

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF  
YREKA HELD IN SAID CITY ON SEPTEMBER 6, 2018

On the 6<sup>TH</sup> day of September 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, Joan Smith Freeman, Duane Kegg, and Norman Shaskey Absent - Robert Bicego.

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 17 through September 6, 2018.
- b. Approval of Minutes of the meeting held August 16, 2018.

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 # 2018-40 approving the destruction of certain City records identified by the Finance Director.

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, Freeman, Kegg, and Shaskey.

Mayor Freeman thereupon declared the motion carried

Annual Development Impact Fee Report:

Finance Director Rhetta Hogan reported that on November 16, 2006, the City Council adopted Ordinance 790 establishing and implementing development impact fees (DIFs) and made it a part of Title 11, Chapter This Ordinance was amended twice, by Ordinance 795, and Ordinance 799 for technical amendments and re-titling it Municipal Utility Services, Impact and Connection Fees. Section 11.23.170 of Chapter 11.23 provides for an annual review of the capital improvement plan and an accounting of DIFs received and expended. The last report was made to the Yreka City Council on December 21, 2017.

Based upon Government Code Section 66006(b), development fees must be reviewed annually and may be adjusted by the City Council after a noticed public hearing. The annual report shall

include the following items.

1. A brief description of the type of fee collected;
2. The amount of the fee;
3. The beginning and ending balance of each type of fee held by the City;
4. The amount of fees collected and the interest earned;
5. An identification of each public improvement and the amount expended;
6. An identification of the approximate date by which the construction of the public improvement will be complete;
7. A description of each inter-fund transfer or loan made; and
8. The amount of refunds made (none reported).

As required by the Government Code, this information must be made available to the public through posting of a draft of this report. Upon the completion of a fifteen day review period, Council will be asked to accept and file the report.

Funds held in reserves, in excess of five or more years are dedicated to specific expenditures contained in the Master Facility Plan and are consistent with the community's goals.

ALTERNATIVES/OPTIONS: This item is presented for review as required by the Government Code to provide information to the public concerning collections and expenditures of Development Impact Fees (AB 1600 Fees). As long as the City maintains these fees, this annual review will be required.

Update of Capital Improvement Plan: Pursuant to the provisions of Government Code Section 66002(b), the capital improvement plan adopted by the City by Resolution 2615 approving the Development Impact Fee Study shall be annually updated at a noticed public hearing. The Capital Improvement Plan, Capital Needs Prioritization was updated in November of 2017 by Public Works and is being presented in addition to capital needs identified on the original report.

Discussion:

Council made findings as follows:

1. There is a reasonable relationship between the need for the described public facilities and the impacts of the various types of development, and,
2. There is a reasonable relationship between the fees use and the type of development for which the fee is charged, and
3. The cost estimates set forth in the Master Facilities Plan are reasonable cost estimates for constructing these facilities, and that the fees to be generated by new development will not exceed the total of these costs.

The proposed Resolution reaffirms these findings.

- Since the last report submitted to and approved by City Council on December 21, 2017, no other change of circumstance has occurred since the Capital Improvement Plan and Development Impact Fee program were adopted.
- Neither General Plan designations nor growth projections in the City

- have materially changed in the last year.
- The remainder of the public facilities identified in the Development Impact Fee Report are still required to serve the needs which will be created by new development in the City.
  - A relationship between the need for such public facilities, the amount of fees necessary to fund development of such facilities, and the impacts of development for which the fees are charged has remained unchanged from when these programs were adopted.
  - There have been duly authorized index adjustments of the cost of the public improvements and the fee amounts made pursuant to YMC Section 11.23.180.
  - Gov. Code Section 66006(b), which requires the Annual Review report of AB 1600 fees be made within 180 days after the last day of each fiscal year and that it be reviewed by the City Council at the next regularly scheduled public meeting not less than 15 days after the information is made available to the public. The update of the capital improvement plan can be by resolution, but must occur at a noticed public hearing (one newspaper publication of the notice 10 days prior to the public hearing.) Gov. Code Section 66002. The update of the capital improvement plan and approval of the DIF fees report can occur at the same time. Legal notice was published for public hearing on Tuesday, August 28, 2018 for the Capital Improvement Plan review update.

**Financial:**

- Collection of Development Impact Fees provides revenue necessary for the City ultimately to fund the construction of the public improvements contained in the City's adopted Capital Improvement Plan.
- The City Council may review the phased in fee implementation schedule every six months, and the Council may, in its discretion, set fees up to the full amounts of the fees as set forth in the City of Yreka Impact Fee Report, which fee modifications, if adopted, shall be effective six months after the order of the City Council.
- Inter-fund transfers between fee accounts may be made during the next review period for the purposes of funding the construction and or debt servicing of the improvements discussed in this report.
- Discussion and direction to staff topics bring back to the Council at a future meeting several horizon issues related to the rate and collection of DIF Fees.

**Public Hearing** – to solicit public comments regarding the City's intention to adopt a Resolution approving updates to the City's Capital Improvement Plan and Development Impact Fee Program.

This being the time and date scheduled for the public hearing, Mayor Freeman opened the hearing up to the audience. There being no statements or comments received, Mayor Freeman closed the public hearing and opened discussion to the Council.

Adopt Resolution # 2018-41 approving the Development Impact Fee Report and updating the City's Capital Improvement Plan and Development Impact Fee Program.

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.

Mayor Freeman thereupon declared the motion carried

**CLOSED SESSION:**

1. Conference with Legal Counsel - Existing Litigation  
(Government Code Section 54956.9(d)(1).) Name of matter before the adjudicatory jurisdiction, the Federal Energy Regulatory Commission: In the Matter of PacifiCorp - Project Numbers 2082-062 and 14803-000.
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 that no reportable action was taken in closed session.

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

Attest:

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Joan Smith Freeman, Mayor  
Minutes approved by Council  
Motion September 20, 2018

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Elizabeth E. Casson, City Clerk