

**RIO DELL CITY COUNCIL  
SPECIAL MEETING  
AUGUST 31, 2010  
MINUTES**

A Special Meeting of the Rio Dell City Council was called to order at 5:30 P.M. by Mayor Woodall.

ROLL CALL: Present: Mayor Woodall, Councilmembers Dunker, Marks and Thompson

Absent: Councilmember Barsanti

Others Present: City Manager Henrickson, Governmental Consultant Stretch, Finance Director Beauchaine and City Clerk Dunham

Absent: Chief of Police Hill, and Acting Public Works Director Jensen

**SPECIAL MEETING MATTERS/PUBLIC HEARINGS**

Approve City Municipal Services (MSR) for Scotia Annexation

City Manager Henrickson stated the Draft Municipal Services Review (MSR) was presented to the Planning Commission at their July 25, 2010 regular meeting at such time it was reviewed followed by action to recommend the adoption of the MRS/SIO to the City Council. He noted the Draft MSR would not be final until the approval by LAFCo.

Dave Gonzales, Planning Commission Chair addressed the Council stating that he took time over the weekend to review the Draft MSR and in his opinion it was a well written document that stands on its' own and addresses multiple issues. He said he felt it would hold up to public scrutiny.

Governmental Consultant Stretch continued with review of the MSR stating the document prepared for LAFCo consideration is basically a draft plan for services for the annexation of Scotia and examines and evaluates those local governmental services through comprehensive review and analysis including issues such as how the location of Scotia's wastewater system could pose possible contamination of Rio Dell's water supply as well as the City's sensitivity regarding the historical and cultural aspects of Scotia. He said it addresses the question of why annexation makes sense from a fiscal point of view over the formation of a CSD.

Additionally, Mr. Stretch said the MSR reviews the findings that must be made by LAFCo in order to approve a CSD. He said he couldn't see how anyone could read this document and not think annexation would be the preferential method.

He further stated that the City of Rio Dell proposes to provide all public services, and unlike the Town of Scotia, does not propose to assess additional property taxes to pay for services.

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Mayor Woodall asked if the Town of Scotia had prepared a MSR and if it was on their web site; Jim Stretch stated that they did prepare a MSR and it could be reviewed on LAFCo's web site.

Jim Stretch noted he had e-mailed the MSR to LAFCo with the idea that there may be minor adjustments to the document after the public meeting on September 2<sup>nd</sup>.

Councilmember Marks stated the citizens of Rio Dell want assurance that there will be no negative financial effect on them with annexation; Jim Stretch referred to a chart on page 38 of the MSR which showed that the estimated budget impact due to the annexation of Scotia in the first year reflects a cost greater than the projected revenue in the amount of \$50,300 due to one-time start-up expenses however the second year projects revenues over expenditures by \$17,200 followed by the fifth year gain in revenue of \$39,400. He noted that with expansion of property taxes and having the ability to spread costs for services amongst a larger number of households would actually drop sewer rates by nearly 4%.

Councilmember Marks stated that she had attended the planning commission meeting in August and in looking at the zoning and land use designations for both communities, there seemed to be a good blend meaning what they have, we don't and vice versa.

Councilmember Thompson stated he wanted assurance that that the figures the City quoted were accurate and could be verified and after reviewing the MSR, felt confident that that had been done. He said this is an ideal time to strongly pursue annexation and said the document was very well written.

Mayor Woodall stated she felt the MSR was very readable but would like to see some areas where there may be questions hi-lighted. She also thought it would be prudent to review the minutes from the May 11, 2010 public meeting and the questions raised by both Rio Dell and Scotia residents.

City Manager Henrickson stated a public meeting was scheduled for September 2<sup>nd</sup> at 7:00 p.m. in the multi-purpose room at the Monument Middle School with the main focus on the information in the flyer that went out to residents.

Councilmember Marks asked with annexation if we would assume the same property tax rate; Jim Stretch stated the property tax rate would need to be re-negotiated with the County. He said the current property tax rated for Rio Dell is 8.7112% and it was expected that we would ask for that amount plus a road maintenance tax for Scotia. He felt fairly confident that it would be easy to make a case and hoped the County would be reasonable.

Motion was made by Dunker/Marks to approve the City Municipal Services Review (MSR) for the adjoining community of Scotia. Motion carried 4-0.

Approve Employment Contract Agreement for Public Works Director/City Engineer  
This item was deferred to the September 7, 2010 Regular City Council meeting.

Discussion of FY 2008-2009 Audit

City Manager Henrickson stated this item was presented to the City Council at a previous meeting but because the Council members did not have adequate time to review the report, staff agreed to bring the matter back for further review and questions.

Councilmember Marks stated that she had e-mailed a list of questions to the finance director and had received a response but had a question about the total accounts receivable of \$138,000 for water and sewer charges and asked how much of that balance was collected and how much was written off as uncollectable; Finance Director Beauchaine said she would have to research that information and report back.

Councilmember Marks asked what the policy is and if we charge interest on delinquent accounts; Finance Director Beauchaine explained if utility bills are not paid within 45 days after receipt, a final notice is sent out and water is then shut off for non-payment. After 90 days, the bills are sent to collection; if no payments are received after a prescribed number of days after that, the balances are written off.

City Manager Henrickson said he was in the process of reviewing the policy on collections and customer deposits and would be bringing forward a resolution for consideration.

**REPORTS/STAFF COMMUNICATIONS**

City Manager Henrickson provided an update on the Wildwood Ave. Paving Project stating that the project was delayed by a week to ten days as the contractor was having difficulty meeting Cal-Trans asphalt specifications.

He also said he would like the City Council to consider appointing 2 or 3 city council members to speak at the LAFCo meeting on September 15<sup>th</sup>; Councilmembers Dunker, Marks and Thompson were selected to attend.

Finance Director Beauchaine reported on recent activities in the finance department stating she received approval from RCAC on the second bridge financing for the wastewater project; and that CDBG approved the use of Program Income for acquisition of land in Metropolitan for wastewater effluent disposal.

Mayor Woodall stated there was a rather large dip at the approach of Wildwood Ave. where road construction was occurring and asked if signs would be placed to warn drivers; City Manager Henrickson made note of the potential problem and said he would discuss it with the city engineer.

**OTHER COUNCIL COMMENTS**

Councilmember Dunker reported on his attendance at the League of California Cities Division meeting in Ft. Bragg the previous week where Senator Thompson spoke on the issue of funding for cities. The Senator reported that CDBG funding was solid and was being used by cities throughout the state and energy funds were held up although he felt optimistic that something was being done to insure release those funds.

**ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 6:02 p.m. to the September 2, 2010 Special Meeting.

Attest:

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Julie Woodall, Mayor

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Karen Dunham, City Clerk