

**RIO DELL CITY COUNCIL  
REGULAR MEETING MINUTES  
JUNE 6, 2023**

The regular meeting of the Rio Dell City Council was called to order at 6:30 p.m. by Mayor Pro Tem Carter.

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

Absent: Mayor Garnes (excused)

Others Present: City Manager Knopp, Finance Director Sanborn, Water/Roadways Superintendent Jensen, Wastewater Superintendent Taylor, Senior Fiscal Assistant Maciel, City Clerk Dunham, and Community Development Director Caldwell (attended remotely)

### **PUBLIC PRESENTATIONS**

Mayor Pro Tem Carter invited public comment on non-agenda matters. No public comment was received.

### **CONSENT CALENDAR**

Mayor Pro Tem Carter 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 Woodall/Orr to approve the consent calendar including the following items:

- 1) Minutes of the May 16, 2023 regular meeting;
- 2) Approve Resolution No. 1582-2023 Adopting a List of Projects for FY 2023-24 Funded by SB-1 – The Road Repair and Accountability Act of 2017;
- 3) Receive & File Request the Local Roadway Safety Plan (LRSP) Draft Report;
- 4) Approve Resolution No. 1580-2023 Approving amendments to the City's CDBG Housing Rehabilitation Guidelines to include the use of CalHOME Funds and to expand the program to include rental properties.

Motion carried 4-0.

### **REPORTS/STAFF COMMUNICATIONS**

#### City Manager/Staff Update

City Manager Knopp provided highlights of the staff update and said that the City has been fielding a number of questions from the State of California related to the Painter St.

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Wastewater Line Upsizing project. He noted that this is good news because they will be diving into some of the City's prior audits and financial data which means they are taking a very close look at this particular project. They typically don't do that unless there is some positive news coming our way.

He reported that staff met with representatives of PG&E to discuss progress toward the additional electrical capacity by the end of 2024. According to PG&E everything appears to be on target so possibly by the middle of 2024, there will be additional capacity on the grid so there should be limited to no impact to development in the City related to electricity.

He also noted that staff also discussed with Redwood Coast Energy (RCEA), the potential for a new DC Fast Charging grant with potential locations in both public city-controlled areas such as City Hall and Memorial Park as well as some private locations.

Mayor Pro Tem Carter called for questions from the Council on the Staff Update.

Councilmember Wilson asked if PG&E would be providing the City with a letter of commitment to say that the additional power will be available by the end of 2024.

City Manager Knopp noted that the City would not be the recipient of such letter but rather the individual applicants and/or developers. He said that PG&E would likely not be willing to put the commitment in writing however; staff has seen PG&E workers at the transfer station here so some work has been performed.

Councilmember Wilson commented that just because PG&E is working on the sub-station, doesn't necessarily mean they are working on the capacity issues. He said that he would feel more comfortable if the City had something in writing from PG&E saying that "yes" they will be able to provide electricity to customers. He pointed out that residents on the Dinsmore Plateau received "will-serve" letters from PG&E previously yet didn't get the power they needed.

City Manager Knopp agreed to forward the request to PG&E for a letter of commitment and report back to the Council regarding their response.

Councilmember Woodall commented that based on the Staff Update, everyone has been really busy and expressed her thanks and appreciation for everything staff has been doing.

Mayor Pro Tem Carter echoed that sentiment.

**SPECIAL PRESENTATIONS/STUDY SESSIONS**

Presentation on FY 2023-24 Recommended Budget

City Manager Knopp began by thanking Finance Director Sanborn for all of his work in putting together the budget.

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Finance Director Sanborn provided a power point presentation on the FY 2023-24 recommended budget. On May 16, 2023, the Council received a presentation of the recommended budget, organizational chart, summary of capital and special projects, and the budget calendar.

The proposed budget totaled \$8.77 million split between operating expenditures, debt service, and capital and special projects. Revenues for the upcoming fiscal year were projected at \$7.58 million with approximately \$1.2 million coming from the use of unassigned fund balances.

He explained that the budget process begins in early March when budget worksheets are compiled and distributed to department heads. In April, department heads return the budget requests to be compiled by Finance and the initial draft of the recommended is prepared by the Finance Department for the City Manager's approval. In May, a special study session was held with the City Council and each fund was discussed and reviewed for the upcoming fiscal year in addition to budgeting, city staffing and anticipated capital costs. In the month of June, staff offers the recommended budget for adoption for the upcoming fiscal year.

At the May 16 City Council meeting, the Council identified five central priorities for the fiscal year 2023-24 which included the following:

- Recruitment/Retention
- Public Works Infrastructure
- Community Development
- Economic Development Plan
- Public Safety – Staffing

During the special study session, the City Council and staff identified the following changes to the draft budget:

- \$22,000 split between the Sewer (050) and Water (060) Operations Funds to procure a summer GIS intern.
- Adjusted part-time Public Works Utility Worker position from 0.5 FTE non-benefited position to 1.0 FTE benefited position expensed to the Water Operations Fund (060).
- Pro-Rated benefits were added to the Police Department Records Technician position.
- \$32,000 has been added to the Sewer Operations Fund (050) to complete the NPDES Permit Renewal.
- Adjusted Insurance projections based on SCORE forecasts.

The recommended budget for FY 2023-24 was \$8.77 million; a 2% decrease from the prior year mainly due to the reduction in capital and special project expenses.

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The two largest budgeted activities in the projected budget were grant capital projects approaching nearly \$2.6 million and the Police Department budget covered almost exclusively by the General Fund at \$1.37 million.

City revenues were estimated at \$7.58 million compared to \$8.04 million last year, representing a 6% decrease.

Two of the largest revenue sources, the Bradley Burns Retail Sales Tax and the local Measure J Sales Tax were projected to decrease due to local, state and national economic uncertainties.

Finance Director Sanborn commented that the water and sewer funds were established in the most recent Water/Wastewater Rate Study completed in 2022 for revenue rate projections.

He said that the General Fund is the City's primary operating fund with revenues available for general purposes and are used to fund the City's operations including police services, general operations, management of City services, as well as special and capital projects. Appropriations to the General Fund were budgeted at \$1.95 million in the upcoming fiscal year. Police services were budgeted at \$1.2 million or 62% of the total General Fund costs while capital projects and City administration costs were anticipated to account for 10.1 and 13.9% respectively.

The General Fund is predominately supported by property taxes, vehicle-in-lieu fees, sales taxes and cannabis taxes. General Fund revenues were projected at \$1.63 million for the upcoming fiscal year; representing a decrease of approximately \$130,000 or 7% from the previous fiscal year. This is primarily due to lower sales in cannabis tax projections for the upcoming year.

The Capital Projects budget included \$3.6 million in capital and special projects budgeted from the General Fund, the Per Capita Park Bond, the Parks Capital Fund, the ARPA Fund, and water and sewer capital costs. Budgeted capital projects were 16% less from the prior year.

In reviewing the City Organizational Chart, there were 25.65 budgeted full-time employees for FY 2023-24 which is an increase of less than one full-time employee from the prior year.

Finance Director Sanborn ended the presentation by thanking the City Council for their participation in the budget process and continued commitment to the fiscal responsibility of the City. He also acknowledged and thanked City staff and their support in building the budget for this fiscal year.

Mayor Pro Tem Carter called for questions from the Council on the recommended budget.

Councilmember Woodall asked if the plan was to repair or replace the bio-solids tent roof.

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Wastewater Superintendent Taylor noted that the tears that they are seeing could possibly be repaired, at a substantial savings over replacement but it will depend on the cost savings between the two options and recommendation of the manufacturer.

Councilmember Wilson referred to the Sewer Department expenditures and noted that it appears that those expenditures have increased over the past three years by around \$100,000/yr.

Finance Director Sanborn said that his assumptions on that trend were correct and the increases were primarily due to increased salary and benefit costs as well as chemical cost increases.

Councilmember Wilson asked if that is something staff is anticipating to continue in moving forward and if the City was scheduled to do another salary study anytime soon.

City Manager Knopp recalled the last salary study being done in 2021 followed by benefit enhancements in preparation for inflation.

He noted that there was also a 5-year rate study done for water and wastewater and while customers will see a slight decline in water rates over the next few years, there will be an increase in the wastewater rates. He commented that the next rate study is about 4 years out.

Councilmember Wilson expressed concern about continued increased costs, particularly in wastewater and said that that salaries and benefits will continue to increase resulting in a reduction in the reserve fund balance. He said that this puts up a red flag noting that the City seems to be heading in a position where they should not be headed.

City Manager Knopp explained that with regard to water and wastewater, there is a 5% adjustment built into the rate study per year to provide for increases in salary and benefit costs. He noted that benefit costs will continue to escalate, mostly with regard to medical insurance and hopefully that will match those costs over the 5-year period.

Councilmember Wilson said that some of the other agencies he is involved with, are giving 5-7% salary increases.

City Manager Knopp said that one of the previous rate studies indicated that there would be significant inflation and suggested watching the trends and if necessary, make adjustments prior to the end of the 5-year period.

Councilmember Wilson complimented staff for presenting the budget below the previous year's budget amount.

City Manager Knopp pointed out that the City is currently in a good financial position in terms of having healthy reserves. Having those reserves allows for unexpected

occurrences and also allows time to analyze ways to make the best long-term decisions for the City.

Finance Director Sanborn said that staff will bring back the final budget for adoption at the June 20, 2023 regular meeting.

Mayor Pro Tem Carter called for questions from the public on the recommended budget. No question or comments were received.

### **ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS**

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)

Community Development Director Caldwell provided a staff report recommending adoption of Ordinance No. 398-2023 related to the storage and parking of vehicles on City streets.

He noted that this amendment was brought forward at the request of the City's Community Services Officer, the Nuisance Advisory Committee and the Traffic Committee. He said that the changes as proposed are not substantial but they are important. The proposed amendments to the ordinance were as follows:

- 1) No person who owns or has possession, custody or control of any vehicle, ***including trailers, recreational vehicles and boats*** shall park such vehicle upon any street or alley for more than a consecutive period of 72 hours.
- 2) ***After any vehicle including trailers, recreational vehicles and boats has been parked or left standing in the same location on a street or alley for 72 hours or more consecutive hours, such vehicle must be moved at least one block or 300 lineal feet whichever is more, to avoid violation of California Vehicle Code Section 22651(k) of this section.***
- 3) ***In the event a vehicle is parked, including trailers, recreational vehicles and boats stored or left standing upon a street or alley in excess of 72 hours, the City may cause to remove such vehicle from the street or alley subject to the requirements of the California Vehicle Code.***

Mayor Pro Tem Carter expressed support of the proposed changes and said that it will help to address some of the safety issues around the City and give the police department another tool with regard to enforcement.

A public hearing was opened to receive public comment on the proposed ordinance amendment. No public comment was received and the public hearing was closed.

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Motion was made by Woodall/Wilson to adopt 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). Motion carried 4-0.

**COUNCIL REPORTS/COMMUNICATIONS**

Councilmember Woodall reported that she would be attending a Humboldt Transit Authority (HTA) meeting tomorrow and the Fire Department Board of Directors meeting on Thursday.

Councilmember Wilson reported that he would be attending a Humboldt Waste Management Authority (HWMA) meeting on Thursday.

Councilmember Orr reported that he attended an HCAOG meeting where they had presentations on the Offshore Wind Power Project and mentioned that they are working on getting a hydrogen powered bus to meet the needs of the transit link from here to the Bay area including the installation of hydrogen powered fueling sites throughout the County.

They also had a presentation from Caltrans and the County of Humboldt on ideas to deal with the homeless situation. One of the ideas they presented was an offer from HWMA to provide trash containers at the temporary homeless encampments in attempt to keep the areas cleaned up.

Mayor Pro Tem Carter reported that the May RREDC meeting was cancelled. She said she attended the Beautification, Walkability and Pride Committee meeting last Friday and they are working on a volunteer community clean-up day on Saturday, July 29, 2023 which will be hosted by the Community Resource Center. The plan is to pick up trash and pull weeds along portions of Wildwood Ave. She announced the next meeting of the committee will be on Friday, July 7, 2023 at 9:00 a.m.

She reported that the Chamber of Commerce also met last Friday and announced that the Scotia Lodge does the "Pints for Non-Profits" event on the third Friday of every month and the July recipient will be the Rio Dell-Scotia Chamber of Commerce. She invited everyone to attend the event on July 21, 2023 from 5-8 p.m. and said a portion of the proceeds will go to the Chamber of Commerce.

She also announced there would be a Bike Rodeo at the Fire Department on June 17, 2023 from 11:00-1:00 p.m.

Councilmember Woodall announced that Friday, June 9<sup>th</sup> from 2:30-5:00 p.m. is Garden Day where community volunteers will be helping to prepare the community garden located next to the Rio Dell Baptist Church.

**ADJOURNMENT**

Motion was made by Woodall/Orr to adjourn the meeting at 7:03 p.m. to the June 20, 2023 regular meeting. Motion carried 4-0.

Attest:

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Amanda Carter, Mayor Pro Tem

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Karen Dunham, City Clerk