events in the finance department and said the auditor from the State Controller's Office was here for over a week to audit the Gas Tax Funds for 2015-2016 and said there were only a couple of small items identified. She said a report will be forthcoming.

OTHER COUNCIL REPORTS

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Councilmember Marks said he would be attending a Humboldt Transit Authority (HTA) meeting the following day.

Mayor Wilson reported on his attendance at the last Redwood Coast Energy Authority (RCEA) meeting and said there was an update on the Community Choice Aggregation (CCA) program and stated that it goes live on May 1, 2017 so if anyone wants to opt out of the program they need to do so before then or they will be required to wait one (1) year to have the opportunity again. He noted that the estimated discount in electricity from PG&E's rates is 2.7%.

ADJOURNMENT

Motion was made by Johnson/Marks to adjourn the meeting at 8:27 p.m. to the May 2, 2017 regular meeting. Motion carried 3-0.

Frank Wilson, Mayor

Attest:

Karen Dunham, City Clerk