

**RIO DELL CITY COUNCIL  
REGULAR MEETING MINUTES  
MAY 2, 2023**

The study session/regular meeting of the Rio Dell City Council was called to order at 5:03 p.m. by Mayor Garnes.

**ROLL CALL:** Present: Mayor Garnes, Mayor Pro Tem Carter, Councilmembers Orr, Wilson and Woodall

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

Absent: Community Development Director Caldwell

**STUDY SESSION – 5:00 P.M.**

City Council Priority Setting Session for FY 2023-24

City Manager Knopp provided a staff report and said at the last meeting, the City Council held a priority setting session to evaluate individual and collective priorities for the upcoming fiscal year. The item was continued to this meeting to further define the top five priorities with an exercise where individual councilmembers would write their top five priorities on colored post-it notes for placement on a board under the corresponding categories.

Mayor Garnes questioned whether implementation of SB 1383 should be listed as a priority since it was essentially state mandated and something the City is required to do anyway.

City Manager Knopp explained that one of the things coming up that will be a major transition for the City is consideration of implementing universal collection and going through that process. He noted that staff already has pretty clear direction from the Council with unanimous support to move in that direction. As such, SB 1383 could be left off of the priority list because the Council is basically already moving in that direction. He said that is going to be a major structural community change because only about 50% of households in Rio Dell currently subscribe for waste collection. In looking at some initial cost projections, it appears that there will be a significant uptick in the rates.

He further explained that the Council does have the option of utilizing the 5-year waiver the City qualified for and not participate until that expires (in 2027) however, the City will eventually have to do it anyway.

Mayor Pro Tem Carter asked Chief Allen for his priorities since he was not present at the last priority setting session.

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Chief Allen indicated that his main priority is staffing. Another critical issue is Measure Z funding which has historically funded the half-time records clerk position in the police department. It is unlikely that this position will be funded this year from Measure Z funds. He commented that both the cities of Eureka and Arcata came out with \$50,000 signing bonuses for officers so there is a chance the City will lose two officers this year.

He said the second priority is security fencing where the police vehicles are parked on the south end of City Hall. He noted that they have numerous people coming to the back door of the department and have access to the police vehicles. He said that most police departments have a secure back entrance into their departments.

Councilmember Woodall referred to completion of the initial reports for earthquake damages and said that the City won't know whether the State will be reimbursing 75% or 100% of the project costs until after the projects are complete. She asked Finance Director Sanborn if the reimbursements could go beyond the next fiscal year.

Finance Director Sanborn explained that some of the projects and reimbursements could likely extend past the current and upcoming fiscal year as staff and the engineers continue to explore the best ways to tackle some of the bigger infrastructure projects.

City Manager Knopp said with almost certainty that the projects will extend into the next fiscal year or beyond.

Finance Director Sanborn said that 75% of the earthquake damage repairs will be covered for sure; the remaining 25% will be on a case by case base as projects are completed.

Councilmember Wilson identified his list of priorities for the year and said that his first priority is to survive as a City. Another was the need to recruit new businesses, mentioning the empty store fronts downtown and said that the City needs to find a way to counteract that. He noted that the Humboldt Rio Dell Business Park is defunct; partially due to the collapse of the cannabis industry with little doubt for resurgence. He commented that the indoor cannabis market seems to be doing okay but it still doesn't create enough revenue to the City to subsidize the needed infrastructure projects. He said that the City has accomplished a lot of street paving projects over the past few years but needs to focus now on underground infrastructure projects. He said that getting red and yellow-tagged houses repaired is also a priority as well as moving toward a plan for repairing Second Ave. on a minimal scale.

He asked Chief Allen what it would take to get his department fully staffed.

Chief Allen said that provided that nobody leaves and with the newest officer completing the academy followed by 10-12 weeks of field training, the department will be fully staffed, although it will still not provide for 24-hour coverage.

The priorities for FY 2023-24 were as follows (in no particular order of importance):

Mayor Garnes

- Underground Infrastructure – PG&E
- Long-Term Plan for Avenues
- Wastewater Rehaul
- Economic Development
- Labor Retention

Mayor Pro Tem Carter

- Code Enforcement
- Long-Term Plan for the Avenues
- Underground Infrastructure – Wastewater Collection System
- PG&E Blocks to Economic Development
- Employee Retention

Councilmember Orr

- River Access – Great Redwood Trail
- Public Works Training
- Law Enforcement Staffing
- Recruitment of Family-Style Businesses

Councilmember Wilson

- Survive as a City
- Business Recruitment
- Wastewater Infrastructure
- Repair of Red and Yellow Tagged Homes
- Plan for Second Ave. Repairs

Councilmember Woodall

- Staffing for Police Department – F/T Records Clerk Position
- Extra Position – Management Analyst
- Infrastructure – Earthquake Recovery
- Rental Inspection Program
- Security Fencing for Police Department

The results on the number of items under each category were as follows:

• Personnel	3
• Public Safety	3
• Finance	1
• Economic Development	4
• Transparency	0
• Public Works	7
• Community Development	6
• Organization/Administration	0
• Planning/Building	0

City Manager Knopp said that staff would collate the priorities and bring the list back to Council at the next meeting for final approval.

At the conclusion of the study session, the meeting was recessed for a short break prior to the start of the regular meeting.

The Council reconvened into open session with Mayor Garnes calling the regular meeting to order at 6:30 p.m.

### **CEREMONIAL MATTERS**

#### Proclamation Declaring May as Older Americans Month

Mayor Garnes read the proclamation declaring May as Older Americans Month urging every resident to celebrate our older citizens, to help to create an inclusive society, and accept the challenge of flexible thinking around aging.

Maggie Kraft, Executive Director of Area I on Aging was present to receive the proclamation.

Mayor Garnes expressed special thanks to Maggie for everything she did for the City and residents of Rio Dell during, before and after the earthquake.

Maggie Kraft said that she especially wanted to come tonight at the beginning of Older Americans Month to recognize this community for everything the City is doing for the elderly who live here which is a large part of the population. She indicated that she came down to Rio Dell on December 20<sup>th</sup> after the first earthquake and went to the Fire Hall to see what she could do to help the elderly and what she witnessed was a community that pulled together to help their neighbors with volunteers delivering meals and other services to those in need. She said that the Area I on Aging wants to continue to provide support to the older adults in the community and encouraged the City to reach out and let them know what they can do to help.

### **PUBLIC PRESENTATIONS**



Sharon Wolfe complimented Maggie Kraft and the Area I on Aging and said that they do a fantastic job. As a society, we will be asking a lot more of them as the aging population is coming on. The community will be taxing its resources to a great deal, noting that the youth population in the United States currently only consists of 22.1%. She pointed out that is our caregivers, or work force for everyone.

She mentioned a bill, SB-280 by Senator Laird which is not a bill the City would take a position on but any individual could which would require a conservator to create and publish and send to family members, a care plan which is not currently required. She said that through her own experiences with regard to conservatorship, it is truly horrifying. This is the bill for everyone that has a parent; the bill that you don't know you need until you do. It requires that a care plan be sent to the adult children that currently don't have any rights. She asked everyone to support this bill for Older Americans Month.

### **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 separate discussion. No items were removed.

Motion was made by Carter/Woodall to approve the consent calendar including the following items:

- 1) Minutes of the April 18, 2023 regular meeting;
- 2) Authorizing the Mayor to sign a letter in support of Fentanyl and Substance Use Legislation; and
- 3) Receive & File the General Plan and Housing Element Annual Progress Report

Motion carried 5-0.

### **REPORTS/STAFF COMMUNICATIONS**

#### City Manager/Staff Update

City Manager Knopp provided highlights of the staff update and announced some upcoming dates of local events including the Annual Spring Cleanup Day and the Stamp Out Hunger Food Drive on May 13<sup>th</sup> followed by the Mother's Day Pancake Breakfast at the Rio Dell Fire Hall on May 14<sup>th</sup>.

Councilmember Woodall asked Chief Allen if the Community Services Officer had been informing residents with nuisance properties about the cleanup event.

Chief Allen indicated that she had been getting the word out to those residents.

Mayor Garnes asked Chief Allen to address the recent concern regarding dogs running at large.

Chief Allen noted that they have seen an increase in the number of lose dogs running around town. He encouraged the public to call the police department and report lose dogs as you don't know if a dog is vicious and is going to attack you or if it is going to be hit by a car. He noted that most of the animal calls are repeat offenders so they try to work with the owners to avoid it from happening again. They make every attempt to return the dog to their owner however, if they can't locate the owner, the dogs are transported to Miranda's Animal Rescue and there are associated fees to get the dog back.

Mayor Garnes commented that the City takes this issue very seriously and understands how dangerous lose dogs can be for both humans and their pets. The City has had calls from people expressing concerns and fears about this issue and she wanted everyone in the community to know that the City shares in those concerns. She encouraged citizens to promptly contact the police department if they experience any problems related to lose animals.

Mayor Garnes called for public comment on the staff update. No comments were received.

### **SPECIAL PRESENTATIONS/STUDY SESSIONS**

#### Presentation by JJA, CPA, Inc. on Audited Financial Statements for FY 2021-2022

Finance Director Sanborn provided a staff report and said that each year an independent auditing firm audits and prepares financial statements for the City in accordance with Generally Accepted Accounting Principles and the standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that an audit be prepared to obtain reasonable assurance about whether the financial statements are free from material misstatement.

He was pleased to report that the City received an unqualified opinion and no material weaknesses were identified for FY 2021-22 audited financials. He introduced Brett Jones from the auditing firm of JJA, CPA, Inc. to provide a presentation on the audited financial statements via Zoom.

Brett Jones, Engagement Auditor for the City's audit, provided an overview of the audited financial statements for FY 2021-22. He referred to the opinion letter and pointed out that they issued an unmodified opinion which means that the financial statements presented fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the budgetary comparison information of the City, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

He said that this is great news and is what the City wants to hear as it is the highest opinion to get.

He continued with review of the Management's Discussion and Analysis which is prepared by City staff rather than the auditor. He said that the purpose of this is to provide additional analysis of the government's financial activities and provide the auditors with a summary and outline of financial highlights for the year.

Next was review of the financial statements, including financial highlights for the year, a summary of the City's net position, internal controls, and total revenues versus expenditures.

Lastly, he referred to the letter addressed to the City Council related to internal controls over financial reporting and on compliance and other matters based on the audited financial statements. He noted that the purpose of this report is to describe the scope of their testing of internal control and compliance and the results of that testing. No findings or deficiencies in internal controls were found.

Brett Jones said that overall, the audit went very well and thanked Finance Director Sanborn and his staff for all of their help.

#### Discussion and Possible Direction on Waiver of Building Permit Fees for Earthquake Damaged Structures

City Manager Knopp provided a staff report and said that at the April 18, 2023 City Council meeting, there was a public comment made requesting the waiver of building permit fees for all earthquake repairs. At the request of the Mayor, the item was agendaized for consideration and direction to staff.

In addition to the material in the Council packet, a handout was provided on "*Building Fund – Historical Permit Fees vs. Building Budget (4 years)*." The report showed that the Building Fund has been subsidized by the General Fund over the past four years at an average of \$38,038. In addition, \$28,616 or 46% of total building fees collection in the current fiscal year are attributed to the Earthquake Disaster.

City Manager Knopp explained that building department rules are set by the State of California and the City of Rio Dell does not impose any additional building requirements or codes that is not required by the State unlike some of the other jurisdictions. As an unfunded mandate of the State, the only way for the City to recoup costs is through building permit fees. He reiterated that the current fees do not cover the cost to provide the service, mostly because of the size of the City and the low-level of building permits issued.

He added that it is important for residents that incurred earthquake damage to their homes to understand that this was not a federally declared disaster so there is no individual assistance coming from FEMA because the disaster damages did not meet the \$65 million threshold. He agreed that it is not an equitable situation or fair to any resident of the community, affected by the earthquake or not and puts the City Council in a very difficult position. There is really no new money coming in and the only option in terms of waiving building permit fees is to pull from other pre-existing resources. In essence, they would be

taking from one functional area in order to cover the costs associated with the building permit fees.

City Manager Knopp noted that the City expects building permit activity to increase dramatically as a result of the earthquake damages which also means that there will be additional plan checks, inspections and additional staff time related to fee waivers.

He pointed out that if the Council wants to waive building permit fees for earthquake related repairs, they should identify a funding source for waivers. Possible options included the following:

- General Fund – This is not recommended as the General Fund revenues are in decline and the fund primarily supports the Police Department which is experiencing significant increases in operating costs.
- Humboldt Area Foundation – The City could make a request for the Foundation (or other philanthropies) to use recovery funds to pay for all earthquake related permit fees.

He explained that funds through the Humboldt Area Foundation are limited and prioritized for those that have no other resources available to them. Taking that available funding to put it towards a blanket waiver of all earthquake related building permit fees dilutes that mission of using those resources towards those in most need.

Staff's recommendation was that the Council not waive earthquake related building permit fees unless an outside funding source can be identified. Citizens were encouraged to apply for assistance through Disaster Case Management services at (707) 382-5890, and if they can, leave a message. The case managers have been overwhelmed with the number of requests coming in so callers need to be patient.

Mayor Pro Tem Carter began by thanking everyone for coming and said that it shows that citizens care about the community. She said that the Council also cares about the community. She said that in the days and weeks after the earthquake, every single City representative, including most of the Council were out in the early hours of the morning of the earthquake with boots on the ground doing they could to help.

She pointed out that all of the councilmembers, like everyone here tonight experienced the earthquake and they too had damages to their homes, as well as some financial hardships, debt, medical problems, etc. She commented that everyone is on the same team and in the same proverbial boat when it comes to the earthquake. She said that she will be voting "No" to waiving the fees and said that it hurts her to say that. What she saw and heard from the community at the last meeting was pain, loss and fear which is not fun.

She added that as the City Manager said, the money has to come from somewhere, the permits still have to be issued, and the work still needs to get done. If she votes to waive the fees, then she is essentially voting to pull money away from other services that benefit this entire community that we cannot do without. As an elected official, her responsibility is

to make decisions that benefit the community as a whole, and not her personally. What that means is taking away from things like public safety or from those people whose homes were “red-tagged” and displaced. In good conscious, she cannot take resources away from those things and sleep at night. Waiving these fees would be at best misguided and at worst completely unethical.

She reiterated that she cares very much about each and everyone here tonight as a valuable member of a very important team and said that everyone would have a chance to speak. She said that when she walks out of this meeting tonight and gets into her car, she will be crying because she does not like having to do this. Again, the earthquake disaster was not a federally declared disaster and the City does not have a lot of guarantees about funding of the City damaged infrastructure. As such, she cannot in good conscience vote to waive the building permit fees.

Councilmember Wilson asked if all of the red and yellow-tagged structures require a building permit, addressing the question to the City Clerk.

City Clerk Dunham explained that all of the red-tagged structures and the majority of the yellow-tagged structures would need a permit to do the repairs.

Councilmember Wilson said that he heard where people dealt with the repairs as an urgency matter such a broken water line without obtaining a permit.

City Clerk Dunham said that there were some cases where people acted based on the immediate nature of the emergency and had to do the repair perhaps after hours or on the weekend. In some instances, permits were issued after the work was done and inspections were performed. Staff took into consideration the nature of the emergency and did not go after people for minor repairs.

Councilmember Wilson said that he understands how departments are charged based on the service provided for that activity and asked what additional costs are incurred by the City associated with processing that building permit.

City Clerk Dunham explained that it would depend on the type of permit issued and said that any construction that requires a drawing or set of plans is sent out to a third party for plan review. As such, all or a majority of the plan check fee collected with the building permit fee becomes a pass-through to the third-party doing the plan review. In addition, there are instances where staff needs to consult with engineers or other building departments. She noted that some of the fees are state mandated fees and passed onto the State such as seismic fees and SB 1473, etc.

Councilmember Wilson said that there was a time in the past where the City did not have a building department. The City created a building department to avoid the cost of paying an outside building inspector. After creating that department, the fund immediately went into the “red” because there was not enough money to pay for the inspector’s (Kevin’s) time.



He pointed out that the money is still coming out of the General Fund no matter how you look at it. He asked what the cost was from January 1, 2023 to now and what portion of the building permits were related to earthquake repairs. He said that what he is trying to find out is what is the City's total cost related to building permits.

City Clerk Dunham said that the building inspector (Kevin) had her go through the building permit log and identify how many of the permits issued since the earthquake were earthquake related and said that approximately 88% of the permits issued from December 20, 2022 to now were earthquake related. She noted that during the first 4 months of the year, the City took in as many building permit applications than what are normally received all year.

Councilmember Wilson said that he would like to see the matter come back to the Council to get a better understanding of what it actually costs to issue a building permit over and beyond Kevin's time to go out and do the inspection because he is getting paid no matter what he does.

City Manager Knopp pointed out that building inspections are not the only thing that Kevin does. He is also the Planning Director and instrumental in the cannabis program for the City and a lot of other programs. Part of the budget discussion is to figure out the staffing situation in moving forward, knowing that there is an additional work load for the building department that will be detracting him from his other duties. Although the revenue for the Building Fund will be going up, it is likely it will still need to be subsidized by the General Fund.

Councilmember Wilson commented that he would like to do something for the citizens that have incurred these expenses; which doesn't necessarily mean 100% as the City does have certain obligations with additional costs to the City. He pointed out that Kevin is getting paid whether he is working on cannabis related items or building inspections, and is still getting paid out the General Fund. He said that there is a way for staff to define the two and try to help citizens with some of those expenses. The fee for plan checks to a third party or to the engineer is understood but if it is just for a clerical administrative person who is already on staff, he would like to see the City cover that under these particular circumstances. He said that he would like staff to come back to the Council with more information and define costs of what is actual costs the city to issue these permits so some kind of relief can be given to residents, perhaps on a percentage basis.

He noted that Kevin indicated at a prior meeting that some people won't obtain building permits if the fee is exorbitant.

Councilmember Orr said that he has a hard time believing that people will stay around if they are essentially being fined. He said that there has to be a way to keep people here and after two years of earthquakes to the point they almost seem scheduled on the same date, even he is thinking about leaving. He said that his house was yellow-tagged and there is no way with a wife and six kids that he won't be fixing it himself and doing the best he can and that he can't afford the building permit. He indicated that he will be fixing his

fixing his house himself the best he can and if the City comes by and inspects and says that he is out of compliance, they can put a lien on his house. He said that at least he will be living some place and doing the best he can. He said there is a lot of talk about rental properties that are falling apart and that is what is going to happen to the entire city of Rio Dell if the Council doesn't figure out a way to help people work through this. He said that he won't feel bad going to Fortuna if he can't find a way to survive here.

He added that the telephone number given to contact case managers at the County doesn't work. He said with inflation and the cost of living going up, it is hard for people to make ends meet and to find out that building permit fees are lining the pockets of people that aren't even in the city is ridiculous. He said that he is probably in the minority, but he would vote for the waiver because obviously there needs to be more information and nowhere does it explain where the fees go. He commented that everyone needs to make a living but there are ways to work around this and other cities, even smaller than Rio Dell have found a way to waive fees. He added that we talk about fixing roads, but what good does it do to fix a road that is in front of a house that can't be fixed.

Councilmember Woodall commented that she would like to be able to waive the fees but its not that simple. She said that the California Disaster Act guaranteed 75% reimbursement for the City's damaged infrastructure from the earthquake but that still leaves 25%. She said that some of these projects have to be completely built out before the City can even apply for 25% reimbursement. If the City is on the hook for the 25%, it would amount to over \$6 million. That expense would need to be spread amongst various funds. She pointed out that the State of California's budget is in a deficit so there is no guarantee that they will cover the remaining 25%. She mentioned the 10% cost share of the City to repair the county roads and the City's cost share for the Monument Road slip out which is approximately \$100,000. She noted that there are a lot of unknowns regarding the upcoming budget which makes it hard to decide on things like this.

She said as the City Manager reported, Sales Tax revenue is projected to be down 15-20% and everyone including the City is affected by inflation. She said that she thought the City should invest in things that benefit the entire community.

Mayor Garnes commented that this is a really hard decision and it puts the City Council in an awkward position. She said that she wants to support the community but the reality is that the Council's responsibility is to look out for the entire community. She pointed out that if building permits are waived for one person, then you have to waive the fee for every single person in the City whether it is earthquake related or not.

She said that she owns a rental in town and she had to pay the permit fee and is not asking the City for reimbursement. She said that she is on a fixed income so dollars matter to her as well as debt but she had to take out a loan to do the repairs.



She noted that the City is mandated by the State to collect certain fees and the City is not the villain here. The City Council and staff have done everything possible to try and help the citizens through this disaster. As citizens of Rio Dell, councilmembers are affected like everyone else and have to pay the fees like everyone else. They don't get a dime for sitting on the City Council and do it because they love this community. They are faced with whether they can take away from every citizen to subsidize others.

She said that waiving fees is also adding more costs to the City. She pointed out that the City has \$26 million in earthquake damages to infrastructure with only 75% of that guaranteed to be reimbursed. She said that the Council can't waive fees then cross fingers and hope that the remaining 25% of the costs will be reimbursed because we don't know.

Mayor Garnes urged citizens to reach out the Humboldt Area Foundation, explain their situation and ask for funds to cover the cost of permit fees. She noted that she personally reached out to Congressman Jared Huffman and asked him to come to Rio Dell and talk about what the City could do to change the law regarding the \$65 million FEMA threshold. She encouraged citizens to reach out to congressmen and senators because there will be other earthquakes.

She explained that the City Council has a fiduciary responsibility to every citizen of Rio Dell and as uncomfortable as it is, she cannot support the waiver of building permit fees for a select group of citizens. We will all do what we have to do to move on; whether it's selling our home and moving or fixing it as best we can. She added that she would like to be able to waive the fees but it is simply not the ethical thing to do.

Mayor Pro Tem Carter said that when this first happened and the response was with the City of Rio Dell, it was the majority of this Council who went out every single day for weeks and delivered water and meals to citizens and at the same time putting their own repairs on hold.

Mayor Garnes opened the discussion up for public comment.

**Cindy Treadwell** addressed the Council and said that she agrees with the personal responsibility of citizens to take care of their own earthquake damages. She said that her thoughts were that the City should not gain revenue off of building permits and did not understand the fees to the State and the fees for plan checks etc. She agreed with Councilmember Wilson to get some real numbers and make the waivers a percentage of the actual costs (not including Kevin Caldwell's time) because he is an employee and his salary is being paid anyway. Anything above that would be a reasonable charge for a permit. She said that the City should not profit from the permit fees during a disaster and pointed out that citizens pay property taxes which supports the General Fund.

**Gail McKnight** said that she lives in Rio Dell now but was one of the original board members for the Town of Scotia so she understands all the crazy fees a jurisdiction has

to pay. She stated her objection of requiring a building permit to replace a water heater and asked staff what the permit fee is for that.

City Clerk Dunham responded that the permit fee for replacing a water heater is approximately \$80.00.

**Gail McKnight** said that there are seniors in town that were in tears because the cost of replacing their water heater took the very last penny they had. She said that it is things like that, that really hit people hard. She said what she was hoping to hear tonight is that the City checked with the list of other cities that waived permit fees and found out where they got the funding to cover that cost.

Mayor Pro Tem Carter read the list of cities/counties that waived building permit fees after a disaster with their corresponding budget which were all far above the City of Rio Dell's budget. She noted that the North Valley Foundation compensated Butte County for the fees.

Mayor Garnes explained that the City did reach out to the Humboldt Area Foundation and is continuing to reach out to non-profit agencies for funding.

**Sharon Wolfe**, 3 Painter St. said that it is her understanding that individuals cannot go to the Humboldt Area Foundation to ask for assistance; it has to come from a community-based organization or a City. She noted that the City has requested funding from the Humboldt Area Foundation and funds were allocated to help the folks who have not gotten assistance they qualified for low to extremely low income through the Disaster Case Management Program. She pointed out that they do have dedicated funding set aside for low to very low-income citizens including CDBG and possibly some funding through the County. The funds may not be getting out the door yet because case managers are just getting set up. What might make citizens feel better is if the City would contact Humboldt Area Foundation and ask if some of the funds could be utilized for this purpose for perhaps moderate-income residents or below. She added that she looked through the City's financial audit report and recognized that the cannabis taxes are dwindling and the money in the General Fund is not there. She reiterated that when people come in and pay for those permit fees, that is likely coming from loan money and interest is begin paid on that money so anything the City can do to help would be greatly appreciated.

**Felicity Turcott**, 211 Belleview Ave., said that she bought her home here two and a half years ago and was yellow-tagged twice as a result of the earthquakes. She said that she does not have the luxury of having a rental property, has a single income and is struggling to pay her bills. She said that it is a slap in the face because she does not qualify for a loan because she makes \$40,000-\$50,000 a year. For the Mayor to say that she is on a fixed-income because of her age but has a rental house which is a luxury puts her in a privileged situation. She added that she does not have earthquake insurance because she cannot afford an additional \$160.00 month. She was given an estimate of \$26,000 to repair her house and cannot afford to take out a loan. For the

City to charge extra fees for building permits is wrong. She understands the state mandated fees but agrees with Councilmember Wilson's idea to run some numbers and look at ways to at least reduce the fees for red and yellow-tagged homes.

**Roberta Wohlend**, 260 First Ave. said that she came to the meeting with a completely different mindset but at this point we all know that we are not getting any help. As individuals, there is nothing anyone can do about it. People have worked hard to own their homes and these permits are not for putting in a spa or day room, but to fix the damages. She said that as a community, we need to figure out why there is no help from FEMA. Million-dollar homes that flooded in southern California received FEMA funding and their homes were made whole again. The recent earthquakes are over but this will happen again. It's the City's mission to get in front of the next earthquake and look at how FEMA is structured and try to see what it would take to change the regulations on a per capita basis rather than using the \$65 million threshold for every city before funding steps in.

**Chelsea Orr**, 84 Edwards Dr., asked for clarification on whether individuals could contact Humboldt Area Foundation or if it had to be the City. She said that she contacted the County because their house was on the yellow-tagged list but it sounds like loans were not yet disbursed for red-tagged homes and that yellow-tagged homes were not even being considered at this time. While they are waiting for that, she asked if there are any avenues they can explore to get money for repairs.

City Manager Knopp commented that the Disaster Case Management Program has had a rough start and is going to be the single source to call for assistance. He explained that this is not a city organization and is run by volunteers and paid staff with funds made available through the County and also the Humboldt Area Foundation. He said that the number to call is (707) 382-5890 and encouraged citizens to be patient as this gets set up and rolling. He noted that there is a limited pot of funding available so in discussions with the Humboldt Area Foundation, their intent is to prioritize the low to very low-income individuals. As such, there is not going to be a lot of money available for medium to upper income earners. He said that this is the really frustrating part for residents because there is no FEMA assistance for individual assistance. He said that the County itself has put up \$1 million and around \$400,000 was spent with the hotel voucher program; normally FEMA would be picking up the tab for that.

The difficult situation is that there are very limited funds and the City does not control how those funds are prioritized. Those are controlled by third-party organizations through the Disaster Case Management System, the Eel River Long Term Recovery Group and that is the best bet to receive assistance.

He encouraged citizens to contact their elected official, especially at the federal level because this is a nationwide problem, particularly in California and it is not fair or equitable to the community. What the community here is experiencing is a lot pain and grief and a lot of unnecessary trauma.

**Cindy Fisher**, 210 Belleview Ave. addressed Kevin Caldwell as being an employee of the City and said that all of the permits are not going to come in at the same time. As such, there is no reason to have to hire another person. She said that there are not that many red and yellow tagged homes and probably one-half of the permits have already been issued.

City Clerk Dunham noted that since the earthquake, approximately 120 earthquake related permits have been issued and Kevin estimated that number to double or even triple.

**Cindy Fisher** pointed out the inspector will not be dealing with new construction due to the unavailability of PG&E hookups.

City Clerk Dunham indicated that there are available hookups for single-family residential services.

Mayor Garnes noted that inspecting for earthquake damaged structures is not Kevin's only job noting that he does a lot of other things that have nothing to do with inspections.

**Cindy Fisher** commented that all of the financial assistance is for low-income people so the hardest hit people are the working people that were red or yellow tagged and have no help. She said that it feels like the City is on board doing the same.

**Michelle Bushnell**, Second District Supervisor addressed the Council as well as the community and said that there are a lot of things to understand but wanted to point out that the City is not making money off the permits and Planning Departments or Building Departments cannot profit from fees. The State has mandated fees that the City and the County have to pay.

She said that she met with Congressman Huffman as well and noted that the entire County could be leveled by a disaster and FEMA funds would not be available. City infrastructure costs ten times more here and could reach the \$64 million number very quickly especially when you're dealing with water and sewer infrastructure. She indicated that individuals can't apply to Humboldt Area Foundation on their own or any of those other non-profits. It has to come through a source such as the City or County.

City Manager Knopp noted that there is some assistance through Habitat for Humanity, or Hope Crisis, but essentially the money comes from the funding the County has made available primarily from philanthropic donations that have mostly come from outside of Humboldt County.

**Supervisor Bushnell** said that she was very supportive of her Board giving the \$1 million otherwise, Rio Dell would not have had any money to assist with the disaster. The Council is having a huge budget crisis but it was very important to the Board to help Rio Dell.

**Cindy Treadwell** asked where the revenue for permits goes, other than the fees that go to the State.

**Supervisor Bushnell** explained that the permit fees have to cover the cost of providing the service and someone has to process the permit and enter the payment into the system and do the inspection etc. A building department cannot profit from the permit fees. She offered to help explain further to anyone that wants to reach out to her. She said that she is happy to help in any way she can but commended the City Council and City staff for doing a fantastic job through this disaster.

Mayor Garnes called for a 5-minute recess at this time, 8:18 p.m.

The Council reconvened into open session at 8:25 p.m.

Motion was made by Carter/Woodall to approve staff's recommendation and not waive building permit fees for earthquake related permits. Motion carried 3-2; Councilmembers Orr and Wilson dissenting.

Discussion and Possible Direction Regarding Elm Street Water Line

City Manager Knopp provided a staff report and said at the last meeting on April 18, 2023, a member of the public requested repairs to the Elm St. water line. At the request of Mayor Garnes, this item was placed on this agenda for council's consideration and direction to staff.

City Manager Knopp said that this water line was scheduled to be part of the Water Capital Improvement Plan (CIP) with construction to begin in 2024 which is 100% grant funded. However, staff did review the water line condition and it is currently in the process of failing. It is unclear if it is earthquake related or not but staff did determine that it is failing and is in immediate need of emergency repair. Staff has been in contact with a local contractor to provide a quote so the work can get started. Under the Rio Dell Municipal Code, the City Manager can make that determination.

The work is anticipated to begin at the earliest availability of the contractor and it is unlikely the repair will be able to be included in the Water CIP but it is possible the repair could be covered under the California Disaster Assistance Act funding. Otherwise, the funding would come from the Water Fund Reserves and become 100% ratepayer funded. Once the water line repairs are completed the underground infrastructure issues will have been fixed which makes the paving of the street more viable. He said that while staff was not anticipating doing any street paving projects in the upcoming budget year because of the earthquake disaster, staff will be engaging in a solicitation for bids to have some earthquake related road infrastructure repairs done.

Mayor Garnes called for public comment on the matter. No public comment was received.

Consensus of the Council was that staff move forward with the repairs as described.



Discussion and Possible Direction Regarding Resolution No. 1578-2023 Related to Waiver of Sewer Fees for Unoccupied "Red-Tagged" Structures as a Result of the December 2022 and January 2023 Earthquakes

City Manager Knopp provided a staff report and said that back on March 21, 2023, the City Council approved Resolution No. 1578-2023 approving a 6-month sewer waiver for unoccupied red-tagged structures that were damaged as a result of the earthquakes. At the last meeting on April 18, 2023, a member of the public expressed his belief that payments already made subsequent to the earthquake should be entitled to a refund rather than a credit on the account. At the request of the Mayor, the matter was agenized for the Council to consider the request and provide further direction to staff.

City Manager Knopp said that if the Council so desires, staff can play a tape of that meeting where staff did at no time, state that a cash refund would be given. Fundamentally, the question is whether the Council wants staff to bring back a resolution that replaces Resolution No. 1578-2023, that allows for a cash refund as opposed to a credit on the account.

Mayor Garnes called for public comment on the matter.

**Sharon Wolfe**, 3 Painter St. said in watching the clip from the past 2 meetings, she could see where the confusion might be. The language built into the existing policy allows for waiver of the sewer fee which is a credit on the account. In the resolution, it talks vaguely about what is going to happen. Nobody said there would be a refund but when Steve Saunders asked about it and stated for clarification that he would be able to go to City Hall and get a refund so he could help pay the utilities at the place where he was staying, the Councilmembers nodded their heads and didn't correct him which is where the confusion came from. She left the meeting believing that he was going to get a refund. She said that it sounds like the amount of refund is only around \$50.00 a month which is a small amount of money compared to building permit fees, and encouraged the Council to find a way to refund those people who already paid the sewer fee.

No action was taken by the Council to direct staff to return with an amended resolution, leaving Resolution 1578-2023 in effect allowing sewer credits rather than cash refunds.

Donation to the Rio Dell Fire Protection District for Playground Equipment at Fireman's Park

City Manager Knopp provided a staff report and said at the last Council meeting on April 18, 2023, Zach Shafer representing the Rio Dell Fire Department requested financial support from the City for new playground equipment. Following the meeting, Mr. Shafer clarified his request which was to cover 50% of the cost of the equipment totaling \$2,508.87 and presented a written quote from Park Planet.

He noted that funds are not currently set aside in the budget for playground equipment however; the City Council's budget is under budget and because this is a public benefit to any user of the park, the Council can direct staff to fund the requested grant match from the City Council budget.

Zach Shafer addressed the Council and said that this funding would add a swing to the other equipment and if the swing is ordered separately at a later date, there would be an additional \$1,500 in shipping charges.

Jonathan Brodeur volunteered to help with the installation of the playground equipment.

Motion was made by Woodall/Carter approve a donation to the Rio Dell Fire Department in the amount of \$2,508.87 for the playground equipment as described. Motion carried 5-0.

Second Reading (by title only) and Adoption of Ordinance No. 398-2023 Amending Chapter 10.05 "Use of Streets for Storage of Vehicles Prohibited", Section 10.05.530 of the Rio Dell Municipal Code (RDMC)

City Manager Knopp stated that Community Development Director Caldwell who is the sponsor of this item is out ill and unable to present the item so staff is recommending the Council receive any public comment on the matter and continue the item to the next regular meeting on May 16, 2023. No public comment was received and the item was continued to the next regular meeting.

## **COUNCIL REPORTS/COMMUNICATIONS**

Mayor Pro Tem Carter reported that she attended a Redwood Region Economic Development Commission (RREDC) meeting on April 24, 2023. The agenda item stated that they would be hearing from the Executive Director of Humboldt County Growers Alliance on the state of the cannabis industry but what they actually heard was a summation of an article published in the Lost Coast Outpost on April 20, 2023. She said that they heard from the proponents of the County's Cannabis Reform Initiative which was interesting although not what was on the agenda.

She said that she also attended a Community Emergency Response Team (CERT) training all weekend and is very excited to have gained that knowledge. She said that having a CERT team here makes everyone more prepared for disasters and gives well-meaning citizens something they can do to help which is really important.

She thanked the Rio Dell Police Department for getting the grant that helped sponsor the training.

She announced the next meeting of the Rio Dell-Scotia Chamber of Commerce will be on Friday at noon for anyone interested in attending.

Councilmember Woodall announced that she would be attending a Humboldt Transit Authority (HTA) meeting tomorrow morning and said that the next Beautification, Walkability and Pride Committee would be on May 19<sup>th</sup> at 9:00 a.m.

Councilmember Orr reported that he attended a Humboldt County Association of Governments (HCAOG) meeting on Thursday and they had a presentation on the Great



Redwood Trail and the economic impact it can have on the community. He said that he hopes this makes some progress because it deals with a lot of unused old track on the opposite side of the Eel River and has potential to bring a lot of revenue into Rio Dell. He noted that there are several hurdles to go through with landowners but other than that, it was a good meeting.

He commented that he probably didn't make any friends here tonight but asked everyone to not mis-construe his comments about people lining their pockets with building permit fees as he was just trying to find out where all the money goes.

Councilmember Wilson reported that he attended a Redwood Coast Energy Authority (RCEA) meeting with RCEA turning 20 years old as an organization. He reported that he also had a Humboldt Waste Management Authority (HWMA) budget meeting and they are trying to work out some of the issues related to SB 1383 implementation. He commented that all garbage related fees will be going up, not only because of implementation of SB 1383 but also because other increased operational costs.

Mayor Garnes announced that she also attended the Community Emergency Response Team (CERT) training and it was training that will help our community respond to emergencies along with first responders and the police department.

She commented that tonight's meeting was a long, rough meeting and that she may have come across as offensive to some people and apologized for that. She said that the Council is just trying to do what's best for the entire community.

## **ADJOURNMENT**

Motion was made by Carter/Woodall to adjourn the meeting at 8:55 p.m. to the May 16, 2023. Motion carried 5-0.

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Debra Garnes, Mayor

Attest:

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Karen Dunham, City Clerk