

Mt. Shasta City Council Regular City Council Meeting Minutes

Mt. Shasta Community Center, 629 Alder Street

Monday, January 25, 2016; 5:30 p.m.

Approved as submitted

“Our mission is to maintain the character of our “small town” community while striking an appropriate balance between economic development and preservation of our quality of life. We help create a dynamic and vital City by providing quality, cost-effective municipal services and by forming partnerships with residents and organizations in the constant pursuit of excellence.”

Item
1. Call to Order and Flag Salute: At the hour of 5:34 p.m. Mayor Jeffrey Collings called the meeting to order and led the audience in the Pledge of Allegiance.
2. Roll call: Council Members Present: Kathy Morter, Tim Stearns, Geoff Harkness, Mayor Jeffrey Collings, and Mayor Pro Tem Mike Burns Sr.
Special Presentations & Announcements: None.
3. Public Comment: <u>Afa Garrigan</u> – Announcement that he will be holding a local ‘Town Hall Meeting’ every second and fourth Sunday of the month (the day before City Council Regular Meetings). The meeting location is the Silk Road Chai Shop located at 105 E Alma Street in Mt. Shasta. <u>Sarah Jewett</u> – Requested update on if Police Department can use bikes for patrol.
5. Meeting Recess: None
6. Council & Staff Comments: <u>Police Chief Parish Cross</u> – Responded to Sarah Jewett’s question. The Police Department feels that it may be possible for officers to patrol using bikes a few hours during the summer and at special events. Training with staff will need to be done, and equipment may need to be secured. <u>Councilmember Kathy Morter</u> – Suggested that the Police Department consider reaching out to ‘Mountain Wheelers’ or the Trail Association about the possibility of partnering to cover the cost of the bikes. <u>Councilmember Tim Stearns</u> – Requested update on LED street light project and signal lights. <u>Rod Bryan, Public Works Director</u> – Provided update on LED street light project. About 150 lights have been installed. The lights will be low wattage, and the project will be completed sometime next week. The signal lights are still in flash mode because the replacement cabinet has not arrived yet. Contractor will install the cabinet once it arrives. Lights have temporary wiring at the moment. <u>Councilmember Geoff Harkness</u> – Provided update regarding full funding for the Big Lakes project via a DWR Proposition 84 grant. <u>Mayor Jeffrey Collings</u> – Requested update about the LED street light in the Downtown Area on South West Corner of Lake and Mt. Shasta Streets. <u>Rod Bryan, Public Works Director</u> – Provided update about LED street lights in the Downtown Area indicating that several historic street lights are not functional at the moment. The parts for these lights were difficult to secure and more costly to replace. These lights have been replaced with LEDs at the moment.

Mayor Jeffrey Collings – Comments regarding inclusive consensus, dialogue, and the decision making process for City Council. Indicated that there is a difference between ‘fact’ and ‘opinion,’ regarding information presented to City Council for consideration. Discussed a letter received by City Council regarding a well on private property. The letter indicated that the well’s condition was impacted by Crystal Geysers. Acknowledged multiple perspectives which include facts and opinions, and that these perspectives are at times in conflict with each other.

7. 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.

- a. Approval of Minutes: January 11, 2016 City Council Regular Meeting Draft Minutes and January 11, 2016 City Council Special Meeting Draft Minutes.
- b. Approval of Disbursements: Accounts Payable: 1/13/16; Total Gross Payroll and Taxes: For Period Ending 1/7/16 (Muriel Howarth Terrell, Finance Director)
- c. Monthly Investment and Financial Report for the Period Ending December 31, 2015 (Muriel Howarth Terrell, Finance Director)
- d. Appointment to City Committee (Larisa Proulx, Deputy City Clerk)

COUNCIL ACTION: Approve agenda item number 7 a-d. All Resolutions and Ordinances on this item were introduced or adopted, as applicable, by title only, and the full reading thereof was waived.

MOTION: Councilmember Geoff Harkness

SECOND: Mayor Pro Tem Mike Burns Sr.

AYES: All

NOES: None

ABSENT: None

ABSTAIN: None

Council & Staff Comments:

Mayor Pro Tem Mike Burns Sr. – Requested clarification on Approval of Disbursements concerning Backhoe repairs on page 2. What did the repairs consist of? Question about senior snow removal and where money is drawn from.

Rod Bryan, Public Works Director – Comment that the backhoe cost of repair included work on the transmission, replacement of seals, and fixing some other major issues.

Muriel Howarth Terrell, Finance Director – Comment that senior snow removal is paid for out of 4%.

Larisa Proulx, Deputy City Clerk – Acknowledged error in staff report regarding Dean Whetstined. Dean is being appointed solely to the Library Tax Advisory Committee.

8. Resolution CCR-16-1 Providing Water to Youth Sports Field

COUNCIL ACTION: Approve agenda item 8. All Resolutions and Ordinances on this item were introduced or adopted, as applicable, by title only, and the full reading thereof was waived.

MOTION: Councilmember Geoff Harkness

SECOND: Mayor Pro Tem Mike Burns Sr.

AYES: All

NOES: None

ABSENT: None

ABSTAIN: None

City Council Comments:

Councilmember Tim Stearns – Question regarding contract in 2012 relating to annual payment being due by December 20th. Was the payment made? Would like confirmation that the proposed resolution will be used until a rate study is completed, and that the resolution is subject to being amended. Would like confirmation that the Recreation District will comply with state and local water conservation measures. When a resolution came before council several years ago about this topic there was a lot of inquiry and suggestions to consider.

Muriel Howarth Terrell, Finance Director – Confirmed that the proposed resolution will be used until a rate study is completed, it is subject to being amended, and the Recreation District will comply with state and local water conservation measures.

Councilmember Kathy Morter – Question regarding if before a rate study is done could the fee structure be impacted by the Recreation District's budget? Are there different types of rates for different users (public versus commercial)? Thank you for a well thought out resolution.

Muriel Howarth Terrell, Finance Director – Rate study cannot adjust rates to reflect what the Recreation District's budget is. The rate study will be fair and equitable, and confirm what the rate structure can for different types of users. In a drought situation the best use of water would be for public consumption, not necessarily for watering sports fields.

Councilmember Geoff Harkness – Comment that the Recreation District will have the opportunity to comment during the rate study. This Resolution is mostly for the Sission Fields only. The peak use of water last year was 1 million gallons over the course of three days in July. The rest of the year had minimal water use.

Mayor Pro Tem Mike Burns Sr. – Comment that the Recreation District is willing to work with the City. This resolution provides latitude and room for adjustments.

9. December Financials & Annual Mid-Year Budget Adjustments

COUNCIL ACTION: Approve agenda item 9. All Resolutions and Ordinances on this item were introduced or adopted, as applicable, by title only, and the full reading thereof was waived.

MOTION: Councilmember Tim Stearns

SECOND: Mayor Pro Tem Mike Burns Sr.

AYES: All

NOES: None

ABSENT: None

ABSTAIN: None

Staff & City Council Comments:

Councilmember Kathy Morter – Requested more information on the Beatification Endowment Fund. Requested confirmation that the Beautification Committee requested \$17,000.00 of funds for a variety of projects, and there is a balance of about \$45,000. Question about decision making process for providing the Beautification Committee with money. Requested that the Deputy City Clerk send a reminder to City Committees about submitting funding requests for next year by March 2016.

Muriel Howarth Terrell, Finance Director – The Beatification Endowment Fund was set up many years ago through a donation with a restriction that it be used for beautification purposes only. Anyone can add to that fund. Confirmed that the Beautification Committee requested \$17,000.00 in funds for a variety of projects, and there is a balance of about \$45,000.

Councilmember Geoff Harkness – Process for requesting funds is that each committee can fill out an application requesting funds from the general fund. Applications are reviewed by staff and brought to City Council. Question about if this is the formal review of requested funds, and approval of this item implies approval of the requested funds.

Muriel Howarth Terrell, Finance Director – Confirmed that approval of this item approves requested funds. ATC funding has already been approved.

Mayor Pro Tem Mike Burns Sr. – Question about ATC funding being approved. Question about general fund projection.

Councilmember Tim Stearns – Requested more information regarding fund balance. Should City Council or the public be alarmed by the items in red?

Muriel Howarth Terrell, Finance Director – The fund balance is based on actual cash. We have paid bills but not received reimbursement yet (those come in during January). No one should be alarmed by the items in red.

Mayor Jeffrey Collings – Requested information on sales tax relative to TOT.

Muriel Howarth Terrell, Finance Director – Comment that there is a projected additional \$38,000 to come from TOT because first quarter numbers were good. More information will be available later in the year. Sales tax is slightly higher than where it was last year. Comment that the general fund projection is \$516,408 by the end of June. We started at \$821,457. The target for the general funds is 17.49%.

10. Independent Audit

COUNCIL ACTION: Approve agenda item 10. All Resolutions and Ordinances on this item were introduced or adopted, as applicable, by title only, and the full reading thereof was waived.

MOTION: Councilmember Tim Stearns

SECOND: Councilmember Geoff Harkness

AYES: All

NOES: None

ABSENT: None

ABSTAIN: None

City Council Comments:

Councilmember Geoff Harkness – The City received an unqualified audit, which is actually good news. Requested reminder about timeline for rate study. Rate study will be going out to bid in the Spring, the initial study will be done sometime between March and June, it will be open for public comment sometime during the summer, and then the rates will be finalized sometime toward the end of 2016. Comment regarding inventory of controls related to public works, and that concerns have been addressed. Comment regarding CALPERS liability, and that it will be watched going forward. Some costs associated with future benefits from a different health care plan were eliminated. Overall this was a good report, thank you.

Steve Drageset, Independent Auditor with Aiello, Goodrich and Teuscher - The sewer fund is spending a lot of cash, and this will be looked at. The general fund has a fair net position. There are new liabilities concerning CALPERS that the City had to book.

Mayor Jeffrey Collings – Comment that concern about sewer fund should be addressed as soon as possible. There will be a more detailed overview of the rate study timeline at the February, 22 City Council Regular Meeting in regards to Proposition 218.

Muriel Howarth Terrell, Finance Director – Confirmed that Councilmember Geoff Harkness is correct about that timeline for the rate study.

Councilmember Kathy Morter – Question regarding what is there to keep an eye on concerning the CALPERS liability?

Councilmember Geoff Harkness – Comment that the City was required to reflect CALPERS liability in the report.

Councilmember Tim Stearns – Comment that the City has always had theoretical liability to CALPERS, and this liability has been carried off the books in many communities. The change is that Cities now have to carry liability on the books and know what the liability is. Question about how the actual CALPERS liability is calculated. What other obligations does the City have regarding this liability?

Steve Drageset, Independent Auditor with Aiello, Goodrich and Teuscher –CALPERS liability is calculated by actuaries. They take into account mortality tables, projected investment returns, how much contributions are, etc. This number is then impacted by additional information pertaining to the City. The final number is then calculated and we report it. The City is obligated to pay the amount asked for by CALPERS. If the City stopped operating permanently on June 30th the CALPERS liability number is what would be paid out to employees.

11. BDG Residual Funds Upper Lodge Heating System & Housing Rehab

COUNCIL ACTION: Approve agenda item 11. All Resolutions and Ordinances on this item were introduced or adopted, as applicable, by title only, and the full reading thereof was waived.

MOTION: Councilmember Geoff Harkness

SECOND: Mayor Pro Tem Mike Burns Sr.

AYES: All

NOES: None

ABSENT: None

ABSTAIN: None

City Council Comments:

Rod Merys, Great Northern Services – Programming is low payments received for previous grants for housing rehabilitation and economic development. In 2014 the City received a few loan pay offs that exceeded \$35,000, which is the first reason that we are discussing this item. In July 2014, the state made a change to how it manages revolving loan funds.

Previously the City had revolving loan funds set up for housing rehabilitation and economic development, and programming would have automatically transferred into those. As the result of the changes that were made in 2014, the City follows most of the jurisdiction in California eliminating their revolving loan funds. There is programming that needs to be spent on CDBG eligible activities. The options are spend it on open grant activities that have already been approved, which has already happened, or spend money on other CDBG eligible actives. Some money has been set aside for housing rehabilitation, and a facilities improvement project for the City Park HVAC system.

Mayor Pro Tem Mike Burns Sr. – Question about areas that funding can be used in. Question about sunset date on use of money. Question to Mike Rodriguez, District Administrator for the Mt. Shasta Recreation and Parks District, regarding recreation center versus senior center title. Will operating this system be added to the annual maintenance, operations, upkeep?

Rod Merys, Great Northern Services – The money can be spent on any CDBG eligible activities. Some areas of programming are hard to approve as supplemental activities. The sunset date for money is the expiration of the grant, which is the end of this year. In July 2014, another change was made to program income accounting. The state requires that program income be spent prior to doing a funds request for an open grant. This money has already been spent. We are asking for reimbursement for that money if we can find additional projects. If we don't find additional projects or spend additional money on grant activities it will be disencumbered at the end of the year.

Muriel Howarth Terrell, Finance Director – Added that the City is providing three different services such as a security deposit program, a snow removal program for seniors, and a food program. The City has also been doing some small business grants and one sizable business loan this cycle. That grant encompasses all of this. The public facility piece is an allowable expense because that particular facility provides services to senior citizens who meet the eligibility.

Councilmember Kathy Morter – Question about the eligibility criteria for the grant. Question about total amount for the HVAC project.

Rod Merys, Great Northern Services – In terms of housing rehabilitation, eligibility is that the family income has to be less than or equal to 8% of the county median income. It's the same for economic development loans. They have to create a job for somebody that is low to moderate income. The qualification process takes a lot of effort and extensive, and so the amount requested should be more than \$10,000 in funds typically. Indicated that the total amount for the HVAC project is \$35,000.

Mike Rodriguez, District Administrator for the Mt. Shasta Recreation and Parks District – The

Recreation Center is where the Senior Center is. Having air-conditioning in that building will help senior citizens enjoy the space.

Councilmember Geoff Harkness – Question about \$105,000, and if this is just for these two projects or if there is more funding available.

Rod Merys, Great Northern Services – The \$105,000 is probably more than what is available. We can ask for more, and then if more payments come in, we can spend it.

Councilmember Tim Stearns – Question about if \$7,000 can be used for 5-10 projects. Question about funding being loaned versus granted. Question about money from paybacks going into a special account. Question about what the \$35,000 will be used on in particular concerning the HVAC system. Question about volume of HVAC system for potential meetings being held in the space. Question about if CDBG funds could be used for creation or operation of a community land trust for Mt. Shasta?

Rod Merys, Great Northern Services – Clarified that it can be used for 5-7 projects. For a project of less than \$10,000 the project overhead becomes too great. The City's program guidelines typically allow funds on a loan basis, but there are allowances for a percentage of projects to be on a grant basis if there are severe health and safety issues, and the value of the house wouldn't allow for a loan.

Muriel Howarth Terrell, Finance Director – Clarified that in the past CDBG funding allowed for monies under the threshold were miscellaneous income and you could use them for anything. If we get anything under \$35,000 it becomes the City's money to use. If it's over that amount it's called program income, and it has to be spent on within the CDBG guidelines that we have established. Comment that this is a public hearing.

Mike Rodriguez, District Administrator for the Mt. Shasta Recreation and Parks District – Indicated that the whole HVAC system will be upgraded to be more cost effective and install an AC unit. It will potentially increase the use of the building. Some of the cost is related to estimate on installation.

Rod Merys, Great Northern Services – Comment that the HVAC project is a public facilities improvement project and so there is also administrative overhead with prevailing wage compliance. Multiple bids will be received. Is not sure if CDBG funds could be used for creation or operation of a community land trust for Mt. Shasta. Will do research and let City Council know.

Councilmember Geoff Harkness – Comment that a lot of building in the Park are in need of remodeling and upkeep, and the board has been trying to address it over time. You feel that this is the best use of these funds at this time?

Mike Rodriguez, District Administrator for the Mt. Shasta Recreation and Parks District – Comment that this is the best use of the money at this time. The sound from the new system will be much less loud.

12. Update Regarding Mitigation Efforts at The Nest Housing Complex

This item was moved to the next upcoming City Council Regular Meeting on February 8th due to absence of Paul Eckert, City Manager.

13. Council Reports on Attendance at Appointed/Outside Meetings:

Mayor Pro Tem Mike Burns Sr. – Attended monthly LTC meeting with City Manager Paul

Eckert.

Councilmember Tim Stearns – Attended the ‘Quality of Life’ subcommittee meeting with Councilmember Kathy Morter last week.

Councilmember Kathy Morter - Attended the ‘Quality of Life’ subcommittee. This committee is looking at how to manage the homeless population in Mt. Shasta, and what resources are available to assist.

14. Future Agenda Items (Appearing on the agenda within 60-90 days):

- Special Meeting with Recreation Department – 2/2016
- State Mandated Waste Water Plant Project, Public Hearing – 2/8/2016
- Cost Sharing Agreement Between the City of Mount Shasta and the Mount Shasta Fire Protection District – 2/8/2016
- State Compliance changes to Marijuana Ordinance – 2/8/2016
- Overview of Proposition 218 - 2/22/16
- Impact Fees Potential Changes – 3/14/2016
- Fire Prevention & Environment – 3/14/2016
- Alternatives for Capital Improvements Project – 3/14/2016
- Noise Ordinance – 3/14/2016
- Agreement for City Engineering Services – 3/14/2016
- Overview of CEQA / EIR Laws – 3/28/2016
- Expanding Downtown Business District – 4/11/2016
- Update on the Landing & Brownfields – 4/11/16
- Timber Management Plan of City Owned Properties (City Springs & Eastside of The Landing) – 4/24/2016
- Presentation Regarding Potential Forest Service Use of Treated Effluent for Fire Suppression & Dust Control – 4/24/2016

Councilmember Tim Stearns – Requested that Streamlining Solar Project be added to the future agenda items list.

15. Closed Session Item: None.

16. Adjourn

There being no further business, the meeting was adjourned at 7:25 p.m.