

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF
YREKA HELD IN SAID CITY ON APRIL 21, 2016

On the 21st day of April 2016, 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, Bryan Foster, John Mercier and David Simmen Absent - Joan Smith Freeman.

Mayor Mercier announced that the Closed Session has been pulled from the agenda.

Consent Calendar: Mayor Mercier 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 April 7, 2016.
- b. Acceptance of Treasurer's Report and Budget to Actual for the month of February 2016.
- c. Approval/ratification of payments issued from April 8, through April 21, 2016.
- d. Adopt Resolution approving requests associated with the Special Event of Scott Valley Bank known as the Annual Scott Valley Bank Summer Concerts in the Park.
- e. Adopt Resolution authorizing the County of Siskiyou to submit a Payment Program Regional Application on behalf of the County of Siskiyou as Lead Agency and the City of Yreka as one of the participating agencies.
- f. Adopt Resolution approving the destruction of certain City Records – Yreka Police Department - 2004.
- g. Adopt Resolution approving the destruction of certain City Records – Yreka Police Department - 2005.
- h. Adopt Resolution approving requests associated with Special Event known as the Chris Lopez Classic to be held at Upper Greenhorn Park on June 18, 2016.
- i. Approve Agreement for Services between the City of Yreka and David Toms Backflow Testing and Certification and authorize the City Manager to execute the agreement.
- j. Authorize the City Manager to exercise the optional contract extension with Aiello Goodrich and Teuscher in the agreement dated August 13, 2013 for audit services.

Councilmember Simmen requested item 1e be pulled for discussion.

Following Council discussion, Councilmember Simmen moved to approve items a-d and f-j on the consent calendar as submitted.

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

Adopt Resolution authorizing the County of Siskiyou to submit a Payment Program Regional Application on behalf of the County of Siskiyou as Lead Agency and the City of Yreka as one of the participating agencies.

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

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

Mayor Mercier thereupon declared the motion carried.

Approve Increasing the Support to Madrone Hospice to \$75,000 per year for operation of the Senior Programs.

City Manager Steve Baker reported that Madrone Hospice took over the operation of the Senior Center and related services from the City in 2010. At that time, the City contributed the use of the Community Center, allocated \$75,000 per year, and turned over the senior buses. Having Madrone handle senior services has worked out very well during this time period.

Over the past few years as the city has endured financial difficulties, Madrone lowered the level of city support requested at staff's request. The funding for 2015/16 was \$67,500.

The California Department of Aging allocates funds for senior programs on a four-year cycle. Madrone is currently looking at their budget for this next cycle and is requesting \$75,000 in support. The application is due prior to the beginning of the 2016-18 budget cycle and this is why this request is on the agenda at this time.

Staff is recommending that the Council increase the funding allocation for senior programs to \$75,000 per year. As noted in the request, even with this level of funding and the funding from the state, continuing to provide the same level of services will be an on-going challenge.

Beyond Madrone providing the services, there are some other challenges. One is that the buses are aging and will need to be replaced at some point. Madrone currently rotates the two smaller buses that are used most of the time to lengthen the life of the buses. Staff has been talking to the Local Transportation Commission for long term planning for replacing these buses. So far no funding has been identified (or the relevant funding source has no funds). In addition, the building and equipment are aging and will require increased capital replacement/repair costs (currently, we are doing roof repairs and evaluating tree vs. building/sidewalk conflicts). While the City started a replacement reserve with the some of the funds saved from the lower costs, these funds have already been expended. The proposed allocation to senior programs is \$75,000. There are additional costs related to the building and equipment that are the City's responsibility.

Terrie Berentsen, Executive Director of Madrone Hospice Inc., addressed the Council to give the annual report on the Senior Nutrition and Transportation Programs, and to answer any questions regarding the services provided by Madrone Hospice.

Following Council discussion, Councilmember Simmen moved to approve the funding request in the amount of \$75,000 as submitted.

Councilmember Baird seconded the motion, and upon roll call, the following voted YEA:

Baird, Foster, Mercier and Simmen.

Mayor Mercier thereupon declared the motion carried.

Adopt Resolution #2016-16 approving requests associated with Yreka Chamber of Commerce Special Events to be held on November 26, and December 2, 2016 known as the Holiday Parade & Festival and the Night of Lights.

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

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

Mayor Mercier thereupon declared the motion carried.

Adopt Resolution # 2016-24 approving requests associated with Yreka Chamber of Commerce Special Event known as the "Saturday Farmers Market"

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

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

Mayor Mercier thereupon declared the motion carried.

Adopt Resolution # 2016-25 approving requests associated with the Yreka Chamber of Commerce Special Event known as the Yreka Community Certified Farmers Market

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

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

Mayor Mercier thereupon declared the motion carried.

Reject all bids for the Yreka Police Department Building Remodel Project.

City Manager Baker reported that bids were opened for the Yreka Police Department Remodel Project on March 29, 2016, and all bids were determined to be higher than the available project budget, with the lowest bid coming in at \$2,215,150.00. The City's estimate of construction cost was \$1,350,000.00

Staff is recommending that the Council reject all bids at this time as we believe it may be possible to reduce the cost of remodeling and will work with the architect to adjust the scope of the work.

Following Council discussion, Councilmember Foster moved to reject all bids submitted for the Yreka Police Department Building Remodel Project.

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

Mayor Mercier thereupon declared the motion carried.

Adopt Resolution authorizing the closure of a portion of Fourth Street from Butte Street to South Street during construction of the new Courthouse.

City Manager Baker reported that as part of the new Courthouse construction project, Fourth Street will need to be closed between Butte and South streets. The Council has previously had presentations on the courthouse project and the parking around the courthouse. Formally closing Fourth Street was inadvertently left off those agenda items.

There will be temporary closures or partial closures of other streets as construction proceeds and these will be handled through the City's normal encroachment permit process. The construction is expected to last approximately 2 years.

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

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

Mayor Mercier thereupon declared the motion carried.

Approval of the 4/21/2016 City of Yreka Investment Policy for the Fiscal Years Ending 2017 and 2018.

Finance Director Rhetta Hogan presented the Council with proposed changes to the Investment Policy stating that the City's Investment Policy sets forth guidelines for investment for the City's excess cash, and this policy was last updated in July of 2008. The Investment and Audit Committee has discussed and reviewed the policy incorporating best practices from the California Debt and Investment Advisory Committee and modernizing language for ease of understanding investment policies.

Following Council discussion, Councilmember Simmen moved to approve the Investment Policy for the Fiscal Years ending 2017 and 2018.

Councilmember Baird seconded the motion, and upon roll call, the following voted YEA:

Baird, Foster, Mercier and Simmen.

Mayor Mercier thereupon declared the motion carried.

Authorize the City Manager to approve the agreement(s) to use Multi-Bank Securities, Inc. (MBS) as a broker/dealer to conduct investment activities within the City's approved investment policy.

Finance Director Hogan reported that the City invests funds that are not needed to meet current operating and capital requirements and to earn a reasonable rate of return, while at the same time, operating within the adopted investment policy. At present, the City mainly invests in the Local Agency Investment Fund known as LAIF, where the current yield has been between .28% and .47% over the past year.

Finance Director Hogan further reported that there are additional investment options available to the City that can earn a higher rate of return, and staff recommends working with a broker-dealer. A broker-dealer can facilitate the identification of higher rate of return investment opportunities and the development of a laddered portfolio, while at the same time, operating within the City's approved investment policy. Staff recommends working with Multi-Bank Securities, Inc. known as MBS. MBS is an investment broker that serves the needs of municipalities throughout the United States. On March 7, the Investment and Audit Committee met to discuss and review the proposal from MBS Securities and is recommending that the City Council authorize the City Manager to enter into the agreement to use Multi-Bank Securities, Inc., as a broker/dealer to conduct investment activities within the City's approved Investment Policy.

Following Council discussion, Councilmember Simmen moved to authorize the City Manager to execute the agreements with Multi-Bank Securities, Inc.

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

Mayor Mercier thereupon declared the motion carried.

Appoint a Budgetary Review ad hoc committee

Finance Director Hogan reported that City staff has begun preparation of the City's bi-annual budget for fiscal years ending June 30, 2017 and 2018. Staff is recommending City Council input through a budget ad hoc committee to address concerns and issues arising from the budgetary review process.

Following Council discussion, Councilmember Foster moved to appoint Councilmembers Simmen & Baird to a budgetary review ad hoc committee, and to authorize the committee to appoint a member at large from the public.

Councilmember Simmen seconded the motion, and upon roll call, the following voted YEA:

Baird, Foster, Mercier and Simmen.

Mayor Mercier thereupon declared the motion carried.

Authorize the City Manager to enter into an Agreement as outlined in the proposal dated April 7, 2016 from PACE Engineering to update the City of Yreka's Water and Wastewater Utility Rate Study.

Finance Director Hogan reported that the State issued a Conservation Order letter to the City of Yreka on December 22, 2015, which stated in part that the City was ordered to pursue a rate study in compliance with California Proposition 218, with the foal of encouraging conservation as well as discouraging waste or overuse of water. The rate study shall be completed by February 2016 with a goal of implementing the new rate structure no later than the end of April 2016.

At the time staff believed we could use the existing rate study with minor updating to provide backup to the rate increase to be considered by the Council. However, the City Attorney has advised that since the City has not completed a rate study recently and given that the five year window has passed since the Prop 218 process in 2008, it appears now that the City is legally required to go through the entire rate adjustment procedure again.

Following Council discussion, Councilmember Baird moved to authorize the City Manager to enter into an Agreement with PACE Engineering to update the City of Yreka's Water and Wastewater Utility Rate Study.

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

Mayor Mercier thereupon declared the motion carried.

Mayor Mercier stated that he would like to take this time to note the passing of Yreka Volunteer Firefighter Rick Bettis, who gave 46 years of dedicated service to Fire Department and our community.

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

Attest:

John Mercier, Mayor
Minutes approved by Council
Motion May 5, 2016

Elizabeth E. Casson, City Clerk