

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF
YREKA HELD IN SAID CITY ON JULY 16, 2020

On the 16th day of July 2020, the City Council of the City of Yreka met in regular session, and upon roll call, the following were present: Deborah Baird, Joan Smith Freeman, Duane Kegg, Paul McCoy, and Norman Shaskey. Absent - None.

Addition to the agenda

Mayor Freeman announced that the City Manager is requesting to add an item to the closed session of the agenda which came to the staff's attention after the preparation and posting of the agenda. The item being:

1. Conference with Real Property Negotiator (Government Code Section 54956.8)
 - Property: AP Number: 054-191-290
 - City Negotiators: City Manager
 - Third Party Negotiator: Cynthia Garland, Cornerstone Properties.
 - Under Negotiation: Possible purchase including price, terms of payment, or both.

I will entertain a motion that there is a need to take immediate action, that the need for action came to the attention of the COUNCIL subsequent to the agenda being posted. This requires a 2/3 of the COUNCIL, or if less than 2/3 of the members are present, then a unanimous vote of those present. If motion is made and carried, then it will be added to the agenda, as next in order. If the motion does not pass, no action can be taken.

Following Council discussion, Councilmember McCoy moved to place the Closed Session item as item #1 on the closed session portion of the agenda for consideration on this meeting's agenda on the grounds that the item came to the attention of the city after the posting of the agenda and requires action before the next City Council Meeting.

Councilmember Kegg seconded the motion, and upon roll call, the following voted YEA: Baird, Freeman, Kegg, McCoy and Shaskey.

Mayor Freeman thereupon declared the motion carried.

Consent Calendar: Mayor Freeman announced that all matters listed under the consent calendar are considered routine and will be enacted by one motion unless any member of the Council wishes to remove an item for discussion or a member of the audience wishes to comment on an item:

- a. Approval/ratification of payments issued June 19 through July 8, 2020.
- b. Approval of Minutes of the meeting held July 2, 2020.
- c. Approval of the CARES Act Relief Fund Allocation Grant Application.
- d. Waive Full Text Reading of All Ordinances on the Agenda. Ordinances shall be introduced and adopted by title only.

Councilmember Shaskey requested that item 1a be removed for discussion.

Following Council discussion, Councilmember Kegg moved to approve items 1b, c & d on the consent calendar as submitted.

Councilmember Shaskey seconded the motion, and upon roll call, the following voted YEA: Baird, Freeman, Kegg, McCoy and Shaskey.

Mayor Freeman thereupon declared the motion carried.

Approval/ratification of payments issued June 19 through July 8, 2020.

Following Council discussion, Councilmember Shaskey moved to approve the payments issued from June 19 through July 8, 2020 as submitted.

Councilmember Kegg seconded the motion, and upon roll call, the following voted YEA: Baird, Freeman, Kegg, McCoy and Shaskey.

Mayor Freeman thereupon declared the motion carried

Adopt Ordinance #857 amending certain sections of the Yreka Municipal Code by re-titling Chapter 11.24, amending section 11.24.030, entitled Building Construction – Curbs, Gutters, Sidewalks and Driveway Required, adding Section 11.24.080 through Section 11.24.230 entitled Landowners' Duty to Repair, Maintain, Liability and Disclose Relating to Sidewalks, Curbs, Gutter, Curb Cuts and Driveway Approaches and Obstruction Removal and Reclamation of Personal Property and amending Sections 15.16.030 entitled Parcel Map Certification, addition of Section 15.16.030.1, the amendment of Section 15.16.040 entitled Recordation and finding the adoption of this Ordinance to be exempt from CEQA.

City Manager Steve Baker provided the Council with a memorandum reporting that Ordinance 857 was introduced by the City Council at its meeting held July 2, 2020, and no public comments were received, and it is staff's recommendation that the City Council adopt the Ordinance as submitted

Following the reading of the title of the Ordinance and Council discussion, Councilmember McCoy moved to adopt Ordinance # 857 as submitted.

Councilmember Kegg seconded the motion, and upon roll call, the following voted YEA: Baird, Freeman, Kegg, McCoy and Shaskey.

Mayor Freeman thereupon declared the motion carried.

Adopt Resolution # 2020-21 approving the destruction of certain City Records identified by the Finance Director.

Finance Director Rhetta Hogan provided the Council with a memorandum reporting that records containing confidential data, such as payroll information, will be shredded by an appropriate vendor or organization. The California Secretary of State has issued guidelines for

records destruction, and the City is generally more conservative in its records retention destruction. Those guidelines can be found online, <http://archives.cdn.sos.ca.gov/local-gov-program/pdf/records-management-8.pdf>.

And though, the City could adopt a blanket policy of following the Secretary of State guidelines, it is the Finance Director's preference to annually request the City Council's authority to destroy such records.

Identified records, where the Finance Director is requesting destruction:

- Accounts Payable: Records older than July 1, 2013, includes copies of invoices, checks and AP batch reports.
- Cash Receipts: Cash receipt daily batches older than July 1, 2013, includes copies of daily detail and summary ledger reports, and cash receipt advices for utility billing (water, sewer and landfill), building permits, animal and business licenses, and all other cash receipts received by the City.
- Payroll records: Payroll timecards, payroll bi-weekly cycle reports, registers and other payroll related and timecard processing information older than July 1, 2013.
- Payroll annual and quarterly registers: Quarterly summary reports older than December 31, 2010, includes quarterly tax and gross wages summaries.
- General ledger reports: Detail ledger listing of transactions, includes various sorts, periods and aggregations, older than July 1, 2013. Ledger data active and retained electronically on database server through 1998. Does not include summary trial balances.
Note that the trial balance, the permanent records of City's total transactions for a fiscal year are being retained, however detail transaction records that arrive at those balances are being identified for destruction.
- General ledger journal entries: Journal entry posting of adjustments to the general ledger older than July 1, 2013, does not include sub ledger interface posting from payroll, accounts payable, accounts receivable, cash receipts, utility billing, animal and business licensing.
- Electronic backup media: Historical backup tapes and diskettes data from legacy financial systems, where restoration tape drives are no longer in place, or active, and where software updates have made the data obsolete to restore.
- Bank reconciliation: Bank statements, detail reconciliation work papers, cancelled checks and treasurer's monthly and quarterly reports older than July 1, 2013.
- Dog license: Dog license records older than July 1, 2013, includes receipts, registration tickets, sub ledger registers list, billing and adjustments batches pertaining to dog licensing
- Business license: Business license records older than July 1, 2013, includes receipts, registration tickets, sub ledger registers list, billing and adjustments batches pertaining to business licensing
- Water Accounts: Billing registers, customer correspondences, and other collection related information older than July 1, 2013
- Accounts Receivable: Invoice registers, collection receipts, aging lists and customer correspondences older than July 1, 2013; receivable collections include landfill invoicing records and TOT tax records.

Following Council discussion, Councilmember Shaskey moved to adopt the Resolution as submitted.

Councilmember Baird seconded the motion, and upon roll call, the following voted YEA: Baird, Freeman, Kegg, McCoy and Shaskey.

Mayor Freeman thereupon declared the motion carried

Acceptance of the conditional offer from USBank for lease financing of the 2020 Vactor 2100i hydro and vacuum excavation, combination sewer cleaner apparatus purchase equipment and authorizing the execution of all necessary documents for such financing.

Finance Director Rhetta Hogan provided the Council with a memorandum reporting that on June 17, 2020 staff met with the Audit, Debt and Investment Committee to discuss coronavirus revenue impacts to the general fund and the US Highway 3 (Caltrans) project impacts to the enterprise funds. In discussing, these items, the Finance Director, suggested a strategy for conservation of cash to be able to weather both the expected economic downturn, along with the compounded construction projects where large construction contractor payments will draw down available cash resources during the 2021 and 2022 construction season. The opportunity to finance the recently ordered Vactor 2100 hydro and vacuum excavation, combination sewer cleaners apparatus purchase, would result in conservation of \$413,780.47 of available cash, and aligns with the frequency of monthly utility fee revenues. The equipment is new thus attractive to lease purchase lenders. Direction for staff to solicit quotes was discussed with the Audit, Debt and Investment committee on June 17, 2020.

In late June, the City of Yreka informally solicited three quotes for lease with the option to purchase financing proposals that involved quoting both four and five lease terms, with monthly payment for 100% financing. Three financial institutions that operate in the City of Yreka were asked to reply.

Of the three responses received, the staff is recommending acceptance of the lease financing conditional offer from US Bank.

The USBancorp proposal was complete to terms requested, offered the most competitive rate, and operates a branch within the City. The Finance Director recommends pursuing the 1.64%, 60-month triple net lease financing option. And although there is a prepayment premium of 103%, the short-term nature of the lease makes prepayment option very unlikely.

Acceptance of the conditional offer for 5-year lease financing (not to exceed \$413,780.47) at the 1.64% with 103% prepayment factor. Financing will commence with delivery of the equipment expected now in November of 2020.

Following Council discussion, Councilmember Kegg moved to accept the conditional offer from USBank for lease financing of the 2020 Vactor 2100i hydro and vacuum excavation, combination sewer cleaners apparatus purchase equipment and authorizing the execution of all necessary documents for such financing.

Councilmember McCoy seconded the motion, and upon roll call, the following voted YEA:

Baird, Freeman, Kegg, McCoy and Shaskey.

Mayor Freeman thereupon declared the motion carried

Coronavirus Update: Discussion/Possible Action Review and Continuation of:

- Urgency Ordinance # 855 adopted 4-2-2020, Declaring a Local Emergency, and Authorizing the Participation in State and Federal Assistance Programs and the Temporary Waiver of: Equipment and Supplies Procurement Requirements, Utility Billing Practices, Human Resources Related Practices Which Are Each Deemed to be Arising From the Incidence of the Pandemic Relating to the Novel Coronavirus (Covid-19), and Setting Forth the Facts Constituting Such Urgency and Finding the Ordinance Exempt From CEQA Review.
- Urgency Ordinance # 856 temporarily suspending Sections 3.12.080 and 3.12.090 of the Yreka Municipal Code concerning payment of Transient Occupancy Tax, and Declaring the Urgency thereof.

Following Council discussion, Councilmember Kegg moved to continue Ordinances # 855 & 856 as adopted.

Councilmember Baird seconded the motion, and upon roll call, the following voted YEA: Baird, Freeman, Kegg, McCoy and Shaskey.

Mayor Freeman thereupon declared the motion carried.

CLOSED SESSION:

1. Conference with Real Property Negotiator (Government Code Section 54956.8)
 Property: AP Number: 054-191-290
 City Negotiators: City Manager
 Third Party Negotiator: Cynthia Garland, Cornerstone Properties.
 Under Negotiation: Possible purchase including price, terms of payment, or both.
2. Conference with Labor Negotiator Government Code Section 54957.6 (a)
 Agency negotiators: City Manager, Finance Director, and Human Resources Coordinator.
 Employee Organizations: Yreka Management Team Association, Confidential Unit, Yreka Employees Association, Yreka Police Administration Association, and the Yreka Peace Officer's Association.
3. Conference with Legal Counsel - Anticipated Litigation
 Initiation of litigation pursuant to Subdivision (c) of Section 54956.9 of the Government Code: (Number of cases to be discussed – 1 - The names of the parties are not disclosed, as it is believed that that to do so would jeopardize the City's ability to serve process or to conclude existing settlement negotiations to the City's advantage).

RETURN TO OPEN SESSION: Upon return to open session, City Manager Baker reported out the following:

As to item # 1, the City Council came out of closed session and announced the adoption of a Resolution Authorizing the Purchase of 400 S. Foothill Drive known as APN 054-191-290, on motion made by Councilmember Kegg, seconded by Councilmember Baird and approved unanimously.

As to item #2 the Council gave direction to its negotiators, and that no further reportable action was taken in closed session.

ADJOURNMENT There being no further business before the Council the meeting was adjourned.

Attest:

Joan Smith Freeman, Mayor
Minutes approved by Council
Motion August 6, 2020

Elizabeth E. Casson, City Clerk