

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF
YREKA HELD IN SAID CITY ON AUGUST 1, 2019

On the 1st day of August 2019, the City Council of the City of Yreka met in the City Council Chambers of said City in regular session, and upon roll call, the following were present: Deborah Baird, Joan Smith Freeman, Duane Kegg, and Norman Shaskey.
Absent – Paul McCoy.

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 from July 19 – August 1, 2019.
- b. Approval of Minutes of the meeting held July 18, 2019.

Following Council discussion, Councilmember Kegg moved to approve the items on the consent calendar as submitted.

Councilmember Shaskey seconded the motion, and upon roll call, the following voted YEA: Baird, Freeman, Kegg, and Shaskey. Mayor Freeman thereupon declared the motion carried.

Adopt Resolution #2019-29 approving requests associated with the Special Events known as the Yreka Union High School Cross Country Meets.

Pam Borg addressed the Council to answer any questions regarding the events.

Following Council discussion, Councilmember Kegg moved to adopt the Resolution as submitted, and directed the Police Department to make extra “walk-thru” patrols for the event.

Councilmember Shaskey seconded the motion, and upon roll call, the following voted YEA: Baird, Freeman, Kegg, and Shaskey. Mayor Freeman thereupon declared the motion carried.

Response to the Siskiyou County Civil Grand Jury.

City Manager Steve Baker reported that the Siskiyou County Civil Grant Jury has been following the replacement of the City’s old police station for years. The 2018-2019 Grand Jury included in their report a section entitled the New Yreka Police Department Facility – A fortress Worth the Wait. The report contrasts the new facility to the old facility.

The Grand Jury had two recommendations. The first is about the restricted amount of public parking onsite and the second is about talking to the adjacent property owner to look at expansion.

Following Council discussion, Councilmember Shaskey moved to authorize the execution of the response to the Grand Jury.

Councilmember Kegg seconded the motion, noting a correction in response #2, and upon roll call, the following voted YEA: Baird, Freeman, Kegg, and Shaskey. Mayor Freeman thereupon declared the motion carried.

Direction to Staff for possible action:

- Prepare resolution designating reserves for pension Stabilization for the year ending June 30, 2019; and
- Prepare request for proposals for evaluation of IRS Section 115 Pension Stabilization Trust Funds.

Finance Director Rhetta Hogan provided the Council with the following report:

Staff met with the Audit, Debt and Investment Committee on June 26, 2019 to discuss ways to address the City's pension liability with CalPERS. Staff reviewed with the committee the League of Cities best practices recommendations for addressing future pension burden for cities statewide, excerpt below:

- This will NOT be Easy, Utilize Best Practices: The toughest decisions will be made locally. Each city will need to make their own decisions on how to use best practices to stabilize their budgets.
 - Identify New Sources of Revenue
 - Reduce Plan Benefits
 - Review Services and Staffing Models
 - Establish Rate Stabilization 115 Trust and/or UAL Pre-Payments

Staff is addressing all of the issues identified above and controlling costs and exploring its revenue options, as well as looking at one time opportunities to evaluate dedicating reserves.

This year the City has an excess of reserves dedicated to the Yreka Police Department building fund to reallocate those funds to "seed" a pension stabilization fund. The expected available funds that would be allocated from the initial building fund would be approximately \$1.2 million. The excess was derived from anticipated general fund contributions to the building.

The committee's recommendation was to designate these reserves for an initial "seeding" of a pension stabilization trust fund.

A pension stabilization fund would:

1. Provide rainy day funding as pension costs increase over the next year years until leveling off at the new high.
2. Provide-long term planning to manage ongoing pension liabilities.
3. Maintain local autonomy over assets, contributions, disbursements, timing and investment risk tolerance.

4. Protect funds in the trust from uses other than pension stabilization funding.
5. Provide fund diversity to achieve greater long-term investment returns.

A section IRS 115 Trust is an irrevocable employer trust and investment program. The City established such a trust in December of 2017 to address its other post-employment benefit funds.

Following Council discussion, Councilmember Shaskey moved to authorize staff to prepare a resolution designating reserves for pension stabilization for the year ending June 30, 2019 and to prepare an RFP for evaluation for vendor/banking selection of IRS Section 115 Pension Stabilization Trust Funds Trustee.

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

Mayor Freeman thereupon declared the motion carried

CLOSED SESSION:

1. 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.
2. 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 that no 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 15, 2019

Elizabeth E. Casson, City Clerk