

MINUTES OF THE REGULAR CITY COUNCIL
MEETING OF THE CITY OF VERNON HELD
MONDAY, NOVEMBER 2, 2009, AT 9:00 A.M.
IN THE COUNCIL CHAMBERS OF THE CITY HALL
LOCATED AT 4305 SANTA FE AVENUE,
VERNON, CALIFORNIA

MEMBERS PRESENT: Gonzales, McCormick, Davis, Maisano, Newmire

MEMBERS ABSENT: None

The meeting was called to order by Mayor Gonzales.

The Deputy Chief City Attorney announced that there were no changes to the agenda.

The Deputy Chief City Attorney announced that this was time for public comments.

The Consent Calendar was presented.

TREASURER

**APPROVAL OF WARRANT REGISTERS -
October 20 through October 26, 2009:**

1. There were no Wire Transfers for Warrant Register No. 1289.
2. Ratification of the issuance of early checks for Warrant Register No. 1289, totaling \$6,110.82.
3. Warrant Register No. 1289, totaling \$369,217.07.
4. Ratification of wire transfers for Light & Power Warrant Register No. 254, totaling \$3,500,884.87.
5. Ratification of the issuance of early checks for Light & Power Warrant Register No. 254, totaling \$6,211.96.
6. Light & Power Warrant Register No. 254, totaling \$20,299.76.
7. There were no Wire Transfers for Gas Warrant Register No. 44.
8. Ratification of the issuance of early checks for Gas Warrant Register No. 44, totaling \$12,328.08.
9. Gas Warrant Register No. 44, totaling \$19,609.78.
10. There was no BNY Report for this period.

END OF CONSENT CALENDAR

It was moved by McCormick, seconded by Davis, that the items listed on the Consent Calendar be approved as recommended. Motion carried. 5-0

The Chief Deputy City Attorney announced that this was the time to address the discussion items listed on the agenda.

STAFF DISCUSSIONS

A. Discussion with City Administrator regarding Study Session Agenda Format.

The City Administrator advised that the main reason for the Informational Session was to be able to discuss items of importance with the City Council in a manner that complies with the restrictions posed by the Brown Act.

These information sessions would also improve the communication process between the City Council and staff. He further advised that these meetings were not established to seek Council's direction unless otherwise specified on the Department's Staff Discussion Report.

He clarified that Council could give direction to city staff to place items on a future meeting; or direct staff to do searches/investigations and report back.

Mayor Gonzales expressed his happiness with the new format of the Council meetings and commended the City Administrator's intent to keep the City Council well informed on city business.

The Mayor asked if there were any questions from the City Council on this matter at this time.

Councilman Newmire asked if discussion among the councilmembers on any topic listed on the agenda would be appropriate at these meetings.

The City Attorney encouraged communication among the councilmembers on any topic as long as the topic was listed on the agenda.

B. Discussion with the Director/Health Officer of Environmental Health and Control Department regarding the E-Waste Collection Event.

The Director/Health Officer of the Health and Environmental Control Department informed the City Council of the reduction in the volume of items collected during the E-Waste Event held October 14, 2009.

He informed that there were approximately 15,000 pounds of electronic waste collected as opposed to approximately 30,000 pounds in the past. He also mentioned that said reduction might have been attributed to the rain on that day or the reduction might be attributed to the weak economy.

Councilman Newmire asked for those who missed this E-Waste collection day, when would the next collection take place.

The Director/Health Officer advised that he would get the information of other nearby E-Waste collection sites and make it available.

C. Discussion with Special Counsel and City Administrator regarding various financial topics.

Special Counsel provided an overview of the financial position of the city for the last forty years. He focused on the fundamentals of revenues vs. expenditures.

Special Counsel also addressed the following in detail:

- The acquisition of 29,000 acres of land for the purpose of the construction of a Wind Energy Project and the great interest expressed by other agencies on this project.
- The importance of maintaining competitive energy rates in the city and to focus on other projects to increase revenue and not to increase energy rates.
- The fundamentals of Revenues vs. Expenditures and reiterated that expenditures should not be greater than revenues.

The City Administrator explained the fundamentals behind the increase in energy costs and the importance of maintaining a steady energy capacity.

Mayor Gonzales expressed his concern with the past opposition by environmentalists to the proposed construction of the City's power plant, Southeast Regional Energy Project and the impact that may have on the City's finances.

Special Counsel explained that environmentalists and local communities focused in the past on the proposed construction of the city's power plant, which they could control; but that environmentalists and local communities do not focus on the main pollution problem that comes from mobile sources, like cars and such. They do not pursue the pollution problem coming from mobile sources because that problem cannot be controlled.

Councilman Newmire asked if the city were to go forward with the wind project, how long it would take for the city to begin collecting revenue.

Special Counsel said that there were two ways that the city could collect revenue:

1. By partnering in the development of the energy resources. This would yield a relatively quick return that could begin in approximately 3 to 5 months; or,
2. By waiting until the wind project is up and running and collecting revenue from the sale of wind energy. This would take several years. The earliest could be 2012.

Councilman Davis asked if the city had received funds to replace water or power meters like others cities have.

The City Administrator responded that he would have a report prepared on this matter and bring it forth to a future meeting.

Councilman Newmire asked if staff is looking into the various options available in renewable and/or bio energy.

The City Administrator advised that the city is looking into every potential way to generate energy from renewable sources, solar, wind, solid waste, and algae farms.

The Special Counsel proceeded and addressed the following:

- The interest swaps and their continued cost to the city, the continual monitoring of these swaps and the possibility of the City Administrator recommending to city council in the first quarter of 2010 to get out of/terminate the interest swaps.
- The Society General commodity swaps for the supply of prepaid natural gas and the Director of Light and Power's efforts to terminate these before they go to a possible negative value.

Mayor Gonzales asked if there were any questions from the City Council on the topics presented by the Special Counsel at this time.

There were no questions at this time.

The City Administrator proceeded and reported on the outages that occurred last week due to the strong winds. He also stated that he would have a report prepared on this matter to bring forth to a future meeting.

The City Administrator further reported on the incident that occurred last Sunday at the Malburg Generating Station (MGS) involving two suspects at the Soto Gate of the facility. He stated that he would have a report prepared on this matter to bring forth to a future meeting.

Mr. John Farhamy, property owner, asked for the City Council to allow additional public comment. The Council agreed to his request. Mr. Farhamy addressed the City Council on a matter regarding the change of use of his property located on the corner of Fruitland and Pacific. Mr. Farhamy stated that his property has been vacant for over four months and that he has found a potential tenant who is present in the audience and who would also like to address the City Council at this time.

Mr. Mario Garcia addressed the City Council, advised the Council of the different types of business activities that he has been involved with for the last seven years, and communicated his interest to open a business in the property in question.

