

## **Minutes of the Blythe City Council May 14, 2019**

The May 14, 2019 meeting of the Blythe City Council was called to order at 6:00pm in the Council Chambers by Mayor Reynolds. Also in attendance were Vice Mayor Egan and Council Members DeConinck, Rodriguez and Halby. Staff in attendance included: Interim City Manager and City Clerk Crecelius, Finance Director and City Treasurer Elms, Interim Police Chief Coe, Chief Building Official Garnica, Public Works Director Baldizzone and City Attorney Bettenhausen.

The Pledge of Allegiance was led by Mayor Reynolds. The invocation was offered by Vice Mayor Egan.

### **PROCLAMATION:**

**May is Building Safety Month.** Interim City Manager Crecelius stated the proclamation will be hung in the Development Service Department in City Hall.

**CONSENT CALENDAR:** *Items on the Consent Calendar are considered routine and will be enacted with one motion of the Council. If any item requires individual consideration, it will be removed from the consent calendar and acted upon separately.*

No public comment. Councilman DeConinck moved approval of the Consent Calendar. The motion was seconded by Vice Mayor Egan with a unanimous aye vote.

**2. Posting of the Agenda.**

The summary of agenda items were posted on the bulletin boards on the outside of the public entrance to the Council Chamber and near the inside entrance of the Council Chamber on Friday, May 10, 2019.

**3. Approval of the Warrant Register.**

Recommendation: Approve **5/14/19**, warrant numbered 69763 in the amount of \$33,543; **5/14/19**, warrants numbered 69764 through 69836 and Utility Billing Refund Warrants numbered 69762 and 69837 through 69846 in the amount of \$165,962.56 and **5/14/19**, warrants numbered 69847 through 69914 in the amount of \$301,280.59.

**4. Approval of the Payroll Register.**

Recommendation: Approve **5/14/19**, warrants numbered 50993 through 510091 and Direct Deposits numbered 44557 through 44616 in the amount of \$235,085.66; **5/14/19**, warrants numbered 51011 through 51012 in the amount of \$57,130.91; **5/14/19**, warrants numbered 51013 through 51028 and Direct Deposits numbered 44617 through 44676 in the amount of \$233,401.49 and **5/14/19**, warrants numbered 51029 through 51033 and Direct Deposits numbered 44677 through 44779 in the amount of \$72,218.02.

**5. Minutes of the April 9, 2019 City Council Meeting.**

Recommendation: Approve the Minutes of the April 9, 2019 meeting.

**6. City of Blythe Permits issued for the Month of April 2019.**

Recommendation: Receive and file this monthly report.

**7. City of Blythe Fire Department Monthly Activity Report for April 2019.**

Recommendation: Receive and file this monthly report.

**8. City of Blythe Police Department Monthly Activity Report for April 2019.**

Recommendation: Receive and file this monthly report.

**9. Untested Sexual Assault Evidence Grant.**

Recommendation: Accept the DOJ-USAEG-2018-19-2 Untested Sexual Assault Evidence Grant in the amount of \$6,229.

**10. Copier Rental Agreement-Recreation Center.**

Recommendation: Authorize the Interim City Manager to execute any and all documents necessary to enter into a rental agreement with De Lage Landen Financial Services, Inc. for a Lanier IM C3000 Copy/Print/Scan/Fax for the Recreation Center.

**11. Measure A Capital Improvement Plan (CIP) for 2020-2024.**

Recommendation: Adopt, subject to modification, the Measure A CIP for 2020-2024.

**12. FY 19/20 Local Streets and Road Project List- Date Street Rehabilitation Project.**

Recommendation: Adopt Resolution No. 2019-006, adopting a list of projects for FY 19/20 funded by SB1.

***RESOLUTION NO. 2019-006. A RESOLUTION OF THE CITY OF BLYTHE ADOPTING A LIST OF PROJECTS FOR FISCAL YEAR 2019-20 FUNDED BY SB 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017.***

**13. Commercial Cannabis Ordinance Amendments.**

Recommendation: Conduct the second reading of Ordinance No. 895-19 by title only, waiving further reading adopting changes to the Commercial Cannabis Ordinance related to signage and hours of operation.

***ORDINANCE NO. 895-19. AN ORDINANCE AMENDING CHAPTER 5.10 ("COMMERCIAL CANNABIS ACTIVITY") OF TITLE 5 (BUSINESS LICENSES AND REGULATIONS") OF THE BLYTHE MUNICIPAL CODE REGARDING COMMERCIAL CANNABIS ACTIVITY IN THE CITY OF BLYTHE.***

**14. Annual Assessment for Lighting Districts No.s 1 and 2 for FY 2019/20.**

Recommendation: Adopt Resolutions 2019-009, 2019-010, 2019-011 and 2019-012.

***RESOLUTION NO. 2019-009. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLYTHE DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN CITY OF BLYTHE LIGHTING DISTRICT NO. 1 FOR FISCAL YEAR 2019-2020 PURSUANT TO THE PROVISIONS OF PART 2 OF DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE AND APPOINTING A TIME AND PLACE FOR HEARING PROTESTS.***

***RESOLUTION NO. 2019-010. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLYTHE DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN CITY OF BLYTHE LIGHTING DISTRICT NO. 2 FOR FISCAL YEAR 2019-2020 PURSUANT TO THE PROVISIONS OF PART 2 OF DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE AND APPOINTING A TIME AND PLACE FOR HEARING PROTESTS.***

***RESOLUTION NO. 2019-011. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLYTHE APPROVING THE REPORT OF THE ENGINEER REGARDING THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE CITY OF BLYTHE LIGHTING DISTRICT NO. 1 FOR FISCAL YEAR 2019-2020.***

***RESOLUTION NO. 2019-012. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLYTHE APPROVING THE REPORT OF THE ENGINEER REGARDING THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE CITY OF BLYTHE LIGHTING DISTRICT NO. 2 FOR FISCAL YEAR 2019-2020.***

No public comment. Councilman DeConinck moved approval of the consent calendar. The motion was seconded by Vice Mayor Egan with a unanimous aye vote. City Clerk Crecelius read the title of Ordinance No. 895-19 into the record.

**PUBLIC HEARING:**

**User Fee Study.** Interim City Manager Crecelius stated in budget study sessions for the FY 18/19 budget, Council directed staff to conduct a user fee study to determine if the City was recovering costs associated with providing certain services. In July 2018 Council awarded the Full Cost Allocation Plan and User Fee Study to Willdan Financial

Services. Since then, staff has worked with Willdan to determine the full costs incurred by the City to support the various activities for which the City charges user fees. Priti Patel with Willdan is here to present an overview of the study. Subsequent to her presentation and the opening of the public hearing, it is recommended the Council adopt Resolution No. 2019-008 setting user fees for various City departments and services. If approved, the fees will go into effect 60 days after adoption.

Priti Patel with Willdan reported User Fees fund programs and services that provide private benefit to the individuals requesting them with limited or no benefit to the community as a whole. State law requires that fees must reasonably relate to the service provided. The objective of the fee study was to determine the reasonable full cost of providing each service in the fee schedule. Each fee was calculated individually. First we developed the burdened hourly rates for City personnel. We developed a model that is updatable with a comprehensive list of fees the City is able to use each year. The scope of the study included costs for: Cannabis, Parks, Recreation, Building, Planning, Police and Public Works. Cost recovery policy and staff have helped to bring the suggested fee schedules listed in the report. The fully burdened hourly rates are used to calculate the full cost of the fees along with overhead and third party costs. Individuals or groups who receive the private benefit should pay 100% of the cost. In certain situations subsidization is a public policy tool to encourage participation, ensure compliance and allow access to services. You will see subsidized fees in the Recreation Department. It is also recommended the City include an annual inflator which will allow Council, by Resolution, to adjust fees by CPI.

Vice Mayor Egan asked when this done last. Interim City Manager Crecelius stated in 2008 staff analyzed a number of fees and certain fee increases were made at that time. It was not City wide. In the Building Department they are using some fees from 1995 so it has probably been twenty years since something like this was done.

Vice Mayor Egan stated he is surprised it is not going up more since it has been so long. Interim City Manager Crecelius stated a lot of it has to do with staffing levels. We had a lot more staff 20 years ago. One thing we did was a time study to determine who is doing each task and how long it takes to perform that task. When there is no longer a department head or support staff to factor in, those are the situations where the costs are less. You will see that in the Planning Department where we used to have a Director of Development Services and a planner and now there is only a Planner.

Mayor Reynolds asked why we are decreasing fees. Priti Patel stated that you cannot set the fee higher than the full cost. We have set those fees based on staff's time estimates.

Interim City Manager Crecelius stated before you open the public hearing I would like to note that part of the noticing requirements included posting the study on our website and sending written notices to anyone who has formally requested to receive such a notice. We received a letter from the Desert Valley Builder Association who is stating the City must provide the necessary data the study used to draw its conclusions and that the user fee study posted is merely a summary. After discussions with Willdan and the City

Attorney this is a comprehensive report. I would like to note for the record this comment was received, but we have a comprehensive report that fully addresses everything they are asking for.

Public comment. Leslie Watkins of 117 E. Hobsonway asked how this will help the general fund in total dollars. Finance Director Elms stated we do not have an estimate, but are working on it. Interim City Manager Crecelius stated it all depends on the types and volume of permits pulled. In the other departments there are minimal increases of anywhere from 5% up to as much as 18% in Public Works but not all of the fees are going to increase. There are fees that stay the same, fees decreasing and we have added some new fees. Due to this, at this time it's hard to determine the potential revenue but we will keep an eye on it. Within the first quarter we should have some projections of what this means for the General Fund. Right now the Building Department is operating at 30% cost recovery and in year 5 we will be at 80%. Mrs. Watkins stated I agree we have been so far behind on this. I pull a demolition permit in the City for \$47 and the permit is \$268 in the County. There is a huge disparity between our costs vs. what we collect. I pay \$47 and typically need 2 inspections so I know I am not paying my fair share. I was just curious as to what it's going to mean.

Vice Mayor Egan moved approval of staff's recommendation. The motion was seconded by Councilman Rodriguez with a unanimous aye vote.

*RESOLUTION NO. 2019-008. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLYTHE, CALIFORNIA, ADOPTING A USER FEE SCHEDULE TO RECOVER THE COST OF SERVICES PROVIDED BY CITY DEPARTMENTS AND AUTOMATIC ANNUAL COST OF LIVING FEE INCREASE.*

#### **CONTINUED BUSINESS:**

**Phlebotomist/Evidence Collection Services.** Interim Police Chief Coe stated I started this process in the middle of it so what I have learned is that we should have had the contract in place before bringing a staff report to Council for approval. This report will finalize the services provided and we will be able to have her under contract after tonight.

No public comment. Councilman Rodriguez moved to accept the agreement with MJ3, Inc. The motion was seconded by Vice Mayor Egan with a unanimous aye vote.

#### **NEW BUSINESS:**

**FY 2019/20 Operating and Capital Budget.** Finance Director Elms stated I am pleased to present the FY 2019/20 Operating and Capital Budget for Council's consideration and adoption. On April 30<sup>th</sup> a study session was held to present in detail the proposed budget and upcoming challenges. The budget presented tonight has a minor increase in expenditures from what was presented at the Study Session due to the increase in the Phlebotomy Collection Services contract. The overall budget is proposed at \$24.5 million with a General Fund budget of \$9.4 million. The General Fund is balanced along with all other funds except for the lighting district. During last year's budget process the General Fund was faced with a significant shortfall in which unfilled positions were frozen to balance the budget. Staff forecasts similar projections for 2020. Although we

were able to balance the General Fund budget for 2020 we were not able to add back in those frozen positions, but the budget is balanced without additional cuts. The proposed budget provides funding for police and fire protection, routine maintenance and operations for all City departments as well as keeps a conservative approach to ensure the budget is adopted without overstating revenues or overspending to maintain the forward progress that we have already achieved. The City continues to face the challenge of rising operating costs with an emphasis on pension costs combined with a lack of growing funding sources. Due to this, Council and staff have put plans in motion to improve the City's financial stability. Highlights of the budget include several street improvement projects, rehabilitation of a sewer lift, continuing the hydrant and valve replacement program and storm drain replacements, a new code enforcement vehicle and upgrades in Miller Park. It is recommended Council adopt Resolution No. 2019-007 adopting the City's 2020 Operating and Capital Budget as presented including all summaries and schedules as attached in the amount of \$24,599,188. The Budget is a living document and can be reviewed and updated throughout the year as necessary.

No public comment. Vice Mayor Egan moved approval of staff's recommendation. The motion was seconded by Councilman Rodriguez with a unanimous aye vote.

*RESOLUTION NO. 2019-007. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLYTHE, CALIFORNIA ADOPTING THE FISCAL YEAR 2019-2020 OPERATING AND CAPITAL BUDGET.*

**Economic Development Planning Brief.** Interim City Manager Crecelius stated late last year, the Palo Verde Economic Alliance with the help of County EDA, CIF, PV College and the City commissioned Michael Bracken with Development Management Group, Inc. to prepare an Economic Development Planning brief for use in promoting Blythe and the Palo Verde Valley. The contract included a presentation by Mr. Bracken at the Outlook Conference. There was a lot of positive feedback from Mr. Bracken's presentation and I would like to keep the momentum going. He has provided the Economic Planning Brief which I have included as an attachment in the Agenda. The report contains economic investment opportunities for Blythe such as family/value orientated stores to support families, quick serve restaurants to support travelers, family/value orientated full serve restaurants to serve travelers, gasoline/fuel stations to support the local community, travelers and the transportation industry and visitor support services such as: camping, boat repair and recreational vehicle storage, limited service hotels/motels to support travelers and permanent limited amenity housing for State workers. The plan also includes some items necessary to improve our community's image. We need to be attractive to potential businesses, and take some pride in our community. Recommendations include: Placing signage along I-10 introducing visitors to Blythe, community clean-ups and graffiti removal, repaint public facilities such as parks, buildings and signs, enhanced code enforcement with a zero tolerance approach to public safety hazards and visual blight and hold out of town property owners to high standards. Staff is working to address these items, but we also need the community's help and buy-in. The City cannot do all of this alone, we need the help of local business owners, citizens and the chamber of Commerce. In the coming months staff may propose changes to our graffiti ordinance, take a harder stance on code enforcement issues, and hold out of town businesses owners more accountable for their vacant properties in an effort to clean

up Blythe. This plan is another tool we now have for economic development in the City. It is recommended you provide any feedback and then receive and file this report. Vice Mayor Egan asked how they arrived at the 5 mile radius. Interim City Manager Crecelius stated it's the trade area certain businesses look at to see what is there to tap into.

No public comment. The item was received and filed.

**Cannabis Application Review Services.** Interim City Manager Crecelius stated in November of 2017 the City received 40 Commercial Cannabis Applications. Staff, with the help of HDL reviewed all licenses. From this review, a number of commercial cannabis business permits were issued by Council in 2018. After the original licenses were processed, some changes were made to streamline the application process. Applications are now accepted on an on-going basis for cultivation, distribution, manufacturing and testing labs. Due to the changes made, staff asked HDL to assist in the Phases I and II review to verify compliance with state and local rules and regulations. Phase III and IV will be handled solely by staff. HDL proposed a flat rate for this review of \$2,500 per applicant. This fee will be paid for from the cannabis application fees. Staff has recently received 7 new cannabis applications from three potential businesses. Staff now needs the technical expertise of HDL to review these licenses for compliance with state and local laws. Our application process was designed in a way that requires an 80% threshold to be met. If an applicant is able to meet this threshold at the City level, they will also meet it at the State level. It is staff's goal to review and issue commercial cannabis licenses in the most efficient manner possible, while ensuring the licenses are issued to applicants capable of funding, building and operating these businesses in accordance with state and local laws, rules and regulations. Using HDL for their technical support reviewing the applications is the most efficient way for staff to do so at this time. It is recommended Council authorize the Interim City Manager to enter into an Agreement with Hinderliter, DeLlamas and Associates (HDL) for Commercial Cannabis application Review services.

Vice Mayor Egan asked to compare our application process to what other Cities and Counties are doing.

Councilman Rodriguez stated some of the applicants in the first round had issues with HDL or didn't like the process. Have those issues been ironed out? Interim City Manager Crecelius stated I am unsure of what the issues are as the applicants deal directly with me and not HDL. A lot of them had to provide supplemental information. It was dependent on the applicant and application. We try to work with the applicant to get them through the process.

Councilman DeConinck asked if HDL knew what other cities were doing, and how many cities they are working with. Interim City Manager Crecelius stated there are a few cities I am aware of and their process is similar. City Attorney Bettenhausen stated at the time David McPherson of HDL was in high demand and had a lot of clients.

No public comment. Vice Mayor Egan moved approval of staff's recommendation. The motion was seconded by Councilman Rodriguez with a unanimous aye vote.

**Main Street Rehabilitation Project.** Public Works Director Baldizzone stated this project was identified by Council in June of 2017. The estimated budget was \$1.3 million of Measure A funds. Due to the cost estimate it was decided to do the project over two fiscal years, starting in June 2019 of FY 2018/19 band ending in August 2019 in of the FY 2019/20 budget. The project consists of grinding, removal of the asphalt, pavement, demolition and construction of curb, gutter and sidewalks and construction of ADA ramps. The project was prepared by Amir Engineering. A bid opening was held on May 3, 2019 at City Hall. Bids were received from Sully Miller Contracting in the amount of \$1,285,000, Pyramid Construction in the amount of \$919,075.27, Granite Construction in the amount of \$946,649 and Hardy & Harper in the amount of \$1,148,643. The engineer's opinion of probable cost was \$1,028,000 with the low bid submitted by Pyramid Construction. Staff reviewed Pyramid's work history, references and construction licenses. They are well known in the industry and previously worked on the 14<sup>th</sup> avenue street rehabilitation project in the City. Therefore staff determined Pyramid Construction to be a responsive and responsible bidder and recommends awarding them the contract for Main St. Past practice is to contract the engineer of record to provide construction, administration and surveying. The proposal from Amir is \$140,700. This number came in a little high and the City will work with Amir to sharpen their pencil. This project will have some extra work, with driveways for a new business and extra asphalt in front of the Transit Agency. The anticipated project expenditures are \$1,178,775.27 and include construction, construction administration and surveying, City inspection services and contingency.

Mayor Reynolds excused himself from the meeting due to a potential conflict related to the work to be done at the Transit Agency.

No public comment. Councilman Halby moved approval of staff's recommendation. The motion was seconded Councilman DeConinck with a unanimous aye vote

Mayor Reynolds rejoined the meeting.

**ORAL REPORTS:**

Councilman DeConinck thanked the City Manager for the presentation made at the CWA meeting today.

Interim City Manager Crecelius gave an update on the asylum seeker population being released in Blythe.

Mayor Reynolds reminded everyone Run for the Wall is tomorrow. He asked for the public to come out and show their support.

**PUBLIC COMMENT:** None

**ADJOURN:** The City Council meeting was adjourned at 6:52pm.

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Dale Reynolds, Mayor

**ATTEST:**

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Mallory Crecelius, City Clerk