

**RIO DELL CITY COUNCIL
REGULAR MEETING MINUTES
NOVEMBER 5, 2024**

Mayor Garnes called the regular meeting of the Rio Dell City Council to order at 6:00 p.m.

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

Others Present: City Manager Knopp, Interim Police Chief Landry, Finance Director Sanborn, Water Superintendent Jensen, Wastewater Superintendent Kelly, Senior Fiscal Assistant Maciel, Senior Fiscal Assistant Townsend, and City Clerk Dunham

Absent: Community Development Director Caldwell (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. Councilmember Woodall removed Item 6 related to the Edwards Dr. mural.

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

- 1) Minutes of the October 14, 2024 Closed Session;
- 2) Minutes of the October 15, 2024 Regular Meeting;
- 3) Minutes of the October 28, 2024 Special Meeting;
- 4) Resolution No. 1626-2024 Amending the FY 2024-25 Adopted Budget to increase appropriations for the Sewer Operations Fund; and
- 5) Authorizing staff to proceed with the Emergency Response Agreement with Wendt Construction for SSO Recovery for the 2024-2025 Wet Season.

Motion carried 5-0.

ITEMS REMOVED FROM THE CONSENT CALENDAR

Placement of a Mural on the 30' Retaining "Graffiti" Wall on Edwards Dr.
Councilmember Woodall asked Mayor Pro Tem Carter to provide a brief update on the proposed project.

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Mayor Pro Tem Carter explained that the proposal is to seek permission from the City Council to paint a mural on a 30' retaining wall on Edwards Dr. that is the subject of regular vandalism and graffiti. The mural is separate from the Eel River Trail Community Art Wall on Edwards Dr. and will be funded by local business donations through the Ink People Center for the Arts. The idea is to seek kids 7th-12th grade to workshop with a couple of local artists to create a graffiti design for the mural. She said there would be no cost to the City and it is a great way to involve kids in the community. She commented that there would be an anti-graffiti coating over the mural for easy cleanup should it get tagged.

Councilmember Woodall commented that there is some nice graffiti art near the Adorni Center in Eureka. She added that the mural will be located on the way to the entrance to the Eel River Trail, so it would be good to have some nice art on the wall.

Jonathan Brodeur addressed the Council and suggested the wall include signage to say "Eel River Trail this Way." He said the Community Resource Center agreed to provide space to hold workshops with the kids and artists. Donations would be funneled through The Ink People Center for the Arts since they are a 501c3 non-profit organization.

A motion was made by Woodall/Carter to authorize the painting of a mural on the 30' retaining wall on Edwards Dr. Motion carried 5-0.

REPORTS/STAFF COMMUNICATIONS

City Manager/Staff Update

City Manager Knopp provided highlights of the staff update and began by reminding everyone that it was election day and the polls were open until 8:00 p.m. with the local polling location at the Monument Middle School.

He invited the public to come and cast their vote for their favorite artist for the Eel River Trail Community Art Wall at City Hall on Saturday, November 9th from 11:00 a.m. to 1:00 p.m. or on Tuesday, November 12th from 5:00 p.m. to 7:00 p.m. with refreshments provided. He noted that the City Council would ratify the vote and select the artist at the November 19th Council meeting.

He reported that staff was working on the development of the 2025 Slurry Sealing Project. Although it appears that there will not be a lot of other jurisdictions participating in this year's project the City will still be submitting a proposal.

He then reported that staff was working with Caltrans and GHD to problem-solve issues related to the replacement of water lines with the Bridge Replacement project on the northbound 101 bridge. He extended special thanks to Caltrans management staff for meeting with the City to discuss the issues.

Mayor Garnes thanked staff for their efforts regarding solid waste and getting Rio Dell into compliance with procurement requirements under SB1383.

Mayor Garnes asked if the Bridge Replacement project included a bike/pedestrian lane.

City Manager Knopp said that the City Council received a presentation approximately a year ago and his understanding was that there was going to be a space available for the cross connection. He agreed to reach out to Caltrans to see if there were any updated designs and distribute those to the Council.

SPECIAL PRESENTATIONS/STUDY SESSIONS

Presentation by HCAOG Contract Planner Michelle Nielsen on Transit Needs Assessment/Public Hearing on Unmet Transit Needs

Michelle Nielsen, Contract Planner for HCAOG provided a PowerPoint presentation via Zoom on the Transit Needs Assessment.

She began with an overview of the unmet transit needs process and said that the process identifies and evaluates the adequacy of existing public transportation. Locally, the process involves public hearings, releasing an online survey, and receiving comments by email, and phone calls to the HCAOG office on unmet transit needs that are not being met by the current public transportation system.

Some of the unmet transit needs were described as: 1) requested trips from residents who do not have access to public or specialized transportation, or private transport services; or 2) requested trips from residents who do not have the resources for medical care, shopping, social/recreational activities, education/training, and employment; 3) proposed public transportation, specialized transportation, or private transport services that are identified in a regional transportation plan; or 4) there is sufficient board-based community support which means that persons who will likely use the service on a routine basis demonstrate support.

She then reviewed the reasonable to meet criteria, the 2025-2026 unmet transit needs cycle, known transit needs, HTA ridership, Arcata-Mad River transit system ridership, unified branding and fares, tap to pay, and the North State Express Route 101.

She commented that ridership has increased since the pandemic with 480,300 total passenger trips in FY 2023-2024. HTA was awarded a \$18.7 million grant to expand the fleet of lower emissions vehicles, improve information on transit riders, increase the frequency of service, add a hydrogen fueling station and hydrogen buses, and develop an Intermodal Transit Center.

Ms. Nielsen invited citizens to email HCAOG at info@hcaog.net or call (707) 444-8208 with any questions or input regarding unmet transit needs. She also encouraged citizens to

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take the online survey at bit.ly/UTNSurvey2025. She emphasized that any input is valuable even if it is not an unmet transit need as it helps in securing grants.

Mayor Garnes noted that the new Tap to Pay features can be used from Humboldt to Mendocino County and make it easier for riders. She said they are working harder to connect to Redding and Sacramento which is greatly needed.

Mayor Garnes opened the public hearing to receive input on any unmet transit needs within Humboldt County. There being no public comment, the public hearing was closed.

Presentation – Annual Financial Report for Fiscal Year 2023-2024

Finance Director Sanborn provided a presentation on the Annual Financial Report for FY 2023-2024. He said the report summarizes and analyzes the City's financial performance for the year. Details of the report describe revenues and expenditures incurred during the fiscal year and explain material differences between the values and adjusted budget. Financial reserves and fund balances are also updated at the terminus of the fiscal year. The report was created using unaudited financials as of June 30, 2024, with the official audit finalized in early 2025.

He explained that the City has three main Fund types within which its finances are consolidated; the General Fund, the Enterprise funds consisting of Sewer and Water, and the Special Revenue funds. City revenues exceeded expenses by just over \$215,000, principally due to increases in the CDBG Fund, Cannabis Tax revenue, and interest from the City's LAIF investment account.

Actual revenues and expenses were compared to the budgeted amounts of major funds with revenue amongst the major funds 10.3% higher than estimated. Water and Sewer recorded increased revenues in part due to an increase in grant funded sewer studies, and reimbursements received from claims associated with the December 2022 Earthquake. Total expenditures among the major funds were under budget by 6.3% with General Fund expenditures lower than budgeted by 19%, primarily due to budgeted capital projects not being completed.

The City's Fund Balances totaled \$8.8 million as of the end of the fiscal year however; staff expects total fund balances to decrease over the current fiscal year as ARPA revenues are expended and large grant-funded projects continue to progress.

Finance Director Sanborn reported that General Fund revenues were roughly 18% more than budgeted with recorded higher than anticipated cannabis revenues along with reimbursements from the State and CalOES for claims submitted for specific earthquake expenses recorded in other revenues. Interest revenue in the General Fund was \$61,338 with total interest earned across all funds of nearly \$322,000 due to the City's proactive decision to invest excess liquidity into LAIF.

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General Fund expenditures were 1.65 million or \$387,000 under budget due to budgeted and not completed projects and generally lower department spending. Most notably, the City Manager and Police Department Budgets were a combined \$215,000 under budget due to unfilled staff positions that were budgeted but not filled.

Street Fund revenues were 6% higher than budgeted, with expenditures 7% above budget due to capital projects being completed.

Actual revenues for the Sewer Enterprise Fund were 4% more than budgeted with expenditures 2% less than budgeted. Actual revenues for the Water Enterprise Fund were 7% more than budgeted with expenditures less than 1% more than budgeted.

Finance Director Sanborn explained that the other major funds included in the special revenue fund include the Building Fund, the Supplemental Law Enforcement Services Fund (SLESF), and the CDBG Fund. The CDBG Fund had a balance of \$666,180 with these funds made available for loans to qualified applicants impacted by the 2022 Earthquake disaster.

A new section of the annual financial report was the financial impacts of the December 2022 Earthquake disaster. As of June 30, 2024, the City incurred over \$830,000 in earthquake-related expenditures split between the various funds. Of these items, the City has submitted reimbursement claims for seven items and has received reimbursement for six items in the amount of \$442,274. The City is entitled to 75% reimbursement for qualified expenses with the opportunity to request 100% reimbursement on a project-by-project basis. With the master earthquake list of projects having a cost estimate of nearly \$36 million, the City's 25% cost share if no additional reimbursements are granted would be just under \$9 million.

Finance Director Sanborn said that one additional item covered in the annual report is a 10-year comparison. He said that the City has seen significant changes in the last decade including natural disasters, pandemics, and the fall of the local cannabis industry which have challenged Rio Dell and Humboldt County in many different ways. Despite these challenges, the City has continued to grow with an increase in the General Fund balance by 69% in the last 10 years to \$1,856,120. The City's Enterprise funds have also seen increased revenues and expenditures over this time with an increase in Sewer Operations revenues by 30% and expenditures by 46%. Water operations revenues increased by 52% with expenditures increasing by 15% over the same period.

He concluded the presentation and called for questions from the Council.

Councilmember Wilson asked for an update on the 25% earthquake reimbursements.

Finance Director Sanborn reported that the City received the additional 25% reimbursement on four of the projects and has submitted the additional requests. He noted that the staff was pleased that the first four requests were reimbursed and is hoping

that the remainder requests will be reimbursed as the City approaches some of the more costly projects.

SPECIAL CALL ITEMS/COMMUNITY AFFAIRS/PUBLIC HEARINGS

Authorize Staff to Develop and Issue an RFP for Additions to the Dog Park

City Manager Knopp provided a staff report and said at the request of Mayor Garnes, staff is requesting direction from the Council related to additional fencing and an entryway to a small dog area within the Dog Park. As the Council is aware, the dog park project was significantly scaled back after bids were received that well exceeded the available funding. As such, the dog park did not include an area exclusively for small dogs.

He said that the staff did some initial outreach and obtained 2 quotes for the additional fencing and entryway to develop a small dog area within the park. Both quotes were in the range of \$6,000. He explained that following public requirements and soliciting RFP's would require additional costs for the project, including prevailing wage and insurance that would inflate the cost by potentially by \$6,000 more. With Council approval, staff would issue an RFP and return to the Council with the results and identify a funding source for the project.

Mayor Garnes noted that she approached the City Manager after going to the dog park with her small dog and was approached by a large Pit Bull. She commented that most dog parks have a small dog section which is very helpful noting that there are a lot of citizens with small dogs as well as travelers that would benefit from having an exclusive area for smaller dogs. She said if the Council isn't in favor of moving forward with the modification to the park now, she would like to have it remain on the Council's radar for a later date.

Councilmember Woodall said that she had a citizen approach her who was also interested in having a small dog area at the park.

Mayor Pro Tem Carter agreed and said that anything that legitimizes the park is a good idea.

Councilmember Orr agreed and said that the addition of a small dog area would make the park look like a real dog park.

Councilmember Wilson agreed with the modification and asked why the costs would increase by \$6,000 once the project goes out to bid.

City Manager Knopp explained that the costs would increase due to the requirements to pay prevailing wages, insurance costs, and the costs associated with going through the verification process through the Department of Industrial Relations.

Councilmember Wilson said that he was hoping to be able to do the project in steps but understands that it needs to be done as a complete project.

City Manager Knopp indicated that regarding funding for the project, there is available funding in the capital project budget.

Councilmember Wilson pointed out that the community would likely respond to having a small dog area included within the dog park.

Mayor Garnes called for public comment on the proposed additions to the dog park. There was no public comment received.

A motion was made by Carter/Woodall to authorize staff to develop and issue an RFP for additions to the Dog Park and return it to the City Council for approval. Motion carried 5-0.

Authorize the City Manager to Negotiate an Agreement for Services with Regional Government Services (RGS) for Human Resource Assessments and Services in Coordination with the City Attorney

City Manager Knopp provided a staff report recommending approval for the City Manager to negotiate an agreement with Regional Government Services (RGS) and said that there was a representative online to answer any questions the Council may have.

He said that the City needs professional services related to Human Resource activities. Historically the City has been resource-constrained with the Human Resource functions of the City spread out over multiple individuals in multiple departments. Over the years, ongoing enhancements and amendments to MOU's, Resolutions, and changes in the law have led to the current MOU's and Employee Handbook becoming more difficult to administer and potentially noncompliant with current law. In addition, the City will soon be entering into labor negotiations with all of the employee groups with agreements effective on July 1, 2025. Staff anticipated these negotiations to be more time-intensive than in past years.

The proposal seeks to: 1) develop a needs assessment and work plan; 2) review and revise City personnel policies and procedures; and 3) provide some generalized HR administration and consultation services between now and the conclusion of contract negotiations, anticipated by July of 2025, with access to these services ongoing afterward.

The estimated costs associated with the agreement were estimated at \$80,000 - \$100,000 initially but staff said that realistically, the cost would more likely be \$50,000 - \$60,000 with the majority of that cost occurring over the next 6-12 months due to the need to correct the deferred upkeep of the current structure. After a successful reset of the system, the ongoing costs would be significantly lower.

City Manager Knopp explained that the current budget does not include an allocation for these services so if approved to proceed, staff would return to Council with a budget amendment to fund the services.

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He noted that the City would continue to use the services of RGS to keep up with current laws as those changes can be significant.

He then introduced Fanni Acosta, HR Services Lead from RGS who was present online to provide a brief presentation.

Ms. Acosta said that RGS is a California Joint Powers Authority (JPA) serving the needs of public agencies including cities, counties, special districts, and other governmental entities since 2002. They work collaboratively with public agencies providing a ready source of skilled and effective administrative best practices and support for approximately 125 public agencies.

Councilmember Wilson referred to the estimated cost in the staff report of \$80,000 - \$100,000 and questioned why the estimate was then lowered to \$50,000 - \$60,000.

City Manager Knopp reviewed the estimated charges and said that the estimate for updating the Personnel Policies and Procedures is \$10,000, the Human Resources Needs Assessment and Workplan is estimated at \$30,000, and General HR Consultation and Administration Services is based on an hourly rate of \$157/hr. If only 40 hours are utilized for general HR and consultation, the estimate would be in the \$50,000 - \$60,000 range at the onset and then approximately \$10,000 thereafter.

He said that the Council could approve a "not to exceed" amount for the agreement with City Council approval needed to increase that cap. He noted that once the agreements and policies are cleaned up, existing staff would be able to handle the HR functions.

City Manager Knopp said that the recommendation would be to authorize staff to work with the City Attorney to prepare an agreement with a cap on the costs then return to the City Council at the next meeting for formal approval.

Councilmember Woodall asked if there would be much staff time involved in getting ready for the updates and asked if RGS could negotiate employee contracts.

City Manager Knopp indicated that initially there would be a lot of staff involvement in the process and that RGS would be able to negotiate employee contracts if necessary.

Councilmember Woodall asked if the contract amount for these services falls into the ballpark with other vendors. City Manager Knopp said the costs were in line with other vendors.

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

A motion was made by Carter/Woodall authorizing the City Manager to negotiate an agreement for services with Regional Government Services for Human Resource

assessments and services in coordination with the City Attorney and return to the Council for approval. Motion carried 5-0.

ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

Second Reading (by title only) and Adoption of Ordinance No. 409-2024 amending Section 17.30.360(4) of the Rio Dell Municipal Code (RDMC) Vacation Dwelling Unit Regulations appeal period to be consistent with Section 17.35.060 of the RDMC

City Manager Knopp requested the adoption of the Ordinance be moved to the November 19, 2024, regular meeting with Community Development Director Caldwell present. Council concurred.

COUNCIL REPORTS/COMMUNICATIONS

Mayor Pro Tem Carter reported on upcoming meetings and events and reminded everyone to vote for their favorite artist for the Eel River Trail Community Art Wall at City Hall on Saturday, November 9th from 11:00 a.m. to 1:00 p.m. or Tuesday, November 12th from 5:00 p.m. to 7:00 p.m. She said that 13 artists have submitted applications.

She provided a brief update on the results of the park survey and said that over 50% of the votes were received from people between the ages of 5-17 with over 50% voting for improvements to the Davis St. Park. In addition, over 50% of the votes identified a pump track/BMX track as the requested amenity as well as a basketball and pickleball court. She recommended the City pursue purchasing a portion of the school property (Davis St. Park) and said that she would be attending the Rio Dell School Board meeting requesting the item be placed on their next agenda for discussion.

Related to the Spay and Neuter Voucher Program, she reported that 12 vouchers were given out for both dogs and cats and the recipients were very appreciative. She said that they received additional grant funding from the McLean Foundation which she wanted to thank and Sara Reback who is on the McLean Foundation Board. She reported that she also received some other leads on funding at the last RREDC which they will be looking into.

Mayor Pro Tem Carter extended thanks to the Community Resource Center and the Rio Dell Volunteer Fire Department for sponsoring the Trunk & Treat Event at Fireman's Park on Halloween and said that it was a great community event.

Councilmember Orr commented that the Council heard from HCAOG on the unmet transit needs and said that the next HCAOG meeting will be a closed session.

Councilmember Wilson announced that the November HWMA board meeting was moved up a week to November 14th because of Thanksgiving and that the Board selected Beth Burks, formerly the Executive Director at HCAOG as their new Executive Director.

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Councilmember Woodall extended “get well” wishes to Rich Newman who was not able to attend the meeting.

Mayor Garnes asked if Council consensus was needed for Mayor Pro Tem’ Carter to attend the school board meeting and ask that the Davis St. Park item be placed on their agenda.

City Manager Knopp said that one option would be to formally appoint a liaison member to attend the School Board meetings or hold off for now and simply allow Mayor Pro Tem Carter to attend until the discussion becomes serious enough to appoint an Adhoc Committee related to potential purchase of the Davis St. Park.

ADJOURNMENT

A motion was made by Carter/Orr to adjourn the meeting at 7:20 p.m. to the November 19, 2024 regular meeting. Motion carried 5-0.

Attest:

Debra Garnes, Mayor

Karen Dunham, City Clerk