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**WILLITS CITY COUNCIL
MINUTES
WEDNESDAY, JUNE 23, 2010**

Mayor Burton called a regular meeting of the City Council to order at 6:04 p.m. in Council Chambers. The meeting was preceded by the pledge to the flag.

Roll Call: Councilmembers Victor Hanson, Greg Kanne, Holly Madrigal, Larry Stranske, and Mayor Bruce Burton were present.

Also present were staff members: Paul Cayler, City Manager; Jim Lance, City Attorney; Alan Falleri, Community Development Director; Gerry Gonzalez, Police Chief; Tom Mannatt, City Engineer; Joanne Cavallari, Finance Director; and Adrienne Moore, City Clerk/Human Resources Director.

2A. PRESENTATION OF PROCLAMATION DESIGNATING WESTERN WEAR DAYS, JUNE 25TH THRU JULY 5TH, 2010

Mayor Burton read the proclamation, followed by presentation to Chris White, President, Frontier Days Association.

Public Comment: Mr. White thanked the Council and the Clerk for their assistance and support, and is anticipating a great event.

2B. DISCUSSION AND POSSIBLE ACTION REGARDING THE MAIN STREET RELINQUISHMENT PROCESS WITH CALTRANS

Paul Cayler, City Manager, provided an update regarding last week's meeting with Caltrans, reporting that Caltrans has backed off of their position requesting the City sign a relinquishment/cooperative agreement prior to the California Transportation Commission (CTC) meeting on June 30th. He further reported that Dave Kelley and Charlie Fielder listened with an open mind to all of the concerns felt by the City and the community, with Mayor Burton noting that Mr. Fielder is now supportive of putting sidewalks in front of the high school. It was clarified that the relinquishment agreement is not a deal-breaker relative to CTC's decision and that the relinquishment will not occur until the bypass is done.

Councilmember Kanne clarified his intentions with agendizing the matter for action, followed by reading his proposed resolution to reject the City's signing a relinquishment agreement based on the project's current description, and commenting that adoption of the resolution does not prevent the Council from signing a relinquishment agreement in the future.

Public Comment: Jane McCabe is concerned that the City will not have enough leverage if the issues are not addressed before Caltrans funds the project. Doug Prado would like the Council to consider what is entailed in the process of relinquishing, noting that other cities that have gone through a bypass project have not had issues with Caltrans. Madge Strong is concerned about the City losing leverage once Caltrans has the funding to move ahead, urging the Council to go on record tonight with their concerns. Ron Orenstein commented on the Council's process of reaching a decision, referencing the Brown Act, and expressing his hope that the Council would have a candid discussion. Fred Marshall commented on his role in an advisory committee

several years ago that looked at the issues concerning the relinquishment agreement, and expressed support for the proposed resolution. Carlin Diamond suggested the community could help the Council in their negotiations with Caltrans. Marilyn Boosinger stated her distrust of Caltrans, noting that they have no obligation to address issues with a Brooktrails second access road. Lydia Ditmeyer read a prepared statement opposing the bypass, is concerned about impacts to wetlands, supports local sustainability, and noted that South Main Street is a design nightmare. Ron Moorhead expressed support for elected officials, urging constituents to write their state legislators in order to be heard. Josh Kepler asked if a one-lane route has been considered, and noted his concern for the tourism base. Tom Mann supports going on record with CTC to be in a better negotiation position, offering his assistance in the negotiation process. Pete Swanton is concerned that Caltrans will push through with CTC, seeking clarification about what will happen down the road if an agreement cannot be reached between the City and Caltrans. Josephine Silva is an advocate for the inclusion of a north/south route in the bypass project, referencing Railroad Avenue. Gary Relan asked what happened to the bypass that was supposed to work for the community. Ron Lippert urged Councilmembers to send letters as individual elected officials.

In response to public comment, Mayor Burton referenced prior review of a one-lane route, as well as five routes originally considered. Jim Lance, City Attorney, clarified how Streets and Highways Code §73 is applicable, noting that if an agreement is not negotiated, Caltrans could not force the relinquishment onto the City without bringing the old highway into a state of good repair. In the event that an agreement is not reached, there would be a hearing before the CTC. Mr. Lance believes the City has good arguments to pursue a state of good repair, including safety improvements. Mayor Burton asked about available recourse should CTC not rule in their favor; clarified that the City has had no role in permitting for the bypass project; and noted that the City has commented at every opportunity, also referencing ultimatum from State to drop Hwy 20 in the mid 1990's.

Alan Falleri, Community Development Director, reflected on his early days with the City and concerns he had at the time regarding the bypass, stating that part of Council discussion needs to focus on issues facing Main Street businesses, referencing similar issues businesses in Fort Bragg dealt with.

With regard to the proposed resolution, Mayor Burton believes traffic congestion will be relieved; that the title of resolution is not appropriate; that the City must take back Main Street, regardless of cost; and that the resolution is inconsistent and doesn't address all the issues.

Councilmember Stranske commented on challenges he experienced as a business owner relative to the truck traffic on Main Street, and concerns about lack of an evacuation route for the high school should there be a toxic spill. He feels Caltrans is being more realistic now more than ever, City should play our cards right to get the best deal, noting that most of the money spent on Fort Bragg's side streets was received from grants, not Caltrans. He asked the community to have faith in the Council's decision-making.

Councilmember Kanne feels infrastructure is part of quality of life, stands by traffic and safety issues relative to Brooktrails.

Councilmember Hanson commented on his involvement in the ad hoc committee, and his inability to support the proposed resolution; commented on three escape routes, which are the County's responsibility; and stated he doesn't support the Eureka model.

Councilmember Madrigal feels the Council has been passive in the negotiations process, with the issues long-standing and ongoing. She reflected on previous letters she wrote on the topic, citing prior concerns fueled by Caltrans implications that if not approved, the money would be

reallocated to other projects in other parts of the State. She also commented on her recent attendance (as a silent attendee) at the Caltrans ad hoc committee, and referenced her current status as a candidate for another local office.

Mayor Burton sought clarification regarding funding for the EIR, with both Mr. Cayler and Councilmember Stranske noting that the funding is in next budget cycle.

RECESS: 7:48 – 8:01 P.M.

Public Comment: Kirk Gustafson conveyed his trust in the Council, his distrust of Caltrans, and his support of the proposed resolution. Ron Orenstein reiterated the issues before the Council, suggesting a revision of the proposed resolution to convey that the City is not opposed, rather, reserves the right to agree at a later date. Tom Mann illustrated his question on the whiteboard to confirm his understanding of the issues, suggesting mini-assignments for community members as a way of assisting the Council. Madge Strong commented on the importance of the costs, noting Caltrans has made zero commitment thus far. Pete Swanton asked about the projects costs as estimated by the City as well as Caltrans. Dickie Weinkle asked about details of the CTC meeting in Sacramento next week, to which a member of the audience provided.

Mayor Burton and Councilmember Madrigal responded, commenting on the stop and start process over a long period of time. Councilmember Stranske commented on the number of houses on Sherwood Road, which mostly lie within the County, expressing frustration with not having any input in County decisions relative to the highway. Councilmember Madrigal stated that it's time to rock the boat, and clarified that Caltrans has not commenced the bypass, despite some concern from the public. Discussion ensued regarding spillage of various materials on the roadways. Councilmember Hanson clarified that Caltrans must keep road the open, whereas the City does not have the same obligation. Mayor Burton referenced a relinquishment agreement the City Attorney researched from Covina, clarifying that the City does not yet have an agreement to consider, noting the need to conduct a thorough study first, and efforts to get Caltrans to fund the study.

Motion by Kanne/Second by Madrigal to adopt the resolution proposed by Councilmember Kanne as written.
(Motion fails 2/3, with Councilmembers Stranske, Hanson, and Burton dissenting)

3. PUBLIC COMMUNICATIONS

Mayor Burton read the public communication guidelines. Tom Woodhouse announced another community clean-up day this Saturday.

4. CONSENT CALENDAR

- a. Approval of the City Council Minutes:
 - May 12, 2010 – **Approved**
 - May 20, 2010 (Special Meeting) – **Continued**
 - May 26, 2010 – **Approved**
 - June 9, 2010 – **Approved**
 - June 14, 2010 (Special Meeting) – **Approved**
- b. Approval of Disbursements Journal (Dated June 16, 2010), Including Warrant Nos. 15641-15751, Totaling \$250,527.02 – **Approved**
- c. Resolutions Pertaining to November 2, 2010 Election:
 - Resolution (No. 2010-10) Calling and Giving Notice of the Holding of a General Municipal Election to be Held on Tuesday, November 2, 2010, for the Election of City Council Members, as Required by the Provisions of the Laws of the State of California Relating to General Law Cities – **Approved**

- Resolution (No. 2010-11) Requesting that the Mendocino County Board of Supervisors Consolidate a General Municipal Election to be Held on Tuesday, November 2, 2010, with the Statewide General Election Held on that Same Day – **Approved**
 - Resolution (No. 2010-12) Setting Election Requirements for Candidates for Elective Office Regarding Candidates Statements Submitted to Voters at an Election – **Approved**
- e. Contract for Professional Services with R.J. Ricciardi, Inc., for Preparation of June 30, 2010 Audited Financial Statements, June 30, 2010 RDA Audited Financial Statements, City and RDA State Controller's Reports, and 2010 Public Facilities Corporation Tax Return – **Approved**

Motion by Madrigal/Second by Hanson and carried unanimously to approve Consent Calendar items (a, c, and e), with the exception of the May 20, 2010 (Special Meeting) minutes, which were continued.

Removed for separate consideration:

- d. Resolution (No. 2010-13) Amending Willits City Council Resolution No. 2007-33 Authorizing the Chief of Police to Exempt Individuals and Community Groups from Overnight Parking Restrictions in City Owned Parking Lots

Public Comment: Chief Gonzalez noted that there have been two previous incidences where parking has been at issue. Pete Swanton commented on experiences with patrons who were too impaired to drive.

Motion by Madrigal/Second by Kanne and carried (4/1, with Councilmember Stranske dissenting) to approve Consent Calendar item (d), as amended to provide the Mayor with the authority to grant exemptions.

- f. Resolution (No. 2010-14) Accepting Offers for Dedication of a 5.37-Acre Parcel for Open Space and Recreation Purposes, and Easements for Drainage Purposes for the Frank R. Howard Foundation Minor Land Division No. MLD-08-02, and Authorization for the City Clerk to Sign the Parcel Map

Councilmember Stranske asked about the bike trail, expressing concern with staff workload to get projects done, as well as reduced funding. Alan Falleri, Community Development Director, provided clarification on the proposed project, describing various challenges along the way to keep the project moving forward, not sure if it's doable in this grant, but supports acquisition of property. Tom Mannatt, City Engineer, described drainage issues, referencing the enclosed maps. Councilmember Madrigal has a number of concerns, asking if it's possible to postpone the acceptance of the offer. Mr. Cayler stated that it's critical that the map be recorded by the end of the month. Mr. Falleri described difficulties in negotiating with future property owners, citing the subdivision on the south end of town as an example. Mayor Burton asked about the subdivision, with Mr. Falleri describing the process of map recordation requirements.

Motion by Madrigal/Second by Kanne and carried unanimously to adopt the resolution accepting the offers of dedication as shown on the Parcel Map for MLD-08-02 and authorizing the City Clerk to sign the Parcel Map.

5. RIGHT TO APPEAL – Mayor Burton read the guidelines for appealing Council decisions.

8A. DISCUSSION AND POSSIBLE APPROVAL OF RESPONSES TO MENDOCINO COUNTY GRAND JURY REPORT ENTITLED “DOING COMMUNITY SERVICE”

Paul Cayler, City Manager, reported that on May 12, 2010, the Mendocino County Grand Jury published a report titled: “Doing Community Service”. The Grand Jury recommends that the

City use inmate fire crews from the Parlin Fork and Chamberlain Creek Conservation Camps as often as possible. Mr. Cayler recommends agreement with Finding 21 and support of Recommendation 3.

Motion by Kanne/Second by Stranske and carried unanimously to approve the forms and required explanations as presented, and authorize the City Manager to sign same.

8B. DISCUSSION AND POSSIBLE APPROVAL OF RESPONSES TO MENDOCINO COUNTY GRAND JURY REPORT ENTITLED "THE BOTTOM LINE, NORTHERN INLAND RECREATION DISTRICT"

Paul Cayler, City Manager, reported that on May 14, 2010, the Mendocino County Grand Jury published a report titled: "The Bottom Line, Northern Inland Recreation District". The Grand Jury recommends that a collective effort be made by various agencies and community support groups to develop a recreation district. The Grand Jury estimates that the formation of said district is \$25,000 to \$30,000. Mr. Cayler recommends agreement with all Findings except for partial agreement with Findings 2 and 8.

Motion by Madrigal/Second by Hanson and carried unanimously to approve the forms and required explanations as presented, and authorize the City Manager to sign same.

8C. DISCUSSION AND POSSIBLE APPROVAL OF RESPONSES TO MENDOCINO COUNTY GRAND JURY REPORT ENTITLED "TRIALS AND TRIBULATIONS OF RUNNING A SMALL CITY"

Paul Cayler, City Manager, reported that on May 14, 2010, the Mendocino County Grand Jury published a report titled: "Trials and Tribulation of Running a Small City". The Grand Jury recommendations include filling two vacant City positions: Public Works Director and Water Plant Supervisor. However the Grand Jury does not provide guidance on how the City is to generate the revenue to fill said positions. As such, Mr. Cayler recommends responding that Recommendation 2 requires further analysis.

Motion by Stranske/Second by Hanson and carried unanimously to approve the forms and required explanations as presented, and authorize the City Manager to sign same.

8D. DISCUSSION AND POSSIBLE ACTION REGARDING PROPOSED 2010-2011 CITY OF WILLITS BUDGET

Paul Cayler, City Manager, described the budget process and how it relates to the meet and confer process, recommending the Council adopt the proposed budget, subject to revisions upon conclusion of the meet and confer process. He also responded to the concerns of a constituent regarding storm drain repairs, referencing budget allocations for said repairs.

Joanne Cavallari, Finance Director, noted that although there's a negative number in the General Fund, there is a comfortable reserve (20-25%) in which to operate. She reported on several projects, noting the receipt of two checks for grant-funded recreation projects, representing about 80% of grant funds, and expects the final 20% to arrive soon. Ms. Cavallari reported that sales tax revenue is still declining, although the last report projects a positive trend of 3%. Further, the wastewater treatment plant project was successfully bid below engineer's estimates and staff is preparing to award the contract. Finally, she noted that the budget was revised to reflect the Council decision to forego any increases in water service rates.

Councilmember Stranske asked about the concession stands, with Ms. Cavallari clarified that they must be complete before they will be signed-off by State Parks. Mr. Cayler described some recent challenges resulting from grant inspectors inquiring about decades-old projects.

Public Comment: Nancy Horowitz Moilanen sought the City Manager's recommendation's on the storm drain repair project in the amount \$86,000, also appealing to the Council regarding safety issues on her property, an improper use permit, significant damage to her property as

well as City property, and various other issues. She stated she is faced with significant expenses that are difficult to manage, and would like to talk with each of the Councilmembers about water harvesting and demonstration grants.

Mayor Burton expressed concern about how the storm drain repair project is funded in the budget, but will support the budget nonetheless. Councilmember Madrigal referenced a letter distributed for item 8b, mulling over other funding options for consideration. Mr. Falleri feels redevelopment money cannot be spent on projects outside the redevelopment area. Councilmember Madrigal asked what the options are for amending the budget if other funding sources are identified, to which Mr. Cayler referenced an anticipated revision after meet and confer. Mayor Burton would like to see an external funding source come forward from the community.

Councilmember Kanne asked the City Engineer if the repair project would break the cycle Ms. Moilanen is facing, to which Mr. Mannatt described the work that is scheduled, also noting that the Council will have an opportunity to weigh in at various points in the process. Further, Mr. Mannatt, noted that although there is no sinkhole presently, there is significant potential for one to develop. Councilmember Stranske expressed concern with stretching the half-cent sales tax.

With regard to the ongoing labor negotiations, Mr. Falleri referenced a memo distributed earlier that conveys the concerns and recommendations of the unrepresented employees. Specifically, the employee group opposes wage cuts, but if imposed, would like it in the form of furloughs. Mayor Burton and Councilmember Madrigal both offered assurances that their memo would be taken into consideration.

Motion by Stranske/Second by Hanson and carried unanimously to adopt the Fiscal Year 2010/2011 Budget as presented, contingent upon it being amended based on the outcome of collective bargaining and delay publication until collective bargaining concludes.

8E. OTHER CITY MANAGER REPORTS

Paul Cayler, City Manager, reported on the following:

- Solid Wastes of Willits (SWOW) is now assuming operation for all County transfer station operations, noting the potential for extending the Franklin Street transfer station via the franchise agreement between the City and SWOW;
- Potential Marine Life Protection Areas (MLPA) presentation to the Council in the near future regarding the MLPA process;
- Brooktrails Township Community Services District (BTCSD) has scheduled a special meeting tomorrow to consider approval of the 5th Amendment for the sewer project; the USDA award checklist has been completed; need to schedule a Sewer System Committee meeting next week as staff-level negotiations have been completed for the resident project representative agreement amendment with SHN; and targeting first full week in July to schedule a special meeting to award the sewer project; and
- Planning to vacate the second meeting in July, also reminding Council of his schedule vacation from July 31st through August 16th.

9. DEPARTMENT RECOMMENDATIONS

- City Planner Alan Falleri handed out a report from Standard and Poor's, also commenting that the Redevelopment Agency's credit rating has recently improved. He also expressed appreciation for all the volunteers who participate in community clean-up days.
- City Engineer Tom Mannatt primary efforts to get two projects, Wastewater Treatment Plant and West Commercial Street, out to construction.
- Finance Director Joanne Cavallari, in response to a previous inquiry, clarified that the Council could consider the next water rate increase in Fiscal Year 2011/12 as a deferment.

10. CITY COUNCIL AND COMMITTEE REPORTS

No reports were presented for the Mendocino Council of Governments (MCOG), Local Agency Formation Commission (LAFCO), Mendocino Transit Authority (MTA), Revit-ED Committee, Economic Development and Financing Corporation (EDFC), League of California Cities, Water Resources Committee, Sewer System Committee, or Finance Committee.

- Mendocino Solid Waste Management Authority-Joint Powers Authority (MSWMA-JPA) met today to adopt budget.
- Caltrans Ad Hoc Committee (*see earlier discussion – item 2b*)

11. DISCUSSION AND POSSIBLE ACTION REGARDING A PROPOSED CHANGE TO THE MANAGEMENT OF THE WILLITS MUNICIPAL AIRPORT

By order of the Mayor, the matter is continued to the next meeting.

12. ENACTMENT OF ORDINANCES

13. GOOD & WELFARE

Councilmember Madrigal commented on recent weed-eating from the Skunk Train tracks to Sparetime Supply. She also commented on upcoming community events, specifically the truck pulls this Friday and the hometown celebration next Thursday.

Councilmember Stranske commented on the Willits High School All Alumni event scheduled for next weekend. Chief Gonzalez also noted that it is an alcohol and tobacco free event.

Mayor Burton commented on an article in today's Willits News about a City employee, which was concurred by fellow Councilmembers.

ADJOURNED TO CLOSED SESSION AT 9:59 P.M.

14. CLOSED SESSION NOTICE

- a. ~~Conference with Labor Negotiators Pursuant to Government Code Section 54957.6 – Agency Negotiators: Rick Haeg and Adrienne Moore; Employee Organization(s): All~~
- b. Conference with Legal Counsel Pursuant to Government Code Section 54956.9 – Existing Litigation: Brooktrails Township Community Services District, a Public Agency vs. City of Willits, a General Law City; and DOES 1 through 100, Inclusive; Case No. SCUk CVG-1056037

Council reconvened to open session at 10:22 p.m., with no action to report from Closed Session.

Moved by Burton/seconded by Stranske and carried by unanimous roll call vote to adjourn the meeting at 10:22 p.m.

BRUCE BURTON, Mayor

ATTEST:

ADRIENNE MOORE, City Clerk