



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

**Monday                      September 20, 2010                      5:00 p.m.**

Call to Order                      Mayor Schellong called the meeting to order in open session at 6:06 p.m.

Roll Call                      Council Members present: Slert, Burns and Mayor Schellong  
Council Members absent: Westfall and Murray  
Others present: City Manager Rod Butler, Deputy City Clerk Robin Patch, City Attorney Bob Black, Public Works Director Jim Barnts, Finance Director Ken McDonald, Utilities Director/Associate City Engineer Eric Wier, Tri-Agency Executive Director Bill Renfroe and Police Sergeant Erik Apperson

Pledge of Allegiance: Council Member Slert

**PUBLIC COMMENT ON CLOSED SESSION ITEMS- None**

Mayor Schellong called the closed session to order at 5:04 p.m. with three Council Members present, Council Members Murray and Westfall were absent. There were no public comments on closed session items.

**1. CLOSED SESSION**

- Conference with Labor Negotiator: Rod Butler, Crescent City Employees Association (Gov't Code § 54956.8)
- Public Employment (Gov't Code § 54957 (b)) 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)
- Conference with Real Property Negotiator: Rod Butler, APN: 118-070-07, 118-070-09, 118-070-10, 118-130-38, 118-130-39, and 118-260-12 (Gov't Code § 54956.8)
- Liability Claim – Claimant: Donna Westfall, agency claimed against City of Crescent City et al.

The closed session adjourned at 6:04 p.m. and City Attorney Black stated that no final actions were taken on closed session items.

**ACKNOWLEDGEMENTS-**

**2. Consider and adopt Resolution No. 2010-25, entitled, A RESOLUTION OF THE CITY COUNCIL OF CRESCENT CITY IN HONOR OF THE 2010 NORTH COAST STAND DOWN.**

Mayor Pro Tem Burns read the above proclamation and presented it to Carol Roth on behalf of the North Coast Stand Down Board. Ms. Roth spoke in regards to the event and thanked the Council for the support of the local veterans. She listed the various departments that were going to be available to the veterans. Mayor Schellong thanked the veterans in attendance for their service.

**3. Approve and read A PROCLAMATION SUPPORTING THE DESIGNATION OF OCTOBER 24, 2010 AS WORLD POLIO DAY.**

Mayor Schellong read aloud the proclamation and introduced both Gerry Cochran and Kirk Brown from the Crescent City and Sunrise Rotary, respectively. Mr. Cochran of the Crescent City Rotary and Mr. Brown of the Sunrise Rotary thanked the Council for their support. They both went into detail about the epidemic of polio in the world today and the monies donated by the local chapters for the cause.

**CONSENT CALENDAR**

4. Approval of the regular minutes of the September 7, 2010 Crescent City Council meeting.
5. Approval of warrant claims list for the period September 8, through September 20, 2010.
6. Approval of biweekly payroll reports for the period ending September 11, paid September 17, 2010.
7. Receive and file the June and July 2010 General Ledger Operating Reports. (Ken McDonald)

On a motion by Council Member Slert, seconded by Mayor Pro Tem Burns and carried 3-0, polled vote, the City Council of the City of Crescent City approved and adopted the consent calendar, consisting of items 4-6 with corrections as noted.

Council Member Slert made the following corrections to the minutes – for Rick Nolan’s appointment, no action was indicated, neither for the letter requested of the Mayor by the Pelican Bay State Prison Correctional Officers. He further clarified that the Sphere of Influence was discussed at the LAFCo meeting; it was not a separate matter as indicated.

On a motion by Mayor Pro Tem Burns, seconded by Council Member Slert and carried 3-0, the City Council of the City of Crescent City approved to receive and file the June and July 2010 General Ledger Operating Reports.

**ADJOURN TO CRESCENT CITY HOUSING AUTHORITY**

8. See attached minutes. (Megan Miller)

Director Schellong adjourned the Crescent City Housing Authority at 6:22 p.m. and immediately convened as the Crescent City Redevelopment Agency.

**ADJOURN TO CRESCENT CITY REDEVELOPMENT AGENCY**

9. See attached minutes. (Rod Butler)

Chairwoman Schellong adjourned the Crescent City Redevelopment Agency at 6:33 p.m. and immediately convened as the City Council of the City of Crescent City.

**10. PUBLIC HEARING(S) -**

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)

- Conduct a public hearing to receive comments regarding the application from Frank Gonzalez for a taxicab operations permit. Take action as necessary and appropriate. (Rod Butler/Bob Black)

City Manager Rod Butler explained the application and outlined the reason why these taxi cab companies are becoming independent contractors. Frank Gonzalez approached the podium and stated that due to the changes to the laws, he believes there will be more drivers that will become independent contractors. He brought a letter of recommendation from Rick Lane, from Comfort Cab for the record. Mayor Schellong explained the dissolution of the cab companies and the reason why

these individuals are coming forward as sole proprietors. Mr. Gonzalez was sworn in by City Clerk Rod Butler.

Mayor Schellong opened the public hearing at 6:38 p.m. The following citizen gave public testimony after being sworn in:

Richard Miles – spoke about his recent trip to Monterey and the trouble he had with public transportation. He stated that our local rental car companies do not have surplus vehicles therefore there is a need for additional cab service in Crescent City.

Mayor Schellong closed the public hearing at 6:42 p.m.

On a motion by Council Member Slert, seconded by Council Member Burns and carried 3-0, polled vote, the City Council of the City of Crescent City approved the application of Mr. Frank Gonzalez for a certificate of public convenience and necessity to open another taxi company in Crescent City.

## **11. REPORTS**

- Receive report regarding the Wonderbus by Patricia Vernelson of Del Norte First 5. – *This agenda item was postponed until the October 4<sup>th</sup> Council meeting.*

## **COMMUNICATIONS**

➤ **PUBLIC COMMENT PERIOD** – the following citizens made comments:

Barbara Burke – invited everyone to an exhibition of local artists at the Del Norte County Courthouse on September 24 from 5:00 p.m. – 6:30 p.m.

Richard Miles – spoke about the age of the Crescent City airport terminal and the condition of the rest rooms that he found to be unacceptable. He further asked for a botanist to help the City with the fountain area.

## **CONTINUING BUSINESS- None**

## **NEW BUSINESS**

**12.** Consider a request from Habitat for Humanity to waive the Cultural Center facility rental fees on October 2, 2010, for their annual fundraiser dinner and auction. (Rod Butler)

City Manager Butler went over this request in detail. It is the recommendation of staff to charge the minimal \$180 cleaning fee as the City uses a private cleaning company. Council Member Slert fully believes in charity and goodwill that Habitat for Humanity promotes, it is a very worthy cause. He and the Mayor participated in an ad hoc committee and realized that we have been running a fairly negative number coming out of the general fund. He stated that if the Council continues to waive fees, the City will not be able to make the necessary repairs to the Cultural Center. Mayor Pro Tem Burns stated that it is difficult to turn down non-profits, however, that the Council should not burden the taxpayers of Crescent City and should at least break even. Mayor Schellong stated that she received a phone call from the daughter of the man that had a part in the creation of the Cultural Center and that it was originally designed to be used as a community center specifically for children. She feels that Habitat for Humanity deserves to use the facility and to only be charged the cleaning fee of \$180.

The following citizen made a comment:

Richard Miles – stated that the City has recently made improvements to the Cultural Center; therefore the City should operate as a business and make money on its rental.

On a motion by Council Member Burns, seconded by Council Member Slert and carried 2-1, polled vote, with Mayor Schellong voting no, the City Council of the City of Crescent City approved to charge the non-profit amount of \$760 for the rental fees on October 2, 2010, for their annual fundraiser dinner and auction for Habitat for Humanity.

**13.** Consider and approve a contract between Best, Best, and Krieger Law Firm and the City of Crescent City. (Bob Black)

Mayor Schellong explained this agenda item and the need to have an outside firm to handle anything that City Attorney Bob Black may have a conflict of interest in. City Manager Butler stated that both Iris Yang and Harriett Steiner have joined the law firm of McDonough, Holland, and Allen. He further stated that this contract is giving us the opportunity to continue to work with two attorneys that we have already been working with for some time.

On a motion by Council Member Burns, seconded by Council Member Slert and carried 3-0, the City Council of the City of Crescent City approved a contract between Best, Best, and Krieger Law Firm and the City of Crescent City.

**14.** Consider and provide direction to staff regarding a request from Cindy Speakman to dissolve the Business Improvement District (BID). (Rod Butler)

City Manager Rod Butler explained the background and history of the local Business Improvement District (BID). He stated that Cindy Speakman, of Del Norte Travel, has been recently interested in the BID and that she did an informal survey. He wanted Ms. Speakman's concerns to be acknowledged at the staff level; however, he felt it is premature to dissolve BID at this time. Discussion on the matter of finances continued. Mayor Schellong addressed a forwarded email to Mr. Butler about Merchant Associations and that they are flourishing. Mayor Pro Tem Burns stated that he understands that BID is for downtown merchants, but feels there is a big gap between the fee for service merchants and the fee for product merchants. He wants to acknowledge Cindy Speakman's time and he wants the business owners downtown to feel valued and not just an expense. Mayor Schellong stated that BID has done a tremendous job with growth, etc.

Craig Dauber, Insurance agent – feels that the \$400 bill he received from BID is extortion. He will move out of the BID and stated that there is another business owner that stated that if he gets another \$400 bill, he too is moving out of the BID.

Richard Miles - spoke on the way BID did business in the past and how assessments were not collected as they should have been.

Bill Renfroe, Tri-Agency Executive Director – spoke in favor of the BID stated that the City needs to move in the direction of improving the downtown area.

John Knox, Del Norte Physical Therapy – is in favor of redirecting the boundaries. Wants to know how BID would help his business –if he understood how BID would help his business he'd be in favor of it.

Cynthia Speakman, Del Norte Travel – spoke regarding December 2006 articles in the Daily Triplicate. She stated that most business owners did not agree that the parades or the "Miracle on 3<sup>rd</sup> Street" helped their businesses at all and that the empty store fronts are frustrating. She detailed her survey and that the feelings/opinions have not changed as the majority of the business owners did not want to be a part of BID.

Jeff Corning, CPA - stated that he was here when the BID was formed and was in disagreement then. He has heard a lot of voices say that they do not want BID and that his business license was held hostage until he paid his fee. Spoke in favor of dissolving BID and does not want other people to tell him how to operate his business. He further stated that he felt the assessments were extortion.

Jamie O'Brien, owner of 831 8<sup>th</sup> St – stated that she has a bill for \$400 for her assessment – she said it used to be \$150 and her current bill remains unpaid. Does support downtown, feels Mr. Butler has some great ideas to restructure; however, felt that \$400 is too much. She is opposed to the current structure of BID.

Sarah Reynolds, House of Beauty – spoke in regards to her recent readings on BID dissolution –she read that if 50% of the business owners want to dissolve BID it can be done. She does not agree with BID and attaching the assessment to the business license is "holding it hostage". She is in favor of having BID dissolved.

Leroy Davies, Attorney at Law - spoke on the Obama tax hits that will be coming up and that they will hit businesses first. He does not want government telling business owners what to do. He stated that he could've used the money he had to pay his assessments in advertising with KCRE, KPOD, or the Triplicate. He stated that signage will improve business, not assessments.

Marilyn Callahan, House of Beauty – was on the Council when BID was approved – she didn't like it then and hates it now. She stated that all of the comments opposed to BID were statements that she would make. She feels that BID has done nothing for House of Beauty and is in favor of the dissolution of BID.

Council Member Slert stated that he encourages public participation and is happy for those in attendance who have voiced their opinion, but wonders where they were when discussions on this matter happened in the past. The City has invested a lot of resources and time to put the BID in order and the intention is not for the good of a handful of people, it's good for the whole of the City. He is against a knee-jerk decision and feels that more time is needed to make a decision. Mayor Pro Tem Burns stated that 77 people voted to have BID dissolved and that these numbers have been before the Council before. He felt that the Council needs to listen to what the majority of the business owners feel. He thinks another survey needs to be done and that if the majority says "I don't want BID", the Council needs to listen. Mayor Schellong feels that we need to listen to what people are saying and something needs to be changed to make it work. She feels that BID has provided a lot of good things to the downtown area. She states that those who are opposed to BID should attend the BID meetings to voice their opinion more. Mayor Schellong would like to see a small ad hoc committee to look at options including the dissolution of BID. Mayor Pro Tem stated that those who are in opposition to BID to sit down and discuss it further. *Mayor Schellong left the dais at 8:12 p.m.* Council Member Slert stated that too much time and effort has been put into this to make the decision to dissolve. Mayor Pro Tem Burns and Council Member Slert discussed having City Manager Butler come back to the Council on October 18<sup>th</sup> upon selecting an ad hoc committee on this matter. *Mayor Schellong returned to the dais at 8:15 p.m.*

Both BID President Billie Kay Gavin-Tygart and Vice President Cheryl Corpstein came to the podium and explained what BID had done for the downtown area and that assessments have never been voluntary, they just were not enforced. Vice President Corpstein further stated that due to the comments tonight, she cannot vote in good conscience for a Halloween parade this year. Mayor Schellong appointed both Council Member Slert and Council Member Murray to sit on an ad hoc committee to decide what direction the Council should take regarding BID. She then gave direction to City Manager Butler to come back to the Council in November with a staff report regarding the committee's findings. Mayor Pro Tem Burns stated that it is important to recognize all the time and effort that has been placed in getting BID structured; however, if so many people are disenfranchised, they need to be heard.

15. Consider and approve an agreement with Nichols Consulting for SB90/State mandated cost claim preparation services. (Rod Butler)

City Manager Rod Butler explained the agreement in detail; this is a way for the City to recover from the State some of the costs incurred by state mandated laws. Mayor Pro Tem Burns would prefer a percentage rather than a fixed fee, Council Member Slert stated that this represents cost efficiency and supports this agreement.

On a motion by Council Member Burns, seconded by Council Member Slert and carried 3-0, polled vote, the City Council of the City of Crescent City approved an agreement with Nichols Consulting for SB90/State mandated cost claim preparation services based on a percentage not to exceed 10% of the claims prepared and filed with the State Controller's office and to authorize the City Manager to execute the agreement.

16. Consider and approve an amendment to the Memorandum of Understanding (MOU) between the City of Crescent City and the County of Del Norte to all for the sharing of engineering services between the City and the County.

Mayor Schellong outlined the request by Del Norte County to use the services of Public Works Director Jim Barnts. City Manager Rod Butler explained how Mr. Barnts would be working with the County as a 6 month trial run. City Attorney Black recommended a small change to the MOU; he recommends a single clause be written into the agreement that Mr. Barnts would be the Acting County Engineer by resolution. It was agreed that Utilities Director/Associate City Engineer Eric Weir will work at the City in Mr. Barnts' capacity in his absence. Mayor Pro Tem Burns stated for the record that this agreement is not a hard and fast 60 hours a month, it can be variable. Council Member Slert stated that he is glad that the Mayor met with Mr. Barnts and City Manager Butler. He stated that if Mr. Barnts is up for it, he would support it and that he feels that Eric Weir is a great asset to the City. Council Member Slert gave his approval on working together with the County.

The following citizens made comments:

Richard Miles – stated that this agreement has been in the rumor mill for some time. Mayor Schellong answered Mr. Miles' concerns.

On a motion by Council Member Burns, seconded by Council Member Slert and carried 3-0, the City Council of the City of Crescent City approved an amendment to the Memorandum of Understanding (MOU) between the City of Crescent City and the County of Del Norte to all for the sharing of engineering services between the City and the County.

### **CITY COUNCIL ITEMS**

➤ **Legislative Matters – none**

➤ **Reports, Concerns, Referrals, Council travel and training reports –**

**Council Member Slert** – reported that he attended the Inter Governmental Relations Committee (IGRC), Local Transportation Commission (LTCO), Redwood Coast Transit Authority (RCTA), and the Visitor's Bureau Board meetings. He met with Mr. Butler, Mr. Weir, and a representative from the Business Improvement District (BID) and did a walk thru downtown and talked about visual issues, security, and maintenance. Mr. Slert volunteered his services to City Engineer Barnts for the interior design of the Wastewater Treatment Plant (WWTP); the recommendations will be brought to the Council. He also met with Tri-Agency Executive Director Bill Renfroe to discuss the fact that it would be beneficial to the City to have images of the City's assets and accomplishments on the website, i.e.: the new Fred Enderts Pool, the harbor trail bridge, the new lab, the Wastewater Treatment Plant, Shoreline RV park, as well as renderings of the airport terminal, the Elk Valley Rancheria forthcoming project, Costa Norte Condominiums, and Front Street rehabilitation project. This would be advantageous to promoting the City.

**Mayor Pro Tem Burns** – reported that he attended the LTCO and Del Norte Solid Waste Management Authority (DNSWMA) meetings. He stated that the contract is almost complete with Recology. He stated that the mural dedication at the pool was very nice and was done by local artist, Harley Munger.

**Mayor Schellong** – reported that she put together a meeting between DNSWMA and the City of Crescent City regarding the matter of excess sludge needing to be addressed. She stated that new garbage cans for the downtown area and Beachfront Park that have a rendering of Battery Point Lighthouse. She also attended the mural dedication, the California League of Cities Conference in Sacramento for which she will put together a report for the City staff and Council. She also attended the Coastal Cities business meetings, and discussed how to work better with the Coastal Commission. She announced the two upcoming events – Noll Longboard Classic on October 1 -3, and Sea Cruise the following weekend.

➤ **City Manager Directives – none**

**ADJOURNMENT**

Adjourn the meeting to the next regular scheduled meeting of September 20, 2010 at 5:00 p.m.

There being no further business to come before the Council, Mayor Schellong adjourned the meeting at 8:35 p.m. to the next regular scheduled meeting of October 4, 2010 at 5:00 p.m.

**ATTEST:**

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