

**CITY COUNCIL
TEMPLE CITY, CALIFORNIA
SPECIAL MEETING MINUTES
JUNE 29, 2010**

1. CALL TO ORDER

Mayor Vizcarra called the City Council Special Meeting to order at 6:34 p.m.

2. ROLL CALL

PRESENT: Councilmember-Blum, Sternquist, Yu, Chavez, Vizcarra
ABSENT: Councilmember-None

ALSO PRESENT: City Manager Pulido, City Attorney Vail, Parks & Recreation Director Burroughs, Deputy City Clerk Kuo, Assistant to City Manager Flod, Community Development Manager Lambert, Financial Services Manager Molina, Public Safety Officer Ariizumi

3. PUBLIC COMMENTS

Mike Shay, Vice President of the San Gabriel Valley Economic Partnership, gave a presentation as to the benefits the City of Temple City would receive from becoming a member of their nonprofit organization.

Rob Cruse, resident/Lead Tree Trimmer, expressed concerns about the proposed changes in benefits for the employees of the City of Temple. Council had always expressed the importance of the employees' role in helping to make the City the community that it is. He thinks there are other ways to re-budget the City Manager's proposed reorganization. The salaries of the 3 new proposed positions could be lowered and qualified candidates would still apply. The savings in these positions' salaries could then be put back into the budget so as to not cut into existing employees' benefits. The employees have worked hard for it.

Starene Cruse, resident, stated that she attended a meeting that Congressman Schiff had with Temple City residents. She discussed with the Congressman on how administration should cut from top management and not from non-management employees. She felt that the skilled field workers and veteran employees over 25 years should not be penalized with a cut in benefits. These changes in benefits are a big deal to the families of the employees. She suggested reducing the proposed salaries for the new positions and not take from existing employees.

Mary Burke, resident, expressed concern over Athens' increase in rate.

4. CONSENT CALENDAR

Councilmember Yu removed Items C, D & E from the Consent Calendar.

Councilmember Blum moved to approve items A & B on the Consent Calendar as recommended, seconded by Mayor Pro Tem Chavez and unanimously carried by the following roll call vote:

AYES: Councilmember-Blum, Sternquist, Yu, Chavez, Vizcarra
NOES: Councilmember-None
ABSENT: Councilmember-None

ABSTAIN: Councilmember-None

A. CONFLICT OF INTEREST CODE BIENNIAL REVIEW AUTHORIZATION

Directed the City Attorney to amend the City's Conflict of Interest Code for Council review and approval by October 1, 2010

B. CONSIDERATION OF AN INCREASE IN THE SUBSIDY AMOUNT FOR REGULAR MONTHLY BUS PASSES, EZ MONTHLY PASSES AND TOKENS

Approved the recommendation to increase the subsidy amount for regular monthly passes and EZ monthly passes from \$10 to \$15 per pass and tokens from \$2 to \$3.

C. CONSIDERATION OF A RATE ADJUSTMENT REQUEST FOR WASTE COLLECTION RATES FROM ATHENS SERVICES INC.

Councilmember Yu stated he had confirmed with City Attorney Vail that the rate increase for Athens was a contractual obligation the City has with Athens Services. Councilmember Yu stated that based on Athens letter, the rate increase is based on several components, one of which is the consumer price index. He asked if staff had confirmed Athens's reference to the consumer index increase of 1.90%. Financial Services Manager Molina stated she has confirmed the increase.

The 2nd component is the estimated tipping fee increase. The estimated increase stated by Athens is 11.94%. Councilmember Yu asked who sets the tipping fee and if staff has received any documentation about the fee. Financial Service Manager Molina answered that she did not receive any documentation, usually Athens adjusts the rate for the next 6 months and the next fiscal year. So this fiscal year's is based on the adjustment from last fiscal year, for the last 6 months. Athens changed their rate on January, so whatever adjustments need to be made from January to June is applied to this fiscal year. And the next fiscal year, they will do the same thing.

Councilmember Yu stated that Athens is increasing their rate based on the January 1st tipping fee increase. He wanted to know who estimates that rate. Financial Services Manager Molina answered Athens does. Councilmember Yu asked what happens if there is a change in rate on January 2nd 2011. Financial Services Manager Molina answered that Athens will make an adjustment on the next fiscal year. So for example, if the rate is 2% less, then Athens will estimate 2% less than what they would think for the next fiscal year. The last time Athens gave the residents a \$0.37 cents reduction, it was based on the old estimation.

Mayor Pro Tem Chavez mentioned that the Ad Hoc Committee will address the rate increase concerns, however, rate increases are allowed due to contractual obligations. The Ad Hoc Committee will continue their efforts.

Councilmember Blum reiterated that there are 2 issues being addressed by the Ad Hoc Committee. One is regarding Athens' contract and the other is the method of trash collection. The City just finished with the Trash Pick-Up Preference survey.

Councilmember Sternquist once again confirmed with staff that their recommendation for approval of the rate increase was based on contractual obligation.

Councilmember Yu moved to approve item C, seconded by Councilmember Blum and unanimously carried by the following roll call vote:

AYES: Councilmember-Blum, Sternquist, Yu, Chavez, Vizcarra
NOES: Councilmember-None
ABSENT: Councilmember-None
ABSTAIN: Councilmember-None

D. APPROVAL OF A RENEWAL SERVICE AGREEMENT WITH COMMUNITY MEDIA OF THE FOOTHILLS TO VIDEO RECORD CITY COUNCIL MEETINGS FOR TELEVISIONING TO THE COMMUNITY

Councilmember Yu said that he noticed a fee for video streaming on the agreement that was not on last year's agreement.

Assistant to City Manager Flod explained that there was a \$200 per month allowance in the original agreement that was in case they needed to purchase a service allowing live video streaming without advertisement. For the last 12 months, Community Media of the Foothill (CMF) has been using a service that was not charging but was not providing good service. People were having problems video streaming. CMF have since switched the provider and are now being charged approximately \$150 per month. It is in the agreement to reimburse CMF actual costs for that service. The terms and conditions are identical to last year's agreement.

Councilmember Yu moved to approve item D, seconded by Councilmember Blum and unanimously carried by the following roll call vote:

AYES: Councilmember-Blum, Sternquist, Yu, Chavez, Vizcarra
NOES: Councilmember-None
ABSENT: Councilmember-None
ABSTAIN: Councilmember-None

E. RENEWAL OF VARIOUS SERVICE AGREEMENTS FOR FISCAL YEAR 2010-2011

Councilmember Yu stated that the Budget Ad Hoc Committee had suggested staff renegotiate all the annual contracts. He emphasized that we need to make sure these vendors are price competitive with what is available out there. Financial Services Manager Molina answered some departments have requested new quotes and the rest will do so during the next fiscal year. These annual contracts are being presented to Council for approval because they all expire June 30th.

Councilmember Yu asked how the rates of the current vendors compare to previous year's rates. Financial Services Manager Molina stated that the rates all reflect a consumer price index (CPI) increase, 1.9 -2 %. Financial Services Manager Molina stated that the rates of the contracts do not usually increase for any reason other than CPI increases. Councilmember Yu would like to see a comparison of rates between the previous and current contracts.

City Manager Pulido and City Attorney Vail suggested to Councilmember Yu that he can make a motion to have Council approve the contracts month to month and have staff work on renegotiation or proposals. The concept of high performance should be applicable to

everyone the City contracts with, we should try to make sure we get the best value with each contract.

Mayor Vizcarra asked if the City would be able to impose a month to month renewal on these contracts unilaterally. City Attorney Vail answered that the City will not be able to impose a unilateral month to month term but can approach the contractors and ask if they would be willing to extend the term on a monthly basis on the same term.

Mayor Pro Tem Chavez agreed with Councilmember Yu's concern but also recognized that this is a timing issue right now. The real concern is whether these current contracts are competitive.

Councilmember Blum suggested rebidding the contracts periodically but understands there are also benefits to continually having same company performing some of the services. He would like to set a policy that says contracts renew at a minimum every 3 years and should be rebid. From staff workbook viewpoint, rebid a third during one year and 2nd third one year and then last patch the 3rd year.

Mayor Pro Tem Chavez agreed but would like to make it every 2 years or even every year. If rebidding every 2 years, then do half the contract each year.

Councilmember Sternquist expressed concern that the current graffiti removal service provider is on the list of contract renewals. She wanted to know if her request to send out an RFP for graffiti removal service was done. Public Safety Officer Ariizumi answered that the Public Services Manager was working on getting the RFPs but the task was not completed. Councilmember Sternquist stated having a problem with approving the graffiti removal service contract. She wanted to know if the contract is an annual contract. Public Safety Officer Ariizumi confirmed that it is an annual contract but there is a 30 day termination notice in the agreement contract.

City Attorney Vail stated that all of the contracts are being updated to Burke William & Sorensen's standard form for maintenance & consultant services. All of the contracts have a termination clause provision based on 30 days notice. Council could approve all contracts then select the ones with performance problems and cancel with 30 days notice. Staff can also seek better competitive rates and cancel with 30 days notice. The City has the option to do so.

Councilmember Yu stated that the City could get a better rate if we were to enter into a multi-year contract with a service provider. He asked City Attorney Vail if the City needed to have a multiyear budget in order for the City to contract with a vendor like that. Attorney Vail answered that the City does not have to have a multi-year budget because appropriation for next year's contracts comes up from year to year.

Councilmember Yu wanted to add to Councilmember Blum's suggestion that perhaps the City can consider 2 year contracts so the City only has to approve the contracts every 2 years to negotiate a better rate.

Mayor Vizcarra stated perhaps the City can stagger the contracts at 2 year terms, half of the contracts in one year and half the second year.

Mayor Pro Tem Chavez moved to approve the renewal of the list of contracts on item 4 E with the direction to staff to review each contract for performance and also to develop a policy to begin the process of sending RFPs out to a certain number of these contracts each year so that we would be on a staggered basis for the entire amount of contracts.

Councilmember Blum added to Mayor Pro Tem Chavez's motion that the contract's term to be for a maximum of two years.

Councilmember Yu seconded the motion and unanimously carried by the following roll call vote:

AYES:	Councilmember-Blum, Sternquist, Yu, Chavez, Vizcarra
NOES:	Councilmember-None
ABSENT:	Councilmember-None
ABSTAIN:	Councilmember-None

Mayor Vizcarra asked why the City contracts with West Coast Arborists (WCA) when we have our own tree crew. Public Safety Officer Ariizumi explained that due to the number of trees that need to be trimmed in the City; it would be a large stretch for our three man tree crew to take care of the entire City. Along with daily tasks, the City's tree crew responds to tree emergencies that occur in the early hour mornings, late nights and weekends.

Mayor Vizcarra asked if WCA also provided other tree services. Public Safety Officer Ariizumi stated that WCA provides a full scope of service that would be required to maintain the health and esthetics of the trees in the community. Councilmember Yu asked if WCA performs written routine maintenances. Public Safety Officer Ariizumi confirmed there was a written routine.

City Manager Pulido stated that we don't have the equipment that WCA has to do the type of grid trimming that we require. It is more efficient and cost effective to have WCA provide these services. However, they do not provide emergency after hour calls which our tree crew does.

5. NEW BUSINESS

A. PUBLIC HEARING: ADOPTION OF RESOLUTION NO. 10-4679 ESTABLISHING: 1) A TEMPORARY FEE STRUCTURE FOR THE 2010 ANNUAL OVERNIGHT PARKING PERMIT PERIOD; AND 2) THE NUMBER OF OVERNIGHT PARKING PERMITS ALLOWED PER HOUSEHOLD

Public Safety Officer Ariizumi gave a presentation of the overnight parking permit's background & history. He presented to the Council the amended types of overnight parking permits and their fees.

An administrative fee of \$22.00 is applied to all permits and the permit fee is to be prorated quarterly. A full calendar year permit fee is \$50.00 and the senior permit fee for the full calendar year is \$30.00.

One monthly overnight parking permit would be issued per residence per month. A maximum of two monthly permits will be issued within a calendar year. The fee for a monthly overnight parking permit is \$20.00. Temporary and Conditional Overnight Parking

Permits will be \$2.00 per day. The fee for a conditional overnight parking permit will be \$20.00.

Transfer of an annual overnight parking permit to another vehicle shall be \$10. The fee for replacement of a lost, surrendered, or destroyed annual overnight parking permit will be \$10.00.

The maximum number of annual overnight parking permits will be limited to two permits per household.

Mayor Vizcarra wanted to know who would monitor the number of permits issued per household. Public Safety Officer Ariizumi answered that staff would maintain a data base of the number of permits being issued per household and the sheriffs would be checking for display of a valid parking permit on the cars parked on the streets.

Councilmember Blum pointed out that wording in Section 2 referring to one monthly overnight parking permit "shall" be issued per residence per month should really be changed to "may" be issued per residence per month.

City Attorney Vail stated that Councilmember Yu gave the correct reading when he read that section, that "only" one monthly overnight parking permit "may" be issued per residence per month. Then the next sentence the same thing, take out "will" and put "may". The City is not obligated to issue an overnight parking permit.

Mayor Vizcarra opened the public hearing.

Mary Burke, resident, expressed that more overnight parking permit requirement signs should be posted in her neighborhood.

Hearing no more requests to speak, either for or against this item, the public hearing was closed.

Councilmember Blum moved to adopt Resolution No. 10-4679 as amended, seconded by Councilmember Yu and unanimously carried by the following roll call vote:

AYES:	Councilmember-Blum, Sternquist, Yu, Chavez, Vizcarra
NOES:	Councilmember-None
ABSENT:	Councilmember-None
ABSTAIN:	Councilmember-None

B. PUBLIC HEARING: PROPOSED ADOPTION OF FISCAL YEAR (FY) 2010-11 CITY BUDGET, GANN LIMITATION; AND GOVERNMENT CODE SECTION 66000

City Manager Pulido and Financial Services Manager Molina recapped the power point presentation from the special meeting of June 22, 2010 for FY 2010-11 budgets.

Financial Services Molina presented the updated revised budget resulting from the June 22nd special meeting. The first proposed budget presented on May 20th had a surplus of \$219,000. The cost for the reorganization of staff is \$215,000, increase revenues from CRA reimbursement for salaries are \$106,000, and the cost for professional services is \$214,000. Additional operation maintenance savings of \$95,000 and the savings from reduction of employee benefits is \$112,000. The new adjusted surplus is \$104,830, a 2.6 % decrease in budget from FY 2009-10 to FY 2010-11.

Financial Services Manager Molina stated that the City is implementing a reserve policy with different buckets of money for specific items. For example, money for contingencies and emergencies are for disasters, money for economic uncertainties are for times of economic downturns, monies put in a trust fund for retirement and money for one time expenditures are used for capital improvement projects. This is just a proposed reserve policy.

Mayor Vizcarra opened the public hearing.

Jerry Jambazian, Temple City businessman, wanted to know regarding PERS, if the 8% contribution is mandatory or does the City just reduce it to 7% and staff members not participate in the 1%.

Mayor Vizcarra and Financial Services Manager Molina confirmed that it is a mandatory 8% contribution.

Councilmember Sternquist asked about the Parks & Recreation Department's 10% adjustment from their budget. Financial Services Molina answered that the reorganizational details are adjustments made throughout the whole budget. Since Parks & Recreation is going to oversee the Trees and Parkway Department, they will be using landscape and planning budget instead of general fund. So this shows a \$7,600.00 savings in the general fund, not an actual reduction.

Mayor Vizcarra left the meeting at 8:03 pm and returned at 8:04 pm.

Councilmember Blum asked what the City's contribution to the employee's retirement is. Financial Service Manager stated that the City has been paying 14% of the employer's portion and 8% of the employee's contribution into California Public Employees' Retirement System (CALPERS).

Jerry Jambazian, businessman, wanted to know why the total in salary and benefit savings for deletion of Assistant to City Manager position presented tonight is different from that of the 22nd's meeting. Financial Services Manager Molina answered that the report from the June 22 meeting was only an estimate and tonight's figure is actual.

City Manager Pulido indicated that some figures from last week's presentation included estimated costs (i.e., health insurance costs). The City has since received actual numbers. Councilmember Yu asked if health costs have increased since last year. Financial Services Manager Molina stated that it is a decrease compared to last week's estimate but an increase from last year's actual cost.

Mayor Pro Tem Chavez wanted to express to everyone that the decisions made regarding the budget thus far were not easy. They were made with consideration and thought. Family atmosphere is important, but we still have to live within our means, sacrifices had to be made. The decisions were not made to single out any one person. However, during last week's meeting, there was an option that was never looked into. That is the \$72,000 paid to the Chamber. Staff had made a recommendation to reduce that amount by \$12,000. He is asking for discussion or thoughts from Council tonight. He felt \$12,000 is too much but maybe half is fair. The City is hiring an Economic Development Manager and one of his/her jobs is to assist the Chamber. Perhaps this can offset some of the income from the City to the Chamber.

Councilmember Blum agreed with Mayor Pro Tem Chavez. However, he was uncertain about the amount that should be taken from the Chamber. He met with their board to help with their planning session and they are facing a lot of challenges. The City is bringing in an Economic Development Manager and obviously that person will be working with the Chamber. However, he feels Council should not decrease the City's contribution and instead consider the change for next year.

Councilmember Sternquist thought there was no need to wait in addressing this issue. The City is going to pay an Economic Development Manager and that person will be offering a lot of their own resources to assist the Chamber. She feels the City should not just be asking the employees to contribute. Maybe the City can ask the Chamber to contribute as well. She was comfortable with \$7,000 reduction.

Councilmember Yu stated that he feels it is time that the City revisits all the contracts and renegotiate a better rate, emphasizing economic redevelopment. He does not feel that cutting back the contribution to the Chamber is necessary. The City has a comfortable surplus with what the staff has proposed and there is no need for adjustment.

Mayor Pro Tem Chavez stated that the bottom line is that this is more of a policy decision than a numbers decision. He wants to be fair. He wanted to emphasize that we do contribute \$72,000 to the Chamber. Again, the City has committed a lot of funds to hire an Economic Development Manager and this person will be a great help to the Chamber and the City. He is in favor of reducing the Chamber's contribution by \$5,000.

Councilmember Blum made a motion for a \$2,000 reduction to the City's contribution to the Chamber.

City Manager Pulido reminded Council that we do have \$100,000 in reserve right now, more than what the City had a week ago. Council has the option to decide the amount that should go back into the reserve. The budget is balanced. Next fiscal year, we will not be tapping into the reserve. Financial Services Manager Molina explained that we are expecting to have a \$570,000 surplus this year. The general fund did not go down this past year. If Council had a specific number to be put back into the reserve, then Council may want to hang on to the \$100,000. But that is something Council has to decide.

Councilmember Sternquist stated that she thought one of the reasons behind the reorganizing besides creating a High Performance Organization (HPO) during last week's meeting was to increase the City's surplus. City Manager Pulido explained it was not stated at the time of the presentation that the City had \$99,000 in surplus. The surplus increased after the actual number for the health benefits came in. Councilmember Sternquist thought it was inferred that Council needed to find ways to increase the surplus. The City Manager is bringing this topic up for discussion only so that Council as a body can decide how much that surplus amount should be so staff does not have to guess in order to move forward.

Mayor Vizcarra expressed that that a surplus of \$100,000 for a City is not a large amount.

Councilmember Yu stated that during last Tuesday's meeting, City Manager Pulido presented a proposed budget with \$6,600 in reserve. The question was posed to Council how comfortable they were with the \$6,600 reserve. Council's instruction to staff was to

live within our means and have a balanced budget. A few things changed and Council gave staff instructions to decrease optional benefits, freeze step increases and decrease the City's contribution to pay the employee's portion to CALPERS by 1%. At the end of the meeting last Tuesday, Council seemed to be satisfied with \$50-\$60,000 in reserve. Today, staff presented a better scenario with approximately \$99,000 in reserve. Councilmember Yu stated that perhaps Council needed to readjust the changes that were made.

City Manager Pulido stated that staff needed Council to set the surplus amount in an amount Council was comfortable with.

Councilmember Blum stated that one of the issues the Budget Ad Hoc Committee brought to Council not discussed in this equation was the continual reduction in revenue. Staff reported that in the next couple of years, there will be a half million dollars reduction in revenue. In addition, due to normal increases in expenses (i.e. employee benefits, etc.), there is another million dollar swing coming. If the City stays with a \$100,000 reserve, that is 1%. We are near the high end of the reserves range. Councilmember Blum suggested Council take prudent steps to give the City a 1% budget reserve. This amount is not a lot.

Mayor Pro Tem Chavez asked City Manager Pulido that, given what staff knows about the economy and their knowledge of what revenue will be coming in, does the City Manager know what the City needs in its reserve. What kind of direction can City Manager Pulido give Council. Mayor Vizcarra stated that City Manager Pulido is looking for direction from Council. City Manager Pulido explained that he was only trying to facilitate this discussion because Council seems to be torn about reducing the City's contribution to the Chamber. The comfort level in the reserve amount is up to the Council.

Mayor Vizcarra announced that Council has established a reserve they are comfortable with and will stay with it.

Hearing no more requests to speak, either for or against this item, the public hearing was closed.

Mayor Vizcarra reminded Council members that there is a motion regarding reduction of City's contribution to Chamber by \$2,000 and they needed to complete that motion. Councilmember Yu seconded the motion which was unanimously carried by the following roll call vote:

AYES: Councilmember-Blum, Yu, Vizcarra
NOES: Councilmember-Sternquist, Chavez
ABSENT: Councilmember-None
ABSTAIN: Councilmember-None

Councilmember Yu moved to approve the proposed budget with amended amount for the Chamber contribution, seconded by Councilmember Blum and unanimously carried by the following roll call vote:

AYES: Councilmember-Blum, Sternquist, Yu, Chavez, Vizcarra
NOES: Councilmember-None
ABSENT: Councilmember-None

ABSTAIN: Councilmember-None

The Council adopted Resolution No. 10-4680, adopting the City of Temple City budget for FY 2010-11 and making the finding that the City is in compliance with Government Code Section 66000; and adopted Resolution No. 10-4681 confirming the factors used for calculating the annual Appropriations Limit for Fiscal Year 2010-11.

6. RECESS TO COMMUNITY REDEVELOPMENT AGENCY MEETING

At 8:40 p.m., the City Council recessed to the Community Redevelopment Agency Meeting. Minutes of the Agency Meeting are set forth in full in the Agency's records.

RECESS TO FINANCING AUTHORITY MEETING

At 8:43 p.m., the City Council recessed to the Financing Authority Meeting. Minutes of the Authority Meeting are set forth in full in the Authority's records.

RECONVENE AS CITY COUNCIL

The City Council Meeting was reconvened at 8:44 p.m. with all Councilmembers present.

Jerry Jambazian, businessman, commended the Mayor for starting the meeting with a flag salute. He felt it was important to establish a policy to begin each meeting with the pledge of allegiance to the flag. He also thought Council should add a public comments section at the end of every meeting.

Councilmember Blum added that he would like to add an invocation for special meetings.

7. ADJOURNMENT

The City Council Special Meeting was adjourned at 8:46 p.m.

Mayor

ATTEST:

Deputy City Clerk