

**RIO DELL CITY COUNCIL
REGULAR MEETING MINUTES
MARCH 19, 2024**

The regular meeting of the Rio Dell City Council was called to order at 6:04 p.m. by Mayor Garnes.

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

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

Absent: Wastewater Superintendent Kelly (excused)

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

- 1) Minutes of the March 5, 2024 regular meeting;
- 2) Receive and file FY 2024-25 Operating and Capital Budget Calendar;
- 3) Adopt Resolution No. 1599-2024 amending the City Master Salary Schedule;
- 4) Receive and file Check Register for February 2024.

Motion carried 5-0.

REPORTS/STAFF COMMUNICATIONS

City Manager Knopp provided highlights of the staff update and said that the bids for the approximate \$11 million Water Capital Improvement Project would be due in a couple of weeks. He said that staff was recently informed that due to the State's financing process, there may be extended delays between the actual construction work and billing from the contractor and reimbursement from the State. Since this could lead to cash flow issues for

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the City, staff will be looking into bridge financing options and returning to the Council at a future date for possible action.

He reported that staff met with County staff today to discuss a countywide sales tax for roads, and that staff is looking at utilization of technology to create efficiency with the Rental Housing Inspection Program.

He then reported that the City's Measure Z application for the Police Department is still alive and is being reviewed by the Measure Z Committee. He announced that there would be a Nuisance Advisory Committee meeting on Wednesday at 3:00 p.m. followed by a Traffic Committee meeting on Thursday at 3:00 p.m.

Chief Allen commented that he presented the City's case for Measure Z funding for the clerical position in the police department to the committee last week and expected to have any answer on Thursday.

SPECIAL CALL ITEMS/COMMUNITY AFFAIRS/PUBLIC HEARINGS

Taxpayer Deception Act AKA: Taxpayer Protection and Accountability Act

City Manager Knopp provided a staff report and said that he recently attended the League of California Cities City Manager's Annual Conference. The central focus was on the upcoming ballot measure proposal called "The Taxpayer Protection and Accountability Act" also referred to by the League of California Cities as "The Taxpayer Deception Act."

He said as the Council is aware, every couple of decades, statewide ballot measures are proposed that put constraints on local government's ability to raise revenue. He commented that one of the core central tenants of the League is to preserve local control.

He said that this Act would amend the California Constitution with provisions that limit voters' authority and input, adopt new and stricter rules for raising taxes and fees, and many make it more difficult to impose fines and penalties for violation of state and local laws.

City Manager Knopp explained that the measure would have significant negative impacts on Rio Dell and would retroactively eliminate the local voter's approval of Measure O since the measure does not have a sunset date. This would eliminate approximately one-fifth of General Fund revenues and impact city services dramatically.

He noted that the Act will take billions of dollars away from local government services statewide including approximately \$300,000 annually from Rio Dell for Police services and street maintenance.

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He said that the legislation is very unclear in terms of how this is administered and we can expect to see a series of court decisions and a lot of additional funds spent on attorneys to adjudicate this ballot measure.

He said that this is the highest priority for the League of California Cities and staff wanted to bring it to the City Council for input. He added that staff did not attach a letter of opposition or a Resolution opposing the proposed measure to the agenda item but wanted to receive direction from the City Council.

Mayor Garnes said that this is one of the most important issues facing the City and that she has talking points provided by the League of California Cities, for elected bodies as well as talking points for constituents to make them aware of what this measure would do if passed.

She commented that the title of the measure tends voters to agree with it before reading what it is really about which is why it is vitally important to get the word out to the community how this will negatively impact the City.

City Manager Knopp explained that if the measure passes, and subsequently the City stops generating sales tax effective January 2025, the City would have to wait until November 2026 to resubmit it to the voters, so realistically the financial impact to the City would be \$600,000.

Councilmember Wilson said that he was not clear on how the State is doing this and asked who exactly is taking over the local voter's rights to decide on tax measures.

City Manager Knopp explained that this item is a voter initiative and has been created by the California Business Roundtable which is essentially a group of California based corporations that are interested in pushing this forward. Similar to Measure A, they were able to raise enough signatures to get something on the ballot that creates a law and amends the constitution in a way that the legislature cannot amend without going back to the voters. Again, it would likely spend decades in courts with the big winners being attorneys. He said that it would establish a higher threshold for establishing fees, fines and penalties.

Councilmember Wilson asked for clarification if this is increasing the level of bureaucracy with regard to establishing fees and charges.

City Manager Knopp said that it would, although there are already a lot of protections in terms of setting fees. The City Council safeguards those fees and makes sure they are reasonable. In terms of challenging fees, the Council would lose a lot of discretion in that regard.

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Mayor Garnes said that to pass a ballot measure now, it requires 50% plus 1 and if this measure passes it will increase the threshold to a super majority vote.

City Manager Knopp indicated that the legislature is proposing a separate voter initiative that would not allow a ballot proposition to pass by only 50% plus 1, setting a higher threshold for future votes to a super majority.

The City Council opposed the Taxpayer Protection and Accountability Act unanimously.

City Manager Knopp said that staff would come back to the council with a letter of opposition at a future meeting.

ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

Second Reading (by title only) and Adoption of Ordinance No. 404-2024 amending the Rio Dell Municipal Code (RDMC) Establishing a Cannabis Cultivation Tax Guarantee

Community Development Director Caldwell provided a staff report recommending adoption of Ordinance No. 404-2024 amending the Rio Dell Municipal Code (RDMC) establishing a cannabis cultivation tax guarantee.

He said that the ordinance was introduced at the February 20, 2024 regular meeting and is back before the Council for its final reading and adoption. The purpose of the Ordinance is to ensure that the City gets paid its cannabis taxes.

He noted that there were a couple of farmers on the Dinsmore Plateau that had difficulty paying taxes and ultimately, they were paid but there was concern about the possibility that a farmer can “grow and go” without paying cultivation taxes. This ordinance allows the City to establish a tool to ensure the City gets paid by the farmers, particularly those on the Dinsmore Plateau, noting that the cultivators at the Humboldt-Rio Dell Business Park always pay their taxes on time.

He explained that the Ordinance, if approved would allow the City, at its sole discretion, to require either a surety bond, a deposit in escrow, or a letter of credit from a bank or other responsible financial institution guaranteeing that taxes will be paid at the end of the year.

He noted that the City Attorney had some minor changes to the ordinance, insignificant in nature which were incorporated into the ordinance with the ordinance as presented in its final format to be adopted tonight.

Mayor Garnes opened the public hearing to receive public comment on the proposed ordinance. There being no public comment, the public hearing closed.

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A motion was made by Carter/Woodall to adopt Ordinance No. 404-2024 amending the Rio Dell Municipal Code (RDMC) establishing a Cannabis Cultivation Tax Guarantee. Motion carried 5-0.

COUNCIL REPORTS/COMMUNICATIONS

Mayor Pro Tem Carter urged everyone to watch for the April Chamber Newsletter and said that she wrote an article related to farrow cats. She announced that she attended the Cal Cities Redwood Division meeting in Willits; attended the Rio Dell School Board meeting last Thursday; attended the Community Resource Center Volunteer Fair on March 13th; and announced that there would be a Nuisance Advisory Meeting tomorrow at 3:00 p.m., a Beautification, Walkability and Pride Committee meeting on Friday at 4:00 p.m., and she would be attending a RREDC meeting on Monday.

She asked that a Parks Master Plan be put on a subsequent agenda for discussion. Council concurred.

Councilmember Woodall said that she also attended the Emergency Preparedness Academy put on by Blue Lake Casino which was nice and said even though you know what you're supposed to do during an emergency, sometimes you need to be reminded.

She announced that the Rio Dell Fire Department is sponsoring a Food Truck Eatery on the last Friday in May from 5:30-8:30 p.m. at the Fireman's Park. She said that the Fire Department will also be sponsoring an Easter Egg Hunt on Saturday, March 30th at 10:00 a.m.

She announced that she would not be attending the April 2, 2024 regular meeting as she would be out of town.

Councilmember Orr said that he would be attending an HCAOG meeting on Thursday.

Councilmember Wilson announced that he had an RCEA meeting next Thursday and said that Matthew Marshall, the Executive Director submitted his resignation effective the last day of March which will be a big loss to the organization.

Mayor Garnes announced that the League of Women Voters sent an invitation to the Council to attend the 31st Annual State of the Community Luncheon on Friday, April 19, 2024 beginning at 11:30 a.m. at the Adorni Center. She said that if anyone is interested in attending, to let the City Clerk know.

She announced that she would be attending the League of California Cities Policy Committee meeting Thursday and Friday in Burbank, CA.

ADJOURNMENT

A motion was made by Carter/Woodall to adjourn the meeting at 6:40 p.m. to the April 2, 2024, regular meeting. The motion carried 5-0.

Debra Garnes, Mayor

Attest:

Karen Dunham, City Clerk