

June 29, 2017

SPECIAL MEETING

The special meeting of the Regular Meeting of the Loyalton City Council was called to order by Mayor Mark Marin on June 29, 2017 at 6:00pm at the Loyalton Social Hall.

COUNCIL MEMBERS PRESENT

M. Marin, B. Mitchell, N. Rogers, J. VanDaam, K. Gallegos (arrived at 6:30 pm)

COUNCIL MEMBERS ABSENT

None

STAFF PRESENT

T. Smith-City Clerk, K. Lombardi-City Bookkeeper

GUESTS PRESENT

R. Maddalena, J. Gullixson, J. Buck, L. Horner, D. Cussins, D. Yegge, E. Benson

APPROVAL OF AGENDA

(1 attachment) Agenda Item No. 14-1 was removed. B. Mitchell made a motion to approve the agenda as amended; it was seconded by N. Rogers. Roll Call Vote: B. Mitchell-Aye, N. Rogers-Aye, J. VanDaam-Aye, M. Marin-Aye. Motion carried.

ANNOUNCEMENTS

1. Mayor Marin introduced newly appointed Council Member Jason VanDaam.
2. Council Member Brooks Mitchell announced that tonight's meeting was his last meeting as he was resigning from the Loyalton City Council effective after tonight's meeting, 06.29.2017.
3. Mayor Marin announced the City of Loyalton had received \$500.00 from the "bike people" (Tour De Manure) for the use of the city's facilities at the city park.

APPROVAL OF MINUTES

(3 attachments) The minutes from May 16, 2017 were amended as follows: closed session, no. 2 was changed to read, "CalPERS Agreement to be presented to the retirees by the City of Loyalton". Guest J. Gullixson asked that the letter he presented council with at the May 16, 2017 Council Meeting be not only noted as entered into the record but to attach the letter as well to the minutes from the meeting, the same as well of the letter he has presented tonight at the June 29, 2017 Meeting. After the changes were made, B. Mitchell made a motion to approve the minutes from the regular city council meeting of **May 16, 2017**, it was seconded by N. Rogers. Roll Call Vote: B. Mitchell-Aye, N. Rogers-Aye, J. VanDaam-Aye, M. Marin-Aye. Motion carried. With no corrections or changes, B. Mitchell made a motion to approve the minutes from the special city council meeting of **May 22, 2017**, it was seconded by N. Rogers. Roll Call Vote: B. Mitchell-Aye, N. Rogers-Aye, J. VanDaam-Aye, M. Marin-Aye. Motion carried. With no corrections or changes, B. Mitchell made a motion to approve the minutes from the special city council meeting of **May 26, 2017**, it was seconded by N. Rogers. Roll Call Vote: B. Mitchell-Aye, N. Rogers-Aye, J. VanDaam-Aye, M. Marin-Aye. Motion carried.

PUBLIC COMMENT

1. City resident Joy Markum asked about the recent water restrictions the city had imposed. Council Member Mitchell said it was on the agenda and would be addressed at that time.
2. City resident Mark Lombardi addressed council and told them the sewer lines have collapsed in the alley behind his home on Main St/Hwy. 49 and need to be repaired and hope some of the money from the WWTP Settlement will cover that. Mayor Marin said he was meeting with an engineer regarding not only the alleyway but also Beckwith St. All updates regarding the matter would be posted on the city's new website, cityofloyalton.org as well as any future information regarding city matters that is not under closed session and confidential.
3. City resident Eileen Benson asked if there was any updates on the trailer park. Council Member Rogers said that contracts among individual users in the park have been set up, they will be billed and if they don't pay, their water will be turned off. Any squatters will not be offered contracts and their water will be shut off. Council Member Mitchell and Mayor Marin stated that it is rumored that the county has located the park's owner. E. Benson had several other questions regarding the park but they were not issues the council could address they were issues for the county.

TIMED ITEM(6:30 PM)

Rick Maddalena/Proposed Fire District Presentation & Discussion: Rick Maddalena again presented to city council on the benefits of a fire protection district for the eastern portion of Sierra County; he spoke of the history on fire protection for the Sierra Valley, of large areas within the eastern part of the county that are without fire protection and how the county wants out of the business of fire protection. A discussion between council and Mr. Maddalena followed with focus on such topics as what would change and what would remain the same, funding, administrative fees, insurance issues, the forming of LAFCO with Verdi, fire protection regarding different parts of the Sierra Valley amongst other various subjects regarding the matter. When the presentation and Q&A period was finished, Mayor Marin asked Mr. Maddalena if a preliminary contract could be presented to the city for review? In his opinion, there were still a lot of questions that were up in the air and he would like to see it on paper before committing to anything. Mr. Maddalena said he thought that would be possible, this concluded the timed item presentation on the proposed fire protection district.

STAFF REPORTS/WRITTEN COMMUNICATIONS

1. **(1 attachment)** The city clerk read a letter from Council Member Mitchell dated June 29, 2017 stating this date would be his last as a Loyalton City Council Member as he was resigning.
2. **(1 attachment)** The city clerk read a letter from herself addressed to Loyalton City Council dated June 29, 2017 stating June 30, 2017 would be her last day as Loyalton City Clerk as she was resigning. Council Member Mitchell asked if the deputy clerk would assume the position? The city clerk said she would ask the deputy clerk but there was no guarantee as the deputy clerk had previously stated that she was not interested in assuming the position. If not, the city would need to advertise for a city clerk along with the city council vacancy.

FIRE DEPARTMENT REPORT

No report however, Council Member Mitchell asked if the fire department would be permitted to wash down the Rotary Picnic Grounds Monday Night prior to the 4th of July Events, the mayor said he would see no problem in that.

FINANCIAL POLICY REVIEW

K. Lombardi stated the financial policy was to be reviewed by the financial committee. Mayor Marin stated that Council Member Rogers and himself would be the financial committee and that they would be the ones reviewing the policy, which he stated he had already begun to review.

PRELIMINARY BUDGET 2017-2018

With no 2017-2018 preliminary/draft budget to present, by recommendation of Council Member Mitchell and in the form of a motion, Mitchell motioned to bring forward the 2016-2017 budget as the preliminary/draft budget for 2017-2018 and make the adjustments to that. This would meet the council's obligation to presenting a preliminary/draft budget. The motion was seconded by Council Member VanDaam. Roll Call Vote: B. Mitchell-Aye, N. Rogers-Aye, J. VanDaam-Aye, M. Marin-Aye. Motion carried.

REIMBURSEMENT FOR USDA

(1 attachment) With no questions regarding the reimbursement invoice for the USDA, B. Mitchell made a motion to approve the reimbursement not to exceed **\$1757.50**, it was seconded by J. VanDaam. Roll Call Vote: B. Mitchell-Aye, N. Rogers-Aye, J. VanDaam-Aye, M. Marin-Aye. Motion carried.

ACKNOWLEDGEMENT OF APPROVAL OF FUNDS TRANSFERS

(1 attachment) With no questions, comments or discussions, B. Mitchell made a motion to approve the four transfers from the general fund to the enterprise loan fund for a total of \$24,000.00, it was seconded by N. Rogers. Roll Call Vote: B. Mitchell-Aye, N. Rogers-Aye, J. VanDaam-Aye, M. Marin-Aye. Motion carried.

APPROVAL OF SETTLEMENT FUNDS TRANSFER(S)

(1 attachment) B. Mitchell made a motion to transfer the \$2,007,511.00 settlement money from the general fund along with the Cox & Cox Money when it is received, to open a separate account for said funds. The \$200,751.00 for legal fees will be deducted from the \$2,007,511.00 before the transfer takes place and any further withdrawal from the WWTP Settlement Account will require a 4/5 council vote to approve the action(s), the motion was seconded by J. VanDaam. Roll Call Vote: B. Mitchell-Aye, N. Rogers-Aye, J. Van Daam-Aye, M. Marin-Aye. Motion carried.

FINANCIAL REPORT

(12 attachments) There were no questions or comments from council regarding the financial report.

APPROVAL OF FINANCIAL REPORT

B. Mitchell made a motion to approve the Financial Report as presented June 14, 2017; it was seconded by N. Rogers. Roll Call Vote: B. Mitchell-Aye, N. Rogers-Aye, J. VanDaam-Aye, K. Gallegos-Aye, M. Marin-Aye. Motion carried.

PAYMENT OF BILLS

(1 attachment) With no questions regarding the payment of bills, B. Mitchell made a motion to pay the bills not to exceed **\$40,760.06**; it was seconded by J. VanDaam. Roll Call Vote: B. Mitchell-Aye, N. Rogers-Aye, J. VanDaam-Aye, K. Gallegos-Aye, M. Marin-Aye. Motion carried.

PUBLIC WORKS COMMITTEE REPORTS/PARK AND RECREATION

WWTP Litigation Update: Council Member Mitchell stated the city has settled the WWTP Litigation with Stantec and Cox & Cox. The first settlement came from Cox & Cox; \$965,00.00 from Cox & Cox to be paid to the city, the city's bill to Cox & Cox of \$114,000.00 to be waived, note, the estimate to repair Beckwith St. was quoted at \$464,000.00, the amount settled on is twice that, plenty to fix Beckwith St. and Lombardi Lane. The second settlement was accepted in a 4-1 vote for the amount of \$2,007,511.00; of that amount \$200,751.10 will be paid to Snell & Wilmer along with 10% of the Cox & Cox Settlement. All attorney's fees paid to Snell & Wilmer should amount to right under \$300,000.00 with the city coming out with just under \$3,000,000.00. There is also \$600,000.00 in the USDA Account that is for the WWTP that can be used. Council Member Mitchell recommended that council did not approve another dollar to be used on the current WWTP for repairs; the project has failed three times already and it would not be in the city's best interest to put any more money into it. He did recommend having a meeting amongst our US Assemblyman, our US Representative, the Dept. of Water Resource, EPA, Black Eagle Constr.(Larry Johnson) and Steve Gross to propose a new plan/solution. He did agree that Beckwith St. and Lombardi Lane should be repaired with a portion of the money. Mayor Marin stated he was meeting with Larry Johnson of Black Eagle Constr. on July 5, 2017 at 10:00 am; Larry, being retired, will assist in the reference process for a new engineer. The Mayor will provide council with the information received from the meeting and then council will meet with Larry and the proposed new engineer present. Once the new engineer is in place, Larry has agreed to periodically monitor progress for the city at no charge to the city for his service/assistance.

OTHER COMMITTEE REPORTS

None

DISCUSSION AND POSSIBLE ACTION ITEMS

1. Item removed from agenda
2. **(3 attachments)** After a brief discussion amongst council regarding the terms of the Verizon Contract, council decided to accept the Verizon Contract and not continue negotiations with the version of the contract reviewed and updated by Steve Gross. With that B. Mitchell made a motion to accept the Verizon Contract as presented without going back to Steve Gross, the motion was seconded by J. VanDaam. Roll Call Vote: B. Mitchell-Aye, N. Rogers-Aye, J. VanDaam-Aye, K. Gallegos-Aye, M. Marin-Aye. Motion carried.
3. **(1 attachment)** After a discussion on the city's policy regarding sick leave accrual and the use of that accrued time, it was determined that the city was already adhering to the state's requirements. It was decided no action was necessary.
4. Council Member Rogers feels if the city no longer needs Tom Barth's Services, then why don't we terminate our relationship with him. B. Mitchell stated that there was no contract with Barth so if he is paid in full, just don't use him anymore. No action required.
5. Council Member Rogers wanted to know where the process was on the sale of the city property to the county (funding money for the CalPERS Retirees), she discovered the paperwork was in progress but the funding would not be in place in time to pay the retirees. It was decided to use contingency money to pay the retirees and then "payback" the contingency account when the funding from the sale was received, a 4/5 vote is required to approve this action. J. VanDaam made a motion to take \$27,500.00 from the contingency account to pay the CalPERS Retirees, the motion was seconded by K. Gallegos. Roll Call Vote: B. Mitchell-Abstain, N. Rogers-Aye, J. VanDaam-Aye, K. Gallegos-Aye, M. Marin-Aye. Motion carried.

6. (1 attachment) Mayor Marin explained that the water restrictions are in place because the city's position is not good. Due to the city's poor past performances on their audits there has been no chance for any loans or grants to drill for a new well. Now that the city is going to finally have a good audit, there is a possibility for Prop 1 Grant Funding to drill one possibly two wells. Currently the city operated on one well with a smaller well at the hospital as backup; the city is pumping way too much water through the main well and if it fails, the city will be in trouble. A discussion amongst council and city residents who were concerned with the restrictions followed. At the end of the discussion, a motion was made by K. Gallegos to send out water recommendations to the Citizens of Loyalton in lieu of mandatory water restrictions, the motion was seconded by J. VanDaam. Roll Call Vote: B. Mitchell-Abstain, N. Rogers-Aye, J. VanDaam-Aye, K. Gallegos-Aye, M. Marin-Aye. Motion carried.

7. (1 attachment) B. Mitchell made a motion to approve the business license for Chelsea Johnson, doing business as The Gilded Drifter, it was seconded by M. Marin. Roll Call Vote: B. Mitchell-Aye, N. Rogers-Aye, J. VanDaam-Aye, K. Gallegos-Aye, M. Marin-Aye. Motion carried.

Meeting Adjourned

Closed Session

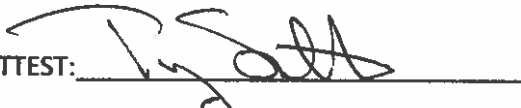
No closed session

APPROVED:



Mayor Mark Marin

ATTEST:



Tracy Smith, City Clerk