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CITY OF BLUE LAKE

CALIFORNIA

111 Greenwood Road

P.O. Box 458

Blue Lake, CA 95525

Blue Lake City Council Minutes

July 26, 2022~ 6:30 p.m. Regular Council Meeting
City Hall-111 Greenwood Road, Blue Lake

Meeting Called to Order at 6:32PM

1. Pledge of Allegiance and Establish a Quorum of the Council

Council Members Present: Quorum Established

Adelene Jones, Mayor

Chris Curran

Elaine Hogan – Via Zoom

Alice Finen -Via Zoom

Benjamin McCreath

Staff Present:

Amanda Mager, City Manager/City Clerk

Emily Wood, Economic Development Planner

Ryan Plotz, City Attorney

Scott Gordon, City Accountant

Brett Jones-JJACPA-City Auditors

Public Present:

Lisa Hoover

Martin Schwartz

Bridget Harris-RCAC Representative

Lori Ponte

Jean Lynch

Karen Barnes

Kent Sawatzky

Diana Lynn

Ted Hales

Elise Scafani

2. Approve Agenda

Motion: To Approve the Agenda as presented

Motion by: Councilmember Curran **Second:** Councilmember McCreath

There were no comments from the Council or public.

Vote: Ayes: Jones, Hogan, Curran, McCreath, Finen **Nays:** None **Absent:** None

Motion Summary: Motion Passed

3. **Comment** – *The Public is invited to present petitions, make announcements, or provide other information to the City Council that is relevant to the scope of authority of the City of Blue Lake that is not on the Agenda. The Council may provide up to 15 minutes for this public input session. To assure that each individual presentation is heard, the Council may uniformly impose time limitations of 3 minutes to each individual presentation. The public will be given the opportunity to address items that are on the agenda at the time the Council takes up each specific agenda item.*

Lisa Hoover: Would like to know the status of the DANCO process – specifically public engagement and forums in the future. Hoover would also like clarification on the CEQA process and Council’s consideration on the matter.

Karen Barnes: Requesting that the horse arena be shut down for public use on August 26th and 27 due to a private party at her home. She is also requesting the water system be reviewed at the horse arena and instructions are made simpler to understand.

Kent Sawatzky: Finds it to be inappropriate to make requests that are not on the agenda. Would like to know what can be done with the Emporium financially and if there are CBDG or other grants available; suggests reaching out to other property owners in the area to see what their needs are.

Lori Ponte: In May, there was a question about RMI selling firearms within City Limits. What have other cities done to restrict firearm sales in their city?

Mayor Jones: Plans to discuss this concern with the owners of RMI/tenants

4. Discuss and Consider Proposing a One Percent (1%) Local Transaction and Use Tax Measure to the Voters on November 8, 2022, Including Introduction and Submission of Proposed Ordinance 541 and Resolution Number 1201 to the Voters – Action

City Manager Mager provided a summary of the proposed tax measure; City Attorney, Ryan Plotz, explained the process for bringing the Ordinance and the Resolution forward for consideration.

Public Comment:

Kent Sawatzky: As the Executive Director of the Humboldt County Tax Payer’s League, he is trying to repurpose taxes, not implement new taxes; a general tax can be swallowed up in employee costs. He recommends a ½ cent sales tax in order to become a self-help City; recommends a ¼ cent sales tax to support recreation and trails; a partnership with the Humboldt County Tax Payer’s League would guarantee approval; the City can roll the dice to see if they can get this tax passed.

Ryan Plotz: Explains how the tax revenue can be spent and how the funds will be audited. The City is proposing a general tax; requiring a 50% + 1 to pass on the November ballot. A special tax requires a 2/3 vote to pass. The City includes within the resolution a variety of priorities of how funds will be spent; and details of the annual audit the City undergoes. The public will be able to see how funds are spent; although Council is not limited to expenditures if falling under the General Fund.

Lisa Hoover- Is this a special tax or general tax?

Ryan Plotz- It is a general tax. What the City defines as ‘essential services’ can be eligible to benefit from the sales tax.

City Manager Mager – The City relies on this revenue to support Parks & Recreation and Public Safety, including basic needs and services.

Jeff Landon- Doesn’t mind paying for taxes that will benefit the immediate community, such as potholes and trail maintenance

Council Discussion:

Councilmember Finen: Interested in the same tax rate as Arcata.

Councilmember McCreath: Take the tax to the public through the ballot process

Motion: To introduce, by title only, Ordinance 541- introducing a one percent (1%) local transaction and use tax measure to the voters on November 8, 2022

Motion by: Councilmember Curran, **Second:** Councilmember McCreath

There were no comments from the Council

Public Comment:

Kent Sawatzky: Will call the elections office to find out what the costs will be to add the measure to the ballot.

Vote: Ayes: Jones, Hogan, Curran, Finen **Nays:** McCreath **Absent:** None

Motion Summary: Motion Passed

Motion: To introduce, Resolution 1201 – submitting Ordinance 541 to the voters on November 8, 2022, and requests that all dates related to this ballot measure be publicized in accordance with the appropriate schedules.

Motion by: Councilmember Curran, **Second:** Councilmember Finen

There were no comments from the Council

Public Comment:

Kent Sawatzky: Will find out the date to submit comments against the tax; will submit them to the Humboldt County Tax Payer’s League; they will begin soliciting people to go against the measure.

Vote: Ayes: Jones, Hogan, Curran, Finen, McCreath **Nays:** **Absent:** None

Motion Summary: Motion Passed

5. Water and Wastewater Rate Proposal Presentation and Rate Recommendation - Presentation/Action

Bridget Harris (RCAC Representative) presents the Water and Wastewater Rate Recommendations for Blue Lake.

Kent Sawatzky: Out of town rates should be different, they are more costly than in town rates. Those who use more water should not be rewarded with lower rates. Within the City, the residents are punished with these suggested rates. There is an obligation to get grant funding; will rates be lowered if grant funding is secured?

Bridget Harris: The City's general use and property taxes should not be used to subsidize and support water and wastewater accounts.

Karen Barnes: Having a flat rate would be more difficult for people. Where does the public input come into this process to raise water/wastewater rates?

Ryan Plotz: The Council will direct staff to initiate the 218 process, which includes a notice process and public hearing process. If there is a sufficient number of protest the rates cannot be approved. 50% + 1 of property owners subjected to the rate must submit a protest.

Jeff Landon: Does this factor in the future developments within Powers Creek?

City Manager Mager: The City purchases water from Humboldt Bay Municipal Water District and there is plenty of supply. The developers for future projects will be responsible for allocating funds and planning for infrastructure upgrades. There are low-cost ways to increase the wastewater capacity as it stands; but eventually the wastewater system will need to be updated.

Kent Sawatzky: How can the City keep the costs for shared equipment separate; this causes a co-mingling of funds.

Councilmember McCreath: Is there any data regarding litigation over tiered rates?

Ryan Plotz: Is not aware of any cases; but cautions proceeding with a tiered approach without detailed analysis. The flat rate is still a volumetric charge and based on volume.

Karen Barnes: Are the meters being checked monthly?

Mager: Yes, the City has a meter reader that comes out monthly.

Motion to: Approve the water/wastewater rates as recommended by staff

Motion by: Councilmember Curran , **Second:** Councilmember McCreath

Vote: Ayes: Jones, Hogan, Curran, Finen, McCreath **Nays: Absent:** None

There were no comments from the Council

Public Comment:

Kent Sawatzky: Can each parcel vote? Would like to know the number of parcels needed to oppose the rates.

City Manager Mager: Yes each parcel can vote.

6. Discuss and Consider Providing Direction to Staff to Initiate the Proposition 218 Process Regarding Proposed Water and Wastewater Rate Increases, including mailing of Notices of the Proposed Rates and Protest Ballots to all Property Owners in Accordance with Proposition 218 and Setting Date for Public Hearing Thereon-Presentation/Action

Motion to: Initiate the Prop. 218 Process and Set Date for a Public Hearing at the Mad River Grange

Motion by: Councilmember McCreath, **Second:** Councilmember Finen

Vote: Ayes: Jones, Hogan, Curran, Finen, McCreath **Nays: Absent:** None

There were no comments from the Council

Public Comment:

Kent Sawatzky: Interested in knowing the number of parcels for the protest vote

7. Consent to Conflict of Interest-The Mitchell Law Firm Requests Council's Consideration of a Conflict Waiver for Legal Actions related to the City's Property Negotiations with Dan Comer, Lacey Comer and Redwood Marine, Inc.-Action

Ryan Plotz: Explained that the Mitchell Law Firm has represented the Comer's in the past; they do not believe that this past representation presents a conflict issue moving forward with future property negotiations and is asking the Council to consent to the conflict waiver.

Motion to: Consent to the Conflict Waiver as presented

Motion by: Councilmember Curran, **Second:** Councilmember McCreath

Vote: Ayes: Jones, Hogan, Curran, Finen, McCreath **Nays: Absent:** None

Council Comment:

Councilmember Hogan: Why doesn't the City use a lawyer that does not also represent the Comer's?

City Manager Mager: In the past, the City has used conflict waivers when the issues to be represented did not pose a conflict between parties. The City has also used conflict counsel when a potential conflict could arise. The Mitchell Law Firm has a very large client base and also specializes in municipal law. As the prior representation of the Comer's was of a corporate nature and not related to the proposed property negotiations staff feels that the expertise of the Mitchell Law Firm outweighs any perceived future conflict.

Ryan Plotz: In a small community, clients working with the same law firm is fairly common. If clients cannot proceed; accordingly, they are referred to conflict counsel.

Public Comment:

Kent Sawatzky: Normally I would not recommend this but due to the high ethics of Russ Gans and the Mitchell Law Firm I don't have an issue with this.

8. Appoint Real Property Negotiators (Gov. Code Section 54956.8)-Action

Property: Approximately 1.3 acres located at APN Nos.: 025-201-019 and 025-201-009, Blue Lake, California.

City of Blue Lake Negotiators: Amanda Mager (City Manager), Russell Gans (City Attorney) and Adelene Jones (Mayor)

Negotiating Parties: Dan Comer, Lacey Comer, Redwood Marine, Inc.

Under Negotiation: Potential Sale and/or Ground Lease, Price/Terms of Payment

Dan Comer, owner of RMI Outdoors, details his vision for introducing a grocery store, recreation store, corner market and eatery to Blue Lake. Comer states that firearms are heavily regulated, and he would not bring firearms or ammunition sales to Blue Lake.

Karen Barnes: How much property does the City own now and how much have we sold off?

City Manager Mager: The City owns about 26 acres within the Powers Creek District, including this 1.3 acre parcel.

Kent Sawatzky: Stands 100% in support of this project; has a strong positive vibe about Dan Comer; this is the kind of project that's good for Blue Lake; you'll need space for the City corporation yard and recommends locating it out of the flood zone..

Lisa Hoover: Would like to know that guns/ammo will not be sold in Blue Lake and that it would be discussed at a public meeting.

Jeff Landon: This location is good for this type of development

Elise Scafani: Would like to know how many council members will be a part of this discussion; are there any other Councilmembers that want to be on the negotiating committee; would like an additional councilmember to be on the committee to have a different perspective or point of view.

Mayor Jones: Two council members are typically assigned to discussions.

Motion to: Appoint Real Property Negotiators to Discuss APN Nos.: 025-201-019 and 025-201-009

City of Blue Lake Negotiators: Amanda Mager (City Manager), Russell Gans (City Attorney) and Adelene Jones (Mayor)

Negotiating Parties: Dan Comer, Lacey Comer, Redwood Marine, Inc.

Motion by: Councilmember McCreath, **Second:** Councilmember Finen

Vote: Ayes: Jones, Hogan, Curran, Finen, McCreath **Nays: Absent:** None

There were no comments from the Council

Public Comment: No additional comments

9. Fiscal Year 2020-2021 Audit Presentation-Presentation/Action

Brett Jones (Auditor) and Scott Gordon (City Accountant)

Brett Jones: Presented the City’s audit; the auditors issued an unmodified opinion – report can be found on the first page of the financial statements. The financial highlights give an overall perspective of the City’s finances. Financial statistics start on page 17 of the report. Notes start on page 39. There are no current year findings. An unmodified opinion is the highest or best opinion you can have.

Motion to: Accept the audit as presented

Motion by: Councilmember Curran, **Second:** Councilmember McCreath

Comments from the Council: No comments

Public Comment: No comments

Vote: Ayes: Jones, Hogan, Curran, McCreath, Finen **Nays:** None **Absent:** None

Motion Summary: Motion Passed

10. Senate Bill 1116-Direct the City Manager to Draft and Submit a Letter of Support for Senate Bill 1116-The Performing Arts Equitable Payroll Fund: SB 1116 establishes a grant program designed to support Small Non-Profit Performing Arts Organizations-Action

Motion by: Councilmember Curran , **Second:** Councilmember McCreath

Comments from the Council: No comments

Public Comment: No comments

Vote: Ayes: Jones, Hogan, Curran, McCreath, Finen **Nays:** None **Absent:** None

Motion Summary: Motion Passed

11. Closed Session: Public Employee Performance Evaluation (Government Code § 54957):

Motion to: Postpone Item 11

Motion by: Councilmember , **Second:** Councilmember

Comments from the Council: No comments

Public Comment: No comments

Vote: Ayes: Jones, Hogan, Curran, McCreath, Finen **Nays:** None **Absent:** None

Motion Summary: Motion Passed

12. Consent Agenda:

- a. Warrants and Disbursements
- b. Council Meeting Minutes

Motion to: Accept the consent agenda as presented

Motion by: Councilmember Curran , **Second:** Councilmember McCreath

Comments from the Council: No comments

Public Comment: No comments

Vote: Ayes: Jones, Hogan, Curran, McCreath, Finen **Nays:** None **Absent:** None

Motion Summary: Motion Passed

13. Council Correspondance – No correspondence.

14. Reports of Council and Staff:

Mayor Jones- The July HCAOG meeting was canceled, City Wide Yard Sale will take place on Aug 20th. A&M attendance was down in 2022 compared to 2021; likely due to sharing a weekend with the Orick Rodeo and Bigfoot Days in Willow Creek.

Councilmember Curran-Attended the RCEA meeting; the offshore wind project is going out to bid in October.

Councilmember McCreath- Nothing to report.

Councilmember Finen- Nothing to report.

Councilmember Hogan- Attended the HWMA meeting– The Hawthorne Street recycling center is closing Aug 1

City Manager Mager-Parks and Recreation has opened a concession and novelty store at skating rink. Storyland Studios will be making presentations to the Council and commissions in upcoming months regarding the RV park and campground project. The Blue Lake Sunday Markets are scheduled for August 21st – September 24th.

15. Future Agenda Items

-Art Commission to be discussed at next meeting

-Storyland Studios Presentation

-Closed session will take place at next regular meeting

16. Motion to Adjourn (9:17 PM):

Motion by: Councilmember CURRAN , **Second by:** Councilmember McCreath

Comments from the Council: No comments

Public Comment: No comments

Vote: Ayes: Jones, Hogan, Curran, McCreath, Finen **Nays:** None **Absent:** None

Motion Summary: Motion Passed