

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF  
YREKA HELD IN SAID CITY ON FEBRUARY 2, 2017

On the 2<sup>nd</sup> day of February 2017, 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, Norman Shaskey, and David Simmen 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 January 6, 2017 – February 2, 2017.
- b. Approval of Minutes of the meeting held January 5, 2017.
- c. Adopt Resolution Approving Street Closure for Yreka Chamber of Commerce 2017 Special Events.
- d. Adopt Resolution extending the suspension of Section 13.76.010 of the Yreka Municipal Code, allowing installation of Banners on Fairlane Road.

Councilmember Baird requested item 1c be pulled for discussion.

Following Council discussion, Councilmember Baird moved to approve items a, b & d on the consent calendar as submitted.

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

Mayor Freeman thereupon declared the motion carried.

Adopt Resolution Approving Street Closure for Yreka Chamber of Commerce 2017 Special Events.

Following Council discussion, Councilmember Baird moved to adopt the Resolution as amended to reflect the corrected date of December 1, 2017 as the date of the Night of Lights.

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

Mayor Freeman thereupon declared the motion carried.

Discussion – Little League Request for Participation in the Replacement of Picnic Tables at the Little League Park.

Natalie Rizzardo, Vice President of the Yreka Little League Association addressed the Council to discuss the possibility of the City entering into a cost sharing agreement with the Little League for the purchase of 4 concrete picnic tables to replace the existing wooden tables at the Little League Park. Ms. Rizzardo stated that the wooden benches are constantly being vandalized.

The Little League volunteers have made the needed repairs to the tables over the years, which has been expensive and time consuming. However, they hope that the replacement with concrete tables, will not only stop the vandalism, but that concrete tables could also be used as a barrier to stop cars from entering into the park, stating that the installation of bollards is also on their list as needed safety features for the Little League Park.

Ms. Rizzardo stated that the Little League has received a quote for \$3,000 to purchase four (4) 8ft ADA Concrete Picnic Tables, and they are asking the Council to consider a donation in the amount of \$1,500.00 to the Yreka Little League for the purchase of these concrete tables.

Following Council discussion, it was the consensus of the Council to place this as an action item on the next meeting agenda of February 16, 2017.

Adopt Resolution approving Professional Services Agreement Amendment No. 1 in the Amount of \$83,129 with GeoScience Services for the Flood Hazard Reduction Grant.

Public Works Administrative Assistant Jeannette Hook reported that in 2014, the Council authorized the Department of Public Works to execute consultant agreements for the planning and design work associated with the Flood Hazard Reduction project. The City was awarded \$5 million to complete a comprehensive watershed planning process, and to implement floodway restoration at several sections of Yreka Creek, including the US Forest Service Maintenance Facility on South Main Street, which is referred to as the Central Reach of the project.

In order to accommodate the floodway restoration work that will reduce flood hazards, work at the Forest Service Center is expected to encompass several structural elements. Primarily, this entails the removal of approximately five buildings adjacent to Yreka Creek and the reconstruction of a few critical service structures, such as the Fire Cache staging facility and several on site utilities.

When the Professional Services Agreements were negotiated for the project, the Forest Service indicated they had the resources to provide significant levels of engineering and design details for the project. However, due to current workloads and personnel changes, they have now indicated that they are unable to accommodate the design process needed for the project and have requested that the City oversee the design and construction on their behalf.

The City has appropriate consultants already engaged in the project design. The City's consultants have provided a scope and cost proposal for completing this new work, however the cost exceeds the Council's prior authorization for amendments of up to 10%. Therefore, staff is requesting that the Council approve Amendment No. 1 with GeoScience Services to complete the design work at the Forest Service compound, for an amount not to exceed \$83,129.

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, Shaskey, and Simmen.

Mayor Freeman thereupon declared the motion carried.

Adopt Resolution rescinding Resolution No. 1436 regarding Employer-Employee Organization Relations and adopting a Personnel Policy and Procedure Entitled “Employer-Employee Organization Relations Resolution”.

City Manager Steve Baker reported that this is an update to the current Resolution, which was adopted in 1978. This resolution outlines the City’s implementation of the Meyer-Miliias-Brown Act, which provides for collective bargaining for public employees in California.

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

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

Mayor Freeman thereupon declared the motion carried.

Authorize the City Manager to execute the agreement with Hinderliter, De Llamas & Associates.

City Manager Baker reported that on January 5, 2017, the City Council approved documents associated with the implementation of Measure C, including Resolution 2017-02, which permitted Hinderliter, De Llamas & Associates, the City’s sales tax consultant access to the City’s sales tax records from the Board of Equalization.

In addition to those actions, staff is requesting authorization to enter into a separate agreement with HDL to handle verification and correction of sales tax records to make sure that the sales tax is allocated to the City properly.

Following Council discussion, Councilmember Kegg moved to approve the agreement and to authorize the City Manager to execute the agreement.

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

Mayor Freeman thereupon declared the motion carried.

Update on Police Station Project.

City Manager Baker reported that complex capital projects often span multiple years and it is appropriate to briefly revisit the history of this project in order to update the current status.

This project has been in discussion or development since approximately 2005 when the Grand Jury investigated the services that the Police Department was able to offer the public in their current

facility. It was determined that the department had outgrown the 100-year old Carnegie Library facility, that the facility was not designed for its current use, and it did not provide fully adequate public access or security. The Police Chief worked diligently between 2005 and 2014 to quantify the departments' space needs for the long term and to identify and evaluate the suitability of numerous potential alternative sites.

Late in 2013, the City Council discussed financing options to meet the needs of the Police Department. The building at 1400 Fairlane Road was identified as the most suitable location for the relocation of the Police Station and in May 2014, the City acquired the property.

In July 2014, the Police Department, with assistance from Public Works, conducted a search for experienced professionals to develop construction plans. After evaluating qualifications, the City Council authorized a Professional Services Agreement with architects Calpo, Hom, and Dong. In August 2015, the City Council authorized the project to be advertised for bids and appropriated an additional \$900,000 from the Crandall and General Operating fund reserves, to total \$2.7 million, of which \$1.3 million was available for construction. Construction plans were prepared and the remodeling project was advertised for bids in February 2016.

In March of 2016, the Department of Public Works was tasked with the primary project coordination for the Police Station Remodel in order to allow the Police Chief to focus on his critical community safety responsibilities. Four bids were received which far exceeded the appropriated budget and in April 2016, the City Council rejected all bids.

Since April, staff has been working to identify potential modifications to the project to reduce costs and to develop financing options affordable to the City. In November 2016, the architect was asked to assign rough costs to the possible reductions and through that discussion, it became apparent that many ideas had substantial implications to the security, public accessibility, and functionality of the building.

In September and December of 2016, the City's Audit, Debt and Investment Committee met to revisit financing option, based on USDA options and rates gathered over the summer. Staff also developed in conjunction with the architect, a more realistic construction budget was identified as \$265/sf (meaning the remodel would cost approximately \$2,650,000, plus contingencies). In December 2016, staff initiated a loan pre-application with USDA Rural Development in order to obtain a loan rate quotation. The loan pre-application is currently being reviewed to prepare financing for City Council consideration. A public facilities loan from USDA, a structured financing known as a Certificate of Participation, allows for construction draws during the phase of the project, similar to a home construction loan. Upon completion of construction, the draw amount used for eligible expenses is amortized, over the estimated useful life of the improvement or 40 years. It should be noted that USDA does not impose penalties for early loan repayment and that USDA must approve the loan and the project before the City issues the Notice Inviting Bids.

Should the City Council provide direction to continue along the current path, estimated milestones (with a relatively aggressive timeline) is projected as:

Loan Development and USDA Approval to Bid	March 2017
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Bid Advertisement (Notice Inviting Bids)	April to June, 2017
Bid Award	July 2017
Construction Period (300 days)	August to June 2018
Completion of Construction & Loan Finalization	June 2018
Installation of Furnishings & Décor	July 2018
Anticipated Police Department Move-in	~ August 2018

Fiscal Impact:

A summary of previously incurred expenses as of December 2016 reviewed with the Audit, Debt and Investment Committee are as follows:

Approved revenue transfers \$2,700,000, and rental revenue \$20,018

Expenses incurred through 1/27/2017 are:

Site Acquisition	\$802,346	
Professional Fees	96,738	
Equipment	70,305	
Administrative Support	7,814	
Subtotal	\$977,203 *	<i>(Council appropriated a budget of \$2.7M. \$1.7M remains available.)</i>

Current remaining bid project fund balance or reserves are: \$1,742,815

Expenses through construction and moving are estimated as follows:

Construction	\$2,650,000*	<i>* expenses eligible for USDA loan, Not to exceed \$3,000,000</i>
Contingency	350,000*	
Professional Fees	~ 20,000*	
Furniture & Technology	300,000	
Moving Expense	50,000	
Project Administration	~ 30,000	
Subtotal	\$3,400,000	

The table distributed tonight illustrates typical USDA debt service costs for a \$3,000,000 USDA construction loan. The amortization rate is assumed to be 4.00% over 40 yrs. In addition, the City would need to set aside one year of debt servicing in a debt servicing account. The City would need to authorize a construction loan and allocate sufficient funds within the current budget for normal administrative and loan-ineligible costs, and then provide a continuing budget for the annual debt service expense.

Following Council discussion, Councilmember Kegg moved to schedule a workshop to review all options. Councilmember Simmen seconded the motion, and upon roll call, the following voted YEA: Freeman, Kegg, and Simmen. Nays: Baird and Shaskey, both stating that the decision to use the site on Fairlane Road was already made by the previous Council and that they

did not want to delay the process any longer. Mr. Shaskey further stated, "I did not want to waste public funds, since just under a million dollars has already been spent on the project, and I doubt that we would get all this money back if we sold the Fairlane property. We could lose several hundred thousand dollars if we cancelled the project and built a new police station."

Mayor Freeman thereupon declared the motion carried.

Authorize the Mayor to Sign Letters of Support for Assembly Bill 1 and Senate Bill 1.

Following Council discussion, Councilmember Baird moved to authorize the Mayor to sign the letters of support as submitted.

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

Mayor Freeman thereupon declared the motion carried.

**CLOSED SESSION:**

1. Conference with Labor Negotiator Government Code Section 54957.6 (a)  
 Agency negotiators: Steven Baker and Rhetta Hogan.  
 Employee Organizations: Yreka Police Officer's Association, Yreka Employees Association, Yreka Police Administration Association, Yreka Management Team Association, and the Confidential Unit.
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 as to item no. 1, Council conferred with its labor negotiator and Item No. 2 was pulled from the agenda.

**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 February 16, 2017

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 Elizabeth E. Casson, City Clerk