



RIO DELL CITY COUNCIL  
**IN-PERSON/HYBRID MEETING AGENDA**  
CLOSED SESSION – 5:30 P.M.  
REGULAR MEETING - 6:30 P.M.  
TUESDAY, MARCH 1, 2022  
CITY COUNCIL CHAMBERS  
675 WILDWOOD AVENUE, RIO DELL

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*WELCOME - Copies of this agenda, staff reports and other material available to the City Council are available at the City Clerk's office in City Hall, 675 Wildwood Avenue and available on the City's website at [cityofriodell.ca.gov](http://cityofriodell.ca.gov). Your City Government welcomes your interest and hopes you will attend and participate in Rio Dell City Council meetings often.*

**SPECIAL PUBLIC HEALTH EMERGENCY ALTERATIONS TO MEETING FORMAT  
CORONAVIRUS (COVID-19)**

Effective immediately, the City of Rio Dell will reopen city council meetings held in City Hall Council Chambers to in-person attendance by the public. The public may also attend these meeting virtually through Zoom. The meetings will also be viewable via livestreaming through our partners at Access Humboldt via their YouTube channel or Suddenlink channels on Cable TV.

To maintain safety and minimize the health risks associated with COVID-19, participants may required to complete an Attestation of Vaccination upon entering the City Council Chambers. Fully vaccinated participants will not be required to wear a mask. Unvaccinated participants must wear face coverings at all times while in the City Hall Council Chambers.

**Public Comment by Email:**

In balancing the health risks associated with COVID-19 and need to conduct government in an open and transparent manner, public comment on agenda items can be submitted via email at [publiccomment@cityofriodell.ca.gov](mailto:publiccomment@cityofriodell.ca.gov). Please note the agenda item the comment is directed to (example: Public Comments for items not on the agenda) **and email no later than one-hour prior to the start of the Council meeting.** Your comments will be read out loud, for up to three minutes.

Meeting can be viewed on Access Humboldt's website at <https://www.accesshumboldt.net/>. Suddenlink Channels 10, 11 & 12 or Access Humboldt's YouTube Channel at <https://www.youtube.com/user/accesshumboldt>.

**Zoom Public Comment:**

When the Mayor announces the agenda item that you wish to comment on, call the conference line and turn off your TV or live stream. Please call the toll-free number **1-888-475-4499**, enter meeting ID **987 154 0944** and press star (\*) 9 on your phone – this will raise your hand. You will continue to hear the meeting on the call. When it is time for public comment on the item you wish to speak on, the Clerk will unmute your phone. You will hear a prompt that will indicate your phone is unmuted. Please state your name and begin your comment. You will have 3 minutes to comment.

- A. CALL TO ORDER
- B. ROLL CALL
- C. ANNOUNCEMENT OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

1) 2022/0301.01 – **Conference with Real Property Negotiators**

Property: 410 Fourth Ave., Rio Dell, California  
City of Rio Dell Negotiator(s): Kyle Knopp, City Manager,  
Kevin Caldwell, Community Development Director,  
Russell Gans, City Attorney – Negotiating Parties/  
Negotiating With: Linda Todd, Owner and/or Agents  
Under Negotiation: Price and/or Terms of Payment  
(Pursuant to Gov't Code §54956.8)

2) 2022/0301.02 - **Public Employee Performance Evaluation**

Title: Chief of Police (Pursuant to Gov't Code §54957)

- D. PUBLIC COMMENT REGARDING CLOSED SESSION
- E. RECESS INTO CLOSING SESSION
- F. RECONVENE INTO OPEN SESSION – 6:30 P.M.
- G. ORAL ANNOUNCEMENTS
- H. PLEDGE OF ALLEGIANCE
- I. CEREMONIAL MATTERS
- J. PUBLIC PRESENTATIONS

*This time is for persons who wish to address the Council on any matter not on this agenda and over which the Council has jurisdiction. As such, a dialogue with the Council or staff is not allowed under the Ralph M. Brown Act. Items requiring Council action not listed on this agenda may be placed on the next regular agenda for consideration if the Council directs, unless a finding is made by at least 2/3 of the Council that the item came up after the agenda was posted and is of an urgency nature requiring immediate action. Please limit comments to a maximum of 3 minutes.*

- K. CONSENT CALENDAR

*The Consent Calendar adopting the printed recommended Council action will be enacted with one vote. The Mayor will first ask the staff, the public, and the Councilmembers if there is anyone who wishes to address any matter on the Consent Calendar. The matters removed from the Consent Calendar will be considered individually following action on the remaining consent calendar items.*

- 1) 2022/0301.03 - Approve Minutes of the February 15, 2022 Regular Meeting **(ACTION)** 1
- 2) 2022/0301.04 - Approve Resolution No. 1529-2022 Regarding Proposed State Initiative **(ACTION)** 9
- L. ITEMS REMOVED FROM THE CONSENT CALENDAR
- M. REPORTS/STAFF COMMUNICATIONS
  - 1) 2022/0301.05 - City Manager/Staff Update **(RECEIVE & FILE)** 22
- N. SPECIAL PRESENTATIONS/STUDY SESSIONS
  - 1) 2022/0301.06 – Porch Light Campaign – Fiscal Year 2021-22 **(DISCUSSION/POSSIBLE ACTION)** 25
  - 2) 2022/0301.07 – Presentation - 2021-22 Mid-Year Financial Report **(RECEIVE AND FILE)** 27
  - 3) 2022/0301.08 - Presentation - Margo Advisors – Proposal for Rio Dell Harvest Fair Related to Cannabis **(RECEIVE AND FILE)** 32
- O. SPECIAL CALL ITEMS/COMMUNITY AFFAIRS/PUBLIC HEARINGS
- P. ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS
  - 1) 2022/0301.09 - Approve Resolution No. 1528-2022 Declaring the Need for Continued In-Person City Council and Commission Meetings or Declaring the Need to Resume with Virtual (Zoom) Meetings **(DISCUSSION/POSSIBLE ACTION)** 46
- Q. COUNCIL REPORTS/COMMUNICATIONS
- R. ADJOURNMENT

*The next regular City Council meeting is scheduled for  
Tuesday, March 15, 2022 at 6:30 p.m.*

**RIO DELL CITY COUNCIL  
REGULAR MEETING MINUTES  
FEBRUARY 15, 2022**

The regular “virtual” meeting of the Rio Dell City Council was called to order at 6:30 p.m. by Mayor Garnes.

ROLL CALL:            Present: Mayor Garnes, Mayor Pro Tem Johnson, Councilmembers Carter, Wilson and Woodall

                         Others Present: City Manager Knopp, Finance Director Dillingham, Chief of Police Conner, Water/Roadways Superintendent Jensen, Wastewater Superintendent Taylor and City Clerk Dunham

                         Absent: Community Development Director Caldwell and Management Analyst Sanborn

**PUBLIC PRESENTATIONS**

Mayor Garnes called for public comment on non-agenda matters. There were no public comments received.

**CONSENT CALENDAR**

Mayor Garnes asked if any councilmember, staff or member of the public would like to remove any item from the consent calendar for separate discussion. No items were removed.

Motion was made by Johnson/Woodall to approve the following consent calendar items:

- 1) Approve Minutes of the February 1, 2022 Regular Meeting
- 2) Approve Resolution No. 1526-2022 Authorizing Submittal of Applications for all CalRecycle Grants for which the City of Rio Dell is Eligible
- 3) Approve Resolution No. 1527-2022 Authorizing the City Manager to Execute Financial Assistance Application for Financing Agreement with the State Water Resources Control Board for Planning, Design, and Construction of the Painter Street Upsizing Project
- 4) Receive and File Check Register for January 2022

Motion carried 5-0.

**REPORTS/STAFF COMMUNICATIONS**

City Manager/Staff Update

City Manager Knopp provided highlights of the staff update and said that at the January 18, 2022 Council meeting, staff reported that there were 110 water customers at risk for water shutoff. He was pleased to announce that since that time, almost half of those customers paid in full, and the other established payment plans so only nine customers actually had their water for non-payment. He commended the entire finance staff and said the level of outreach efforts,



especially by Grace Hamaker was far and above what was required.

He also reported that staff submitted the Clean California Grant applications and said that there apparently is some additional funding for these programs. He noted that the State programs list for the highways is out and there are no Beautification Clean California grant projects in the Rio Dell area but there are several in the Eureka area. He explained that this is half of the Clean California Program; the other half are the locally submitted applications in which the State will be making decisions for on March 1, 2022.

Mayor Garnes commented that staff did an amazing job with outreach on the water accounts and that those efforts were key in reducing the number of shutoffs.

Mayor Pro Tem Johnson echoed Mayor Garnes sentiments and also thanked Public Works for taking care of the shutoffs and congratulated residents for stepping up.

Councilmember Woodall referred to the Police Department staff update regarding the February 7, 2022 home-invasion robbery and asked Chief Conner if the incident was random or if the victim was targeted.

Chief Conner said that he was fairly confident that the suspect knew the victim and that there were items taken that he did not disclose.

Councilmember Woodall referred to the incident with the man in the back yard of a home who was making threats with a knife and asked if he was taken to jail and if he was still in jail.

Chief Conner said that he initially went to the hospital and 36 hours later, the department got a phone call from County Mental Health that they were going to release him. The police department submitted paperwork to the District Attorney's office to have him charged with the crimes and he believed that he was released but was not back in Rio Dell at this time.

Councilmembers expressed thanks and appreciation to the police department for everything they do to keep the City safe.

## **SPECIAL PRESENTATIONS/STUDY SESSIONS/PUBLIC HEARINGS**

### Presentation/Public Hearing – Water/Sewer Rate Study

City Manager Knopp provided a staff report and began by announcing on behalf of the public that the materials for tonight's presentation are all uploaded on the City's website including the Draft Water/Sewer Rate Study, Cost of Services Study, Draft Proposition 218 letter and Notice for the April 19, 2022 public hearing, and the Power Point presentation.

He provided a quick recap and said that the last Prop 218 hearing for the wastewater system was conducted on April 15, 2014 followed by the hearing for the water system on December 1, 2015. He said that the primary objective of the study is to develop a five-year rate schedule for

water and wastewater services that equitably distributes costs to customers and adequately funds operations, debt service, reserves and capital projects.

The City Council approved the firm Lechowicz and Tseng to conduct a Water and Wastewater Rate Study and on January 4, 2022 the Council received a presentation and update on the draft water and wastewater study.

City Manager Knopp pointed out that Rio Dell is ahead in a lot of ways with some of the other municipalities and water districts in the sense that the community enjoys the benefit of having two new processing plants for both fresh water and wastewater. Those plants are relatively new and many of the other jurisdictions are grappling with older infrastructure including some of our immediate neighbors who are in the process of updating their treatment systems and water plants. The City also has the advantage of having a backup water supply with reconstruction of the wells with 95% of the cost covered by grant funding.

He noted that there are significant infrastructure issues related wastewater and explained that the City is currently conducting a Sanitary Sewer Evaluation Study (SSES) that is expected to be completed in 2023. What the SSES will do is to help define needed investments on the collection piping system and to reduce the city's infill and infiltration (I & I) and said that when it rains additional water enters the system and creates conditions for possible violations for sanitary sewer overflows. He said that it is a highly regulated area that is being studied to make the city better able to attract grant funding to help cover the cost of repairs to that system.

For the water system, the City currently has three significant grants in process at the state and federal levels totaling \$14,900,000 for mayor capital improvements which includes a distribution system upgrade of \$9.5 million at the state level and two federal grant applications through the Hazard Mitigation Grant Program for the Eel River Crossing Seismic Upgrade and the Douglas Tank Seismic Upgrade. All three grants are likely to be awarded however; the matching requirements for the water fund remain undefined.

City Manager Knopp pointed out that the Council has the option to continue the item to the March 1, 2022 meeting should they want more time to review the information. Otherwise the recommended action tonight is to receive the presentation, receive public comment, consider, approve or amend staff and consultant recommendations, set a date of April 19, 2022 to consider rate adjustments, and direct staff to mail notices in accordance with California Constitution Proposition 218 with the City Attorney's review and concurrence.

Catherine Tsang proceeded with a power point presentation on *City of Rio Dell Water and Sewer Rate Study Final Recommendations*.

She began by providing an overview of where the water and sewer rates are and why there is a need for a rate adjustment. The water rate structure was last updated in 2015 with small increases in the rates annually since then. The wastewater rate structure was last updated in 2013 with annual increases in accordance with changes with the CPI.

She noted that the study covers a 5-year period with the effective date for the new rates set for July 1, 2022.

She continued with review of the Proposition 218 process which governs how property-related changes are adopted. Procedural requirements included conducting a rate study, mailing a notice to property owners and tenants, holding a public at least 45 days after the notice is mailed, and not adopting new rates if more than 50% of ratepayers submit written protests.

Ms. Tsang said that the three water and sewer fund objectives are to meet the debt coverage, meet fund reserve targets and maintain positive net operating revenues.

Next was review of historic and current monthly water rates, water rate components (fixed rate vs. variable), water system overview, water consumption, water fund reserves, net water revenue, water Capital Improvement Program (CIP), and water rate options including a water low-income discount. It was recommended the city use the PG&E Care Program to determine eligibility of ratepayers for the discount. Based on PG&E statistics, approximately 700 customers in Rio Dell would be eligible with a projected monthly discount of \$3.00 per customer for water and \$3.00 for sewer. The discount could be established either on a flat rate amount or percentage with the discounts being subsidized by water and sewer late fee revenue.

The beginning fund balance on July 1, 2021 for the Water Fund Reserves was reported at \$2.8 million which was an increase of \$550,000 from the previous year.

One noted change in operating expenses for both water and wastewater was the projected cost for chemicals. In the last presentation, chemical costs were estimated to go up 600%. Since then, it was determined that a 300% increase was a more realistic estimate.

In reviewing the water rate scenarios, rate option A with 70% fixed and 30% variable was recommended which is very similar to the current rate structure. The proposed water rates represented a slight decrease in the monthly base rate from \$49.48 to \$45.47 with a slight increase in the consumption rate from \$3.23 per cubic feet to \$3.33. Using the average monthly residential use of 5 units per month, the new rate effective July 1, 2022 would go down from \$65.63 to \$62.12 per month.

On the sewer side, the monthly fixed charge would increase from \$52.78 to \$54.28 with the volume rate for residential use (domestic strength) increasing from \$4.58 per cubic feet of water used to \$5.18 bringing the total monthly sewer bill based on 5 units to \$80.17 from the current rate of \$75.68. The proposed combined monthly water and sewer bill for a typical residential customer using 5 units of water would increase slightly from \$141.31 to \$142.29 with incremental increases with the rate at the end of five years at \$175.29.

Next steps of the process included mailing out Prop 218 notices on March 1, 2022, conducting the Prop 218 public hearing on April 19, 2022 with the new rate increase going into effect July 1, 2022.

Councilmember Woodall questioned the proposed \$6.00/month discount for low-income customers and pointed out that with 700 eligible customers, the annual loss in revenue to the City would be around \$50,000. She acknowledged that it would be a good-will gesture on behalf of the City but pointed out that the \$6.00 discount would not even pay for a lunch at McDonalds. She said that better use of the late fee revenue might be to put it back into the water and sewer funds where the \$50,000 benefited all customers. She questioned the staff time involved in setting up the discounts and whether the current accounting software (Accufund) had the capability of including the discount for a select number of customers.

Finance Director Dillingham commented that Accufund would be able to include the flat-rate discount although it would require additional staff time to set it up.

Councilmember Wilson said that he was glad to see the estimated chemical costs lowered and pointed out that the proposed increase in rates was reasonable in lieu of the many needed infrastructure improvements.

Councilmember Carter commented that she liked the 70% fixed/30% variable rate as proposed and said that it keeps the rate structure as close to the same as possible and minimizes impacts to the ratepayers.

Mayor Pro Tem Johnson thanked Ms. Tsang for the presentation and said that he supported the use of late fee revenue for low-income discounts.

Mayor Garnes asked if the reason for going with the 70% fixed/30% variable rather than 50% fixed/50% variable was because of revenue stability and asked if the projected 300% increase in chemicals the first year was because additional chemicals would be purchased.

Ms. Tsang said that the 70%/30% rate option does provide greater revenue stability and that it makes sense in lieu of the current drought situation.

City Manager Knopp explained that there is a high degree of uncertainty with the cost of chemicals and the hope is that the number will come in lower. He pointed out that the current inflation is 7.5% for the average consumer but significantly higher for some industries. By setting the increase at 300% and in the event the costs come in lower, the number would be adjusted accordingly. He indicated that staff is expected to have more information on the costs by April.

Water/Roadways Superintendent Jensen commented that in conversations with the supplier, the increases are due to the barges and manpower to load and unload them and the increase in trucking costs. The chemical costs will likely be uncertain over the next few years.

Mayor Garnes supported the low-income discount and said that sometimes \$6.00 is the difference in buying a small burger over a large burger.

Mayor Garnes then called for public comment on the proposed rate structure. No public comment was received.



Motion was made by Woodall/Carter to approve the rate adjustments as recommended, set a date of April 19, 2022 to further consider the rate adjustments, and direct staff to mail notices in accordance with California Constitution, Proposition 218 with the City Attorney's review and concurrence. Motion carried 5-0.

**SPECIAL CALL ITEMS/COMMUNITY AFFAIRS/PUBLIC HEARINGS**

**Authorize Staff to Pursue Grant Funding or other Non-City Funded Acquisition of Property for Rio Dell Community Forest**

City Manager Knopp provided a staff report and said that as part of the approved Economic Development Plan and Immediate Action Plan (IAP), the Council directed staff to look at the creation of recreational assets for the community. As such, staff contacted several property owners with strategically located undeveloped parcels that could potentially be suitable for recreational amenities.

He said that currently there are three contiguous parcels on the hillside between Pacific Avenue and the Dinsmore Plateau (Enes property). He noted that the City's main water storage tank (the Douglas Tank) is located within the 40-acre site. Staff has been in discussion with the property owner regarding the concept of acquisition of the property for use as a "Rio Dell Community Forest" with hiking trails and other recreational opportunities. The property contains skid roads that could be converted to trails and the property owner is supportive of the concept. He said that it is common on the north coast to have community forests noting that the Cities of Eureka, Arcata, Fortuna and Ferndale all have community forests with another forest underway by the McKinleyville Community Services District.

City Manager Knopp outlined some of the concerns associated with the project and said that the City has limited financial resources for this type of activity however, there could be significant grant funds made available to municipal governments for such property acquisition. In the meantime, however, the property could sell.

Councilmember Carter said that she loved the idea of a Rio Dell Community Forest and was in full support of the idea.

Councilmember Wilson asked if the property was listed and if it was listed as timberland.

City Manager Knopp said that the property was listed on Realtors.com but he was not certain how it was listed noting that there is a timber component as well as a grazing component to the property.

Councilmember Wilson said that it would be hard to compete with a potential buyer interested in logging the property but supported moving forward with possible acquisition of the property for a community park.

Mayor Pro Tem Johnson said that he supported any project that promotes walking, jogging or hiking.

Councilmember Woodall said that she would hate to see the trees cut down because it is a beautiful site.

Mayor Garnes agreed with the Council and was fully supportive of staff pursuing grant funding the land acquisition.

Mayor Garnes called for public comment on the proposed acquisition of land for a Rio Dell Community Forest. No public comment was received.

Motion was made by Carter/Woodall to authorize staff to pursue grant funding or other non-city funded acquisition of the property. Motion carried 5-0.

**ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS**

Second Reading (by title only) and adoption of Resolution No. 1524-2022 and Ordinance No. 389-2022 Approving Zoning and Land Use Designation of City Owned Parcel Located South of Painter Street, East of Ireland Avenue, North of Center Street and West of Highway 101 as Public Facility (PF) – File No. 052-321-000; Case No. ZR/GPA 22-01

City Manager Knopp provided a staff report and said as reported at the last meeting, this parcel was originally acquired by Caltrans in the mid 1970's for the realignment of Highway 101. After construction of the freeway, Caltrans deeded the property back to the City. As part of the grant application approved for the establishment of a dog park on the parcel, staff realized that the parcel was not zoned after the parcel was deeded back to the City. As such, staff is recommending the parcel be zoned Public Facility (PF).

Mayor Garnes called for public comment on the proposed land use designation. No public comment was received.

Motion was made by Johnson/Woodall approving the second reading (by title only) of Resolution No. 1524-2022 and Ordinance No. 389-2022 Approving Zoning and Land Use Designation of City Owned Parcel Located South of Painter Street, East of Ireland Avenue, North of Center Street and West of Highway 101 as Public Facility (PF). Motion carried 5-0.

**COUNCIL REPORTS/COMMUNICATIONS**

Mayor Pro Tem Johnson reported that he would be attending an HCAOG meeting via Zoom on Thursday, February 17<sup>th</sup> and on the agenda is approval of the FY 2022-23 Local Transportation Development Act (TDA) Fund apportionment. He noted that the funds increased by 30% for FY 2021-22. On March 2, 2022 they will be meeting again regarding potential mitigation.

Councilmember Carter reported that the City now has an Instagram account under "visitriodellscotia" with approximately 50 followers thus far. The Chamber of Commerce is interested in working together in a collaborative effort.

Councilmember Woodall reported on her attendance at the last Fire Department meeting and said that the total number of calls that they responded to last year was 792 which is amazing.

She said that they are looking into purchasing a new fire truck, asked for assistance from the police department in unlocking the bathrooms at the fireman's park in the morning and locking them at dusk due to increased amount of graffiti, and announced that they would be hosting their annual dinner on February 26, 2022 at the Scotia Lodge and urged the council and staff to attend.

She also announced that there would be a Nuisance Advisory Committee meeting tomorrow at 3:00 and anyone interested in attending could contact City Hall for the Zoom call-in numbers.

Mayor Garnes reported that she attended a Community Services Policy Committee meeting with the League of California Cities and discussed upcoming legislation, youth, seniors, outdoor spaces, and emergency response.

**ADJOURNMENT**

Motion was made by Johnson/Carter to adjourn the meeting at 7:59 p.m. to the March 1, 2022 regular meeting. Motion carried 5-0.

Attest:

\_\_\_\_\_  
Debra Garnes, Mayor

\_\_\_\_\_  
Karen Dunham, City Clerk



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*Rio Dell City Hall  
675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532  
cityofriodell.ca.gov*

March 1, 2022

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Approval of Resolution No 1529-2022 Regarding Proposed State Fiscal Initiative

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Approve Resolution No. 1529-2022

BACKGROUND AND DISCUSSION

The League of California Cities has requested that the Council pass the attached resolution. The League, aka CalCities works on behalf of California's municipal governments to preserve local control at the statewide level. Periodically there are laws or initiatives under consideration at the statewide level that limit or erode such local autonomy.

In 2018, the "Tax Fairness, Transparency and Accountability Act" or (AG# 17-0050 Amdt. #1), was being circulated to qualify for the November 2018 ballot. This initiative would have drastically limited local revenue authority.

Through the successful work and advocacy of the League of California Cities and its coalition, the measure's proponents withdrew the initiative from the ballot in June 2018.

On Jan. 4, 2022, the California Business Roundtable filed the Taxpayer Protection and Government Accountability Act or AG# 21-0042A1. This measure is far more detrimental to cities than the measure filed in 2018, because it would decimate vital local and state services to the benefit of wealthy corporations.

Cal Cities, along with a broad coalition of local governments, labor and public safety leaders, infrastructure advocates, and businesses, strongly oppose this initiative.



The Taxpayer Protection and Government Accountability Act limits voters' authority, adopts new and stricter rules for raising taxes and fees, and makes it more difficult to hold violators of state and local laws accountable.

## **WHAT WOULD THIS MEASURE SPECIFICALLY DO?**

### **1) Limit voter authority and accountability**

- Limits voter input. Prohibits local voters from providing direction on how local tax dollars should be spent by prohibiting local advisory measures.
- Invalidates the Upland decision that allows a majority of local voters to pass special taxes. Taxes proposed by the Initiative are subject to the same rules as taxes placed on the ballot by a city council. All measures passed between January 2022 and November 2022 would be invalidated unless reenacted within 12 months.

### **2) Restrict local fee authority to provide local services**

- Impacts franchise fees. Sets new standard for fees and charges paid for the use of local and state government property. The standard may significantly restrict the amount oil companies, utilities, gas companies, railroads, garbage companies, cable companies, and other corporations pay for the use of local public property. Rental and sale of local government property must be "reasonable" which must be proved by "clear and convincing evidence."
- Except for licensing and other regulatory fees, fees and charges may not exceed the "actual cost" of providing the product or service for which the fee is charged. "Actual cost" is the "minimum amount necessary." The burden to prove the fee or charge does not exceed "actual cost" is changed to "clear and convincing" evidence.

### **3) Restrict authority of state and local governments to issue fines and penalties for violations of law**

- Requires voter approval of fines, penalties, and levies for corporations and property owners that violate state and local laws unless a new, undefined adjudicatory process is used to impose the fines and penalties.

### **4) Restrict local tax authority to provide local services**

- Requires voter approval to expand existing taxes (e.g., UUT, use tax, TOT) to new territory (e.g., annexation) or expanding the base (e.g., new utility service).
- City charters may not be amended to include a tax or fee.
- New taxes can be imposed only for a specific time period.
- Taxes adopted after Jan. 1, 2022, that do not comply with the new rules, are void unless reenacted.
- All state taxes require majority voter approval.
- Prohibits any surcharge on property tax rate and allocation of property tax to state.

**5) Other changes**

- No fee or charge or exaction regulating vehicle miles traveled can be imposed as a condition of property development or occupancy.

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**RESOLUTION NO. 1529 -2022**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO DELL**  
**OPPOSING INITIATIVE 21-0042A1**

**WHEREAS**, an association representing California’s wealthiest corporations is behind a deceptive proposition aimed for the November 2022 statewide ballot; and

**WHEREAS**, the measure creates new constitutional loopholes that allow corporations to pay far less than their fair share for the impacts they have on our communities, including local infrastructure, our environment, water quality, air quality, and natural resources; and

**WHEREAS**, the measure includes undemocratic provisions that would make it more difficult for local voters to pass measures needed to fund local services and infrastructure, and would limit voter input by prohibiting local advisory measures where voters provide direction on how they want their local tax dollars spent; and

**WHEREAS**, the measure makes it much more difficult for state and local regulators to issue fines and levies on corporations that violate laws intended to protect our environment, public health and safety, and our neighborhoods; and

**WHEREAS**, the measure puts billions of dollars currently dedicated to state and local services at risk, and could force cuts to public schools, fire and emergency response, law enforcement, public health, parks, libraries, affordable housing, services to support homeless residents, mental health services, and more; and

**WHEREAS**, the measure would also reduce funding for critical infrastructure like streets and roads, public transportation, drinking water, new schools, sanitation, and utilities.

**THEREFORE, BE IT RESOLVED** that the City of Rio Dell, opposes Initiative 21-0042A1.

**THEREFORE, BE IT FURTHER RESOLVED**, that the City of Rio Dell will join the NO on Initiative 21-0042A1 coalition, a growing coalition of public safety, labor, local government, infrastructure advocates, and other organizations throughout the state.

We direct staff to email a copy of this adopted resolution to the League of California Cities at [BallotMeasures@calcities.org](mailto:BallotMeasures@calcities.org).

**PASSED AND ADOPTED** by the City Council of the Rio Dell on this 7<sup>th</sup> day of December, 2021 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

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Debra Garnes, Mayor

ATTEST:

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Karen Dunham, City Clerk





## **The Taxpayer Protection and Government Accountability Act Initiative No. 21-0042A1**

*January 21, 2022*

**Summary:** The measure limits the voters' input, adopts new and stricter rules for raising taxes and fees, and makes it more difficult to hold state and local law violators accountable.

### **Limiting Voter Authority and Accountability**

- Limits voter input. Prohibits local voters from providing direction on how local tax dollars should be spent by prohibiting local advisory measures.
- Invalidates Upland decision that allows majority of local voters to pass special taxes. Taxes proposed by the Initiative are subject to the same rules as taxes placed on the ballot by a city council. All measures passed between January 2022 and November 2022 would be invalidated unless reenacted within 12 months.

### **Restricting Local Fee Authority to Provide Local Services**

- Franchise fees. Sets new standard for fees and charges paid for the use of local and state government property. The standard may significantly restrict the amount oil companies, utilities, gas companies, railroads, garbage companies, cable companies, and other corporations pay for the use of local public property. Rental and sale of local government property must be "reasonable" which must be proved by "clear and convincing evidence."
- Except for licensing and other regulatory fees, fees and charges may not exceed the "actual cost" of providing the product or service for which the fee is charged. "Actual cost" is the "minimum amount necessary." The burden to prove the fee or charge does not exceed "actual cost" is changed to "clear and convincing" evidence.

### **Restricting Authority of State and Local Governments to Issue Fines and Penalties for Violations of Law.**

- Requires voter approval of fines, penalties, and levies for corporations and property owners that violate state and local laws unless a new, undefined adjudicatory process is used to impose the fines and penalties.

### **Restricting Local Tax Authority to Provide Local Services**

- Expanding existing taxes (e.g., UUT, use tax, TOT) to new territory (e.g., annexation) or expanding the base (e.g., new utility service) requires voter approval.
- City charters may not be amended to include a tax or fee.
- New taxes can be imposed only for a specific time period.
- Taxes adopted after January 1, 2022, that do not comply with the new rules, are void unless reenacted.
- All state taxes require majority voter approval.
- Prohibits any surcharge on property tax rate and allocation of property tax to state.

### **Other Changes**

- No fee or charge or exaction regulating vehicle miles traveled can be imposed as a condition of property development or occupancy.

# Fiscal and Program Effects of Initiative 21-0042A1 on Local Governments

If Initiative 21-0042A1 is placed on the ballot and passed by voters, it will result in:

- Billions of local government fee and charge revenues placed at heightened legal peril. Related public service reductions across virtually every aspect of city, county, special district, and school services especially for transportation, and public facility use.
- Hundreds of millions of dollars of annual revenues from dozens of tax and bond measures approved by voters between January 1, 2022 and November 9, 2022 subject to additional voter approval if not in compliance with the initiative.
- Indeterminable legal and administrative burdens and costs on local government from new and more empowered legal challenges, and bureaucratic cost tracking requirements.
- The delay and deterrence of municipal annexations and associated impacts on housing and commercial development.
- Service and infrastructure impacts including in fire and emergency response, law enforcement, public health, drinking water, sewer sanitation, parks, libraries, public schools, affordable housing, homelessness prevention and mental health services.

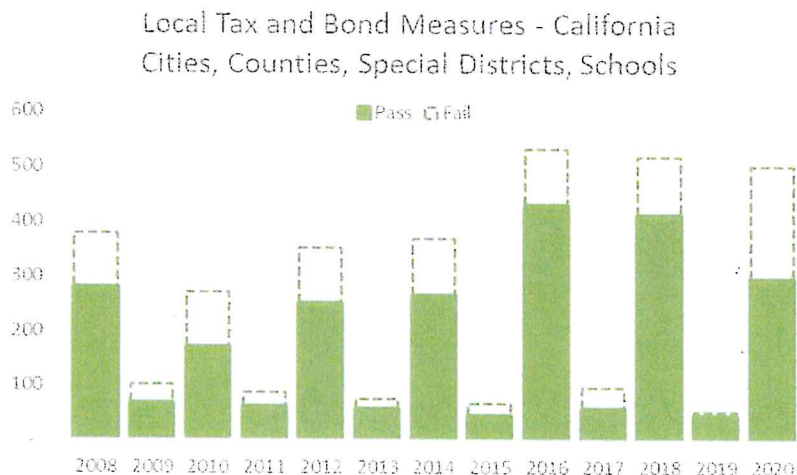
## **1. Local Government Taxes and Services Threatened**

With regard to taxes, Initiative 21-0042A1:

- Prohibits advisory, non-binding measures as to use of tax proceeds on the same ballot.
  - Voters may be less informed and more likely to vote against measures.
- Eliminates the ability of special tax measures proposed by citizen initiative to be enacted by majority voter approval (*Upland*).
  - Because the case law regarding citizen initiative special taxes approved by majority vote (*Upland*) is so recent, it is unknown how common these sorts of measures might be in the future. This initiative would prohibit such measures after the effective date of the initiative. Any such measures adopted after January 1, 2022 through November 8, 2022 would be void after November 9, 2023.
- Requires that tax measures include a specific duration of time that the tax will be imposed. This seems to require that all tax increases or extensions contain a sunset (end date).
  - This would require additional tax measures to extend previously approved taxes at additional cost to taxpayers.
- Requires that a tax or bond measure adopted after January 1, 2022 and before the effective date of the initiative (November 9, 2022) that was not adopted in accordance with the measure be readopted in compliance with the measure or will be void twelve months after the effective date of the initiative (November 9, 2023).
  - If past election patterns are an indication, dozens of tax and bond measures approving hundreds of millions of annual revenues may not be in compliance and would be subject to reenactment. Most will be taxes without a specific end date. Because there is no regularly scheduled election within the 12 months following the effective date of the initiative, measures not in compliance would need to be placed on a special election ballot for approval before November 9, 2023 or the tax will be void after that date. General tax measures would require declaration of emergency and unanimous vote of the governing board.



- Requires voter approval to expand an existing tax to new territory (annexations). This would require additional tax measures and would deter annexations and land development in cities.
  - If a tax is "extended" to an annexed area without a vote after January 1, 2022, it will be void 12 months later until brought into compliance. Because there is no regularly scheduled election within the 12 months following the effective date of the initiative, such extensions for general taxes would, under current law, each require unanimous vote of the agency board to be placed on a special election ballot or would be void after November 9, 2023.



### 1.a. Number of Measures and Value of Local Taxes at Risk<sup>1</sup>

In 2020, voters in California approved 293 local tax and bond measures for cities, counties, special districts and schools (95 in March and 198 in November). The approved measures enacted \$3.85 billion in new annual taxes including \$1.3 billion for cities, \$302 million for counties, \$208 million for special districts (fire, wastewater, open space and transit districts), and \$2.037 billion for schools (including for school bonds).

Most tax measures go to the ballot during a presidential or gubernatorial primary or general election in an even year. However, some tax measures are decided at other times. During 2019, there were 45 approved tax and bond measures (24 city, 14 special district, 7 school) adopting \$154.0 million in new annual taxes (\$124.0 million city, \$10.5 million special district and \$19.2 million school).

Most tax and bond measures comply with the new rules in Initiative 21-0042Amdt#1 except:

- Dozens of taxes would require end dates. This would require additional measures in future years to extend the taxes further. Very few extensions of existing local taxes fail.
- Majority vote general tax measures could not be accompanied on the same ballot with an advisory, non-binding measure as to use of tax proceeds.
- Special taxes placed on the ballot via citizen initiative would require two-thirds voter approval.

Bond measures have fixed terms. Historically, about 20 percent of other tax measures have included specific durations (i.e. sunsets). Advisory measures as to use of revenues are uncommon. I do not expect the provisions of 21-0042A1 to have any substantial effect on passage rates. However, some 2022 approved measures would likely have to put back on the ballot.

Based on history, a reasonable estimate of the annualized tax revenues estimated to be approved by

<sup>1</sup> Source: Compilation and summary of data from County elections offices.



voters in 2022 and placed at risk by this initiative is at least **\$1.5 billion, including \$1.0 billion from cities and \$500 million from counties and special districts.**<sup>2</sup>

### **1.b. Additional Costs and Public Service Effects of the Tax Provisions**

In addition to service delays and disruption due to new tax revenues placed at greater legal risk, there will be substantial additional costs for legal defense. The deterrence of taxes for annexations will delay and deter municipal annexations.

## **2. "Exempt Charges" (fees and charges that are not taxes) and Services Threatened**

With regard to fees and charges adopted after January 1, 2022, Initiative 21-0042A1:

- Subjects new fees and charges for a product or service to a new "actual cost" test defined as "(i) the minimum amount necessary to reimburse the government for the cost of providing the service to the payor, and (ii) where the amount charged is not used by the government for any purpose other than reimbursing that cost. In addition, subjects these same charges to a new, undefined, "reasonable" standard.
- Subjects fees and charges for entrance to local government property; and rental and sale of local government property to a new, undefined, "reasonable" test.
- Subjects a challenged fee or charge to new, higher burdens of proof if legally challenged.
- Prohibits a levy, charge or exaction regulating or related to vehicle miles traveled, imposed as a condition of property development or occupancy.

### **2.a. Value on New Local Government Fees and Charges at Risk<sup>3</sup>**

Virtually every city, county, and special district must regularly (e.g., annually) adopt increases to fee rates and charges and revise rate schedules to accommodate new users and activities. Most of these would be subject to new standards and limitations under threat of legal challenge. Based on the current volume of fees and charges imposed by local agencies and increases in those fees simply to accommodate inflation, the amount of local government fee and charge revenue placed at risk is about **\$1 billion per year including those adopted since January 1, 2022. Of this \$1 billion, about \$570 million is for special districts, \$450 million is cities, and \$260 million is counties.**<sup>4</sup>

Major examples of affected fees and charges are:

1. Nuisance abatement charges - such as for weed, rubbish and general nuisance abatement to fund community safety, code enforcement, and neighborhood cleanup programs.
2. Commercial franchise fees.
3. Emergency response fees - such as in connection with DUI.
4. Advanced Life Support (ALS) transport charges.
5. Document processing and duplication fees.
6. Transit fees, tolls, parking fees, public airport and harbor use fees.
7. Facility use charges, fees for parks and recreation services, garbage disposal tipping fees.

In addition to fees and charges, the measure puts fines and penalties assessed for the violation of state and

<sup>2</sup> This does not include citizen initiative special tax approved by majority but not two-thirds. Because this approach is new, the number of these measures and amount of revenue involved cannot be estimated.

<sup>3</sup> Source: California State Controller Annual Reports of Financial Transactions concerning cities, counties and special districts, summarized with an assumed growth due to fee rate increases (not population) of 2 percent annually.

<sup>4</sup> School fees are also affected but the amount is negligible by comparison.

local law at risk, making them taxes subject to voter approval under certain circumstances.

**2.b. Additional Costs and Public Service Effects of the Fee/Charge Provisions**

In addition to service delays and disruptions due to fee and charge revenues placed at greater legal risk, there would be substantial additional costs for legal defense. The risk to fees and charges will make infrastructure financing more difficult and will deter new residential and commercial development.

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## Stop the Corporate Loopholes Scheme

### **Deceptive Proposition Allows Major Corporations to Avoid Paying their Fair Share and Evade Enforcement when they Violate Environmental, Health & Safety Laws**

An association representing California's wealthiest corporations — including oil, insurance, banks and drug companies — is behind a deceptive proposition aimed for the November 2022 statewide ballot. Their measure would create major new loopholes that allow corporations to avoid paying their fair share for the impacts they have on our communities; while also allowing corporations to evade enforcement when they violate environmental, health, safety and other state and local laws. Here's why a broad coalition of local governments, labor and public safety leaders, infrastructure advocates, and businesses **oppose** the Corporate Loophole Scheme:

### **Gives Wealthy Corporations a Major Loophole to Avoid Paying their Fair Share - Forcing Local Residents and Taxpayers to Pay More**

- The measure creates new constitutional loopholes that **allow corporations to pay far less than their fair share for the impacts they have on our communities**, including local infrastructure, our environment, water quality, air quality, and natural resources – shifting the burden and making individual taxpayers pay more.

### **Allows Corporations to Dodge Enforcement When They Violate Environmental, Health, Public Safety and Other Laws**

- The deceptive scheme creates new loopholes that makes it much more difficult for state and local regulators to issue fines and levies on corporations that violate laws intended to protect our environment, public health and safety, and our neighborhoods.

### **Jeopardizes Vital Local and State Services**

- This far-reaching measure **puts at risk billions of dollars currently dedicated to critical state and local services**.
- It could **force cuts** to public schools, fire and emergency response, law enforcement, public health, parks, libraries, affordable housing, services to support homeless residents, mental health services and more.
- It would also **reduce funding for critical infrastructure** like streets and roads, public transportation, drinking water, new schools, sanitation, utilities and more.

### **Opens the Door for Frivolous Lawsuits, Bureaucracy and Red Tape that Will Cost Taxpayers and Hurt Our Communities**

- The measure will encourage **frivolous lawsuits, bureaucracy and red tape that will cost local taxpayers millions** — while significantly **delaying and stopping investments in infrastructure and vital services**.

## Undermines Voter Rights, Transparency, and Accountability

- This misleading measure changes our constitution to make it more difficult for local voters to pass measures needed to fund local services and local infrastructure.
- It also includes a hidden provision that **would retroactively cancel measures that were passed by local voters** — effectively undermining the rights of voters to decide for themselves what their communities need.
- It would **limit voter input** by prohibiting local advisory measures, where voters provide direction to politicians on how they want their local tax dollars spent.



## **Staff Highlights – 2022-03-01**

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### **City Council**

#### **City Manager**

Bid issued for 2022 asphalt improvement project.

Initiated Chief of Police recruitment.

FEMA has denied the County's appeal for the Soldier Pile Wall solution on Monument Ridge. There is a process for a second appeal and/or arbitration that possibly will need to involve a consultant. Costs are likely to be shared between the City and County.

The solar project is mostly complete. The generator will be installed sometime in June or July. We are waiting for final approval from PG&E to activate the system. It was temporarily turned on for an hour during bad weather and showed 12.7 kW entering the array, which is more than enough to power City Hall, charge the batteries and return excess power back to the grid.

#### **City Clerk**

Processed Four (4) Building Permit Applications:

690 Gunnerson Lane – Sewer Lateral  
693 Side St. – 12 x 16 Pre-Assembled Shed  
106 Meadowbridge Dr. – Residential Re-Roof  
177 Birch St. – Residential Re-Roof

Processed one (1) Encroachment Permit Application:

PG&E – Replace Anchors and Poles – 1325 & 1275 Northwestern Ave.

Misc:

Set up access to Alliant's Public Entity Cyber Application Portal through SCORE  
Worked on records retention for off-site storage  
Worked with Nylex and Alternative Business Solutions on computer issues  
Organized City Council Chambers for public meetings  
Responded to several information requests through the City Clerks ListServ

#### **City Attorney**



## **Human Resources, Risk & Training**

### **Finance Department**

The Finance Department has been very busy administering payment plans.

### **Public Works Water**

Assisted Wendt Construction in replacing water line service for 271 Cherry Ln.

Construct and plumb in Temporary water tanks at Dinsmore Tank for the upgrade

Inspections at Northwestern Ave for Wendt Construction Water line project.

Troubleshooting Pump 3 at Infiltration Gallery

Submit Well Level Data to Devin Pritchard-Peterson at Dudek Engineering for ongoing Rio Dell WELLS Study.

Water Monthly report to the SWRCB

Working on Water Rights Reports

### **Public Works Wastewater**

Routine Cleaning of the City collection system.

Meeting with GHD: update on grant application for the painter St, upsizing project, SSES progress report, Discuss full scale testing of Chloramine project to irrigation field this dry season.

Received approval from North coast Regional board for Full scale Chloramine testing to irrigation fields.

Email response to the State for the MMP's (mandatory minimum penalties). Ongoing discussion.  
Effluent violations

Chlorine generator: Repairing a flow sensor and getting an annual maintenance cost estimate from Telstar.

Submitted Annual report to the Regional Water Board.

Monthly and Quarterly Effluent Testing

### **Public Works Streets, Buildings and Grounds**

Mowed North and South Gateway.





Mowed City Hall, Blue Star Park, Belleview/Pacific and Belleview/Wildwood.

Pruned trees at Blue Star Park and off ramp by Dr. Shin's

Weed eaten Around town on city owned properties.

Filled pot holes on Ogle Ave and Cherry Ln.

Helped Clean out City Hall Chamber.

Burned Pile of brush and branches at City Corp yard, and cleaned up after burning.

**Public Works City Engineer**

**Public Works Capital Projects**

**Police Department**

**Community Development Department**

**Intergovernmental**

**Humboldt-Rio Dell Business Park**

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675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532  
(707) 764-5480 (fax)



DATE: March 1, 2022

TO: Mayor and Members of the City Council

FROM: Travis Sanborn, Management Analyst

THROUGH: Kyle Knopp, City Manager

SUBJECT: Approve Porch Light Campaign Fiscal Year 2021-2022

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Approve Porch Light Campaign Fiscal Year 2021-2022

BACKGROUND AND DISCUSSION

Help create a safer community while staying energy efficient by keeping your porch lights on with new, highly efficient light bulbs provided by the City of Rio Dell and Redwood Coast Energy Authority.

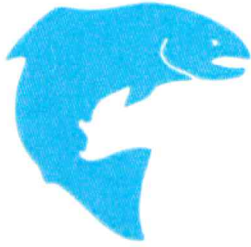
Porch lighting is an effective deterrent in reducing criminal activity while assisting public safety officials see addresses when responding to emergencies. In areas where street lighting may be insufficient, a porch light can assist in safely navigating outside your home.

The City of Rio Dell is offering every resident a free energy efficiency kit, with support through Redwood Coast Energy Authority. These kits will include a free, highly efficient LED light bulb. According to the U.S. Department of Energy, LED lights use at least 75% less energy, costing pennies a day to operate, and last up to 25 times longer than incandescent lighting.

It is staff's recommendation that the City Council approve the Porch Light Campaign Fiscal Year 2021-2022.

Attachments:

Porch Light Campaign Fiscal Year 2021-2022



# City of Rio Dell

Humboldt County  
California

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## Porch Light Campaign Fiscal Year 2021-2022

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### Program Description

Help create a safer community while staying energy efficient by keeping your porch lights on with new, highly efficient light bulbs provided by the City of Rio Dell and Redwood Coast Energy Authority.

Participation in the City of Rio Dell's Porch Light Campaign is your way to contribute to a safer and more secure community. By turning on your porch lights, you are participating in an effective deterrent in reducing criminal activity while assisting public safety officials see addresses when responding to emergencies. In areas where street lighting may be insufficient, a porch light can assist in safely navigating outside your home.

The City of Rio Dell is offering every resident a free energy efficiency kit, with support through Redwood Coast Energy Authority. These kits will include a free, highly efficient LED light bulb. According to the U.S. Department of Energy, LED lights use at least 75% less energy, costing pennies a day to operate, and last up to 25 times longer than incandescent lighting. Please stop by City Hall to participate in creating a brighter tomorrow for our community.





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*Rio Dell City Hall  
675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532  
cityofriodell.ca.gov*

March 1, 2022

TO: Rio Dell City Council  
THROUGH: Kyle Knopp, City Manager  
FROM: Cheryl Dillingham, Finance Director   
SUBJECT: Fiscal Year 2021-22 Mid-Year Financial Report

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Receive and file the Fiscal Year (FY) 2021-22 Mid-Year Financial Report.

BACKGROUND AND DISCUSSION

The Finance Director provides reports on the budget to keep the Rio Dell City Council and the public informed on the status of the City's finances. The attached Mid-Year Financial Report for FY 2021-22 summarizes budgeted versus actual amounts as of December 31, 2021 and describes any significant variances. At the time of the mid-year review staff did not see or project any substantial budget deviations other than cannabis related revenues at both the department and fund levels.

ATTACHMENTS

FY 2021-22 Mid-Year Financial Report



# MID-YEAR FINANCIAL REPORT

Mid-Year FY 2021-22

This Mid-Year Financial Report provides a review of the City's financial condition for fiscal year (FY) 2021-22 as of December 31, 2021. The report describes the revenues received and expenditures incurred and explains any significant budget variances at mid-year or projected to occur at the end of the fiscal year.

## SUMMARY

The FY 2021-22 adopted budget for the City of Rio Dell was \$5.67 million with estimated revenues of \$5.14 million. Total City revenues received at mid-year were \$2,726,207 which exceeded total expenditures of \$2,550,714 by \$175,493. If revenues are adjusted for American Rescue Plan Act (ARPA) revenues of \$400,576 and advanced Power Resiliency funds of \$295,000 then expenditures exceeded revenues by \$520,083. This difference is primarily due to spending on capital projects.

**Revenues:** The major funds of the City had received 40% of revenues as of mid-year. This compares to 49% for the same period last year. The primary change is General Fund revenues which were 22% collected at mid-year compared to 40% last year. This is a decrease of \$92,839 due to reduced cannabis revenues and elimination of CARES act funding. Streets and Building revenues were slightly higher and Supplemental Law Enforcement Services Fund (SLESF) revenue was lower than last year, these differences are primarily due to the timing of payments to the City.

REVENUES BY MAJOR FUND			
	BUDGET	MID-YEAR ACTUAL	% RECEIVED
GENERAL FUND	1,779,642	398,982	22%
STREETS	304,294	70,192	23%
SLESF	150,000	62,717	42%
BUILDING FUND	44,110	28,686	65%
SEWER	1,305,000	666,635	51%
WATER	1,211,800	696,286	57%
<b>TOTAL</b>	<b>4,794,846</b>	<b>1,923,498</b>	<b>40%</b>

**Expenditures:** As of mid-year, total City-wide expenditures were \$2.5 million or 37% of the \$6.8 million adjusted budget. Operating expenses were 43% of budget which is 1% greater than last year. Police expenditures were 44% this year compared to 42% last year. This is primarily the result of the department not being fully staffed for the first half of last year. It is anticipated that Police expenditures will end the year equal to or slightly below budget.

The following table shows budget versus actual amounts by department and current and prior year variances by percentage at mid-year.

EXPENDITURES BY DEPT.				
OPERATING	BUDGET	MID-YEAR ACTUAL	% EXPENDED	% PRIOR YEAR
Admin Car	1,400	492	35%	33%
Building	92,332	36,307	39%	44%
City Council	31,924	7,514	24%	10%
City Manager	443,725	153,225	35%	52%
Finance	373,468	176,278	47%	38%
Planning	273,976	13,701	5%	35%
Police	1,116,376	491,668	44%	42%
General Government	108,390	39,135	36%	23%
Recycling	17,145	27,661	161%	23%
Sewer	763,644	338,040	44%	44%
Water	479,181	288,851	60%	39%
Streets	261,583	130,288	50%	44%
Facilities & Grounds	169,142	66,427	39%	51%
<b>Total Operating</b>	<b>4,132,286</b>	<b>1,769,587</b>	<b>43%</b>	<b>42%</b>
Debt Service	438,934	219,467	50%	50%
Capital Projects	2,321,481	561,660	24%	97%
<b>TOTAL</b>	<b>6,892,701</b>	<b>2,550,714</b>	<b>37%</b>	<b>49%</b>

Expenditures in the major funds of the City were 41% of budget as of mid-year.

EXPENDITURES BY MAJOR FUND			
	BUDGET	ACTUAL	% EXPENDED
GENERAL FUND	2,593,551	926,331	36%
STREETS	315,293	146,394	46%
SLESF	161,667	82,935	51%
BUILDING FUND	92,332	36,288	39%
SEWER	1,518,739	626,822	41%
WATER	1,159,014	567,596	49%
<b>TOTAL</b>	<b>5,840,596</b>	<b>2,386,366</b>	<b>41%</b>

# MID-YEAR FINANCIAL REPORT

Mid-Year FY 2021-22

## GENERAL FUND

As of December 31, 2021 General Fund revenues received were \$398,982 and expenditures were \$926,331.

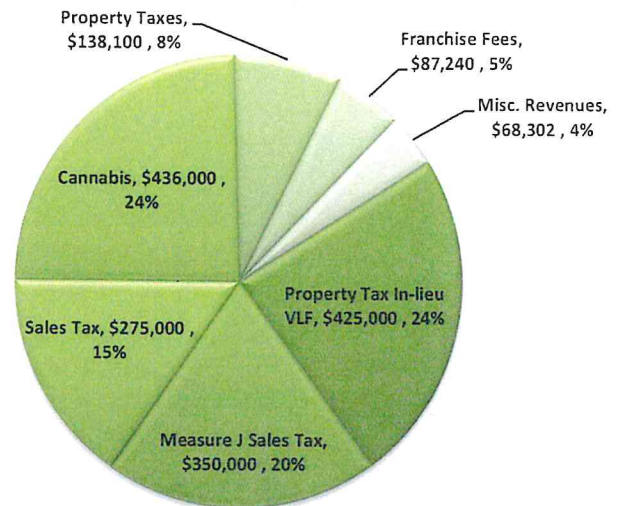
**Revenues:** At mid-year 22% of budgeted revenues had been received, compared to 40% for the same period last year. Property tax and In Lieu VLF funds are usually received from the County in February which is the primary reason revenues are below estimates at mid-year.

Only 19% of budgeted cannabis revenues were received at mid-year and revenues could be under by as much as \$300,000 at year end. This is due to the widely reported downturn in the legal cannabis industry. This downturn has resulted in delinquencies, changes to taxable calculations, and a slowing of cannabis industry growth within the Rio Dell City limits.

GENERAL FUND REVENUES	BUDGET	MID-YEAR ACTUAL	% RECEIVED
Property Tax In Lieu VLF	425,000	-	0%
Local Sales Tax Measure J	350,000	153,161	44%
Sales Tax	275,000	116,442	42%
Property Tax	138,100	-	0%
Franchise Fees	87,240	13,669	16%
Cannabis	436,000	81,302	19%
Transient Occupancy Tax	11,000	7,434	68%
Other Revenues	57,302	26,974	47%
<b>TOTAL</b>	<b>1,779,642</b>	<b>398,982</b>	<b>22%</b>

The top three revenue sources in the General Fund are Property Tax In Lieu of Vehicle License Fees, Retail Sales Tax, and Cannabis Tax. Cannabis revenues exceeded property tax revenues for the first time in FY 2020-21. Due to fluctuations in the market it is possible that may not happen in this fiscal year.

## General Fund Revenues by Type



**Expenditures:** Budgeted appropriations for the General Fund for FY 2021-22 total \$2,593,551. This includes \$1,186,825 for capital and special projects. Total appropriations spent at mid-year were \$926,331 or 36%.

## STREETS FUNDS

**Revenues:** FY 2021-22 Gas Tax estimates released by California City Finance in January 2022 for the City of Rio Dell were \$770 higher than prior estimates used to develop the budget. Revised estimates for SB1 RMRA revenues were \$5,060 or 7.8% higher than budgeted. Total Streets revenues for the current fiscal year are estimated to be approximately \$10,000 more than actual amounts received last year which is still below pre-pandemic Streets revenues.

STREETS REVENUES	BUDGET	ACTUAL	% RECEIVED
020 GAS TAX	93,967	47,181	50%
021 SB1 RMRA	64,700	23,011	36%
024 TDA	120,000	-	0%
026 RSTP	25,627	-	0%
<b>TOTAL</b>	<b>304,294</b>	<b>70,192</b>	<b>23%</b>



# MID-YEAR FINANCIAL REPORT

Mid-Year FY 2021-22

**Expenditures:** Actual Streets funds expenditures were 46% of adopted budgeted appropriations at mid-year, compared to 55% last year. This decrease is primarily due to lower capital expenditures.

STREETS EXPENDITURES	BUDGET	MID-YEAR ACTUAL	% EXPENDED
020 GAS TAX	101,662	39,058	38%
021 SB1 RMRA	65,868	22,716	34%
024 TDA	125,419	75,311	60%
026 RSTP	22,344	9,309	42%
<b>TOTAL</b>	<b>315,293</b>	<b>146,394</b>	<b>46%</b>

## ENTERPRISE FUNDS

### SEWER FUNDS

**Revenues:** The Sewer funds total budgeted revenues for FY 2021-22 were \$1.3 million. This amount includes all fees, charges, penalties, and new connections for sewer service. Actual revenues received at mid-year were \$666,635, or 51% of the budget. Last year at this time revenues were \$671,512, a decrease of \$4,877. The decrease of less than 1% in the current year is primarily due to lower usage. There was no Consumer Price Index (CPI) adjustment in the current fiscal year and the City is currently working on a rate study. Revenues are on target to end the year as estimated.

SEWER REVENUES	BUDGET	MID-YEAR ACTUAL	% RECEIVED
050 SEWER OPERATIONS	892,066	446,178	50%
052 SEWER CAPITAL	110,000	53,172	48%
054 SEWER DEBT SVC.	302,934	167,285	55%
<b>TOTAL</b>	<b>1,305,000</b>	<b>666,635</b>	<b>51%</b>

**Expenditures:** Total Sewer expenditures at mid-year were \$626,822, which is 41% of the budgeted amount. Expenditures in the Sewer Operating fund were slightly below half at 44%. The treatment plant loan of \$6.6 million will be paid off in 2043.

SEWER EXPENDITURES	BUDGET	MID-YEAR ACTUAL	% EXPENDED
050 SEWER OPERATIONS	1,036,555	460,725	44%
052 SEWER CAPITAL	179,250	14,630	8%
054 SEWER DEBT SVC.	302,934	151,467	50%
<b>TOTAL</b>	<b>1,518,739</b>	<b>626,822</b>	<b>41%</b>

### WATER FUNDS

**Revenues:** The Water funds revenues are meeting expectations at mid-year at 57%. Actual revenues received at mid-year were \$696,286 compared to \$662,761 for last year. This increase is due to water arrearages funding received from the State to reimburse the City for delinquent bills resulting from the water shut off moratorium due to COVID. There was no CPI adjustment to charges this fiscal year and the City is currently working on a rate study.

WATER REVENUES	BUDGET	MID-YEAR ACTUAL	% RECEIVED
060 WATER OPERATIONS	797,500	489,597	61%
061 WATER DEBT SVC.	136,000	93,209	69%
062 WATER CAPITAL	239,400	91,780	38%
063 METRO WELLS	17,100	9,327	55%
064 DINSMORE ZONE	21,800	12,373	57%
<b>TOTAL</b>	<b>1,211,800</b>	<b>696,286</b>	<b>57%</b>

**Expenditures:** Total Water expenditures at mid-year were \$567,596, which is 49% of the amount budgeted. Costs in the Operating fund appear to be running slightly higher than budgeted due to increased supply costs.

WATER EXPENDITURES	BUDGET	MID-YEAR ACTUAL	% EXPENDED
060 WATER OPERATIONS	738,614	406,128	55%
061 WATER DEBT SVC.	136,000	68,000	50%
062 WATER CAPITAL	107,250	46,315	43%
063 METRO WELLS	22,050	12,221	55%
064 DINSMORE ZONE	155,100	34,932	23%
<b>TOTAL</b>	<b>1,159,014</b>	<b>567,596</b>	<b>49%</b>

# MID-YEAR FINANCIAL REPORT

Mid-Year FY 2021-22

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## BUDGET OUTLOOK

Actual beginning fund balances for FY 2021-22 were higher than estimated for most funds. The estimate used for budget development was \$7,625,354 and the actual amount was \$9,032,621. The mid-year review shows that predominantly revenues are coming at budgeted levels, the only exception is cannabis taxes and expenditures are on target.

There are a few items that could negatively impact the budget outlook:

- Cannabis revenues have been negatively impacted by a slump in cannabis pricing and activity during the first half of this year. Many northern California cultivators are concerned that they will not survive the current conditions. Humboldt County and some other northern California agencies have lowered or suspended their cannabis taxes, however the State taxes remain unaltered and compose the clear majority of cannabis taxation. This market slump and its impacts appear to be particularly acute for outdoor cultivation which is not allowed in Rio Dell and for which the City receives no revenue. As has been discussed with the Council before, cannabis will remain a volatile revenue source for the City. Staff believes the City is still well positioned in the long-term with a comprehensive and well thought-out local regulatory approach, lack of “legacy grow” regulatory and financial hurdles, municipal infrastructure, and other factors that benefit professional legal cannabis.
- The Sewer funds expenses are increasing faster than revenues due to additional costs associated with State mandated water quality regulations. The pending rate study should address this concern.
- State based formulas for streets revenues are still not sufficient to cover maintenance costs and have been reduced due to impacts from the pandemic; this has been offset by significant investments from the General Fund.
- The economic outlook is hard to forecast due to uncertainties related to inflation, supply chain issues, and the ongoing impacts of the pandemic.
- Overall revenues into the city are at historic highs, however operating costs continue to grow (dispatch, labor, animal care, public safety software, insurance).



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*Rio Dell City Hall  
675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532  
cityofriodell.ca.gov*

March 1, 2022

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Presentation from Margro Advisors on a Proposal for a Rio Dell Harvest Fair  
Related to Cannabis

IT IS RECOMMENDED THAT THE CITY COUNCIL:

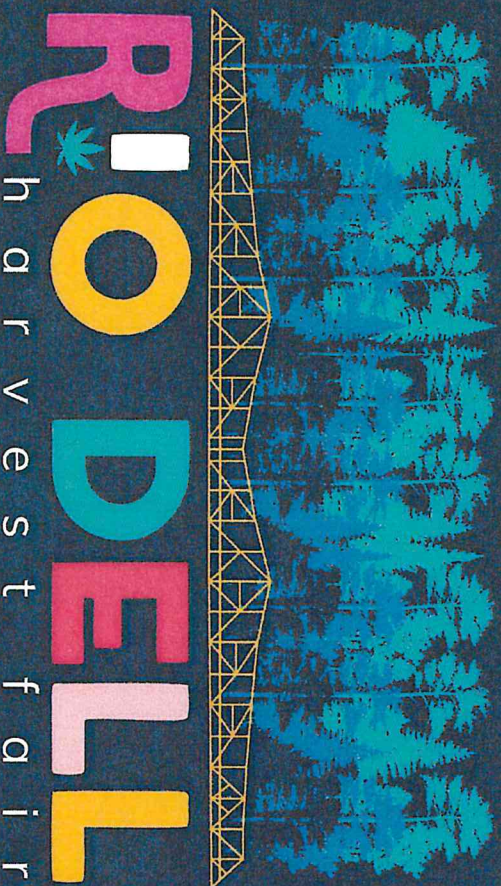
Receive the presentation.

BACKGROUND AND DISCUSSION

Margro Advisors is in the initial planning phases for a proposed special event entitled the Rio Dell Harvest Fair. They have asked to present the attached powerpoint and will be available for questions.

///





Humboldt County, California  
September 24-25, 2022



## Objectives

- For Craft Farmers
  - Build the region's brand recognition for high quality craft Cannabis
  - Bring buyers and consumers from across California
  - Allow direct sales experience with wholesale buyers and consumers
- For Rio Dell
  - Bring in visitors from throughout the State of California
  - Create new consumer opportunities to meet and interact with local vendors
  - Support Rio Dell's own Cannabis economic development for Retailers, Farmers, and Distributors
  - Provide a fundraising event for the local Fire Departments
- For Artisans
  - Promote local talented artisans in crafts, food, music, and entertainment





## Political & Industry Showcase

- Opportunity for Mayor & Council Members to host State and Local Officials
- Support discussion on key issues including State Taxes, Appellations, Sustainability, etc.
- Develop and implement promotional event model for Sungrown Farmers direct to consumer experience
- Platform for small legacy farms to share their community and history
- Provide cannabis education to adult public



## 120 Day Benchmarks

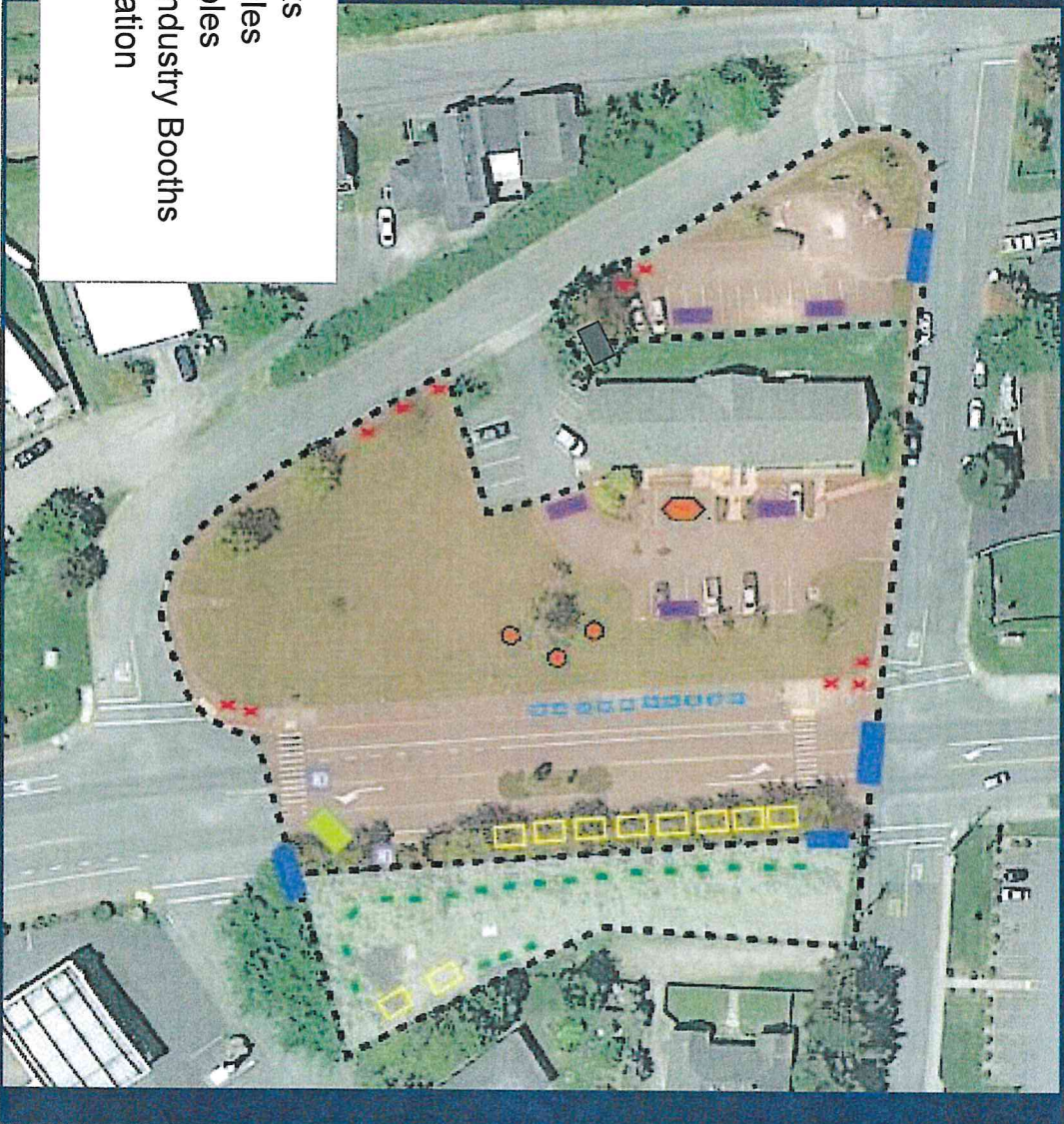
- City Permit Approval (April)
- Infrastructure Secured (May)
- Food & Artisan Vendor Selection (May)
- Entertainment Selection (May)
- Media Launch (May)
- State License (June)



# Preliminary Site Plan

65,000 sqft Consumption Area  
 15,000 sqft Education Area

- ..... Privacy Fencing
- Entrance/Exits
- X Bathrooms
- Consumption Area
- Education Area
- Cannabis Point of Sales
- Food Trucks
- Artisan Tables
- Farmer Tables
- Cannabis Industry Booths
- First Aid Station
- Stage







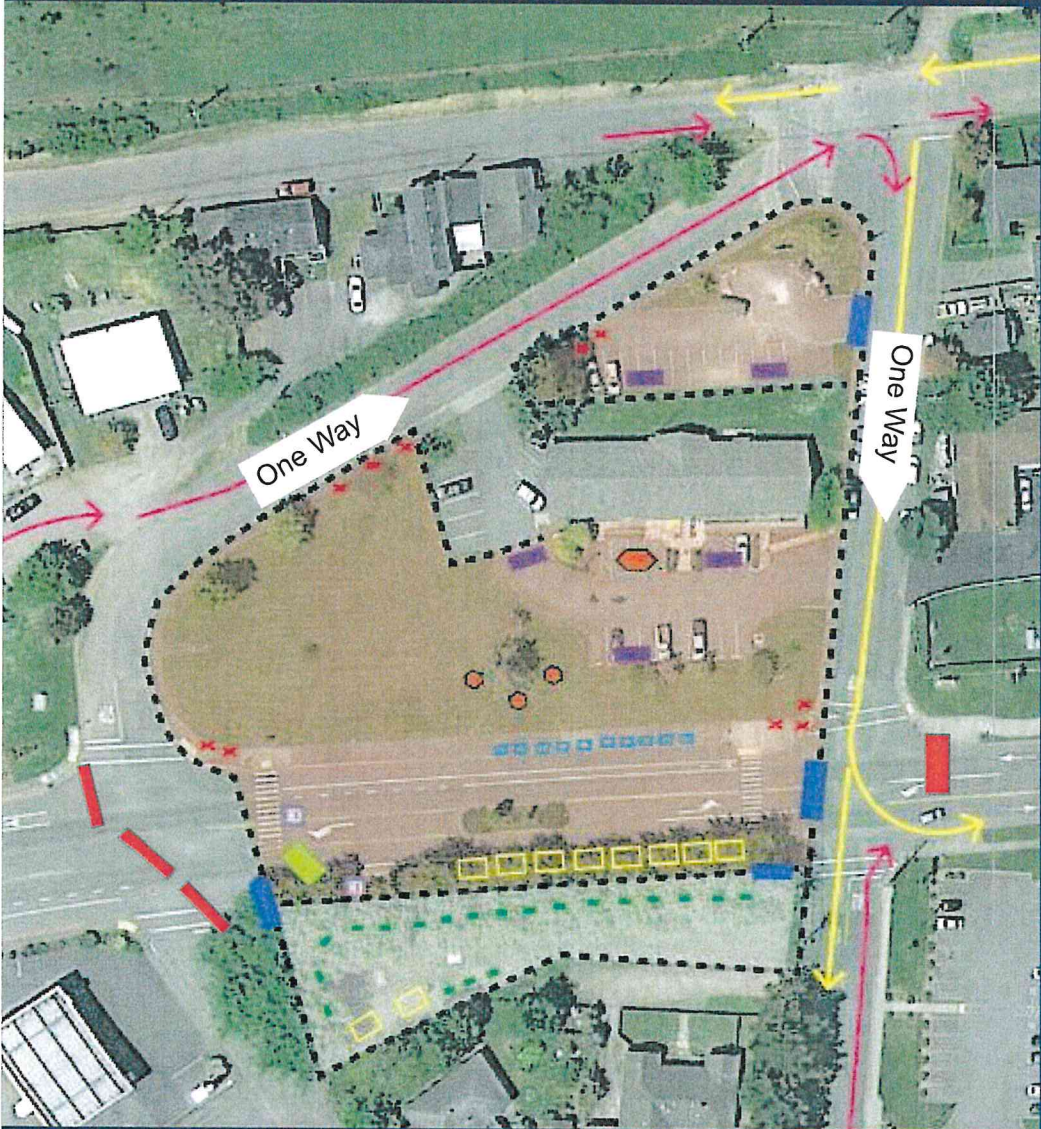
## Infrastructure Details

- 10 Artisan Booths
- 5 Food Trucks
- 1 Beer & Wine Garden
- 10 Industry Booths
- 4 Point of Cannabis Sales
- 20 Cannabis Farm Tables (Education Area)
- 1 Stage & Sound System
- 10 Portable Bathrooms
- 2,000ft Privacy Fencing
- 2 Offsite Lounge Areas at Dispensaries





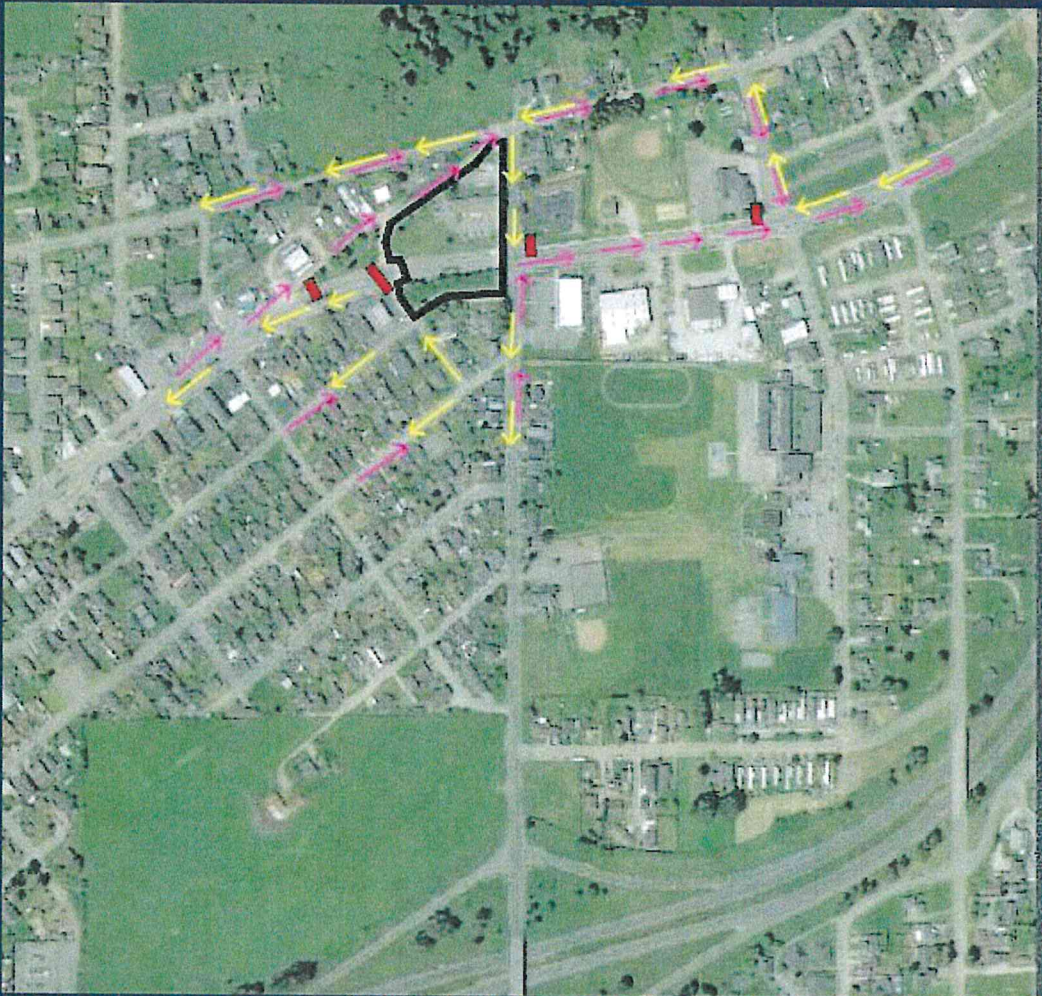
- Full Roadblock
- 1/2 Roadblock
- 2 One-way detours



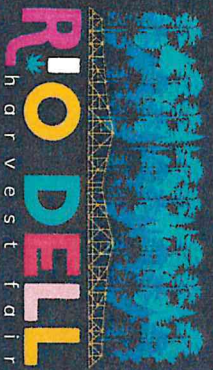


## Traffic Flow

- Road Blocks
- ↖ Northbound
- ↗ Southbound
- Fencing perimeter







## Event Organizations

**Humboldt Harvest Events Corp**  
**Primary Event Organizer**

Local Permit Submission

Infrastructure Planning

Non-Cannabis Vendor Coordination

Employee / Volunteer Coordination

Event Contracts Holder (Insurance, vendors, etc)

Applicant for Non-Cannabis Permits or  
Approvals required

**RDHF 2022 LLC**  
**Cannabis Event Area Organizer**

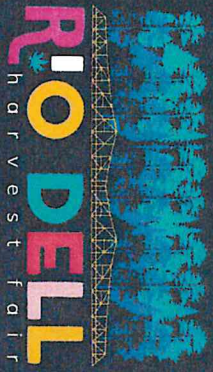
(2) State Cannabis License Applications

Cannabis Organizer License

Cannabis Event License

Cannabis Vendor Coordination





## State Licensure

- Organizer License responsibilities
  - Maintain event space
  - Hire Security
  - Posting signage
  - Provide list of licensed participants
  - Provide a site plan & participant locations
- Event License responsibilities
  - Displays of cannabis goods
  - Use of Exit packaging
  - Age restrictions enforced
  - Individual Daily sales limits
  - No free samples
  - All activities recorded in Metrc
- Licensed Team Identified



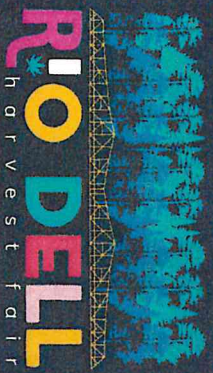
## Promotion/Media

- Social Media Strategy & Implementation
- Website (sponsorship presence, ticket sales & vendor registrations)
- Invitations to Legislative Stakeholders (Local & State Officials & Politicians)
- Invitations Statewide to CA License business owners (Disp, Distro, Mannu)
- Event Map to include City Points of Interest & businesses
- Press Releases
- Press Kits & Credentials
- Posters & T-shirts with event graphic depicting protected local species (Spotted Owl, Marbled Murrelet, Yellow-legged Frog & Bigfoot)
- Logo will be used prolifically on all print documentation & promotion media



Artwork under development





## Local Licensed Event Partners

### Potential Local & State Cannabis Licensed Participants

#### Dispensaries

- 1. Element 7
- 2. Proper Wellness
- 3. Goat Global, Eureka (local resident owner)

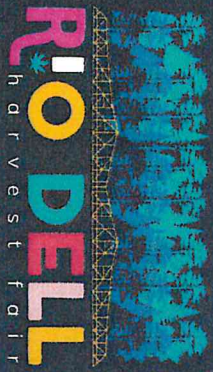
#### Distribution

- 1. Humboldt Brands
- 2. Proper Wellness Distribution
- 3. Humboldt 454

#### Farms

- 1. Dinsmore Plateau Farms
- 2. Sweetgrass Farms
- 3. Rio Diamond Farms
- 4. Humboldt 454





THANK YOU

Humboldt Harvest Events Corporation  
117 Wildwood Ave, Rio Dell CA  
707-500-2420



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675 Wildwood Avenue  
Rio Dell, CA 95562



**TO:** Mayor and Members of the City Council

**FROM:** Karen Dunham, City Clerk

**THROUGH:** Kyle Knopp, City Manager

**DATE:** March 1, 2022

**SUBJECT:** Resolution Declaring the Need for Continued In-Person/  
Hybrid Meetings or Resolution Resuming with Virtual  
(Zoom) Meetings in Accordance with AB 361

#### **RECOMMENDATION**

Adopt Resolution No. 1528-2022 declaring the need for continued in-person/hybrid City Council and Commission meetings during declared State of Emergency pursuant to Government Code Section 54953 (AB 361); or

Adopt Resolution No. 1528-2022 declaring the need to resume with virtual (Zoom) meetings.

#### **BACKGROUND AND DISCUSSION**

At the February 1, 2022 regular meeting, the City Council adopted Resolution No. 1525-2022 declaring the need to discontinue virtual meetings and resume with in-person/virtual (hybrid) meetings effective March 1, 2022. Staff was directed to return to the Council at this meeting to reconsider the circumstances of the emergency and either vote to continue with in-person/virtual (hybrid) meetings or resume with virtual (Zoom) meetings.

The Humboldt County Public Health Division reported a daily total of 52 confirmed COVID cases on February 23, 2022 including 2 hospitalizations. The 7-day case rate for Humboldt County through February 22, 2022 showed a 45.27% decline from the previous 7-day rate according to CDC data.

California's indoor mask mandate expired on February 15, 2022 for anyone who is fully vaccinated. Humboldt County aligned with the state and also lifted the mandate. Those who are unvaccinated must still wear masks in all indoor public spaces.

With passage of Resolution 1528-2022 to continue conducting City Council meetings in-person/virtually, staff will bring the item back at the April 5, 2022 regular meeting to reconsider the circumstances of the emergency and, if appropriate, make findings to continue to hold in-person/virtual (hybrid) meetings, or to resume with virtual (Zoom) meetings.

Attachments:

Resolution No. 1528-2022 - Continuing with In-Person/Virtual Meetings

Resolution No. 1528-2022 - Resuming with Virtual (Zoom) meetings



**RESOLUTION NO. 1528-2022**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO DELL  
DECLARING THE NEED TO CONTINUE CONDUCTING CITY  
COUNCIL AND COMMISSION MEETINGS IN-PERSON/VIRTUALLY  
DURING DECLARED STATE OF EMERGENCY PURSUANT TO  
GOVERNMENT CODE SECTION 54953 (AB 361) RESCINDING  
RESOLUTION NO. 1525-2022**

WHEREAS, on March 4, 2020, Governor Newsom declared a State of Emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the State prepare for a broader spread of COVID-19; and

WHEREAS, on March 17, 2020, in response to the COVID-19 pandemic, Governor Newsom issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act in order to allow local legislative bodies to conduct meetings telephonically or by other means; and

WHEREAS, as a result of Executive Order N-29-20, staff set up Zoom meetings for all City Council and Commission meetings; and

WHEREAS, on March 27, 2020, the City Council adopted Resolution No. 1449-2020 declaring a local emergency due to COVID-19; and

WHEREAS, on June 11, 2021, Governor Newsom issued Executive Order N08-21, which placed an end date of September 30, 2021, for agencies throughout the state and requiring local agencies to observe all the usual Brown Act requirements as they existed prior to the issuance of the orders; and

WHEREAS, since issuing Executive Order N-08-21, the Delta variant has emerged, causing a spike in COVID-19 cases throughout the state; and

WHEREAS, on August 6, 2021, in response to the Delta variant, the Humboldt County Health Department ordered all individuals to wear masks when inside public spaces and maintain social distancing; and



WHEREAS, on November 8, 2022, the Humboldt County Health Department extended the order requiring all individuals to wear face coverings when indoors in workplaces and public settings, with limited exceptions; and

WHEREAS, on September 16, 2021 Governor Newsom signed AB 361 which allows cities to continue to meet remotely during proclaimed states of emergency under modified Brown Act requirements that are similar but not identical to the rules and procedures established by the previous Executive Brown Act Orders; and

WHEREAS, on October 5, 2021 the City Council adopted Resolution No. 1505-2021 declaring the need for virtual City Council and Commission meetings during declared State of Emergency pursuant to Government Code Section 54953 (AB 361) and;

WHEREAS, the City Council extended the declaration through November, 2021 with passage of Resolution No. 1509-2021; and

WHEREAS, the City Council then extended the declaration through December, 2021 with passage of Resolution No. 1513-2021; and

WHEREAS, the City Council then extended the declaration through January, 2022 with passage of Resolution No. 1519-2022; and

WHEREAS, the City Council then extended the declaration through February, 2022 with passage of Resolution No. 1525-2022 and declared the need to resume with in-person/virtual (hybrid) meeting effective March 1, 2022; and

WHEREAS, AB 361 provides that, if the state of emergency remains active for more than 30 days, a local agency must make certain findings by majority vote every 30 days to continue using the bill's exemption to the Brown Act teleconferencing rules.

WHEREAS, the City Council reviewed the findings and determined that social distancing requirements can be maintained for the public, staff, Councilmembers, and Commissioners in their respective meeting locations.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Rio Dell declares the following:

- a. The City Council has reconsidered the circumstances of the state of emergency; and
- b. The state of local emergency does not continue to directly impact the ability of the City Council and its Commissions, as well as

staff and members of the public from meeting safely in person;  
and

- c. County of Humboldt Health Department orders recommends all individuals in public spaces to maintain social distancing; and the City can maintain those social distancing requirements for the Councilmembers, Commissioners, staff and the public in the meeting spaces.

City Council and Commission meetings will continue as in-person/virtual (hybrid) meetings until such time the order is rescinded, superseded or amended by the Rio Dell City Council.

---

Debra Garnes, Mayor

ATTEST:

I, Karen Dunham, City Clerk of the City of Rio Dell, certify that the foregoing Resolution was introduced at a regular meeting of the City Council held on March 1, 2022 and was adopted thereafter by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Karen Dunham, City Clerk



**RESOLUTION NO. 1528-2022**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO DELL  
DECLARING THE NEED TO RESUME WITH VIRTUAL ((ZOOM))  
CITY COUNCIL AND COMMISSION MEETINGS DURING DECLARED  
STATE OF EMERGENCY PURSUANT TO GOVERNMENT CODE  
SECTION 54953 (AB 361) RESCINDING RESOLUTION NO. 1525-2022**

WHEREAS, on March 4, 2020, Governor Newsom declared a State of Emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the State prepare for a broader spread of COVID-19; and

WHEREAS, on March 17, 2020, in response to the COVID-19 pandemic, Governor Newsom issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act in order to allow local legislative bodies to conduct meetings telephonically or by other means; and

WHEREAS, as a result of Executive Order N-29-20, staff set up Zoom meetings for all City Council and Commission meetings; and

WHEREAS, on March 27, 2020, the City Council adopted Resolution No. 1449-2020 declaring a local emergency due to COVID-19; and

WHEREAS, on June 11, 2021, Governor Newsom issued Executive Order N08-21, which placed an end date of September 30, 2021, for agencies throughout the state and requiring local agencies to observe all the usual Brown Act requirements as they existed prior to the issuance of the orders; and

WHEREAS, since issuing Executive Order N-08-21, the Delta variant has emerged, causing a spike in COVID-19 cases throughout the state; and

WHEREAS, on August 6, 2021, in response to the Delta variant, the Humboldt County Health Department ordered all individuals to wear masks when inside public spaces and maintain social distancing; and



WHEREAS, on November 8, 2022, the Humboldt County Health Department extended the order requiring all individuals to wear face coverings when indoors in workplaces and public settings, with limited exceptions; and

WHEREAS, on September 16, 2021 Governor Newsom signed AB 361 which allows cities to continue to meet remotely during proclaimed states of emergency under modified Brown Act requirements that are similar but not identical to the rules and procedures established by the previous Executive Brown Act Orders; and

WHEREAS, on October 5, 2021 the City Council adopted Resolution No. 1505-2021 declaring the need for virtual City Council and Commission meetings during declared State of Emergency pursuant to Government Code Section 54953 (AB 361) and;

WHEREAS, the City Council extended the declaration through November, 2021 with passage of Resolution No. 1509-2021; and

WHEREAS, the City Council then extended the declaration through December, 2021 with passage of Resolution No. 1513-2021; and

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WHEREAS, the City Council then extended the declaration through February, 2022 with passage of Resolution No. 1525-2022 and declared the need to resume with in-person/virtual (hybrid) meeting effective March 1, 2022; and

WHEREAS, AB 361 provides that, if the state of emergency remains active for more than 30 days, a local agency must make certain findings by majority vote every 30 days to continue using the bill's exemption to the Brown Act teleconferencing rules.

WHEREAS, the City Council reviewed the findings and determined that social distancing requirements cannot be maintained for the public, staff, Councilmembers, and Commissioners in their respective meeting locations.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Rio Dell declares the following:

- a. The City Council has reconsidered the circumstances of the state of emergency; and

- b. The state of local emergency continues to directly impact the ability of the City Council and its Commissions, as well as staff and members of the public from meeting safely in person; and
- c. County of Humboldt Health Department orders recommends all individuals in public spaces to maintain social distancing; and the City cannot maintain those social distancing requirements for the Councilmembers, Commissioners, staff and the public in the meeting spaces.

City Council and Commission meetings will resume as virtual (Zoom) meetings effective on April 5, 2022 in accordance with AB 361 and extend through the month of April or until such time the order is rescinded, superseded or amended by the Rio Dell City Council.

\_\_\_\_\_  
Debra Garnes, Mayor

ATTEST:

I, Karen Dunham, City Clerk of the City of Rio Dell, certify that the foregoing Resolution was introduced at a regular meeting of the City Council held on March 1, 2022 and was adopted thereafter by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
Karen Dunham, City Clerk