

MINUTES OF THE INFORMATIONAL SESSION
OF THE REGULAR CITY COUNCIL MEETING OF
THE CITY OF VERNON HELD MONDAY, NOVEMBER 30,
2009, AT 9:01 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 Chief Deputy City Attorney announced that there were no changes to the agenda.

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

Mr. Jerardo Mayagoita a resident of the City of Maywood addressed the City Council and expressed his concerns regarding untimely responses made by Bowers Ambulance on the calls made November 21, 2009, and November 24, 2009, which he claimed took an estimated response time of 45 minutes for each call.

The City Administrator advised the City Council that both the Fire and Police departments had reviewed the facts on this matter as a follow up to the previous written concerns submitted by Mr. Mayagoita and reported that responses made by Bowers has been made within a timely manner.

It was moved by Davis, seconded by Newmire that the Minutes of the Informational Session of the Regular City Council Meeting held November 16, 2009, be approved and adopted as submitted. Motion carried. 5-0

The Consent Calendar was presented.

TREASURER

APPROVAL OF WARRANT REGISTERS - November 17 through November 23, 2009:

1. No Wire Transfers for Warrant Register No. 1293.
2. Ratification of the issuance of early checks for Warrant Register No. 1293, totaling \$21,658.92.
3. Warrant Register No. 1293, totaling \$176,653.51.
4. Ratification of Payroll Warrant Register No. 641 for the period of September 13 through October 10, 2009, totaling \$3,045,841.94.
5. Ratification of wire transfers for Light & Power Warrant Register No. 258, totaling \$3,657,344.85.
6. Ratification of the issuance of early checks for Light & Power Warrant Register No. 258, totaling \$9,740.40.

7. Light & Power Warrant Register No. 258, totaling \$137,746.35.
8. No Wire Transfers for Gas Warrant Register No. 48.
9. Ratification of the issuance of early checks for Gas Warrant Register No. 48, totaling \$10,443.55.
10. No regular checks for Gas Warrant Register No. 48.

END OF CONSENT CALENDAR

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

STAFF DISCUSSIONS

- A. Discussion with the Director of Community Services & Water Department addressing the request made during the City Council Informational Meeting held on November 2, 2009, regarding the possibility of utilizing the building at 5140 Pacific Boulevard as a banquet hall or other commercial or retail uses.

The Director of the Community Services & Water Department provided a summary of the zoning provisions that would apply to a request to establish a commercial use at the property located 5140 Pacific Boulevard made by Mr. John Farhamid on November 2, 2009, before the City Council. The Director of Community Services & Water advised that in accordance to the City's General Plan and the Zoning Ordinance that the proposed change in use from an industrial use to a commercial use was not permitted at the subject location site and that in order to have the zoning designation changed, an application for a zoning amendment would have to be filed by the property owner and approved by the City Council.

- B. Discussion with the Director/Health Officer of the Health & Environmental Control Department addressing the request made during the City Council Informational Meeting held on November 2, 2009, regarding the Solid Waste Non-Exclusive Franchise Program.

The Director/Health Officer of the Health & Environmental Control Department provided an overview of the facts involved and the effect of State Mandates imposed on the City and waste haulers since the time of inception of the program in the City. He also addressed the upcoming changes regarding the availability of landfills and the potential increase of waste diversion requirements from 50% to possibly 75% in the near future. He further advised that as an attempt for the city to be ready for the upcoming changes, all the Solid Waste Non-Exclusive Franchisees have been notified that their agreements with the City would now have an expiration date of December 31, 2014, at which date those agreements could be renewed based on the new requirements.

Legal Counsel, Mr. Eric Fresch, asked if the City could provide this service to the business community.

The City Administrator responded that this is an option that the City is looking into.

C. Discussion with Gas Department Manager Dan Bergman on the following matters:

1. Potential modifications to the City's gas tariff.
2. Three potential agreements with Southern California Gas Company

The Gas Department Manager provided an overview of the City's gas system since its inception and announced that a new potential gas customer, Darling International (Darling); would be connected to the gas system on December 1, 2009. Darling is expected to be the City's second largest customer. The Gas Department Manager addressed the proposed changes to the gas tariff, which include the elimination of the Rate Schedule G-5 and amendments to the Gas Commodity Agreement which affect the requirements regarding the fixed purchase rate and revisions to the general language of the same.

The Gas Department Manager also provided the details related to the three proposed agreements to be entered with Southern California Gas Company:

1. Receipt Point Master Agreement
2. Pooling Agreement
3. Access to the Southern California Gas Company Electronic Board

D. Discussion with the City Attorney regarding the proposed Amended Agreement with the Southeast Cities Schools Coalition.

Gena Stinnett, with Richards, Watson & Gershon, reviewed the key points since the Coalition was formed in 2006 and went over the proposed changes to the agreement with the Southeast Cities Schools Coalition. She further addressed the possible financial impact that said changes could impose on the City and the City Attorney's Office request for a conference call among the City Attorneys of the other member cities.

Mayor Gonzales reported that in the past, even though the agreement required equal contributions from each member city, that the City of Vernon had contributed more to the Coalition than other cities did.

The City Attorney advised that this matter requires a thorough legal review and that direction would be sought at a future meeting to either continue with the review of the proposed amendment or follow up in any manner the City Council would desire.

E. Discussion with the Director of Light & Power regarding the results of the electric rate design study prepared by Crossborder Energy for the City.

The Director of Light & Power introduced the Electronic Resources Planning & Development Manager Abraham Alemu to discuss this matter.

The Electronic Resources Planning & Development Manager addressed the details regarding the electric rate study recently made by Crossborder Energy which revealed a due increase of 4.7% on electric rates. This 4.7% increase is based on the concept of revenues meeting operation costs. The proposed increase would come before the City Council sometime in December and the new rates, if approved, would be effective January 1, 2010.

He also reported that the tool created by Crossborder Energy for the electric rate study would be used to monitor each individual electric rate in the future.

Councilmember Newmire stepped out of the meeting at 10:27 a.m.

Councilmember Newmire returned to the meeting at 10:30 a.m.

Electronic Resources Planning & Development Manager also addressed the factors attributed to high demand and reduced rates and the importance of maintaining competitive rates in the market.

F. Discussion with City Administrator and Legal Counsel on the following topics:

1. Current Market Status
2. Fire Station Capital Project
3. Wind Project
4. Climate Action and sustainability proposed formation of Subcommittee Newry/Vernon

Legal Counsel Eric Fresch provided an overview of the money that the City has been absorbing since the beginning of these weak economic times; the usage of the City's Reserve Funds in order to maintain competitive electrical rates; and the projection of a longer recession.

The Legal Counsel reported the impact of the economy on capital projects, including the delay of the construction of Fire Station No. 4 due to uncertainty in revenues and budget changes. He further addressed the importance of being cautious when using funds for capital projects and the need to prioritize said capital projects.

Mayor Gonzales thanked the Legal Counsel for the information provided regarding the anticipated long recession period which the City Council will keep in mind before making any decisions that would have a financial impact on the City.

Mayor Pro Tem McCormick asked what would be the steps to be taken if the construction of Fire Station No. 4 were to move forward.

Fire Chief advised that some of the architectural design has been completed and that remediation of the soil would also be required, which would take approximately six months.

Councilmember Newmire asked what would the postponement of the construction create?

