

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF
YREKA HELD IN SAID CITY ON AUGUST 16, 2018

On the 16th day of August 2018, 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, Robert Bicego, Joan Smith Freeman, Duane Kegg, and Norman Shaskey
Absent - None.

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 August 3, through August 16, 2018
- b. Approval of Minutes of the meeting held August 2, 2018.
- c. Waive Full Text Reading of All Ordinances on the Agenda. Ordinances shall be introduced and adopted by title only.

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

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

Mayor Freeman thereupon declared the motion carried.

Adopt Resolution # 2018-34 requesting the California Public Utility Commission consider implementing a Moratorium on the conversion of Analog Meters to Smart Meters pending the outcome of the Commission's decision regarding the costs and conditions of the opt-out alternative for City residents.

City Manager Steve Baker reported that Pacific Power plans to begin installation of electronic SMART meters this fall. Some ratepayers do not want the SMART meters installed, but the costs and processes regarding Opt-Outs has not yet been approved by the California Public Utilities Commission. We have received a request from Louise Gliatto to request that the CPUC place a moratorium on the installation of SMART meters until CPUC makes the determination on the Opt Out processes and costs. The City of Mt. Shasta held a special meeting and passed (3-1) a resolution to that effect last week.

Staff is not making any determinations regarding the science around SMART meters, however, it is reasonable to have the opt out process identified prior to the installation of the meters.

A resolution based on Mt Shasta's action is presented tonight for your consideration.

We understand that the decision on opt-out procedures may be made at the August 23 CPUC meeting. Staff has contacted the CPUC to verify this date.

Following Council discussion, Councilmember Shaskey moved to adopt the Resolution as amended to include an additional paragraph stating that: the Yreka City Council requests that Yreka residents receive a written notice at least 30-days in advance of the proposed installation

of the SMART Meter, and that the financial cost to rate payers for the Opt-out option be set in accordance with the recommendation of the Office of Ratepayer Advocates (ORA).

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

Mayor Freeman thereupon declared the motion carried

Authorize the Mayor to Sign Letter in Opposition of New Cannabis Regulations.

City Manager Baker reported that the City received an “Action Alert” from the League of California Cities, encouraging the City to submit a letter in opposition to the proposed new Bureau of Cannabis Control Regulations released in July of 2018.

The new regulations would authorize cannabis businesses to deliver in any jurisdiction and reduce the amount of time cities have to determine the validity of a cannabis business license. If approved, the regulations formally adopt the emergency regulations the Bureau of Cannabis Control (BCC) implemented in December 2017. Cities have until August 27, 2018 to voice opposition to this problematic proposal.

Under the proposed regulations, cannabis deliveries would be authorized in any jurisdiction with California. This preemption of local authority goes against the intent of voters who passed Proposition 64 in 2016, by preempting a local jurisdiction’s ability to allow or ban cannabis deliveries, a critical part of the local enforcement model of cannabis legalization is removed by effectively opening up all jurisdictions to having cannabis delivered to their front doors.

In addition, these proposed regulations create a 10-day “shot clock” for cities to respond to the BBC’s inquiry of the validity of either an annual or temporary cannabis license. Under current law, cities have 60 days to determine if a cannabis license is indeed valid. This 10-day “shot clock” does not afford cities sufficient time to review license applications and respond to the BCC.

Following Council discussion, Councilmember Kegg moved to authorize the Mayor to sign the letter in opposition of the new Cannabis Regulations.

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

Mayor Freeman thereupon declared the motion carried

Adopt Ordinance # 853 amending Title 16 Zoning, by adding to Chapter 16.12 Definitions Section 16.12.045 “Accessory Dwelling Unit” Section 16.12.185 “Cottage Food Operation, Cottage Food Operator, Cottage Food Products” Section 16.12.778 “Temporary Structure” Chapter 16.45 “Temporary Use Permits”; Section 16.46.170 Accessory Dwelling Units”; and Amending the following sections: Section 16.12.400 “Day-Care Center, Family Daycare Home” Chapter 16.18 “Single Family Residential R-1”, Chapter 16.20 “Medium Density Residential R-2” Chapter 16.22

“High Density Residential R-3”, Chapter 16.24 “Residential Agriculture R-A”; Chapter 16.36 “Commercial Highway CH” Chapter 16.38 “Commercial Tourist CT”; Chapter 16.46 “Special Provisions”; and Chapter 16.54 “Off-Street Parking and Off-Street Loading Facilities” and finding that the Ordinance is exempt from CEQA.

City Manager Baker reported that the City Council introduced this Ordinance at its meeting held August 2, 2018 and this Ordinance is now scheduled for possible adoption. A public hearing notice has been published in the Siskiyou Daily News inviting comment on the proposed Ordinance.

This being the time and date scheduled for the public hearing, Mayor Freeman opened the public hearing to the audience. Mark McKeirnan addressed the Council in favor of the proposed Ordinance.

There being no further statements or comments received from the audience, Mayor Freeman closed the public hearing and opened discussion to the Council.

Following the reading of the title of the Ordinance and Council discussion, Councilmember Shaskey moved to waive the reading of the body of the Ordinance and to adopt Ordinance No. 853 as submitted.

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

Mayor Freeman thereupon declared the motion carried

Adopt Resolution # 2018-35 setting Forth the Appropriations Limit for the City of Yreka for Fiscal Year 2018-2019.

Finance Director Rhetta Hogan reported that Article XIII B of the California Constitution (Article 4) and related implementing legislation provide for an annual “appropriations limit” for each entity of local government and require that the governing body of each local jurisdiction to establish it appropriation limit by resolution each year.

The appropriation limit does not apply to the entire City budget but only to the appropriation of “proceeds of taxes” in the City’s “General Government” type funds. From 1980-81 to 1989-90 each year’s appropriation limit was based on the previous year’s limit, multiplied by the percentage change in population and percentage change in the United States Consumer Price Index or the change in California per capita income, whichever is less. In June of 1990 Proposition 111 was approved and amended the factors used in the calculation of each year’s limit. The factors to be used now are:

Population Factor - At the City's option, either the annual change in City or County population.

Price Factor - At the City's option, either the change in California per capita income or increase in non-residential assessed valuation due to new construction.

The formula to be used in calculating the growth rate is:

$$\frac{\% \text{ change in population} + 100.00}{100}$$

times either

$$\frac{\% \text{ change in per capita income} + 100.00}{100.00}$$

or

$$\frac{\text{Change in non-residential assessments} + 100.00}{100.00}$$

The resultant rate times the previous appropriation limit equals the new appropriation limit. Both the California per capita personal income price factor and the population percentage change factors are provided by the State Department of Finance (DOF) to local jurisdictions each year. Population percentage change factors estimate changes in the City's population between January of the previous fiscal year and January of the current fiscal year. These numbers provide the factor to be used in the City's calculation of the Gann limit.

In May 2018, the State Department of Finance notified each city of the population changes and the per capita personal income factor to be used in determining appropriation limits.

Using the change in per capita income method, has made the following calculation as applied to the City of Yreka for 2018-19 is: The population at January 1 of the previous year compared to January 1, 2018 (DOF Estimates 7,840) is a 0.47% increase. The increase in the California per Capita Income for 2018-19 is 3.67%

The factor for determining the year-to-year increase computed as:

$$\frac{+0.47 + 100.00}{100.00} \times \frac{3.67 + 100.00}{100.00} = 1.03233764$$

Applying this year's factor of 1.04157249 to last year's limit of \$16,824,384, the Gann limit for Fiscal Year 2018-19 is \$17,523,816. With appropriations subject to the limit totaling approximately \$7,974,117, the City of Yreka is not at risk of exceeding the Gann limit.

Fiscal Impact:

The Gann Limit sets to restrict budgeting expenditures by subjecting an appropriations limit to no more than \$17,523,816. The City is budgeting \$7,974, 117 for expenditures that are subject to the appropriations limit. The City is not at risk of exceeding the limit.

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

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

Mayor Freeman thereupon declared the motion carried

Adopt Resolution # 2018-36 approving the updated Fiscal Year Ending June 30, 2019 and 2020 Salary Schedule for Part Time Employees.

Finance Director Hogan reported that the City has a number of different part time positions used for various purposes that are filled, many intermittently. The schedule needs to be updated periodically. The last update was December 21, 2017. CalPERS requires such a document. This resolution reflects the Fiscal Year June 30, 2019 and 2020 Salary Schedule for Part Time employees.

The schedule organizes and clearly lists the hourly rates for part-time (regularly scheduled part time, on-call and seasonal part-time) employees and contractual employees (annuitants working on an interim basis and or on contract to provide specialized services, e.g. construction project management). The regular part time employees generally reflect increases on par with the various MOUs. The irregular part time and seasonal employees reflect an increased floor of \$12.00 per hour where applicable. California minimum wages for employers with 25 or more employees will be \$12.00 on January 1, 2019 and increased to \$13.00 on January 1, 2020.

Recognition of this schedule does not presume any City benefits, as those are governed by the Affordable Care Act (ACA), represented employee agreements (MOU) and Public Employee Retirement Law (PERL).

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

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

Mayor Freeman thereupon declared the motion carried

Adopt Resolution #2018-37 to adopt the Budget for Fiscal Years ending June 30, 2019 and 2020, excluding Revenues and Expenses relating to the Yreka Volunteer Fire Department General Fund 01, Departmental 210 Budget, Yreka Volunteer Fire Department Donated and Membership Fund 03, and Special Revenue (Measure H) Fund 30.

Finance Director Hogan reported that staff is pleased present to the Council the bi-annual budget for 2018-19 and 2019-20. The budget process this summer included two public

workshops held on May 31, 2018 and on July 12, 2018. City Council, staff and the public gave input on areas where the City is experiencing budgetary challenges.

Through these workshops, recommendations were made on how to balance unmet needs within the community. Department heads have been involved in the process at a detail level developing departmental budgets and reports.

The budget presented this evening to the City is achievable, however it does not include anticipated labor negotiation settlement agreements in 2020, equipment breakdown (e.g. HVAC system or IT servers failure), or unforeseen events that will require additional resources. The budget reflects increases to staffing, a maintenance foreman, fleet mechanic, and utility billing collections clerk.

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

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

Mayor Freeman thereupon declared the motion carried

Adopt Resolution # 2018-38 adopting the Budget for Fiscal Years Ending June 30, 2019 and 2020, Fund 30-All Measure H Special Tax Fund, Fund 03- All the Volunteer Fire Department Benefit Fund, Fund 01-210-0000 – All revenues and expenditures of the Volunteer Fire Department.

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

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

Mayor Freeman thereupon declared the motion carried

Adopt Resolution # 2018-39 to establish payment relating to Yreka Volunteer Fire Department Call Out Payments, to include payment of the Membership Fee of the Volunteer with the Siskiyou Family YMCA, pursuant to Ordinance 804.

Finance Director Hogan reported that the City currently pays a total of \$12.50 per response for each volunteer firefighter callout. Of this amount, \$3 goes to the Fire Department's Volunteer Fund and the remainder goes to the firefighter.

This amount was last updated July 1, 2017. In December of 2017, the YVFD membership met and approved exploration of a membership plan with the Siskiyou Family YMCA. The YMCA has developed a fitness program designed around the strength and conditioning needed of volunteers to respond, in hopes of minimizing risk of member injury. The YMCA is

matching membership of the volunteers by including in gratis the volunteer's family membership in the YMCA. In April, twelve YVFD members joined. The YVFD has been paying through its volunteer fund (benefit account), for the membership (April, May, and June) until adoption of the budget, whereas the expectation is that the City's general fund cost would cover this benefit in lieu of any change in membership stipends.

Human resources consulted with Liebert, Cassidy, and Whitmore legal staff, to discuss any concerns with such a program. Staff was cautioned that while working out at the facilities, there could be some risk of workers compensation claim should an injury befall a YVFD member. The IRS deems this to be compensation to the employee, and the value of the membership is being recorded as a taxable benefit, (IRS Publication 15 - Employer's Tax Guide, IRS Publication 525 - Taxable and Nontaxable Income, and IRS Publication 5137 - IRS Fringe Benefit Guide for Federal State and Local Governments).

The fire volunteers provide a great service to the City, and the City recognizes that fitness through strength and conditioning programs are beneficial, and serve to help mitigate risk. These estimated participation cost (\$41 per month per member) is reflected in the biannual budget for the years ending June 30, 2019 (\$7,380) and 2020 (\$7,380).

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

Councilmember Shaskey seconded the motion, and upon roll call, the following voted YEA: Baird, Freeman, Keggs, and Shaskey. Recused – Bicego.

Mayor Freeman thereupon declared the motion carried

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

Attest:

Joan Smith Freeman, Mayor
Minutes approved by Council
Motion September 6, 2018

Elizabeth E. Casson, City Clerk