

**Minutes of the Blythe City Council Meeting  
January 11, 2022**

The January 11, 2022 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 DeConinck and Council Members Rodriguez, Halby and Burton. Staff in attendance included: Finance Director and City Treasurer Elms, City Attorney Roberto, Chief Building Official Brown, Fire Chief Hasler and Police Chief Dale. Interim City Manager and City Clerk Crecelius participated via teleconference.

The Pledge of Allegiance was led by Mayor Reynolds.

The Invocation was offered by Councilman Burton.

**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.*

**1. 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, January 7, 2022.

**2. Approval of the Warrant Register.**

Recommendation: Approve **1/11/2022**, warrants numbered 74403 through 74474 in the amount of \$1,005.29; **1/11/2022**, Utility Billing Refund warrants numbered 74475 through 74482 in the amount of \$1,005.29 and **1/11/2022**, warrants numbered 74483 through 74537 in the amount of \$282,690.05.

**3. Approval of the Payroll Register.**

Recommendation: Approve **1/11/2022**, warrants numbered 52691 through 52695 and Direct Deposit warrants numbered 51955 through 52014 in the amount of \$246,563.65; **1/11/2022**, warrants numbered 52696 through 52707 and Direct Deposit warrants numbered 52015 through 52072 in the amount of \$222,858.33; **1/11/2022**, warrant numbered 52708 and Direct Deposit warrants numbered 52073 through 52074 in the amount of \$10,043.64 and **1/11/2022**, warrants numbered 52709 through 52713 and Direct Deposit warrants numbered 52075 through 52180 in the amount of \$74,588.23.

**4. Minutes of the December 14, 2021 City Council Meeting.**

Recommendation: Approve the Minutes of the December 14, 2021 Meeting.

**5. City of Blythe Permits issued for the Month of December 2021.**

Recommendation: Receive and file this monthly report.

**6. City of Blythe Fire Department Monthly Activity Report for December 2021.**

Recommendation: Receive and file this monthly report.

**7. City of Blythe Police Department Monthly Activity Report for December 2021.**

Recommendation: Receive and file this monthly report.

**8. Investment Report for Second Quarter Fiscal Year 2021-2022.**

Recommendation: Receive and file the quarterly investment report.

**9. Acceptance of Donation- CVSP.**

Recommendation: Accept a donation for the Joe Wine Recreation Center in the amount of \$12,863.67 from Chuckawalla Valley State Prison and authorize staff to purchase gym floor covers for the basketball court with proceeds from this donation.

**10. User Fee Recovery Policy.**

- Recommendation: Adopt the User Fee Cost Recovery Policy.
11. **City Wide Salinity Study- Water Quality Control Board Order R7-2016-003.**  
Recommendation: Authorize the Interim City Manager to execute Agreement No. 2022-001 A, Amendment No. 1 to the Professional Services Agreement between City and the Holt Group.
  12. **Liability Program Financial Plan.**  
Recommendation: Authorize the Interim City Manager to execute the 2021 PERMA Assessment Agreement and issue a purchase order in the amount of \$184,609.
  13. **Agreement for Animal Shelter Services between City and County of Riverside.**  
Recommendation: Authorize the Mayor to execute the agreement for Animal Shelter Services.
  14. **Participation in the Riverside County Child Exploitation Team (RCCET).**  
Recommendation: Adopt Resolution No. 2022-001, authorizing City to enter into an agreement with the City of San Diego for partnership in the Crimes Against Children Task Force Program and authorize the Interim City Manager to execute all necessary agreements and documents once reviewed and approved by the City Attorney.

*RESOLUTION NO. 2022-001. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLYTHE, CALIFORNIA, AUTHORIZING THE CITY TO ENTER INTO AN AGREEMENT WITH THE CITY OF SAN DIEGO FOR PARTICIPATION IN THE SAN DIEGO INTERNET CRIMES AGAINST CHILDREN (ICAC) TASK FORCE PROGRAM AND AUTHORIZING THE INTERIM CITY MANAGER OR HER DESIGNEE TO EXECUTE ALL NECESSARY AGREEMENTS AND DOCUMENTS.*

15. **Submission of an Application to the California Department of Water Resources Drought Relief Grant Program.**  
Recommendation: Adopt Resolution No. 2022-002, authorizing the grant application, acceptance, and execution for the Mesa Ranch Water Tank Replacement Project and authorize the Interim City Manager to execute any and all documents related to the grant.

*RESOLUTION NO. 2022-002. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLYTHE, CALIFORNIA AUTHORIZING THE GRANT APPLICATION, ACCEPTANCE AND EXECUTION FOR THE MESA RANCH WATER TANK REPLACEMENT PROJECT.*

No public comment. Councilman Rodriguez moved approval of the Consent Calendar. The motion was seconded by Councilman Burton with a unanimous aye vote.

#### **PUBLIC HEARING:**

**Categorical Exemption- GenerationZ, LLC Commercial Cannabis Project.** Finance Director Elms stated GenerationZ, LLC represented by the Fitzgerald Family Agriculture LP proposes to develop a commercial cannabis cultivation facility on 4.95 acres. The project site is located on the southside corner of the intersection of west Hobsonway and Defrain Blvd. The development will consist of 5 warehouse style indoor grow buildings. Each building is 21,500 sq. ft. for a total grow area of 107,500 sq. ft. Surrounding land uses include farmed and previously farmed lands, vacant lands, residential development, commercial uses and Interstate 10. Based upon information contained in the administrative record and review of CEQA guidelines, the City has determined that the GenerationZ, LLC Commercial Cannabis project is eligible for a Class 32 categorical exemption. Therefore, subsequent to the Public Hearing it is recommended Council adopt a Notice of Exemption- In Fill Development for the GenerationZ, LLC Cultivation Project and direct staff to file the Notice of Exemption with the County Clerk.

Councilman Halby asked questions related to the applicant and subject property.

Councilman Rodriguez asked if they had the capital to get started, once approved.

Interim City Manager Crecelius stated they have not submitted a Commercial Cannabis application, so proof of funds have not been verified. What they have done is started the building process. They have gone through the PRC and have their conditions of approval. The next step is CEQA and Site plan approval.

Vice Mayor DeConinck asked if this was the same owner as the bowling alley project. Interim City Manager Crecelius stated no, that is a different owner and project. The bowling alley property is now the Desert Community Network project.

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

### **NEW BUSINESS:**

**Audited Financial Statements for Fiscal Year 2020-2021.** Finance Director Elms stated due to COVID-19 safety protocols, the City's audit team, Teaman, Ramirez and Smith is not here this evening to present the audited financials. They hope to be back to in-person field work in 2022. City Management and the Finance Committee virtually met with the audit team on Thursday, January 6, 2022 for a comprehensive review of the audit and financial statements. The Council was provided under separate cover, a copy of the City's financial statements. The audit and financial statements presented this evening are for the year ending June 30, 2021. Staff is pleased to report the Auditor's opinion of the City's financial statements is an unmodified opinion, also known as a clean opinion. This is the best level of an audit opinion the City may receive. This opinion means the financial statements present themselves fairly in all respects and in accordance with generally accepted accounting principles. Unfortunately, the financial statements continue to be prepared assuming the City will continue as a going concern. This is due to the financial condition of some of the City's other funds such as the Golf Course and Lighting fund, as well as the City's growing unfunded liabilities and inadequate reserve balance to pay those liabilities. On a positive note, if we continue to make progress in the General Fund, as we did at the close of the 2021 year and continue our action plan for resolving fund deficits the end of the City's going concern may be near. Teaman, Ramirez and Smith also provide the City with a Management Report. The purpose of the report is to disclose significant audit matters, difficulties encountered, corrected or uncorrected misstatements, disagreements with management, audit findings and compliance issues. I am happy to say the auditor's report disclosures no difficulties, findings or non-compliance matters as a result of their test. They did note a corrected material misstatement resulting in an accrued payable adjustment. In auditing the City's financial statements, the auditors consider the City's internal controls over financial reporting to determine the appropriate audit procedures for expressing an audit opinion of the financial statements and identify the efficiencies in internal controls to identify any weaknesses. I am pleased to report the auditor's report on internal controls reports no deficiencies or non-compliance issues. A few notable changes in the financial statements include an added component of management discussion and analysis. Although recommended, the City has never included this section of the report. I am happy to say we were successful in adding it this year. This allows financial managers in government to share their insights in a required format by providing an easily readable analysis of the financial performance for the year. On page 1 you will find the City's net position for the city as a whole. Governmental activities end the year with a net position of \$2.5 million. Business type activities ends the year with a net position of \$13.7

million. The consolidated year in net position for all funds is \$16.2 million. The General Fund ended the year once again with a substantial positive change in fund balance. The year ended with just over \$3.8 million. This includes \$1.3 million in non-spendable, \$1.9 million assigned per the City Reserve policy and just under \$700,000 in unassigned amounts. The City's pension liability continues to increase and is currently estimated at \$22.3 million at year end. The City's OPEB likely also increased and is currently 11.3 million.

No public comment. The report was received and filed.

**2021 Year in Review.** Finance Director Elms stated 2021 was a busy and productive year for the City and the attached report details some of the City's accomplishments. Highlights include the completion of street improvement projects, new equipment purchases for public works and the Fire Department, implementation of the CAD system at PD and the issuance of 4 Certificate of Occupancies. The Planning Department processed 18 PRC's, which is a record number of PRC's submitted in one year. City staff was also busy, with the Police Department responding to approximately 18,000 calls for service and the Fire Department responding to approximately 600 calls. The Development Service Department issued 527 building permits, opened 255 code cases and subsequently closed 253 code cases in an effort to clean up our City. Council implemented the Graffiti Abatement Program in mid-2021 and continues economic development efforts. The City's financial position continued to improve in 2021, with the most significant improvements being the repayment of the Golf Course loan and the receipt of Measure K proceeds. In 2022, the City will continue to focus on blight abatement and economic development. It is recommended Council receive and file the 2021 Year in Review.

The yearly report was received and filed.

**Retail Strategies.** Finance Director Elms stated Retail Strategies is the national expert in recruiting businesses on behalf of communities. While at the ICSC Conference in December, Mayor Reynolds, Councilman Rodriguez and the Interim City Manager met with a representative to discuss their program. They again met with representatives on December 15<sup>th</sup> to discuss a partnership between the City and Retail Strategies. As we have seen, attracting new retail to a community is complex, connection critical and time consuming. Retail Strategies give communities the option to outsource retail recruitment services to well connected, experienced and licensed retail real estate professionals. This partnership is a creative way for the City to have a focused and on-going economic development effort without additional staff. For client communities, Retail Strategies identifies and aggressively executes a tailored strategy to attract new retailers, restaurants and hotels. In an effort to expand on the City's economic development activities, it is recommended council authorize the Interim City Manager to execute an agreement with Retail Strategies, once reviewed and approved by the City Attorney and execute a purchase order not to exceed \$135,000 for the term of the three-year agreement.

Interim City Manager Crecelius stated that we have a unique opportunity right now with the COVID-19 relief funding to fund this service with those dollars. We can try it out, without impacting the General Fund. If we find it doesn't work, yes, we are out the money, but its COVID relief money we wouldn't have otherwise received. If it's a great service, maybe there is some added value to our community from this partnership.

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

**Funding a Part Time-Temporary Department Assistant I Position at the Police Department for FY 2021/22.** Police Chief Dale stated it is recommended the Council fund a temporary part-time Department Assistant I position at Range 30 of the Clerical MOU. This will assist the Police Department during the long-term absence of the Forensic Technician. While she is out, we are going to shuffle her duties and this position would help with covering some of the front office clerical work. It's a temporary position and will not exceed \$20,000.

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

**MEMBER COMMENT:**

Vice Mayor DeConinck thanked the Prison for their donation. The Blue Grass Festival starts this weekend. I will be hosting tours of the valley on Thursday. CWA will be serving breakfast Friday through Sunday.

**PUBLIC COMMENT:** None

**ADJOURN:** The City Council meeting was adjourned at 6:30pm.

---

Dale Reynolds, Mayor

**ATTEST:**

---

Mallory Crecelius, City Clerk