The Regular Meeting of the Rio Dell City Council was called to order at 6:30 P.M. by Mayor Woodall.

**ROLL CALL:** Present: Mayor Woodall, Councilmembers Marks, and Thompson

Absent: Councilmembers Barsanti and Dunker

Others Present: City Manager Henrikson, Chief of Police Hill, Acting Public Works Director Jensen, Public Works, Finance Director Beauchaine, and City Clerk Dunham

**CONSENT CALENDAR**

Councilmember Marks requested Item 0803.03 *Winzler & Kelly Scope of Services for Development of Funding Applications for the Rio Dell Treatment and Disposal Project* be pulled and placed under Special Call Items for separate discussion.

Motion was made by Marks/Thompson to approve the consent calendar including the approval of minutes of the July 20, 2010 regular meeting; and approval of Pay Request No. 8 to K.G. Walters Construction Co., Inc. in the amount of $295,134.50 for work related to the Solids and Disinfection Management Project. Motion carried 3-0.

**SPECIAL PRESENTATIONS**

Draft Audit Report for FY 2008-2009 – Justin Williams – Mann, Urrutia, Nelson, CPA’s

City Manager Henrikson introduced Justin Williams from the firm of Mann, Urruita, Nelson CPA’s.

Finance Director Beauchaine distributed to Council members, the Draft Annual Financial Report as of June 30, 2009 with an Independent Auditor’s Report. She then reviewed the highlights included in the Management’s Discussion and Analysis Report and said this year’s financial highlights reflect the City’s continuous efforts to improve the fiscal foundation and increase the level of municipal services to the community. She stated that overall net assets and fund balance have increased which indicate the City’s financial position is improving. She also noted that efforts to replace and upgrade failing infrastructure remained a priority throughout the year and that the City added over one million dollars in fixed assets to the statement of net assets with continuance of the Sewer Facility and Effluent Disposal, Safe Routes to School, and Water Infrastructure Projects, as well as the completion of the 3rd and 4th Street Improvement Project,
and Wildwood Ave. Paving Projects. At June 30, 2009, the City’s net assets totaled $13,652,002; representing an increase from the prior year of $1,050,665.

She suggested approval of the Auditor’s Report be deferred to a later meeting to allow Council adequate time to review the report.

Justin Williams stated that he basically issued three reports: 1) Independent Auditor’s Report; 2) Report on Internal Control Over Financial Reporting and on Compliance and other matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards; and 3) Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance in Accordance with Circular A-133 applicable to Federal Programs.

He reported that they were able to issue an “unqualified” opinion on the audit which means that the basic financial statements present fairly, in all material respects, the respective financial position of the governmental activities of the City as of June 30, 2009, and the respective changes in the financial position and cash flows, where applicable, for the year ended, in conformity with generally accepted accounting principles.

He then referred to the Management Report and said during the audit, they became aware of some matters that lend opportunities for strengthening internal controls and operating efficiency. The findings were as follows:

- Prepare for Governmental Accounting Standards Board (GASB) Statement No. 54
- Establish a Fixed Asset Capitalization Policy (repeat finding)
- Compliance with the City’s Purchasing Policy
- Review of Bank Reconciliations, Payroll, and Accounts Payable

He noted that they were in the process on conducting the FY 2009-2010 Audit and expected those items to be implemented before completion of the audit.

Councilmember Thompson asked if he had any recommendations regarding changes or upgrades to the City’s existing accounting software; Mr. Williams said when he returns in October, he will explore software options and make sure that the software will satisfy GASB requirements.

**SPECIAL CALL ITEMS**

**Approve Winzler & Kelly Scope of Services for Development of Funding Applications for the Rio Dell Treatment and Disposal Project**

Councilmember Marks asked about the timeline for funding of the project; City Manager Henrickson stated it was a fairly lengthy process. Finance Director Beauchaine explained the
credit review was expected to be completed by November however, it was unknown how long it would take to complete the funding package.

Motion was made by Marks/Thompson to approve the Winzler & Kelly Scope of Services for Development of Funding Applications for the Rio Dell Treatment and Disposal Project. Motion carried 3-0.

PUBLIC PRESENTATIONS

Wally Wright, Surveyor for Dennis Wendt addressed the City Council regarding the right-of-way dedication of the Wendt property adjacent to Moore Fuel stating that when the City Council approved the dedication contingent upon review and approval by the City Engineer and Public Works Director he understood that the review was simply on the documents he would prepare prior to recordation. He recently learned that staff was questioning the width of the right-of-way to be dedicated for ingress and egress from Highway 101 to Northwestern Ave.

City Manager Henrickson agreed to make contact with the City Planner to discuss the necessary steps needed to record the map.

REPORTS/STAFF COMMUNICATIONS

City Manager Henrickson reported on recent meetings and activities in the City Manager department stating that he was on vacation the prior week so didn’t have much to report however called attention to the open house to meet and greet the City Manager on August 17th from 5:30 – 6:30 P.M.

Finance Director Beauchaine reported on recent activities in the finance department stating that she was working on gathering information for the Water and Sewer Rate Study; working on the funding package for the Wastewater Treatment and Disposal Project; and wrapping up the FY 2008-2009 audit and beginning work on the FY 2009-2010 audit.

Chief of Police Hill reported on recent activities in the police department stating his department was gearing up for Wildwood Days activities stating that he had arranged for other agencies to assist; the Problem Policing Program would be setting up a booth at the Fire Hall during Wildwood Days; and announced that our Finance Director would be participating in the dunk tank on Thursday evening.

Councilmember Marks stated she received a couple of inquiries from citizens regarding weed abatement and asked if that function was still being handled by the police department; Chief Hill responded that it was.
Acting Public Works Director Jensen reported on recent activities in the Public Works department and said his department was also gearing up for Wildwood Days activities; the paving on Wildwood Ave. was postponed for one week to avoid disruption of Wildwood Days activities; said he had a couple of water projects coming up; one involving 200 feet of water line replacement on Tolman Place, the other involving water line replacement at the north end of the cul-de-sac on Riverside Dr.; stated the new building at the wastewater treatment plant was constructed but the color would be changed from white to green; and said the Solids and Disinfection Project was extended to October 26th to allow for completion of the punch list items.

Mayor Woodall asked how the street sweeper was working and about the watering of Triangle Park; Acting Public Works Director Jensen said the street sweeper was working well after some minor repairs, and said they had done some work on the automatic sprinkler system at the Triangle Park and they would be soaking the ground the next day. He also noted that some of the sprinkler heads had to be replaced on the Gateway due to vandalism.

Councilmember Thompson said he noticed someone had placed sign on the Gateway advertising the Redwood Acres Gun Show and asked if they were granted permission from the City and if the sign was in compliance with the sign ordinance. Staff was unaware of the sign.

COUNCIL REPORTS/COMMUNICATIONS

Councilmember Marks stated the State of California is offering a low cost insurance program and suggested brochures be distributed to the Senior Center; Chief of Police Hill stated he had copies of the brochure and said he would have Officer Starcher deliver some to the Senior Center.

Mayor Woodall stated it was questionable whether the Hazardous Materials Response Authority would be able to continue operating and reported that they will be able to continue for another year.

ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 7:10 P.M. to the August 17 2010 Regular Meeting.

Attest:

__________________________
Julie Woodall, Mayor

__________________________
Karen Dunham, City Clerk