

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF  
YREKA HELD IN SAID CITY ON NOVEMBER 21, 2013

On the 21st day of November 2013, 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: Robert Bicego, Bryan Foster, John Mercier and David Simmen. Absent – Rory McNeil.

Consent Calendar: Mayor Simmen 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 of Minutes of the meeting held November 7, 2013
- b. Approval/ratification of payments issued from November 8, 2013 through November 21, 2013.

Councilmember Bicego requested item 1 be pulled for discussion.

Following Council discussion, Councilmember Foster moved to approve item b on the consent calendar as submitted.

Councilmember Bicego seconded the motion, and upon roll call, the following voted YEA: Bicego, Foster, Mercier and Simmen.

Mayor Simmen thereupon declared the motion carried.

Approval of Minutes of the meeting held November 7, 2013

Councilmember Bicego noted for the record that he was absent from the November 7 City Council meeting and therefore is abstaining from the vote.

Following Council discussion, Councilmember Foster moved to approve the minutes as submitted.

Councilmember Mercier seconded the motion, and upon roll call, the following voted YEA: Foster, Mercier and Simmen. Abstain: Bicego.

Mayor Simmen thereupon declared the motion carried.

Approval of appointment of Colin McKee to the Yreka Volunteer Fire Department.

Following Council discussion, Councilmember Bicego moved to approve the appointment of Colin McKee to the Yreka Volunteer Fire Department.

Councilmember Foster seconded the motion, and upon roll call, the following voted YEA: Bicego, Foster, Mercier and Simmen.

Mayor Simmen thereupon declared the motion carried.

Consider increasing support to the Red Scarf Society's Fundraising Campaign for the Rehabilitation of the Community Theater Siding.

Joan Favero addressed the Council and audience on behalf of the Red Scarf Society for the Performing Arts reporting that they have completed the community aspect of the Community Theater siding campaign, and that they have received \$25,575 from the community, \$8,500 in grant funds, and Red Scarf contributed \$25,000 for a total of \$59,075.

Mrs. Favero further reported that are currently preparing a grant application in the amount of \$41,500 from the Ford Family Foundation and is requesting the City to consider increasing their financial support for the project to \$60,000 to enable them to meet the required grant match.

Following Council discussion, Councilmember Bicego moved to table this item to the next Council meeting and to direct staff to prepare a memorandum detailing the funding options that may be available.

Councilmember Foster seconded the motion, and upon roll call, the following voted YEA: Bicego, Foster, Mercier and Simmen.

Mayor Simmen thereupon declared the motion carried.

Initiate Dissolution of the Joint Authority for the Montague – Yreka Airport.

City Manager Baker reported that the City of Montague and City of Yreka entered into a Joint Powers Agreement for Airport Facilities in July 1974. The JPA agreement has been amended 3 times since then. The Agreement originally included Yreka contributing funds toward improvements that needed to be made to the airport at that time. Subsequently, Yreka contributed \$2,500 per year toward the airport, which was increased to \$5,000 per year beginning in 2002. In addition, the agreement provides for an Airport Advisory Commission that includes a member of the city council from each city (with the Mayor as the alternate), another member appointed by each respective city and one member appointed by agreement of the two Mayors. The commission is scheduled to meet four times per year. In addition, the city attorneys from each city would share legal work.

The JPA does not own the airport (Montague does). The JPA agreement does not provide for indemnification (Both Montague and Yreka below to the same JPA for liability insurance and Montague carries an additional insurance policy on the airport) and the City of Yreka was sued (and subsequently released from) a lawsuit from a visitor to the Balloon Fair. The JPA creates an advisory commission, but the commission is only advisory; Montague has the final say on activities at their airport. It is often difficult to obtain a quorum of the committee and the jointly appointed position has been vacant for more than a year (and the previous incumbent served only a few months). Montague staff puts together the agenda packet and Yreka staff writes the minutes.

Recently, we were advised that a controllers report and a compensation survey were required since we have a formal JPA.

As a result of the above, staff from Montague and Yreka have discussed dissolving the JPA for the airport and replacing it with an agreement for Yreka to contribute \$5,000 per year. This \$5,000, together with the same amount from Montague serves as matching funds for an annual \$10,000 grant from the state. These funds together are accumulated to pay for on-going maintenance of the airport runway. The airport is not a federally recognized airport that can apply for federal airport funds (the airport is too close to other federally recognized airports), so these maintenance funds are critical to keeping the airport open.

The City of Montague on November 7, 2013 authorized dissolution of the JPA if the City of Yreka concurs.

Staff is recommending that the City provide the six month notice required for the JPA dissolution and work with Montague to draft an agreement for the continued contribution of \$5,000 per year beginning with the next fiscal year.

Following Council discussion, Councilmember Bicego moved to direct staff to initiate the dissolution of the Montague-Yreka Airport Joint Powers Authority and to prepare a replacement agreement for financial support.

Councilmember Foster seconded the motion, and upon roll call, the following voted YEA: Bicego, Foster, Mercier and Simmen.

Mayor Simmen thereupon declared the motion carried.

#### Direction to Staff – Request for Waiver of Developer Impact Fees for 311 S. Main Street.

City Manager Baker reported that the City received a request from the Siskiyou Habitat for Humanity requesting the waiver of development impact fees on property they recently acquired at 311 S. Main Street. They indicate that they were unaware of the requirement until they came in to sign up for water service for the property.

City records show no water connection or water bills on this property since 1995. All activity on the property predated the base rate billing for vacant property and the property was not recorded as having water and sewer utility series on the utility billing system

During the sales process, the building department received several calls from the listing realtor as well as others regarding impact fees. It was determined that this property would be subject to water and wastewater impact fees and this was disclosed to the listing broker (along with a worksheet) and several potential buyers and Real Estate Agents who inquired. For developed properties not on the system (or that have gone off the system), the City charges the lesser of either the historic base rate since base rate inception or the development impact fees when the property has only one owner, however, once the property is transferred to a new owner the development impact fees apply upon reconnection.

On August 29, 2013, staff identified that this property has an ancient 5/8" water meter and that a new 5/8" water meter could be installed at no cost to the customer under the city's replacement meter policy. However, the development impact fees would still apply.

The City Council does have the ability to waive the development impact fees under certain circumstances as depicted in the Yreka Municipal Code.

Waiver under these circumstances would be a change of City policy on vacant properties. The current policy recognizes that all properties connected to the system, regardless of whether they are currently using water, benefit from the water and sewer infrastructure and should therefore pay the base rate. Allowing property owners to disconnect from the system means that this burden is shifted to other property owners. The current policy allows property owners to essentially permanently disconnect from the system if they will not ever use the water/sewer connection and they are treated as new connections should reconnection ever be warranted. This situation, however, does raise issues of the method of properly noticing future property owners who otherwise would expect water and sewer to be available on existing properties when either they are disconnected by property owner action or (as in this case) not connected to the system. We have explored various options, but have not come up with a good mechanism that works in all circumstances (i.e. would show up on the title report). In this case, because staff was aware of the potential for sale, staff did provide this information to the listing broker as well as other Real Estate Agents and individuals who came to the city and requested information. This should have resulted in the buyer being aware of these provisions.

Staff is recommending that the waiver not be granted, either in full or, as proposed in the last paragraph, in part. The donation option does not apply since the city is a non-taxable government entity.

Given the circumstances in this case, staff has offered to allow the connection fee to be paid off over a 5-year period and would recommend that Council endorse this approach in this circumstance.

Should Council wish to change or review the current policy, staff would request direction on possible changes. Staff could investigate and bring back options at a future meeting, including the impacts and precedents of such a policy change. The development impact fees to the City's water and wastewater utilities at the 50% discounted level total \$3,770.90.

Following Council discussion, Councilmember Bicego moved to table this item to a future meeting for further discussion, and to allow Siskiyou Habitat to connect to the water system as soon as the repairs to the building are completed.

Councilmember Mercier seconded the motion, and upon roll call, the following voted YEA: Bicego, Mercier and Simmen. Nay – Foster.

Mayor Simmen thereupon declared the motion carried.

Adopt Resolution No. 3038 approving execution of the Memorandum of Understanding signed by the Yreka Police Management Association.

Following Council discussion, Councilmember Foster moved to adopt Resolution No. 3038 as submitted.

Councilmember Bicego seconded the motion, and upon roll call, the following voted YEA: Bicego, Foster, Mercier and Simmen.

Mayor Simmen thereupon declared the motion carried.

Adopt Ordinance No. 836 An Ordinance of the City Council of the City of Yreka, amending and or repealing certain sections of the Yreka Municipal Code in Chapters: 2.04 Council vacancies, 2.18 City Accounting Officer, 2.24 Public Works Department, 2.44 Mandatory Retirement of City Officers and Employees and 2.56 General Municipal Elections.

Following the reading of the title of the Ordinance and Council discussion, Councilmember Mercier moved to waive the reading of the body of the Ordinance and to adopt Ordinance No. 836 as submitted.

Councilmember Foster seconded the motion, and upon roll call, the following voted YEA: Bicego, Foster, Mercier and Simmen.

Mayor Simmen thereupon declared the motion carried.

Approve proposal to prepay long-term debt with USDA 2002 Certificates of Participation (COP).

Finance Director Rhetta Hogan reported that as part of the long term planning for the sewer fund, staff was planning to repay the higher interest rate debt from the 2002 USDA Certificates of Participation (COP) for the East Side Sewer Project later this fiscal year. This repayment has become timely because in working through the new lending agreements for the 2012 USDA COP for the wastewater treatment plant and wastewater distribution improvement, the City is ineligible to subordinate any further debt against the 2002 USDA COP without modification of the original documents. In evaluating two options of reissuance of contract documents for the 2002 COP or prepayment, staff is recommending prepayment.

Finance Director Hogan further reported that prepaying this debt will result in a savings of future interest payment of \$634,882.50 from 9/1/2013 to 9/1/2041.

Following Council discussion, Councilmember Foster moved to approve proposal to prepay Eastside Sewer USDA 2002 Certificates of Participation loan that includes principal of \$793,000 and accrued interest of \$9,112.48 effective December 13, 2013.

Councilmember Mercier seconded the motion, and upon roll call, the following voted YEA: Bicego, Foster, Mercier and Simmen.

Mayor Simmen thereupon declared the motion carried.

Approval of Treasurer's Report and Operating Budget of Revenue and Expenditures with Actual for the Month of October 2013.

Following Council discussion, Mayor Simmen moved to approve the Treasurer's Report and Operating Budget as submitted.

Councilmember Bicego seconded the motion, and upon roll call, the following voted YEA: Bicego, Foster, Mercier and Simmen.

Mayor Simmen thereupon declared the motion carried.

**CLOSED SESSION:**

1. Conference with Labor Negotiator Government Code Section 54957.6 (a)  
 Agency Negotiators: Steven Baker  
 Employee Organizations: Yreka Management Team Association, Confidential Unit, and Yreka City Employees Association.
  
2. Conference with Real Property Negotiator (Government Code Section 54956.8)  
 Property: 1400 Fairlane Road, Yreka, CA  
 Third Party Negotiator: Todd Whipple and Stacey R. Whipple Trust  
 City Negotiators: City Manager and Chief of Police  
 Under Negotiation: Possible acquisition including price, terms of payment, or both
  
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 that no reportable action was taken in closed session.

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

Attest:

\_\_\_\_\_  
 David Simmen, Mayor  
 Minutes approved by Council  
 Motion December 5, 2013

\_\_\_\_\_  
 Elizabeth E. Casson, City Clerk