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CITY OF BLUE LAKE

CALIFORNIA

111 Greenwood Road

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Blue Lake, CA 95525

Blue Lake City Council Minutes

Tuesday, June 25, 2024~ 6:30 p.m. ~Regular City Council Meeting
Skinner Store Building-111 Greenwood Road, Blue Lake-Behind City Hall

Unless Otherwise Noted, All Items on the Agenda are Subject to Action.

Meeting Called to Order at 6:30 PM

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

Council Members Present:

Adelene Jones, Mayor

Angela Shull

Elizabeth Mackay

Elise Scafani

Christopher Edgar

Staff Present:

Amanda Mager, City Manager

Scott Gordon, City Accountant

Anali Gonzalez, Administrative Assistant

Tonie Quigley, Office Assistant

Public Present: Scott, Mardi Granger, Kent Sawatzky, Becky Thornton, Jean Lynch, Erin McClure, Verda Pitts, Julie Christie

2. Approval of Agenda

Staff requests to pull item #6 a resolution of the City Council amending the Fiscal Year 2023-2024 budget to reflect actual and projected revenues and expenditures due to pending expenditures. Staff to add items to July's regular city council meeting.

Public comment: None

Public comment closed.

Motion: To Approve the Agenda as delivered and delete item #6

Motion by: Councilmember Mackay, **Second:** Councilmember Shull

There were no comments from the Council

Vote: Ayes: Jones, Mackay, Shull, Scafani, Edgar **Nays:** None **Absent:** None

Motion Summary: Motion Passed

3. **Public 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.*

Mayor Jones invites public comment:

Scott Frazer- thank you city manager for pulling item #6

Kent Sawatzky- commented that the supervisors meeting was interesting, CDBG funds cannot be used in BL, must be used for low income, will investigate this. Recommend cease and desist using funds incorrectly. Time to vote or sign up to run.

Julie Christie- viewed supervisors meeting Congratulate future farmers, shout out to Justin, but meetings not getting uploaded to website.

4. **Resolution Number 1230-** A Resolution of the City Council of the City of Blue Lake Requesting the consolidation of the General Municipal Election with the Statewide General Election to be held Tuesday, November 5, 2024.

Motion: To adopt Resolution Number 1230 a resolution of the City Council of the City of Blue Lake requesting the consolidation of the General Municipal Election with the statewide General Election to be held Tuesday, November 5, 2024.

Motion by: Councilmember Edgar, **Second:** Councilmember Scafani

There were no comments from the Council

Public Comment: Kent Sawatzky- commented that timer is not visible.

Vote: Ayes: Jones, Mackay, Shull, Scafani, Edgar **Nays:** None **Absent:** None

Motion Summary: Motion Passed

5. **Resolution 1231-** A resolution of the City Council Amending the fiscal Year 2023-2024 budget to reflect actual and projected revenues and expenditures. - Item pulled and will be added to July's agenda.

6. **Resolution 1232-**A Resolution of the City Council Adopting a List of Projects for Fiscal Year 2024-2025 Funded by SB 1 The Road Repair and Accountability Act of 2017.

Mayor Jones reads the agenda report and asks staff if they would like to provide further information. The City of Blue Lake will receive funding from the State of California Road Maintenance and Rehabilitation SB 1 Program: The City's projected funding allocation for FY 2024-2025 is approximately \$29,000. Annually the City is required to adopt a Resolution that establishes the upcoming fiscal year's funding allocation and identifies a project list for use of the funds. Each year City staff makes a recommendation to the City Council based upon the highest needs and the most effective use of the funds.

Mayor Jones invites public comment:

Julie Christie- commented on the impact on A,B,and C Ave, as well as Glendale- need to be fixed. Other spots that need more help, what is going to be fixed.

Kent Sawatzky- asked if any of this money is going to be used for speed bumps, stop signs, bulb outs or roundabouts?

Public comment closed.

Motion: To approve Resolution Number 1232-Sb 1 funding and project adoption.

Motion by: Councilmember Edgar, **Second:** Councilmember Mackay

Councilmember Scafani- asks staff if any of the money received will be spent on bulb outs, roundabouts, stop signs.

City Manager Mager- As the funding allocation is limited, City staff are recommending the funding be allocated to road repair on G street and First Ave. Work recommended includes pavement replacement, pothole repair, and accessibility improvements.

Vote: Ayes Jones, Mackay, Shull, Scafani, Edgar **Nays:** None **Absent:** None

Motion Summary: Motion Passed

7. **Resolution Number 1233- A Resolution of the City Council Adopting a Fiscal Year 2024-2025 Budget Adoption**

Mayor Jones introduces Scott Gordon, the City Accountant who will be presenting the City's Fiscal Year 2024-2025 budget for Council's review and consideration of adoption. The draft budget was presented to Council on June 11, 2024, and all funds and departments were presented and reviewed by the City Accountant.

Mayor Jones invites public comment:

Julie Christie- asked for clarity, is this an action item, material not available. Proud of Elise as usual, request staff to be itemized.

Scott Frazer- commented on his interest in the budget, tracking is an issue asked to carry forward to next meeting.

Kent Sawatzky- commented no numbering on public packet, can't follow, no reason not to not carry forward, no agenda not to. Budget not accurate based on supervisor meeting. I find it distressing

Beckie Thornton- commented I don't think this should go forward, agree with Scott and Kent. Denied PRA regarding funding.

Jean Lynch- Greenwood project, is that separate from water lines, is that part of 23/24 or 24/25 budget?

Public comment closed.

Council discussion:

Councilmember Scafani moves to carry the budget adoption into the month of July.

Motion on the floor. Motion fails.

Councilmember Shull asks the City Accountant how significant the amendments are to the Fiscal Year 23/24 budget.

Scott Gordon- Some significant amendments and the majority are cost recovery amendments.

Motion: To Adopt Resolution Number 1233- A resolution of the City Council adopting the City of Blue Lake's Fiscal Year 2024-2025 budget and finding the budget to be within the appropriations limit required by article X111 B of the California Constitution.

Motion by: Councilmember Jones, **Second:** Councilmember Mackay

Vote: Ayes: Jones, Mackay, Shull, Edgar **Nays:** Scafani **Absent:** None

Motion Summary: Motion Passed

8. **Town Square Loan Pay-Off**

The City of Blue Lake has a loan balance of \$23,500.00 for the original purchase of the town square property. The City took out the loan with Redwood Region Economic Development Corporation (RRDEC) to cover the cost of the property purchase and subsequently was able to secure grant funding to pay off most of the purchase price. As the earnest money deposit for the purchase of the property was paid, the City was unable to apply the full purchase price to the grant. This has left an outstanding loan balance of \$23,500.00 with an interest rate of 5%. City staff is recommending that the Council utilize de-federalized funds derived from Community Development Block Grant loan payoffs to pay off the outstanding balance of the town square loan. The City currently has a fund balance \$78,000.00 and the payoff of the loan is an allowable use. As the loan with RREDC has a high interest rate, the city can save a substantial amount of money by paying off the loan.

Councilmember Scafani- Seeks clarification on CDBG funds.

Scott Gordon- Fund 42 collects loan payments, principal loan interest. If those funds in any one given year do not exceed 35k they get defederalized and shifted to Fund 38. Fund 38 part of the General Fund and primarily used for small business loans. Fund 44 the corpus of the CDBG program resides.

Motion: To authorize the City Manager to expend funds from Fund 38 to pay off the balance of the Town Square Property Purchase Loan.

Motion by: Councilmember Mackay, **Second:** Councilmember Shull

Mayor Jones invites public comment:

Kent Sawatzky-the money does go into the general fund, but many people do need this money for home repairs. Frustrating, funds have alternative uses.

Beckie Thorton-go ahead and pay them off, interest only 5%, we paid 10%.

Jean Lynch- comments on revenue on fund 44.

Scott Frazer- comments on the history of the Town Square project.

Public comment closed.

Vote: Ayes: Jones, Mackay, Shull, Edgar **Nays:** Scafani **Absent:** None

Motion Summary: Motion Passed

9. **Humboldt County Sheriff Correspondence**

The City received additional correspondence from Sheriff Honsal regarding his proposed Fiscal Year 2023-2024 contract amendment. The city has been working with the Sheriff's administrative staff to negotiate and finalize a new contract for 2024-2025 and Council has authorized the city Manager to execute the new contract upon final review. The city does not have an executed contract amendment for Fiscal Year 2023-2024 and the final negotiated cost increase for the new contract was not finalized until April of 2024. It is the recommendation of the City Manager that the city continue to finalize the new contract and that the increase be applied to the upcoming year. The city has budgeted for an increase in the Fiscal Year 2024-2025 Budget.

Council member Scafani reads a sheriff correspondence to the public. States her interpretation is the city needs to pay the money or the city risks losing law enforcement services.

Councilmember Scafani- Asks if staff is committed to contract to avoid disruption in law enforcement services.

City Manager Mager-staff is committed to making sure a contract is in place for the City of Blue Lake. The City Council directs staff to review cost proposal of law enforcement contract.

Mayor Jones invites public comment:

Kent Sawatzky- commented on sheriff correspondence

Julie Christie- commented on sheriff correspondence, and mentioned that vocal not clear, will listen to recording

Beckie Thornton- listened to supervisor meeting, just pay your bill

Erin McClure-commented on supervisor meeting

Jean Lynch-commented that watched supervisors meeting, and to pay bill.

Public comment closed.

10. Council Correspondence

Mayor Jones reads an email from Kent Sawatzky.

11. Consent Agenda

Motion: To approve consent agenda items a, b, c with corrections to March 26, 2024, meeting minutes it should read RCEA meeting and not RDEC meeting.

Motion by: Councilmember Edgar, **Second:** Councilmember Mackay

There were no comments from the Council

Public Comment:

Vote: Ayes: Jones, Mackay, Shull, Scafani, Edgar **Nays:** None **Absent:** None

Motion Summary: Motion Passed

Councilmember Edgar recused himself.

Warrants and Disbursement

Motion: To approve warrants and disbursements.

Motion by: Councilmember Mackay, **Second:** Councilmember Shull

There were no comments from the Council

Public Comment:

Kent Sawatzky-question to city manager~ passed a budget that Chris Edgar should have recused himself.

Vote: Ayes: Jones, Mackay, Shull, Scafani **Nays:** None **Abstention:** Edgar **Absent:** None

Motion Summary: Motion Passed

12. Reports of Council and Staff

Councilmember Shull- attended RDEC meeting.

Mayor Jones- Attended Blue Lake graduation. Attended HCAOG approved funding agreement with Humboldt Transit Authority and the City of Arcata and the County of Humboldt regarding dial a ride services. Reported an Annie and Mary Day vendor offering bike valet service during Annie and Mary day event.

13. Future Agenda items

General plan presentation

Motion: To adjourn 9:01 pm.

Motion by: Councilmember Mackay, **Second:** Councilmember Edgar

Vote: Ayes: Edgar, Jones, Mackay, Shull, Scafani **Nays:** None **Absent:** None

Motion Summary: Motion Passed