

**RIO DELL CITY COUNCIL
REGULAR MEETING MINUTES
NOVEMBER 21, 2023**

The regular meeting of the Rio Dell City Council was called to order at 5:00 p.m. by Mayor Garnes.

ROLL CALL: Present: (Closed Session) Mayor Garnes, Mayor Pro Tem Carter, Councilmembers Orr, Wilson, and Woodall, City Manager Knopp, and City Attorney Gans

Present: (Regular Meeting) Mayor Garnes, Mayor Pro Tem Carter, Councilmembers Orr, Wilson, and Woodall

Others Present: City Manager Knopp, Chief of Police Allen, Finance Director Sanborn, Wastewater Superintendent Taylor, Wastewater Superintendent Kelly, Senior Fiscal Assistant Maciel, and City Clerk Dunham

Absent: Community Development Director Caldwell and Water/Roadways Superintendent Jensen

ANNOUNCEMENT OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

Public Employee Performance Evaluation – City Manager under Gov't Code §54957

PUBLIC COMMENT REGARDING CLOSED SESSION

Mayor Garnes invited public comment regarding the closed session. No public comment was received.

The Council recessed into a closed session at 5:00 p.m. with City Manager Knopp and City Attorney Gans.

The Council reconvened into open session at 6:00 p.m. Mayor Garnes announced that there was nothing to report out of closed session.

PUBLIC PRESENTATIONS

Mayor Garnes invited public comment on non-agenda matters. No public comment was received.

CONSENT CALENDAR

Mayor Garnes asked if any councilmember, staff or member of the public would like to remove any item from the consent calendar for a separate discussion. No items were removed.

A motion was made by Carter/Orr to approve the consent calendar including the following items:

- 1) Minutes of the November 7, 2023 regular meeting;
- 2) Receive & File Update on CDBG Owner-Occupied Loans for Earthquake Damaged Homes;
- 3) Purchase of Ten (10) Generation 5 Glock 47 9mm Handguns;
- 4) Purchase of Eight (8) Remington 870 Shotguns and Five (5) Richard Cowell External Armor Carriers; and
- 5) Check Register for October

Motion carried 5-0.

REPORTS/STAFF COMMUNICATIONS

City Manager/Staff Update

City Manager Knopp provided highlights of the staff update and began by thanking Wastewater Supervisors Taylor and Kelly for getting the chlorine generator installed at the wastewater treatment plant.

He reported that 70 Wildwood Ave. (Mingo's) completed their project as part of the Façade Improvement Program which makes a total of three projects and completes Round One of the program.

He said that staff is continuing to review and monitor plans for cannabis cultivation expansion with several new developments possibly coming online by the end of 2024.

In addition, staff will be issuing an Every Door Direct Mailer (EDDM) postcard advising residents to avoid disposing Fats, Oils or Grease (FOG) into the sewer system.

The 2024 homeless "Point in Time" count is scheduled for January 23, 2024 starting at 6:00 a.m. Anyone interested in volunteering to help with the count should contact the City Manager.

Mayor Pro Tem Carter thanked public works for getting the chlorine generator installed and said that the controls are in a better location now. She also suggested putting the FOG notice on the electronic sign.

Mayor Garnes thanked the Police Department for bringing safety cones downtown Saturday which helped slow traffic while they were putting up the Christmas Tree in the median.

SPECIAL PRESENTATIONS/STUDY SESSIONS

Annual Financial Report for FY 2022-23

Finance Director Sanborn provided a presentation on the Annual Financial Report for FY 2022-23 which he explained summarizes and analyzes the City's financial performance for FY 2022-23. The report describes the revenues received and expenditures incurred and explains any material differences between these values and the adjusted budget. It also presents the amount of the financial reserves at the end of the year.

He noted that the report was prepared using final unaudited FY 2022-23 financial information as of June 30, 2023 and said that the audited Financial Statements will be presented in early 2024.

In summary, total City revenues were reported at \$5,739,890, which was more than total expenditures of \$5,695,733, resulting in an increase in reserves of \$44,157. The major funds ended the year under budget by \$16,672 with the overall ending fund balances decreasing by \$602,941.

Finance Director Sanborn said that the top four revenue sources in the General Fund are Property Tax In Lieu of Vehicle License Fees, Retail Sales Tax, Cannabis Tax, and Property Tax. Actual amounts for these revenue sources were 2.3% less than the previous year. Overall, General Fund revenues were \$50,540 less than budgeted amounts. This was primarily due to Retail Sales Tax revenues down over 30% from budgeted estimates. General Fund revenues were \$6,640 more than the prior year's actuals.

Street Fund revenues were more than budgeted by \$22,225 or 7% primarily due to an increase in TDA revenue. The Sewer Fund balances were \$276,735 or 17% less than estimated due to higher expenditures attributed to the Earthquake and increased Sewer Operations expenditures.

The Building fund had budgeted revenues of \$49,350 and appropriations of \$105,579. Actual expenditures were more than actual revenues by \$42,922 requiring the General Fund to subsidize the Building Fund to cover the shortfall.

Finance Director Sanborn said that the CDBG fund had a balance of \$571,688 and these funds are currently being used under contract from the County of Humboldt to offer loans to qualified applicants impacted by the 2022 Earthquake Disaster.

The last part of the financial report included a new section for Earthquake Impacts. Finance Director Sanborn reported that the December 2022 Earthquake disaster impacted all areas of the City budget. The City is working in partnership with CalOES disaster recovery agents to guide the City through the recovery phase, which includes filing and submitting claims for emergency costs and long-term plans for infrastructure repair. The City is entitled to 75% reimbursement for qualified expenses with the opportunity to request up to 100% reimbursement on a per-project basis. During FY 2022-23, the City had \$562,812 in earthquake related expenditures and of these items, has submitted claims for six items and has received reimbursement for three items totaling \$177,931.

Councilmember Wilson asked if the reduction in Sales Tax revenue included the 1% local Sales Tax.

Finance Director Sanborn explained that the sales tax revenue was budgeted high and also in addition to the economic climate, Tx revenues were lower throughout the state. He noted that Rio Dell is not alone in this predicament as cities and towns across the state are seeing decreases in sales tax revenue. Other factors that contribute to the reduction are high inflation and interest rates which contribute to lower spending.

Councilmember Woodall referred to the Earthquake Impacts and asked how long it could take for the reimbursements to trickle in.

Finance Director Sanborn noted that the City Manager is continuing to reach out to CalOES and other State stakeholders but it is hard to predict how long it will take to get all of the reimbursements. The liability is quite large to the City so staff will continue to be diligent in pursuing it with the State.

SPECIAL CALL ITEMS/COMMUNITY AFFAIRS/PUBLIC HEARINGS

Authorize and Direct Staff to Remove Bear Sculpture from Wildwood Ave. Median

City Manager Knopp provided a staff report and said that in 2017, the City entered into an agreement with an artist to display up to four sculptures in the Wildwood Avenue median. The sculptures would be offered for sale and after five years, the remaining sculptures would become the property of the City. In October of 2018, the final sculpture of a bear was placed on the northern end of Wildwood Avenue.

He said that the Mayor requested an item be placed on the agenda to have the bear sculpture removed, leaving the three remaining sculptures in their current positions. If approved, the bear sculpture would be moved to the City's corporation yard for future possible public placement.

Mayor Garnes commented that the bear sculpture drives her crazy and one of the few that no one compliments on and said that she would like to see the sculpture removed.

Councilmember Woodall commented that she never really liked the bear sculpture so was fine with removing it.

Councilmember Orr pointed out that with art being subjective, he was not passing judgment on it but thought it would be nice to have more trees in that space.

Mayor Pro Tem Carter supported removing the sculpture and perhaps placing it along the Eel River Trail.

Councilmember Wilson said that some of the other smaller sculptures are nice however, this one is kind of hard to even figure out what it is. He supported removing the sculpture and storing it somewhere.

Mayor Garnes called for public comment related to the bear structure.

Rich Newman asked what exactly was wrong with the sculpture.

Councilmember Wilson commented that unlike the other three sculptures, the bear sculpture is hard to tell what it is and that it looks like a bunch of recycled scrap metal welded together.

Mayor Garnes asked if there was any public comment received via email.

City Clerk Dunham said that there was one public comment received which she then read. (Included as Attachment 1 to these Minutes)

Motion was made by Wilson/Carter to authorize and direct staff to remove the Bear Sculpture from Wildwood Avenue as discussed. Motion carried 5-0.

COUNCIL REPORTS/COMMUNICATIONS

Mayor Pro Tem Carter announced the date for the Annual Tree Lighting and Truck Parade as Saturday, December 2, 2023 from 5-7 p.m. and said the next Chamber of Commerce meeting was scheduled for December 1, 2023 at noon.

Councilmember Orr said that he had nothing to report as he was not able to attend the last HCAOG meeting due to parent-teacher conferences.

Councilmember Wilson said that he had an RCEA meeting but had nothing to report out.

Councilmember Woodall read a special thanks that was published in the Rio Dell-Scotia Chamber of Commerce thread thanking Chief Shane Wilson and the Rio Dell Volunteer Fire Department and the Wes Nally family for bringing their experience, traffic control license and signage to assist in lighting up the Rio Dell-Scotia Bridge. She also thanked Nick Angeloff, Mayor Garnes and Frederick Breckenridge for their help in putting up the Christmas Tree in the median.

Mayor Garnes reported wished everyone a Happy Thanksgiving.

ADJOURNMENT

A motion was made by Garnes/Carter to adjourn the meeting at 6:35 p.m. to the December 5, 2023 regular meeting. The motion carried 5-0.

Debra Garnes, Mayor

Attest:

Karen Dunham, City Clerk