

MINUTES OF THE REGULAR CITY COUNCIL
MEETING OF THE CITY OF VERNON HELD
MONDAY, MARCH 1, 2010, AT 9:02 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 advised that there were no changes to the agenda.

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

Mayor Gonzales asked if there was anyone in the audience who wished to address the City Council.

Mr. Jim Morris from J & J Snack Foods thanked the City of Vernon Fire Department on behalf of the owner, Gerald B. Shreiber, for the televised rescue of the German Shepherd a few weeks ago. Mr. Morris read the thank you letter donating \$1,000 to the Fire Department from Mr. Shreiber.

Firefighter Jonathan Sudduth expressed disappointment with the upcoming insurance benefit changes, but that he was grateful to have a job. He asked that the Council consider voting no on the insurance resolution listed on today's agenda due to the financial impact on the employees.

Ms. Tonya Coster, a wife of a firefighter and emergency room nurse, asked the Council to reconsider the insurance resolution. She asked the Council if they could come up with an alternate way to cut expenses.

No one else addressed the City Council.

The Mayor presented the Service Pins and congratulated the following employees on behalf of the entire City Council:

<u>Employee Name</u>	<u>Job Title</u>	<u>Years</u>
1. Darren Simpkins	Firefighter	20
2. Michael Rogers	Fire Engineer	20
3. Steven Coster	Fire Engineer	20

The following employees were unable to attend the meeting and the Service Pin was forwarded to them.

<u>Employee Name</u>	<u>Job Title</u>	<u>Years</u>
1. Barry Schoolmeester	Firefighter	20
2. John Doersom	Firefighter	20

The Consent Calendar was presented.

CONSENT CALENDAR

Fire

1. Activity Report for the period February 1 through February 15, 2009, to be received and filed.

Light & Power

1. Light & Power Resource Procurement Report for the Month of November 2009, to be received and filed.
2. Light & Power Resource Procurement Report for the Month of December 2009, to be received and filed.
3. Light & Power Resource Procurement Report for the Month of January 2010.

Personnel

1. Reclassification of George Tolmasoff, from Utilityman IV to Helpdesk Technician, step 10, effective March 1, 2010.

Treasury

Warrant Registers - February 12 through February 22, 2010:

1. Ratification of wire transfers for Warrant Register No. 1303, totaling \$298,710.95.
2. Ratification of the issuance of early checks for Warrant Register No. 1303, totaling \$5,943.07.
3. Warrant Register No. 1303, totaling \$210,588.99.
4. Ratification of wire transfers for Light & Power Warrant Register No. 268, totaling \$254,941.83.
5. Ratification of the issuance of early checks for Light & Power Warrant Register No. 268, totaling \$12,554.12.
6. Light & Power Warrant Register No. 268, totaling \$2,451.16.
7. No wire transfers for Gas Warrant Register No. 58.
8. Ratification of the issuance of early checks for Gas Warrant Register No. 58, totaling \$10,043.25.
9. No warrant checks for Gas Warrant Register No. 58.
10. There was no BNY Report for this period.

END OF CONSENT CALENDAR

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

It was moved by McCormick, seconded by Newmire, that the Findings of Fact and Decision on Stericycle, Inc.'s appeal of the assessment of business license tax penalties for 2007, 2008 and 2009, be approved. Motion carried. 5-0

RESOLUTION 2010-37 of the City Council of the City of Vernon Authorizing the Sale of Surplus Property from the Community Services & Water Department, the Health Department and the Police Department Pursuant To Section 2.31 of the Vernon City Code, was read by title.

It was moved by Davis, seconded by Maisano, that Resolution No. 2010-37 be adopted. Motion carried. 5-0

RESOLUTION 2010-36 of the City Council of the City of Vernon Approving and Authorizing the Execution of a Master Rental Lease Agreement by and between the City of Vernon and Pacific Mobile Structures, Inc. to Lease Two Mobile Trailer Units Located at Fire Station No. 1, was read by title.

It was moved by McCormick, seconded by Maisano, that Resolution No. 2010-36 be adopted. Motion carried. 5-0

RESOLUTION 2010-33 of the City Council of the City of Vernon Amending Previously Amended Resolution No. 9639 regarding the Compensation, Costs and Benefits of its Employees ("Salary Resolution"), by Amending Section 4 and Schedule Nos. III, IV, XIII and XIV of the Salary Resolution (Amendment No. 16), was read by title.

Mayor Gonzales asked for the City Administrator to address the questions raised about the resolution.

The City Attorney, Laurence Wiener, clarified that the salary resolution was not the resolution that was addressed by the two people who spoke during the public comment period.

It was moved by McCormick, seconded by Maisano, that Resolution No. 2010-33 be adopted. Motion carried. 5-0

RESOLUTION 2010-35 of the City Council of the City of Vernon Amending Resolution No. 9786 regarding the Determination for Employer Paid Member Contributions to the Public Employees' Retirement System ("EPMC Resolution"), by Amending the Election Conditions of the EPMC Resolution (Amendment No. 1), was read by title.

It was moved by Maisano, seconded by Newmire, that Resolution No. 2010-35 be adopted. Motion carried. 5-0

Mayor Gonzales asked for the City Administrator, Donal O'Callaghan, to comment at this time on the CalPERS and insurance resolutions.

The City Administrator explained that the changes are to help balance the budget and that certain cuts are necessary. He stated that should the economy change for the better in the future that benefits could possibly change back, but it is necessary to make these cuts today. He continued to explain that we must ensure that the City exists and that the City cannot continue to spend money that it does not have. Reducing staff is an option, but can

only be done to a certain level, because the City has to provide service to its customers.

Mayor Gonzales stated that this is not something that just started and that other cities have started reducing. He explained that the City has lost revenues and to continue our service and it is necessary to balance the budget. He also explained that the City has to balance the budget without hurting the services to businesses. Everyone will be affected and the City is doing what is necessary until more revenues are found or the economy gets better.

Councilman Davis mentioned the conference that he recently attended and other cities were talking about having employees pay PERS contributions. He expressed that the City is really looking at what can be done and that it is not just a City of Vernon problem, but is actually a state problem.

Councilman Newmire commented that this problem has existed for a long time and that the City of Vernon has not yet addressed the situation. He expressed that the City needs to find a way to keep above water financially at this time.

Councilman Maisano concurred with Councilman Newmire and talked about his own family having to move in with each other due to the economic times. He talked about how the economy is affecting people worldwide and that cutbacks are necessary for the City. He stated that the council is forced to make hard decisions, but is trying to be fair, and asked for all to be patient with the steps being taken.

The City Administrator stated that the decisions being made are really hard. He said that Willard Yamaguchi, Risk Manager, had contacted Aetna to discuss insurance options that will least impact the employees by getting rates that fit their budgets. He also advised that workshops will be scheduled for everyone to discuss the best options for their coverage. He reiterated that the cutbacks were necessary and that they are a result of 10-15 years of budget issues. He continued to say that he fully appreciated the comments on this matter, but that the City had to take these steps at this time.

Councilman Newmire inquired if there was a time period to disqualify spouses and dependents from the insurance.

The City Administrator responded that the City will check with the carrier and that they will look into gradually phasing in having employees pay 50 percent to start, as an example. He stated that they will know more after meeting with the carrier.

In response to Councilman Newmire's inquiry regarding schedules and rates, the City Administrator stated that there will be information workshops that will be held to customize insurance benefits to employee needs.

Mayor Gonzales stated that the changes will not happen immediately.

RESOLUTION 2010-34 of the City Council of the City of Vernon Amending Resolution No. 10,019 regarding the Payment of Premiums for Insurance for Life, Health and Dental Benefits for Employees during the 2009-2010 Fiscal Year ("Employee Insurance

Resolution"), by Amending Sections 2 and 3 of the Employee Insurance Resolution (Amendment No. 1), was read by title.

It was moved by McCormick, seconded by Newmire, that Resolution No. 2010-34 be adopted. Motion carried. 5-0

RESOLUTION 2010-32 of the City Council of the City of Vernon Appointing the City Clerk and Deputy City Clerk for the City of Vernon, was read by title.

It was moved by McCormick, seconded by Newmire, that Resolution No. 2010-32 be adopted. Motion carried. 5-0

A Resolution of the City Council of the City of Vernon Approving and Authorizing the Execution of an Agreement with JM Crew, Inc., D.B.A. Rhino Construction Services and Allocating Related Funds to the Capital Budget, was read by title.

Councilman Davis asked the City Administrator if JM Crew and Rhino Construction are one company.

The City Administrator stated that it is one company.

Councilman Davis inquired about Exhibit B and the wages listed for the apprentice and the journeyman.

Mayor Gonzales responded that the City Administrator could get back to him with a report answering his questions.

The City Administrator explained that the City is trying to work directly with Rhino and that he would provide Councilman Davis with comparative costs at a later time.

The City Attorney suggested that the resolution be deferred to the next meeting.

It was moved by Davis, seconded by McCormick, to continue consideration of the Rhino Construction resolution to the meeting scheduled for March 8, 2010. Motion carried. 5-0

The Chief Deputy City Attorney announced that now was the time for elected officials to report on conference/seminars for the period of February 1, 2010 through February 28, 2010.

Councilman Davis talked about the Renewable Energy Technology conference that all of the councilmembers attended with the exception of Councilman McCormick, during February 3 through February 5, 2010, in Washington D.C. He explained that at the conference he learned more about solar, wind and hydro power and also about the transmission line that passes through Arizona, California, and Utah.

Councilman Maisano stated that the conference had attendees from many municipalities and countries and that it was very informative. He learned that by the year 2050 that fossil fuels will no longer be used. He explained that in Europe that the user pays for innovation and in the United States that the taxpayer pays for innovation.

Councilman Newmire reported that conference speakers speculated that by the year 2020 electricity will be by renewable energy and that 50 percent will be derived by wind. He also

suggested that the City should look into getting a portion of the \$500 million that will be available in grant funds for renewables.

Mayor Gonzales commented on some main points of the conference concerning waiting on legislation to start on projects, transmission lines, and the ability to make more progress by dealing with land owners to avoid legislation delays.

The City Administrator commented that it would be difficult to sustain a City and meet the deadlines set for renewable energy projects when there is no money. He mentioned how the City of Los Angeles and other cities have had to lay off people and how serious the lay offs are. He talked about how difficult it is to try to budget for renewables and that the City is not alone, but in fact may be a little more robust than others. He stated that this is another reason why the City has to make these decisions in order to sustain itself.

The City Administrator reported that there are a lot of challenges and the need for some realignment in the state. He also stated that there is a need to recover and that we are in a depression or recession that it will take a lot of work and money to be able to move forward.

The Chief Deputy City Attorney announced that now was the time for reports from City Council.

Councilman McCormick talked about an article that he read in a local newspaper where Google is looking for small and medium cities to participate in projects. He stated that he would like a report from the City Administrator to see if this might be advantageous for the City.

The City Administrator said that the City will look into it.

Mayor Gonzales called a recess at 9:54 a.m.

The City Council reconvened in regular session at 10:04 a.m., all members being present, with the exception of Mayor Gonzales, who was excused.

It was moved by Davis, seconded by Newmire, to go into Closed Session for the items listed on the closed session agenda, at 10:04 a.m. Motion carried. 5-0

It was moved by Newmire, seconded by Davis, that the City Council go out of closed session and resume open session, at 10:25 a.m. Motion carried. 5-0

OPEN SESSION

Closed Session Reports: The City Attorney reported that there were no reportable actions.

Councilman McCormick requested to see all evergreen contracts modified in the last 180 days and also requested to receive copies by 5:00 p.m. on March 2, 1010.

Regular City Council Meeting Minutes
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It was moved by Maisano, seconded by Davis, that the meeting be adjourned, the time being 10:25 a.m. Motion carried.
5-0

Mayor Hilario Gonzales

ATTEST:

Willard G. Yamaguchi
City Clerk