



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

Monday July 19, 2010 5:00 p.m.

Call to Order Mayor Schellong called the meeting to order in open session at 6:02 p.m.

Roll Call Council Members present: Westfall, Slert, Murray and Mayor Schellong
Council Members absent: Burns
Others present: City Manager Rod Butler, Deputy City Clerk Robin Patch, City Attorney Bob Black, Interim Housing Authority Executive Director Megan Miller, Fire Chief Steve Wakefield and Police Chief Doug Plack

Pledge of Allegiance Council Member Slert

PUBLIC COMMENT ON CLOSED SESSION ITEMS

1. CLOSED SESSION

- Conference with Labor Negotiator: Rod Butler, Crescent City Employees Association (Gov't Code § 54956.8)
- Conference with Labor Negotiator: Rod Butler, Clerical Employees of Crescent City (Gov't Code § 54956.8)
- Public Employment (Gov't Code § 54957 (b)) Finance Director and Public Works Director/City Engineer
- Existing Litigation (Gov't Code § 54956.9 subdivision (a)) (Four cases: 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; Sanches vs. City of Crescent City, USDC CV08-5663); City of Crescent City vs. Westfall, Del Norte Superior Court, No. CVUJ 10-1134; Potential Litigation (Gov't Code § 54956.9 subdivision (b)) (Two cases)

Mayor Schellong called the closed session to order at 5:04 all four Council Members were present with Mayor Pro Tem Burns absent. There were no public comments on closed session items. Council Member Westfall was excused from the closed session at 5:58 p.m. City Attorney Bob Black reported that the closed session was unable to be concluded, therefore, will finish at the adjournment of this meeting. Mr. Black further stated that no final actions were taken on closed session items that were discussed.

ACKNOWLEDGEMENTS- none

CONSENT CALENDAR

2. Approval of the regular minutes of the July 6, 2010 Crescent City Council meeting.
3. Approval of warrant claims list for the period July 7, through July 19, 2010.
4. Approval of biweekly payroll reports for the period ending July 3, paid July 9, 2010.

On a motion by Council Member Slert, seconded by Council Member Murray and carried 4-0, the City Council of the City of Crescent City approved and adopted the consent calendar, consisting of items 2-4 with corrections as noted.

Council Member Slert stated that on Page 6 – second to last line, states “Mayor Burns” instead of Mayor Pro Tem Burns.

ADJOURN TO CRESCENT CITY HOUSING AUTHORITY

5. See attached minutes. (Megan Miller)

ADJOURN TO CRESCENT CITY REDEVELOPMENT AGENCY

6. See attached minutes. (Rod Butler)

7. 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)

8. REPORTS

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

- Receive and file the Chamber of Commerce quarterly report. (Gina Zottola)

Mayor Schellong gave her thanks and congratulations to Ms. Zottola for a wonderful 4th of July celebration and the Council echoed her sentiments. Ms. Zottola gave the quarterly report for the Chamber of Commerce and reported that for the holiday weekend, the hotels were close to 100% full and that 1,000 people attended the Deck Party. She thanked the City for the continued support of the Chamber, thanked City Manager Butler & staff for all of the help. Mr. Butler stated that he wanted to discuss with Ms. Zottola, at another time, the issue of the amount of trash cans that were available for the 4th. Ms. Zottola thanked Chief Plack, the officers, and the Explorers for all of their work preparing for and offering security for the 4th of July festivities. She stated that they are a huge asset to the Chamber and City. She went over the statistics for the quarter and explained that the decrease is probably due to the economy. They did not see as many visitors from foreign countries; visitors came from Washington, Sonoma, and Southern California. The Chamber received a lot of phone calls from Southern California regarding the “Beat the Heat” campaign. Ms. Zottola gave the figures for the amount of information packets that were sent out and Mayor Schellong asked about the packet being transferred to PDF format. Ms. Zottola stated that this issue is being discussed and it is hoped to get that technology up and running soon. She would like to invite the Council to the Welcome Reception at the Hampton Inn on August 19th, 5:00 p.m. – 7:00 p.m. for Open Door Community Health’s Dr. Michael Newnan, DO, and Dr. Nikki Schwartz who practices at Crescent City Family Practice.

- Receive and file the Tri-Agency Economic Development Authority 2009-2010 Annual Report. (Bill Renfroe)

Council Member Westfall left the dais at 6:54 p.m. Tri-Agency Executive Director Renfroe went over the 2009-2010 Annual Report in detail and provided a slide show for those in

attendance. Mayor Schellong stated for the record that both she and Council Member Slert sit on Tri-Agency Economic Development Authority Board. *Council Member Westfall returned to the dais at 6:56 p.m.* He also went into detail in regards to funding available for the current projects. Many items have been added to the Tri-Agency website to allow community members to view the projects that the Tri-Agency is involved in. Council Member Slert stated that the software problem is problematic and it is a priority to correct it; a lot of work was put into getting the information together. Mayor asked what the problems were and if Mr. Renfroe had discussed them with City IT Administrator Fritz Ludemann as the County was having difficulty correcting it. Mayor Schellong asked Mr. Renfroe to advise everyone about Frontier Communications Corporation that has recently acquired Verizon. He explained that the goal is to close the gap of cell phone coverage on Hwy 199; however he has no details or time-line. Discussion continued. Council Member Murray asked what is the mission statement for Tri-Agency – Mr. Renfroe stated it is to recruit new businesses into the community and to help existing businesses to retain and expand their business. Council Member Slert asked if there was a link on the Tri-Agency website for the County and Visitor’s Bureau Explore Del Norte –Mr. Renfroe was not sure. Mayor Schellong thanked him for his role in our community.

There were no public comments.

COMMUNICATIONS

- **PUBLIC COMMENT PERIOD** – the following citizen gave comment: Fred Cox, County resident, retired military, spoke in regards to his love for Del Norte County and that there is a panhandling problem at the Point of Honor Monument area. He asks for the Council to consider drawing up an Ordinance for no panhandling to be done in the park at all. Mayor Schellong spoke to Mr. Cox in regards to the recent Ordinance that was passed by the Council. Mayor Schellong asked Chief Plack to address the matter of the individual that panhandles at the Point of Honor monument location.

CONTINUING BUSINESS - None

NEW BUSINESS

9. Receive an update on the cooperative process between the City of Crescent City, the County of Del Norte, and the Crescent City Harbor District to provide wastewater collection services to the Harbor District through the new Wastewater Treatment Plant. (Rod Butler/Jim Barnts)

City Manager Butler went over the update in detail and stated that Public Works Director Jim Barnts and Associate City Engineer/Utilities Director Eric Wier met with County Service Area Staff including Board of Supervisors Chair Gerry Hemmingsen & Supervisor Finigan to go over this plan and their participation. They reported that County staff gave strong support for this project and have a willingness to be involved. City and Harbor staff had a very successful meeting regarding the Harbor’s growth potential. As the Harbor Counsel, Bob Black will be drafting the agreement that will lay out all of the improvements. Mr. Black is a great candidate due to his experience with all of the agencies involved. The City will have the agreement reviewed, independently, by Harriet Steiner, or someone at McDonough, Holland, and Allen. Mayor Schellong, speaking on behalf of the entire Council, stated to Mr. Black that they want to see this happen quickly. City Manager Butler spoke further on the fact that Alber Seafood has handed in the first draft of the Industrial Waste Discharge Permit a week ago, which is crucial because nothing can be done until this permit was on the books. Mr. Butler advised the Council that this will come before them for

final approval. Charlene Mazzei and Mr. Butler will be meeting with Suzanne Dockal this Friday to get the contract finalized and to get her started on the next process to get Over-the-Counter grant funds. Mayor Schellong stated that this is great news and when the ad hoc committee met with Elk Valley Rancheria, they were notified of the project and the Rancheria staff was pleased with the concept. Mayor Schellong is also pleased with everyone working together and that City staff has been working diligently on this process. Council Member Slert stated that knowing how slowly the wheels of government move, he is pleased with the way things have gone. His concern is to maintain and protect the jobs we have, or to grow the jobs we have. He asked if there a back-up plan so we don't impact this upcoming crab season. Mr. Butler stated that in addition to City Attorney Black being the one initiating the draft agreement, the Harbor is ready, willing, and able to fire up the old plant the harbor so Mr. Alber knows that they have wastewater processing available if this project doesn't happen in time.

There were no public comments.

10. Approve a resolution of acceptance and authorize the Mayor to execute a Volunteer Fire Assistance Program Agreement with the California Department of Forestry and Fire Protection. (Rod Butler/Steve Wakefield)

City Manager Butler corrected the agenda item that read "Mayor" to sign the agreement and that he'd like for the Council to change it to the "City Manager" to sign. Fire Chief Wakefield approached the podium and explained the details of this item. This grant will finish the wildland gear program and will allow them to buy the rest of the sets. This gear is lightweight clothing, not like the equipment and uniforms purchased last year for the fire department. Chief Wakefield stated that this is a matching grant and the City has plenty of money in the Fire budget for our portion. Council Member Slert thanked the Fire Chief for staying on top of this grant.

There were no public comments.

Consider and approve a resolution entitled, Resolution No. 2010-21, A RESOLUTION OF THE CITY OF CRESCENT CITY APPROVING THE DEPARTMENT OF FORESTRY AND FIRE PROTECTION AGREEMENT NO. 7FG10003 FOR SERVICES UNDER THE VOLUNTEER FIRE ASSISTANCE PROGRAM.

On a motion by Council Member Murray, seconded by Council Member Slert and carried 4-0, the City Council of the City of Crescent City approved a resolution entitled, Resolution No. 2010-21, A RESOLUTION OF THE CITY OF CRESCENT CITY APPROVING THE DEPARTMENT OF FORESTRY AND FIRE PROTECTION AGREEMENT NO. 7FG10003 FOR SERVICES UNDER THE VOLUNTEER FIRE ASSISTANCE PROGRAM.

CITY COUNCIL ITEMS

- **Legislative Matters- none**
- **Reports, Concerns, Referrals, Council travel and training reports –**

Council Member Slert saluted City Manager Butler for his the Coastal Voices article and stated it's about educating our community. He proposes to direct Mr. Butler to continue Coastal Voices in the spirit of education. He stated that the citizens should be properly informed of the Sewer Rate Rollback Initiative and its impact on the City, both now and in

the future. He asked for Council Member Westfall to offer a plan to avert an economic crisis for the City should the proposed initiative be successful. He is excited and looking forward to the formal opening of our new Wastewater Treatment Plant, it's online and functioning – this is a historic community achievement. Council Member Slert reported that he attended the Redwood Coast Transit Authority Commission this past week, stated it continues to grow and there is a new five day a week transit service to Hiouchi. There will be new bus stops added that will have a picture of Battery Point Lighthouse etched into the glass. Mayor Schellong asked for Councilman Slert to look into the bus stop on 2nd Street across from Pete's Auto and Marine – business owners in that area have advised her that is not being used and takes up the only parking their business has – can this be relocated? Council Member Murray did not have anything to report. Council Member Westfall stated that she has a 12 point plan that she would like to put on the agenda regarding her solution to the effect the Sewer Rate Rollback Initiative will have, but is waiting for a call back from her attorney. Mayor Schellong told City Manager Butler that he did a good job on the Coastal Voices article. She asked City Attorney Black for direction on the idea of Coastal Voices article pertaining to the Sewer Rate Initiative – Mr. Black stated that if City money is being expended, then the City can produce an educational piece, but not one of advocacy. Discussion continued. Mr. Black advised the Mayor that she could write an article of advocacy because she is not being paid to do it. Mayor Schellong reported that she attended the Solid Waste Management Authority meetings and there was a vote of 4-1 in June to retain Recology and that the lone vote was hers. She further stated that due to the large public outcry to use Hambro, the item was placed back on the agenda for reconsideration. She thanked City staff for moving the City forward.

➤ **City Manager Directives -**

ADJOURNMENT

Adjourn the meeting to the Redevelopment Agency Workshop on July 26, 2010 at 5:00 p.m. at the I Street Fire Hall.

There being no further business to come before the City Council, Mayor Schellong adjourned the meeting at 7:55 p.m. to the previous closed session.

ATTEST:

Robin Patch, Deputy City Clerk for
Rod Butler, City Clerk



MINUTES
Crescent City Housing Authority
REGULAR MEETING
JULY 19, 2010 AT 6:00 P.M.
FLYNN CENTER, 981 H STREET, CRESCENT CITY CA 95531

Call to Order Chairwoman Schellong called the meeting to order at 6:05 p.m.

Roll Call Board Members present: Slert, Murray, Westfall, Schellong, and Director Miller
Board Member absent: Burns

COMMUNICATIONS

} ***PUBLIC COMMENT PERIOD*** – *there were no public comments*

CONSENT CALENDAR

1. Approve regular meeting minutes of June 21, 2010 Crescent City Housing Authority.
2. Approve warrant claims list for the period of June 22, to July 19, 2010.

On a motion by Council Member Slert, seconded by Council Member Murray and carried 4-0, the City Council of the City of Crescent City approved and adopted the consent calendar, consisting of items 1-2.

HOUSING DIRECTOR'S REPORT – None

Chair Schellong welcomed Director Miller to her first City Council meeting as the Director of the Housing Authority.

PUBLIC HEARING – None

CONTINUING BUSINESS – None

NEW BUSINESS - None

ADJOURNMENT

Adjourn to the next regular meeting scheduled on August 16, 2010 at 6:00 p.m.

There being no further business to come before the Board, the meeting was adjourned at 6:07 p.m. to the next regular scheduled meeting of August 16, 2010 at 6:00 p.m.

ATTEST:

Robin Patch, Deputy City Clerk for
Rod Butler, City Clerk



MINUTES
Crescent City Redevelopment Agency
REGULAR MEETING
JULY 19, 2010 AT 6:00 P.M.
FLYNN CENTER, 981 H STREET, CRESCENT CITY, CA 95531

Call to Order Chairwoman Schellong called the meeting to order at 6:07 p.m.

Roll Call Board Members present: Slert, Murray, Westfall, Schellong, and Director Miller
Board Member absent: Burns

COMMUNICATIONS

PUBLIC COMMENT PERIOD – there were no public comments.

CONSENT CALENDAR

1. Approval of the regular meeting minutes of June 21, 2010 of the Crescent City Redevelopment Agency.
2. Approve warrant claims list of June 22, 2010 to July 19, 2010.

On a motion by RDA Director Slert, seconded by Director Murray and carried 4-0, the Redevelopment Agency of the City of Crescent City adopted the consent calendar, consisting of items 1-2.

EXECUTIVE DIRECTOR’S REPORT – None

BUSINESS ITEMS – None

PUBLIC HEARING – None

NEW BUSINESS

3. Authorize the City Manager to submit a H.O.M.E. grant application on behalf of the Del Norte Point Multi-family Apartment project. (Rod Butler/Tara Barauskas)

Consider and approve a resolution entitled, RESOLUTION NO. 2010-20, A RESOLUTION OF THE CITY COUNCIL AND THE REDEVELOPMENT BOARD OF THE CITY OF CRESCENT CITY, CALIFORNIA AUTHORIZING THE SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER THE H.O.M.E. INVESTMENT PARTNERSHIPS PROGRAM AND DESIGNATING THE CITY MANAGER AS THE PERSON AUTHORIZED TO EXECUTE DOCUMENTS RELATED TO THE GRANT APPLICATION.

Chairwoman Schellong was pleased with this agenda item and asked for Executive Director Butler to outline it in detail. Mr. Butler explained the Del Norte Point Multi-Family Apartment project and introduced Ms. Tara Barauskas, a representative of McFarlane-Costa Housing Partners, the company that currently owns the property. Ms. Barauskas went into the project in detail as well as the reasons behind the lengthy planning process. The property is located at 1126 E Street which is right next to Joe Hamilton Elementary. This will be an apartment complex with 73 units with a great deal of amenities available to the residents. She is asking the Redevelopment Agency to help this organization to apply for tax credits (6:14:45 – listen for her comments). Ms. Barauskas went into a detailed history of the company that owns this property and is

proposing the above project. Mayor – does the company have a new bid for this project? No hard bid – just good estimates from some contractors due to not having current drawings. Mayor – are you open to hiring locally? Yes – that is the best idea as they will know the area better. Mayor – due to the current economy, the bid should be lower? Yes – however, the title 24 has changed (the requirements) therefore it hasn't changed. \$20 million cost is all inclusive, land, etc. Slert – the funds are a little misleading due to the costs not being firm (listen to Charles' explanation to the Mayor 6:19) – Mayor – does the RDA Board approve of the plans? Rod – yes, there would be no further design review, only financial assistance approval. Tara – professional on-site management company will be managing the property. Rod – currently there is enough money in the low to moderate Housing funds (6:20) - ***Kelly asked for an agenda item for the next meeting to discuss the Northcrest property owned by John Diehl.** Rod explained to the Board that the only thing being asked for tonight, is a loan that will be repaid by the company over time, with interest. Mayor – you feel comfortable going forward with the loan with no terms decided tonight? Tara – yes – because it is her understanding that it's not a fixed hard loan. Tara explained the loan process in detail. (6:24 – listen to Kelly's concern & Rod's answer) What is needed is a public statement that the Board is in agreement to allow this application for a grant. Any funding commitment would only be tied to this specific income tax credit cycle.

Murray – we need low-income housing and she is in favor of this project. (6:29) She likes the whole amenity plans. She referred to Crime-Free Multi Housing project and it would be beneficial to the project. Chief Plack went into detail about the Crime-Free Multi Housing project for the benefit of Ms. Barauskas. Mayor Schellong asked for this to be a part of the loan conditions if possible. Ms. Barauskas was very interested in having this be a part of the project they have planned. (6:31) Tara went into detail of the process that would include the attached resolution. Westfall – excited about the project. She asked Rod where the money comes from exactly (6:32 – listen to Rod's explanation) He explained the money that comes in must be used for a variety of projects. Mayor stated that this is a priority for a use of these funds. Westfall – will Section 8 be accepted? Yes. Westfall – asked about hookups? Rod – stated that they have already paid for these hookups (6:34) way back. Where does the money go for the hookup fees? (6:35 – listen to whole discussion to pick out important statements) It was reiterated that this company had already paid for these hookups over 6 years ago. Slert – clarification of the drawings 36' – this project is great for the City – we are in need of low/moderate income housing. He reminded the Council of the people on the waiting list for housing. Mr. Slert knows this architect and stated that he is award winning (6:38) this is a good fiscal decision for our City in these current economic times. Earnings and return payment. Mayor – has been excited for this project for several years. This was direction that was given to Rod to have these projects to move forward (projects that have been waiting for years due to several issues).

Consider and approve a resolution entitled, Resolution No. 2010-20, A RESOLUTION OF THE CITY COUNCIL AND THE REDEVELOPMENT BOARD OF THE CITY OF CRESCENT CITY, CALIFORNIA AUTHORIZING THE SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER THE H.O.M.E. INVESTMENT PARTNERSHIPS PROGRAM AND DESIGNATING THE CITY MANAGER AS THE PERSON AUTHORIZED TO EXECUTE DOCUMENTS RELATED OT THE GRANT APPLICATION.

There were no public comments.
(listen to Slert's caveat)

On a motion by RDA Director Slert, seconded by Director Westfall and carried 4-0, the Redevelopment Agency of the City of Crescent City approved a resolution entitled, Resolution No. 2010-20, A RESOLUTION OF THE CITY COUNCIL AND THE REDEVELOPMENT BOARD OF THE CITY OF CRESCENT CITY, CALIFORNIA AUTHORIZING THE SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER THE H.O.M.E. INVESTMENT PARTNERSHIPS PROGRAM AND DESIGNATING THE CITY MANAGER AS THE PERSON AUTHORIZED TO EXECUTE DOCUMENTS RELATED TO THE GRANT APPLICATION.

Adjourned at 6:42 & reconvened as the City Council

REDEVELOPMENT AGENCY ITEMS – Chairwoman Schellong

ADJOURNMENT

Adjourn the meeting until the next regularly scheduled meeting of August 16, 2010 at 6:00 p.m. There being no further business to come before the City Council, Mayor Schellong adjourned the meeting at 7:55 p.m. to the previous closed session.

ATTEST:

Robin Patch, Deputy City Clerk for
Rod Butler, City Clerk