



City of Blue Lake

111 Greenwood Road-P.O. Box 458

Blue Lake, CA 95525

707-668-5655(P)

707-668-5916(F)

www.bluelake.ca.gov

City Council Agenda

Tuesday, October 22, 2024 ~ 6:30 p.m. ~Regular Council Meeting
Skinner Store-111 Greenwood Road, Blue Lake California

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

Public Input can be given to the Council by emailing cityclerk@bluelake.ca.gov until 4:30 p.m. on Tuesday October 22, 2024.

PLEASE NOTE that live meeting logistics will be prioritized. The quality of the Zoom teleconference meeting cannot be guaranteed. Technical challenges experienced by either the participant or the City will not interrupt or halt the progress of the meeting.

Public input may be facilitated by Zoom at the following meeting link:

<https://us02web.zoom.us/j/89666557673?pwd=Px5gorvwc046atEyGnS6emxDRmX2ZG.1>

Meeting ID: 896 6655 7673

Passcode: 818975

1. **Call to Order**
2. **Pledge of Allegiance and Establish a Quorum of the Council-**
3. **Approval of Agenda**
4. **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.*
5. **City of Blue Lake Commission Appointments** – Discussion/Action
6. **City of Blue Lake Audit Presentation**-Presentation
7. **Introduce and Conduct the First Reading of an Ordinance of the City Council of the City of Blue Lake Adding Section 17.24.260 of Title 17 (Zoning) to Amend Section 17.24.260 of the Blue Lake Municipal Code** – Discussion/Action
8. **Discussion Regarding Law Enforcement Services and Future Partnership Considerations-** Discussion/Action
9. **City Council Assignments-** Discussion/Action
10. **Council Correspondence**

11. Consent Agenda:

- a. August 27, 2024, City Council Meeting Minutes
- b. September Warrants and Disbursements
- c. California Retired Teachers Week Proclamation

12. Reports of Council and Staff

- a. City Manager Report

13. Closed Session: CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: Portions of APN Nos.: 312-131-037-000, 312-131-045-000, 312-131-046-000, and 312-190-010-000, in the unincorporated area of the County of Humboldt, State of California. Agency Negotiator: Amanda Mager, City Manager; Ryan Plotz, Assistant City Attorney
Negotiating parties: Erin McClure, Trustee
Under negotiation: Price and terms of payment.

14. Closed Session: CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: Portions of APN Nos.: 025-161-003-000 and 312-161-016-000
Agency Negotiator: Amanda Mager, City Manager; Ryan Plotz, Assistant City Attorney
Negotiating parties: Power Transitions Operations LLC
Under negotiation: Price and terms of payment.

15. Closed Session: CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: APN Nos.: 025-201-009 and 025-201-019
Agency Negotiator: Amanda Mager, City Manager; Ryan Plotz, Assistant City Attorney
Negotiating parties: Kenneth and Tasha Eisner
Under negotiation: Price and terms of payment

16. Future Agenda Items

17. Adjourn

A request for disability-related modification or accommodation, including auxiliary aid or services, may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting, by contacting City Clerk, Anali Gonzalez, at 707-668-5655, at least 24 hours prior to the commencement of the meeting.



City of Blue Lake

AGENDA REPORT

Item #: 5

Date: October 22, 2024

Item Subject: City of Blue Lake Commission Appointments

Submitted By: Mandy Mager, City Manager

General Information:

The City of Blue Lake has received applications for open positions on the Planning Commission, Public Safety Commission, and the Arts & Heritage Commission . Currently, both commissions have a single vacancy, and these vacancies have been advertised for more than 30 days.

Background Material Provided: Commissioner applications.

Fiscal Impact: N/A

Recommended Action: Make appointments as discussion directs.

Review Information:

City Manager Review: Legal Review: Planner Review: Engineer:

Comments:



RECEIVED

SEP 24 2024

CITY OF BLUE LAKE

Post Office Box 458, 111 Greenwood Road, Blue Lake, CA 95525
Phone 707.668.5655 Fax 707.668.5916

Council/Commission/Committee Application

Council/Commission/Committee for which you are applying for: PUBLIC SAFETY

Name: ALEXANDER RICCA

Address: [REDACTED]

Phone: [REDACTED] email: [REDACTED]

Are you 18 years of age or older? Yes

Length of time in Blue Lake area: 43 YEARS

Present Employer: RETIRED

Your job title: GRANDPAP

On a separate page, please answer the following as thoroughly as possible:

1. Community organization that you are currently involved with.
2. What unique skills or qualifications do you bring to this position?
3. What do you view as the main purpose of this Council/Commission/Committee?
4. What do you think you can contribute to this purpose?

It is highly suggested that you attend the meeting when the selection(s) for this position will be made. Please contact City Hall to verify when this meeting will take place.

COPY

Tuesday, September 24, 2024

From: Alexander Ricca

To: Blue Lake City Hall

Re: Public Safety Commission Application Questionnaire

Question 1: Community organization that you are involved with: None.

Question 2: What unique skills or qualifications do you bring to this position? The qualifications I'd bring to the Public Safety Commission arise from the lessons and training I received from my degree in philosophy and subsequent life-long studies in history, psychology, and politics and from my experiences as a clerk in the 208th Military Police Company in Fort Leonard Wood, Missouri and the 10th Air Cavalry Helicopter Training School, in Fort Benning, Georgia; and as a supervisor in a slum playground in Philadelphia, PA; and as a gripman on San Francisco's cable cars; and as a supervisor of Blue Lake's Parks and Recreation; and as an EMT for the Blue Lake Volunteer Fire Department; and as a Blue Lake City Council member; and as a father of two sons and grandfather of five grandchildren. Adding my joyous marriage of fifty-six years to this resume, I believe it is accurate for me to say I'd bring my panoramic view of human affairs, analytical mind, and writing abilities to the Public Safety Commission.

Question 3: What do you view as the main purpose of this Commission? Providing Blue Lake and its sphere of influence with a peace keeping, cost effective, law enforcement agency is the initial main purpose of the Public Safety Commission. Once that provision is accomplished, the Public Safety Commission's main purpose will be to maintain that agency's role in the Blue Lake community in a manner that keeps the peace in accordance with federal, state, and local laws and Constitutional rights of the citizenry.

Question 4: What do you think you can contribute to this purpose? Ideas, writing abilities, time, and the knowledge of what happened to Blue Lake the last time it established its own police department.

COPY

RECEIVED

OCT 17 2024



CITY OF BLUE LAKE

Post Office Box 458, 111 Greenwood Road, Blue Lake, CA 95525
Phone 707.668.5655 Fax 707.668.5916

Council/Commission/Committee Application

Council/Commission/Committee for which you are applying for: Planning

Name: Mathew Isaac

Address: [REDACTED]

Phone: [REDACTED] email: [REDACTED]

Are you 18 years of age or older? Yes

Length of time in Blue Lake area: 20 yrs

Present Employer: Self

Your job title: furniture maker

On a separate page, please answer the following as thoroughly as possible:

1. Community organization that you are currently involved with.
2. What unique skills or qualifications do you bring to this position?
3. What do you view as the main purpose of this Council/Commission/Committee?
4. What do you think you can contribute to this purpose?

It is highly suggested that you attend the meeting when the selection(s) for this position will be made. Please contact City Hall to verify when this meeting will take place.

COPY

Mathew Isaac

- 1) I coach my sons Madriver soccer team
- 2) I have a good sense of design
- 3) To help plan the successful growth and development of Blue lake
- 4) I have lived/visited many cities/towns in this country + abroad. I am also raising a family here in Blue lake. I would like to help facilitate positive growth here.

COPY



CITY OF BLUE LAKE

Post Office Box 458 • 111 Greenwood Road • Blue Lake, CA 95525
Phone 707.668.5655 Fax 707.668.5916

RECEIVED

OCT 15 2024

Arts and Heritage Commission Application

| | |
|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| Name: Yajaira Padilla | |
| Residence Address: [REDACTED] | |
| Primary Phone No.: [REDACTED] | Alternate Phone No.: |
| Email Address: [REDACTED] | |
| Educational Background (Last Year Completed): 4 years Double Major HSU. English/Spanish TESL | |
| Length of Time Living/Working in Blue Lake: working in Blue Lake for 6 years | |
| Present Employer: Logger Bar | |
| Job Title: Head Bartender (manager) | |
| Position Applying for: | Commissioner: <input type="checkbox"/> Advisory Member: <input checked="" type="checkbox"/> |

On a separate piece of paper, please provide detailed answers to the following questions:

1. What community organizations are you currently involved with?
Blue Lake Block party
2. What unique skills or qualifications do you bring to the position?
We put all kinds of art things organized in our community
3. What do you view as the main goal/purpose of the Arts and Heritage Commission?
Reaching out to our community to bring the artists showcased and have an open space for art enrichment.
4. What contribution(s) can you make to the goal/purpose of the Arts and Heritage Commission?
Open to lots of ideas.

COPY



City of Blue Lake

AGENDA REPORT

Item #: 6
Date: October 22, 2024
Item Subject: City of Blue Lake FY Ending 2023 Draft Audit Presentation
Submitted By: Mandy Mager, City Manager

General Information:

Brett Jones, JJACPA Representative, will be available via Zoom to present the City's draft fiscal year 2022-2023 audit. Mr. Jones will be available to answer any questions, and the audit will be brought back at the November Council meeting for final adoption.

Although the audit has been completed for several months, the City's Accountant has not completed the final review and is in the process of preparing the MD&A report.

Background Material Provided: Draft Audit Materials

Fiscal Impact: N/A

Recommended Action: No action required.

Review Information:

City Manager Review: Legal Review: Planner Review: Engineer:

Comments:

CITY OF BLUE LAKE, CALIFORNIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2023

Prepared by:

Amanda Mager
City Manager

Jackson & Eklund Accounting
Contract Accountant

DRAFT

This page intentionally left blank.

City of Blue Lake, California
Basic Financial Statements
For the year ended June 30, 2023

Table of Contents

| | <u>Page</u> |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <hr/> | |
| INTRODUCTORY SECTION | |
| Table of Contents..... | i |
| List of Officials..... | iii |
| <hr/> | |
| FINANCIAL SECTION | |
| Independent Auditors' Report | 1 |
| Basic Financial Statements: | |
| <i>Government-Wide Financial Statements:</i> | |
| Statement of Net Position | 7 |
| Statement of Activities | 8 |
| <i>Fund Financial Statements:</i> | |
| Governmental Funds: | |
| Balance Sheet | 12 |
| Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position | 13 |
| Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Net Position -- Governmental Activities..... | 14 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances -- Governmental Funds | 15 |
| Reconciliation of Fund Basis Statements to Government-wide Statement of Activities | 16 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities..... | 17 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances -- Budget to Actual -- General Fund and Major Special Revenue Funds | 18 |

City of Blue Lake, California
Basic Financial Statements
For the year ended June 30, 2023

Table of Contents, Continued

| | <u>Page</u> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Basic Financial Statements, Continued: | |
| <i>Fund Financial Statements, Continued:</i> | |
| Proprietary Funds: | |
| Statement of Net Position – Enterprise Funds | 21 |
| Statement of Revenues, Expenses, and Changes in Fund Net Position – Enterprise Funds | 22 |
| Statement of Cash Flows – Enterprise Funds | 23 |
| Notes to Basic Financial Statements | 29 |
| Other Supplemental Information: | |
| Required Supplementary Information: | |
| Schedule of Changes in the Net OPEB Liability and Related Ratios..... | 62 |
| Schedule of Contributions | 63 |
| Schedule of the City’s Proportionate Share of the Net Pension Liability..... | 64 |
| Combining and Individual Fund Financial Statements and Schedules: | |
| Nonmajor Governmental Funds: | |
| Combining Balance Sheet | 68 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | 70 |
| Nonmajor Special Revenue Funds: | |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Highway Users Tax Fund..... | 72 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – TDA Street Fund | 73 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – TDA Purchased Transportation Fund..... | 74 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – AB-939 Solid Waste Reduction/Recycling Fund..... | 75 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Regional Surface Transportation Program Fund..... | 76 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Recreation Economic Analysis Fund | 77 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – American Rescue Plan – COVID Relief Fund..... | 78 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – State Park Per Capita Program Fund..... | 79 |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards | 81 |

City of Blue Lake, California
Basic Financial Statements
For the year ended June 30, 2023

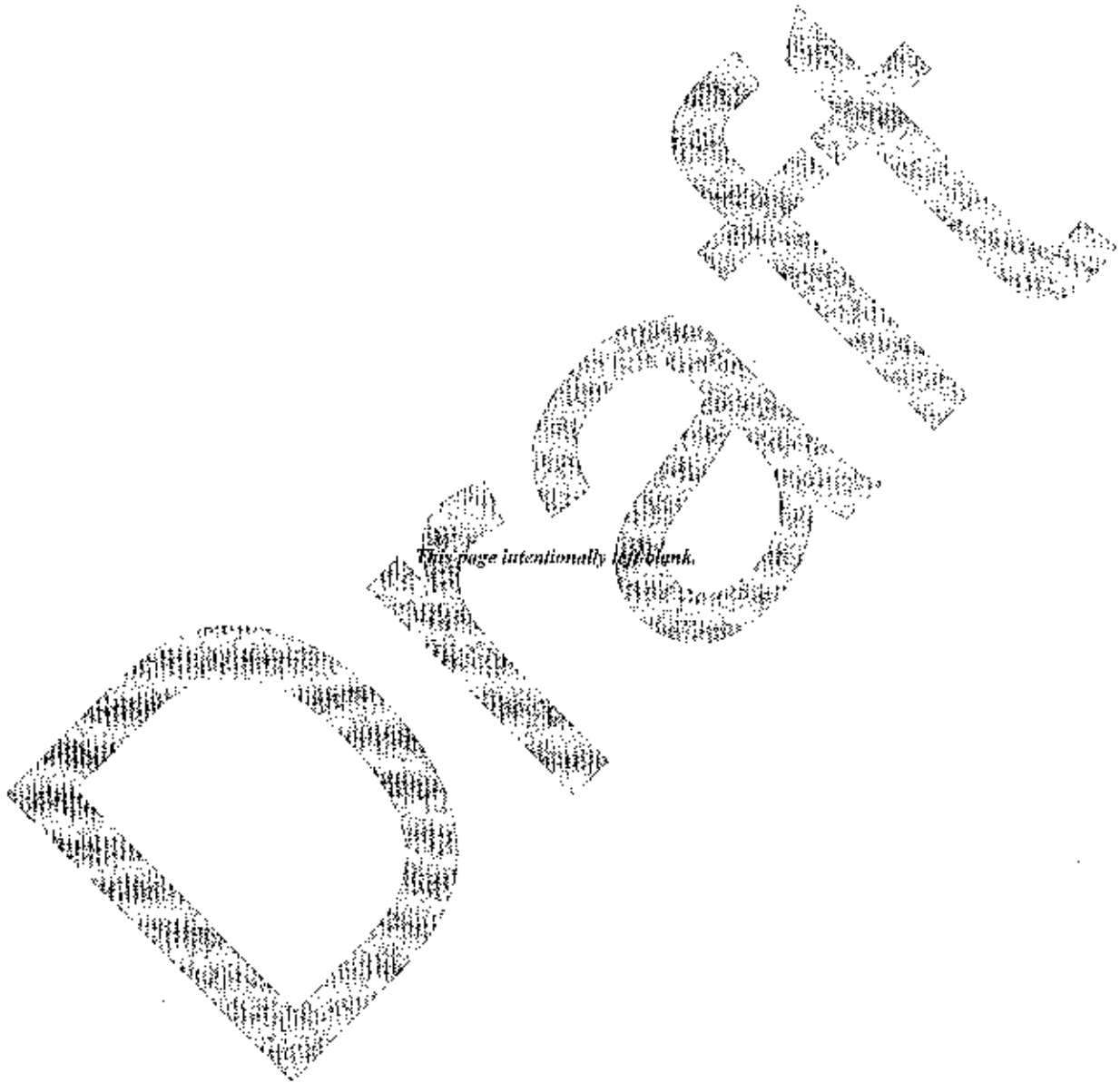
List of Officials

CITY COUNCIL

- Adclene Jones, Mayor
- Angela Shull, Mayor Pro Tem
- Chris Edgar
- Elizabeth MacKay
- Elise Scafani

CITY OFFICIALS

- Amanda Mager, City Manager
- Jackson & Iklund Accounting, Contract Accountant



This page intentionally left blank.



JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
of the City of Blue Lake
Blue Lake, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the City of Blue Lake (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Honorable Mayor and City Council
of the City of Blue Lake
Blue Lake, California

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the Net OPEB Liability and Related Ratios on page 72, the City's Schedules of Contributions on pages 73, and the Schedules of the City's Proportionate Share of the Net Pension Liability on pages 74 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Honorable Mayor and City Council
of the City of Blue Lake
Blue Lake, California

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

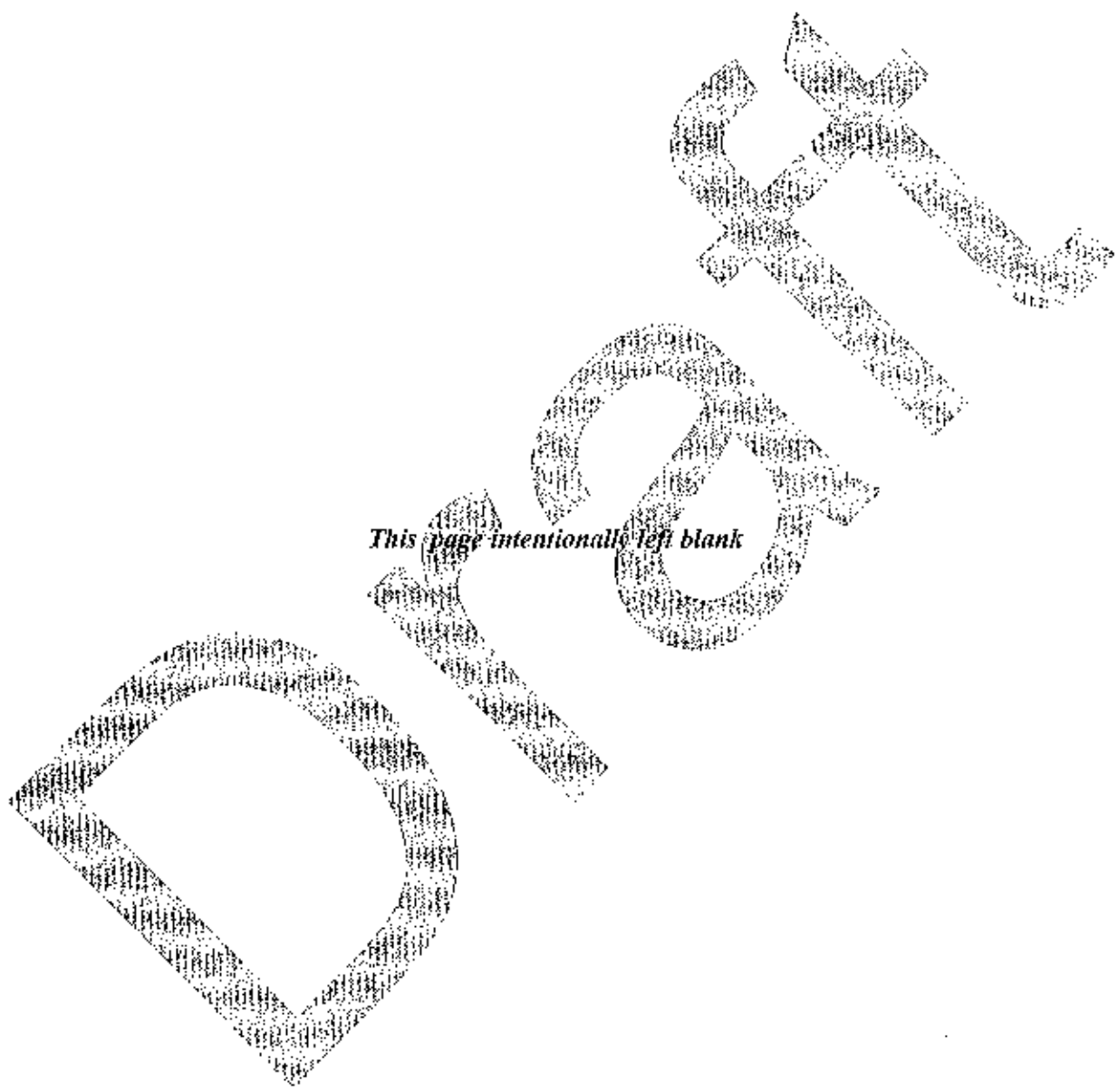
The combining and individual nonmajor fund financial statements is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

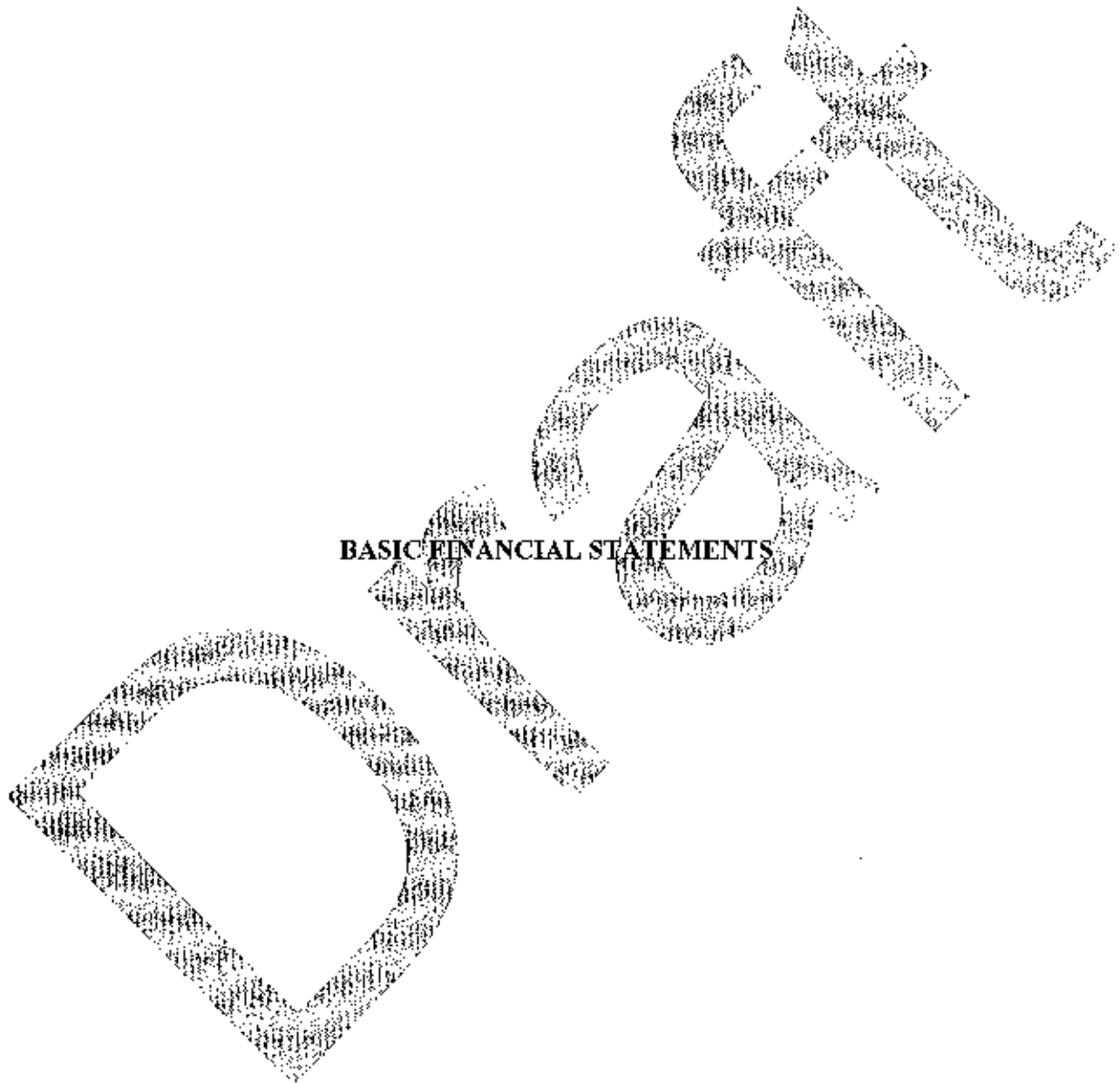
In accordance with *Government Auditing Standards*, we have also issued our report dated **October 17, 2024** on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

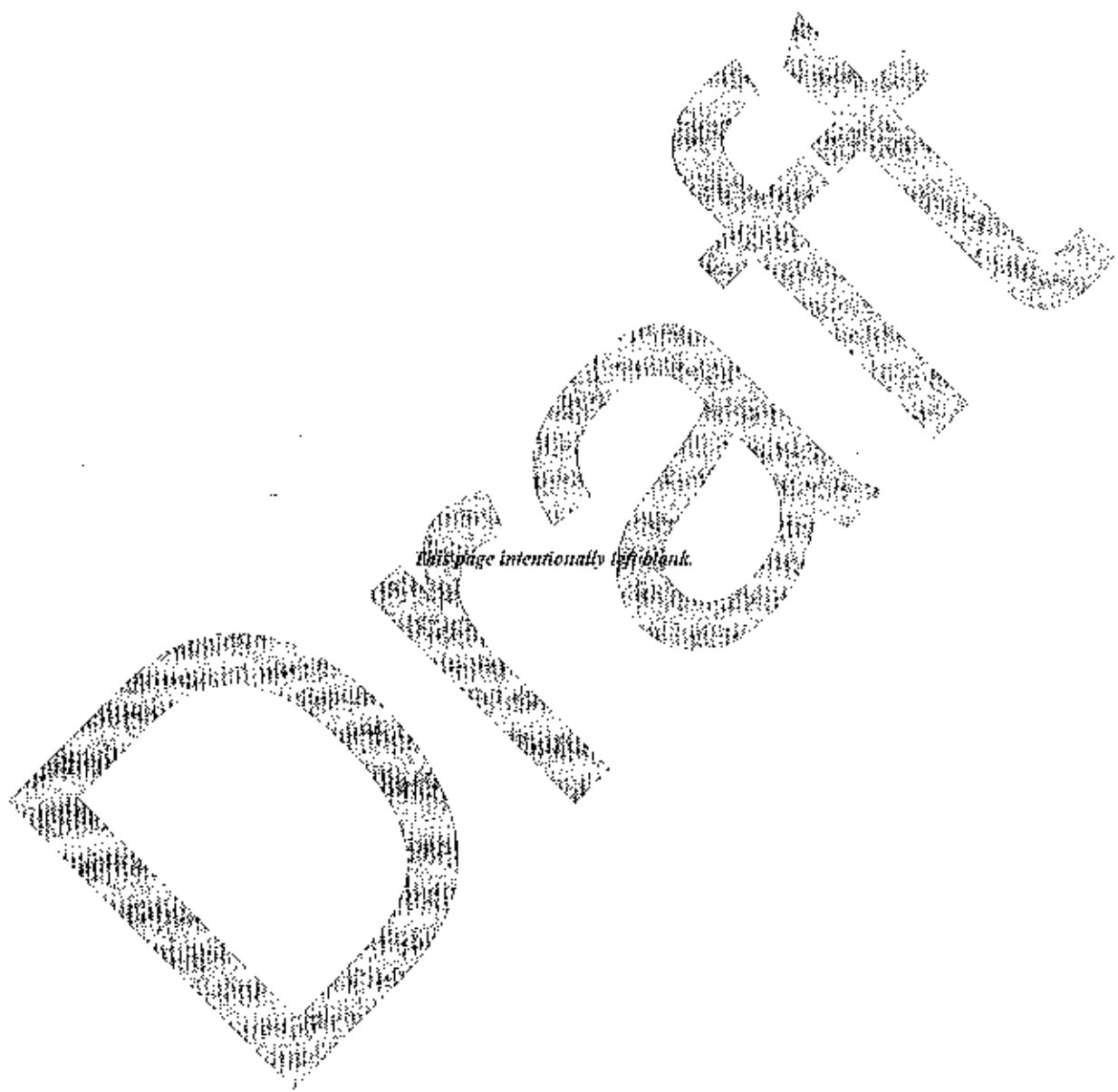
October 17, 2024

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA



This page intentionally left blank





This page intentionally left blank.

City of Blue Lake, California
Statement of Net Position
June 30, 2023

| | Governmental Activities | Business-type Activities | Total |
|--------------------------------------------------------------------------|----------------------------|-----------------------------|----------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments | \$ 1,390,128 | \$ 2,670,243 | \$ 4,060,371 |
| Receivables: | | | |
| Accounts receivable, net | 10,979 | 124,961 | 135,940 |
| Interest receivable | 229,920 | 19,853 | 249,773 |
| Intergovernmental receivables | 790,041 | 55,251 | 845,292 |
| Loans receivable | 816,354 | - | 816,354 |
| Inventories | - | 23,808 | 23,808 |
| Prepaid expenses | 32,466 | - | 32,466 |
| Total current assets | <u>3,269,888</u> | <u>2,894,216</u> | <u>6,164,104</u> |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Nondepreciable | 716,549 | 109,254 | 825,803 |
| Depreciable | 2,726,899 | 1,214,229 | 3,941,128 |
| Total noncurrent assets | <u>3,443,448</u> | <u>1,323,483</u> | <u>4,766,931</u> |
| Total assets | <u>6,713,336</u> | <u>4,217,699</u> | <u>10,931,035</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Other postemployment benefits (OPEB) | 8,573 | 15,487 | 24,060 |
| Pension plan | 290,234 | 267,848 | 558,082 |
| Total deferred outflows of resources | <u>298,807</u> | <u>283,335</u> | <u>582,142</u> |
| Total assets and deferred outflows of resources | <u>\$ 7,012,143</u> | <u>\$ 4,501,034</u> | <u>\$ 11,513,177</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | 99,256 | 39,107 | 138,363 |
| Accrued payroll | 13,370 | 4,952 | 18,322 |
| Compensated absences | 14,478 | 29,539 | 44,017 |
| Customer deposits | 11,700 | 75,473 | 87,173 |
| Notes payable due within one year | 73,808 | 10,048 | 83,856 |
| Unearned revenues | 515,979 | - | 515,979 |
| Total current liabilities | <u>658,591</u> | <u>159,119</u> | <u>817,710</u> |
| Noncurrent liabilities: | | | |
| Notes payable due after one year | 211,673 | 15,117 | 226,790 |
| Net pension liability | 709,364 | 524,636 | 1,234,000 |
| Net OPEB liability | 77,115 | 84,291 | 161,406 |
| Total noncurrent liabilities | <u>998,152</u> | <u>624,044</u> | <u>1,622,196</u> |
| Total liabilities | <u>1,656,743</u> | <u>783,163</u> | <u>2,439,906</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension plan | 60,005 | 177,183 | 237,188 |
| Other postemployment benefit (OPEB) | 38,357 | 60,488 | 98,845 |
| Total deferred inflows of resources | <u>98,362</u> | <u>237,671</u> | <u>336,033</u> |
| NET POSITION | | | |
| Net investment in capital assets | 3,227,967 | 1,298,318 | 4,526,285 |
| Restricted | 580,559 | 1,767,154 | 2,347,713 |
| Unrestricted | 1,448,512 | 414,728 | 1,863,240 |
| Total net position | <u>5,257,038</u> | <u>3,480,200</u> | <u>8,737,238</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 7,012,143</u> | <u>\$ 4,501,034</u> | <u>\$ 11,513,177</u> |

The accompanying notes are an integral part of these basic financial statements.

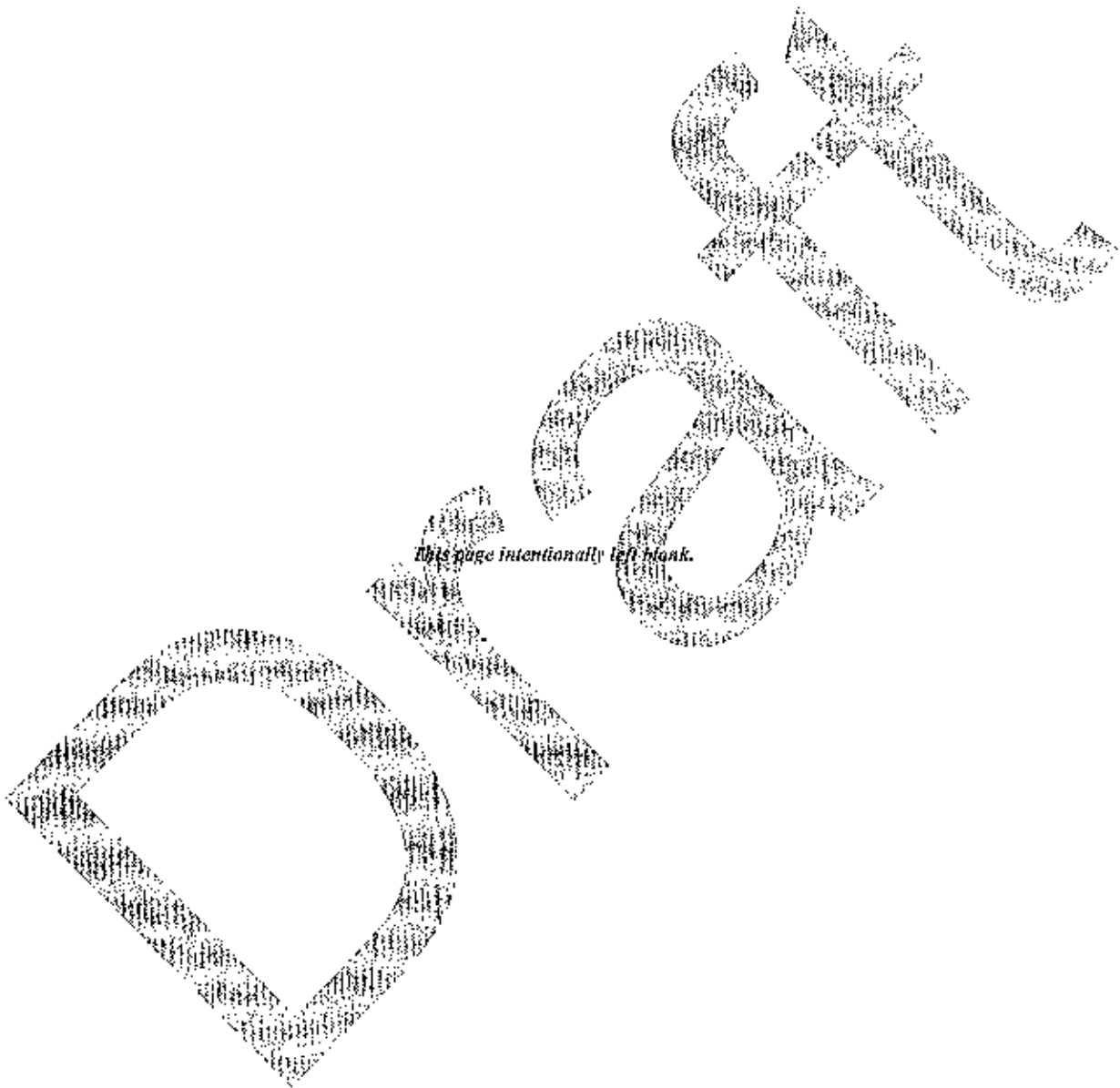
City of Blue Lake, California
Statement of Activities
For the year ended June 30, 2023

| Functions/Programs | Expenses | Program Revenues | | |
|---------------------------------------------|---------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary government: | | | | |
| Governmental activities: | | | | |
| General government | \$ 269,307 | \$ 26,273 | \$ 384,990 | \$ - |
| Planning | 141,851 | 12,873 | - | - |
| Building | 31,343 | 35,977 | - | - |
| Public safety | 154,902 | 394 | 205,696 | - |
| Animal control | 8,602 | 2,520 | - | - |
| Facilities | 10,763 | 41,512 | - | - |
| Street maintenance and lighting | 241,014 | - | 123,823 | - |
| Parks and recreation | 477,275 | 183,333 | - | - |
| Housing and economic development | 23,021 | - | 1,064 | - |
| Public transit | 32,375 | - | 32,375 | - |
| Recycling | 25,189 | 7,444 | 25,942 | - |
| Interest | 10,880 | - | - | - |
| Total governmental activities | <u>1,426,522</u> | <u>310,286</u> | <u>773,190</u> | <u>-</u> |
| Business-type activities: | | | | |
| Water | 1,546,735 | 507,700 | - | - |
| Sewer | 479,782 | 435,909 | 88,159 | - |
| Total business-type activities | <u>1,026,517</u> | <u>943,609</u> | <u>88,159</u> | <u>-</u> |
| Total primary government | <u>\$ 2,453,039</u> | <u>\$ 1,253,895</u> | <u>\$ 861,349</u> | <u>\$ -</u> |
| General revenues: | | | | |
| Taxes: | | | | |
| Property taxes, levied for general purposes | | | | |
| Franchise fees | | | | |
| Sales and use tax | | | | |
| Transient occupancy tax | | | | |
| Motor vehicle in-lieu | | | | |
| Intergovernmental revenues | | | | |
| Investment earnings | | | | |
| Other general revenues | | | | |
| Total general revenues | | | | |
| Change in net position | | | | |
| Net position: | | | | |
| Beginning of year | | | | |
| End of year | | | | |

The accompanying notes are an integral part of these basic financial statements.

**Net (Expense) Revenue and
Changes in Net Position**

| Governmental Activities | Business-Type Activities | Totals |
|----------------------------|-----------------------------|--------------|
| \$ 141,896 | \$ - | \$ 141,896 |
| (128,978) | - | (128,978) |
| 4,634 | - | 4,634 |
| 51,188 | - | 51,188 |
| (6,082) | - | (6,082) |
| 30,749 | - | 30,749 |
| (117,191) | - | (117,191) |
| (293,922) | - | (293,922) |
| (22,657) | - | (22,657) |
| - | - | - |
| 8,197 | - | 8,197 |
| (10,880) | - | (10,880) |
| (343,046) | - | (343,046) |
| - | (39,035) | (39,035) |
| - | 44,286 | 44,286 |
| - | 5,251 | 5,251 |
| \$ (343,046) | \$ 5,251 | \$ (337,795) |
| \$ 168,610 | \$ - | \$ 168,610 |
| 42,498 | - | 42,498 |
| 61,454 | - | 61,454 |
| 284 | - | 284 |
| 196,983 | - | 196,983 |
| 30,642 | - | 30,642 |
| 30,770 | 51,551 | 82,321 |
| 817 | 116,728 | 117,545 |
| 532,058 | 168,279 | 700,337 |
| 189,012 | 173,530 | 362,542 |
| 5,068,026 | 3,306,670 | 8,374,696 |
| \$ 5,257,038 | \$ 3,480,200 | \$ 8,737,238 |



This page intentionally left blank.

**FUND FINANCIAL STATEMENTS
MAJOR FUNDS**

The Fund Financial Statements present only individual major funds, while non-major funds are combined in a single column. Major funds are defined as having significant activities or balances in the current year.

| Fund | Description |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Governmental Funds: | |
| General Fund | This fund is the general operating fund of the City which accounts for all financial resources except those legally or administratively required to be accounted for in other funds. |
| CDBG Fund | This fund accounts for the operations of the City's Community Development Block Grant Program. |
| SLBSF Fund | This fund accounts for the City's receipt and use of State revenues derived from the Citizens for Public Safety (COPS) Program for which the use is restricted to law enforcement/public safety activities. |

City of Blue Lake, California
Balance Sheet
Governmental Funds
June 30, 2023

| | Major Funds | | | | Totals |
|--------------------------------------------|---------------------|-----------------------|--------------|-----------------------------|---------------------|
| | General Fund | Special Revenue Funds | | Nonmajor Governmental Funds | |
| | | CDBG Fund | SI, LSF Fund | | |
| ASSETS | | | | | |
| Cash and investments | \$ 826,104 | \$ 389,195 | \$ - | \$ 174,829 | \$ 1,390,128 |
| Receivables: | | | | | |
| Accounts receivable, net | 10,979 | - | - | - | 10,979 |
| Interest receivable | 7,342 | 221,840 | - | 738 | 229,920 |
| Intergovernmental receivables | 530,227 | - | - | 259,814 | 790,041 |
| Loans receivable | 49,118 | 767,236 | - | - | 816,354 |
| Due from other funds | 238,910 | - | - | - | 238,910 |
| Prepaid expenses | 32,466 | - | - | - | 32,466 |
| Total assets | \$ 1,695,146 | \$ 1,378,271 | \$ - | \$ 435,381 | \$ 3,508,798 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable and accrued liabilities | \$ 91,767 | \$ - | \$ - | \$ 7,489 | \$ 99,256 |
| Accrued payroll | 19,213 | - | - | 157 | 13,370 |
| Compensated absences | 13,091 | - | - | 487 | 14,478 |
| Deposits payable | 11,700 | - | - | - | 11,700 |
| Due to other funds | - | - | - | 238,910 | 238,910 |
| Unearned revenue | 434,435 | 986,048 | - | 207,387 | 1,627,870 |
| Total liabilities | 569,106 | 986,048 | - | 454,430 | 2,005,584 |
| Fund balances: | | | | | |
| Nonspendable | 32,466 | - | - | - | 32,466 |
| Restricted | - | 392,223 | - | 188,336 | 580,559 |
| Unassigned (deficit) | 1,097,574 | - | - | (207,385) | 890,189 |
| Total fund balances | 1,130,040 | 392,223 | - | (19,049) | 1,503,214 |
| Total liabilities and fund balances | \$ 1,695,146 | \$ 1,378,271 | \$ - | \$ 435,381 | \$ 3,508,798 |

The accompanying notes are an integral part of these basic financial statements.

City of Blue Lake, California
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------------------|
| Total fund balances - governmental funds | | \$ 1,503,214 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | |
| Long-term receivables are not available to pay current period expenditures and, therefore, are unearned in the governmental funds. | | 1,111,891 |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. | | 3,443,448 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet. | | |
| Note payable | (215,481) | |
| Net pension liability | (709,364) | |
| Net OPEB liability | (77,115) | (1,001,960) |
| Pension and OPEB obligations result in deferred outflows and inflows of resources associated with the actuarial value of contributions, assets, and liabilities. | | |
| Deferred outflows - pension | 290,234 | |
| Deferred outflows - OPEB | 8,573 | |
| Deferred inflows - pension | (60,005) | |
| Deferred inflows - OPEB | (38,357) | 200,445 |
| Net position of governmental activities | | <u>\$ 5,257,038</u> |

The accompanying notes are an integral part of these basic financial statements.

City of Blue Lake, California

Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Net Position

Governmental Activities

June 30, 2023

| | Governmental Funds | | Changes in GAAP | Statement of Net Position |
|--------------------------------------------------------|---------------------|---------------------|---------------------|---------------------------|
| | Balance Sheet | Reclassifications | | |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 1,390,128 | \$ - | \$ - | 1,390,128 |
| Receivables: | | | | |
| Accounts receivable, net | 10,979 | - | - | 10,979 |
| Taxes receivable | 329,020 | - | - | 329,020 |
| Intergovernmental receivables | 790,641 | - | - | 790,641 |
| Loans receivable | 816,351 | - | - | 816,351 |
| Due from other funds | 238,910 | (238,910) | - | - |
| Prepaid expenses | 32,466 | - | - | 32,466 |
| Total current assets | 3,508,798 | (238,910) | - | 3,269,888 |
| Noncurrent assets: | | | | |
| Capital assets, net | - | - | 3,443,448 | 3,443,448 |
| Total noncurrent assets | - | - | 3,443,448 | 3,443,448 |
| Total assets | 3,508,798 | (238,910) | 3,443,448 | 6,712,336 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| OPFB | - | - | 8,573 | 8,573 |
| Pension plan | - | - | 290,234 | 290,234 |
| Total assets and deferred outflows of resources | \$ 3,508,798 | \$ (238,910) | \$ 3,743,255 | \$ 7,012,143 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 90,256 | - | - | 90,256 |
| Accrued payroll | 13,270 | - | - | 13,270 |
| Compensated absences | 14,478 | - | - | 14,478 |
| Deposits payable | 11,700 | - | - | 11,700 |
| Due to other funds | 238,910 | (238,910) | - | - |
| Government revenue | 1,627,870 | (1,111,891) | - | 515,979 |
| Notes payable due within one year | - | - | 3,808 | 3,808 |
| Total current liabilities | 2,005,504 | (1,350,801) | 3,808 | 658,511 |
| Noncurrent liabilities: | | | | |
| Notes payable | - | - | 211,673 | 211,673 |
| Net OPFB obligation | - | - | 77,115 | 77,115 |
| Net pension liabilities | - | - | 709,362 | 709,362 |
| Total noncurrent liabilities | - | - | 998,150 | 998,152 |
| Total liabilities | 2,005,504 | (1,350,801) | 1,001,960 | 1,656,713 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| OPFB | - | - | 38,357 | 38,357 |
| Pension plan | - | - | 60,005 | 60,005 |
| Total deferred outflows of resources | - | - | 98,362 | 98,362 |
| FUND BALANCES/NET POSITION | | | | |
| Fund balances: | | | | |
| Nonspendable reported in: | | | | |
| General fund | 32,466 | (32,466) | - | - |
| Restricted reported in: | | | | |
| Special revenue funds | 580,559 | (580,559) | - | - |
| Committed reported in: | | | | |
| General fund | - | - | - | - |
| Unassigned (deficit), reported in: | | | | |
| General fund | 1,897,574 | (1,097,574) | - | - |
| Special revenue funds | - | - | - | - |
| Capital projects fund | (207,385) | 207,385 | - | - |
| Net position: | | | | |
| Net investment in capital assets | - | - | 3,227,967 | 3,227,967 |
| Restricted | - | - | 580,559 | 580,559 |
| Unrestricted | - | 2,515,105 | (1,156,593) | 1,448,512 |
| Total fund balances/net position | 1,515,214 | 1,111,891 | 2,651,933 | 3,337,038 |
| Total liabilities and net position | \$ 3,508,798 | \$ (238,910) | \$ 3,743,255 | \$ 7,012,143 |

The accompanying notes are an integral part of these basic financial statements.

City of Blue Lake, California

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2023

| | Major Funds | | | | Totals |
|---------------------------------------------|------------------|-----------------------|----------------|-----------------------------|------------------|
| | General Fund | Special Revenue Funds | | Nonmajor Governmental Funds | |
| | | CDBG Fund | SLERF Fund | | |
| REVENUES: | | | | | |
| Property taxes and assessments | \$ 365,632 | \$ - | \$ - | \$ - | \$ 365,632 |
| Sales and use tax | 61,454 | - | - | - | 61,454 |
| Transient occupancy tax | 284 | - | - | - | 284 |
| Licenses and permits | 37,160 | - | - | - | 37,160 |
| Charges for services | 209,716 | - | - | - | 209,716 |
| Franchise fees | 42,498 | - | - | - | 42,498 |
| Grants and donations | 32,277 | - | - | - | 32,277 |
| Intergovernmental revenues | 185,801 | - | 162,880 | 439,289 | 787,970 |
| Investment earnings | 21,576 | 9,565 | 13 | 1,822 | 32,976 |
| Use of money and property | 47,119 | 21,044 | - | - | 68,163 |
| Fines and penalties | 787 | - | - | - | 787 |
| Other revenues | 753 | - | - | - | 753 |
| Total revenues | 1,005,057 | 30,609 | 162,893 | 441,111 | 1,639,670 |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| General government | 251,997 | - | - | 86,709 | 338,706 |
| Planning | 141,851 | - | - | - | 141,851 |
| Building | 10,343 | - | - | - | 10,343 |
| Public safety | 329,484 | - | 127,468 | - | 456,952 |
| Animal control | 8,602 | - | - | - | 8,602 |
| Facilities | 10,763 | - | - | - | 10,763 |
| Street maintenance and lighting | 135,352 | - | - | - | 135,352 |
| Parks and recreation | 118,968 | - | - | 110,155 | 229,123 |
| Housing and economic development | 22,425 | 2,596 | - | - | 25,021 |
| Public transit | - | - | - | 32,375 | 32,375 |
| Recycling | - | - | - | 25,189 | 25,189 |
| Capital outlay | 149,440 | 15,580 | - | 151,940 | 316,960 |
| Debt service: | | | | | |
| Principal | 3,960 | - | - | - | 3,960 |
| Interest | 10,880 | - | - | - | 10,880 |
| Total expenditures | 1,113,975 | 16,176 | 127,468 | 406,368 | 1,663,987 |
| REVENUES OVER (UNDER) EXPENDITURES | (108,918) | 14,433 | 35,425 | 34,743 | (24,317) |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfers in | 114,665 | - | - | - | 114,665 |
| Transfers out | - | (22,416) | - | (92,249) | (114,665) |
| Total other financing sources (uses) | 114,665 | (22,416) | - | (92,249) | - |
| Net change in fund balances | 5,747 | (7,983) | 35,425 | (57,506) | (24,317) |
| FUND BALANCES: | | | | | |
| Beginning of year | 1,124,293 | 400,206 | (35,425) | 38,457 | 1,527,531 |
| End of year | \$ 1,130,040 | \$ 392,223 | \$ - | \$ (19,049) | \$ 1,503,214 |

The accompanying notes are an integral part of these basic financial statements.

City of Blue Lake, California

Reconciliation of Fund Basis Statements to Government-wide Statement of Activities

For the year ended June 30, 2023

| Functions/Programs | Fund Based Totals | Unearned Revenue | Debt Repayment | Capital Asset (Additions), Retirements & Adjustments | Depreciation | OPEB Obligation | Pension Plan | Government-wide |
|--------------------------------------|---------------------|------------------|-------------------|------------------------------------------------------|---------------------|-----------------|---------------------|---------------------|
| | | | | | | | | Totals |
| Governmental activities: | | | | | | | | |
| General government | \$ 339,666 | \$ 58,970 | \$ - | \$ 37,376 | \$ - | \$ 6,981 | \$ (173,686) | \$ 269,307 |
| Planning | 141,851 | - | - | - | - | - | - | 141,851 |
| Building | 31,343 | - | - | - | - | - | - | 31,343 |
| Public safety | 154,902 | - | - | - | - | - | - | 154,902 |
| Animal control | 8,652 | - | - | - | - | - | - | 8,652 |
| Facilities | 10,763 | - | - | - | - | - | - | 10,763 |
| Street maintenance and lighting | 35,152 | - | - | 105,662 | - | - | - | 241,014 |
| Parks and recreation | 429,123 | - | - | 48,152 | - | - | - | 477,275 |
| Housing and economic development | 23,021 | - | - | - | - | - | - | 23,021 |
| Public transit | 32,375 | - | - | - | - | - | - | 32,375 |
| Recycling | 25,189 | - | - | - | - | - | - | 25,189 |
| Capital outlay | 316,960 | - | - | - | - | (316,960) | - | - |
| Debt service: | | | | | | | | |
| Principal | 3,960 | - | (3,960) | - | - | - | - | - |
| Interest | 10,880 | - | - | - | - | - | - | 10,880 |
| Total governmental activities | \$ 1,663,987 | \$ 58,970 | \$ (3,960) | \$ 191,190 | \$ (316,960) | \$ 6,981 | \$ (173,686) | \$ 1,426,522 |

The accompanying notes are an integral part of these basic financial statements

City of Blue Lake, California
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2023

Net change in fund balances - governmental funds \$ (24,317)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

| | | |
|-------------------------------------|------------|---------|
| Capital asset purchases capitalized | \$ 316,960 | |
| Depreciation expense | (191,190) | 125,770 |

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

| | | |
|---------------------------------|---------|---------|
| Change in net pension liability | 173,686 | |
| Change in net OPEB liability | (6,981) | 166,705 |

This is the amount of revenue recognized under the accrual method which is more than the amount of revenue recognized under the modified accrual method in the current period. (58,970)

Certain loan receivables are reported in the governmental funds as expenditures and then offset by an unearned revenue as they are not available to pay current expenditures. Likewise, when the loan is collected, it is reflected in revenue. This is the net change between loan receivables collected and issued.

(24,136)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

3,960

Change in net position of governmental activities

\$ 189,012

The accompanying notes are an integral part of these basic financial statements.

City of Blue Lake, California
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual - General Fund and Major Special Revenue Funds
For the year ended June 30, 2023

| | General Fund | | | Variance w/Final Positive (Negative) |
|-----------------------------------------------|---------------------|---------------------|---------------------|--------------------------------------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| REVENUES: | | | | |
| Property taxes and assessments | \$ 267,590 | 345,703 | \$ 365,532 | \$ 19,929 |
| Sales and use tax | 29,607 | 29,607 | 61,454 | 31,847 |
| Licenses and permits | 34,345 | 34,345 | 37,160 | 2,815 |
| Charges for services | 122,755 | 163,355 | 209,716 | 46,361 |
| Franchise fees | 39,090 | 39,090 | 42,498 | 3,408 |
| Grants and donations | 5,417 | 10,917 | 32,277 | 21,360 |
| Intergovernmental revenues | 484,797 | 496,834 | 185,801 | (311,033) |
| Investment earnings | 3,534 | 3,534 | 21,576 | 18,042 |
| Use of money and property | 64,250 | 64,250 | 47,119 | (17,131) |
| Fines and penalties | 49 | 49 | 787 | 738 |
| Other revenues | 2,772 | 2,772 | 753 | (2,019) |
| Total revenues | 1,054,456 | 1,190,456 | 1,005,057 | (185,399) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 273,268 | 280,759 | 252,957 | 27,802 |
| Planning | 251,797 | 220,222 | 141,851 | 78,371 |
| Building | 28,413 | 28,413 | 31,343 | (2,930) |
| Public safety | 8,278 | 27,386 | 27,434 | (48) |
| Animal control | 8,009 | 8,453 | 8,602 | (149) |
| Facilities | 15,175 | 15,175 | 10,763 | 4,412 |
| Street maintenance and lighting | 107,993 | 107,993 | 135,352 | (27,359) |
| Parks and recreation | 286,403 | 289,853 | 318,968 | (29,115) |
| Housing and economic development | - | 22,391 | 22,425 | (34) |
| Capital outlay | 11,333 | 114,838 | 149,440 | (34,602) |
| Debt service: | | | | |
| Principal | - | - | 3,960 | (3,960) |
| Interest | - | 10,850 | 10,880 | (30) |
| Total expenditures | 933,669 | 1,126,333 | 1,113,975 | 12,358 |
| REVENUES OVER (UNDER) EXPENDITURES | 120,787 | 64,123 | (108,918) | (173,041) |
| Proceeds from sales of assets | - | - | - | - |
| Transfers in | 131,378 | 131,378 | 114,665 | (16,713) |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | 131,378 | 131,378 | 114,665 | (16,713) |
| Net change in fund balances | 252,165 | 195,501 | 5,747 | (189,754) |
| FUND BALANCES: | | | | |
| Beginning of year | 1,124,293 | 1,124,293 | 1,124,293 | - |
| End of year | \$ 1,376,458 | \$ 1,319,794 | \$ 1,130,040 | \$ (189,754) |

The accompanying notes are an integral part of these basic financial statements.

| CDBG Special Revenue Fund | | | | SEESF Special Revenue Fund | | | |
|---------------------------|------------|------------|--------------------------------------------|----------------------------|-------------|----------|--------------------------------------------|
| Budgeted Amounts | | Actual | Variance w/Final Positive (Negative) | Budgeted Amounts | | Actual | Variance w/Final Positive (Negative) |
| Original | Final | | | Original | Final | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 4,043 | 4,043 | 9,565 | 5,522 | 146,450 | 146,450 | 162,880 | 16,430 |
| 15,600 | 19,657 | 21,044 | 1,387 | 50 | 50 | 13 | (37) |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 19,643 | 23,700 | 30,609 | 6,909 | 146,500 | 146,500 | 162,893 | 16,393 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 146,523 | 146,523 | 127,468 | 19,055 |
| - | - | - | - | - | - | - | - |
| 2,209 | 2,209 | 5,666 | 3,457 | - | - | - | - |
| 185,000 | 185,000 | 15,580 | 169,420 | - | - | - | - |
| - | 5,566 | - | 5,566 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 187,209 | 192,775 | 16,176 | 176,599 | 146,523 | 146,523 | 127,468 | 19,055 |
| (167,566) | (169,075) | 14,433 | 183,508 | (23) | (23) | 35,425 | 35,448 |
| - | - | - | - | - | - | - | - |
| (16,934) | (16,934) | (22,416) | (5,482) | - | - | - | - |
| (16,934) | (16,934) | (22,416) | (5,482) | - | - | - | - |
| (184,500) | (186,009) | (7,983) | 178,026 | (23) | (23) | 35,425 | 35,448 |
| 400,206 | 400,206 | 400,206 | - | (35,425) | (35,425) | (35,425) | - |
| \$ 215,706 | \$ 214,197 | \$ 392,223 | \$ 178,026 | \$ (35,448) | \$ (35,448) | \$ - | \$ 35,448 |

PROPRIETARY FUNDS

Proprietary funds account for City's operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

All of the City's Enterprise Funds have been identified as major proprietary funds.

| Fund | Description |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MAJOR FUNDS: | |
| Water Utility Fund | This fund accounts for the operations of the City's water utility, a self-supporting activity which renders services on a user-charge basis to its customers. |
| Sewer Utility Fund | This fund accounts for the operations of the City's wastewater utility, a self-supporting activity which renders services on a user-charge basis to its customers. |

City of Blue Lake, California
Statement of Net Position
Enterprise Funds
June 30, 2023

| | Water Fund | Sewer Fund | Totals |
|--------------------------------------------------------------------------|---------------------|---------------------|---------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments | \$ 1,047,262 | \$ 1,622,981 | \$ 2,670,243 |
| Receivables: | | | |
| Accounts receivable, net | 55,107 | 69,854 | 124,961 |
| Interest receivable | 7,372 | 12,561 | 19,933 |
| Intergovernmental receivables | - | 55,251 | 55,251 |
| Inventories | 21,254 | 12,554 | 23,808 |
| Total current assets | <u>1,130,995</u> | <u>1,773,221</u> | <u>2,894,216</u> |
| Noncurrent assets: | | | |
| Capital assets, net | 464,980 | 858,503 | 1,323,483 |
| Total assets | <u>1,595,975</u> | <u>2,621,724</u> | <u>4,217,699</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension plan | 127,350 | 140,498 | 267,848 |
| Other postemployment benefits (OPEB) | 7,180 | 8,307 | 15,487 |
| Total deferred outflows of resources | <u>134,530</u> | <u>148,805</u> | <u>283,335</u> |
| Total assets and deferred outflows of resources | <u>\$ 1,730,505</u> | <u>\$ 2,770,529</u> | <u>\$ 4,501,034</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 25,736 | \$ 13,371 | \$ 39,107 |
| Accrued payroll | 2,436 | 2,516 | 4,952 |
| Compensated absences | 13,262 | 16,277 | 29,539 |
| Customer deposits | 75,473 | - | 75,473 |
| Notes payable due within one year | 10,048 | - | 10,048 |
| Unearned revenues | - | - | - |
| Total current liabilities | <u>126,955</u> | <u>32,164</u> | <u>159,119</u> |
| Noncurrent liabilities: | | | |
| Notes payable due after one year | 15,117 | - | 15,117 |
| Net pension liability | 228,404 | 296,232 | 524,636 |
| Net OPEB liability | 39,607 | 44,684 | 84,291 |
| Total liabilities | <u>410,083</u> | <u>373,080</u> | <u>783,163</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension plan | 92,189 | 84,994 | 177,183 |
| Other postemployment benefits (OPEB) | 28,683 | 31,805 | 60,488 |
| Total deferred inflows of resources | <u>120,872</u> | <u>116,799</u> | <u>237,671</u> |
| NET POSITION | | | |
| Net investment in capital assets | 439,815 | 858,503 | 1,298,318 |
| Restricted for capital projects | 187,981 | 1,579,173 | 1,767,154 |
| Unrestricted | 571,754 | (157,026) | 414,728 |
| Total net position | <u>1,199,550</u> | <u>2,280,650</u> | <u>3,480,200</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 1,730,505</u> | <u>\$ 2,770,529</u> | <u>\$ 4,501,034</u> |

The accompanying notes are an integral part of these basic financial statements.

City of Blue Lake, California

Statement of Revenues, Expenses, and Changes in Fund Net Position

Enterprise Funds

For the year ended June 30, 2023

| | <u>Water Fund</u> | <u>Sewer Fund</u> | <u>Totals</u> |
|------------------------------------------|---------------------|---------------------|---------------------|
| OPERATING REVENUES: | | | |
| Charges for services | \$ 493,141 | \$ 390,311 | \$ 883,452 |
| Other operating revenues | 14,559 | 45,598 | 60,157 |
| Total operating revenues | <u>507,700</u> | <u>435,909</u> | <u>943,609</u> |
| OPERATING EXPENSES: | | | |
| Salaries and benefits | 145,780 | 152,152 | 297,932 |
| Water purchases | 184,886 | - | 184,886 |
| Repairs, maintenance, and supplies | 11,462 | 67,104 | 78,566 |
| Professional services | 57,573 | 32,697 | 90,270 |
| Administration and other | 79,801 | 67,829 | 147,630 |
| Utilities | 25,210 | 57,869 | 83,079 |
| Depreciation | 41,094 | 102,191 | 143,225 |
| Total operating expenses | <u>545,806</u> | <u>479,782</u> | <u>1,025,588</u> |
| OPERATING INCOME (LOSS) | <u>(38,106)</u> | <u>(43,873)</u> | <u>(81,979)</u> |
| NONOPERATING REVENUES (EXPENSES): | | | |
| Intergovernmental revenues | - | 88,159 | 88,159 |
| Interest revenue | 81,248 | 30,303 | 111,551 |
| Other nonoperating revenues | 1,330 | 115,498 | 116,728 |
| Interest expense | (929) | - | (929) |
| Total non-operating revenues, net | <u>21,549</u> | <u>233,960</u> | <u>255,509</u> |
| CHANGE IN NET POSITION | <u>(16,557)</u> | <u>190,087</u> | <u>173,530</u> |
| NET POSITION: | | | |
| Beginning of year | 1,216,107 | 2,090,563 | 3,306,670 |
| End of year | <u>\$ 1,199,550</u> | <u>\$ 2,280,650</u> | <u>\$ 3,480,200</u> |

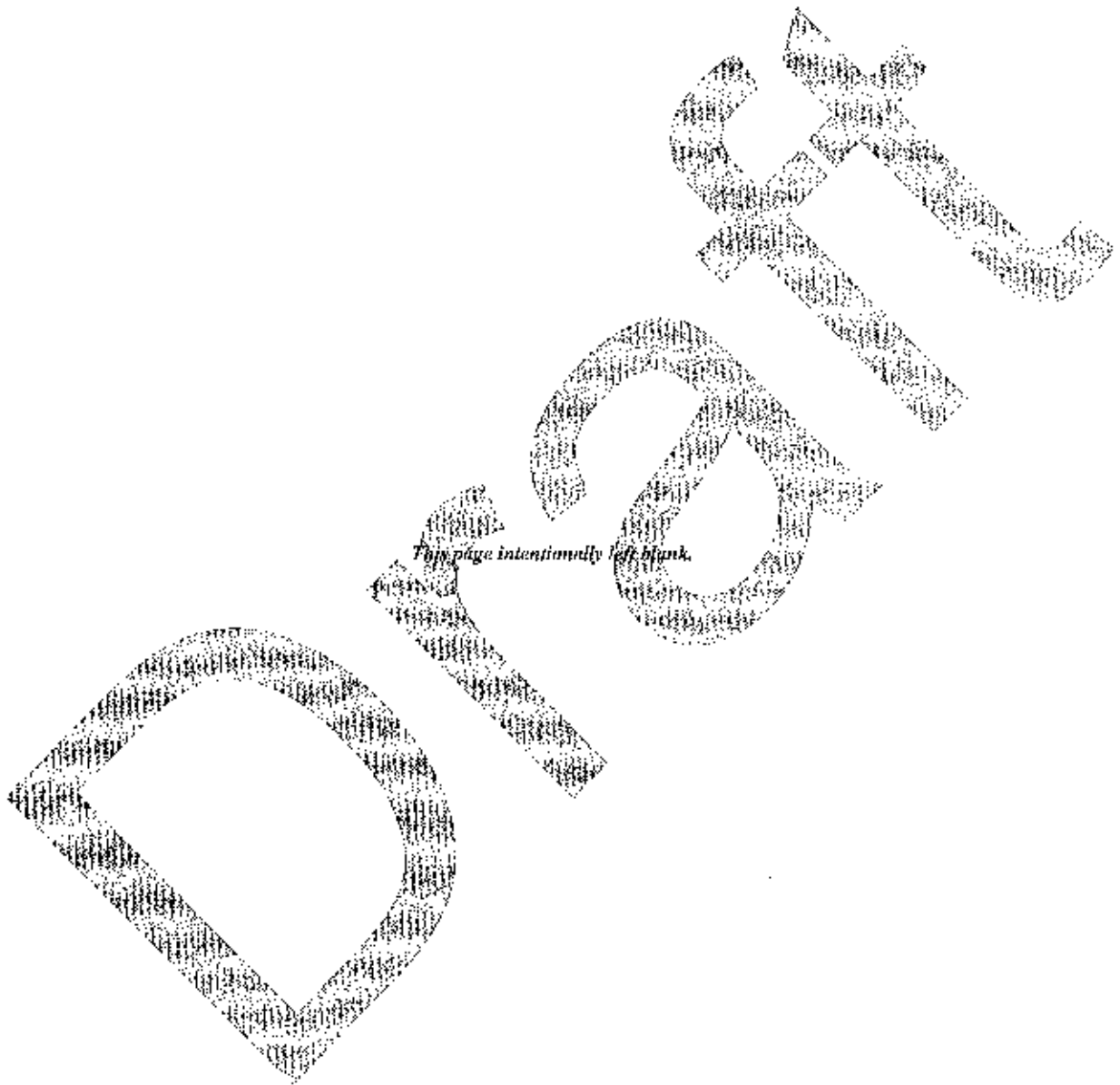
The accompanying notes are an integral part of these basic financial statements.

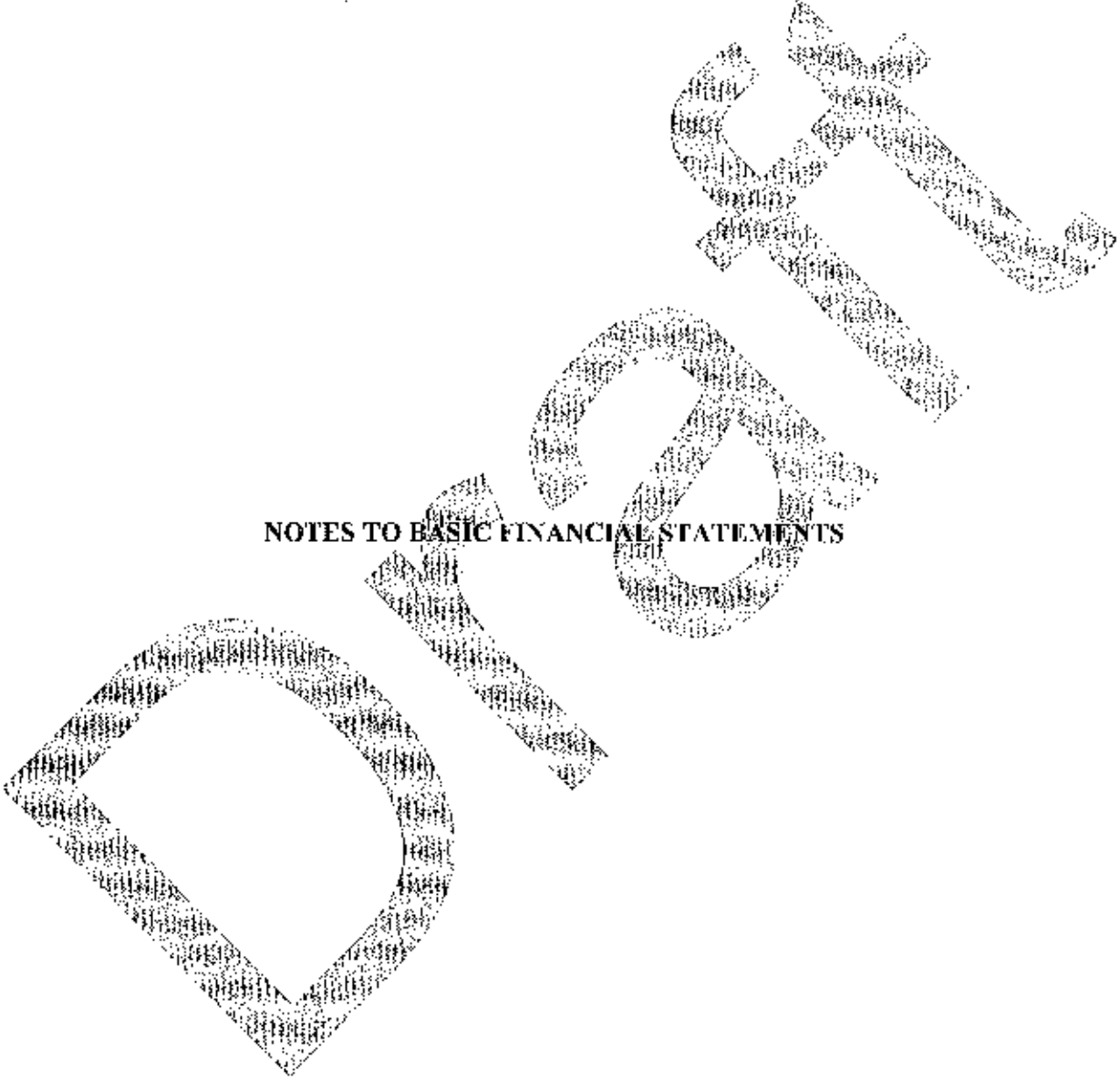
City of Blue Lake, California
Statement of Cash Flows
Enterprise Funds
For the year ended June 30, 2023

| | Water Fund | Sewer Fund | Totals |
|-------------------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Cash received from customers and interfund charges | \$ 524,783 | \$ 312,066 | \$ 836,849 |
| Cash payments to suppliers for goods and services | (359,617) | (234,665) | (594,282) |
| Cash payments to employees for services | (247,079) | (268,627) | (515,706) |
| Net cash provided (used) by operating activities | (81,909) | (188,226) | (270,135) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | |
| Nonoperating amounts received | 1,230 | 115,498 | 116,728 |
| Grant received | - | 88,159 | 88,159 |
| Net cash provided (used) by noncapital financing activities | 1,230 | 203,657 | 204,887 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | |
| Payments of notes payable | (10,651) | - | (10,651) |
| Interest paid | (929) | - | (929) |
| Acquisition and construction of capital assets | (10,696) | (82,948) | (93,644) |
| Net cash provided (used) by capital and related financing activities | (22,276) | (82,948) | (105,224) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Investment revenue received | 15,801 | 20,607 | 36,408 |
| Net cash provided (used) by investing activities | 15,801 | 20,607 | 36,408 |
| Net increase (decrease) in cash and cash equivalents | (81,164) | (46,940) | (128,104) |
| CASH AND CASH EQUIVALENTS: | | | |
| Beginning of year | 1,134,316 | 1,669,891 | 2,804,207 |
| End of year | \$ 1,047,252 | \$ 1,622,951 | \$ 2,670,203 |
| Reconciliation of income (loss) from operations to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | \$ (38,106) | \$ (43,873) | \$ (81,979) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation | 41,094 | 102,131 | 143,225 |
| Pension expense | (101,366) | (114,095) | (215,461) |
| OPEB expense | 5,204 | 5,761 | 10,965 |
| (Increase) decrease in current assets: | | | |
| Accounts receivable | 12,997 | (13,562) | (565) |
| Intergovernmental receivables | - | (53,325) | (53,325) |
| Increase (decrease) in liabilities: | | | |
| Accounts payable and accrued liabilities | (685) | (9,166) | (9,851) |
| Accrued payroll | (5,133) | (5,141) | (10,274) |
| Compensated absences | 1,182 | 2,225 | 3,407 |
| Customer deposits | 2,904 | - | 2,904 |
| Unearned revenues | - | (59,181) | (59,181) |
| Net cash provided by operating activities | \$ (81,909) | \$ (188,226) | \$ (270,135) |

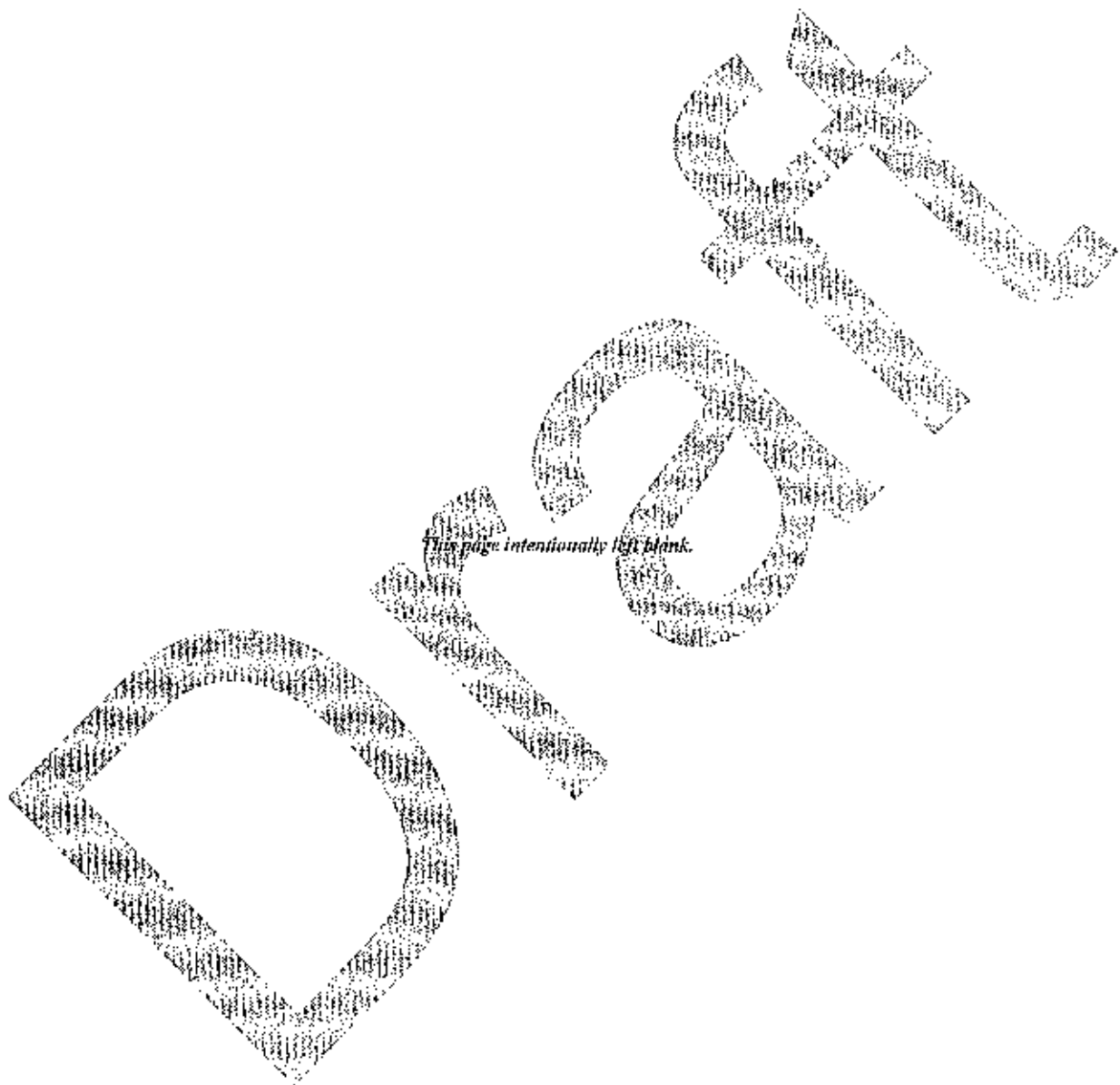
There were no noncash investing, capital or financing activities affecting recognized assets and liabilities for the year ended June 30, 2023.

The accompanying notes are an integral part of these basic financial statements.





NOTES TO BASIC FINANCIAL STATEMENTS

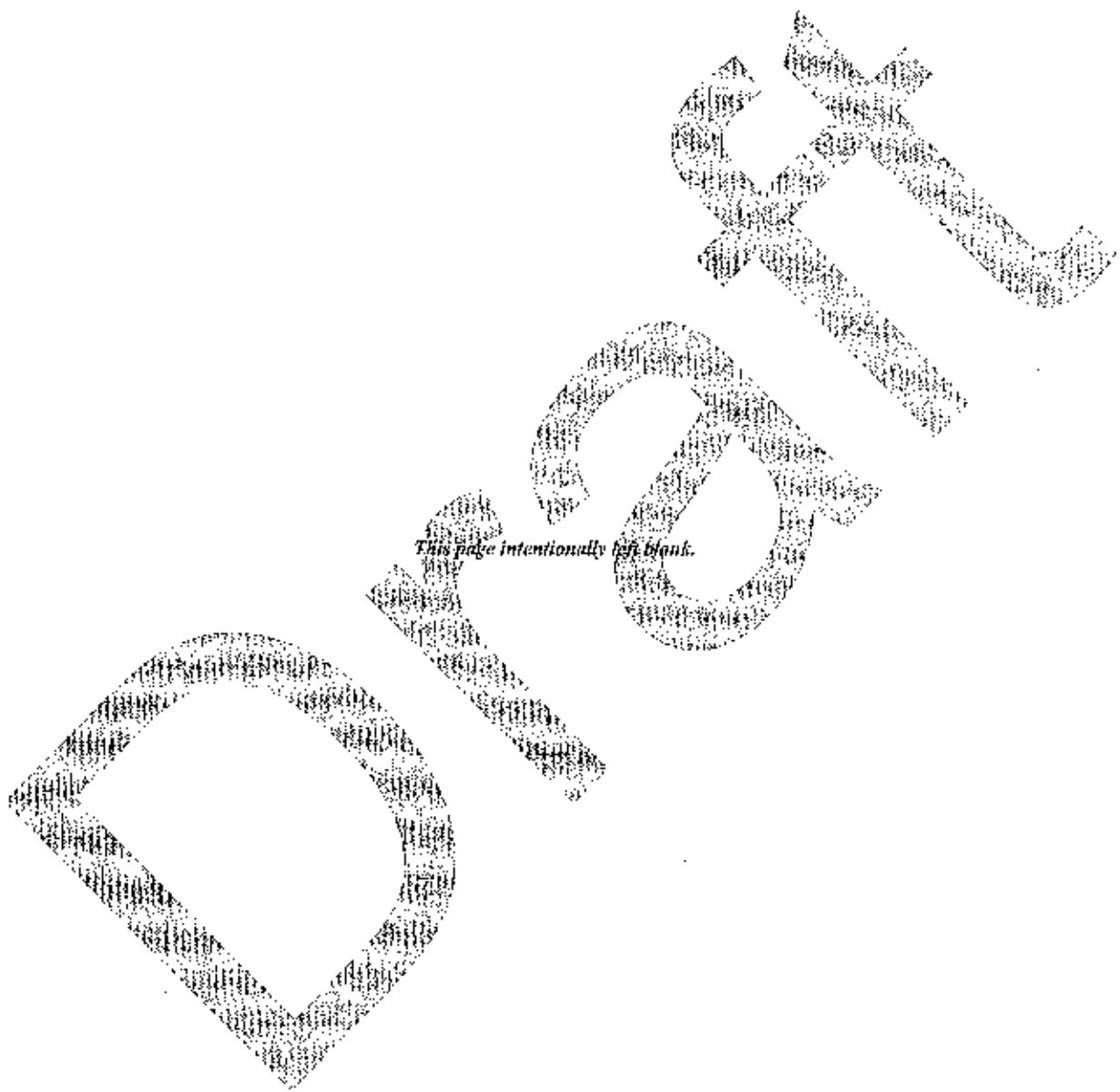


This page intentionally left blank.

City of Blue Lake, California
Basic Financial Statements
For the year ended June 30, 2023

Index to Notes to Basic Financial Statements

| | <u>Page</u> |
|------------------------------------------------------------------|-------------|
| Note 1 – Summary of Significant Accounting Policies | 29 |
| Financial Reporting Entity | 29 |
| Basis of Presentation | 30 |
| Measurement Focus | 31 |
| Basis of Accounting | 32 |
| Assets, Liabilities, and Net Position/Fund Balance | 32 |
| Revenues, Expenditures, and Expenses | 37 |
| Budgetary Accounting | 38 |
| Note 2 – Cash and Investments | 39 |
| Note 3 – Receivables | 41 |
| Note 4 – Loans Receivable | 41 |
| Note 5 – Capital Assets | 42 |
| Note 6 – Accounts Payable and Accrued Liabilities | 44 |
| Note 7 – Long-Term Liabilities | 44 |
| Note 8 – Net Position/Fund Balances | 45 |
| Note 9 – Interfund Transactions | 48 |
| Note 10 – Self-Insured Retention Funds | 48 |
| Note 11 – Risk Management | 48 |
| Note 12 – Public Employees' Retirement System | 49 |
| Note 13 – Other Post-Retirement Employment Benefits | 54 |
| Note 14 – Community Development Block Grants | 58 |
| Note 15 – Contingencies | 58 |
| Note 16 – Commitments | 58 |
| Note 17 – New Accounting Pronouncements | 59 |
| Note 18 – Subsequent Events | 60 |



This page intentionally left blank.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Blue Lake, California (the "City") was incorporated April 23, 1910, under the provisions of the State of California. On August 1, 1996, the City changed its form of government and currently operates under a Council/City Manager form of government and provides the following services: public safety (police, animal control and building official), water and sewer services, park facilities and recreation programs, streets and road maintenance, industrial park management, recycling, regional facilities for the County Library District, housing and business expansion and retention (CBDG) grants, and general municipal government administrative services.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. On June 15, 1987, GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The City applies all GASB pronouncements to its activities.

In addition, the City applies all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) issued after November 30, 1989, unless they conflict with or contradict GASB pronouncements. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

Financial Reporting Entity

The City operates as a self-governing local government unit within the State. It has limited authority to levy taxes and has the authority to determine user fees for the services that it provides. The City's main funding sources include property taxes, other intergovernmental revenue from state and federal sources, user fees, and sales taxes.

The financial reporting entity consists of (a) the primary government, the City, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (a) the City has the ability to impose its will on the organization, or (b) there is a potential for the organization to provide a financial benefit to or impose a financial burden on the City.

There are no component units of the City that meet the criteria for discrete presentation.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided by a given function or segment, 2) operating grants and contributions, and 3) capital grants and contributions restricted to the operating or capital requirements of a specific function or segment. All taxes and internally dedicated resources are reported as *general revenues* rather than program revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least ten percent of the corresponding total for all funds of that category or type; and,
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least five percent of the corresponding total for all governmental funds combined.

The City reports the following major funds:

- General Fund
- CDBG Special Revenue Fund
- SLESF Special Revenue Fund

Descriptions of these funds are included on the divider page preceding the Governmental Funds Balance Sheet.

The funds of the financial reporting entity are described below:

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Governmental Funds

General Fund

The General Fund is used to account for resources traditionally associated with the City which are not required legally or by sound financial management to be accounted for in another fund. From this fund are paid the City's general operating expenditures, the fixed charges, and the capital costs that are not paid through other funds.

Special Revenue Funds

The Special Revenue Funds are used to account for specific revenues that are legally or otherwise restricted to expenditures for particular purposes.

Capital Project Funds

The Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the acquisition or construction of major capital facilities and other capital assets (other than those financed by enterprise funds).

Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. Costs are financed or recovered primarily through user charges.

Measurement Focus

Measurement focus is a term used to describe which transactions are recorded within the various financial statements.

On the government-wide Statement of Net Position and the Statement of Activities, governmental and business-type activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as Net Position, which serves as an indicator of financial position.

In the fund financial statements, the "current financial resources" measurement focus is used for governmental funds. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Measurement Focus, Continued

The enterprise funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. Enterprise fund equity is classified as net position.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual (both measurable and available - collectable within the current period or within 60 days after year end) and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

The enterprise funds and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Operating revenues in the fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Assets, Liabilities, and Net Position/Fund Balance

Cash and Investments

The City pools idle cash from all funds for the purpose of increasing income through investment. Earnings from such investments are allocated to the respective funds based on the applicable cash balance of each fund.

In accordance with the City's investment policy, idle cash may be invested in the State of California Local Agency Investment Fund (LAIF).

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Cash and Investments, Continued

The City's cash and cash equivalents for the Statement of Cash Flows purposes include cash on hand, demand deposits, restricted cash, and investments held in the California State Treasurer's Local Agency Investment Fund (LAIF).

The City's investments are carried at fair value.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes, sales and use taxes, intergovernmental subventions, interest earnings, and expense reimbursements.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property tax, sales tax, and intergovernmental subventions since they are usually both measurable and available. Non-exchange transactions collectible but not available, such as property tax, are deferred inflows in the fund financial statements in accordance with the modified accrual basis, but not deferred inflows in the government-wide financial statements in accordance with the accrual basis.

Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. The City's experience is that all accounts receivable are collectible; therefore an allowance for doubtful accounts is unnecessary.

Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as due to/from other funds (the current portion of interfund loans) or advances to/from other funds (the noncurrent portion of interfund loans).

Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when used or consumed. Inventory of the enterprise funds consists primarily of materials and supplies for utility operations.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In the governmental fund financial statements, prepaid items are offset with a nonspendable fund balance for long-term assets to indicate they do not constitute current resources available for appropriation.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost, if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Policy has set the capitalization threshold for reporting at \$5,000.

Government-Wide Statements

Public domain (infrastructure) capital assets include roads, bridges, streets, drainage systems, and pumps.

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. Since then these assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

| | |
|-------------------------|---------------|
| Buildings | 15 – 40 years |
| Water and sewer system | 25 – 50 years |
| Machinery and equipment | 3 – 15 years |
| Improvements | 15 – 40 years |
| Other infrastructure | 25 years |

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

Compensated Absences

Employees accrue personal leave, management leave, and compensatory time off benefits. City employees have vested interests in the amount of accrued time off and are paid on termination. All personal leave pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for the entire amount is reported in the governmental funds. The general fund is typically used to liquidate compensated absences.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Unearned Revenues

Unearned revenues in governmental funds arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues in enterprise funds and the statement of net position arise when resources are received by the City before it has legal claim to them, (i.e., when grant monies are received prior to the incurrence of qualifying expenses).

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item reported as a deferred outflow of resources. The item is a deferred charge on pension plan contributions in the government-wide and proprietary fund statements of net position.

In addition to liabilities, the statement of position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item reported as a deferred inflow of resources. The item is related to the City's net pension liability and is reported in the government-wide and proprietary fund statements of net position.

Other Postemployment Benefits (OPEB)

For the purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, generally accepted accounting principles require that the reported results must pertain to asset and liability information within certain defined timeframes. For this report, the following timeframes are used:

| | |
|------------------|---------------|
| Valuation Date | June 30, 2021 |
| Measurement Date | June 30, 2022 |

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees Retirement System (CalPERS) Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Net Position/Fund Balance

Government-Wide Statements

Equity is classified as net position and is displayed in three components:

- a. *Net investment in capital assets* – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* – consists of net position with constraints placed on the use by external groups such as creditors, grantors, contributors, or by laws or regulations of other governments or law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is classified as nonspendable, restricted, committed, assigned, or unassigned. Proprietary fund equity is classified the same as in the government-wide statements. The classifications for governmental funds are defined as follows for the City:

Nonspendable Fund Balance

- Assets that will never convert to cash (prepaid items, inventory).
- Assets that will not convert to cash soon enough to affect the current period (long-term notes or loans receivable).
- Resources that must be maintained intact pursuant to legal or contractual requirements (the principal of an endowment).

Restricted Fund Balance –

- Resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government (creditors, grantors, contributors and other governments).
- Resources that are subject to limitations imposed by law through constitutional provisions or enabling legislation (e.g., gas tax).

Committed Fund Balance –

- Self imposed limitations set in place prior to the end of the period (encumbrances, economic contingencies and uncertainties).
- Limitation at the highest level of decision-making (Council) that requires formal action at the same level to remove.
- Council Resolution is required to be taken to establish, modify, or rescind a fund balance commitment.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Net Position/Fund Balance, Continued

Assigned Fund Balance

- Amounts in excess of nonspendable, restricted and committed fund balance in funds other than the general fund automatically are reported as assigned fund balance.
- The City Council delegates the authority to the City Manager to assign fund balance amounts to specific purposes when such purposes are enacted by the City Council.

Unassigned Fund Balance –

- Residual net resources.
- Total fund balance in the general fund in excess of nonspendable, restricted, committed and assigned fund balance (surplus).
- Excess of nonspendable, restricted, and committed fund balance over total fund balance (deficit).

Revenues, Expenditures, and Expenses

Property Tax

The County of Humboldt (County) is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The City recognizes property taxes when the individual installments are due, provided they are collected within 60 days after year-end.

Secured property taxes are levied on or before the first day of March of each year. They become a lien on real property on March 1 preceding the fiscal year for which taxes are levied. These taxes are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, costs, and interest when paid. If the delinquent taxes are not paid at the end of five years, the property is sold at public auction and the proceeds are used to pay the delinquent amounts due. Any excess is remitted, if claimed, to the taxpayer. Additional tax liens are created when there is a change in ownership of property or upon completion of new construction. Tax bills for these new tax liens are issued throughout the fiscal year and contain various payments and delinquent dates, but are generally due within one year. If the new tax liens are lower, the taxpayer receives a tax refund rather than a tax bill. Unsecured personal property taxes are not a lien against real property. These taxes are due on March 1, and become delinquent, if unpaid on August 31.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The City participates in an alternative method of distribution of property tax levies and assessments known as the "Factor Plan." The State Revenue and Taxation Code allow counties to distribute secured real property, assessment, and supplemental property taxes on an accrual basis resulting in full payment to cities each fiscal year. Any subsequent delinquent payments and penalties and interest during a fiscal year will revert to Humboldt County.

Interfund Transfers

Resources are reallocated between funds by reporting them as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

Budgetary Accounting

The City Council reviews and adopts annual budgets for the General, Special Revenue, and Capital Project Funds. Budgetary control is legally maintained at the fund level for these funds. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30 in accordance with the municipal code.

The City Council may approve budget amendments by motion during the fiscal year. Only the City Council can authorize transfers between funds and approve interfund loans. The City Manager is authorized to transfer budgeted amounts within a fund without formal council action or approval.

Expenditures may not legally exceed appropriations at the fund level, which is the legal level of control. Supplemental appropriations, which increase appropriations, may be made during the fiscal year. The City Council approved one supplemental appropriation during the fiscal year ended June 30, 2023. Budget information is presented for the General, Special Revenue and Capital Project Funds in the fund financial statements. The budget information is presented on a basis consistent with generally accepted accounting principles. Appropriations, except open project appropriations, and unexpended grant appropriations lapse at the end of each fiscal year.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

Reclassifications

Certain amounts have been reclassified to provide for comparable results on a year to year basis.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

2. CASH AND INVESTMENTS

At June 30, 2023, the City's pooled cash and investments, classified by maturity, consisted of the following stated at fair value:

| | Not rated | Fair Market Value |
|--------------------------------------------------|--------------|-------------------|
| Cash equivalents and investments pooled | | |
| Pooled cash, at fair value | | |
| Cash in bank | \$ 161,899 | \$ 161,899 |
| Cash on hand | 2,730 | 2,730 |
| Total pooled items | 164,629 | 164,629 |
| Pooled investments, at fair value | | |
| State of California Local Agency Investment Fund | 3,895,742 | 3,895,742 |
| Total pooled investments | 3,895,742 | 3,895,742 |
| Total cash equivalents and investments pooled | \$ 4,060,371 | \$ 4,060,371 |

Amounts reported in:

| | Restricted (legally or contractually) | Unrestricted | Totals |
|---------------------------|---------------------------------------|--------------|--------------|
| Governmental funds | | | |
| General | \$ - | \$ 826,104 | \$ 826,104 |
| Special revenue | 392,223 | 171,800 | 564,024 |
| Total governmental funds | \$ 392,223 | \$ 997,905 | \$ 1,390,128 |
| Enterprise funds | | | |
| Water | \$ 187,981 | \$ 859,281 | \$ 1,047,262 |
| Sewer | 579,173 | 43,808 | 1,622,981 |
| Total enterprise funds | \$ 1,767,154 | \$ 903,089 | \$ 2,670,243 |
| Governmental activities | \$ 392,223 | \$ 997,905 | \$ 1,390,128 |
| Business-type activities | 1,767,154 | 903,089 | 2,670,243 |
| Total | \$ 2,159,377 | \$ 1,900,994 | \$ 4,060,371 |

| Investment Type | Fair Value | Weighted Average Maturity (Years) | Average Annual Yield |
|------------------------------|--------------|-----------------------------------|----------------------|
| Local Agency Investment Fund | \$ 3,838,259 | 0.00 | 2.17% |

California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The only authorized investment vehicles that address interest rate risk, credit risk, and concentration of credit risk, per the City's investment policy, are the State of California Local Agency Investment Fund (LAIF) and certificates of deposit in California financial institutions.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

2. CASH AND INVESTMENTS, Continued

Concentration of credit risk - The City's investment policy does not allow for an investment in any one issuer that is in excess of five percent of the government's total investments. The investments made by the City Treasurer are limited to those allowable under State statutes as incorporated into the City's Investment Policy, which is accepted annually by the City Council. There were no concentrations in any one issuer for the year.

The City participates in an investment pool managed by the State of California known as the Local Agency Investment Fund (LAIF) which has invested 2.78% of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk such as changes in interest rates.

Custodial credit risk - deposits. For deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's Investment Policy addresses custodial credit risk, which follows the Government Code.

Custodial credit risk - investments. For investments, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside counterparty. For the investments maintained by the City, no security was uninsured or unregistered or held by a brokerage firm which is also the counterparty for the security.

At June 30, 2023, the carrying amount of the City's deposits was \$164,629 and the balances in financial institutions were \$161,899. The total amount was covered by federal depository insurance.

Investment in LAIF: LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. As of June 30, 2023, the total fair value amount invested by all public agencies in LAIF is \$25.6 billion of which the City's fair value amount is \$3,895,742. Of the total invested, 2.78% was invested in Structured Notes and Asset-Backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

3. RECEIVABLES

Receivables consisted of the following at June 30, 2023:

| | Governmental Activities | Business-type Activities | Total |
|-------------------|----------------------------|-----------------------------|---------------------|
| Accounts | \$ 10,979 | \$ 124,961 | \$ 135,940 |
| Interest | 229,920 | 19,457 | 249,377 |
| Intergovernmental | 790,041 | 55,251 | 845,292 |
| Loans | 816,354 | | 816,354 |
| Total | <u>\$ 1,847,294</u> | <u>\$ 200,165</u> | <u>\$ 2,047,459</u> |

These amounts resulted in the following concentrations in receivables:

| | |
|--------------------------|-------|
| Individuals / Businesses | 46.5% |
| Other governments | 12.2% |
| Financial | 11.8% |

Amounts do not indicate a significant concentration (greater than 25%) with any single individual, business, financial institution, or government agency.

4. LOANS RECEIVABLE

At June 30, 2023, notes receivable consist of the following:

| | Beginning July 1, 2022 | Additions | Deletions | Ending June 30, 2023 |
|------------------------------|---------------------------|-------------|--------------------|-------------------------|
| Residential redevelopment | \$ 834,290 | \$ - | \$ (21,536) | \$ 812,754 |
| Business development | 6,200 | - | (2,600) | 3,600 |
| Total loans/notes receivable | <u>\$ 840,490</u> | <u>\$ -</u> | <u>\$ (24,136)</u> | <u>\$ 816,354</u> |

The loans consist of deferred repayment and below market interest rate housing rehabilitation and business development loans. Substantially all of these loans are secured by deeds of trust and are repayable upon the sale or transfer of the underlying properties.

Substantially all the receivables are expected to be collected more than one year after the date of these financial statements.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

| | Balance June 30, 2022 | Additions/ Transfers | Deletions/ Transfers | Balance June 30, 2023 |
|---------------------------------------|--------------------------|-------------------------|-------------------------|--------------------------|
| Governmental activities: | | | | |
| Nondepreciable assets: | | | | |
| Land | \$ 480,284 | \$ - | \$ - | \$ 480,284 |
| Construction in progress | 40,101 | 203,773 | (7,609) | 236,265 |
| Total nondepreciable assets | 520,385 | 203,773 | (7,609) | 716,549 |
| Depreciable assets: | | | | |
| Land improvements | 1,486,507 | 68,995 | (7,609) | 1,568,401 |
| Infrastructure | 2,279,736 | 24,015 | - | 2,303,751 |
| Buildings and improvements | 1,232,056 | 10,687 | - | 1,242,743 |
| Machinery and equipment | 318,048 | 9,489 | - | 327,537 |
| Software | 5,300 | - | - | 5,300 |
| Total depreciable assets | 5,321,647 | 113,186 | 7,609 | 5,442,442 |
| Total | 5,842,032 | 316,959 | - | 6,158,991 |
| Accumulated depreciation: | | | | |
| Land improvements | (268,368) | (65,461) | - | (333,829) |
| Infrastructure | (1,008,666) | (92,026) | - | (1,100,692) |
| Buildings and improvements | (949,743) | (30,016) | - | (979,759) |
| Machinery and equipment | (297,041) | (2,652) | - | (299,693) |
| Software | (530) | (3,060) | - | (3,590) |
| Total accumulated depreciation | (2,524,353) | (191,190) | - | (2,715,543) |
| Net depreciable assets | 2,797,294 | (78,004) | 7,609 | 2,726,899 |
| Total net capital assets | \$ 3,317,679 | \$ 125,769 | \$ - | \$ 3,443,448 |

Depreciation expense for capital assets was charged to categories as follows:

| Governmental Activities | |
|---------------------------------|-------------------|
| General government | \$ 37,376 |
| Street maintenance and lighting | 105,662 |
| Parks and recreation | 48,152 |
| Total | \$ 191,190 |

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

5. CAPITAL ASSETS, Continued

Capital asset activity for the year ended June 30, 2023, was as follows:

| | Balance June 30, 2022 | Additions | Transfers/ Deletions | Balance June 30, 2023 |
|---------------------------------------|--------------------------|--------------------|-------------------------|--------------------------|
| Business-type activities: | | | | |
| Nondepreciable assets: | | | | |
| Land | \$ 74,877 | \$ - | \$ - | \$ 74,877 |
| Construction in progress | 46,016 | - | (11,639) | 34,377 |
| Total nondepreciable assets | 120,893 | - | (11,639) | 109,254 |
| Depreciable assets: | | | | |
| Buildings and improvements | 15,916 | - | - | 15,916 |
| Machinery and equipment | 615,547 | 70,494 | - | 686,041 |
| Water system | 1,391,388 | 8,359 | - | 1,399,747 |
| Sewer system | 2,314,869 | 26,431 | - | 2,341,300 |
| Total depreciable assets | 4,337,720 | 105,284 | - | 4,443,004 |
| Total | 4,458,613 | 105,284 | (11,639) | 4,552,258 |
| Accumulated depreciation: | | | | |
| Buildings and improvements | (15,716) | (200) | - | (15,916) |
| Machinery and equipment | (517,082) | (18,915) | - | (535,998) |
| Water system | (1,049,558) | (28,129) | - | (1,077,688) |
| Sewer system | (4,501,192) | (25,984) | - | (4,527,176) |
| Total accumulated depreciation | (6,183,550) | (143,225) | - | (6,326,775) |
| Net depreciable assets | 1,252,170 | (37,941) | (11,639) | 1,214,229 |
| Total net capital assets | \$ 1,373,063 | \$ (37,941) | \$ (11,639) | \$ 1,323,483 |

Depreciation expense for capital assets was charged to functions as follows:

| Business-Type Activities | |
|---------------------------------|-------------------|
| Water fund | \$ 41,094 |
| Sewer fund | 102,131 |
| Total | \$ 143,225 |

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2023:

| | Governmental Activities | Business-type Activities | Total |
|-----------------------------------------|----------------------------|-----------------------------|------------|
| Accounts payable | \$ 99,256 | \$ 39,107 | \$ 138,363 |
| Accrued payroll and related liabilities | 13,370 | 4,952 | 18,322 |
| Total | \$ 112,626 | \$ 44,059 | \$ 156,685 |

Amounts do not indicate a significant concentration (greater than 25%) with any single vendor or individual.

7. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023:

| | Balance July 1, 2022 | Additions | Retirements | Balance June 30, 2023 | Due Within One Year |
|-----------------------------------------|-------------------------|-----------|-------------|--------------------------|------------------------|
| Notes payable - Governmental Activities | \$ 219,441 | \$ | \$ (3,960) | \$ 215,481 | \$ 3,808 |
| Notes payable - Water Fund | 135,816 | | (10,651) | 25,165 | 10,048 |
| Total noncurrent liabilities | \$ 355,257 | \$ | \$ (14,611) | \$ 240,646 | \$ 13,856 |

Notes payable - Governmental Activities

In 2020, the City entered into a loan agreement with the Redwood Region Economic Development Commission for the purposes of purchasing real estate. The loan amount totaled \$225,000 and bears an interest rate of 5% per annum for 7 years. Payments are due in 84 equal monthly payments of \$1,237, beginning February 1, 2021 and ending January 1, 2028, after which a final balloon payment of all unpaid principal and interest is due. The loan is secured by the purchased real estate.

Notes payable - Water Fund

In 2015, the City entered into a loan agreement with the National Rural Water Association for the purposes of financing water system improvements. The loan amount totaled \$99,937 and bears an interest rate of 3% per annum for 10 years. Payments are due in 120 equal monthly payments of \$965, beginning November 1, 2015 and ending October 1, 2025. The loan is secured by Water Fund capital assets.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

7. LONG-TERM LIABILITIES, Continued

The following is the debt service obligations of the City for the notes payable:

| Year Ending June 30, | Notes Payable - Water Fund | | Notes Payable - Governmental Activities | |
|-------------------------|----------------------------|----------|--------------------------------------------|-----------|
| | Principal | Interest | Principal | Interest |
| 2024 | \$ 10,048 | \$ 567 | \$ 3,808 | \$ 9,798 |
| 2025 | 11,281 | 299 | 4,358 | 10,485 |
| 2026 | 3,836 | 24 | 4,581 | 10,262 |
| 2027 | - | - | 4,815 | 10,027 |
| 2028 | | | 2,922 | 5,736 |
| 2029 | | | 194,998 | |
| Total | \$ 25,165 | \$ 890 | \$ 215,481 | \$ 46,308 |
| Due within one year | \$ 10,048 | \$ 567 | \$ 3,808 | \$ 9,798 |
| Due after one year | 15,117 | 323 | 211,673 | 36,510 |
| Total | \$ 25,165 | \$ 890 | \$ 215,481 | \$ 46,308 |

8. NET POSITION/ FUND BALANCES

Net Position

| | Governmental Activities | Business-type Activities |
|----------------------------------|----------------------------|-----------------------------|
| Net investment in capital assets | \$ 3,227,967 | \$ 1,298,318 |
| Restricted | 580,559 | 1,767,154 |
| Unrestricted | 1,448,512 | 414,728 |
| Total | \$ 5,257,038 | \$ 3,480,200 |

Restricted balances are for the same purposes as fund balance restrictions because external restriction requirements are the same. See descriptions of the restrictions below.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

8. NET POSITION/ FUND BALANCES, Continued

Fund Balance

Fund balance consisted of the following at June 30, 2023:

| | |
|-----------------------------------------------------|---------------------|
| Nonspendable: | |
| Major Funds: | |
| General Fund | \$ 32,466 |
| Total Nonspendable | <u>32,466</u> |
| Restricted: | |
| Major Funds: | |
| CDBG Fund | 392,223 |
| Total Major Funds- Restricted | <u>392,223</u> |
| Nonmajor Funds: | |
| Highway Users Tax Fund | 46,786 |
| TDA Street Fund | 9,524 |
| TDA Purchased Transportation Fund | 1,422 |
| AB-939 Solid Waste Reduction/Recycling Fund | 26,084 |
| Regional Surface Transportation Program (RSTP) Fund | 7,460 |
| American Rescue Plan - COVID Relief Fund | 97,060 |
| Total Nonmajor Funds- Restricted | <u>188,336</u> |
| Total Restricted | <u>580,559</u> |
| Unassigned (deficit): | |
| Major Funds: | |
| General Fund | 1,097,574 |
| SLESF Fund | - |
| Total Major Funds- Unassigned | <u>1,097,574</u> |
| Nonmajor Funds: | |
| Recreation Economic Analysis Fund | (57,818) |
| State Park Per Capita Program Fund | (149,567) |
| Total Nonmajor Funds- Unassigned | <u>(207,385)</u> |
| Total Unassigned | <u>890,189</u> |
| Total Fund Balance | <u>\$ 1,503,214</u> |

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

8. NET POSITION/ FUND BALANCES, Continued

The following describes the purpose of each nonspendable, restriction, and commitment account used by the City:

Restricted

- **CDBG** – represents amounts restricted for the City’s CDBG housing activities as these programs are supported by specific grants requiring the restriction.
- **Highway Users Tax Fund** – accounts for the City’s receipt and use of State gas tax funds for which use is restricted to street maintenance activities.
- **TDA Street Fund** – accounts for the City’s receipt and use of State Transportation Development Act funds for which the use is restricted to street maintenance activities. These funds are distributed by the Humboldt County Association of Governments (HCAOG).
- **TDA Purchased Transportation** – represents amounts restricted by the Transportation Development Act for transportation, including streets and roads.
- **AB-939 Solid Waste Reduction/Recycling** – represents amounts restricted by AB 939 for solid waste reduction activities.
- **Regional Surface Transportation Program (RSTP) Fund** – represents amounts restricted by State Regional Surface Transportation Program funds for street maintenance activities.
- **American Rescue Plan Act COVID Relief Fund** – accounts for the receipt and use of Federal COVID relief funds.

Excess of Expenditures and Transfers Over Appropriations: Expenditures and transfers exceeded appropriations for the year ended June 30, 2023, for the following funds:

| | Final Budget | Total Expenditures and Transfers | Excess Expenditures Over Appropriations |
|-----------------------------------------------------|--------------|----------------------------------|-----------------------------------------|
| <u>Governmental Activities</u> | | | |
| <u>Nonmajor Funds:</u> | | | |
| AB-939 Solid Waste Reduction / Recycling Fund | \$ 24,951 | \$ 25,189 | (238) |
| Regional Surface Transportation Program (RSTP) Fund | \$ 22,308 | \$ 27,458 | (5,150) |

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

9. INTERFUND TRANSACTIONS

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers consisted of the following at June 30, 2023:

| | Transfers In | Transfers Out |
|-----------------------------------------------------|-------------------|-------------------|
| Governmental Activities | | |
| Major Funds: | | |
| General Fund | \$ 114,665 | \$ - |
| CDBG Fund | - | 22,416 |
| Total Major Funds | <u>114,665</u> | <u>22,416</u> |
| Non-major Funds: | | |
| Special Revenue Funds: | | |
| Highway Users Tax Fund | - | 46,069 |
| TDA Street Fund | - | 18,722 |
| Regional Surface Transportation Program (RSTP) Fund | - | 27,458 |
| Total Non-major Funds | <u>-</u> | <u>92,249</u> |
| Total Transfers | <u>\$ 114,665</u> | <u>\$ 114,665</u> |

10. SELF-INSURED RETENTION FUNDS

The City's liability insurance carrier requires the City to maintain \$15,000 in reserve (SIR Reserve) for potential claims against the City. The City maintains \$20,000 in reserve.

11. RISK MANAGEMENT

As of July 1, 1986, the City entered into a joint powers agreement for insurance coverage. The City of Blue Lake is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; and natural disasters for which the Member Entity obtains insurance coverage.

The City is a member of the Public Agency Risk Sharing Authority of California - PARSAC, a joint powers authority, which provides joint protection programs for public entities covering automobile, general liability, errors and omission losses, workers' compensation, and property claims. Under the program, the City has a \$5,000 retention limit similar to a deductible with the Authority being responsible for losses above that amount up to \$1 million. The Authority has additional coverage of \$34 million in excess of its \$1 million retention limit through affiliated risk management authorities. The Authority also provides one billion dollars aggregate per occurrence property coverage to its members with such coverage provided by purchased insurance.

11. RISK MANAGEMENT, Continued

Liabilities of the City are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example, from salvage or subrogation, are another component of the claims liability estimate.

The Authority covers workers' compensation claims up to its self-insurance limit of \$500,000. The local Agency Workers Compensation excess Pool provides excess coverage to statutory limits. The City pays an annual premium to the Authority and may share in any surplus revenues or may be required to pay an additional assessments based upon the Authority's operating results. Financial statements of the PARSAC may be obtained from its administrative office located at 1525 Response Road, Suite One, Sacramento, CA 95815.

The City maintains no other commercial and risk pool coverage covering each of those risks of loss. Settled claims have not exceeded coverage in any of the past five years.

12. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

General Information about the Pension Plans

Plan Descriptions

All qualified employees are eligible to participate in the City's separate Miscellaneous and Safety Employee Pension Plans. Both plans are part of a separate cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). CalPERS acts as a common investment and administrative agent for participating public entities within the state of California. Benefit provisions are established by State statute and City resolution. A full description of the pension plan benefit provisions, assumptions and membership information can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (age 52 for PEPRA employees) with statutorily reduced benefits based on earnings and service credits. All members are eligible for non-duty disability benefits after 10 years of credited service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

12. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

| | Miscellaneous (Classic) | Miscellaneous (PEPRA) | Safety (Classic) |
|---------------------------------------------------|-----------------------------|--------------------------|-----------------------------|
| Hire date | Prior to January 1, 2013 | After January 1, 2013 | Prior to January 1, 2013 |
| Benefit formula | 2% @ 55 | 2% @ 62 | 2% @ 50 |
| Benefit vesting schedule | 5 years service | 5 years service | 5 years |
| Benefit payments | Monthly for life | Monthly for life | Monthly for life |
| Retirement age | 50 | 62 | 63 |
| Monthly benefits, as a % of eligible compensation | 2.0% - 2.5% | 2.0% | 2.5% |
| Required employee contribution rates | 7.0% | 6.25% | (1) |
| Required employer contribution rates | 12.21% | 7.47% | (1) |

(1) Currently, the City has no active safety employees as it outsources its law enforcement services. As a result, there is no current required rate of contributions.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2023, the contributions recognized as part of pension expense for each Plan were as follows:

| | Miscellaneous | Safety |
|--------------------------|---------------|----------|
| Contributions - employer | \$ 129,005 | \$ 7,872 |

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2023, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

| | Proportionate Share of Net Pension Liability |
|-----------------------------|-------------------------------------------------|
| Miscellaneous | \$ 1,127,234 |
| Safety | 106,766 |
| Total Net Pension Liability | \$ 1,234,000 |

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

12. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2022, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for each Plan as of June 30, 2023 and 2022 was as follows:

| | Miscellaneous | Safety |
|------------------------------|---------------|-----------|
| Proportion - June 30, 2022 | 0.03980% | 0.00190% |
| Proportion - June 30, 2023 | 0.02409% | 0.00155% |
| Change - Increase/(Decrease) | -0.01571% | -0.00035% |

For the year ended June 30, 2023, the City recognized pension expense of \$752,272. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---------------------------------------------------------------------------------------|--------------------------------|-------------------------------|
| Changes of Assumptions | \$ 126,273 | \$ - |
| Differences between Expected and Actual Experience | 27,056 | 16,321 |
| Differences between Projected and Actual Investment Earnings | 223,339 | - |
| Differences between Employer's Contributions and Proportionate Share of Contributions | 43,169 | 6,864 |
| Change in Employer's Proportion | 1,368 | 214,003 |
| Pension Contributions Made Subsequent to Measurement Date | 136,877 | - |
| | <u>\$ 558,082</u> | <u>\$ 237,188</u> |

\$136,877 is reported as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

12. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

| Year Ended 30-Jun | |
|----------------------|--------------|
| 2024 | \$ (28,178) |
| 2025 | (14,722) |
| 2026 | (4,242) |
| 2027 | (136,575) |
| 2028 | - |
| Thereafter | - |
| | \$ (184,017) |

Actuarial Methods and Assumptions

The total pension liability was determined by actuarial valuations as of June 30, 2019, which were rolled forward to June 30, 2021, using the following actuarial methods and assumptions:

| Actuarial Methods and Assumptions: | |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------|
| Actuarial cost method | Entry-age normal cost method |
| Actuarial assumptions: | |
| Investment rate of return | 6.90%, net of pension plan expenses, including inflation |
| Payroll growth | 2.75% |
| Discount rate | 6.90% |
| Inflation | 2.50% |
| Salary increases | Varies by entry age and service |
| Mortality rate table | Derived using CalPERS' membership data for all funds |
| Post-retirement benefit increase | Contract COLA up to 2.5% until purchasing power protection allowance floor on purchasing power applies |

The underlying mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using the Society of Actuaries 90 percent of scale MP 2016. For more details, please refer to the December 2017 experience study report.

All other actuarial assumptions were based on the results of the December 2017 actuarial experience study for the experience study periods 1997 to 2015. The experience study can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 6.90 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 6.90 percent is applied to all plans in the Public Employees' Retirement Fund (PERF).

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

12. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

Changes of Assumptions

The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "CASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rates of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

| Asset Class | Current Target Allocation | Real Return Years 1-10 ⁽¹⁾ |
|--------------------------------|---------------------------|---------------------------------------|
| Global equity - cap-weighted | 30.0% | 4.45% |
| Global equity non-cap-weighted | 12.0% | 3.84% |
| Private Equity | 13.0% | 7.28% |
| Treasury | 5.0% | 0.27% |
| Mortgage-backed Securities | 5.0% | 0.50% |
| Investment Grade Corporates | 10.0% | 1.56% |
| High Yield | 5.0% | 2.27% |
| Emerging Market Debt | 5.0% | 2.48% |
| Private Debt | 5.0% | 3.57% |
| Real Assets | 15.0% | 3.21% |
| Leverage | -5.0% | -0.59% |
| | 100.0% | |

(1) An expected inflation of 2.3% used for this period.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

12. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

| | 1% Decrease 5.90% | Current Discount Rate 6.90% | 1% Increase 7.90% |
|----------------------------------------------|----------------------|-----------------------------------|----------------------|
| Net Pension Liability as of June 30, 2023 | | | |
| Miscellaneous | \$ 1,569,636 | \$ 1,127,234 | \$ 763,246 |
| Safety | 147,865 | 106,766 | 73,177 |
| Total | \$ 1,717,501 | \$ 1,234,000 | \$ 836,423 |

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CALPERS financial reports.

13. OTHER POST EMPLOYMENT BENEFITS

Plan Description

The City administers a single-employer defined-benefit post-employment healthcare plan.

Benefits Provided

Retirees are eligible for medical benefits after 15 years of service. The City covers 50% of the retiree's health insurance premiums up to the age of 65. Benefits are not provided for retiree spouse or dependent health care coverage.

Employees Covered by Benefit Terms

At June 30, 2023 (the measurement date), the following employees were covered by the benefit terms:

| | |
|-----------------------------------------------------------|----------|
| Inactive Employees Receiving Benefits | 0 |
| Inactive Employees Entitled to But Not Receiving Benefits | 0 |
| Participating Active Employees | 7 |
| Total Number of participants | 7 |

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

13. OTHER POST EMPLOYMENT BENEFITS, Continued

Contributions

The City pays benefits as they come due.

Actuarial Methods and Assumptions

The City's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 based on the following actuarial methods and assumptions:

| Actuarial Methods and Assumptions: | |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial cost method | Entry-age actuarial cost method |
| Actuarial assumptions: | |
| Discount rate | 3.54%, net of expenses |
| Inflation | 2.50% |
| Salary increases | 2.75% per annum |
| Investment rate of return | 3.54%, net of expenses |
| Mortality rate ⁽¹⁾ | 2017 CalPERS Mortality for Miscellaneous and Schools Employees |
| Retirement rates | Hired 2013 and later: 2017 CalPERS 2.0% @ 62 Rates for miscellaneous employees Hired 2012 and earlier: 2017 CalPERS 2.5% @ 55 Rates for miscellaneous employees |
| Pre-retirement turnover ⁽²⁾ | 2017 CalPERS turnover for miscellaneous employees |
| Healthcare trend rate | 3.00% |

(1) The mortality assumptions are based on the 2017 CalPERS Active Mortality for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

(2) The turnover assumptions are based on the 2017 CalPERS Turnover for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54 percent. Since the City's OPEB Plan is an unfunded plan, the discount rate is based on an index of 20-year general obligation municipal bonds rate AA or higher.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023.

13. OTHER POST EMPLOYMENT BENEFITS, Continued

Changes in the Net OPEB Liability

The changes in the net OPEB liability for the Plan are as follows:

| | Total OPEB Liability | Fiduciary Net Position | Net OPEB Liability |
|---------------------------------------|----------------------|------------------------|--------------------|
| Balance at 6/30/2021 Measurement Date | \$ 242,241 | \$ - | \$ 242,241 |
| Changes for the year | | | |
| Service Cost | 22,599 | - | 22,599 |
| Interest on TOL | 5,438 | - | 5,438 |
| Employer Contributions | - | (3,523) | (3,523) |
| Benefit Payments | (3,523) | (3,523) | - |
| Actual Investment Income | - | - | - |
| Administrative expenses | - | - | - |
| Changes in Assumptions | (36,636) | - | (36,636) |
| Experience (Gains)/Losses | (68,713) | - | (68,713) |
| Other | - | - | - |
| Net Changes | (80,835) | - | (80,835) |
| Balance at 6/30/2022 Measurement Date | \$ 161,406 | \$ - | \$ 161,406 |

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

| | 1% Decrease (2.54%) | Discount Rate (3.54%) | 1% Increase (4.54%) |
|--------------------|------------------------|--------------------------|------------------------|
| Net OPEB Liability | \$ 117,306 | \$ 161,406 | \$ 190,576 |

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate:

| | 1% Decrease (3.00%) | Current Trend (4.00%) | 1% Increase (5.00%) |
|--------------------|------------------------|--------------------------|------------------------|
| Net OPEB Liability | \$ 179,769 | \$ 161,406 | \$ 145,223 |

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

13. OTHER POST EMPLOYMENT BENEFITS, Continued

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

| | |
|-------------------------------------------------------------------------------|-----------------------------------------------------|
| Net difference between projected and actual earnings on OPEB plan investments | 5 years |
| All other amounts | Expected average remaining service lifetime (EARSL) |

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$21,469. As of fiscal year ended June 30, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ - | \$ (65,094) |
| Changes in assumptions | 24,060 | (33,731) |
| Total | \$ 24,060 | \$ (98,845) |

Amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

| Fiscal Year Ended June 30, | Deferred Outflow/(Inflow) of Resources |
|-------------------------------|----------------------------------------------|
| 2024 | \$ (6,568) |
| 2025 | \$ (6,568) |
| 2026 | \$ (6,568) |
| 2027 | \$ (6,568) |
| 2028 | \$ (6,568) |
| Thereafter | (41,945) |
| | \$ (74,785) |

14. COMMUNITY DEVELOPMENT BLOCK GRANTS

The City has been awarded various block grants by the State of California - Housing and Community Development. These grants fund housing rehabilitation, business development, and infrastructure improvements to City streets.

Revenues and expenditures for activities relating to the housing rehabilitation and the business development are accounted for in special revenue funds. Through this program, the City pays for housing rehabilitation, business expansion and retention, plus administrative program costs. At the completion of projects benefiting the private property owners, the City issues a note, secured by a deed of trust for the cost of the improvements.

These notes carry rates ranging from 1% to 10%. Most of the notes require repayment when the property is sold, but some require period amortized payments. As these notes are repaid, funds may be used for new improvements, program costs, and loans to private property owners.

CDBG Program Income (PI) Reuse Agreement

Effective November 18, 2014 the City entered into the Reuse Agreement which allows the City to receive repayments from CDBG and spend those PI funds in the absence of an active CDBG grant contract. The Agreement establishes policies and procedures for the administration and utilization of Program income received as a direct result of eligible activities funded under CDBG contracts with the City. The Agreement allows five ways to manage PI:

1. Expend monies on active grant contract activities
2. Expend monies on general administration activities
3. Expend monies through an approved revolving loan fund
4. Expend monies on approved waiver activity, when no active contract is in force
5. Return the monies annually to the Department (CDBG)

15. CONTINGENCIES

The City is a party to claims and lawsuits arising in the ordinary course of business. The City's management and legal counsel are of the opinion that the ultimate liability, if any, arising from these claims will not have material adverse impact on the financial position of the City. The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

16. COMMITMENTS

The City has contracted with the Humboldt Bay Municipal Water District (HBMWD) for water purchases. The agreement expires June 30, 2037. The City has an option to extend the agreement for an additional ten years. The agreement will be automatically extended to correspond to the term of an agreement entered into between HBMWD and the State of California. The water rate paid by the City is based on numerous factors. Rates are determined by allocating HBMWD's operating costs, maintenance, repairs and replacement to all users connected to the HBMWD system.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2023

16. COMMITMENTS, Continued

On June 27, 2019, the City entered into a contract with the Humboldt County Sheriff's Department whereby the County agreed to provide law enforcement services to the City. The term of the current agreement was for the period July 1, 2019 through June 30, 2023. The cost to the City under the agreement was \$319,671 annually, with the amount for future years subject to an annual recalculation. Either party may terminate this contract upon 60 days written notice.

17. NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued statement No. 94, *"Public-Private (and Public-Private) Partnerships and Availability Payment Arrangements"*. The objective of this Statement is to better meet the information needs of financial statement users by improving the comparability of financial statements among governments that enter into PPPs and APAs and by enhancing the understandability, reliability, relevance, and consistency of information about PPPs and APAs. The implementation of this statement did not have an effect on the financial statements.

The GASB has issued statement No. 96, *"Subscription-Based Information Technology Arrangements"*. The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. The implementation of this statement did not have an effect on the financial statements.

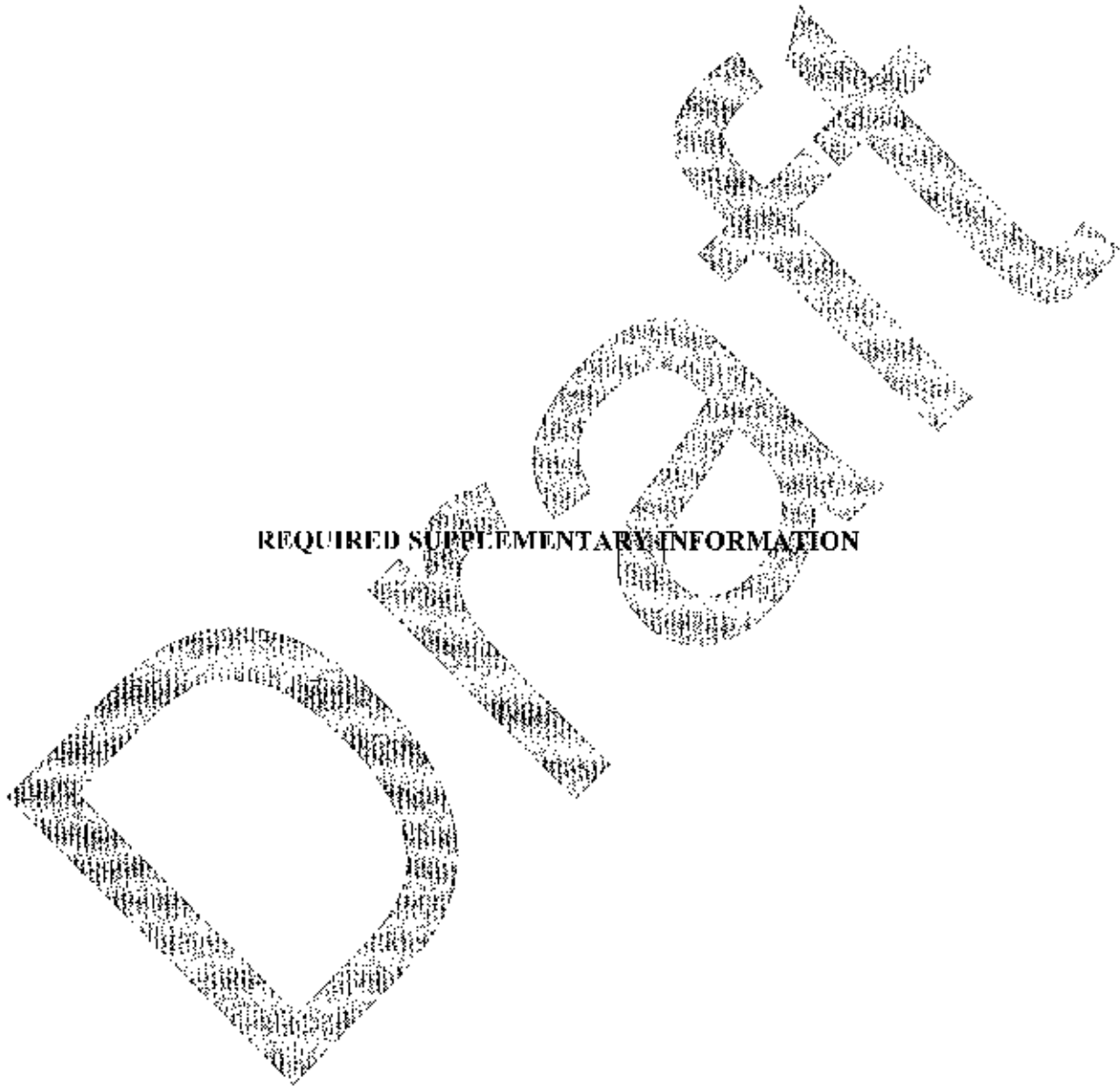
The GASB has issued Statement No. 99, *"Omnibus 2022"*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to leases, PPPs, and SBITAs will take effect for financial statements starting with the fiscal year that ends June 30, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 59 will take effect for financial statements starting with the fiscal year that ends June 30, 2024.

The GASB has issued Statement No. 100, *"Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62"*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2024.

The GASB has issued Statement No. 101, *"Compensated Absences."* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2024.

18. SUBSEQUENT EVENTS

Events occurring after June 30, 2023 but before the financial statements were available to be issued must be evaluated for possible adjustment to the financial statements or disclosure. The effects of subsequent events that provide evidence about conditions that existed at June 30, 2023 are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after June 30, 2023 require disclosure in the accompanying notes. Management has evaluated the activity of the City through **October 17, 2024**, and concluded that no subsequent event(s) have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.



REQUIRED SUPPLEMENTARY INFORMATION

City of Blue Lake, California
Required Supplementary Information -
Schedule of Changes in the Net OPEB Liability
and Related Ratios
Last 10 Fiscal Years

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|----------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total OPEB liability | | | | | | |
| Service Cost | \$ 20,599 | \$ 21,853 | \$ 13,738 | \$ 12,669 | \$ 12,337 | \$ 12,331 |
| Interest on the total OPEB liability | 5,438 | 4,555 | 6,744 | 5,948 | 5,353 | 5,029 |
| Differences between expected and actual experience | - | - | (2,200) | - | - | - |
| Benefit Payments | (3,523) | - | - | - | - | - |
| Changes of assumptions | (36,636) | 1,144 | 23,031 | (6,836) | - | - |
| Experience (Gains)/Losses | (69,713) | - | - | - | - | - |
| Contributions - employer | - | - | 18,181 | (2,465) | (2,370) | (2,370) |
| Net change in total OPEB liability | (80,835) | 27,932 | 139,907 | (2,968) | 15,317 | 15,000 |
| Total OPEB liability - beginning | 242,241 | 214,309 | 74,402 | 151,414 | 136,097 | 121,097 |
| Total OPEB liability - ending (a) | \$ 161,406 | \$ 242,241 | \$ 214,309 | \$ 148,446 | \$ 151,414 | \$ 136,097 |
| Plan fiduciary net position | | | | | | |
| Contributions - employer | \$ 2,465 | \$ - | \$ - | \$ 2,465 | \$ 2,370 | \$ 2,370 |
| Contributions - employee | - | - | - | - | - | - |
| Actual investment income | - | - | - | - | - | - |
| Administrative expense | - | - | - | - | - | - |
| Benefit payments | (3,523) | - | - | (2,465) | (2,370) | (2,370) |
| Net change in plan fiduciary net position | - | - | - | - | - | - |
| Plan fiduciary net position - beginning | - | - | - | - | - | - |
| Plan fiduciary net position - ending (b) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net OPEB liability - ending (a) - (b) | \$ 161,406 | \$ 242,241 | \$ 214,309 | \$ 148,446 | \$ 151,414 | \$ 136,097 |
| Covered-employee payroll | N/A | \$ 302,811 | \$ 191,542 | \$ 1,423,670 | \$ 358,127 | \$ 544,357 |
| Net OPEB liability as a percentage of covered-employee payroll | N/A | 63.26% | 114.73% | 10.42% | 42.28% | 29.57% |

Notes to Schedule

1) GASB 75 was implemented during the fiscal year ending June 30, 2018. Additional years (10 years required by GASB 75) will be added as they become available.

2) Covered payroll is the payroll paid to all employees who are eligible for and accrue OPEB benefits.

3) For each fiscal year presented, information regarding the OPEB plan, including the methods and assumptions used to calculate the net OPEB liability, can be found in the notes to the financial statements.

City of Blue Lake, California
Required Supplementary Information - Schedule of Contributions
 Last 10 Fiscal Years

| Miscellaneous Plan | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|-----------------------------------------------------------------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually required contribution (actuarially determined) | \$ 129,065 | \$ 157,437 | \$ 124,999 | \$ 112,816 | \$ 102,595 | \$ 87,054 | \$ 81,163 | \$ 76,727 | \$ 70,877 |
| Contributions in relation to the actuarially determined contributions | \$ (129,095) | (137,437) | (124,999) | (112,835) | (102,595) | (87,054) | (81,163) | (76,737) | (70,877) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered-employee payroll | N/A | \$ 332,811 | \$ 361,542 | \$ 404,070 | \$ 358,127 | \$ 324,527 | \$ 353,370 | \$ 324,923 | \$ 351,126 |
| Contributions as a percentage of covered-employee payroll | N/A | 35.90% | 31.82% | 28.15% | 28.62% | 25.28% | 23.03% | 23.62% | 20.19% |
| Safety Plan | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Contractually required contribution (actuarially determined) | \$ 7,872 | \$ 7,426 | \$ 7,053 | \$ 6,995 | \$ 16,911 | \$ 5,699 | \$ 3,766 | \$ 3,261 | \$ 2,444 |
| Contributions in relation to the actuarially determined contributions | \$ (7,872) | (7,426) | (7,053) | (6,995) | (16,911) | (5,699) | (3,756) | (3,261) | (2,444) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered-employee payroll | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions as a percentage of covered-employee payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Notes to Schedule

- 1) Covered payroll is the payroll on which contributions to a pension plan are based.
- 2) Additional years will be added as they become available in the future.
- 3) Actuarially determined contributions are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported. More information on the methods and assumptions used to determine the contribution rates can be found on the CalPERS website.
- 4) During the fiscal years presented above the City had no covered payroll for its public safety department as those services were outsourced.

City of Blue Lake, California
Required Supplementary Information - Schedule of the City's Proportionate
Share of the Net Pension Liability
Last 10 Fiscal Years

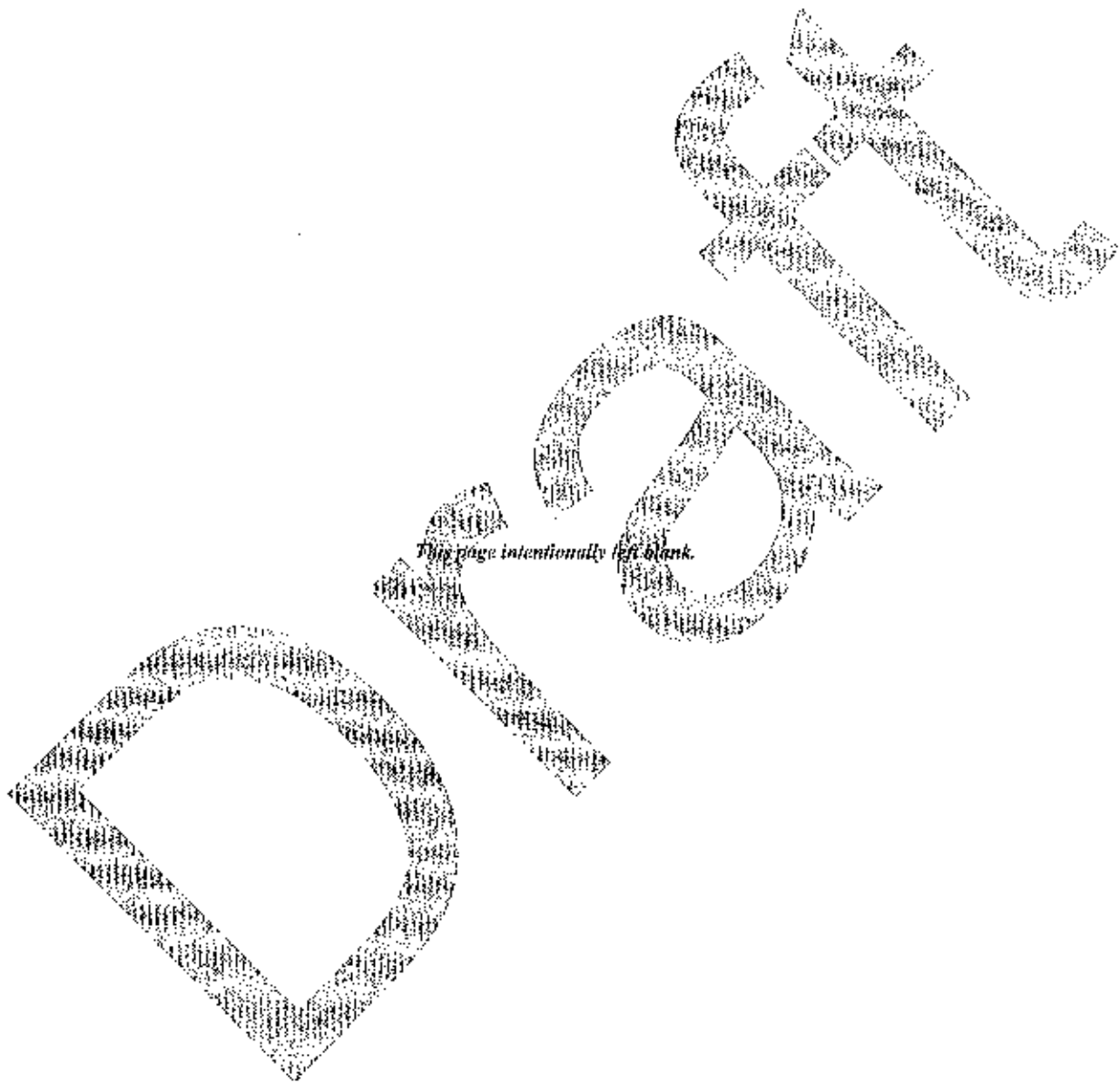
| Miscellaneous Plan | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|-----------------------------------------------------------------------------------------------------------------|--------------|------------|--------------|------------|------------|------------|------------|------------|------------|
| Plan's Proportion of the Net Pension Liability/(Asset) | 0.02403% | 0.03550% | 0.02450% | 0.02454% | 0.02511% | 0.02467% | 0.02497% | 0.02614% | 0.02382% |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) | \$ 1,170,214 | \$ 755,763 | \$ 1,045,033 | \$ 958,738 | \$ 946,411 | \$ 572,411 | \$ 869,270 | \$ 728,014 | \$ 588,757 |
| Plan's Covered-Employee Payroll | N/A | \$ 582,811 | \$ 391,542 | \$ 434,670 | \$ 358,127 | \$ 344,157 | \$ 352,970 | \$ 424,228 | \$ 351,125 |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll | N/A | 157.42% | 267.13% | 220.77% | 264.27% | 166.39% | 246.12% | 171.13% | 167.68% |
| Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability | 63.77% | 75.03% | 64.31% | 67.95% | 70.21% | 58.13% | 69.64% | 74.03% | 78.34% |
| Plan's Proportionate Share of Aggregate Employer Contribution | \$ 109,869 | \$ 89,517 | \$ 84,714 | \$ 87,758 | \$ 84,974 | \$ 88,515 | \$ 71,075 | \$ 71,240 | \$ 57,351 |
| Safety Plan | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Plan's Proportion of the Net Pension Liability/(Asset) | 0.00153% | 0.00150% | 0.00145% | 0.00148% | 0.00151% | 0.00149% | 0.00155% | 0.00154% | 0.00141% |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) | \$ 106,766 | \$ 66,540 | \$ 91,236 | \$ 92,263 | \$ 50,359 | \$ 89,377 | \$ 83,200 | \$ 64,436 | \$ 49,025 |
| Plan's Covered-Employee Payroll | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability | 64.13% | 77.33% | 76.97% | 68.00% | 68.27% | 67.91% | 69.55% | 75.19% | 81.42% |
| Plan's Proportionate Share of Aggregate Employer Contribution | \$ 12,752 | \$ 12,328 | \$ 10,125 | \$ 8,590 | \$ 8,194 | \$ 6,491 | \$ 6,334 | \$ 6,678 | \$ 6,082 |

Notes to Schedule

- 1) Covered payroll is the payroll on which contributions to a pension plan are made.
- 2) Additional years will be added to the pay-as-you-go plan in the future.
- 3) For each fiscal year presented, information regarding the City's pension plan, including the methods and assumptions used to calculate the net pension liability, can be found in the notes to the City's basic financial statements.
- 4) During the fiscal years presented above, the City did not contract with a public utility for the purchase of electric services as those services were unincurred.



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



NON-MAJOR GOVERNMENTAL FUNDS

| Fund Type | Description |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Special Revenue Funds: | |
| Highway Users Tax Fund | This fund accounts for the City's receipt and use of State gas tax funds for which use is restricted to street maintenance activities. |
| TDA Street Fund | This fund accounts for the City's receipt and use of State Transportation Development Act funds for which the use is restricted to street maintenance activities. These funds are distributed by the Humboldt County Association of Governments (HCAOG). |
| TDA Purchased Transportation Fund | This fund accounts for the City's receipt and use of State Transportation Development Act funds for which the use is restricted to public transit services. These funds are distributed by the Humboldt County Association of Governments (HCAOG). |
| AB-939 Solid Waste Reduction / Recycling Fund | This fund accounts for the City's receipt and use of State revenues derived from solid waste recycling fees and the sale of recyclable materials. The use of these are restricted to solid waste reduction activities. |
| Regional Surface Transportation Program (RSTP) Fund | This fund accounts for the City's receipt and use of State Regional Surface Transportation Program funds for which the use is restricted to street maintenance activities. These funds are distributed by the Humboldt County Association of Governments (HCAOG). |
| Recreation Economic Analysis Fund | This fund accounts for the receipt and use of funds related to the City's Recreation Economic Analysis Project. |
| American Rescue Plan - COVID Relief Fund | This fund accounts for the receipt and use of Federal COVID relief funds. |
| State Park Per Capita Program Fund | This fund accounts for the receipt and use of State Per Capita Program funds. |

City of Blue Lake, California
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

| | Special Revenue Funds | | | |
|--------------------------------------------|------------------------|-----------------|-----------------------------------|-----------------------------------------------|
| | Highway Users Tax Fund | TDA Street Fund | TDA Purchased Transportation Fund | AB-939 Solid Waste Reduction / Recycling Fund |
| ASSETS | | | | |
| Cash and investments | \$ 40,909 | \$ 9,387 | \$ 13,945 | \$ 24,535 |
| Receivables: | | | | |
| Interest receivable | 371 | 137 | - | 189 |
| Intergovernmental receivables | 5,506 | - | 32,375 | 2,004 |
| Total assets | \$ 46,786 | \$ 9,524 | \$ 42,375 | \$ 26,728 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ - | \$ - | \$ 2,750 | \$ - |
| Accrued payroll | - | - | - | 157 |
| Compensated absences | - | - | - | 487 |
| Due to other funds | - | - | 28,203 | - |
| Unearned revenue | - | - | - | - |
| Total liabilities | - | - | 30,953 | 644 |
| Fund balances: | | | | |
| Restricted | 46,786 | 9,524 | 1,422 | 26,084 |
| Unassigned (deficit) | - | - | - | - |
| Total fund balances | 46,786 | 9,524 | 1,422 | 26,084 |
| Total liabilities and fund balances | \$ 46,786 | \$ 9,524 | \$ 32,375 | \$ 26,728 |

Special Revenue Funds

| Regional Surface Transportation Program (RSTP) Fund | Recreation Economic Analysis Fund | American Rescue Plan - COVID Relief Fund | State Park Per Capita Program Fund | Total Special Revenue Funds |
|--------------------------------------------------------------|-----------------------------------------|------------------------------------------------|------------------------------------------|-----------------------------------|
| \$ - | \$ - | \$ 99,998 | \$ - | \$ 174,829 |
| 41 | - | - | - | 738 |
| 12,540 | 57,820 | - | 149,569 | 259,814 |
| <u>\$ 12,581</u> | <u>\$ 57,820</u> | <u>\$ 99,998</u> | <u>\$ 149,569</u> | <u>\$ 435,381</u> |
| \$ - | \$ - | \$ 2,938 | \$ 1,801 | \$ 7,489 |
| - | - | - | - | 1,157 |
| - | - | - | - | 487 |
| 5,121 | 57,819 | - | 147,767 | 238,910 |
| - | 57,819 | - | 149,568 | 207,387 |
| <u>5,121</u> | <u>115,638</u> | <u>2,938</u> | <u>299,166</u> | <u>454,430</u> |
| 7,460 | - | 97,060 | - | 188,336 |
| - | (57,818) | - | (149,567) | (207,385) |
| <u>7,460</u> | <u>(57,818)</u> | <u>97,060</u> | <u>(149,567)</u> | <u>(19,049)</u> |
| <u>\$ 12,581</u> | <u>\$ 57,820</u> | <u>\$ 99,998</u> | <u>\$ 149,569</u> | <u>\$ 435,381</u> |

City of Blue Lake, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2023

| | Special Revenue Funds | | | |
|---------------------------------------------|------------------------|-----------------|-----------------------------------|-----------------------------------------------|
| | Highway Users Tax Fund | TDA Street Fund | TDA Purchased Transportation Fund | AB-939 Solid Waste Reduction / Recycling Fund |
| REVENUES: | | | | |
| Intergovernmental revenues | \$ 61,002 | \$ 28,048 | \$ 32,375 | \$ 33,386 |
| Investment earnings | 926 | 13 | - | 564 |
| Total revenues | 61,928 | 28,235 | 32,375 | 33,950 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Public transit | - | - | 32,375 | - |
| Recycling | - | - | - | 25,189 |
| Capital outlay | - | - | - | 3,465 |
| Total expenditures | - | - | 32,375 | 28,654 |
| REVENUES OVER (UNDER) EXPENDITURES | 61,928 | 28,235 | - | 5,296 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (46,069) | (18,722) | - | - |
| Total other financing sources (uses) | (46,069) | (18,722) | - | - |
| NET CHANGE IN FUND BALANCES | 15,859 | 9,513 | - | 5,296 |
| FUND BALANCES: | | | | |
| Beginning of year | 30,927 | 11 | 1,422 | 20,788 |
| End of year | \$ 46,786 | \$ 9,524 | \$ 1,422 | \$ 26,084 |

Special Revenue Funds

| <u>Regional Surface Transportation Program (RSTP) Fund</u> | <u>Recreation Economic Analysis Fund</u> | <u>American Rescue Plan - COVID Relief Fund</u> | <u>State Park Per Capita Program Fund</u> | <u>Total Special Revenue Funds</u> |
|------------------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------------|---------------------------------------------------|--------------------------------------------|
| \$ 34,723 | \$ 100,790 | 148,915 | \$ - | \$ 439,289 |
| 195 | - | - | - | 1,822 |
| <u>34,918</u> | <u>100,790</u> | <u>148,915</u> | <u>-</u> | <u>439,289</u> |
| - | - | 86,709 | - | 86,709 |
| - | 110,155 | - | - | 110,155 |
| - | - | - | - | 32,375 |
| - | - | - | - | 25,189 |
| - | - | 8,615 | 139,860 | 151,940 |
| - | 110,155 | 95,324 | 139,860 | 406,368 |
| <u>34,918</u> | <u>(9,365)</u> | <u>53,591</u> | <u>(139,860)</u> | <u>34,743</u> |
| - | - | - | - | - |
| (27,458) | - | - | - | (92,249) |
| <u>(27,458)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(92,249)</u> |
| 7,460 | (9,365) | 163,591 | (139,860) | (57,506) |
| - | (48,453) | 43,469 | (9,707) | 38,457 |
| <u>\$ 7,460</u> | <u>\$ (57,818)</u> | <u>\$ 97,060</u> | <u>\$ (149,567)</u> | <u>\$ (19,049)</u> |

City of Blue Lake, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Highway Users Tax Special Revenue Fund

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual | Variance w/Final Positive (Negative) |
|-----------------------------------------------|------------------|-----------------|-----------------|--------------------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental revenues | \$ 68,931 | \$ 68,930 | \$ 61,002 | \$ (7,929) |
| Investment earnings | 99 | 99 | 926 | 827 |
| Total revenues | 69,030 | 69,030 | 61,928 | (7,102) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Street maintenance | - | - | - | - |
| Total expenditures | - | - | - | - |
| REVENUES OVER (UNDER) EXPENDITURES | 69,030 | 69,030 | 61,928 | (7,102) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | (69,030) | (69,030) | (46,069) | 22,961 |
| Total other financing sources (uses) | (69,030) | (69,030) | (46,069) | 22,961 |
| Net change in fund balances | - | - | 15,859 | 15,859 |
| FUND BALANCES: | | | | |
| Beginning of year | 30,927 | 30,927 | 30,927 | - |
| End of year | \$ 30,927 | \$ 30,927 | \$ 46,786 | \$ 15,859 |

City of Blue Lake, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
TDA Street Special Revenue Fund
For the year ended June 30, 2023

| | Budgeted Amounts | | Actual | Variance w/Final Positive (Negative) |
|-----------------------------------------------|------------------|-----------------|-----------------|--------------------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental revenues | \$ 28,098 | \$ 28,098 | \$ 28,098 | \$ - |
| Investment earnings | 10 | 10 | 137 | 127 |
| Total revenues | 28,108 | 28,108 | 28,235 | 127 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Street maintenance | - | - | - | - |
| Total expenditures | - | - | - | - |
| REVENUES OVER (UNDER) EXPENDITURES | 28,108 | 28,108 | 28,235 | 127 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | (28,108) | (28,108) | (18,722) | 9,386 |
| Total other financing sources (uses) | (28,108) | (28,108) | (18,722) | 9,386 |
| Net change in fund balances | - | - | 9,513 | 9,513 |
| FUND BALANCES: | | | | |
| Beginning of year | 11 | 11 | 11 | - |
| End of year | \$ 11 | \$ 11 | \$ 9,524 | \$ 9,513 |

City of Blue Lake, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

TDA Purchased Transportation Special Revenue Fund

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual | Variance w/Final Positive (Negative) |
|-----------------------------------------------|------------------|---------------|---------------|--------------------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental revenues | \$ 32,375 | \$ 32,375 | \$ 32,375 | \$ - |
| Investment earnings | - | - | - | - |
| Total revenues | 32,375 | 32,375 | 32,375 | - |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public transit | 32,375 | 32,375 | 32,375 | - |
| Capital outlay | - | - | - | - |
| Total expenditures | 32,375 | 32,375 | 32,375 | - |
| REVENUES OVER (UNDER) EXPENDITURES | | | | - |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balances | - | - | - | - |
| FUND BALANCES: | | | | |
| Beginning of year | 1,422 | 1,422 | 1,422 | - |
| End of year | \$ 1,422 | \$ 1,422 | \$ 1,422 | \$ - |

City of Blue Lake, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

AB-939 Solid Waste Reduction/ Recycling Special Revenue Fund

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual | Variance w/Final Positive (Negative) |
|-----------------------------------------------|------------------|---------------|---------------|--------------------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental revenues | \$ 32,748 | \$ 32,748 | \$ 33,386 | \$ 638 |
| Investment earnings | 56 | 56 | 564 | 508 |
| Total revenues | 32,804 | 32,804 | 33,950 | 1,146 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Recycling | 24,951 | 24,951 | 25,189 | 238 |
| Capital outlay | - | - | 3,465 | 3,465 |
| Total expenditures | 24,951 | 24,951 | 28,654 | 3,703 |
| REVENUES OVER (UNDER) EXPENDITURES | 7,853 | 7,853 | 5,296 | (2,557) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balances | 7,853 | 7,853 | 5,296 | (2,557) |
| Residual equity transfer in | | | | |
| FUND BALANCES: | | | | |
| Beginning of year | 20,788 | 20,788 | 20,788 | - |
| End of year | \$ 28,641 | \$ 28,641 | \$ 26,084 | \$ (2,557) |

City of Blue Lake, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Regional Surface Transportation Program Special Revenue Fund

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual | Variance w/Final Positive (Negative) |
|-----------------------------------------------|------------------|-----------------|-----------------|--------------------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental revenues | \$ 10,954 | \$ 22,183 | \$ 34,723 | \$ 12,540 |
| Investment earnings | - | 123 | 195 | 70 |
| Total revenues | 10,954 | 22,308 | 34,918 | 12,610 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Street maintenance | - | - | - | - |
| Total expenditures | - | - | - | - |
| REVENUES OVER (UNDER) EXPENDITURES | 10,954 | 22,308 | 34,918 | 12,610 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | | | | |
| Transfers out | \$ (10,954) | \$ (22,308) | (27,458) | (5,150) |
| Total other financing sources (uses) | (10,954) | (22,308) | (27,458) | (5,150) |
| Net change in fund balances | - | - | 7,460 | 7,460 |
| FUND BALANCES: | | | | |
| Beginning of year | | | | |
| End of year | | \$ - | \$ 7,460 | \$ 7,460 |

City of Blue Lake, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Recreation Economic Analysis Fund

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual | Variance w/Final Positive (Negative) |
|-----------------------------------------------|------------------|----------------|----------------|--------------------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental revenues | \$ 145,000 | \$ 145,000 | \$ 100,790 | \$ (44,210) |
| Investment earnings | - | - | - | - |
| Total revenues | 145,000 | 145,000 | 100,790 | (44,210) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Parks and recreation | 145,000 | 145,000 | 110,155 | 34,845 |
| Total expenditures | 145,000 | 145,000 | 110,155 | 34,845 |
| REVENUES OVER (UNDER) EXPENDITURES | - | - | (9,365) | (9,365) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balances | - | - | (9,365) | (9,365) |
| FUND BALANCES: | | | | |
| Beginning of year | (48,453) | (48,453) | (48,453) | - |
| End of year | (48,453) | (48,453) | (57,818) | (9,365) |

City of Blue Lake, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

American Rescue Plan - COVID Relief Fund

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual | Variance w/Final Positive (Negative) |
|-----------------------------------------------|------------------|----------------|----------------|--------------------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental revenues | \$ 168,915 | \$ 168,915 | \$ 148,915 | \$ (20,000) |
| Investment earnings | - | - | - | - |
| Total revenues | 168,915 | 168,915 | 148,915 | (20,000) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 168,915 | 168,915 | 86,709 | 82,206 |
| Capital outlay | - | - | 8,615 | (8,615) |
| Total expenditures | 168,915 | 168,915 | 95,324 | 73,591 |
| REVENUES OVER (UNDER) EXPENDITURES | | | 53,591 | 53,591 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balances | - | - | 53,591 | 53,591 |
| FUND BALANCES: | | | | |
| Beginning of year | 43,469 | 43,469 | 43,469 | - |
| End of year | \$ 43,469 | \$ 43,469 | \$ 97,060 | \$ 53,591 |

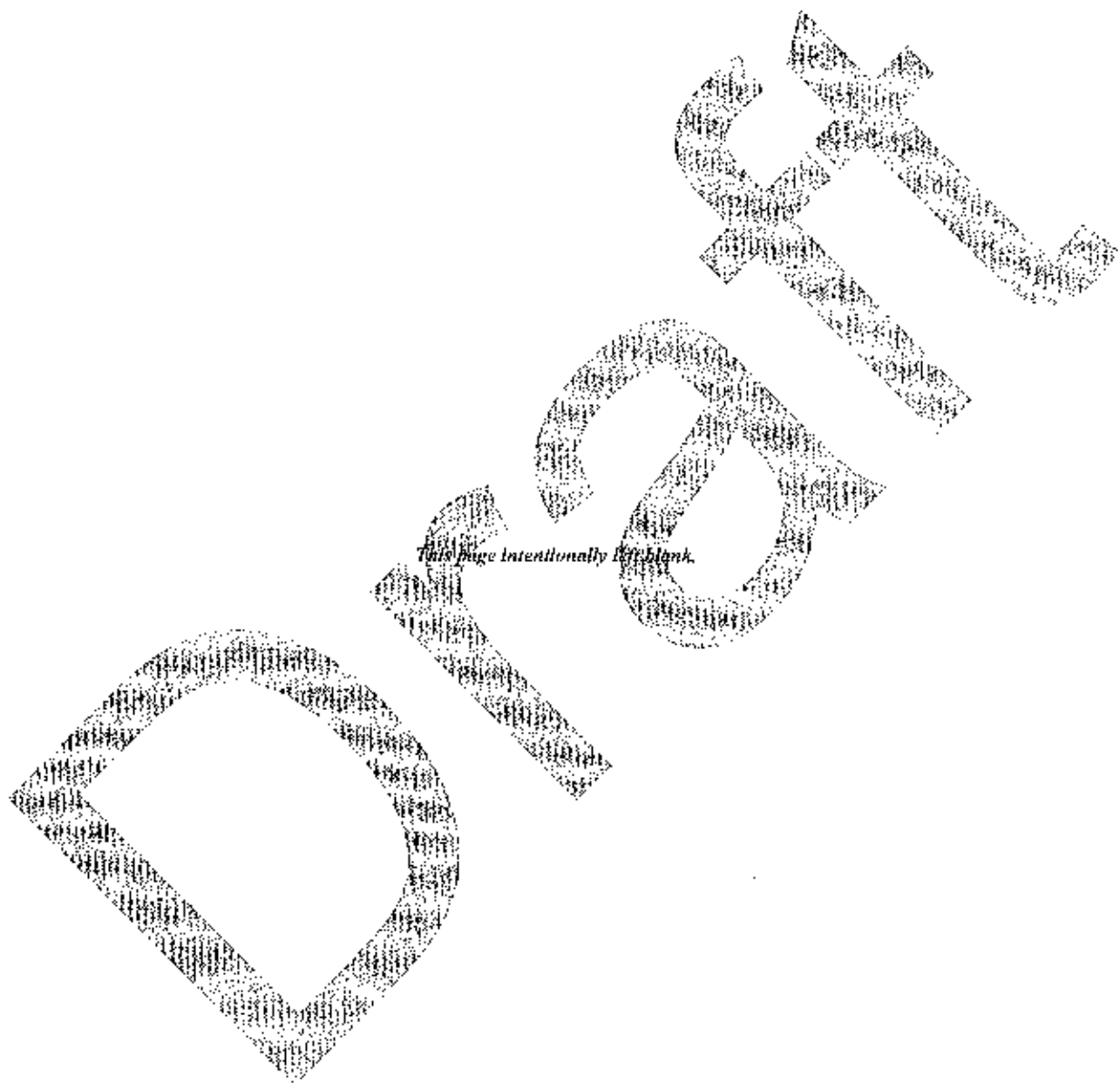
City of Blue Lake, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

State Park Per Capita Program Fund

For the year ended June 30, 2023

| | Budgeted Amounts | | Actual | Variance w/Final Positive (Negative) |
|-----------------------------------------------|------------------|----------------|------------------|--------------------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental revenues | \$ 168,178 | \$ 168,178 | \$ - | \$ (168,178) |
| Investment earnings | - | - | - | - |
| Total revenues | 168,178 | 168,178 | - | (168,178) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 168,178 | \$ 168,178 | - | 168,178 |
| Capital outlay | - | - | 139,860 | (139,860) |
| Total expenditures | 168,178 | 168,178 | 139,860 | 28,318 |
| REVENUES OVER (UNDER) EXPENDITURES | | | (139,860) | (139,860) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balances | - | - | (139,860) | (139,860) |
| FUND BALANCES: | | | | |
| Beginning of year | (9,707) | (9,707) | (9,707) | - |
| End of year | (9,707) | (9,707) | \$ (149,567) | \$ (139,860) |





JJACPA, Inc.

A Professional Accounting Services Corp.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

To the Honorable Mayor and City Council
of the City of Blue Lake
Blue Lake, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the City of Blue Lake, California (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated **October 17, 2024**.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be significant deficiencies. We did identify certain deficiencies in internal control, described in the separate Schedule of Findings and Responses as item 2023-001 that we consider to be a material weakness.

To the Honorable Mayor and City Council
of the City of Blue Lake
Blue Lake, California

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October 17, 2024

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA



City of Blue Lake

AGENDA REPORT

Item #: 7

Date: October 22, 2024

Item Subject: First Reading of an Ordinance of the City Council of the City of Blue Lake Adding Section 17.24.260 of Title 17 (Zoning) to Amend Section 17.24.260 of the Blue Lake Municipal Code-Adding Metal Roofing to the Design Standards

Submitted By: Mandy Mager, City Manager

General Information:

On September 16, 2024, the Blue Lake Planning Commission passed a resolution recommending the addition of metal roofing to the City's residential design standards. As metal roofing has become a regular and accepted roofing material, the Planning Commission and staff recommend this addition.

Background Material Provided: Planning Resolution

Fiscal Impact: N/A

Recommended Action: Conduct the first reading by title only.

Review Information:

City Manager Review: Legal Review: Planner Review: Engineer:

Comments:

RESOLUTION NO. 1-2024

**RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF BLUE LAKE
RECOMMENDING AMENDMENT OF SECTION 17.24.260 OF TITLE 17 (ZONING)
OF THE BLUE LAKE MUNICIPAL CODE**

WHEREAS, the Blue Lake Planning Commission has before it for consideration the project defined as amendment of the following Section of Title 17 (Zoning) of the Blue Lake Municipal Code, to wit:

- A. Amendment of Section 17.24.260, Development Standards, as set forth in Exhibit "A", attached hereto and made a part hereof; and,

WHEREAS, after due notice of public hearing, the matter came on for consideration before the Blue Lake Planning Commission at a regularly scheduled meeting on September 16, 2024; and

NOW, THEREFORE, be it resolved by the Planning Commission of the City of Blue Lake as follows:

1. The Planning Commission finds that the proposed amendments are determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines §15061(b)(3) (Common Sense Exemption).

2. The Planning Commission finds that the proposed Zoning Code amendment is consistent with the existing applicable general and specific plans.

3. Pursuant to Government Code Section 65855, the Planning Commission hereby recommends to the City Council that the following Section of Title 17 (Zoning) of the Blue Lake Municipal Code be amended as follows:

- A. Section 17.24.260, Development Standards, be amended to read as set forth in Exhibit "A", attached hereto and made a part hereof.

4. The reasons for this recommendation are set forth in the minutes of December 18th, 2023 and September 16, 2024 (Public Hearing), copies of which shall be transmitted to the Blue Lake City Council.

5. The Secretary of the Planning Commission is authorized and directed to transmit this resolution to the City Council of the City of Blue Lake.

INTRODUCED, PASSED, AND ADOPTED this 16th day of September 2024, by the following vote:

AYES: Pryor, Hogan, Cseh

NAYS: 0

RESOLUTION NO. 1-2024

ABSENT: Schang

ABSTAIN:



Chairman, Planning Commission,
City of Blue Lake

ATTEST:



Secretary, Planning Commission

EXHIBIT "A"
To Resolution 1-2024

§ 17.24.260. Development Standards.

- A. Any single-family home (including a manufactured home) constructed or placed within the City of Blue Lake in accordance with these provisions shall:
1. Have a minimum width of 20 feet.
 2. Have a roof with a pitch of not less than four-inch vertical rise for each 12 inches of horizontal run.
 3. Have a minimum six-inch roof overhang on all sides.
 4. Have an exterior siding composed of the following materials:
 - a. Plywood exterior paneling.
 - b. Masonry or concrete.
 - c. Stucco.
 - d. Any wood products including shingles, shakes, horizontal overlapping board or pressboard siding in widths of 12 inches or less.
 5. Have a roof composed of the following materials:
 - a. Interlocking roof tiles.
 - b. Composition shingles.
 - c. Wood.
 - d. Wood, asbestos, cement or slate shingles.
 - e. Metal roofing that is standing seam, concealed fastener, and has colors and/or textures that reduce glare/reflection.**
- B. The Planning Commission is empowered to allow a single-family home (including a manufactured home) to be constructed or placed within the City of Blue Lake with alternative reasonable development standards substituted for those set forth in this section, or to exempt such a home from the strict application of such development standards, upon a showing of good cause. A principal criterion for determining whether good cause exists for such exemption or substitution shall be compatibility with the neighborhood in which the structure is proposed to be constructed or placed. Application for such substitution of, or exemption from, these development standards shall be made to the Planning Commission, and appeal to the City Council from a decision of the Planning Commission may be taken, in accordance with the procedures set forth in Section 17.24.250, Site Plan Approval.



CITY OF BLUE LAKE

Post Office Box 458, 111 Greenwood Road, Blue Lake, CA 95525
Phone 707.668.5655 Fax 707.668.5916

NOTICE OF PUBLIC HEARING

Notice is hereby given that the City Council of the City of Blue Lake will conduct a Public Hearing on the following municipal code amendment at their regularly scheduled meeting of **October 22, 2024**.

Amendment of Municipal Code Section 17.24.260 (Development Standards) to allow metal as a roofing material on single-family residences subject to specific design criteria. The proposed design criteria states that the metal roofing material must be standing seam, concealed fastener, and have colors and/or textures that reduce glare/reflection. This code amendment would allow metal roofing materials that meet the specified design criteria to be allowed without requiring an exception from the Planning Commission pursuant to Municipal Code Section 17.24.260(B). The recommended environmental determination for the proposed code amendment is the common sense exemption pursuant to California Environmental Quality Act Guidelines Section 15061(b)(3), which applies where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

The proposed amendments are as recommended by the Planning Commission at its September meeting.

The City Council Meeting will be held at **6:30 P.M.** at the Skinner Store behind Blue Lake City Hall, 111 Greenwood Avenue, Tuesday October 22, 2024.

All interested parties are invited to attend.

This meeting will be held in person at the location listed above. The City will provide alternative methods of participation for the convenience of the public. However, the City does not guarantee that there will not be technological issues or interruptions. The public is hereby notified that if there is a technological issue with live video streaming of the meeting, the meeting will continue in person as scheduled. The public may access and participate in the public meeting using one or more of the following methods:

- A) **Zoom:** The meeting will be live streamed via Zoom (details below). The direct Zoom link will also be posted on the City of Blue Lake website (<https://bluelake.ca.gov/>).

During the meeting, public comment may be made by using the raise hand feature on Zoom.

Public input will be facilitated by Zoom at the following meeting link:
<https://us02web.zoom.us/j/89666557673?pwd=Px5gorvwe046atEyGaS6cmx1D>
RmX2ZG.1
Meeting ID: 896 6655 7673 Passcode: 818975

- B) **In-Writing:** Public comments may also be made in advance by submitting written comment via citymanager@bluelake.ca.gov or by filing it with the City Clerk at 111 Greenwood Road, Blue Lake, California, 95525. All public comments (via email or mail) must be received by the City Clerk prior to 4:30 p.m. the day of the meeting. Please identify the meeting date and agenda item to which your comment pertains in the subject line. Public comments, so received, will be forwarded to the City Council. Written public comments will not be read aloud during the meeting.

Please note that, pursuant to Section 65009 of the Government Code, as amended: if you challenge City action on the above municipal code amendment in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Blue Lake City Council at or prior to the public hearing. If the City Council continues the public hearing described in this notice, this will continue the opportunity for public comment on the above municipal code amendment.

Documents relating to the above projects are available for review on the City's website (<http://bluelake.ca.gov>) and at the City Clerk's office, 111 Greenwood Avenue, Blue Lake, CA, weekdays, 9:00 a.m. to noon, and 1:00 p.m. to 4:00 p.m.

October 11, 2024

ORDINANCE NO. 2024-544

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BLUE LAKE
AMENDING SECTION 17.24.260 OF TITLE 17 (ZONING) OF THE BLUE LAKE
MUNICIPAL CODE AND DETERMINING THE ADOPTION OF THE
ORDINANCE TO BE EXEMPT FROM CEQA**

WHEREAS, the City of Blue Lake, California (City) is a municipal corporation, duly organized under the constitution and laws of the State of California; and

WHEREAS, California Government Code Section 65850 *et seq.* authorizes cities to regulate land use, and to adopt and amend zoning and building Ordinances for such purposes, and sets forth procedures governing the adoption and amendment of such Ordinances; and

WHEREAS, pursuant to Chapter 17.28 of Title 17 of the Blue Lake Municipal Code (the "Code") an amendment to the Title 17 may be initiated by the Blue Lake Planning Commission, which shall provide a written recommendation on the proposed amendment to the City Council following a noticed public hearing; and

WHEREAS, at a noticed public hearing of the Planning Commission on September 16, 2024, the Planning Commission adopted Resolution No. 1-2024, recommending that the City Council amend Section 17.24.260 of the Code as set forth in Exhibit A to Resolution No. 1-2024;

WHEREAS, on _____, the City caused to be published in the _____, a newspaper of general circulation in the City of Blue Lake, a Notice of Public Hearing on the proposed Ordinance; further, the City published a Notice of Public Hearing on the proposed amendment on its website at <https://bluelake.ca.gov/>, and posted the same Notice of Public Hearing in three public places in accordance with Section 17.28.010 of the Code; and said notices specify the availability of the Ordinance and the date, time, and location of the public hearing on this Ordinance; and

WHEREAS, the City Council has considered the staff report, supporting documents, public testimony, the recommendation of the Planning Commission, and all appropriate information that has been submitted with this Ordinance; and

WHEREAS, adoption of this Ordinance is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3), the "General Rule", which states that a project is exempt from CEQA where it can be seen with certainty that there is no possibility that the project would have a significant effect on the environment; and

WHEREAS, all legal prerequisites to the adoption of the Ordinance have occurred.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLUE LAKE, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Recitals. Each fact set forth in the recitals above is true and correct, and incorporated herein by reference.

Section 2. CEQA. Adoption of this Ordinance is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3), the "General Rule", which states that a project is exempt from CEQA where it can be seen with certainty that there is no possibility that the project would have a significant effect on the environment. The City Council hereby directs staff to prepare, execute, and file with the Humboldt County Clerk a notice of exemption within five (5) working days of the adoption of this Ordinance.

Section 3. General Plan. Based on the entire record before the City Council, and all written and oral evidence presented, the City Council hereby finds that this Ordinance's amendments to the Blue Lake Municipal Code are consistent with the City's adopted General Plan.

Section 4. Zoning Ordinance Amendment. The following section(s) of Title 17 of the Blue Lake Municipal Code are hereby amended by this Ordinance as set forth in *Exhibit A*, attached hereto and incorporated herein by reference:

- 17.24.260 Development Standards

Without modifying the substance, following approval of this Ordinance, the City Clerk shall cause the amendments to the above-listed sections to be consistent in form and style with the Title 17 of the Blue Lake Municipal Code.

Section 4. Effective Date. The effective date of this Ordinance is thirty (30) days after its adoption of the City Council.

Section 5. Severability. If any provision of this Ordinance or its application to any person or circumstance is held to be invalid, such invalidity has no effect on the other provisions or applications of the Ordinance that can be given effect without the invalid provision or application, and to this extent, the provisions of this resolution are severable. The City Council declares that it would have adopted this Ordinance irrespective of the invalidity of any portion thereof.

INTRODUCED and FIRST READING CONDUCTED at a regular meeting of the City Council of the City of Blue Lake, California, on this ____ day of _____, by the following ROLL CALL vote of the City Council:

AYRS:

NOES:

ABSTAIN:

ABSENT:

Adelene Jones, Mayor

Attest:

Anali Gonzalez, City Clerk

SECOND READING CONDUCTED, PASSED, and ADOPTED at a regular meeting of the City Council of the City of Blue Lake, California, on this ____ day of _____, by the following ROLL CALL vote of the City Council:

AYES:

NOES:

ABSTAIN:

ABSENT:

Adelene Jones, Mayor

Attest:

Anali Gonzalez, City Clerk

EXHIBIT "A"

Notes:

1. Proposed amendments are shown in underlined-bold text for additions and ~~strike through~~ text for deletions.
2. All sub-sections not included in the below referenced Sections shall continue in full force, unamended by this Ordinance.

End Notes

Title 17 Zoning

Chapter 17.24 General Provisions and Exceptions

17.24.260. Development Standards.

- A. Any single-family home (including a manufactured home) constructed or placed within the City of Blue Lake in accordance with these provisions shall:
1. Have **a** minimum width of 20 feet.
 2. Have a roof with a pitch of not less than four-inch vertical rise for each 12 inches of horizontal run.
 3. Have a minimum six-inch roof overhang on all sides.
 4. Have an exterior siding composed of the following materials:
 - a. Plywood exterior paneling
 - b. Masonry or Concrete
 - c. Stucco
 - d. Any wood products including shingles, shakes, horizontal overlapping board or pressboard siding in widths of 12 inches or less.
 5. Have a roof composed of the following materials:
 - a. Interlocking roof tiles
 - b. Composition shingles
 - c. Wood
 - d. Wood, asbestos, cement or slate shingles.
 - e. **Metal roofing that is standing seam, concealed fastener, and has colors and/or textures that reduce glare/reflection.**
- B. The Planning Commission is empowered to allow a single-family home (including a manufactured home) to be constructed or placed within the City of Blue Lake with alternative reasonable development standards substituted for those set forth in this section, or to exempt such a home from the strict applications of such development standards, upon a showing of good cause. A principal criterion for determining whether good cause exists for such exemption or substitution shall be compatibility with the neighborhood in which the structure is proposed to be constructed or placed. Applications for such substitution of, or exemption from, **these** development standards shall be made to the Planning Commission, and appeal to the City Council from a decision of the Planning Commission may be taken, in accordance with the procedures set forth in Section 17.24.250, Site Plan Approval.



City of Blue Lake

AGENDA REPORT

Item #: 8

Date: October 22, 2024

Item Subject: Discussion Regarding Law Enforcement Services and Opportunities to Partner with the City of Ferndale and the City of Trinidad

Submitted By: Mandy Mager, City Manager

General Information:

As part of the Sheriff contract negotiations, several issues were brought up concerning liability, future cost increases and current and future service levels. Due to the County's position change regarding indemnification, the City's risk managers have expressed concern regarding the current contract, as well as future contract negotiations.

City staff, as well as our partners at CIRA (risk managers), have continued to look for viable options for the City and have begun discussions regarding opportunities to collaborate with the City of Ferndale, the City of Trinidad and CIRA to provide law enforcement services that better meet the needs of the community.

Recently, I met with the Managers of Ferndale and Trinidad, the Chief of Police for Ferndale and our risk manager, to tour Ferndale's police department and to begin discussions on options and opportunities. At this time, there seems to be two options that could be simultaneously pursued and vetted; this includes directly contracting with Ferndale for services and the development of a Joint Powers Authority to encompass a wider array of services that could be made available through our relationship with CIRA.

At this time, I am recommending that the City authorize staff to pursue the development of both options and to bring back periodic reports on the progress. CIRA is committed to providing resources to aid in the development and vetting of reasonable options and solutions.

Background Material Provided: Staff Report from Erike Young, CIRA

Fiscal Impact: N/A

Recommended Action: Authorize staff to continue discussions and provide recommendations for Council review.

Review Information:

City Manager Review: Legal Review: Planner Review: Engineer:

Summary Report Provided by Erike Young-CIRA Director

Summary:

Of the six municipal members in Humboldt County, four have their own police departments (Arcata, Eureka, Ferndale, and Fortuna), with the other two contracting for law enforcement services with the Humboldt County Sheriff's Office (Blue Lake and Trinidad). In the most recent contract with the Sheriff's Office, the County modified the indemnity language and now requires that the Cities indemnify the County for law enforcement services. This is a significant change that not only impacts the individual members but has the potential to increase the potential liability for all CIRA members. CIRA staff has been working with Blue Lake and Trinidad to find alternatives to contracting with the County and has identified two possible solutions that would involve the City of Ferndale providing services either through a direct contract or the formation of a law enforcement joint powers authority (JPA). Staff has conducted an analysis of both options, as well as providing further background information.

Background:

Over the last fifteen years, the City of Blue Lake and Trinidad have contracted for law enforcement services with the Humboldt County Sheriff's Office. Originally, these contracts included regular patrol services with minimum hours that would be provided. The contracts also included language in which the County would indemnify and defend the City for claims involving the law enforcement services provided. This essentially means that if the City was sued due to a claim of excessive force by a deputy, the County would defend and indemnify the City. This is the standard language that we have seen for all counties which provide contracted law enforcement services to a municipality.

Over the years, due to budget and staffing constraints, the Humboldt County Sheriff's Office has made changes to the contract. The initial changes made in 2018, were moving from dedicated officers and minimum patrol hours to now only providing law enforcement response when called. In the most recent contract update for FY 2025, the Sheriff's office made a significant change to the indemnification language. The new contract requires the cities contracting for law enforcement services to indemnify and defend the County.

The effect of this change is that a contracted City (Blue Lake or Trinidad), would now be required to pay for the defense and any liability costs involving a deputy who used excessive force when responding to a call within the City's jurisdiction. The potential liability costs to the City and CIRA are significant and would impact the other CIRA members through increased excess liability costs. The indemnity language does include a provision that the City would not be responsible for claims involving the "sole or active negligence" of the County, which we would believe most claims would fall under; however,

the member City and CIRA would still have to pay the cost to defend that argument. In addition to the liability concerns, the current contract is only for one year, and the expectation is that the costs of those services will increase significantly when the contract expires.

Potential Solutions

Working with the members in the area, two possible solutions have been identified that would involve the City of Ferndale providing services either through a direct contract or the formation of a law enforcement joint powers authority (JPA). Having Blue Lake and Trinidad form their own police department was also considered, but deemed not feasible at this time due to costs and infrastructure needed. It should also be noted that the City of Arcata was approached due to their proximity to Trinidad and Blue Lake, but they are not structured to provide on-going law enforcement services for rural operations.

Option 1-Direct Contract with Ferndale for LE Services

As the City of Ferndale has an active and well trained police department, and is willing and able to provide law enforcement services to Blue Lake and Trinidad, a direct contract would be the easiest option to implement. A direct contract would be similar to the contract Blue Lake and Trinidad have with the Sheriff's department; however, the City of Ferndale would indemnify those receiving services. The proposed service model being discussed would include having dedicated resident officers provide regular patrol services for the City, similar to a school resource officer (SRO) program. Those receiving services would pay the fully loaded cost of the officers, including employee benefits and general liability and workers' compensation insurance costs. Those receiving services would also be responsible for equipment and infrastructure costs, such as vehicles, radios, and uniforms.

Option 2 – Formation of a Law Enforcement JPA

The proposed service model of providing dedicated resident officers provide regular patrol services would not change, but the governance and potential liability to the members would shift to a newly formed law enforcement joint powers authority. Under this option, all parties involved would be members of the Law Enforcement JPA and would be governed by a Board of Directors appointed by the member agencies. The City of Ferndale would be the lead agency providing law enforcement services, with the Police Chief operating as the police chief for the JPA. While the officers would be employees of the City of Ferndale, all of the employment costs and potential liabilities would be the responsibility of the JPA.

The JPA would obtain workers' compensation and general liability coverage, as well as other required insurance coverages, and would agree to indemnify and hold harmless the participating members. The formation of the JPA would also allow the operations to grow and contract, based on the needs of its members. It could also expand beyond the three parties being discussed.

The formation of a LE JPA would require that all parties sign a JPA agreement that would outline the services and responsibilities of the Authority. CIRA staff has identified an existing law enforcement JPA that could be used as a model in crafting a JPA agreement.

Recommendation:

Although the options have been presented as one or the other, CIRA Staff recommends that the options be considered in phases. As the current option provides for a direct contract for services, this should be considered "Phase 1" and allow the contracting member agencies to work on any service delivery issues, while also addressing the increased liability concerns with contracting with the County Sheriff.

A sample contract has already been developed and can be utilized as a basis for discussions to begin providing services within the next several months. The formation of a law enforcement JPA should be the longer-term goal and part of Phase 2. The JPA will require that all governing bodies of the member agencies agree upon a JPA agreement, which may take some time. Allowing members to directly contract for services while issues are being worked out will also help identify any operational issues that should be included in a final JPA agreement.

Once formed, the JPA would also need to obtain insurance coverages. While all member agencies are members of CIRA, the CIRA Board of Directors would also need to approve the application of the newly formed JPA.

Finally, if there is interest in forming a law enforcement JPA, there needs to be "buy in" from the respective governing bodies to move the discussions forward. CIRA staff recommends that an MOU be drafted that would identify the JPA formation process, who would be involved, and how costs associated with the development would be allocated, among other issues. CIRA staff has offered to assist in moving the process forward and can help address any liability concerns raised by the members.



City of Blue Lake

AGENDA REPORT

Item #: 9
Date: October 22, 2024
Item Subject: Council Liaison and Committee Assignments
Submitted By: Mandy Mager, City Manager

General Information:

At the last City Council meeting, the Council requested an agenda item to discuss current Council assignments and to consider reassigning positions as warranted.

Background Material Provided: City Council Assignment Matrix

Fiscal Impact: N/A

Recommended Action: Council to reassign positions as warranted.

Review Information:

City Manager Review: Legal Review: Planner Review: Engineer:

Comments:

**City of Blue Lake
City Council Assignments-2024**

| Agency | Meeting Day/Time | Adelene | Angela | Elizabeth | Elise | Chris |
|----------------------------------------------------------------------------------------------|-----------------------------------------------------|---------|--------|-----------|-------|-------|
| RREDC - Redwood Regional Economic Development - 520 E St. Eureka | 4th Monday @ 6:30 pm 445-9652 | | P | | | A |
| HCAOG - Humboldt County Association of Governments - 2nd Floor Eureka City Hall | 3rd Thursday @ 4:00 pm 444-8208 | P | A | | | |
| HWMA - Humboldt Waste Management Authority - 2nd Floor Eureka City Hall | 2nd Thursday @ 5:30 pm 268-8680 | P | | | | A |
| Indian Gaming Grant Funds Commission - County Building - BL Rancheria Liaison | As Needed | | | | A | P |
| Water Task Force (HBMWD) - Humboldt Bay Municipal Water District - 828 7th St. Eureka | As Needed 443-5018 | | | A | P | |
| RCEA - Redwood Coast Energy Authority - 517 15th Street, Eureka | 3rd Monday @ 3:30 pm 269-1700 | | A | | P | |
| Blue Lake Chamber of Commerce Liaison | 2nd Monday @ 5:30 p.m. at Skinner Store | | P | A | | |
| BL Public Safety Commission - Sheriff's Department Liaison | 1st Monday @ 6:00 p.m. at Skinner Store | | | | A | P |
| BL Fire Department Liaison | 3rd Monday @ 6:30 p.m. | | A | | | P |
| BL Parks and Recreation Commission Liaison - Skinner Store | 1st Wednesday @ 6:30 p.m. at Skinner Store | | | | P | A |
| BL Economic Development Commission Liaison | 2nd Tuesday @ 4:30 p.m. @ Skinner Store | A | | P | | |
| Mad River Alliance | Quarterly | | P | A | | |
| League of CA Cities | Quarterly | | A | P | | |
| Mayor Select Committee | As Needed | P | A | | | |
| Arts and Heritage Commission | 2nd Monday at 6:30 PM at Skinner Store or City Hall | A | | P | | |

Mayor: Adelene Jones
Mayor Pro-Tem: Angela Shull



City of Blue Lake

October 22, 2024

Regular Council Meeting

Council Correspondence





133 V Street
Eureka, CA 95501

A Public Entity Serving Humboldt County Since 1975

Office: (707) 443-0826
Fax: (707) 443-2032
www.hta.org

Important Update: Fare Consolidation Across All Routes

RECEIVED
OCT 04 2024

Dear Valued Riders,

We are excited to announce an important update aimed at making your experience using public transit even more convenient! Starting November 1, 2024, we will be consolidating our fares across all our transit services. This initiative is designed to streamline fare structures, simplify payments, and provide more consistent pricing across all regions. This change does not apply to Dial-a-Ride or Flex Microtransit.

New Fare Structure:

We've made it simpler to choose the fare that works best for you. The following fares will apply across all our fixed route bus service:

- **Single Ride:** \$2 regular, \$1 reduced fare with stored value card
- **Tap to Pay:** \$2 for 2 hours. Free transfers on all system for a 2-hour period
 - Must use a contactless-enabled Visa or Mastercard.
- **Day Pass:** \$5 (unlimited rides for the day)
- **Week (7-Day) Pass:** \$15 (unlimited rides for 7 days)
- **Month (31-Day) Pass:** \$50 (unlimited rides for 31 days)

What does this mean for you?

1. **Unified Fare Across All Services:** Whether you're riding to Eureka, Willow Creek, or Ukiah the same fare structure will apply.
2. **Convenient Options:** Choose from a range of passes that suit your individual needs—whether it's a one-time trip or unlimited rides over a longer period.
3. **Seamless Transfers:** When using a day, week, or month pass transferring between different routes will be easier than ever and will not require an additional fare.

Benefits to You:

- **Savings and Flexibility:** For frequent travelers, passes like the Day, Week, and Month options offer significant savings and convenience.
- **Simplicity:** You no longer have to worry about different fares for different services. A single fare system now covers all of our routes.



133 V Street
Eureka, CA 95501

A Public Entity Serving Humboldt County Since 1975

Office: (707) 443-0826
Fax: (707) 443-2032
www.hta.org

- **Faster Service:** The simplified fare structure will help reduce boarding times and make the entire transit system more efficient.

What Should You Do Next?

1. **Select Your Fare Option:** Decide whether a cash fare, tap to pay, Token Transit phone app, or a pass best suits your commuting habits.
2. **Keep Using Your Current Passes:** If you have any passes from before this change, they will work on all routes.
3. **Learn More:** Visit Hta.org for more details about the new fare structure.

We're confident that this change will make your travel experience smoother, more affordable, and easier to navigate. We look forward to serving you under this streamlined fare system!

Thank you for your continued support and we look forward to seeing you on board!

Sincerely,
Greg Pratt
General Manager
Humboldt Transit Authority
(707)443-0826

City of Blue Lake

October 22, 2024

Regular Council Meeting

Consent Agenda Items:

a. Meeting Minutes:

- August 27, 2024

b. Warrants and Disbursements

c. California Retired Teachers Week
Proclamation



(707) 668-5655
Fax: (707) 668-5916
www.bluelake.ca.gov



CITY OF BLUE LAKE
CALIFORNIA

111 Greenwood Road
P.O. Box 458
Blue Lake, CA 95525

Blue Lake City Council Minutes

Tuesday, August 27, 2024 6:30 p.m. ~ Regular Council Meeting
Skinner Store Building ~ 111 Greenwood Rd., Blue Lake ~ Behind City Hall

1. Call to Order: 6:30 p.m.

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

Councilmembers Present:

Adelene Jone- Mayor
Angela Shull- Mayor Pro Tem
Christopher Edgar
Elise Scafani

Staff Present:

Amanda Mager- City Manager
Anali Gonzalez- City Clerk
Tonic Quigley- Office Assistant
Mike Forget- SHN Engineer
Garry Rees- SHN Planner

Public Present: Mike Forget, Erin McClure, Jean Lynch, John Sawaski, Kent Sawatsky, Mardi Grainger, Lisa Hoover, Kat Napier, Garry Rees, two unknown females, Michelle Lewis-Lusso, Justin Goad.

3. Moment of Silence for long-time resident Nancy Brunson and Mark Allen Whitman.

4. Approval of Agenda

Motion: To approve agenda as delivered.

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

Public Comment: none

There were no comments from the Council

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

Motion Summary: Motion Passed

5. Public Comment:

Kent Sawasky: not supporting measure O. No on O. Water Tank got on agenda. Went up to tank, SHN there w/out permission. Property should be assessed as residential.

Kat Napier: looked along Greenwood. Some damage there due to negligence. Listed all addresses and damage at each address. Suggested preventative measures.

Julie Christie: busy meeting last night at Skinner store. Good example of community. Kids did good at the

fair. Agree with other speakers.

Erin McClure: made an offer, was turned down. Taking control of gate, using my own lock. Public Works can call me to open the gate. SHN digging hole, called city attorney, told me to tell them to leave. They did. I will be managing the property.

Mayor Jones addresses Erin McClure public comment. Her understanding was that SHN was collecting soil samples and had previously arranged and agreed upon. No large drilling was done. Asks staff to respond.

Mike Foget: Explained why SHN was at tank drilling. Core sampling. Apologized that they did not give proper notification. Geotechnical boring.

City Manager Mager: Geotech work was scheduled months ago, and the crew did not know the requirement to contact property owner. The city takes full responsibility for lack of proper notification, won't happen again. Explains this is an active negotiation and deferring communication between property owner Erin McClure and City Manager through the City Attorney Ryan is best. City Attorney is very responsive to property owner Erin McClure.

Public Comment Closed.

6. City of Blue Lake Commission Appointments – Discussion

The City of Blue Lake has received applications for open positions on the Parks and Recreation Commission, the Planning Commission, and the Arts and Heritage Commission. Jeff Byrd has applied for the Parks and Recreation position and Elaine Hogan and Mathew Schang are reapplying for the open seats on the Planning Commission. Former council member Elizabeth Mackay applied for the Arts and Heritage commission.

Jeff Byrd has served as a Parks Commissioner in the past years. Elaine Hogan is a former Councilmember and current member of the Planning commission; Mathew Schang is also currently serving on the Planning Commission. Elizabeth Mackay is a former Councilmember. All four applicants have been active commission participants and have demonstrated knowledge in their areas of application.

Council Discussion:

Councilmember Edgar: Asks about any overlapping in commission application.

City manager Mager: no and most of the commission applications are reupping their term.

Councilmember Scafani- Expresses concern over Mathew Schang's residence and proposes to hold Mr. Schang's application until the concern can be clarified. States Mr. Schang does not currently live in Blue Lake. Reached out to Mathew Schang today and has not heard back.

Mayor Jones: States Mr. Schang lists an address in Blue Lake on his application.

City Manager Mager: The City has not received notification that Mr. Schang has moved outside the city limits.

Councilmember Scafani: would like to appoint all applicants other than Mathew Schang's application.

Proposes to hold application until next month once the concern regarding his residence is clarified by Mr. Schang.

Public Comment:

Jean Lynch: Planning commission very important. Only met 3 times this year. Not due to quorum, but lack of projects. It is important that the public have input. Like applicants present.

Kent Sawasky: applicants not in room, no heart in the role. Stated that he has residents in all parts of Humboldt County, including Hoopa. Like to have people here in the room. The planning commission should be working on other projects.

Julie Christie: encourage applicants to be there. Important. Commented on Elaine, since she is part of Great Redwood Trail.

Public Comment Closed.

Mayor Jones and Mayor Pro Tem Shull discuss the topic of making it a requirement for commissioner applicants to attend the council meeting for appointment. This will allow the applicant to give a statement

and advocate for the position they're applying for.

Mayor Pro Tem Shull: States she would like to give Mr. Schang the benefit of the doubt that their residence still is in Blue Lake and would not like to exclude his application. Mr. Schang is already on the Planning commission and there is no indication he has moved out of his residence.

Mayor Pro Tem Shull: motions to appoint all the applicants to their respective commission.

Mayor Jones seconds the motion to appoint all the applicants to their respective commission.

- Jeff Byrd was appointed to the Parks and Recreation Commission.
- Elaine Hogan was appointed to the Planning Commission.
- Mathew Schang was appointed to the Planning Commission.
- Elizabeth Mackay was appointed to the Arts and Heritage commission.

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

Motion Summary: Motion Passed

7. City of Blue Lake Economic Development Administration Grant Presentation

The City received funding from Economic Development Administration under the 2019 Disaster Recovery Program to analyze economic opportunities in the City of Blue Lake with a focus on recreation investment.

The City was funded to analyze the development of an RV park and campground, along with support businesses that could be viable in the event that the RV park and campground was deemed feasible.

The City has completed a multi-year assessment, which included numerous meetings with community members, local and regional investors, industry leaders, Blue Lake Commissions, and local business operators. The City hired Storyland Studios to conduct the analysis, facilitate the outreach and to develop the project proformas and architectural renderings.

Storyland Studios has finalized the development analysis and staff will present the results of the study, along with conceptual drawings reflecting future investment concepts.

No action required: staff is presenting the results of the project and will be closing out the grant as all grant objectives have been met.

Public Comment:

Lisa Hoover: last council meeting, circulation not updated as part of general plan, main traffic, land use, like to see circulation element on next agenda.

Kent Sawatzky: I wish we had this type of presentation at the end of meeting. The concept is pipedream.

Stop wasting time on big projects, focus on smaller projects.

Julie Christie: commented on her concerns

John Sawatzky: think great concepts, feel we need to develop the city at same time.

Garry Reese: met with Lisa Hoover during office hours. Went over some of the work that was done under the Strategic Growth Council Grant. Lisa was kind enough to review the draft circulation element, and this is where her knowledge is coming from. I would like to give her credit for taking a look at that.

8. Adopt and Paint a Fire Hydrant Program

The Arts and Heritage Commission, in partnership with the Blue Lake Volunteer Fire Department, has developed a project that will bring art into our community, while at the same time updating our fire hydrant infrastructure.

The proposed "Adopt and Paint a Fire Hydrant" Program will solicit community artists to adopt a local fire hydrant for painting and it is proposed that the hydrants be painted on a designated date. This will create an opportunity for the City to host an "art day" that will encourage community participation on many levels.

The Arts and Heritage Commission is asking for Council's authorization to release the project by purchasing the paint for the hydrants and marketing and organizing the event. This will be done in coordination with the

Arts and Heritage Commissioners, along with the Blue Lake Volunteer Fire Department.

Fiscal Impact: The City is required to paint and maintain our fire hydrants and as such, the purchase of the paint for the project is an allowable expense. The estimated budget is \$250.00 overall not per hydrant.

Motion: to authorize the Arts and Heritage Commission and City staff to coordinate the Adopt and Paint a Fire Hydrant Project as described in project proposal.

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

Public Comment: Julie Christie: thank you for making no motion before letting the public speak.

Downtown should be downtown

John Sawatzky: I like the idea, sounds like fun.

Public comment closed. Back to council for the vote.

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

Motion Summary: Motion Passed

9. Announcement of Council Vacancy Process and Application Submission Deadline

Due to a Council resignation, the Blue Lake City Council has a vacancy for a two-year term seat. At the Special Council meeting on August 16, 2024, the Council directed staff to advertise the vacancy and bring back applications for review and consideration at the regular Council meeting in September.

In compliance with Government Code Section 36512 (B) the City Council will be accepting applications for appointments through the September 27, 2024, 4pm deadline. Appointment consideration will take place at a special Council meeting on October 8, 2024.

Public Comment: No public comment

10. Council Correspondence

11. Consent Agenda:

Motion by: Councilmember Scafani to pull July warrants and disbursements and conflict waiver and memorandum of agreement authorization.

a. June 25, 2024, City Council Meeting Minutes

Motion: To approve June 25, 2024, City Council meeting minutes.

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

Public Comment: none

There were no comments from the Council

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

Motion Summary: Motion Passed

b. July Warrants and Disbursements

Councilmember Edgar recuses himself from the July Warrants and Disbursements.

Motion: To approve July warrants and disbursements.

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

Public Comment: Kent Sawaski: commented on warrants

Julie Christie: commented on warrants and disbursements

Council discussion: Councilmember Scafani inquires about Wildland Operators check #12203 for \$11,475.00.

City Manager Mager: Wildland Operators is building the bike park. Reimbursement check for materials, fuel, and equipment.

Vote: Ayes: Jones, Shull, Scafani **Nays:** None **Recused:** Edgar

Motion Summary: Motion Passed

c. Conflict Waiver and Authorization to Enter into a MOU with Fieldbrook Community Services.

Motion: To Accept the conflict waiver and direct City Attorney, in consultation with the City Manager , to develop an agreement with the Fieldbrook CSD for services associated with the monitoring of the Fieldbrook CSD's wastewater station and authorize the City Manager to execute the agreement upon the final recommendation by the City Attorney.

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

Public Comment:

Lori Ponte: problem with Chris setting it in motion. What is reimbursement to city?

Julie Christie: needs to be incentive to the city to take this on. Needs to come back to council with written MOU

Kent Sawatzky: good to partner with Fieldbrook

John Sawatzky: think it would be wise to see MOU for approval

Motion amended: to accept the conflict waiver and direct City Attorney, in consultation with the City Manager , to develop an agreement with the Fieldbrook CSD for services associated with the monitoring of the Fieldbrook CSD's wastewater station and authorize the City Manager to execute the agreement upon the final recommendation by the City Attorney. The final MOU brought back to the next regularly scheduled City Council meeting for final approval.

Motion by: Councilmember Shull, **Second amended:** Councilmember Edgar

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

Motion Summary: Motion Passed

12. Reports of Council and Staff

a. Managers' Report

b. Financial Report

c. The Council reports back on meetings they have attended for the month of August.

Public Comment:

Lori: understand trying to help property owners out, but where in the budget does that money come in, and is it property that the city really will benefit from.

Kent Sawatzky: commented on city managers report

13. Future Agenda Items

- Detailed Financial Report
- MOU- Fieldbrook

14. Adjournment

Motion: To adjourn the meeting at 9:10 pm.

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

Public Comment: none

There were no comments from the Council

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

Motion Summary: Motion Passed

Clerks Name

City Clerk, City of Blue Lake

City of Blue Lake
Check/Voucher Register - City Council Check Report
From 9/1/2024 Through 9/30/2024

| <u>Check Number</u> | <u>Check Date</u> | <u>Payee</u> | <u>Check Description</u> | <u>Check Amount</u> |
|---------------------|-------------------|--------------------------------|---------------------------------------------|---------------------|
| 12292 | 9/6/2024 | Daniel L. Dimick | Employee: dimickd; Pay Date: 9/6/2024 | 788.12 |
| 12293 | 9/6/2024 | Liesl A. Finkler | Employee: finklerl; Pay Date: 9/6/2024 | 317.56 |
| 12294 | 9/6/2024 | Vicki J. Hutton | Employee: huttonv; Pay Date: 9/6/2024 | 1,434.32 |
| 12295 | 9/6/2024 | Sophia G. Mayr | Employee: mayrs; Pay Date: 9/6/2024 | 149.39 |
| 12296 | 9/6/2024 | Knuter L. Nicholfs | Employee: nicholfsk; Pay Date: 9/6/2024 | 230.77 |
| 12297 | 9/6/2024 | Almquist Lumber Co. | 8/11/24 Statement | 81.33 |
| 12298 | 9/6/2024 | Arcata Stationers | 9/2/24 Statement | 78.00 |
| 12299 | 9/6/2024 | AT&T | 2- 8/20/24 statements | 63.14 |
| 12300 | 9/6/2024 | Coastal Business Systems Inc. | 8/27/24 Inv #37317117 | 443.11 |
| 12301 | 9/6/2024 | Christopher B. Edgar | WW Treatment Seminar 9/15/24-9/19/24- Edgar | 922.62 |
| 12302 | 9/6/2024 | CIRA | INV-2366 FY 24/25 | 1,763.60 |
| 12303 | 9/6/2024 | Don's Rent-All, Inc. | Statement 9/3/24 | 291.69 |
| 12304 | 9/6/2024 | Daniel Dimick | 8/28/24 Supply & Tee Reimb-Dimick | 300.00 |
| 12305 | 9/6/2024 | D & R Janitorial Service | Statement 8/30/2024 | 425.00 |
| 12306 | 9/6/2024 | Dazey's Arcata | Statement 8/31/2024 | 48.03 |
| 12307 | 9/6/2024 | Liesl Finkler | 9/3/24 Supply Reimb -Finkler | 14.61 |
| 12308 | 9/6/2024 | G.L.J. Construction | 8/21/24 Inv# 398 | 384.03 |
| 12309 | 9/6/2024 | Hinderliter, de Lamas & Assoc | 8/16/2024 Inv# SIN041894 | 68.07 |
| 12310 | 9/6/2024 | Humb. Bay Municipal Water Dist | Billing Period Aug 1-30,2024 | 17,674.53 |
| 12311 | 9/6/2024 | Humboldt Co. Sheriff's Office | Sept 2024 Animal Shelter Services | 748.00 |
| 12312 | 9/6/2024 | Humboldt County Public Works | 6/30/24 Bill No: 12658 | 1,098.00 |
| 12313 | 9/6/2024 | Local Mow Man | 9/1/2024 Inv# 13567 | 301.00 |
| 12314 | 9/6/2024 | Miller Farms Nursery, Inc. | 8/31/24 Statement | 111.98 |
| 12315 | 9/6/2024 | The Mill Yard | 8/31/2024 Statement | 12.97 |
| 12316 | 9/6/2024 | McKinleyville Ace Hardware | 8/31/2024 Statement | 307.08 |
| 12317 | 9/6/2024 | Pierson Building Center | 8/31/24 Statement | 134.14 |
| 12318 | 9/6/2024 | LCC-Redwood Empire Division | LCC-RED Meeting 9/13/24 -Jones | 60.00 |
| 12319 | 9/6/2024 | SHN Consulting | 8/15/24 Inv#122303 Truck Route | 57,991.95 |
| 12320 | 9/6/2024 | SHN Consulting | 8/15/24 Inv#122304 Town Square | 3,985.00 |
| 12321 | 9/6/2024 | SHN Consulting | 8/15/24 Inv# 122305 Greenwood | 2,212.50 |
| 12322 | 9/6/2024 | SHN Consulting | 8/14/24 Inv# 122285 ENG | 2,386.25 |
| 12323 | 9/6/2024 | Department of Justice | 8/5/24 Inv #754438 | 32.00 |
| 12324 | 9/6/2024 | Thomas Hume Center | 8/31/24 Statement | 31.04 |
| 12325 | 9/6/2024 | Thrifty Supply Company | 8/31/24 Statement | 505.59 |
| 12326 | 9/6/2024 | Verizon Wireless | Bill Summary Jul 22-Aug 31, 2024 | 332.48 |
| 240906A01 | 9/6/2024 | Christopher A. Ball | Employee: ballc; Pay Date: 9/6/2024 | 384.12 |
| 240906A02 | 9/6/2024 | Glenn R. Bernald | Employee: bernaldg; Pay Date: 9/6/2024 | 1,817.46 |
| 240906A03 | 9/6/2024 | Charis A. Bowman | Employee: bowmanc; Pay Date: 9/6/2024 | 192.02 |
| 240906A04 | 9/6/2024 | Rosine S. Boyce-Dorricott | Employee: boycer; Pay Date: 9/6/2024 | 644.75 |
| 240906A05 | 9/6/2024 | Skylar A. Coke | Employee: cokek; Pay Date: 9/6/2024 | 469.75 |
| 240906A06 | 9/6/2024 | Melissa M. Combs | Employee: combsm; Pay Date: 9/6/2024 | 558.36 |
| 240906A07 | 9/6/2024 | Christopher B. Edgar | Employee: edgarc; Pay Date: 9/6/2024 | 1,928.36 |
| 240906A08 | 9/6/2024 | Adelme L. Esh | Employee: esha; Pay Date: 9/6/2024 | 184.62 |
| 240906A09 | 9/6/2024 | Anali E. Gonzalez | Employee: gonzalezc; Pay Date: 9/6/2024 | 1,167.22 |
| 240906A10 | 9/6/2024 | Austin R. Jones | Employee: jonesa; Pay Date: 9/6/2024 | 1,266.52 |
| 240906A11 | 9/6/2024 | Kanoa K. Jones | Employee: jonesk; Pay Date: 9/6/2024 | 285.69 |
| 240906A12 | 9/6/2024 | Amunda L. Mager | Employee: magera; Pay Date: 9/6/2024 | 1,832.46 |
| 240906A13 | 9/6/2024 | Aislin N. McKinney | Employee: mckinneya; Pay Date: 9/6/2024 | 241.71 |
| 240906A14 | 9/6/2024 | Jacob P. Meng | Employee: mengj; Pay Date: 9/6/2024 | 1,109.41 |
| 240906A15 | 9/6/2024 | Antoinette M. Quigley | Employee: quigleya; Pay Date: 9/6/2024 | 1,228.61 |
| 240906A16 | 9/6/2024 | Quinn Sousa | Employee: sousaq; Pay Date: 9/6/2024 | 473.26 |
| 240906A17 | 9/6/2024 | Emily P. Wood | Employee: woodc; Pay Date: 9/6/2024 | 1,465.81 |
| 240906EFT-01 | 9/6/2024 | U. S. Department of Treasury | FF TPS Federal Tax Pmt. 9/6/2024 PR | 6,277.19 |
| 240906EFT-02 | 9/6/2024 | Employment Development Dept. | DESS State Tax Pmt, PR | 1,041.41 |
| 240906EFT-03 | 9/6/2024 | Cal PERS | PERS retirement pmt 9/6/24 PR | 4,364.33 |
| 240906EFT-04 | 9/6/2024 | CA State Disbursement Unit | 9/6/24 CS PR deductions Coke & Edgar | 196.60 |

City of Blue Lake
Check/Voucher Register - City Council Check Report
 From 9/1/2024 Through 9/30/2024

| Check Number | Check Date | Payee | Check Description | Check Amount |
|--------------|------------|--------------------------------|---------------------------------------------|--------------|
| 240906HPT-05 | 9/6/2024 | Square | Square Subscription 9/1/24-10/1/24 | 58.00 |
| 240906EFT-06 | 9/6/2024 | Freedom Voice | Freedom Voice 8/1/24-8/31/24 | 121.19 |
| 2384 | 9/10/2024 | Veronica Peltier | Deposit Refund #20279001 Good | 102.86 |
| 2385 | 9/10/2024 | Riley Tippin | Deposit Refund #20366501 Tippin | 142.38 |
| 2386 | 9/10/2024 | Chrissa Creel | Deposit Refund #60657001 Creel | 77.76 |
| 12327 | 9/13/2024 | R. A. O. Construction Co., Inc | 7/31/24 Part Rqst #1 Truck Route | 189,886.95 |
| 12328 | 9/17/2024 | City of Blue Lake | Water/Sewer Payments 9/1/2024 | 3,913.68 |
| 12329 | 9/17/2024 | Vicki L. Hutton | 8/22/24 Dental Payment - Hutton | 851.70 |
| 12330 | 9/17/2024 | Incedata Systems | 8/31/2024 Statement | 95.00 |
| 12331 | 9/17/2024 | Pape Machinery, Inc. | 8/31/2024 Statement | 55.90 |
| 12332 | 9/17/2024 | Autumn Spears | Skate Party Refund - Autumn Spears | 200.00 |
| 12333 | 9/17/2024 | SHN Consulting | 5/31/24 Inv # 121430 REAP | 8,602.50 |
| 12334 | 9/17/2024 | US Bank Corp. Payment Systems | 8/22/2024 Statement | 4,838.44 |
| 12335 | 9/17/2024 | Christine West | Skate Party Refund - Christine West | 200.00 |
| 12336 | 9/20/2024 | Daniel L. Dimick | Employee: dimickd; Pay Date: 9/20/2024 | 850.16 |
| 12337 | 9/20/2024 | Lesl A. Finkler | Employee: finklerl; Pay Date: 9/20/2024 | 197.54 |
| 12338 | 9/20/2024 | Vicki L. Hutton | Employee: huttonv; Pay Date: 9/20/2024 | 1,587.98 |
| 240920A01 | 9/20/2024 | Christopher A. Hall | Employee: hallc; Pay Date: 9/20/2024 | 128.04 |
| 240920A02 | 9/20/2024 | Glenn R. Bernald | Employee: bernaldg; Pay Date: 9/20/2024 | 2,252.77 |
| 240920A03 | 9/20/2024 | Charis A. Bowman | Employee: bowmanc; Pay Date: 9/20/2024 | 226.92 |
| 240920A04 | 9/20/2024 | Rosine S. Boyce-Derricou | Employee: boycer; Pay Date: 9/20/2024 | 587.10 |
| 240920A05 | 9/20/2024 | Skyler A. Coke | Employee: cokek; Pay Date: 9/20/2024 | 976.23 |
| 240920A06 | 9/20/2024 | Melissa M. Combs | Employee: combsm; Pay Date: 9/20/2024 | 465.30 |
| 240920A07 | 9/20/2024 | Christopher D. Edgar | Employee: edgarc; Pay Date: 9/20/2024 | 1,853.87 |
| 240920A08 | 9/20/2024 | Adeline L. Esh | Employee: esha; Pay Date: 9/20/2024 | 192.30 |
| 240920A09 | 9/20/2024 | Anali E. Gonzalez | Employee: gonzaleza; Pay Date: 9/20/2024 | 1,167.22 |
| 240920A10 | 9/20/2024 | Austia R. Jones | Employee: jonesa; Pay Date: 9/20/2024 | 1,838.97 |
| 240920A11 | 9/20/2024 | Kalena K. Jones | Employee: jonesk; Pay Date: 9/20/2024 | 416.29 |
| 240920A12 | 9/20/2024 | Amanda L. Muger | Employee: mugera; Pay Date: 9/20/2024 | 1,918.69 |
| 240920A13 | 9/20/2024 | Aislin N. McKinney | Employee: mckinneya; Pay Date: 9/20/2024 | 174.36 |
| 240920A14 | 9/20/2024 | Jacob P. Meng | Employee: mengj; Pay Date: 9/20/2024 | 1,109.12 |
| 240920A15 | 9/20/2024 | Anastasia M. Quigley | Employee: quigleya; Pay Date: 9/20/2024 | 1,185.62 |
| 240920A16 | 9/20/2024 | Quinn Sousa | Employee: sousaq; Pay Date: 9/20/2024 | 267.51 |
| 240920A17 | 9/20/2024 | Emily P. Wood | Employee: woode; Pay Date: 9/20/2024 | 1,465.81 |
| 240920EFT-01 | 9/20/2024 | L. S. Department of Treasury | EFTPS federal tax pmt 9/20/24 PR | 6,526.48 |
| 240920EFT-02 | 9/20/2024 | Employment Development Dept. | DESK state tax pmt 9/20/24 | 1,153.07 |
| 240920EFT-03 | 9/20/2024 | Cal PERS | PERS retirement pmt 9/20/24 PR | 4,282.30 |
| 240920EFT-04 | 9/20/2024 | CA State Disbursement Unit | 9/20/24 CS PR deductions-Coke | 92.30 |
| 240920EFT-05 | 9/20/2024 | CA State Disbursement Unit | 9/20/24 CS PR deductions-Edgar | 104.30 |
| 12339 | 9/24/2024 | Aflac | 8/25/2024 Inv #137071 | 229.56 |
| 12340 | 9/24/2024 | A1&1 | 4-9/4/24 Cal Net 3 bills | 355.35 |
| 12341 | 9/24/2024 | B & B Portable Toilet Co. | 8/17/24 & /14/24 inv# 187338 & #187339 | 387.89 |
| 12342 | 9/24/2024 | HRMS | Billing Period: 04-10/31/2024 to 10/31/2024 | 15,284.13 |
| 12343 | 9/24/2024 | Anali Gonzalez | 8/6/24 Dental Pymt - Gonzalez | 240.00 |
| 12344 | 9/24/2024 | Hensell Materials, Inc. | 9/1/2024 Statement | 1,383.11 |
| 12345 | 9/24/2024 | Independent Business Forms Inc | 9/6/2024 Inv #43398 | 249.76 |
| 12346 | 9/24/2024 | Mendes Supply Company | 9/1/24 Statement | 712.99 |
| 12347 | 9/24/2024 | John Meng | 9/12/24 Dental Payment - Meng | 262.41 |
| 12348 | 9/24/2024 | O'Reilly Auto Parts | 8/28/2024 Statement | 173.80 |
| 12349 | 9/24/2024 | Pacific Gas and Electric | 9/3/2024 Statement | 12,480.92 |
| 12350 | 9/24/2024 | Reyes Coca-Cola Bottling, LLC | 9/13/2024 Inv #43299616016 | 851.86 |
| 12351 | 9/27/2024 | Advanced Security Systems | 10/1/24 Inv #s708451 & 708452 | 375.00 |
| 12352 | 9/27/2024 | Aflac | 9/25/2024 Inv#476517 | 229.56 |
| 12353 | 9/27/2024 | Blue Lake Garbage Co. | 8/21/2024 Inv#48X00376 | 433.34 |
| 12354 | 9/27/2024 | Anali Gonzalez | 9/24/24 Dental Payment - Gonzalez | 1,020.00 |
| 12355 | 9/27/2024 | Anali Gonzalez | 9/23/24 Dental Payment - Gonzalez | 180.00 |

City of Blue Lake
Check/Voucher Register - City Council Check Report
 From 9/1/2024 Through 9/30/2024

| Check Number | Check Date | Payee | Check Description | Check Amount |
|--------------|------------|-------------------------------|------------------------------|-------------------|
| 12356 | 9/27/2024 | Hensel's Ace Hardware | 8/31/24 Statement | 149.71 |
| 12357 | 9/27/2024 | Jacob Meng | 9/23/24 Mileage Reimb - Meng | 43.75 |
| 12358 | 9/27/2024 | National Rural Water Assoc. | SCADA loan part due 10,1,24 | 965.00 |
| 12359 | 9/27/2024 | Storyland Studios | 8/19/2024 Inv#34815 | 2,500.00 |
| 12360 | 9/27/2024 | State Water Resources Ctl Bnd | WWTP Operator Exams - Edgar | 120.00 |
| 12361 | 9/27/2024 | Times Printing Company | 9/18/24 Inv #24-11296 | 151.37 |
| 12362 | 9/27/2024 | Tensor II | 9/15/2024 Statement | <u>1,233.89</u> |
| Report Total | | | | <u>403,570.19</u> |

BLUE LAKE

— EST. 1910 —
HUMBOLDT COUNTY



Proclamation of the City Council of the City of Blue Lake *in Recognition of* California Retired Teachers Week *November 3–9, 2024*

WHEREAS, the California Retired Teachers Association was formed by Laura E. Settle in 1929 at the start of the Great Depression with the goal of relieving the economic hardships suffered by retired teachers and for 95 years, has been a leading advocate for providing teachers with sufficient retirement income; and

WHEREAS, the California Retired Teachers Association also provides continuing support to active and future teachers—providing grants, scholarships and donations totaling more than \$750,000 a year; and

WHEREAS, retiree spending from pensions generated \$76.1 billion in economic benefits to California; and

WHEREAS, the annual dollar value of 1,057,380 volunteer hours donated by retired teachers throughout the state reached \$40,825,449.00 during the most recent reporting period; and

WHEREAS, last year our North Coast division donated \$15,600 in local grants and scholarships and \$250 each to 3 of our local museums and the Dolly Parton Imagination Library; and additionally, they volunteered their time in schools, museums, hospitals, the Little Red Schoolhouse, the food bank and other community organizations.

NOW, THEREFORE, BE IT PROCLAIMED that the City Council of the City of Blue Lake hereby recognizes **November 3–9, 2024**, as **CALIFORNIA RETIRED TEACHERS' WEEK** in Blue Lake and encourages residents to honor all teachers and acknowledge the vital role that retired teachers fulfill in every community in California.

Attest:

Adelene Jones, Mayor (Retired Teacher)



City of Blue Lake

City Manager Report

October 2024

Law Enforcement Services

Due to continued concerns regarding service levels, future cost escalations and liability exposure, I have been working with our risk management team at CIRA to explore options for law enforcement services for Blue Lake. CIRA has been in talks with the City of Trinidad and the City of Ferndale to look at options for collaboration. During the recent sheriff negotiations the contract language regarding indemnification was changed, raising concerns about liability exposure, not only to the City, but to the overall risk pool. As Trinidad and Ferndale are also members of CIRA, and Trinidad has the same contract with the Sheriff/County, each of the cities has a vested interest in exploring creative options. Currently, there are two options that staff would like to further explore, the first is a direct contract relationship with Ferndale for services and the other is the formation of a joint powers authority to manage law enforcement services for the members. This would allow smaller jurisdictions to combine resources under one umbrella authority, providing greater capacity to fund services, determine service levels and oversee operations in our communities. This option could include Ferndale as the managing entity.

Parks and Recreation

- **Town Square Construction Project:** The town square construction project is almost complete. Power was hooked up to the site and the splash pad and power receptacles are all active. North Fork Lumber has donated the lumber for the trellis structure and it will be milled in

the coming days. The Old Crows have volunteered to install/construct the trellis structure.

- **Bike Park:** The bike park jumplines will be paved the last week of October. We have received a generous donation from Mercer Fraser that will allow us to greatly reduce the cost of the paving. The City and our bike park partners are working towards a fundraising goal of \$30,000 to support the paving project. We have launched a merchandise fundraiser and we are working with RCMBBA to launch a bike raffle. Mercer Fraser has agreed to work with us on the fundraising campaign and will allow us to pay against the balance of the paving as funds become available. We have received a wide array of support and donations and we are confident that we will raise the funds. The paving will be done by hand and a large mobilization of volunteers, equipment and materials is being organized. Fundraising continues as we continue to build out the park; currently, we are reimbursing our volunteers for materials, fuel and equipment as funds become available. After the paving, we will work on winterizing the park, including the installation of BMPs.
- The Greenwood Truck Route Project is scheduled for paving the last week of October. The contractor is finishing the final concrete work and planting plans have been submitted. The Arts and Heritage Commission reviewed and approved the crosswalk striping in front of the school; one of the crosswalks will be striped in Blue and Gold (school colors) and the other will be the colors of the rainbow. These were both recommended by the school and will greatly increase visibility at the crosswalks, while at the same time bringing a pop of color to the new roadscape.
- The City has entered into an Exclusive Negotiating Agreement for the possible purchase or lease of the City Corporation Yard. A purchase proposal has been submitted and will be reviewed for consideration by the Council.

Capital Improvements

Property Negotiations

**Powers Creek
District**

- City staff have been meeting with representatives from PowerTransitions to the potential for a battery storage project on the former power plant site. PowerTransitions has conducted research regarding the plant interconnect, as well as options for dismantling the plant and cleaning the site. Further property discussions will take place during closed session with the City Council.
- Work continues on the Baduwa't Community Project; including preparing the project for submission to the Planning Commission, along with the completion of the CEQA analysis.
- Calgon Carbon: City staff have been working with the owners of the former Calgon Carbon Plant; the owners are working on a demolition plan along with environmental investigations to facilitate selling the property. The City has been in regular contact with the owners and is hopeful that the site will transition in the near future.

**Planning &
Engineering
Projects**

- FEMA Water Tanks Funding: The City submitted a funding request to the FEMA Hazard Mitigation Program to replace the City's two redwood water tanks. The City has received Phase 1 funding through the CalOES Program to complete the design, engineering and environmental work. Once this portion of the project is complete, the City will be funded through FEMA for the removal and installation of two new water tanks.

Work to date includes geo-tech sampling to determine soil composition, biological studies, and additional environmental studies to facilitate the design and engineering of the project.

Negotiations continue with the McClure Trust regarding the easement for Tank One and the waterline. The City has operated the water tank at this location for over 100 years and has provided 3 water connections, and water to the owners in exchange for the use of the land. As the easement has expired, the City Attorney has been meeting with the trust administrator to negotiate a new easement. To date, the City has completed an appraisal of the property with a mutually agreed upon appraiser and has presented several compensation

options for consideration. The City Attorney is handling all negotiations and is in regular communication with the trust administrator and her negotiating representative-**On-Going**

- Housing Element Update: Staff has completed the CEQA analysis for the housing element and it has been circulating for comment. Staff anticipate presenting the document to the Planning Commission at their meeting in October for review and discussion. Staff have received comments from interested agencies and will be compiling the comments for review as part of the process. This is the last part of the process in adopting the housing element; once the CEQA process is complete the element can be adopted by the City and forwarded to HCD for approval. This will bring the City into compliance with HCD and will complete a very long and involved process-**On-Going**
- Staff is working closely with our HCD representatives to address implementation of various initiatives; having a compliant housing element allows the City to participate in a range of programs and funding opportunities. Staff will be making a recommendation to the Planning Commission regarding the implementation of the RHD Combining Zone, along with a recommendation on parcel application-**On-Going**



City of Blue Lake

AGENDA REPORT

Item #: 13, 14, 15

Date: October 22, 2024

Item Subject: Closed Session Items

Submitted By: Mandy Mager, City Manager

General Information:

The Council will convene to Closed Session to review, discuss and potentially act on the following items:

1. Real Property Negotiations-City of Blue Lake Water Tank and Waterline Easement (Tank 1)
2. Real Property Negotiations-City Corporation Yard (APN: 025-201-019 and 025-201-009)
3. Real Property Negotiations-APN Nos.: 025-161-003 and 312-161-016 (former power plant)

Background Material Provided: N/A

Fiscal Impact: N/A

Recommended Action: No Recommendation

Review Information:

City Manager Review: Legal Review: Planner Review: Engineer:

Comments: