



Tuesday, February 28, 2012

A Regular Meeting of the City Council and Successor Agency was held in the Council Chamber, Pico Rivera City Hall, 6615 Passons Boulevard, Pico Rivera, California.

Mayor/Chairman Archuleta called the meeting to order at 6:04 p.m. on behalf of the City Council/Successor Agency and Water Authority.

PRESENT: Armenta, Salcido, Tercero, Camacho, Archuleta

ABSENT: None

COMMISSIONERS PRESENT:

Esther Celiz, Planning Commission

INVOCATION: Monica Mendoza, Vice Principal St. Hilary School

PLEDGE OF ALLEGIANCE: Esther Celiz, Planning Commissioner

SPECIAL PRESENTATIONS:

- Students from St. Hilary on Catholic Schools Week Activities
- Pico Rivera History and Heritage Society
- TC Wolverines Jr. Midgets Football Team
- TC Wolverines White Flag Football Team
- TC Wolverines Jr. Midget Cheer
- TC Wolverines Midget Cheer

1st PERIOD OF PUBLIC COMMENTS – AGENDA ITEMS ONLY:

George Rivera:

- Addressed the City Council regarding employee negotiations, pension reform and employees participation in getting Measure P passed. He asked that the city not penalize the employees by taking away their jobs and/or benefits.

Frank Dean:

- Addressed the City Council regarding employees' involvement in getting measures on the ballot passed to help the city in time of financial need and

suggested that the city of Pico Rivera be recognized for it's uniqueness and dedicated employees.

Susie Servin:

- Addressed the City Council to ask for Council support in finding a solution to the city's deficit and to work with the employees in finding a solution that would not include layoffs or cuts in benefits.

In response to the speakers' comments, Mayor Archuleta stated that the Council has always been very proud of all city employees and will continue to work in partnership with them.

CONSENT CALENDAR:

1. Minutes:

- Approved City Council and Redevelopment Agency meeting of February 14, 2012
- Received and filed Parks & Recreation Commission meeting of January 12, 2012

2. Approved 13th Warrant Register of the 2011-2012 Fiscal Year. (700)
Check Numbers: 250418-250660
Special Checks Numbers: None

3. Single Audit Report for Fiscal Year Ending June 30, 2011. (700)

Received and filed.

4. Citywide Traffic Safety Improvements, HSIPL 5351 (023) – Capital Improvement Project No. 21242- Program Supplement Agreement No. 014-N. (500)

1. Adopted Resolution No. 6666 approving Program Supplement Agreement No. 014N to Administering Agency-State Agreement for Federal-Aid Funded Projects, No. 07-5351R, between the City of Pico Rivera and the State of California, Department of Transportation (CALTRANS) in the amount of \$99,000 for the design phase of Citywide Traffic Safety Improvements, HSIPL-5353 (023), CIP No. 21242 and authorizing the Director of Public Works to execute said agreement; and

Resolution No. 6666 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, ADOPTING PROGRAM SUPPLEMENT AGREEMENT NO. 014N TO ADMINISTERING AGENCY-STATE AGREEMENT FOR FEDERAL-AID PROJECTS NO. 07-5351R AND AUTHORIZING THE DIRECTOR OF PUBLIC WORKS TO EXECUTE SAID AGREEMENT

2. Appropriated \$99,900 in SAFETEA-LU funds and \$26,100 in Proposition C Local Return funds to account No. 210-7300-44500-00021242 to fund design of the Citywide Traffic Safety Improvements, HSIPL 5351 (023) – CIP No. 21242.

5. Appropriation of Proposition 1B State Bond Funds – Residential Resurfacing Project Phase D – Capital Improvement Project (CIP) No. 21238. (500)

1. Appropriated \$997,145 of Proposition 1B State Bond funds and \$96,110 of Rubberized Asphalt Concrete State Grant funds to account No. 210-7300-44500-00021238 to fund construction of the Residential Resurfacing Project, Phase “D” – Capital Improvement Project (CIP) No. 21238; and
2. Released appropriation of \$580,000 in General Funds currently programmed on the project to the General Fund Balance; and
3. Authorized the City Manager to execute Change Order No. 2 for an amount not to exceed \$263,255 to fully expend the Proposition 1B State Bond Funds.

Motion by Councilmember Salcido, seconded by Councilmember Armenta to approve Consent Calendar Items No. 1 through 5. Motion carries by the following roll call vote:

AYES: Armenta, Salcido, Tercero, Camacho, Archuleta

NOES: None

CONSENT CALENDAR ITEMS PULLED: None.

CITY COUNCIL LEGISLATION:

6. Mid-Year Budget Review Fiscal Year 2011-2012. (700)

City Manager Bates stated that staff is not suggesting at this point and time that a number of changes be made mid-year. He stated that the city is in the position where

the expenditures are exceeding the revenues that need to be brought into a balance. The budget, he stated, is out of balance by \$3.9 million dollars. As stated in the staff report, he said a number of suggestions have been made to try to bring the budget into balance. He stated that staff is meeting with the employees and taking their suggestions seriously, and that it will take a joint effort in a number of cuts in the budget and in program operations. Staff, he stated, will review all the options available for revenue, cost recovery for services, and operational issues in all major departments. He stated that the deficit needs to be dealt with seriously in a timely manner as not to use up all the city's reserves.

Finance Director Matsumoto provided a brief presentation which covered the mid-year budget adjustments, the \$3.9 million structural deficit, plans for resolving the deficit, and the impact of the dissolved Redevelopment Agency.

City Manager Bates added that many of the construction projects taking place in the city are funded from restricted grant monies. The monies utilized on these projects, he stated, do not come from the general fund.

Mayor Archuleta asked staff to provide information on any positive revenue that may be coming in over the next few years.

Director Matsumoto stated that the city may have a steady stream of franchise fees with a new trash contractor, sales tax is looking up, and there have been no declines in property tax or other revenues. He stated that the city's sales tax is down in comparison to other cities and that staff does not anticipate getting to pre-recession levels for a number of years.

Mayor Archuleta reiterated that staff is not looking to reduce the \$3.9 million deficit all at once, but over a two year period.

City Manager Bates affirmed that staff is looking to reduce the deficit over a two year period which brings the city to being right on the border of meeting the minimum reserve requirements that are necessary. He further stated that with the increases in retirement and health benefit cost it makes it difficult to offset.

Councilmember Armenta requested that City Manager Bates speak with the employees and provide them with detailed information on the budget and what is happening with the finances in the city. City Manager Bates stated that he will go over more detailed information on the budget with the employees in March. He stated that it may be

difficult to have a consensus but that staff will work with the employees toward a consensus.

Councilmember Tercero asked if the union representatives would be able to present their ideas to the Council in a meeting.

City Attorney Alvarez-Glasman stated that the suggestion would be contrary to the Meyers-Millas Brown Act. He stated that Council gives direction to the agencies negotiators in Closed Session and they communicate to the members of the representative employee groups.

Councilmember Salcido reiterated that the only significant difference in the mid-year budget is the \$600,000 in additional revenue from the sales tax and \$1 million in the housing program. He further stated that he would like to see something offered to the employees other than unilateral solutions to the deficit and would like to see more collaboration between management, City Council and the employees. Mr. Salcido stated that the employees are willing to make adjustments but he doesn't think they will consider the adjustments unless they see significant restructuring to the entire organization where it benefits the greatest good for the residents and the employees. He stated that he agrees with the six points being recommended in the staff report as long as the six points occur in that specific order.

Mayor Pro Tem Camacho stated that he is content that the mid-year budget does not require any layoffs; however, he stated that a more positive financial picture had been portrayed by the previous administration and asked when staff became aware that there was a deficit.

City Manager Bates stated that at the time he was being interviewed he didn't see the positive numbers that were being portrayed. He stated that the budget has been deteriorating over the last three years due to over spending and the revenues falling off dramatically as part of the recession.

Mayor Pro Tem Camacho stated that the problem started along time ago when money was being moved around to make the budget look good and that this cannot happen any more. He stated that the budget is the city's backbone and that the City Council needs to do their due diligence when approving expenditures to understand the impact their decisions have on the budget. Further, he stated that he does not want to balance the budget on the backs of the employees, but acknowledged that tough times call for tough measures. Mr. Camacho stated that all members of City Council need to be

proactive in bringing businesses into the city and should concentrate on economic development that would provide revenue to the city.

Councilmember Armenta stated that it's important in regard to contracts, that staff ensures that the city gets the best services/product for their money and that staff provides a detailed analysis as to why they are recommending the award of contract to a particular vendor/contractor.

For clarification purposes, Councilmember Salcido stated that Measure P was never meant to be a cure all for any financial issues in the city, and that the only reason he supported Measure P was strictly to generate \$8 million dollars to match the County for a new library and to rebuild the parks.

Councilmember Tercero concurred with fellow council members that there is a disconnect between management, Council and the represented employees, and concurred with statements made by Councilmember Salcido on Measure P. He stated that after his election when he met with City Manager Bates that Mr. Bates did not paint a rosy picture of the city's finances, and after he read the city's comprehensive annual finance report realized that the city has not been in a positive financial position for at least two years.

Mayor Archuleta stated that the City Council, city management and represented employees will work together to come to an equitable solution for the residents and city employees.

Motion by Councilmember Salcido, seconded by Councilmember Armenta to: 1) Approve budget adjustments to General Fund appropriations (Attachment 2); 2) Approve budget adjustments to other funds appropriations (Attachment 3); 3) Approve budget adjustments to Capital Improvement Projects (Attachment 4); and 4) Approve budget adjustments to revenues (Attachment 5). Motion carries by the following roll call vote:

AYES: Armenta, Salcido, Tercero, Camacho, Archuleta

NOES: None

SUCCESSOR AGENCY ACTIVITIES: None

Recessed to Water Authority at 7:41 p.m.

ALL MEMBERS WERE PRESENT

Reconvened from Water Authority at 7:49 p.m.

ALL MEMBERS WERE PRESENT

NEW BUSINESS:

Councilmember Salcido mentioned that the El Rancho High School soccer team has advanced to the CIF Finals and will play this Saturday.

Councilmember Armenta thanked the Public Works crew who assisted with a fire hydrant that went down at 2:00 a.m. Sunday. He commented on weekend graffiti and requested that staff look into weekend coverage for graffiti removal especially on holiday's.

Mayor Pro Tem Camacho stated that the city was awarded another KaBOOM grant for Streamland Park. Parks & Recreation Director Aranda added that February 29 is the Design Day at Durfee Elementary School and April 28 is the Build Day at the park. He stated that the city is looking for 100 volunteers. Councilmember Salcido asked if there would be a section for children with special needs with Mr. Aranda responding in the affirmative.

Mayor Archuleta acknowledged Fire Chief Heinzl and the Sheriff Department for their work in the community and asked Public Works Director Cervantes when Shade Lane would be cleaned up. Director Cervantes stated that staff is in the process of cleaning up the road and should have it completed by the end of the week. Mayor Archuleta asked that a fence be placed in front of a tree where the Pico Boy's toddlers play.

OLD BUSINESS:

Councilmember Armenta reiterated that special needs equipment will be placed in all parks with Parks & Recreation Director Aranda responding in the affirmative.

Mayor Archuleta requested staff to provide a timeframe to add additional parking to Streamland Park and for an update on the Durfee underpass. Public Works Director Cervantes stated that staff is waiting for the completion of the parks master plan projects to be able to determine how much funding is available for the Streamland Park parking lot. At this point in time, he stated, staff is looking to start design sometime in

December 2012. City Manager Bates stated that staff is making significant progress on the Durfee Underpass project. With the assistance of the Mayor, himself and Public Works Director, he stated that they provided a full presentation to Diane Devoy who is a Councilmember from Lakewood and a member of the MTA Board. He stated that Ms. Devoy was very supportive and will work with other MTA board members to push the city's project and find funding to get it going as soon as possible. Staff, he stated, is optimistic and will present to City Council a request for additional study money to advance the project. Director Cervantes, he stated, recently held a meeting with the consultant who is looking at ways to streamline the design which helps the city to move up on the priority list and that a member of the ACE staff joined Mr. Cervantes for this study session with the consultant. He further stated that this project has the most safety impacts to any community of any of the grade separations along the ACE corridor.

Councilmember Salcido stated the need for the Durfee grade separation out ways the need for the Passons grade separation and credits the Passons project to former Councilmember Beatrice Proo who was a member of the MTA Board. He stated that working with the elected MTA officials is key.

Councilmember Tercero mentioned a commemorative tree that was taken down at Rivera Park referred to as the Yum Yum tree (Chinese elm) and asked if there were any plans to replace it or acknowledge it with a plaque. Parks & Recreation Director Aranda stated that he was not familiar with this tree but could speak with the baseball association regarding this matter.

2ND PERIOD OF PUBLIC COMMENTS – ALL OTHER CITY-RELATED BUSINESS:

Ofelia "Roddie" Rodriguez, President of the Pico Rivera Concerned Citizens Committee:

- Addressed the City Council regarding city cut backs and elimination of some commissions to save the city money.

John Belmonte, Vice President of the Pico Rivera Concerned Citizens Committee:

- Addressed the City Council regarding the elimination of car allowance and the Sister City Commission, suggested that the Council and all city staff tighten their belts to help with the deficit.

Rosemary Gurrola:

- Addressed the City Council to announce the closure of the Mines Library on March 8; Story Time will be held at the library on Thursday, March 1, at 4:00

p.m.; and a "Closing House" reception will be held on March 8, from 4 p.m. to 6 p.m.

Mayor Archuleta stated that the library will be temporarily housed in a mobile trailer on Mines and encouraged residents to stop by the library before or on March 8, 2012.

City Attorney Alvarez-Glasman announced that there were two items to be added to the agenda for Closed Session pursuant to Government Code Section 54954.2(b)(2). The two items he stated are Conference with Legal Counsel Existing Litigation Graffiti Protective Coating v. City of Pico Rivera and Conference with Legal Counsel – One Matter. Mr. Alvarez-Glasman stated that the two referenced items need to be added by a motion and seconded by the Council with a four fifths vote.

Motion by Councilmember Armenta, seconded by Councilmember Tercero to add the two items referenced by City Attorney Alvarez-Glasman. Motion carries by the following roll call vote:

AYES: Armenta, Salcido, Tercero, Camacho, Archuleta

NOES: None

Recessed to Closed Session at 8:16 p.m.

ALL MEMBERS WERE PRESENT

Reconvened from Closed Session at 10:15 p.m.

ALL MEMBERS WERE PRESENT

CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Government Code Section § 54956.9(a)

Graffiti Protective Coatings v. City of Pico Rivera

City Attorney Alvarez-Glasman stated that there was no final action taken and nothing further to report.

B. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION

Pursuant to Government Code Section § 54956.9 (b)

Number of Cases: One Case

City Attorney Alvarez-Glasman stated that there was no final action taken and nothing further to report.

C. PUBLIC EMPLOYEE EVALUATION

Pursuant to Government Code Section §54957

Title of Position: City Manager

City Council to review and evaluate past performance and provide direction on future performance expectations.

City Attorney Alvarez-Glasman stated that there was no final action taken and nothing further to report.

ADJOURNMENT:

Mayor Archuleta adjourned the City Council meeting at 10:16 p.m. There being no objection it was so ordered.

AYES: Armenta, Salcido, Tercero, Camacho, Archuleta

NOES: None

Bob J. Archuleta, Mayor

ATTEST:

Daryl A. Betancur, City Clerk

I hereby certify that the foregoing is a true and correct report of the proceedings of the City Council and Redevelopment Agency Regular meeting dated February 28, 2012 and approved by the City Council on March 13, 2012.

Daryl A. Betancur, City Clerk