



MINUTES
REGULAR CITY COUNCIL MEETING
FLYNN CENTER
981 H STREET
CRESCENT CITY, CA 95531

Monday **March 1, 2010** **5:00 p.m.**

- Call to Order Mayor Schellong called the meeting to order in open session at 6:01 p.m.
- Roll Call Council Members present: Burns, Westfall, Slert, Murray and Mayor Schellong
Others present: City Manager Rod Butler, Deputy City Clerk Robin Patch, City Attorney Robert Black, Finance Director Ken McDonald, Pool Supervisor Matt Hildebrandt, and Police Chief Doug Plack
- Pledge of Allegiance Council Member Burns

PUBLIC COMMENT ON CLOSED SESSION ITEMS

1. CLOSED SESSION

- Existing Litigation (Gov't Code § 54956.9 subdivision (a)) (Five cases: Sanches vs. City of Crescent City, USDC CV08-1395; Barber vs. City of Crescent City, USDC Northern District of California, Case #08-CV-04883-WDB; Misti Cardenas vs. City of Crescent City, et. al., USDC CV08-4053; Brian Strom vs. City of Crescent City, USDC Case #CV08-4708; Sanches vs. City of Crescent City, USDC CV08-5663); Westfall vs. City of Crescent City, Del Norte County Superior Court
- Potential Litigation (Gov't Code § 54956.9 subdivision (b)) (Two cases)
- Liability Claim – Claimant: Donna Westfall, agency claimed against City of Crescent City et al.

Mayor Schellong opened the closed session at 5:01 p.m. and all four Council Members were present with Council Member Westfall arriving at 5:05 p.m. There were no public comments on closed session items. The Closed Session was adjourned at 5:59 p.m. City Attorney Bob Black reported that no final actions were taken on closed session items.

ACKNOWLEDGEMENTS - none

CONSENT CALENDAR

2. Approval of the regular minutes of the February 16, 2010 Crescent City Council meeting.
3. Receive and file the January 2010 General Ledger report.
4. Approval of warrant claims list for the period February 17, through March 1, 2010.
5. Approval of biweekly payroll reports for the period ending February 13, paid February 19, 2010.

On a motion by Council Member Slert, seconded by Council Member Murray and unanimously carried 5-0, the City Council of the City of Crescent City approved and adopted the consent calendar, consisting of items 3-5.

6. PUBLIC HEARING(S) – none

NOTE: If you challenge the decision of the City Council in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing. (Gov't Code § 65009)

7. REPORTS

Reports relative to the City of Crescent City programs and projects, from staff or outside agencies.

- Update from Melissa Darnell and Christine Slette on the Court Appointed Special Advocates (CASA) partnership with the City of Crescent City. (Fred Endert Municipal Pool)

City Manager Rod Butler explained the City’s partnership with CASA. Both Ms. Darnell and Ms. Slette addressed the Council and thanked the City for their support. Ms. Slette explained the function of Court Appointed Special Advocates (CASA). Currently, there are 18 active Advocates and 33 children being served. Ms. Darnell explained CASA’s “Making Memories Project” which purpose is to create partnerships with local businesses. While the child is with their Advocate, these businesses offer discounts to them: Alisa’s Custom Coffee, BC’s Boardwalk, CC Diner, BC’s Lake Earl Market, City of Crescent City, Coming Attractions Theater, Continental Bakery, Java Hut, Ocean World, Pizza Hut, Pizza King, Subway, Torero’s Mexican Restaurant and Tsunami Lanes. *Council Member Westfall left the dais at 6:14 p.m. and returned at 6:16 p.m.*

COMMUNICATIONS

- **PUBLIC COMMENT PERIOD** – the following citizens gave public comment: Richard Miles expressed his concern with an application that the Joint Powers Authority (JPA) will be filing with the FAA. Peter Mann, POP Foundation President thanked the Council for opening the pool for the one-year anniversary.

CONTINUING BUSINESS

8. Consider and approve Payment #33 for Wahlund Construction and Payment #34 for Stover Engineering regarding the Wastewater Treatment Plant.

Council Member Slert stated that the project is 90% completed and under budget.

On a motion by Council Member Slert, seconded by Council Member Murray and unanimously carried 4-1 on a polled vote, with Council Member Westfall voting no, the City Council of the City of Crescent City approved Payment #33 for Wahlund Construction and Payment #34 for Stover Engineering regarding the Wastewater Treatment Plant.

The following citizens gave public comment: Richard Miles spoke in regards to a fence for the treatment plant.

NEW BUSINESS

9. Receive report on proposed Sewer Rate Rollback Initiative measure's effect on the City of Crescent City, take action as necessary. (Rod Butler)

City Manager Rod Butler went over the details leading up to the Initiative and the direction the Council gave him afterwards. Being that there were sufficient signatures for this measure to be placed on the ballot, the Council directed Mr. Butler to write a report based on the fiscal impacts it will have to the City. The State Revolving Fund (SRF) has required that the City have a rate structure for this loan to be paid back. These rates were designed to pay back the loan and if the rates are dropped significantly, it will do serious damage to the ability to repay the loan. Mr. Butler stated that if there was a \$1.9 million revenue loss, the impact would have many different scenarios, one of which is that the City would have to make serious cuts to the following General Fund budgets: Police Department, Fire Department, Parks Maintenance and Operations, Street Maintenance and Operations, Fred Ender Municipal Pool, Community Support (which includes the Chamber of Commerce contribution, Visitor's Bureau contribution, and Tri-Agency contribution), and the Planning Department. Since the petition has enough signatures, it is the City Manager's recommendation to put this measure on the ballot for November 2, 2010. Council Member Slert thanked Mr. Butler for the information on the report and how he feels that informed citizens would not vote for such a destructive measure. This is a crisis of incredible magnitude, this is not fear-based, it is factual and it would be a travesty if it were passed. Council Member Murray agreed with Council Member Slert and stated that she feels that the citizens would not vote for this measure and it would clearly devastate the City. Council Member Westfall felt that the report should include the eight items she listed and she read off each one with detail. Mayor Schellong stated that she had researched other cities that have been through similar situations and the high amount of legal fees (approx. \$4 million) associated with the process. City Manager Butler stated that the City would have the bulk of, if not all, the legal fee responsibility. City Attorney Bob Black commented that Mr. Butler's report was very thorough and balanced, however, very optimistic. He further stated that if the measure is passed, it would be a "doomsday scenario" for the City. Mayor Schellong went over the bullets in the report that showed the areas that would be affected, namely the Police Department and Fire Department. She also addressed Council Member Westfall's questions and that they were not included in the report due to the fact that they were not submitted to Mr. Butler until last week.

The following citizens made comments: Richard Miles stated that he has spoken to people who did not sign this petition. Jody Mangum spoke on the rate increases. Bill Renfro spoke about Wastewater Treatment Plant being a positive need for Crescent City. Michael Ceremello, from the City of Dixon, spoke in regards to this rate rollback measure. Connie Morrison spoke about a treatment plant in Santa Barbara as well as the continual building on the Crescent City Wastewater Treatment Plant. Kirk Roberts asked the proponents of this measure to explain their plan for repayment of the loan.

Council Member Burns stated that anyone can make accusations and that Council Member Westfall had accused him of wrongdoing, however she has never submitted it in writing, only said it in a public forum. Council Member Slert stated that it is very easy to be critical and yet another thing to bring forward a solution to the table. He asked Ms. Westfall to produce a report much like that of City Manager Rod Butler's to explain her plan to repay this loan. Council Member Murray stated that wherein we do have a lot of

people at or below poverty within the City limits, most of them live in apartment complexes, therefore receive a significant reduction in sewer rates and are not affected as those who live in single-family homes. Council Member Westfall stated that on the night that she exposed the oversight and payroll issues, The Daily Triplicate did not report it accurately. She made several statements of her belief that the local newspaper is biased. Council Member Westfall asked for a Grand Jury investigation into her allegations that the “bid was fixed” regarding the Wastewater Treatment Plant. Mayor Schellong stated that the reason why the Council is where they are today is due to the fact that we had a failing treatment plant for a number of years. No one on the current Council wanted to raise the rates of ratepayers; it was just a matter of necessity. What we are facing now due to this initiative is losing employees, closing our pool, eliminating our Police and Fire Department. Mayor Schellong reiterated that we have the lowest sewer rates in the surrounding communities. She expressed her sadness that accusations have been lodged against Mayor Pro Tem Burns.

On a motion by Council Member Burns, seconded by Council Member Slert and unanimously carried 5-0 on a polled vote, the City Council voted to direct staff to place the Sewer Rate Rollback Initiative on the November 2, 2010 ballot.

On a motion made by Council Member Slert, and seconded by Council Member Murray and unanimously carried, the City Council approved to receive and file the City Manager’s report and accept it as the report under Elections Code 92112.

10. Approve a tentative funding plan for the FY 2009/2010 Supplemental Education Revenue Augmentation Fund (SERAF) transfer from the Redevelopment Agency. (Rod Butler)

City Manager Rod Butler went over this plan in detail and stated that one of his first actions when he became City Manager was to reactivate the City’s membership in the California Redevelopment Association. They have been guiding the City in how to respond to the State’s “revenue grab”. They advised the City not to send any money to the State as this matter is currently being challenged in court. Discussion on the matter continued.

The following citizens made comments: Richard Miles suggested Ms. Westfall should look at the Redevelopment Agency and its challenges. Michael Ceremello questioned the City Managers decision to discuss things in closed session. Kirk Roberts stated that this topic of discussion is just another plan from the State to take money from local government and citizens’ pockets.

On a motion made by Council Member Burns, seconded by Council Member Slert, and unanimously carried 5-0, the City Council recommended that the City Manager write a letter to the County Auditor recommending that the City will pay the SERAF payments from our low and moderate income housing funds.

11. Consider and discuss an “Adopt-a-Block” program for our downtown to support businesses, BID, and the City in beautifying our city including the Highway 101 service corridor. (Charles Slert)

Council Member Slert described this program in detail and that it would clean up the downtown area as well as the 101 corridor. It is about civic pride and community involvement. Council Member Burns stated that volunteerism is a good thing for our community and thinks this program is a good idea for our City.

The following citizens made comments: Richard Miles stated that this is a good idea for our community. Joan Buhler stated her appreciation for the clean up work being ordered for her neighbors. Michael Ceremello asked why local businesses do not keep their area clean and in appropriate condition. Council Member Murray stated that there are a lot of businesses that keep up their storefronts; it's her opinion that Mr. Slert is encouraging a partnership, not bigger government. Mayor Schellong stated that it is the vision of this program to get people in our community to volunteer to beautify Crescent City.

12. Consider and discuss new programs and policies for dealing with property owners who take advantage of tenants by not providing basic standard of care regarding non-conforming conditions, code violations, on-going disrepair and blight conditions. Provide direction to staff as necessary. (Charles Slert)

Council Member Slert addressed the Council and stated that this is in the spirit of addressing ongoing blight issues and hopes this can create a voice for the tenants. He has received several complaints in his office regarding business as well as residential properties that are creating blight in our community. Mayor Schellong states that she has seen improvements in the hotels in the area. This is a budgetary item that needs to be addressed at another date to discuss the possibility of having a City Code Enforcement Officer. Council Member Westfall stated that she has seen a lot of the apartment complexes that are in disrepair and is in favor of something that will work. Council Member Burns stated that the City has been very active cleaning up blight recently and that we still have issues to address. He also feels that a Code Enforcement Officer would be a good idea. Council Member Slert stated that he would be happy to continue the dialogue.

The following citizens made comments: Richard Miles stated his appreciation for his landlord. Ralph Dickey stated that he hopes for a lower cost for permits to replace windows, etc. Vicky Dickey stated that if a tenant has a problem they can say something and shouldn't worry about being evicted.

CITY COUNCIL ITEMS

- **Legislative Matters – none**

- **Reports, Concerns, Referrals, Council travel and training reports** –Council Members Burns and Slert attended a tree ad hoc committee meeting and that Mr. Unterkoefer has information to have trees planted at the Courthouse. There were discussions to plant trees at the Flynn Center. Council Member Murray stated the Mobile Transportation Gateway meeting will be tomorrow night from 4pm – 6pm and she attended the Chamber Board meeting. Council Member Slert offered his appreciation to City Manager Rod Butler, Police Chief Doug Plack, and Fire Chief Wakefield for their preparedness over the recent Tsunami advisory. Mayor Schellong thanked everyone who involved with disaster preparedness. She also offered congratulations to Mr. Renfro and City Planner/Economic Development Specialist Michele Rambo for the Crab, Wine, and Cheese Festival. She is looking

forward to a detailed report on this festival and she really enjoyed celebrating our resources. She reports that we had a very successful Joint City/County meeting and all were in agreement that it was great to have an open dialogue. City Manager Rod Butler and Mayor Schellong met with Pacific Power and they will provide up to \$4,000 to buy trees and there were discussions of plans to honor this with an Arbor Day celebration. Tri-Agency meeting was held recently where micro-enterprise loan funds were confirmed for local businesses. There has been a change of the date for the Town Hall Meeting, it will now be held on April 10th at the Fire Hall on Washington Blvd. The topics of discussion will be: Front Street construction, Beachfront Park, and downtown Redevelopment and budget prioritization exercises. The Annexation Workshop will be held at the I Street Fire Hall on April 12th at 5:00 p.m.

➤ **City Manager Directives - none**

ADJOURNMENT

Adjourn the meeting to the regular scheduled meeting on Monday, March 15, 2010 at 6:00 p.m., the Closed Session start time will be at 4:00 p.m.

There being no further business to come before the Council, Mayor Schellong adjourned the meeting at 8:49 p.m. until the regular scheduled meeting on Monday, March 15, 2010 at 6:00 p.m.

ATTEST:

By: Robin Patch, Deputy City Clerk
for Rod B. Butler City Clerk