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**MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE  
CITY OF YREKA HELD IN SAID CITY ON JUNE 1, 2021**

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On the 1<sup>st</sup> day of June 2021, the City Council of the City of Yreka met in regular session, and upon roll call, the following were present: Deborah Baird, Joan Smith Freeman, Duane Kegg, Paul McCoy, and Corey Middleton.

Mayor Kegg recommended moving item #12 up to #1 to accommodate Mr. Cameron Weist who was attending remotely via Zoom. This was done with the unanimous consent of the Councilmembers. The order of the items on these minutes has not been changed, in order to maintain consistency with the published agenda.

**1. Discussion/Possible Action - Consent Calendar:**

Mayor Kegg 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:

The City Manager recommended approval of the following consent calendar items:

- a. Approval/ratification of payments issued from May 10, 2021, through May 23, 2021.
- b. Approval of Minutes of the meeting held May 18, 2021.
- c. Continuation of Urgency Ordinance #855
- d. Adopt a Resolution Approving a List of Projects for Fiscal Year 2021-22 Funded by SB 1: The Road Repair and Accountability Act.
- e. Waive Full Text Reading of All Ordinances on the Agenda. Ordinances shall be introduced and adopted by title only.

Councilmember Freeman removed item #1b from the Consent Calendar due to an omission, then moved to approve the Consent Calendar with the exception of item #1b.

Councilmember Baird seconded the motion, and upon roll call, the following voted AYE: Baird, Kegg, Freeman, McCoy, and Middleton. Mayor Kegg thereupon declared the motion carried.

Councilmember Freeman then moved to approve item #1b, providing that the minutes from the meeting on May 18<sup>th</sup> be corrected to include the approval of item #2a on the agenda from the previous regular meeting. Councilmember Baird seconded the motion, and upon roll call, the following voted AYE: Baird, Kegg, Freeman, McCoy, and Middleton.

Mayor Kegg thereupon declared the motion carried.

**2. Discussion/Possible Action – Zoning Code Amendment, Mobile Units:**

Deputy Planning Director Liz Casson presented information to the Council.

The Planning Commission held a public hearing on May 19, 2021, to consider the proposed revisions to the Municipal Code, there being no comments received, the Planning Commission adopted Resolution No. PC 2021-6 recommending that the City Council adopt the Ordinance as submitted, determining that the proposed Municipal Code Amendment is exempt from CEQA.

City Staff has been working with the Planning Commission to amend Yreka Municipal Code (YMC) Section 16.46.080 entitled Sales from Vehicles, Trailers, or Mobile Units on private or on public property.

This proposed amendment (attached as Exhibit A) will align the Yreka Municipal Code with our current practice, which significantly increases the time allowed by a "daily vendor" from 2 hours to 8 hours within a 24-hour period.

This proposed amendment also:

- Expands on the regulations, allowing vendors to sell from improved (paved) property, with an approved parking plan. City staff has received requests to allow food vendors on unimproved lots (dirt lots), however, most sites are prohibited because the Health Department requires food vendors to have access within 200' to an approved and readily available restroom and handwashing facilities.
- Adds a section relating to sales on City Public Sidewalks during periods other than city sanctioned celebrations or promotions. "Sales on the City's public sidewalks during periods other than city sanctioned celebrations or promotions may, in the City's discretion, be approved by a Resolution of the City Council, provided the sidewalk area is in excess of ten feet (10) wide. Any such authorized sales, use shall be conducted in such a manner that it will not interfere with the mandates of the American Disabilities Act relating to pedestrian passage nor impose an unreasonable burden on the nearby properties, businesses, or occupants. Said approval will be subject to any additional rules and regulations as may be deemed necessary by the City Council for each specific request."

Following Council discussion, Councilmember Freeman moved to approve.

Councilmember McCoy seconded the motion, and upon roll call, the following voted AYE: Baird, Freeman, McCoy, Middleton, and Kegg.

Mayor Kegg thereupon declared the motion carried.

### **3. Discussion/Possible Action – Zoning Code Amendment, Fence Heights:**

Deputy Planning Director Liz Casson presented information to the Council.

City Staff has been working with the Planning Commission to amend Yreka Municipal Code (YMC) Section 16.46.050 entitled "Fencing, walls, hedges and screen planting".

The proposed amendment allows the Planning Commission authority to grant approval by way of a Conditional Use Permit to:

- a. Reconstruct non-conforming fences that are damaged or destroyed to an extent of less than 30%,
- b. Approve fences within the front yard setback in the M-1 Light Industrial Zone up to six feet (6').
- c. Approve increase in fence heights on corner lots contingent upon the approval of the Director of Public Works and the Chief of Police that no safety hazard is created by the greater height. The conditions of approval would be specific to the site location and visibility zones.

The proposed amendment would allow by right (without Planning Commission approval) fences in the M-2 Heavy Industrial Zone up to six (6) feet in height within the front yard setbacks. Fences on a corner lot in the M-2 Zone would be allowed a fence height up to six (6) feet within a portion of the front yard setback, provided said fence is at least ten (10) feet back from the front property line, maintaining a clear vision area to adjoining streets.

This proposed amendment also:

- Distinguishes fences within the Historic District requiring fences to follow the additional rules and regulations of the Historic District, which requires a separate permit.
- Exempts Schools and other Government facilities from the height restriction.
- And adds a requirement for Maintenance.
- Exempts non-conforming fences existing prior the adoption of this Ordinance, until they require replacement, at which time they shall be required to conform with the provisions of this ordinance. However, YMC Section 9.47.020 (g) Maintenance of Property (attached as exhibit C) still allows the City to require abatement of fences deemed to be a public nuisance.

The Planning Commission held a public hearing on May 19, 2021, to consider the proposed revisions to the Municipal Code, there being no comments received, the Planning Commission adopted Resolution No. PC 2021-5 recommending that the City Council adopt the Ordinance as submitted, determining that the proposed Municipal Code Amendment is exempt from CEQA.

Following Council discussion, Councilmember McCoy moved to approve.

Councilmember Middleton seconded the motion, and upon roll call, the following voted AYE: Baird, Freeman, McCoy, Middleton, and Kegg.

Mayor Kegg thereupon declared the motion carried.

#### **4. Discussion/Possible Action – Community Theatre HVAC:**

Municipal Projects Manager Cynthia Lynch presented information to the Council regarding this item.

A project to repair the Yreka Community Theatre's heating, air conditioning and underlying electrical system was put out to bid in October 2018. Two bids were received, but both had

substantial errors and were declared to be non-responsive. After consultation with the City Attorney, City staff requested that Council reject the bids and allow Public Works to implement an interim heating solution while preparing for a second bid process. Council approved this course of action and staff prepared to re-bid the project.

After further consideration of the project, the City consulted the City Engineer (PACE Engineering) for support and concluded that more extensive work should be done to bring the HVAC and electrical systems up to date. In September 2019, PACE provided the City with new plans, specifications, and engineer's cost estimates for the work. Due to the cost increase it was decided to put the project on hold and allow Council and staff to fully consider the available options before proceeding with the work. Council has requested staff bring the project back to this meeting for discussion and possible action.

The Finance Committee has discussed the project and recommends using capital reserves funds to complete it. PACE has recently updated the estimate to reflect current construction costs, and staff is presenting this item and requesting that the project be included in the City's FY 21-22 budget.

The current Engineer's Cost Estimate for the project, including contingency, is approximately \$223,000. The cost of City staff, Engineer and Attorney time to update, review and approve the bid documents is not expected to exceed \$7,000. At this time, it is estimated that the total of \$230,000 should fully fund the project.

Following Council discussion, Councilmember Freeman moved to approve.

Councilmember Middleton seconded the motion, and upon roll call, the following voted AYE: Baird, Freeman, McCoy, Middleton, and Kegg.

Mayor Kegg thereupon declared the motion carried.

## **5. Discussion/Possible Action – Code Enforcement Abatement Activities:**

Finance and Administrative Services Director Rhetta Hogan presented information to the Council regarding this item.

The Finance Committee met on May 24, 2021, to discuss the urgency and need to provide funds for code enforcement abatement activities.

The City's municipal code (YMC 1.14.120) provides for the recovery of its costs relating to code abatement.

The City's municipal code (YMC 1.14.130) calls for cost accounts to be established and that written reports presented to the City Council for summarizing the cost of removing and or abating the nuisance conditions and describing the work performed. These costs reports are to be placed on the Council agenda as a "public hearing" item by the city clerk at a subsequent city council meeting following the required notice periods.

For collections, the City's municipal code (YMC 1.14.140) provides the City the means to enforce collection with the recordation of a lien against the property of the owner of the real property. These abatement liens, recorded in the office of the Siskiyou County recorder, have the force, effect, and priority of a judgment lien. Alternatively, the City may use a special assessment against the real property where the nuisance condition(s) existed. Any special assessment imposed on real property pursuant to this section may be collected at the same time and in the same manner as ordinary municipal taxes are collected and would be subject to the same penalties and the same procedure and sale in case of delinquency as is provided for ordinary municipal taxes.

In summary, the City has several options for collection recovery for costs incurred by the City for nuisance abatement once it becomes necessary for the City to impose and incur costs relating to nuisance abatement.

The Finance Committee recommended appropriating funds to expediate the abatement process for these properties, and the Finance Director is recommending an initial reserve transfer of \$100,000 in cash to a special purpose titled: Nuisance Abatement, for purposes and ease of tracking and documenting costs relating to property abatements, as called for within the City' Municipal Code.

Transfer from general fund unassigned reserves, an amount of \$100,000 to a special purpose fund titled: Nuisance Abatement, and appropriate expenditures of \$100,000 that will cross fiscal year 2020-21 and 2021-22 for abatement activities, where the City expects to recover costs through remedies outlined above.

Following Council discussion, Councilmember Middleton moved to approve.

Councilmember McCoy seconded the motion, and upon roll call, the following voted AYE: Baird, Freeman, McCoy, Middleton, and Kegg.

Mayor Kegg thereupon declared the motion carried.

**6. Discussion/Possible Action – Payoff Request:**

Finance and Administrative Services Director Rhetta Hogan presented information to the Council regarding this item.

The parity of debt with the State of California's State Water Resources Control Board note dated May 2, 2002 (with a maturity date of November 26, 2022), to the proposed 2021 USDA Certificates of Participation for the Highway 3 Main Street Sewer Improvements projects has become a hurdle in finalizing the financing.

The Finance Committee met on May 25, 2021, to review the payoff information and discuss the debt subordination conflict and the recommendation was to prepay the debt. Prepayment of this debt (eighteen months prior to maturity) will avoid drafting new financing documents with the SWRCB that allow for the required USDA language for debt parity.

Authorize the payoff of the Clean Water State Revolving Fund (CWSRF) Financing Agreement, City of Yreka, Project Number C-06-4465-110, Contract Number 00-815-550 in the amount of \$149,902.99 on or before June 4, 2021.

Following Council discussion, Councilmember Freeman moved to approve.

Councilmember Baird seconded the motion, and upon roll call, the following voted AYE: Baird, Freeman, McCoy, Middleton, and Kegg.

Mayor Kegg thereupon declared the motion carried.

**7. Discussion/Possible Action – Community Development Director:**

Finance and Administrative Services Director Rhetta Hogan presented information to the Council on this item.

The City of Yreka has reviewed the compensation of the City Manager and classification and compensation for the Community Development Director, (formerly Deputy Planning Director).

The proposed changes to the City Manager compensation reflects historic cost of living increases afforded employees in the organization through collective bargaining that were not reflected in the City Manager's contract. In addition, as the current City Manager retires the compensation for the City Manager needs to be brought into alignment with market expectations so that the city may be competitive in recruitment for the position. The City Manager is employed by contract and the recommended published contractual range is from \$140,000 to \$180,000 annually.

The proposed position of Community Development Director will now encompass the planning and building administrator roles currently performed by the City Manager, in addition to the Deputy Planning Director. Compensation has been increased to reflect those additional responsibilities. The proposed grade is 2452 (range is \$72,602.2 - \$94,977.41 for calendar year 2021) and is the same range as the Finance and Administrative Services Director. Once vacated, the Deputy Planning Director position is planned for elimination.

Following Council discussion, Councilmember Freeman moved to approve.

Councilmember Middleton seconded the motion, and upon roll call, the following voted AYE: Baird, Freeman, McCoy, Middleton, and Kegg.

Mayor Kegg thereupon declared the motion carried.

**8. Discussion/Possible Action – Water and Wastewater Construction and Field Technician:**

Finance and Administrative Services Director Rhetta Hogan presented information to the Council on this item.

The City of Yreka over the next four years will be in a period of major infrastructure constructions projects. Those projects include the relocation of utilities dating back to 1935, that lay under State Highway 3, an expected City of Yreka cost of \$12 million construction project.

Concurrently the City will be managing active construction projects for:

- a. E. Lennox water distributions and Filter Plant upgrade \$5.2 Million
- b. Wastewater collection system improvements (Burgess St Sewer Rehab) \$5.5 Million
- c. Water Supply and Storage improvements (Shasta Belle Tank, Humbug Tank and Davis Well) \$5.05 Million
- d. S. Oregon Resurface and replacement of underground water and sewer utilities.
- e. In addition, the water division has been working with the KRRC on the dam removal projects and relocation of the City's Fall Creek water transmission line. This major project of dam removal has staff, legal, and City Council involved to ensure the City's water and water rights are maintained and that the City's water supply and pipeline relocation meets the City's needs.

These construction projects require staffing resources. In 2012, during the construction phase of the Fall Creek improvement project the City hired Bob King to act in this field technician capacity. The City's experience in coordinating with the engineering and contractors on these projects, have identified that it requires nearly full time FTE on a major project, whereas the city will be in construction on these multimillion-dollar construction projects concurrently. The City Manager and City Public Works director are recommending this position to assure on time completion and success, while addressing the City's interest on these critical projects.

Following Council discussion, Councilmember Baird moved to approve.

Councilmember Freeman seconded the motion, and upon roll call, the following voted AYE: Baird, Freeman, McCoy, Middleton, and Kegg.

Mayor Kegg thereupon declared the motion carried.

#### **9. Discussion/Possible Action – Approval of City Treasurer's Report:**

Finance and Administrative Services Director Rhetta Hogan presented information to the Council on this item.

- a) Cash Balances Report – March 31, 2021
- b) Quarterly Treasurer's Investment Report – 3rd Quarter Fiscal Year 2020/2021
- c) Budget of Revenue and Expenditures with Year-to-Date Actuals through March 31, 2021
- d) Fiscal Performance Report – March 31, 2021

Following Council discussion, Councilmember Freeman moved to approve.

Councilmember Middleton seconded the motion, and upon roll call, the following voted AYE: Baird, Freeman, McCoy, Middleton, and Kegg.

Mayor Kegg thereupon declared the motion carried.

## **10. Discussion/Possible Action – Ratification of Interim Chief of Police Employment Agreement**

Finance and Administrative Services Director Rhetta Hogan presented information to the Council on this item.

The City of Council directed the City Attorney to prepare a contract for the Interim Chief of Police, a CalPERS annuitant. The employment agreement reflects in the terms and conditions the short-term nature of the employment agreement while the City is actively recruiting for the Chief of Police position.

The employment of the Interim Chief of Police is required for adequate staffing in emergency response and recovery and that the employee, by virtue of his significant experience in law enforcement has those specialized skills.

Mark Gilman was hired as Interim Chief of Police.

Following Council discussion, Councilmember Freeman moved to approve.

Councilmember Baird seconded the motion, and upon roll call, the following voted AYE: Baird, Freeman, McCoy, Middleton, and Kegg.

Mayor Kegg thereupon declared the motion carried.

## **11. Discussion/Possible Action – 2019-20 Audit**

Finance and Administrative Services Director Rhetta Hogan presented information to the Council on this item.

The draft audit was given to the Audit Debt and Investment Committee meeting held February 4, 2021, for review. The final report was made available on the City's website.

The independent auditor's report (letter to the City Council) on internal controls over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with government auditing standards state that there were no significant audit findings in areas of internal control over financial reporting, and no significant audit finding in areas of compliance and other matters (page 78-79 of the report). In 2019-2020, the City of Yreka was exempt from the schedule of federal awards, single audit act reporting requirements.

Following Council discussion, Councilmember Freeman moved to approve.

Councilmember Middleton seconded the motion, and upon roll call, the following voted AYE: Baird, Freeman, McCoy, Middleton, and Kegg.

Mayor Kegg thereupon declared the motion carried.

## **12. Discussion/Possible Action – Financing Agreement for Wastewater Revenue Bonds**



Finance and Administrative Services Director Rhetta Hogan and Mr. Cameron Weist, with the Weist Law Firm, presented information to the Council on the Main Street Sewer Interceptor Improvement Project.

Based upon engineer's estimates, the Project is estimated to cost \$6,098,000. The City has been approved for long-term (40 years) tax-exempt bond financing (the "USDA Bonds") by United States Department of Agriculture (the "USDA"). However, USDA requires that the City obtain interim financing (the "Interim Financing") for the construction of the Project, which is then refinanced or taken out with the long-term USDA Bonds (the "Take-Out Financing") once the Project is complete. The City has retained the Weist Law Firm (the "Bond Counsel") to work with the City to assist in the structuring and issuance of the Notes with a 3-year term to maturity. Staff is recommending Banner Bank as the purchaser of the Notes, which has indicated that they will purchase the Notes at indexed rate of 2.43%.

Following Council discussion, Councilmember Baird moved to approve, pending City Attorney review and approval.

Councilmember Middleton seconded the motion, and upon roll call, the following voted AYE: Baird, Kegg, and Freeman. Nay: McCoy and Middleton.

Mayor Kegg thereupon declared the motion carried.

### **13. Discussion/Possible Action – City Manager Recruitment: Selection of Recruiting Firm**

Councilmember Joan Smith Freeman presented information to the Council regarding this item.

With the retirement of the City Manager at the end of June, a recruitment needs to commence. A subcommittee of the City Council has worked on finding suitable recruiting firms for this purpose.

The purpose of this agenda item was to hear the information and any recommendations from Mayor Kegg and Councilmember Freeman regarding the selection of a recruiting firm.

A special meeting of the City Council was scheduled for Wednesday, June 9<sup>th</sup>, 2021 starting at 4:00 pm to discuss this matter further.

### **14. Discussion/Possible Action – Homeless “Urban Campsites”**

City Manager Steven Baker presented information to the Council regarding this item.

The City has had an increase in homeless encampments in the last few years. Some of these encampments are in high fire danger areas or sensitive environmental areas (e.g., near creeks or streams). In past years, escaped or suspected escaped fires from encampments in Yreka and other local cities have resulted in multi-acre brush fires that threaten structures and lives.

Because of the Boise decision in the 9<sup>th</sup> Circuit, moving the homeless encampments is more challenging unless the homeless have another place to go. The City owns a parcel next to the Beacon of Hope's shelter that is under construction on South Foothill Drive. This site is

suitable for an "urban campground"; however, an environmental review indicates that some dirt will need to be removed from the site before it can be used for such a purpose.

Following Council discussion, Councilmember McCoy requested additional Council meetings be held on the first and third Thursdays of every month until further notice. The Council unanimously agreed.

**City Manager/Staff Reports:**

The City Manager and City Staff made brief announcements and reports.

- Streambed Alteration Agreement/Routine Maintenance.

**Council Statements and Requests:**

Councilmembers reported on various community events and meetings attended.

**CLOSED SESSION:**

The City Council recessed to Closed Session to discuss the following item(s):

**1. 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).

**2. Public Employment (§ 54957)**

Public Employee Recruitment, Pursuant to Government Code Section 54957(b)  
Position affected: City Manager.

**RETURN TO OPEN SESSION:**

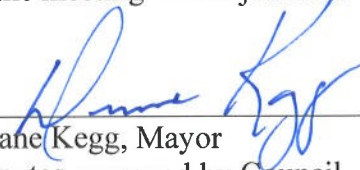
Upon return to open session, City Manager Baker reported that no action was taken by the City Council in Closed Session, as required by the Ralph M. Brown Act. (Government Code Section 54950 et. seq.)

**ADJOURNMENT.**

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

Attest:

  
Arthur Boyd, City Clerk

  
Duane Kegg, Mayor  
Minutes approved by Council,  
Motion June 15, 2021