

## Mt. Shasta City Council Regular City Council Meeting Minutes

Mt. Shasta Community Center, 629 Alder Street

Monday, December 9, 2013; 6:30 p.m.

Approved as Submitted on 1-13-14

“Our mission is to maintain the character and resources of our ‘small town’ community while striking an appropriate balance between economic development and preservation of our quality of life.”

Page	Item
	<p>1. Call to Order and Flag Salute</p> <p>At the hour of 6:32 p.m., Mayor Stearns called the meeting to order and led the audience in the Pledge of Allegiance.</p>
	<p>2. Roll call</p> <p><b>Councilmembers Present:</b> Burns, Collings, Harkness, Moore, and Mayor Stearns <b>Councilmembers Absent:</b> None</p>
	<p>3. Closed Session:</p> <p>a. Conference with Real Property Negotiator Acquisition of Real Property at 100 Chestnut St. Government Code §54956.8 City Negotiator: City Manager Negotiating with Bank of America Representatives regarding all matters and concerns including potential acquisition</p> <p>Mayor Stearns requested that the Closed Session agenda item be taken up later in the meeting.</p>
	<p>4. Public Comment:</p> <p>The City Manager welcomed the community members to the meeting. He extended his understanding of their interest in the Crystal Geyser Project. The City Manager provided an update as to the process being taken to obtain further information and clarified the City’s role in the Crystal Geyser Project. He stated the City is currently in the process of selecting engineering and environmental services in order to meet the City’s obligation to provide wastewater management. The City Manager stated the city is committed to conducting a full Environmental Impact study meeting the highest standard of California Environmental Quality Act (CEQA) regarding the City’s wastewater Treatment Plant and the collection system, including the interceptor line. The City Manager reported the City has reached out to the County of Siskiyou and other involved agencies and has begun dialog with them, agreeing to maintain weekly contact in order to get the information needed and share the concerns of the Mt. Shasta community members.</p> <p>Mayor Stearns reiterated the City will be engaging in the weekly meetings with Siskiyou County and stated that Mayor Pro-Tem has proposed holding a community meeting at the beginning of January 2014.</p> <p>Mayor Pro-Tem reported on his intent to conduct a community meeting to hear and collect community questions and concerns. He further stated he is looking at a date for</p>

the meeting around the first week of January 2014.

- **Daniel Axelrod:** Spoke about his concern regarding the in-flow of water and the amount of water Crystal Geyser has proposed to use. He stated that he would like to know from where the water will be coming from, namely which springs. Mr. Axelrod asked if there has been a study completed on the impact of Dannon's smaller usage compared to the proposed use by Crystal Geyser on the aquifers. He further stated he would like to see a study completed on this subject by a third party whom has no interest in the Crystal Geyser Project to examine the possible consequences.
- **Francis Mangels:** Stated he agreed with the research completed by Mr. Axelrod. Mr. Mangels stated he has identified multiple sites where chemical toxins were dumped by the Dannon Company or possibly the company which preceded Dannon. He is concerned Dannon buried a spring and a riparian area located at the entrance to the site, destroying them. Mr. Mangels stated the aquifer goes into the City Park, the area below the hospital, and down to the U.S. Ranger Station, including areas along the old Rail Road site. He stated Dannon had failed to mitigate their dumped waste adequately and spoke to his assertion Dannon has covered some of the dumping ponds with gravel. Mr. Mangels stated he expects Crystal Geyser to clean up the mess if they intend to take the property.
- **Bruce Hillman:** He questioned the reasoning behind why the EIR is not being proposed for the entire Crystal Geyser Project. Mr. Hillman stated he looks forward to the public meeting being proposed, and expressed his concern as to why this type of meeting for public input was not held before the plan was developed and/or projected. He also expressed his concern over the increase of truck traffic on Ski Village Drive.
- **Roslyn McCoy:** Stated she has discovered documents regarding the boundary line adjustment and asserts Ski Village Drive will be used by the Crystal Geyser Plant. Ms. McCoy stated the City had control over the boundary line adjustment, and as she understands it, the City "rubber stamped" it. Ms. McCoy stated the City has 180 days to object to this decision and time is running out to make this objection. Ms. McCoy stated her concern and frustration over the boundary line adjustment.
- **David Ream:** Stated his concerns over the poor quality of the City's audio/visual presentation of the City Council meetings. Mr. Ream also spoke about a B&B website and stated his concern regarding a previous public speaker's comments of unfair competition and complaints. He is further concerned over the previous speaker's desire to change the zoning laws.
- **Mary St. Marie:** Spoke to the quantum breakthroughs, and stated it has been scientifically proven we are living in an ocean of energy and encouraged the community to look at things both locally and globally. With respect to the water issue, Ms. St. Marie stated we should be looking at it globally, do we want multi-national privatization of water. Ms. St. Marie further stated we should be looking at a long-range vision and not money in the pocket.
- **Rose Taylor:** Expressed her concern regarding the possible dumping of toxins into ponds. Commented the golfers and tourists would not appreciate breathing in toxic air near the resort. Ms. Taylor expressed Council should be aware of the precipitation loss due to drought conditions. She questioned why Crystal Geyser decided not to proceed with their plant in Oreland, wonders what they

	<p>are hiding and she asked Crystal Geysler to engage in a complete EIR study.</p> <ul style="list-style-type: none"> <li>• <b>Ronald Ward:</b> Stated he frequents the City Park where the Head Waters are located. Mr. Ward stated he has seen the connection people have to the water there, the spiritual connection and the way in which people react to the site. He stated this is a very sacred site. Mr. Ward further stated the public resource of water should remain public.</li> </ul>
	<p>5. Approval of Minutes: Minutes of November 25th, 2013 Regular City Council Meeting</p> <p><b>MOTION</b> to approve the minutes of the November 25, 2013, Regular City Council meeting as submitted.  <b>Motion by:</b> Councilmember Moore  <b>Second by:</b> Councilmember Burns  <b>Council Action:</b> Motioned carried on a voice vote of 5-0.</p>
	<p>6. City Council Interviews of Board/Commission /Commissioner Candidates: None</p>
	<p>7. Special Presentations &amp; Announcements: None</p>
	<p>8. Consent Agenda - The City Manager recommends approval of the following Consent Agenda items All Resolutions and Ordinances on this agenda, or added hereto, shall be introduced or adopted, as applicable, by title only, and the full reading thereof is hereby waived.</p> <p>a. Approval of Disbursements: Accounts Payable: 11/21/13 and 11/26/13  Total Gross Payroll and Taxes: For Period Ending 11/26/13</p> <p><b>MOTION</b> to approve consent agenda items 8a as presented.  <b>Motion by:</b> Councilmember Harkness  <b>Second by:</b> Councilmember Collings  <b>Council Action:</b> Motioned carried on a voice vote of 5-0.</p>
	<p>9. Farmers Market Year End Update</p> <p>City Manager  Staff Report  Oral Report by Kirsten Olson – Market Manager</p> <p>Kirstin Olson provided the Council with an oral report regarding the 2013 Farmer’s Market year-end. She thanked the Council for their approval of the use of the plaza, as this space is easily accessible for wheelchairs and strollers. Ms. Olson reported the market did very well this year. She discussed the community engagement and their energy, and individuals come to the market, not just to buy fresh food, but for the connections they make and the people. Ms. Olson reported they are a “certified market” and with that comes a fair amount of work with respect to following regulations and adhering to strict guidelines and processes. She stated an important part of averting issues was maintaining on-going and increased dialogue with their business</p>

neighbors. Ms. Olson reported there was close to a 150% increase in Electronic Benefit Transfer (EBT) use, the seniors are using the senior nutrition market program, and Women, Infants and Children (WIC) is now allowing their customers to purchase items at the market using their WIC benefit. She discussed the survey of the market and shared her surprise about the demographics of the markets customers in that some had come from zip codes in the Bay Area.

Councilmember Moore asked about the findings on the market economic impact in the survey report completed. He asked for clarification about the average gross receipts of the nearby businesses. Councilmember Moore wanted to know if the reported gross daily averages were a direct result of the Market or if they reflected a daily average possibly unrelated to the market; is this above what the businesses would be doing if the market was not there or is this normal average sales.

Kirstin Olson stated she would be unable to expand or provide clarification on the survey report as it was contracted through the previous City Planner.

Councilmember Harkness clarified the amount reflected in the survey report was per day.

Councilmember Moore inquired if this amount is over and above what they would normally do if it were not a market day as the survey report did not delineate. He stated that if we are doing a true study of the market the report should reflect information related to business sales on market and non-market days.

Councilmember Harkness provided some clarification as to gross daily receipts and gross annual receipts.

The City Manager discussed how the information was collected for the survey report.

Councilmember Burns stated he is pleased to hear that Ms. Olson is keeping-up the on-going dialogue with the local business owners in order to maintain a rapport. He also inquired as to the total market's combined economic impact amounts reported in the survey report; are they realistic.

Councilmember Moore asked Ms. Olson about the future plans for the market, will it be expanding and/or relocating.

Ms. Olson reported when and if the market outgrows their current location, they would look to expand into the 400 block. She further reported there may be a joining in the future of other entities such as the Art Council or the Music Council, making the market more of an event. If this happens, they would look to expand their location.

Public Comment:

- David Ream: Stated his partner and he have been in business here for twenty years and have always complied with the local laws, paying their fees and taxes. Mr. Ream stated the numerous empty store fronts attests to the state of the local economy being on "thin ice". Mr. Ream reported when they completed the addition to their Bed and Breakfast, they paid a \$1,000 fee for not adding off-site parking spaces, and other businesses have been here for years and have also paid their taxes and fees. He stated the Farmer's Market

	<p>gets to play by one set of rules, while the other local businesses have to play by another which is not fair competition. Mr. Ream discussed the downtown parking situation and the disruption of the downtown traffic flow when the market is operating.</p>
	<p><b>10.</b> Siskiyou County Economic Development Corporation Activity Update including Brownfields, Tourism Grant, and Electric Highway</p> <p>Report by Tonya Dowse – Executive Director</p> <p>Mayor Stearns reported the presenter, Ms. Dowse, was unable to make the meeting this evening. The Council agreed to place this agenda item on a future meeting agenda.</p>
	<p><b>11.</b> Adopt Resolution No. CCR-13-63 RE: A Resolution of the City Council of the City of Mount Shasta, Accepting the Independent Audit Report for Fiscal Year 2012/2013. Presentation of FY 2012/13 Independent Financial Audit to the City Council; Council will consider acceptance of the Annual Audit Report.</p> <p>Finance Director        Staff Report        Presentation to be made by Aiello, Goodrich &amp; Teuscher</p> <p>The City Manager introduced Mr. Steve Drageset, partner at Aiello, Goodrich &amp; Teuscher auditing firm and commented on his appreciation of the diligent work Ms. Tessa Montgomery and Mr. Drageset applied to the audit of the City. He Stated he is pleased to bring this presentation to the Council. The City Manager thanked the Finance Department staff for their hard work and efforts.</p> <p>Mr. Drageset stated they have issued their audit report and have given the City a “clean” or “unqualified” opinion. He reviewed the content of the report with Council. Mr. Drageset discussed depreciation of City owned property, the cost and planning for the future provisions of retired and current employees’ health insurance costs, and budget and finance planning which would provide for a continuance of the City’s future financial stability. He further briefly discussed expenditures, and the City’s fixed assets, including a few of the City’s funds.</p> <p>Councilmember Moore asked to have the heading changed under wages for the City Manager to read “City Management”, as the amount reflected under this heading is for two full-time positions, not one.</p> <p>Mr. Drageset stated he did not have any significant findings and gave a “clean” opinion to it as well. He further reported he presented a management letter indicating the need to institute controls over the equipment and supplies for the Public Works Department.</p> <p>Councilmember Harkness stated it will be important to develop a system for tracking the equipment of the Public Works Department and understands the City is working on this.</p> <p>Mr. Drageset stated there just needs to be a simple log-in/log-out system instituted.</p> <p>The City Manager clarified the intent behind a “management letter” and updated the Council on the active and on-going efforts to improve the Public Work Department’s</p>

system of tracking their equipment and supplies and providing for inventory control.

Councilmember Harkness inquired about the City's post-employment benefit obligations. He requested clarification on the financial obligation of the City for future budgeting and financial liability planning.

Mr. Drageset provided clarification on the City's financial obligations between current City employees and retired City employees and stated costs will increase each year as employees retire.

Councilmember Harkness asked the auditor about the benefit of establishing a trust fund in order for the City to meet its future financial obligations to employees.

The City Manager clarified the City has limited monthly liability for the retired employees, as the City participates with the State system of Public Employment Retirement System (PERS).

Councilmember Harkness asked for clarification on the City's net depreciation expense. He commented as City equipment and vehicles need to be replaced, should the replacement for these be a part of the budget planning process.

Mr. Drageset stated they do depreciate streets and roads and this accounts for a portion of the calculated depreciation reported and expanded how they derive at the figures of calculating depreciation along with the cost to replace these items.

Councilmember Harkness made an inquiry into the Enterprise Fund and the depreciation value allocated to that fund. He stated he understands from an auditing perspective the City will need to address the sewer fees along with some of the City's other funds. Councilmember Harkness commented he further understands the City is looking into increasing rates.

Mr. Drageset reiterated the rate study would be an important first step.

The City Manager stated it is his intention to provide the Council with a financial overview with key recommendations which would include both water and sewer impact fees. He stated he would like to provide the City with this overview in January 2014, and as part of the overview the Finance Department will be looking into the rates and fees for sewer, water, and garbage. He stated he is committed to safeguarding the City's financial standing, which may mean having to make tough decisions.

Councilmember Moore asked if money was allocated in the 2014 budget to complete the rate study. He stated doing a study is different than simply looking at the rates and indicated he believed the last rate study completed was in 2010.

The Finance Director indicated it was not included in this fiscal year's budget allocations.

The City Manager stated he believes the Finance Director is more than capable of looking into the rates and providing a recommendation to the Council. He further stated he will look into the past discussions and provide the Council with clarification.

Councilmember Harkness asked the auditor for his opinion on his understanding that as a City of our size, we have very little debt.

Mr. Drageset confirmed Councilmember Harkness's statement as being a fair appraisal.

	<p><b>Motion</b> to adopt Resolution CCR-13-63; A Resolution Accepting the Independent Audit Report for Fiscal Year 2012/2013, by Resolution only.  <b>Motion by:</b> Councilmember Moore  <b>Seconded by:</b> Harkness  <b>Council Action:</b> Motion carried on a voice vote of 5-0</p>
	<p><b>12.</b> Assistance to Firefighter Grant Program (AFG) – Information will be provided regarding the submission of the grant.</p> <p>Fire Chief  Staff Report</p> <p>The Fire Chief reviewed his report with the Council, which was provided in writing.</p> <p>Councilmember Collings inquired as to what type of protective gear the Fire Chief intended to purchase and what was the breakdown of the grant budget allocations.</p> <p>The Fire Chief stated he intended to purchase structure gear which would be used in situations such as house fires or commercial fires. He reported the engine type III came in at around \$350,000, the equipment at \$45,000, and the protective gear came in at approximately \$80,000.</p> <p>Councilmember Burns asked about the type of engine the Fire Chief intended to purchase and if the use of the Fire Tax Assessment Fund for the match of the grant was acceptable.</p> <p>The Fire Chief elaborated the type of engine would be one in which everyone can ride in and be seat belted. However, he stated they are still looking for a used engine as well.</p> <p>The Finance Director confirmed the use of the Fire Assessment Fund would be a perfect use for the 5% match required by the grant.</p> <p>Mayor Stearns thanked the Fire Chief for taking the initiative to submit the grant.</p>
	<p><b>13.</b> Transient Plan Update</p> <p>Chief of Police  Staff Report</p> <p>The Police Chief reviewed his report with the Council, which was provided in writing. He reported he conducted some research and outreach to other cities and provided the Council with those concepts and outcomes. Police Chief also stated he conducted an internet search into the issues with the transient population. He stated the addition of two new police officers will help mitigate this issue come summer and intends to increase foot patrol. The Police Chief reported on the creation of the “Welcoming Committee” concept and thanked some of those members for being present at the meeting. He further reported the Police Department does not target lifestyle choices, only criminal behavior. The Police Chief stated the committee has come up with the concept of behavioral modification/improvement plan or “Transient Action Plan”, and is</p>

working closely with the local businesses in order to give them tools to deal with this issue.

Councilmember Burns stated he appreciates the sensitivity surrounding this issue but questioned the concept of the “Welcoming Committee”, will this be only for the transient population or also for visitors. He further stated some community members are questioning the use of the term “welcoming”. However, he appreciated the work towards mitigating this issue.

The Police Chief clarified the welcoming concept would be used for everyone, the behavioral modification or improvement plan would be related to those who are not behaving in an appropriate or acceptable manner.

The City Manager commented the concept, from his perspective, would be designed to be a positive model which could be used for all, the visitors as well as the transient population. He reported this should create an attitude which would attract more interest in becoming involved in the development of a well-rounded plan which includes various perspectives. The City Manager reported on the possible process or actions of this committee in implementing the welcoming and behavioral management concept.

Councilmember Burns stated he looks forward to seeing a positive outcome stem from these efforts.

Councilmember Harkness stated he appreciated all the work being done and the tools being created and processes being developed. He reported the only alternative to using Welcoming Committee he could come up with would have been using City Guides.

Councilmember Collings thanked the Police Chief for his report and work. He stated there is more to this than just a transient issue as there are subgroups to the transient population and making contact with them would help in figuring out who and what groups they are with. Councilmember Collings further stated he is in support of making contact with these individuals as some are not the type we want in our City.

The Police Chief reported there is not statistical information regarding the possible bad or criminal subset as evidenced by the lack of citations issued or reported criminal behavior and stated we are just scratching the surface of this issue.

Councilmember Moore spoke to the adage of “you get more bees with honey” and stated he believes 80% of the transient population are doing the right thing with maybe 20% doing the wrong thing. He reported this approach could put a positive spin on the situation and is certainly worth a try.

Mayor Stearns asked the Police Chief and Committee to consider placing the welcome rules on the website. He stated he would like to address how to best deal with the transient populations in the winter, as it was brought to his attention an individual was seeking shelter in the Post Office. Mayor Stearns suggested making contact with the Churches or other organizations to provide assistance.

Public Comment:

- **Maureen Mitchell:** stated she is with the Seeds to Soup Organization which is



	<p>a grassroots, service organization who support and feed the homeless population. She indicated her organization is willing and able to assist the Police Department in their endeavor in working towards a positive solution to the issue of the transient population. Ms. Mitchell gave the Council some background on the Seeds to Soup Organization. She indicated that the number of individuals coming for meals had begun to increase and when winter came the number decreased by almost half which may be indicative of the transient population showing for meals. Ms. Mitchell discussed a senior program another City created to deal with their transient population which resulted in great success for them.</p> <p>Councilmember Burns inquired about the level of interaction between the Police Department and Ms. Mitchell’s organization.</p> <p>The Police Chief reported he is in regular contact with the Seeds to Soup Organization and they are working on defining the populations of those who are local homeless individuals and those who are transients.</p> <ul style="list-style-type: none"> <li>• Sean Doyle: He commended the City for starting this process and stated he is very interested in the tool-kit being developed for businesses to be able to appropriately and responsively handle disruptive behaviors by individuals within their establishments. Mr. Doyle stated this is a community wide issue and should be a community effort to develop methods of dealing with this issue. He reiterated this is a behavioral issue not a person issue.</li> </ul>
	<p><b>3.</b> Mayor Stearns adjourns the meeting to closed session at 8:41 p.m.        Mayor Stearns reconvenes the meeting at 9:06 p.m.</p> <p>Mayor Stearns reported discussion was had, direction was given to staff, and no action was taken.</p>
	<p><b>14.</b> Brown Act Committee Minutes/Meetings - NONE</p>
	<p><b>15.</b> Reports RE: Attendance at Outside Meetings</p> <p>Councilmember Moore reported on his attendance to the Local Transportation Commission (LTC) meeting.</p> <p>Councilmember Harkness reported he participated in the interviews of engineers for the water interceptor line with the Economic Development Administration (EDA) grant and his participation in the Public Service Announcement (PSA) with the Mayor.</p> <p>Mayor Stearns commented on the PSA.</p> <p>Councilmember Burns inquired as to Councilmember Harkness’ participation with the interviews for the interceptor line and asked for clarification as his understanding was he and Councilmember Collings were appointed to the water management/interceptor line committee and questioned if there was a duplication of appointments.</p> <p>Councilmember Moore stated his understanding was the waste water project and the interceptor line were two different projects and discussed this issue.</p>

	<p>Councilmember Harkness stated these projects are closely related and expanded on information he received regarding the water interceptor line and EDA grant.</p> <p>Councilmember Collings stated it appears there are three legs to this stool, one is the Crystal Geyser Project itself, the water interceptor line is another and the third is the waste water treatment project, all of which are related and are all three parts of the same. He stated there would be more continuity by being addressed together.</p> <p>Councilmember Moore suggested this be considered when the Mayor re-appoints Council to the various committees.</p> <p>Mayor Stearns stated he intends to leave each Councilmember to serve on the same committees they are already appointed to. This will be taken up at a meeting in January 2014.</p>
	<p><b>16. Upcoming Future Agenda Items:</b></p> <ul style="list-style-type: none"><li>a. Extension of Sanitation Services Agreement or RFP for Sanitation for the City of Mt. Shasta agreement. Current agreement ends March 31, 2014.</li><li>b. Award Contracts for State mandated waste water treatment improvements Engineering and Environmental Contracts.</li><li>c. Awarding the 2012 Alma Street STIP-Contract XXX Construction Inc.</li><li>d. Downtown to City Park Trail Plan Update</li><li>e. Update regarding Long-term Vacation Rentals</li></ul> <p>Councilmember Moore discussed the system of field watering and where we are with the Mt. Shasta Parks and Recreation on this issue. He suggested the Chair, Mike Rodriguez, come to a Council meeting and provide the Council with an update.</p> <p>Councilmember Harkness stated in January 2014, the City Manager will be bringing back some of his economic recommendations, which should include a 75% increase to the hook-up fees and rate increases. He stated he is interested in knowing the timing of these presentations.</p>
	<p><b>17. Council and Staff Comments</b></p> <p>Councilmember Collings stated there will be meetings held with key individuals from Crystal Geyser and others involved with the project to answer some of the questions being brought forward.</p> <p>Mayor Stearns expressed his thanks to the City Manager for having met with the County Administrator, and the County Planner, arranging with them and Crystal Geyser to conduct weekly telephone calls to provide updates and to obtain information. He stated Councilmember Collings is going to be working on obtaining answers for the</p>

	<p>public and for the Council.</p> <p>There was general discussion amongst the Council regarding which Councilmembers will fulfill what roles with respect to the weekly telephone calls and the public meeting.</p> <p>Mayor Stearns appointed Councilmember Collings to participate in the weekly telephone calls and put together the information he has thus far collated.</p> <p>Councilmember Collings volunteered to gather as much information as he can into a single source in an attempt to defray the misinformation flowing in the community.</p> <p>Mayor Stearns suggested the updates obtained through the weekly telephone calls be presented to the Council on a future agenda item.</p>
	<p><b>18. Adjourn</b></p> <p>There being no further business before the Council, the meeting was adjourned at the hour of 9:35 p.m. to the Special City Council Meeting to be held on Monday, December 16, 2013, at 5:00 p.m.</p>

Respectfully Submitted,

*Tammy Laphorne*

Tammy Laphorne, Deputy City Clerk