



RIO DELL CITY COUNCIL
REGULAR MEETING – 6:00 P.M.
TUESDAY, SEPTEMBER 3, 2024
CITY COUNCIL CHAMBERS
675 WILDWOOD AVENUE, RIO DELL

***WELCOME** - Copies of this agenda, staff reports, and other materials available to the City Council are available at the City Clerk's office in City Hall, 675 Wildwood Avenue, and on the City's website at cityofriodell.ca.gov. Your City Government welcomes your interest and hopes you will attend and participate in Rio Dell City Council meetings often.*

**SPECIAL PUBLIC HEALTH EMERGENCY ALTERATIONS TO MEETING FORMAT
CORONAVIRUS (COVID-19)**

City Council meetings are held in City Hall Council Chambers to in-person attendance by the public. The public may also attend these meeting virtually through Zoom. The meetings will also be viewable via livestreaming through our partners at Access Humboldt via their YouTube channel or Suddenlink (Optimum) channels on Cable TV.

Public Comment by Email:

In balancing the health risks associated with COVID-19 and need to conduct government in an open and transparent manner, public comment on agenda items can be submitted via email at publiccomment@cityofriodell.ca.gov. Please note the agenda item the comment is directed to (example: Public Comments for items not on the agenda) **and email no later than one-hour prior to the start of the Council meeting**. Your comments will be read out loud, for up to three minutes.

Meetings can be viewed on Access Humboldt's website at <https://www.accesshumboldt.net/>. Suddenlink Channels 10, 11 & 12 or Access Humboldt's YouTube Channel at <https://www.youtube.com/user/accesshumboldt>.

Zoom Public Comment:

When the Mayor announces the agenda item that you wish to comment on, call the conference line and turn off your TV or live stream. Please call the toll-free number **1-888-475-4499**, enter meeting **ID 987 154 0944** and press star (*) 9 on your phone – this will raise your hand. You will continue to hear the meeting on the call. When it is time for public comment on the item you wish to speak on, the Clerk will unmute your phone. You will hear a prompt that will indicate your phone is unmuted. Please state your name and begin your comment. You will have 3 minutes to comment.

A. CALL TO ORDER

B. ROLL CALL

C. PLEDGE OF ALLEGIANCE

D. CEREMONIAL MATTERS

E. PUBLIC PRESENTATIONS

This time is for persons who wish to address the Council on any matter not on this agenda and over which the Council has jurisdiction. As such, a dialogue with the Council or staff is not allowed under the Ralph M. Brown Act. Items requiring Council action not listed on this agenda may be placed on the next regular agenda for consideration if the Council directs unless a finding is made by at least 2/3 of the Council that the item came up after the agenda was posted and is of an urgency nature requiring immediate action. Please limit comments to a maximum of 3 minutes.

F. CONSENT CALENDAR

The Consent Calendar adopts the printed recommended Council action, which will be enacted with one vote. The Mayor will first ask the staff, the public, and the council members if anyone wishes to address any matter on the Consent Calendar. The items removed from the Consent Calendar will be considered individually following action on the remaining consent calendar items.

1) 2024/0903.01 - Approve Minutes of the August 20, 2024 Regular Meeting
(ACTION) pg. 1

2) 2024/0903.02- Adopt Resolution 1614-2024 Adopting without revision,
the City's Conflict of Interest Code **(ACTION) pg. 10**

3) 2024/0903.03 - Adopt Resolution 1619-2024 Adopting the City of Rio
Dell Debt Management Policy pursuant to Government
Code §8855(i) **(ACTION) pg. 23**

4) 2024/0903.04 - Adopt Resolution No. 1620-2024 Authorizing
Examination of Sales or Transactions and Use Tax
Records Repealing Resolution No. 1613-2024 **(ACTION)**
pg. 33

G. ITEMS REMOVED FROM THE CONSENT CALENDAR

H. REPORTS/STAFF COMMUNICATIONS

1) 2024/0903.05 - City Manager/Staff Update **(RECEIVE & FILE)** pg. 39

I. SPECIAL PRESENTATIONS/STUDY SESSIONS

J. SPECIAL CALL ITEMS/COMMUNITY AFFAIRS/PUBLIC HEARINGS

K. ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

L. COUNCIL REPORTS/COMMUNICATIONS

M. ANNOUNCEMENT OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

1) 2024/0903.06 - **Conference with Legal Counsel – Potential/Anticipated Litigation** – Significant exposure to litigation
Gov't Code §54956-9(b): One case

2) 2024/0903.07 - **Public Employee Performance Evaluation**
Gov't Code §54957: Title: City Manager

3) 2024/0903.08 - **Conference with Labor Negotiator**
Gov't Code §54957.6: Agency Negotiator: City Manager
Employee Organizations: Rio Dell Employees Association
and Rio Dell Police Officers Association

N. PUBLIC COMMENT REGARDING CLOSED SESSION

O. RECESS INTO CLOSED SESSION

P. RECONVENE INTO OPEN SESSION

Q. ORAL ANNOUNCEMENTS

R. ADJOURNMENT

*The next regular City Council meeting is scheduled for
Tuesday, September 17, 2024 at 6:00 p.m.*

**RIO DELL CITY COUNCIL
REGULAR MEETING MINUTES
AUGUST 20, 2024**

Mayor Garnes called the regular meeting of the Rio Dell City Council to order at 5:00 p.m.

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

Others Present: City Manager Knopp, Community Development Director Caldwell, Interim Chief of Police Conner, Water/Roadways Superintendent Jensen, Wastewater Superintendent Kelly, Sergeant Landry, Senior Fiscal Assistant Maciel, and City Clerk Dunham

Absent: Finance Director Sanborn (excused)

ANNOUNCEMENT OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

Public Employee Performance Evaluation Title: Chief of Police

Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation

RECESS INTO CLOSED SESSION

The City Council recessed into a closed session with City Manager Knopp and City Attorney Gans at 5:00 p.m. to discuss the above-listed matters.

RECONVENE INTO OPEN SESSION/ORAL ANNOUNCEMENTS

The Council reconvened into an open session at 6:00 p.m. Mayor Garnes announced that there was nothing to report out of the closed session.

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.

Councilmembers Orr and Woodall removed consent calendar item (8) "Letter Supporting SB 620: Re: Low Impact Camping Areas."

AUGUST 20, 2024 MINUTES
Page 2

Sharon Wolfe, 3 Painter St., asked that consent calendar item (4) "Confirm Appointment of Corporal Landry as Interim Chief of Police." be removed for a separate discussion.

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

- 1) Minutes of the August 6, 2024 Regular meeting;
- 2) Resolution No. 1616-2024 Approving the Revised Gann Appropriations Limit for FY 2024-25, rescinding Resolution No. 1607-2024;
- 3) Resolution No. 1617-2024 Amending Resolution No. 1281-2015 Establishing Water Fees and Charges for Water Customers Pursuant to Chapter 13.05 of the Rio Dell Municipal Code (RDMC);
- 4) Contract with Kelly O'Hearn Associates for Land Surveying Services in the amount of \$30,300 for the Painter St. Sewer Upsizing Project;
- 5) Authorizing the City Manager to sign on behalf of the City of Rio Dell an amended agreement for Cable/Video Services with Access Humboldt;
- 6) Resolution No. 1618-2024 to authorize the reimbursement of expenditures related to the Water System Project; and
- 7) The Check Register for July.

Motion carried 5-0.

ITEMS REMOVED FROM THE CONSENT CALENDAR

Approve Letter Supporting SB 620 Re: Low Impact Camping Areas

Councilmember Orr thought that the information related to SB 620 was vague and wanted clarification on what the Council would be supporting.

Councilmember Woodall questioned where the proposed camping would be allowed in Rio Dell and if the City could restrict the length of time people could camp. She said that she felt like the bill was designed to accommodate the potential incoming homeless population.

Mayor Garnes said that she asked that this item be put on the agenda at the request of the Great Redwood Trail board. She said that she wasn't able to answer the Councilmember's questions and suggested the item be tabled.

The consensus of the Council was to bring the item back on a future agenda.

Confirm Appointment of Corporal Landry as Interim Chief of Police

Sharon Wolfe commended Corporal Landry for her service and dedication and said that she is a fantastic asset to the community. She noted that her daughter and grandson participated in the bike rodeo at the school and Corporal Landry was great with the kids. She said that she appreciates her community involvement and her service to the community as an outstanding officer. She added that she has earned this promotion on

her own merits and that she was not able to find any references to women police chiefs in Humboldt County so this is wonderful.

Councilmembers agreed.

A motion was made by Woodall/Carter to confirm the appointment of Corporal Landry as Interim Chief of Police. Motion carried 5-0.

REPORTS/STAFF COMMUNICATIONS

City Manager/Staff Update

City Manager Knopp provided highlights of the staff update and said that the Eel River Trail Project was underway, and the contractor for the Water Capital Improvement Project (CIP) revised the start date to January 2025 except for some minor prep work.

Councilmember Woodall questioned the status of the installation of the bollards at Memorial Park.

City Manager Knopp explained that the project was on the to-do list and that an engineer would be needed for the preliminary site work.

Councilmember Woodall asked if the bollards would be the stationary type that pull up from underground or the movable type.

City Manager Knopp explained that the stationary-type bollards are significantly more expensive and would require deeper excavation and possible conflicts with underground utilities so the movable bollards would probably be the best option however, the engineer would need to identify the best option.

SPECIAL CALL ITEMS/COMMUNITY AFFAIRS/PUBLIC HEARINGS

Discuss Possible Ordinance Changes Banning the Sale, Provision, or Distribution of Nitrous Oxide within the City limits

City Manager Knopp provided a staff report and said that this item is coming before the Council as a preliminary discussion on the potential ban on Nitrous Oxide. The request came from the City of Eureka following a fatal vehicle vs. pedestrian accident where the driver allegedly was using or had very recently used nitrous oxide and was impaired and as a result, caused the fatal accident. He said that Eureka adopted a resolution to pursue a ban on the sale of Nitrous Oxide and provided Eureka's draft Ordinance for the Council's review.

City Manager Knopp said that it is unclear how the ban would impact or be enforceable for the online sales of nitrous oxide as there are several legal and legitimate uses for the product.

AUGUST 20, 2024 MINUTES
Page 4

Mayor Garnes asked the Police Department staff to comment on the issue related to Rio Dell.

Corporal Landry said that she has a conviction for the use of Nitrous Oxide/DUI with a suspect using 100 of them in an hour and driving in Rio Dell so it is an issue in Rio Dell. She noted that she is no longer sees the smaller cartridges like you see in whipped cream cans as they are now selling tanks larger than a water bottle size in the local stores. She said that she sees them outside of stores, outside of drug houses where kids could easily pick them up so it is a problem and the safety of kids is something to take into consideration. She supported the proposed ban.

Mayor Pro Tem Carter commented that she got sick of the litter associated with the Nitrous Oxide canisters with pile of them disposed at the river bar.

Councilmember Wilson asked where the Nitrous Oxide is being sold in Rio Dell.

Corporal Landry indicated that it is being sold at E & J Liquors.

Councilmember Orr supported the ban, especially if the large tanks are being sold.

Councilmember Woodall asked if E & J Liquors sold the large tanks or just the "Whippets."

Corporal Landry said that over the years they have sold the small canisters (Whippets) but more recently they have been selling the large tanks.

Councilmember Woodall asked if there is an age limit for purchasing Nitrous Oxide.

Interim Chief of Police Conner said that it is prohibited to sell Nitrous Oxide to anyone under the age of 18.

Councilmember Woodall noted that she has seen the empty canisters all over town and that the City needs to do something about it.

The consensus of the Council was to direct staff to develop an ordinance banning the sale of Nitrous Oxide in the City of Rio Dell and present it to the Council for consideration.

Mayor Garnes called for public comment on the matter.

Alice Millington asked if the canisters or tanks are prone to explosion and said about three months ago she was driving on Highway 101 South coming into Rio Dell and heard a tremendous explosion coming from the Belleview area.

Corporal Landry commented that there have been reports of explosions but she was not aware of any of them coming from Nitrous Oxide.

It was suggested that the explosion may have been from a transformer.

Sharon Wolfe addressed the Council and said that she did some research on the subject as the County of Humboldt was looking at doing a ban on Nitrous Oxide and was added to the County's legislative platform. She said that the problem is that there is no enforcement. Stores selling Nitrous Oxide are supposed to require identification and have a log for all sales but they don't. She commented that the ban is a worthy principle to have even though there is no enforcement regarding online sales. She added that the ban would establish that it is not acceptable to sell Nitrous Oxide to minors and until she started looking into it, she had no idea it was such a huge problem within the community. She encouraged the City to continue to consider adopting a ban and then look at ways to enforce the ban.

Spay and Neuter Voucher Program

City Manager Knopp provided a staff report and said that city staff developed a proposal to utilize funds from the current Spay and Neuter Fund (Fund 093), to implement a spay and neuter voucher program for Rio Dell residents. The current fund balance is \$3,400 and staff proposes to re-establish funding through Animal License and Animal Control fees, with anticipated annual contributions of approximately \$2,500 based on historical averages.

He reviewed the proposed program and said that the spay and neuter voucher program aims to reduce the pet population in Rio Dell by providing financial assistance to residents for sterilizing their animals. The program would be coordinated with the Rio Dell Community Resource Center to distribute vouchers to Rio Dell residents. The vouchers would be redeemed at **Critters Without Litters**, set up through the non-profit Humboldt Humane program offering low-cost sterilization services at their facility in Fernbridge. The City would directly reimburse Critters Without Litters for voucher redemptions with voucher values varying by animal type and size ranging from \$75 for male cats to \$350 for female dogs (under 65 pounds). The number of vouchers issued would depend on the amount of available funding, currently at \$3,400.

Staff recommended that the City Council approve implementing the spay and neuter voucher program as outlined in the report.

City Manager Knopp pointed out that Mayor Pro Tem Carter has been a huge advocate in pushing for this program with Critters Without Litters.

Mayor Pro Tem Carter emphasized the importance of the program and said that animal shelters are important and necessary but not the long-term solution for reducing the pet population. She said that she hopes to have Rio Dell set an example by implementing the spay and neuter voucher program rather than just taking the animals to the shelter and hoping for the best.

AUGUST 20, 2024 MINUTES
Page 6

She commented that Sara Reback from the Rio Dell Community Resource Center has a deep and thorough knowledge about the members of this community and that she will do a fantastic job making sure the vouchers get into the hands of the people who truly need them.

She commented that she is proud of the City for doing this and looks forward to helping with fundraising activities for this purpose.

She acknowledged Alice Millington for her years of commitment in helping to get animals spayed or neutered.

Alice Millington addressed the Council and said that her goal has always been for the City to develop a No Breeding Ordinance because it is a matter of health and safety to kids and other animals to have unfixed dogs on the street, especially when a female dog is in heat. She said that it was a plan to bring a draft ordinance forward then COVID happened and priorities changed.

She urged landlords to quit disallowing pets and suggested they allow tenants to have pets if the pets have been spayed or neutered.

Councilmembers Orr and Wilson expressed their support for the voucher program.

Mayor Garnes stressed the need to enforce the City's ordinances related to animals and to fine people who don't abide by the rules. She indicated that she would be bringing an item to the City Council at an upcoming meeting related to loose dogs and said that she supports the voucher program 100%.

Motion was made by Carter/Orr approving the implementation of the spay and neuter voucher program as outlined in the report. Motion carried 5-0.

ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

Second Reading (by title only) and Adoption of Ordinance No. 405-2024 amending the Rio Dell Municipal Code (RDMC) Chapter 15.05 "Construction Codes" to establish construction activity noise regulations and Chapter 2.60 Planning Commission regulations to elect the Chair and Vice-Chair on a bi-annual basis

Community Development Director Caldwell provided a staff report recommending approval of two minor text amendments to the Rio Dell Municipal Code (RDMC).

He said that the ordinance was presented to the City Council at their meeting on August 6, 2024. The discussion revolved around construction noise recommendations and it was brought up and suggested that the recommendation to limit the construction hours from 7:00 a.m. to 6:00 p.m. Monday through Friday was too restrictive and needed to be increased to accommodate people who work during the week.

He presented two potential options for the Council's consideration.

- 1) 7:00 a.m. to 8:00 p.m., seven days a week, Monday through Sunday.
- 2) 7:00 a.m. to 8:00 p.m., Monday through Saturday, Sundays and holidays 9:00 a.m. to 8:00 p.m.

Community Development Director Caldwell commented he believed that Option 1 closely reflected the Council's direction from the previous meeting.

The Council discussed the options and Mayor Garnes called for public comment on the matter.

Sharon Wolfe addressed the Council and said that either option would be acceptable. She said the only issue she saw was concerning where it stated that construction activity shall include any physical activity on the property outside of those time limits and said that a reasonable person would abide by that but an unreasonable person in a neighbor fight would have a little bit of room to argue.

She said that she did some research on other noise ordinances and provided language from the City of Galt related to noise exemptions. She pointed out that because construction projects usually don't end on time it makes sense to allow for exemptions. She referred to a highlighted portion of the language that read the following:

Provided, however, when an unforeseen or unavoidable condition occurs during a construction project and the nature of the project necessitates that work in the process be continued until a specific phase is completed, the contractor or owner shall be allowed to continue work after 8:00 p.m. and to operate machinery and equipment necessary until completion of the specific work in progress can be brought to conclusion under conditions which will not jeopardize inspection acceptance or create undue financial hardships for the contractor or owner.

She noted that they also have an exception for pouring concrete because of the heat, so from June through September, they are allowed to start at 5:00 a.m. on weekdays.

Community Development Director Caldwell referred to page 77 of the packet outlining the exceptions to Rio Dell's noise ordinance.

He said that the staff's recommendation is to approve the ordinance under Option 1 or 2 as discussed or suggest revisions and direct staff to bring the ordinance back at a subsequent meeting for adoption.

Motion was made by Orr/Carter to adopt Ordinance No. No. 405-2024 amending the Rio Dell Municipal Code (RDMC) Chapter 15.05 "Construction Codes" to establish construction activity noise regulations (under Option 2) and Chapter 2.60 Planning Commission regulations to elect the Chair and Vice-Chair on a bi-annual basis. Motion carried 5-0.

Second Reading (by title only) and Adoption of Ordinance No. 406-2024 Amending Chapter 13.10, "Sewer Rates and Regulations", Sections 13.10.170, 13.10.210, 13.10.220 and 13.10.467 of the Rio Dell Municipal Code (RDMC)

Wastewater Superintendent Kelly provided a staff report recommending approval of amendments to the Sewer Rates and Regulations to clarify the language related to shared sewer laterals, sewer connections, installation of sewer cleanouts and backflow devices, and sewer lateral testing requirements at the sale or transfer of property.

She noted that the ordinance was presented to the City Council for its first reading and introduction at the August 6, 2024, regular meeting and is back for its second reading (by title only) and adoption.

Mayor Garnes opened the public hearing to receive public input on the proposed amendments to the Sewer Regulations. There being no public comment, the public hearing closed.

A motion was made by Carter/Woodall to approve the second reading (by title only) and adopt Ordinance No. 406-2024 amending chapter 13.10, "Sewer Rates and Regulations", Sections 13.10.170, 13.10.210, 13.10.220, and 13.10.467. Motion carried 5-0.

COUNCIL REPORTS/COMMUNICATIONS

Mayor Pro Tem Carter reported on recent meetings and events and said that she attended the Rio Dell School Board meeting and the Rio Dell Fire District meeting. She announced that there would be a Nuisance Advisory Committee meeting tomorrow at 3:00 p.m. at City Hall.

Councilmember Orr reported that he attended an HCAOG meeting last week and said that the Regional Climate Action Plan is now live on the HCAOG website. He mentioned that from September 30 - October 6 is a "Week Without Driving" to remind us about those who can't afford to drive or are unable to drive. On September 22-34 the "Ride Humboldt" campaign will kick off and the Humboldt Transit Authority (HTA) is going through a fair change to make the fares easier to understand. In addition, the hydrogen bus that is expected to arrive in December and will run to Mendocino County and back and is the first of its kind in the United States so the board is very anxious to see how it works out.

Councilmember Wilson reported that he would be attending a Redwood Coast Energy Authority (RCEA) meeting on Thursday.

Councilmember Woodall asked that an item be placed on the next agenda related to recommendations from the Beautification, Walkability and Pride Committee related to improvements at the Triangle (Blue Star) Park. The Council concurred.

AUGUST 20, 2024 MINUTES
Page 9

Mayor Garnes announced that at the HCAOG meeting last week, the board appointed her to the Great Redwood Trail Board and thanked Councilmember Orr for the nomination. She noted that Rio Dell is now at the table which is great.

She reported that on August 29th she will be manning the table at the Humboldt County Fair with information on tsunamis and earthquake safety.

ADJOURNMENT

A motion was made by Carter/Woodall to adjourn the meeting at 6:56 p.m. to the September 3, 2024 regular meeting. The motion carried 5-0.

Attest:

Debra Garnes, Mayor

Karen Dunham, City Clerk

*675 Wildwood Avenue
Rio Dell, CA 95562*



TO: Mayor and Members of the City Council

THROUGH: Kyle Knopp, City Manager

FROM: Karen Dunham, City Clerk

DATE: September 3, 2024

SUBJECT: Conflict of Interest Code Update

RECOMMENDATION

Adopt Resolution No. 1614-2024 Adopting Without Revision the City's Conflict of Interest Code

BACKGROUND AND DISCUSSION

State law requires Public Agencies to review and update their Conflict of Interest Codes during even-numbered years if needed. A local agency's conflict of interest code must reflect the current structure of the organization and properly identify officials and employees who should be filing Statements of Economic Interests (Form 700). A code tells public officials, governmental employees, and consultants what financial interests they must disclose on their Form 700. It also helps provide transparency in local government as required under the Political Reform Act.

Upon review of the existing Conflict of Interest Code, staff has determined that no update of the current Code is necessary at this time.

ATTACHMENTS:

Resolution No. 1614-2024
Conflict of Interest Code



RESOLUTION NO. 1614-2024
A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF RIO DELL ADOPTING WITHOUT REVISION
THE CONFLICT OF INTEREST CODE FOR THE
CITY OF RIO DELL FOR CITY COUNCIL MEMBERS
COMMISSIONERS, OFFICERS, CONSULTANTS,
AND DESIGNATED EMPLOYEES AND
RESCINDING RESOLUTION NO. 1550-2022

WHEREAS, the Political Reform Act, Government Code Section 81000 et. Seq. requires State and Local Government Agencies to adopt conflict of Interest Codes and to review those Codes in even-numbered years to ensure that they are current; and

WHEREAS, on March 17, 1981, the Rio Dell City Council enacted Resolution No. 330, Adopting a Conflict of Interest Code for the City of Rio Dell ("City"); and

WHEREAS, the current Conflict of Interest Code for the City was last updated by the City Council on September 20, 2022, with the adoption of Resolution No. 1550-2022; and

WHEREAS, Section 87306.5 of the Government Code states that every agency shall review its Conflict of Interest Code no later than July 1 of each even-numbered year, subject to the provisions of Section 87302(a) and 873203, when necessitated by changed circumstances; and submit amendments to the Code reviewing body (the City Council) no later than October 1 of the same year; and

WHEREAS, Title 2 California Code of Regulations Section 18730 contains the terms of a standardized conflict of interest code which will update the City's Conflict of Interest Code and maintain compliance with all new and future regulations adopted by the Fair Political Practices Commission; and

WHEREAS, no additional positions have been deemed to make, or participate in the making of, decisions that may have a foreseeable material effect on a financial interest; and

WHEREAS, no previously listed positions have been vacated that need to be eliminated from the Code; and

WHEREAS, Exhibit A as attached herein lists the designated employees subject to the model Conflict of Interest Code (listed as “designated filers”); Exhibit B identifies specific financial interests that would be reportable (listed as “disclosure categories”); and

WHEREAS, this review has been completed and the City Council has determined that no changes are necessary due to changes in the City organization and to comply with state law and that Exhibits A and B attached herein, accurately set forth the designated positions, and their respective categories of financial interests which should be made reportable and those boards, commissions and committees which should be designated and the respective categories of financial interests which should be made reportable by their members; and

WHEREAS, the City of Rio Dell Conflict of Interest Code, incorporated herein accurately sets forth the designated positions and categories of financial interests which should be made reportable.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RIO DELL DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Title 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference, and along with the attached Exhibits in which members and employees are designated and disclosure categories are set forth, constitute the Conflict of Interest Code of the City of Rio Dell.

SECTION 2. The following departments and categories are hereby designated to comply with the City’s Conflict of Interest Code as reflected in Exhibit “A.”

APPROVED AND ADOPTED by the City Council of the City of Rio Dell on September 3, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Debra Garnes, Mayor

ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above to be a full, true, and correct copy of Resolution No. 1614-2024 adopted by the City Council of the City of Rio Dell on September 3, 2024.

Karen Dunham, City Clerk

**EXHIBIT A
DESIGNATED FILERS**

Designated Positions

Disclosure Category

| | |
|--------------------------------|--------------------------|
| Mayor | Govt Code §87200 et seq. |
| City Council Members | Govt Code §87200 et seq. |
| City Manager | Govt Code §87200 et seq. |
| City Clerk | 1 |
| Finance Director | Govt Code §87200 et seq. |
| Community Development Director | 1 |
| Public Works Director | 1 |
| Water/Roadways Superintendent | 1 |
| Wastewater Superintendent | 1 |
| Chief of Police | 1 |
| Planning Commissioners | Govt Code §87200 et seq. |

Consultants

| | |
|---------------|------------------|
| City Attorney | Govt Code §87200 |
| City Engineer | 1,2,3,4 |

Note: The disclosure category for consultants shall be determined on a case-by-case basis by the City Manager. After written notification is given to the City Council, the City Manager may make a determination as to what disclosure, if any, is required by any particular consultant.

The City Manager may determine in writing that a particular consultant, although a “designated position” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this and, based upon that description, a statement of the extent of disclosure requirement. The City Manager’s determination is a public record and shall be retained for public inspection in the same manner as this Conflict of Interest Code.

Positions designated in Government Code Section 87200 are positions that are subject to the disclosure requirements of the Political Reform Act and are required to file full Statements of Economic Interests (Form 700). These filers shall file Statements of Economic Interests with the City Clerk as the filing officer for the City of Rio Dell. These statements with original signatures are filed with the Fair Political Practices Commission.

EXHIBIT B DISCLOSURE CATEGORIES

Category 1

Persons in this category shall disclose all interests in real property within the City. Real property shall be deemed to be within the City if the property or any part of it is located within or not more than two miles outside the boundaries of the City or within two miles of any land owned or used by the City.

Persons are not required to disclose property used primarily as their residence or for personal recreational purposes.

Category 2

Persons in this category shall disclose all investments.

Category 3

Persons in this category shall disclose all income, including loans, aggregating \$500 or more received during the reporting period, received from any one source located or doing business within the City or expecting to do business within the City. Gifts aggregating \$50 or more received during the period from any one source located inside or outside the City shall be disclosed. Income received from a public agency need not be disclosed.

Category 4

Persons in this category shall disclose all income from and investments in business that manufacture or sell services and/or supplies of the type utilized by the City and associated with the job assignment of designated positions assigned in this disclosure c

**EXHIBIT C
DETERMINATION OF CONSULTANT
DISCLOSURE FILING REQUIREMENTS**

I, _____, City Manager of the City of Rio Dell, hereby determine that the following "Consultants" are retained by the City of Rio Dell to serve in a decision-making capacity, and are required to file statements of economic interest and provide financial disclosure within the following categories:

| CONSULTANT NAME/COMPANY | DISCLOSURE CATEGORIES |
|-------------------------|-----------------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

EXEMPTION/WAIVER

I further determine that the following "Consultants" range of duties are limited in scope and are herewith granted an exemption/waiver from filing a disclosure statement under the City of Rio Dell Conflict of Interest Code.

| CONSULTANT NAME/COMPANY | PROJECT/DUTIES |
|-------------------------|----------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

City Manager

Date

CONFLICT OF INTEREST CODE OF THE CITY OF RIO DELL

Section 100 - Purpose

Pursuant to the provisions of the Government Code Sections 87300 et seq. The City of Rio Dell hereby adopts and incorporates by reference Regulation 2 of the California Code of Regulations, Section 18730. (title 2, Division 6) and any amendments to it duly adopted by the Fair Political Practices Commission, along with the attached Exhibits A, B And C, in which members and employees are designated and disclosure categories are set forth, which constitutes the Conflict of Interest Code of the City of Rio Dell. Nothing contained herein is intended to modify or abridge the provisions of the Political Reform Act of 1974. (Government Code Section 81000 et. Seq.). The provisions of this Code are additional to Government Code Section 87100 and other laws pertaining to conflicts of interest. Except as otherwise indicated, the definitions of said Act and regulations adopted pursuant thereto are incorporated herein and this Code shall be interpreted in a manner consistent therewith.

Section 200 – Designated Positions

The positions listed on Exhibit A are designated positions within each city department and/or division. Officers and employees holding those positions are designated employees and are deemed to make, or participate in the making of, decisions which may have foreseeable material effect on a financial interest.

Section 300 – Disclosure Statements

Designated positions shall be assigned to one or more of the disclosure categories set forth on Exhibit B. Each designated employee shall file an initial Statement disclosing that employee's interest in investments and real property, and thereafter an Annual Statement disclosing said employee's interest in investments, real property and income designated as reportable under the category to which the employee's position is assigned on Exhibit A.

Section 400 – Place and Time of Filing

- (a) All designated employees required to submit a Statement of Economic Interests Form 700 shall file the original, on the form provided (per Section 500 of this Code), with the City Clerk's Office.
- (b) A designated employee required to submit an initial Statement of Economic Interests Form 700 shall submit the statement within thirty (30) days after the effective date of this Code.

- (c) Merit service employees appointed, promoted, or transferred to designated positions shall file an Assuming Office Statement within thirty (30) days after the date of assuming the designated position.
- (d) All other employees appointed, promoted, or transferred to designated positions shall file an Assuming Office Statement not less than thirty (3) days after assuming the designated position.
- (e) Annual Statements shall be filed with the City Clerk's Office no later than the 1st day of April of each year by all designated employees. Such statements shall cover the period of the preceding calendar year.
- (f) A Leaving Office Statement shall be filed within thirty (30) days after leaving a designated position. Such statements shall cover the period from the closing date of the last statement filed to the date of leaving the position.
- (g) Individuals who resign designated positions within thirty (30) days following initial appointment is not deemed to assume or leave office, provided that during the period between appointment and resignation, the individual did not make, participate in making, or use the position to influence any the decision of the City or receive, or become entitled to receive any form of payment by virtue of being appointed to the position.
- (h) A designated employee is required to file a Statement of Economic Interests Form 700 with any other agency, which is within the same territorial jurisdiction as the City and disclosure requirements are identical, may comply with the provisions of this Code by filing a duplicate copy of the statement filed with the other agency, in lieu of an entirely separate statement.
- (i) "Consultant" as identified by FPPC Regulation 16700, is herewith added to the list of designated employees and such persons shall be disclosed pursuant to the broadest disclosure category in the Code, subject to the limitations stated in Exhibit C attached hereto.

Section 500 – Form for Statements of Economic Interests

Statements of Economic Interests shall be made on a form supplied by the Fair Political Practices Commission (FPPC), and such form shall be made available by the City Clerk's Office.

Section 600 – Definitions

GIFT

- (a) "Gift" means, except as provided in subdivision (b), any payment to the extent that consideration of equal or greater value is not received and includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public without regard to official status. Any person, other than a defendant in a criminal action, who claims that a payment is not a gift by reason of receipt of consideration has the burden of proving that the consideration received is of equal or greater value.
- (b) The term "gift" does not include:
 - (1) Informational materials such as books, reports, pamphlets, calendars or periodicals. No payment for travel or reimbursement for any expenses shall be deemed "informational material";
 - (2) Gifts which are not used and which, within thirty (30) days after receipt, are returned to the donor or delivered to a charitable organization without being claimed as a charitable contribution for tax purposes;
 - (3) Gifts from an individual's spouse, registered domestic partner, child, parent, grandparent, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin or the spouse or registered domestic partner of any such person; provided that a gift from any such person shall be considered a gift if the donor is acting as an agent or intermediary for any person not covered by this paragraph;
 - (4) Campaign contributions required to be reported under Sections 84100-84400 of the Government Code.
 - (5) Any devise or inheritance.

INCOME

- (a) "Income" means, except as provided in subdivision (b), a payment received, including but not limited to any salary, wage, advance, dividend, interest, rent, proceeds from any sale, gift, including any gift of food or beverage, loan, forgiveness or payment of indebtedness received by the filer, reimbursement for expenses, per diem, or contribution to an insurance or pension program paid by any person other than an employer, and including any community property interest in the income of a spouse or registered domestic partner. Income also includes an outstanding loan, income of an individual also includes a pro rate share of any income of any business entity or trust in which the individual or spouse or registered domestic partner owns, directly, indirectly or beneficially, a 10 percent interest or greater. "Income," other than a gift, does not include income received from any source outside the jurisdiction and not doing business

within the jurisdiction, or not having done business within the jurisdiction during the two years prior to the time, any statement or other action is required under this Code.

(b) "Income" also does not include:

- (1) Campaign contributions required to be reported under Sections 84100-84400 of the Government Code.
- (2) Salary and reimbursement for expenses or per diem received from a state, local, or federal government agency and reimbursement for travel expenses and per diem received from a bona fide educational academic or charitable organization.
- (3) Any devise or inheritance.
- (4) Interest, dividends, or premiums on a time or demand deposit in a financial institution, shares in a credit union, or any insurance policy payments received under any insurance policy, or any bond, or other debt instrument issued by any government or governing agency.
- (5) Dividends, interest, or any other return on a security that is registered with the Securities and Exchange Commission of the United States government.
- (6) Redemption of a mutual fund.
- (7) Alimony or child support payments.
- (8) Any loan or loans from a commercial lending institution which are made in the lender's regular course of business on terms available to members of the public without regard to official status if:
 - (A) Used to purchase, refinance the purchase of, or for improvements to the principal residence of the filer; or
 - (B) The balance owned does not exceed ten thousand dollars (\$10,000).
- (9) Any loan from an individual's spouse, registered domestic partner, child, parent, grandparent, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse or registered domestic partner of any such person; provided that a loan from any such person shall be considered income if the lender is acting as an agent or intermediary for any person not covered by this paragraph;

- (10) Any indebtedness created as part of a retail installment or credit card transaction if made in the lender's regular course of business on terms available to members of the public without regard to official status, so long as the balance owed to the creditor does not exceed ten thousand dollars (\$10,000).
- (11) Payments received under a defined benefit pension plan qualified Under Internal Revenue Code Section 401(a).

INTEREST IN REAL PROPERTY

"Interest in real property" including any leasehold, beneficial or ownership interest or any option to acquire such an interest in real property located in the City owned directly, indirectly or beneficially by the public official, or other filer, or his or her immediate family in the fair market value of the interest is two thousand dollars (\$2,000) or more. Interests in real property of any individual includes a pro rata share of interests in real property of an individual includes a pro rata share of interests in real property of any business entity or trust in which the individual or immediate family owns, directly, indirectly or beneficially, a 10 percent interest or greater.

INVESTMENT

"Investment" means any financial investment in or security issued by a business entity, including but not limited to common stock, preferred stock, rights, warrants, options, debt instruments and any partnership or other ownership interest owned directly, indirectly or beneficially by the public official, or other filer, or his or her immediate family, if the business entity or any parent, subsidiary or otherwise related business entity has an interest in real property in the jurisdiction, or does business or plans to do business in the jurisdiction, or has done business in the jurisdiction, or has done business within the jurisdiction at any time during the two years prior to the time any statement or other action is required under this Code. No asset shall be deemed an investment unless its fair market value equals or exceeds two thousand dollars (\$2,000). The term "investment" does not include a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, interest in a diversified mutual fund registered with the Securities and/Exchange Commission under the Investment Company Act of 1940 or a common trust fund which is created pursuant to Section 1564 of the Financial Code, or any bond or other debt instrument issued by any government or governmental agency. Investments of an individual includes a pro rata share of investments of any business entity, mutual fund, or trust in which the individual or immediate family owns, directly, indirectly or beneficially, a 10 percent interest or greater. The term "parent subsidiary or otherwise related business entity" shall be specifically defined by regulations of the commission.

CONSULTANT

“Consultant” means any individual who, pursuant to a contract with the state or local government agency.

- (a) Makes a governmental decision whether to:
 - (1) Approve a rate, rule or regulation;
 - (2) Adopt or enforce a law;
 - (3) Issue, deny, suspend, or revoke any permit, license, application, Certificate, approval, order or similar authorization or entitlement;
 - (4) Authorize the agency to enter into, modify, or renew a contract provided it is the type of content which requires agency approval;
 - (5) Grant agency approval to a contract which requires agency approval and in which the agency is a party or to the specifications for such a contract;
 - (6) Grant agency approval to a plan, design, report, study, or similar item;
 - (7) Adopt, or grant agency approval of, policies, standards, or guidelines for the agency, or for any subdivision thereof; or
- (b) Serves in a staff capacity with the agency and in that capacity performs the same or substantially all the same duties for the agency that would otherwise be performed by an individual holding a position specified in the agency’s Conflict of Interest Code.

Section 700 – Disqualification

Designated employees shall disqualify themselves from making or participating in the making or in any way attempting to use their official position to influence a governmental decision when it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on:

- (a) Any reportable investment;
- (b) Any interest in real property;
- (c) Any reportable source of income, other than loans by a commercial lending institution in the regular course of business, aggregating five hundred dollars (\$500) or more in value provided to, received by, or promised to the designated employee within twelve (12) months prior to the time when the

decision is made;

- (d) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management.
- (e) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating five hundred dollars (\$500) or more in value provided to, or promised to the designated employee within twelve (12) months prior to the time when the decision is made.

675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
(707) 764-5480 (fax)



DATE: September 3, 2024
TO: Honorable Mayor and Members of the City Council
FROM: Travis Sanborn, Finance Director
THROUGH: Kyle Knopp, City Manager
SUBJECT: Resolution No. 1619-2024 Debt Management Policy

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Adopt Resolution No. 1619-2024 adopting the City of Rio Dell Debt Management Policy pursuant to Government Code Section 8855(i)

BACKGROUND AND DISCUSSION:

Government Code Section 8855(i) was enacted under Senate Bill 1029 and requires Cities to adopt formal debt management policies for debt issued after January 1, 2017. The Debt Management Policies must address 5 areas:

- A. Purposes for which the debt proceeds may be used.
- B. Types of debt that may be issued.
- C. Relationship of the debt to, and integration with, the City's Capital Improvement Plan and/or budget.
- D. Policy goals related to the City's planning goals and objectives.
- E. Internal control procedures that the City will implement to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

The attached Debt Management Policy has been written to include all elements required by the California Debt and Investment Advisory Commission. The policy serves as a starting point that

sets parameters for issuing debt and managing the City's debt portfolio; the City should seek to incorporate other elements over time. Adopting formal, written financial policies is viewed as a best management practice and treated as a credit positive by the bond rating agencies. Adopting the attached Debt Management Policy will help ensure that the City's debt is issued and managed prudently and will help the City maintain a sound fiscal position. The policy should be viewed as a tool to guide staff and decision-makers in the future. The policies should be reviewed and amended by City Staff and the City Council periodically.

ATTACHMENTS:

- Resolution 1619-2024
- City of Rio Dell Debt Management Policy



**RESOLUTION NO. 1619-2024
A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF RIO DELL
DEBT MANAGEMENT POLICY PURSUANT TO
GOVERNMENT CODE SECTION 8855(I)**

WHEREAS, California Senate Bill 1029, adopted in September 2016, amended California Government Code Section 8855 (i), and it requires municipalities who issue debt after January 1, 2017 to have an adopted debt policy; and

WHEREAS, the primary objective of this policy is to establish conditions for the use of debt and to create policies that minimize the City's debt service and issuance costs, retain the highest credit rating, and maintain full and complete financial disclosure and reporting.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Rio Dell as follows:

SECTION 1. The above recitals, and each of them, are true and correct.

SECTION 2. The proposed Debt Management Policy, attached hereto as Exhibit "A" is hereby approved and adopted and shall be made applicable to all Local Debt issued by or on behalf of the City effective September 3, 2024.

SECTION 3. The City Manager, or designee, are hereby authorized to manage the debt issuance functions and related administration processes for the City of Rio Dell in accordance with the Debt Management Policy.

SECTION 4. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the City of Rio Dell on this 3rd day of September 2024, by the following roll call vote:

Ayes:
Noes:
Abstain:
Absent:

Debra Garnes, Mayor

ATTEST:

Karen Dunham, City Clerk

DEBT MANAGEMENT POLICY

This Debt Management Policy (the “Debt Policy”) of the City of Rio Dell (the “City”) was approved by the City’s City Council on September 3, 2024. The Debt Policy may be amended by the City Council as it deems appropriate from time to time in the prudent management of the debt of the City. Any approval of debt by the City Council that is not consistent with this Debt Policy shall constitute a waiver of this Debt Policy.

The Debt Policy has been developed to provide guidance in the issuance and management of debt by the City and is intended to comply with Government Code Section 8855. The main objectives are to establish conditions for the use of debt; to ensure that debt capacity and affordability are adequately considered; to minimize the City’s interest and issuance costs; to maintain the highest possible credit rating; to provide complete financial disclosure and reporting; and to maintain financial flexibility for the City.

1. FINDINGS

This Debt Policy is intended to comply with Government Code Section 8855(i), effective on January 1, 2017, and shall govern all debt undertaken by the City.

The City hereby recognizes that a fiscally prudent debt policy is required in order to:

- Maintain the City’s sound financial position.
- Ensure the City has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the City’s credit worthiness. Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the City.
- Ensure that the City’s debt is consistent with the City’s planning goals and objectives and capital improvement program or budgets, as applicable.

2. SCOPE AND AUTHORITY

The City Manager, or designee, is charged with the responsibility for prudently and properly managing any and all debt incurred by the City. The following policy provides the methods, procedures, policies and practices which, when exercised, ensure the sound fiscal management of the City’s debt program.

While adherence to this Policy is required in applicable circumstances, the City recognizes that changes in the capital markets, City programs, and other unforeseen circumstances may from time to time produce situations that are not covered by the Debt Policy and require modifications or exceptions to achieve policy goals. In these cases, management flexibility is appropriate, provided specific authorization from the City Council is obtained.

3. POLICIES

3.1. PURPOSES FOR WHICH DEBT MAY BE ISSUED

i. **Long-Term Debt.** Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment, and land to be owned and operated by the City.

(a) Long-term debt financings are appropriate when one or more of the following conditions exist:

- When the project to be financed is necessary to provide basic services.
- When the project to be financed will provide benefit to constituents over multiple years.
- When total debt does not constitute an unreasonable burden to the City and its taxpayers and ratepayers.
- When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.

(b) Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.

(c) The City may use long-term debt financings subject to the following conditions:

- The project to be financed must be approved by the Governing Board.
- The maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed.
- The City Manager, or designee, estimates that sufficient revenues will be available to service the debt through its maturity.
- The City determines that the issuance of the debt will comply with applicable state and federal laws.

ii. **Short-term debt.** To the extent permitted by law, other types of short-term borrowings, such as commercial paper, and lines of credit, will be considered as an interim source of funding in anticipation of long-term borrowing. Short-term debt may be issued for any purpose for which long-term debt may be issued, including capitalized interest and other financing-related costs. Prior to issuance of the short-term debt, a reliable revenue source shall be identified to secure repayment of the debt. The final maturity of the debt issued to finance the project shall be consistent with the economic or useful life of the project and, unless the Board determines that extraordinary circumstances exist, must not exceed seven (7) years. Short-term debt may also be used to finance short-lived capital projects; for example, the City may undertake lease-purchase financing for equipment.

iii. **Financings on Behalf of Other Entities.** The City may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties in order to further the public purposes of the City. In such cases, the City shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein.

3.2. TYPES OF DEBT.

For purposes of this Debt Policy, "debt" shall be interpreted broadly to mean loans, bonds, notes, certificates of participation, financing leases, or other financing obligations, but the use of such

term in this Debt Policy shall be solely for convenience and shall not be interpreted to characterize any such obligation as an indebtedness or debt within the meaning of any statutory or constitutional debt limitation where the substance and terms of the obligation comport with exceptions thereto. In order to maximize the financial options available to benefit the public, it is the policy of the City to allow for the consideration of issuing all generally accepted types of debt, including, but not exclusive to the following:

- General Obligation (GO) Bonds: General Obligation Bonds are suitable for use in the construction or acquisition of improvements to real property that benefit the public at large. Examples of projects include but, are not limited to: street improvements, libraries, parks, and public safety facilities. All GO bonds shall be authorized by the requisite number of voters in order to pass.
- Lease-Backed Debt/Certificates of Participation (COP): Issuance of lease-backed debt is a commonly used form of debt that allows a City to finance projects where the debt service is secured via a lease, lease/purchase agreement or installment agreement.
- Special Assessment/Special Tax City Debt: The City will consider requests from developers for the use of debt financing secured by property based assessments or special taxes in order to provide for necessary infrastructure for new development only under strict guidelines adopted by the City Board, which may include minimum value-to-lien ratios and maximum tax burdens. Examples of this type of debt are Assessment Cities (AD) and Community Facilities Cities (CFD) sometimes referred to as Mello- Roos Cities. In order to protect bondholders as well as the City's credit rating, the City will also comply with all State guidelines regarding the issuance of special tax City or special assessment debt, as well as any policy required to be adopted under Government Code Section 53312.7.
- Conduit financings, such as financings for affordable rental housing and qualified 501(c)3 organizations
- State or federal loans, including Revolving Fund loans
- Loans and lines of credit with banks and other financial institutions
- Refunding bonds, notes, loans, and other obligations
- Pension Obligation Bonds

The City may from time to time find that other forms of debt to, the extent permitted by law, would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

The City may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

3.3. RELATIONSHIP OF DEBT TO CAPITAL IMPROVEMENT PROGRAM AND BUDGET.

The City is committed to long-term capital planning. The City intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the City's capital budget and the capital improvement plan.

The City shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The City shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The City shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the City's public purposes.

The City shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from the General Fund.

3.4. POLICY GOALS RELATED TO PLANNING GOALS AND OBJECTIVES.

The City is committed to long-term financial planning, maintaining appropriate reserve levels, and employing prudent practices in governance, management, and budget administration. The City intends to issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in the City's annual operations budget.

It is a policy goal of the City to protect taxpayers, ratepayers, and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The City will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates, and charges.

When refinancing debt, it shall be the policy goal of the City to do so either for the purpose of realizing debt service savings or for the purpose of restructuring debt in a manner which is in the best financial interests of the City. Any refinancing of debt for the purpose of realizing debt service savings should seek achieve a minimum net present value debt service savings equal to or greater than 3.0% of the refunded principal amount. The 3.0% threshold should serve as a guideline; the City may refinance outstanding bonds in order to meet certain policy/financial objectives, such as: removing restrictive covenants, reshaping debt profile or budgetary/cash flow relief, unique financial circumstances or historically low interest rates, and limit term to maturity.

3.5. General Debt Guidelines

i. **Purposes of Issuance.** The City will utilize debt obligations only after giving due consideration to all available funding sources, including available cash reserves, available current revenues, potential future revenue sources, potential grants, and all other financing sources legally available to be used for such purposes. Long-term debt will not be issued for operations or maintenance costs. Expenditure of bond proceeds should be limited to major, non-recurring expenditures/expenses, including but not limited to: the financing of costs related to capital project planning and design, land acquisition, real property, and equipment acquisition; the construction or renovation of buildings and permanent structures and the equipping thereof; financing costs related to the issuance of securities, capitalized interest, necessary or financially prudent debt service reserves; or other costs as permitted by law. Refunding bond issues designed to restructure currently outstanding debt are an acceptable use of bond proceeds.

- ii. **Approval by the City Council.** All long-term financing transactions shall be approved by the City Council. Such approvals shall not be on the consent calendar. The City Council shall comply with all public hearing requirements applicable to the specific type of debt being approved.
- iii. **Maximum Maturity.** All debt obligations shall have a maximum maturity of the earlier of: i) the estimated useful life of the capital improvements being financed, ii) 30 years or, iii) in the event obligations are being issued to refinance outstanding debt obligations, the final maturity of the debt obligations being refinanced unless a longer term is approved by the City Council.
- iv. **Debt Limitations.** All long-term financings will comply with applicable statutory regulations and City policy. Specifically, the City will maintain compliance with California Government Code Section 43605 limiting applicable indebtedness to 15% of the City's assessed all real and personal property valuation. Other debt limitations will be established for specific issuances to ensure all debt covenants can be met and operations can be maintained.
- v. **Debt Structures.** Debt shall be issued as fixed rate debt unless the City makes a specific determination as to why a variable rate issue would be beneficial to the City in a specific circumstance.
- vi. **Capitalized Interest (Funded Interest).** Subject to federal and state law, interest may be capitalized from date of issuance of debt obligations through the completion of construction. Interest may also be capitalized for projects in which the revenue designated to pay the debt service on the bonds will be collected at a future date, not to exceed six months from the estimated completion of construction and offset by earnings in the construction fund.
- vi. **Bond Covenants and Laws.** The City shall comply with all covenants and requirements of applicable bond resolutions, indentures, trust agreements, and other financing documents, as well as applicable state and federal laws authorizing and governing the issuance and administration of debt obligations.
- vii. **Method of Sale.** Bonds will be sold on a competitive basis unless it is in the best interest of the City to conduct a negotiated sale or private placement. Negotiated sales may occur when selling bonds to refund existing debt, for land-secured debt, for variable interest rate debt, for conduit debt, or for other appropriate reasons. Private placements may occur when economically advantageous for conduit debt, for capital requirements too small to bear the costs of a public debt issuance, for debt obligations with short amortization schedules, or for other valid reasons. Staff shall evaluate the cost-effectiveness of alternative financing methods before the City conducts a private placement of debt.
- viii. **Refunding.** The City shall review its outstanding debt for the purpose of determining if the financial marketplace will afford the City the opportunity to refund an issue and lessen its debt service costs. For refunding undertaken to achieve debt service savings, the sum total of all savings (net of expenses and funds contributed by the issuer at the time of closing), discounted to the present at the bond true interest cost, should at a minimum produce net present value savings equal to at least 3% of the par amount of refunding bonds to be sold. Refunding may be undertaken for reasons other than to

achieve debt service savings, such as to remove restrictive covenants or restructure debt payments. Such restructuring refunding do not need to achieve 3% net present value savings.

ix. **Municipal Code and State and Federal Laws.** All debt issued must be in conformance with applicable sections of the Municipal Code, as well as with state and federal laws in effect at the time of issuance.

x. **Use of Public Financing Authorities.** Depending upon the nature of the debt being issued, the City may elect to create a public financing authority should doing so be to the City's advantage.

xi. **Arbitrage Rebate Monitoring.** Staff will comply with the arbitrage rebate and monitoring requirements as set forth by the U.S. Treasury Department. Should staff determine that it is advisable to do so, arbitrage rebate analysis reports may be performed more frequently than once every five years as is required by the U.S. Treasury Department.

Investment of Bond Proceeds - Bond proceeds will be invested only in investments as permitted by the applicable governing document of the bond issue. When placing such investments, staff will ensure that there is sufficient liquidity to meet the underlying needs (i.e. construction funds or debt service reserve funds) of the funds being invested. Staff will give due consideration to credit risk and counterparty risk when investing such funds.

xii. **Continuing Disclosure.** The City will remain in compliance with Title 17 Code of Federal Regulations §240 15c2-12, Municipal Securities Disclosure, by filing our annual financial statements and other financial information for the benefit of our bondholders no later than the last day of the seventh month following the close of the fiscal year and file material event notices in a timely manner.

xiii. **Use of Bond Proceeds.** The City Manager, or designee, and other appropriate City personnel shall:

- Monitor the use of Bond proceeds and the use of Bond-financed assets (e.g., facilities, furnishings or equipment) throughout the term of the Bonds (and in some cases beyond the term of the Bonds) to ensure compliance with covenants and restrictions set forth in applicable City resolutions and Tax Certificates.
- Maintain records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds.
- Consult with Bond Counsel and other professional expert advisers in the review of any contracts or arrangements involving use of Bond- financed facilities to ensure compliance with all covenants and restrictions set forth in applicable City resolutions and Tax Certificates.
- Maintain records for any contracts or arrangements involving the use of Bond-financed facilities as might be necessary or appropriate to document compliance with all covenants and restrictions set forth in applicable City resolutions and Tax Certificates.

3.6 INTERNAL CONTROL PROCEDURES.

When issuing debt, in addition to complying with the terms of this Debt Policy, the City shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The City will periodically review the requirements of and will remain in compliance with the following:

- Any continuing disclosure undertakings under SEC Rule 15c2-12;
- Any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues; and
- The City's investment policies as they relate to the investment of bond proceeds.

It is the policy of the City to ensure that proceeds of debt are spent only on lawful and intended uses. Whenever reasonably possible, proceeds of debt will be held by a third-party trustee, and the City will submit written requisitions for such proceeds.

The City shall seek to borrow tax-exempt proceeds that can be reasonably spent within the IRS spending requirement approximately 3 years.

The City will submit a requisition only after obtaining the signature of the City Manager. In those cases where it is not reasonably possible for the proceeds of debt to be held by a third-party trustee, the person performing the function of chief financial officer of the City shall retain records of all expenditures of proceeds through the final payment date for the debt.

3.7. ADOPTION BY RELATED LOCAL AGENCY.

This Debt Policy may be adopted, and shall be applicable to, any other local agency for which the City Council acts as the governing board thereof (each, a "Local Agency"). The adoption of this Debt Policy by the Local Agency shall be evidenced by a resolution adopted by the City Council, in its capacity as the governing board of such Local Agency, adopting this Debt Policy and specifying the officer(s) authorized to submit the requisitions, and required to retain the records, described above on behalf of such Local Agency.

*675 Wildwood Avenue
Rio Dell, CA 95562*



TO: Mayor and Members of the City Council

THROUGH: Kyle Knopp, City Manager

FROM: Karen Dunham, City Clerk

DATE: September 3, 2024

SUBJECT: Resolution No. 1620-2024 Related to the City's
(0.75%) Transactions and Use (Sales) Tax for General
Purposes

RECOMMENDATION

Approve Resolution No. 1620-2024 authorizing examination of Sales or Transactions and Use Tax records, repealing Resolution No. 1613-2024.

BACKGROUND AND DISCUSSION

At the August 6, 2024, regular meeting, the City Council adopted Resolution No. 1613-2024 and other documents related to the extension and reduction of the one percent (1.00%) Transactions and Use (Sales) Tax to (0.75%) as approved by the voters at the November 8, 2022 Statewide General Election.

The resolutions, agreements, and forms were sent to the California Department of Tax and Fee Administration (CDTFA) as required for the administration and collection of the taxes.

Upon review of the information submitted, CDTFA requested a revision to the Resolution to delete Section 3 which would supersede all prior resolutions. Although the resolution implementing the 1% Transactions and Use Tax will expire on 12/31/24, it needs to remain in force as there will still be some revenue due to amended returns or audits. Without the prior resolution in place, CDTFA would not be able to provide any transactions and use tax records to the City.

ATTACHMENTS:

Resolution No. 1613-2024

Resolution No. 1620-2024



RESOLUTION NO. 1620-2024

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO DELL AUTHORIZING EXAMINATION OF SALES OR TRANSACTIONS AND USE TAX RECORDS REPEALING RESOLUTION NO. 1613-2024

WHEREAS, pursuant to Ordinance Number 394-2022 of the City of Rio Dell (District), and Revenue and Taxation Code section 7270, the District entered into a contract with the California Department of Tax and Fee Administration (Department) to perform all functions of incident to the administration and collection of transactions and use taxes; and

WHEREAS, the Board of the District deems it desirable and necessary for authorized officers, employees and representatives of the District to examine confidential sales or transactions and use tax records of the Department pertaining to transactions and use taxes collected by the Department for the District pursuant to that contract; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Department records, and Section 7056.5 of the California Revenue and Taxation Code establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales or transactions and use tax records of the Department;

**NOW, THEREFORE, THE BOARD OF THE DISTRICT OF THE CITY OF RIO DELL
HEREBY RESOLVES AS FOLLOWS:**

Section 1. That the City Manager and the Finance Director, or other officer or employee of the District designated in writing by the City Manager to the California Department of Tax and Fee Administration is hereby appointed to represent the District with authority to examine sales or transactions and use tax records of the Department pertaining to transactions and use taxes collected for the District by the Department pursuant to the contract between the District and the Department.

Section 2.

Option 1

The information obtained by examination of Department records shall be used only for purposes related to the collection of District transactions and use taxes by the Department pursuant to that contract.

The information obtained by examination of Department records shall be used only for those governmental functions of the District listed above.

Introduced, approved and adopted this 3rd day day Septyember 2024.

Debra Garnes, Mayor

I, Karen Dunham, City Clerk of the City of Rio Dell, California, DO HEREBY CERTIFY that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Rio Dell, at a regular meeting of said Board held on the 3rd day of September, 2024 2024 by the following roll-call vote:

Ayes:

Noes:

Absent:

Abstain:

Karen Dunham, City Clerk



RESOLUTION NO. 1613-2024

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO DELL AUTHORIZING EXAMINATION OF SALES OR TRANSACTIONS AND USE TAX RECORDS

WHEREAS, pursuant to Ordinance Number 394-2022 of the City of Rio Dell (District), and Revenue and Taxation Code section 7270, the District entered into a contract with the California Department of Tax and Fee Administration (Department) to perform all functions of incident to the administration and collection of transactions and use taxes; and

WHEREAS, the Board of the District deems it desirable and necessary for authorized officers, employees and representatives of the District to examine confidential sales or transactions and use tax records of the Department pertaining to transactions and use taxes collected by the Department for the District pursuant to that contract; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Department records, and Section 7056.5 of the California Revenue and Taxation Code establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales or transactions and use tax records of the Department;

**NOW, THEREFORE, THE BOARD OF THE DISTRICT OF THE CITY OF RIO DELL
HEREBY RESOLVES AS FOLLOWS:**

Section 1. That the City Manager and the Finance Director, or other officer or employee of the District designated in writing by the City Manager to the California Department of Tax and Fee Administration is hereby appointed to represent the District with authority to examine sales or transactions and use tax records of the Department pertaining to transactions and use taxes collected for the District by the Department pursuant to the contract between the District and the Department.

Section 2.

Option 1

The information obtained by examination of Department records shall be used only for purposes related to the collection of District transactions and use taxes by the Department pursuant to that contract.

The information obtained by examination of Department records shall be used only for those governmental functions of the District listed above.

Section 3.

~~That this resolution supersedes all prior resolutions of the Board of the District adopted pursuant to subdivision (b) of Revenue and Taxation Code section 7056.~~

Introduced, approved and adopted this 6th day of August 2024.

Amanda Carter, Mayor Pro Tem

I, Karen Dunham, City Clerk of the City of Rio Dell, California, DO HEREBY CERTIFY that the foregoing resolution was duly introduced, approved and adopted by the City Council of the City of Rio Dell, at a regular meeting of said Board held on the 6th day of August, 2024 by the following roll-call vote:

| | |
|----------|-------------------------|
| Ayes: | Carter, Orr, and Wilson |
| Noes: | None |
| Absent: | Garnes and Woodall |
| Abstain: | None |

Karen Dunham, City Clerk



Staff Highlights – 2024-09-03

City Council

City Manager

Contractor Mercer Fraser is expected to begin work on the long anticipated Monument Slip Out repair on Tuesday, September 3rd. The slip out resulted from the 2017 federally declared storm disaster. Even though it was a federally declared disaster, the County and the City have struggled for years dealing with the agency to get the project moving forward and had to enlist the support of Congressman Huffman to gain any level of traction. The local share of the cost of the project will be split between the City and the County.

City Clerk

Processed Three (3) Building Permit Applications:

157 Ogle Ave. – Re-Roof Residence

415 Dixie St. – 100 Amp Service Panel Upgrade

172 Ogle Ave. – Sewer Lateral

Processed One (1) Business License Application:

Redwood Curtain Construction – Non-Resident Contractor

Processed One (1) Encroachment Permit:

172 Ogle Ave. – Installed Sewer Lateral to the Street

Misc:

Submitted August Employment Data Report to US Census Bureau

Submitted the LAWCX 2025-26 Pre-Renewal Survey to SCORE

Submitted information to SCORE for upcoming property appraisals with HCA Appraisals

Submitted the monthly building permit report for August to the CHF Building Permit Foundation

Responded to PRA Request Related to Lexipol

Followed up with late T.O.T. payment on a Vacation Rental



Prepared Employee Compensation Timeline

Submitted letter to contractor Re: Working without a Permit or Business License

City Attorney

Human Resources, Risk & Training

Finance Department

Closing out the Per Capita Park Development Grant (Dog Park)

Working with State Waterboards gathering financial information and required documentation

Worked with City Attorney to develop a Debt Management Policy for the City

Participated in Loan Committee for CDBG Loan candidate

Completed Final Closeout report for CHP grant for Police Department

Completed Time- Extension request for Clean CA Eel River Trail grant project

Updated the City's Local Public Agency DBE Annual Submittal Form 9-B and Local Agency Americans with Disabilities Act Annual Certification Form required for compliance with the Caltrans DBE Program and ADA Program for all federal-aid transportation projects.

Processed Invoice #4 for the Rio Dell Water Infrastructure project

Discussed Traffic Study options with City staff including funding options for future roadways work such as Caltrans Sustainable Transportation Planning Grants and Local Highway Safety Improvement Program (HSIP).

Public Works Water

Water Annual Report to SWRCB

Monthly water testing

Monthly report to Division of Drinking Water

Schedule Surface water sampling schedule to be completed in two weeks.

Water tank site maintenance

Rio Dell Metro Wells Site Maintenance

Read Water Meters



Replace failed water meter, register and ERT's.

Eel River Surface Water Plant analyzer maintenance and calibrations

Work with FreshWater Environmental on Backflow prevention plan, Lead Service line survey and reporting, Rio Dell Metro Wells water sampling plan.

Consult with WesTech on Rio Dell Metro Wells performance and maintenance

Consult with Wahlund Construction to replace pumps in Infiltration Gallery, scheduled for late September.

720/955 Dinsmore meter misreading due to backflow due to auxiliary pump, recommended them to install a 1" check valve to fix the problem...Should have a backflow installed

1421 D Eeloa replace bad meter valve with new one

426 Painter St. raised meter and install new meter valve, installed traffic lid.

Check list of domestic water connections for lead pipe

Public Works Wastewater

Collection system checked weekly, system is much dryer.

Weekly Jetting occurs on Thursdays.

DJ's Burger Bar has a F.O.G. issue, clogging the main a few times this month.

Sludge Dryer Rotary Joints were installed.

Monthly Sampling is proving Chloramine Project a success.

Lateral Test at 127 Berkley, new lateral with 2 cleanouts and backflow device. Passed test.

Lateral Test at 654 Rigby, 2 cleanouts and backflow device. Passed test.

Second Reading of Ordinance NO.406-2024 Amendment to Chapter 13.10 Sewer Rates and Regulations by Title only was passed and adopted by the City Council.

Public Works Streets, Buildings and Grounds

Mowed, edged and weed whip north gateway

Mowed Dinsmore tank access road and tank site, Northwestern Ave, Edward Drive, Monument Rd, Pacific Ave behind City Hall, Blueslide Rd and parts of Bellevue Ave and WWTP Irrigation Field by Wendt Construction Tractor mower



Work with MCI on Eel River Trail construction project

Rio Dell Dog Park - add concrete picknick table and bench from Triangle park

Work on WWTP Plant 2 reclaimed water pumps

Mowed North and South gate

Hand weed South islands

Mowed overpass ramps and parks and side streets

Shop work

Public Works City Engineer

Public Works Capital Projects

Police Department

Community Development Department

Intergovernmental

Humboldt-Rio Dell Business Park