

**RIO DELL CITY COUNCIL
REGULAR MEETING MINUTES
JUNE 4, 2024**

The regular meeting of the Rio Dell City Council was called to order at 6:00 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, Interim Police Chief Conner, Water/Roadways Superintendent Jensen, Wastewater Superintendent Kelly, Senior Fiscal Assistant Maciel, and City Clerk Dunham

Absent: Community Development Director Caldwell

PUBLIC PRESENTATIONS

Mayor Garnes invited public comment on non-agenda matters. No members of the public commented.

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 Woodall/Carter to approve the consent calendar including the following items:

- 1) Approve Minutes of the May 21, 2024 Regular Meeting;
- 2) Approve Minutes of the May 23, 2024 Special Meeting;
- 3) Adopt Resolution No. 1604-2024 Approving List of Projects for FY 2024-2025 Funded by SB1 – The Road Repair and Accountability Act of 2017;
- 4) Adopt Resolution No. 1605-2024 Calling for a General Municipal Election to fill two (2) City Council seats, requesting and consenting to consolidation with the General Election to be held on November 5, 2024, requesting the services of the Humboldt County Registrar of Voters, providing for Notice of Election, and adopting uniform policies pertaining to candidate statements and fees;
- 5) Adopt Resolution No. 1606-2024 Approving Billable Rates for staff time for FY 2024-2025;
- 6) Adopt Resolution No. 1607-2024 Adopting the Gann Appropriations Limit for FY 2024-2025;
- 7) Approve Purchase of Services for Annual Audit for FY 2023-2024 and Authorize the City Manager or designee to sign Letter of Engagement; and

- 8) Authorize staff to execute a Three-Year Memorandum of Understanding with City of Fortuna for Police Dispatch Services in an amount of \$100,000 +/- Per Year

Motion carried 5-0.

REPORTS/STAFF COMMUNICATIONS

City Manager/Staff Update

City Manager Knopp provided highlights of the staff update and said that staff met with the Humboldt Rotary Club regarding the concept to enable recreational non-motorized boating on the Eel River between Rio Dell and Fortuna. He also said that he attended a soft ribbon cutting for the Eel River Trail with Mayor Garnes, Mayor Pro Tem Carter and Councilmember Wilson on May 24th.

He also reported that over the past week there has been a tremendous amount of work done by PG&E outside of the substation to add new transmission capacity in Rio Dell. The majority of the work is being done along Second Avenue, Pacific Avenue, and Eeloa Avenue and will be a combination of new overhead and underground lines.

Mayor Garnes asked if PG&E would be doing paving on Second Avenue.

City Manager Knopp indicated that trenching would be done and patching of the road would be done on those specific areas.

SPECIAL PRESENTATIONS/STUDY SESSIONS

Presentation – Prioritizing Essential Services in an Era of Natural Disasters

City Manager Knopp introduced Sean Quincey, Deputy CAO and Tom Mattson, Public Works Director from the County of Humboldt who were present to provide a presentation on *Community Priorities in an Era of Natural Disasters*.

Sean Quincey began by stating that there has been an uptick in natural disasters and over the past three decades, Sacramento has taken over \$500 million in revenue from the County of Humboldt's General Fund budget. He said that with the State's current budget deficit, more takeaways are on the way. He said that as they explore their budget, it has become clear that the County needs additional, guaranteed sources of local funding for the County that cannot be taken by the State. When disasters occur, the County does not have the resources to respond these emergencies.

According to the Civil Grand Jury Report, natural disasters have become a fact of everyday life, and Humboldt County needs to be better prepared.

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Tom Mattson said that the first storm after he started working for the County was declared in 1998 and commented that there is a direct correlation in storm damage if a storm occurs in December that it will also occur in March.

He said that the 2017 storm resulted in \$41 million in damages to the County's roads. In 2019 they were hit with another \$15 million in damages. From 2022-2024 they had three storm damages followed by the earthquake damages. He said that earthquakes are clearly getting stronger and occurring more frequently.

Sean expressed the need to harden, repair and upgrade roads and public infrastructure to ensure residents can stay safe and evacuate quickly in the event of a natural disaster.

Tom pointed out that when a disaster occurs, the County has to use its maintenance budget for emergency repairs and wait for reimbursement from the State or Federal government which typically takes 6-10 years. The County currently has \$10 million of road maintenance funds waiting on reimbursement going back 7 + years. He mentioned the 2017 storm damage repairs needed on Monument Road that have not been funded.

He noted that Humboldt County has some of the worst pavement conditions in the State with the PCI dropping significantly over the past few years. The state average PCI is 66 with the County's reported at 49 in 2022.

Humboldt County has \$500 million in road pavement needs over the next 10 years to get the PCI to 70. At current levels of funding, most County roads will be rated as "failed" by 2033.

Sean reviewed community priorities based on a recent independent community survey and encouraged everyone to go to the County website and complete the survey. He also asked if there were any other groups or organizations within the community that they could reach out to and provide a presentation.

Mayor Garnes thanked them for the presentation and called for public comment.

Sharon Wolfe addressed the City Council and said that the County's budget constraints definitely cannot be see anything coming from the State noting that the State is attempting to put some massive bond measures on the November ballot which amounts to tens of billions of dollars for roads, climate change, schools and housing. She said if a bond measure is presented it needs to be stressed that it is a "local" bond measure and not a State measure so citizens will see results. In addition, to push hard on the natural disaster aspect and the community would likely respond to that. She also stressed the need to push people to get out and vote as people seem to be cynical about the political process these days.

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Sean pointed out that the benefit of a local bond measure is that the State cannot take it away and with a local bond measure, there is accountability.

Presentation – Recology Eel River – Annual Rate Adjustment to Solid Waste Franchise Agreement

This item was moved to the June 18, 2024 regular meeting.

Presentation – Adoption of the FY 2024-2025 Operating and Capital Budget

City Manager Knopp thanked Finance Director Sanborn and the entire Finance staff for putting together the budget and said that the City has robust reserves due to the work of the City Council. He said that while concerns regarding escalating costs in the Police Department continue, the City is in the best position possible to manage those costs.

Finance Director Sanborn provided a presentation on the FY 2024-2025 Operating and Capital Budget.

He said that as we approach the close of the current fiscal year, he is excited to present the recommended budget that reflects the city's priorities and plans.

The City's budget development process follows a well-defined timeline, commencing in early March with the distribution of comprehensive budget worksheets to department heads. Departmental budget requests are then submitted and reviewed by the Finance Department in April. This information forms the basis for the initial draft budget, presented to the City Manager for approval. During a dedicated Council study session in May, each budgetary fund, anticipated staffing levels, and capital projects are meticulously reviewed for the upcoming fiscal year. The culmination of this process occurs in June, with the staff presentation of the Recommended Budget for Adoption for the following fiscal year, beginning July 1.

In a May 21st City Council meeting, the Council established five key priorities for Fiscal Year 2024-2025. These priorities focus on:

- **Public Safety Staffing:** Ensuring adequate staffing levels to maintain public safety throughout the city.
- **Public Works Infrastructure Projects:** Implementing critical infrastructure projects to improve the city's public works systems.
- **Economic Development Plan Execution:** Effectively carrying out the established Economic Development Plan to foster economic growth.
- **Street Planning Implementation:** Enacting a comprehensive street planning strategy.
- **Community Engagement in Parks Development:** Actively engaging the local community, particularly young people, in the development of parks and recreational facilities.

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On May 21st, the City Council received a detailed presentation on the recommended budget for the upcoming fiscal year. This presentation included a comprehensive overview of the budget itself, the city's organizational chart, a summary of capital and special projects, and the associated budget calendar. The proposed budget of \$19.5 million is categorized into operating expenditures, debt service, and capital & special projects. Projected revenues for the fiscal year are \$18.2 million, with approximately \$1.2 million coming from unassigned fund balances. These meticulously calculated figures clearly explain the City's financial standing for the coming year.

The recommended budget for Fiscal Year 2024-25 reflects a significant increase of \$10.7 million, or 122%, compared to the previous year. A key driver of this growth is the City's successful acquisition of a \$12.8 million Drinking Water State Revolving Fund grant secured through the Regional Water Quality Control Board. Over \$11 million of this grant is designated for construction of the Water Distribution System Project, which is anticipated for completion within the upcoming fiscal year and is detailed in the Capital and Special Projects Summary. Excluding special and capital projects, the largest budgeted allocation remains the police department, with a budget exceeding \$1.6 million.

Revenue projections for Fiscal Year 2024-25 are estimated at \$18.2 million, representing a significant increase of 139% compared to the previous fiscal year. This substantial growth mirrors the increase in expenditures and is primarily attributed to anticipated reimbursements associated with the Water Distribution System Project. However, the City anticipates a decrease in Measure J sales tax revenue due to the scheduled quarter-percent reduction taking effect in January 2025. Conversely, cannabis revenue is projected to increase by nearly 60%. This positive forecast is driven by the stability of operations among Dinsmore Plateau cultivators and the expansion of cannabis businesses within the Rio Dell Business Park on Northwestern Avenue.

The City's General Fund primarily relies on a combination of property taxes, property tax in lieu of vehicle license fees, sales taxes, and cannabis taxes. For the upcoming fiscal year, General Fund revenue projections are \$1.7 million, reflecting a 6% increase, or \$100,000 more, compared to the previous year. This anticipated growth in General Fund revenue is largely attributable to the projected rise in cannabis tax collections, despite the expected decline in Measure J sales tax revenue as previously discussed.

The General Fund serves as the City's primary operating fund, providing financial resources for essential services and core operations. Revenues within the General Fund are unrestricted and can be allocated towards various areas, including police services, general government operations and management, and specific capital projects. For the upcoming fiscal year, the General Fund is budgeted at \$1.99 million. Police services represent the largest funding allocation, accounting for \$1.4 million or

73% of the total General Fund budget. Capital projects and City Administration are allocated 3% and 10% of the budget, respectively.

The FY 2024-25 Capital Projects Budget allocates \$14.17 million for various capital and special projects throughout the City. Funding for these projects will be drawn from designated sources, including the General Fund, Park Per Capita Fund (earmarked for the Dog Park project), Parks Capital Fund (supporting the Eel River Trail and Gateway Beautification initiatives), SB1 Fund (dedicated to street and road work), ARPA Fund (utilizing federal Covid relief funds), and Sewer and Water capital project allocations. This year's capital projects budget represents a significant increase of 290% compared to the previous fiscal year. The Water Distribution System Project is a primary driver of this growth, accounting for over \$11 million of the allocated funds.

The City of Rio Dell Organizational Chart visually represents the city government's structure and how its various components interact.

- **Citizens:** Forming the foundation of the chart, citizens elect the City Council members who represent their interests.
- **City Council:** Comprised of elected representatives, the City Council establishes policy for the city.
- **Planning Commission:** This appointed body serves in an advisory role, offering recommendations to the City Council on matters related to development and land use.
- **City Staff:** City staff encompasses the employees responsible for the day-to-day operations of the city government, ensuring the smooth functioning of various departments.
- **Contractors:** External companies or individuals hired by the city to perform specific tasks or provide specialized services, such as engineering or legal counsel, fall under the category of contractors.

The City of Rio Dell has budgeted a total of 23.95 FTEs for Fiscal Year (FY) 2024-25. This represents a decrease of 1.7 FTEs compared to the previous fiscal year. This staffing adjustment reflects specific position changes, including the elimination of the Management Analyst position and one utility worker position. Additionally, the community development director position has been transitioned to full-time.

Finance Director Sanborn thanked the City Council for participating in the budget process and their continued commitment to fiscal responsibility. He said that he also would also like to acknowledge and thank the City of Rio Dell staff for their support in building the budget for Fiscal Year 2024-2025.

He concluded the presentation and offered to answer any questions.

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Councilmember Wilson referred to the next agenda item related to incentives in the Police Department and asked if those costs were included in the budget.

City Manager Knopp said that those costs were not included in the budget however, there are a number of vacant positions in the department and those positions are typically budgeted at Step C of the Salary Table with full-family benefits representing salary savings to fund these costs since those situations rarely occur.

Motion was made by Woodall/Carter to adopt Resolution No. 1608-2024 adopting the Operating and Capital Budget for Fiscal Year 2024-2025. Motion carried 5-0.

SPECIAL CALL ITEMS/COMMUNITY AFFAIRS/PUBLIC HEARINGS

Adoption of a Recruitment and Retention Program Related to the Police Department

City Manager Knopp provided a staff report and said that as the Council is aware, Chief Allen resigned his position with the City. In the meantime, the City Council confirmed the appointment of Jeff Conner as Interim Chief of Police.

Staff is in the process of trying to build up the staffing level at the Police Department and said that hiring and bonus programs have become part of the current market conditions for Police Departments.

He said that as Finance Director Sanborn mentioned, the Police Department currently consumes 73% of the City's General Fund budget whereas, the average is typically 50-55%.

City projections show that the cost of sponsoring a cadet through the police academy and to the completion of field training is approximately \$60,000. In addition to recruiting for police officers, the City has also been in recruitment for the Chief of Police and it is recommended to add a hiring incentive for that position as well as for an entry level officer, lateral officer, existing sworn officers and the Community Services Officer.

The recommendation was to implement a recruitment program for the Police Department, including one \$50,000 hiring incentive for the Chief of Police, one \$50,000 incentive for a lateral Police Officer, both paid over 2.5 years, a retention bonus for existing 40-hour per week sworn law enforcement of \$7,500 annually for up to 3 years, and one retention bonus for the Community Service Officer of \$6,000 annually for 3 years.

He said that like many other public safety departments throughout the state and nation, Rio Dell Police Department is nearing a staffing crisis. He said that the advertisement for a Police Chief was floated low key which was not successful and suggested the recruitment be expanded to a broader search with the incentive program included.

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Staff's recommendation was to authorize the City Manager to implement the recruitment and retention program as recommended.

Councilmember Woodall asked if there was a way to see the budget impact on paper.

City Manager Knopp said that Finance Director Sanborn could produce a spreadsheet with that information.

Councilmember Woodall asked where the Chief position was advertised.

City Manager Knopp said that the ad was placed in the North Coast Journal and phone calls and direct mailers were sent to each of the law enforcement agencies.

Councilmember Woodall suggested the position be flown outside the local area and possibly placed in Western Cities Magazine. She also questioned the possibility of hiring a professional recruitment agency to assist in filling the position.

City Manager Knopp said that there are a lot of online publications that could be used and said that although it would be cheaper to recruit inhouse, a recruitment agency could be utilized, especially for the next Interim Police Chief position.

Councilmember Woodall suggested trying to recruit for a Police Chief without the incentive bonus first.

City Manager Knopp commented that hiring incentives is the market norm and the incentives as proposed would be cost neutral.

Councilmember Wilson asked if the lateral officer position would be filled from the current staffing or hired from another agency.

City Manager Knopp said that it would be a trained officer from another agency.

Councilmember Wilson asked if the Police Academy had the City's police officer advertisement.

City Manager Knopp said that staff was working on that.

Interim Chief Conner commented that the current enrollment at the police academy is extremely low and those in the academy are typically already hired by another agency. He said that the City is currently sponsoring one applicant in the academy and there is a second applicant that hasn't actually been hired because the background hasn't been completed that will also be starting the academy and hopefully not picked up by another department.

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Councilmember Wilson said that he agreed with Councilmember Woodall to go with a recruitment agency for the Chief position and thought it would help to having that expertise. He commented that retention of police officers will continue to be a problem and pointed out that police recruitment and retention was a top priority of the City Council. Relying on the Sheriff's Department for public safety would not be a good idea and having businesses being comfortable and feeling safe is important.

Mayor Pro Tem Carter said that as far as offering incentives, the City doesn't really have a choice whether a professional recruiter is used or not.

Councilmember Orr mentioned that a professional recruiter would likely recruit for larger cities that pay more but incentives will help with the recruitment.

Mayor Garnes agreed with the recruitment incentive and retention bonus. She said if the City has the ability to do it, then it is the smart thing to do.

Mayor Garnes called for public comment.

Sharon Wolfe said that poaching officers from other agencies is where we're at and said that there are not a lot of people going into law enforcement today. She asked what would happen if an officer received the incentive bonus then leaves in a year.

City Manager Knopp explained that the Police Chief or lateral officer would be paid \$10,000 on their first pay period and the remainder would be paid out biweekly for 2.5 years.

Sharon Wolfe mentioned that the County of Humboldt has a program for social workers that will pay for some college expenses but the employee has to agree to remain employed with the County for a determined amount of time or they have to pay that money back.

She suggested sending the advertisement out to outlying areas and to point out the positive things about the community such as the mild climate, lower housing costs and perhaps send a link to local realtors.

Supervisor Bushnell said from the County's perspective, hiring a professional recruiter hasn't helped much in filling positions. She suggested hiring someone to create a robust ad and if the city is to be successful in the recruitment, they will have to offer an incentive bonus. She said that social media is another great tool for advertising.

Motion was made by Wilson/Carter to authorize the City Manager to implement a recruitment program for the Police Department as recommended. Motion carried 5-0.

COUNCIL REPORTS/COMMUNICATIONS

Mayor Pro Tem Carter reported on her attendance at recent meetings and events including the Cal Fire Ad Hoc Committee meeting, the soft ribbon-cutting ceremony at the Eel River Trail, the Parks Master Plan Ad Hoc Committee meeting, and the Humboldt Trails Summit at Sequoia Park. Upcoming meetings and events included a Chamber of Commerce meeting on Friday, and the Bike Rodeo at the school on June 15th. She also reported that she and Finance Director Sanborn would be walking to downtown businesses to promote the next round of the Façade Improvement Program. She would also be attending the Fire District meeting on June 13th and the Rio Dell School Board meeting.

Councilmember Orr asked why the Rio Dell Police Department does not participate in Career Days at the High School and said that branches of the military are there and they do very well.

Councilmember Wilson reported that he would attending an HWMA meeting this week and said that with regard to the Police Department recruitment and retention it is a daunting task, if even possible to pull it off, and appreciated staff's efforts.

Mayor Garnes said that she also attended the Humboldt Trails Summit and that she would really like Rio Dell to be a part of the Great Redwood Trail. She encouraged everyone to go to thegreatredwoodtrailplan.org and make comments before July 3, 2024.

She announced that she would not be at the next regular meeting on June 18th.

ADJOURNMENT

A motion was made by Carter/Wilson to adjourn the meeting at 7:22 p.m. to the June 18, 2024, regular meeting. The motion carried 5-0.

Debra Garnes, Mayor

Attest:

Karen Dunham, City Clerk