

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF
YREKA HELD IN SAID CITY ON AUGUST 1, 2013

On the 1ST day of August 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, and David Simmen. Absent – Rory McNeil and John Mercier.

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 July 18, 2013.
- b. Approval of Warrants issued from July 19 through August 1, 2013.

Councilmember Bicego stated that since both he and Councilmember Foster were absent at the last meeting, that it might be appropriate to pull the approval of the Minutes from the consent calendar and table the minutes for approval at the next meeting. Following Council discussion, it was the consensus to table the minute approval to the next meeting.

Approval of Warrants issued from July 19 through August 1, 2013.

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

Councilmember Bicego seconded the motion, and upon roll call, the following voted YEA: Bicego, Foster, and Simmen. Mayor Simmen thereupon declared the motion carried.

Adopt Resolution No. 3026 approving the destruction of Certain City Records – Yreka Police Department.

Following Council discussion, Councilmember Bicego moved to adopt Resolution No. 3026 as submitted.

Councilmember Foster seconded the motion, and upon roll call, the following voted YEA: Bicego, Foster, McNeil, and Simmen. Mayor Simmen thereupon declared the motion carried.

Adopt Resolution No. 3027 amending Resolution No. 2736 suspending ~~50%~~ 25% of the set-up fee for a new service account for water and sewer.

City Manager Steve Baker reported that on July 18, 2013, the City Council directed staff to place on a future agenda the suspension of one-half of the current set up fee for water and sewer accounts. The fee is currently \$100. This action would reduce the fee to \$50 effective January 1, 2014.

City Manager Baker further reported that the set up fees collected last fiscal year were \$32,900. Based on reducing this by half, the annual impact would be approximately \$16,450 less revenue

(for the 2013-14 fiscal year, the revenue decrease would be approximately \$8,000 because of the effective date of January 1, 2014).

Following Council discussion, Councilmember Foster moved to adopt Resolution No. 3027 as amended decreasing the percentage of fee suspended from the proposed 50% to 25%.

Councilmember Bicego seconded the motion, and upon roll call, the following voted YEA: Bicego, Foster, McNeil, and Simmen. Mayor Simmen thereupon declared the motion carried.

City reserves available for capital projects.

City Manager Baker reported that on July 18, 2013, the City Council directed staff to place on a future agenda a discussion of reserves available for Capital Projects, with a focus on the police station replacement. Staff discussed the concept of a “safe harbor” number for reserves since the books have not been closed for the 2012-13 fiscal year. City Manager Baker states that tonight’s report reflects that concept, and presented the Council with the following scenarios:

The City has a number of reserves and in June set conservative reserve policies. The available reserves include the Crandall Fund, which is specifically for capital projects, as well as the amounts in other general fund reserves that are in excess of the reserve targets adopted by the City Council. These figures also take into account previously budgeted items for the 2013-14 fiscal year.

Fund	Available Cash Balances (“Safe Harbor”)
Crandall	\$1,800,000
Contingency Reserves	\$ 280,000
Capital Reserves	\$ 500,000

At the July 18, 2013 meeting, the Council expressed a desire to not expend all of the Crandall Fund and a conservative approach to drawing down reserves in general.

Assuming a drawdown of only 50% of the available Crandall Fund and 75% of the available excess reserves in the Capital Reserves and Contingency Reserves the available funds would be as below. Note that for illustrative purposes, we have assumed a project cost of \$2 million for the Police station replacement. The actual cost will vary based on a variety of factors.

Available Funds – Scenario #1

Crandall (50%)	\$ 900,000
Contingency Reserves (75%)	\$ 210,000
Capital Reserves (75%)	\$ 375,000
Total Available	\$1,485,000
Project Cost	\$2,000,000
Shortfall	\$ 515,000

A second scenario could use funds in the General Fund reserve that are in excess of the 40% lower end target (the Council may recall that the target for the main General Fund reserve was 40% to 50% of General Fund expenses). The General Fund reserves are estimated to total 2.39 million. At the 40% target, approximately \$450,000 could be available (at 50%, none is available).

Scenario #2 which is a significantly more aggressive use of accumulated reserves (50% of Crandall, 100% of contingency and capital reserves, excess above 40% of General Fund Reserve).

Available Funds – Scenario #2

Crandall (50%)	\$ 900,000
Contingency Reserves (100%)	\$ 280,000
Capital Reserves (100%)	\$ 500,000
General Fund Reserves	\$ 450,000
Total Available	\$2,130,000
Project Cost	\$2,000,000
Excess	\$ 130,000

Following Council discussion, it was the consensus of the Council to schedule a special meeting the second week of September to hold a workshop to discuss the options for replacing the Police Station.

Ratify/Approval of all Warrants payable to Siskiyou County Economic Development Council from June 21, 2013 through August 1, 2013.

Following Council discussion, Mayor Simmen moved to ratify and approve the warrants as submitted.

Councilmember Bicego seconded the motion, and upon roll call, the following voted YEA: Bicego, Foster, and Simmen. Mayor Simmen thereupon declared the motion carried.

CLOSED SESSION:

1. Conference with Labor Negotiator Government Code Section 54957.6 (a)
 Agency negotiator: Steven Baker
 Employee Organizations: Yreka Management Team Association, Confidential Unit, Yreka City Employees Association, Yreka Police Administration Unit, Yreka Police Sergeants Association, and the Yreka Police Officer's Association.
2. Conference with Real Property Negotiator (Government Code Section 54956.8)
 Property: 307 North St., Yreka, CA
 Third Party Negotiator: Dieter D. Ruf Trust
 City Negotiators: City Manager and City Attorney
 Under Negotiation: Possible sale 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 Steve Baker reported that as to items # 1 & 2, the Council gave direction to its negotiators, and no further 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 August 15, 2013

Elizabeth E. Casson, City Clerk