

MINUTES OF THE REGULAR CITY COUNCIL
MEETING OF THE CITY OF VERNON HELD
MONDAY, MARCH 15, 2010, AT 9:04 A.M.
IN THE COUNCIL CHAMBER 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 City Clerk advised that there were no changes to the agenda.

The City Clerk 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. Larry Gaytan, President of the Vernon Police Officers' Benefit Association (VPOBA) for the past five years, requested permission to participate in the closed session with the City Council with regard to item 1(a) on the closed session agenda.

The City Attorney, Mr. Larry Wiener, stated that the purpose of the closed session was to give the City Council an opportunity to discuss with and direct the labor negotiator/City Administrator regarding the matters covered in prior discussions between the City Administrator and the VPOBA. He stated that a separate discussion between the City Administrator and the VPOBA would likely follow today's closed session meeting, if the City Council so desired and directed.

Mr. Gaytan accepted the City Attorney's explanation and thanked the City Council for the opportunity to address its members on this matter.

No one else addressed the City Council at this time.

It was moved by Davis, seconded by McCormick, that the Minutes of the Regular City Council Meeting held February 8, 2010, be approved and adopted as submitted. Motion carried. 5-0

It was moved by Maisano, seconded by Newmire, that the Minutes of the Regular City Council Meeting held February 22, 2010, be approved and adopted as submitted. Motion carried. 5-0

It was moved by McCormick, seconded by Newmire, that the Minutes of the Regular City Council Meeting held March 1, 2010, be approved and adopted as submitted. Motion carried. 5-0

A Proclamation of the Mayor and the City Council of the City of Vernon Commending and Honoring Flavio Espinosa-Linares for His Service and Support of His Community, was read by title.

It was moved by McCormick, seconded by Newmire, that the proclamation for Flavio Espinosa-Linares be approved. Motion carried. 5-0

A Proclamation of the Mayor and the City Council of the City of Vernon Commending and Honoring Miguel Angel Valles for His Service and Support of His Community, was read by title.

It was moved by Maisano, seconded by McCormick, that the proclamation for Miguel Angel Valles be approved. Motion carried. 5-0

A Proclamation of the Mayor and the City Council of the City of Vernon Commending and Honoring Nestor Sanchez for His Service and Support of His Community, was read by title.

It was moved by Newmire, seconded by Davis, that the proclamation for Nestor Sanchez be approved. Motion carried. 5-0

The Consent Calendar was presented.

CONSENT CALENDAR

Treasurer

1. Ratification of the following warrant registers to record the following voided checks:
 - a. Warrant Register No. 1283 for voided check no. 326860 in the amount of \$172.02, issued 8/19/2009.
 - b. Warrant Register No. 1287 for voided check no. 327373 in the amount of \$24.10, issued 9/30/2009.
 - c. Warrant Register No. 1304 for voided check no. 329151 in the amount of \$2,829.66, issued 3/8/2010.

2. Approval of Warrant Registers covering the period of March 2 through March 8, 2010.
 - a. Warrant Register No. 1305, totaling \$663,650.05, which consists of the following:
 - Ratification of wire transfers totaling \$27,900.00;
 - Ratification of the issuance of early checks totaling \$30,612.46; and
 - Authorization to issue pending checks totaling \$605,137.59.
 - b. Light & Power Warrant Register No. 270, totaling \$113,828.85, which consists of the following:
 - Ratification of wire transfers totaling \$48,250.00;
 - Ratification of the issuance of early checks totaling \$29,923.00; and
 - Authorization to issue pending checks totaling \$35,655.85.
 - c. Gas Warrant Register No. 60, totaling \$11,926.32, which consists of the following:
 - Ratification of the issuance of early checks totaling \$9,380.12; and
 - Authorization to issue pending checks totaling \$2,546.20.

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

RESOLUTION 2010-39 - A Resolution of the City Council of the City of Vernon Approving and Authorizing the Execution of a License Agreement with Noran Real Estate Holdings, LLC Permitting the City to Temporarily Install Certain Equipment to Facilitate the City's Rehabilitation of a Water Well, was read by title.

It was moved by Maisano, seconded by Newmire, that Resolution No. 2010-39 be adopted. Motion carried. 5-0

The City Clerk announced that this was the time for conference/seminar reports from elected officials for the period of March 1 through March 14, 2010.

The City Council advised that none of its members attended conferences or seminars during the period of March 1 through March 14, 2010.

The City Clerk announced that this was the time for reports and announcements from the City Administrator.

The City Administrator, Mr. Donal O'Callaghan, stated that it may be necessary for him to address the City's employees directly to clarify the possible misconceptions some of them may have with regard to the City's current financial position and its reasons for the recent actions taken with regard to budget reform. He referred to the City's \$100 million in Light & Power Fund reserves mentioned in a recent Los Angeles Times article and reiterated that those reserves are to cover the City's Light & Power debts to bond holders. He explained that the City has no available reserves to cover its current operating costs, so those costs must be balanced against the City's current revenues. He stated that the City cannot go into deficit and that he will continue to make recommendations to the City Council to prevent that from happening.

Mayor Gonzales stated that the City has never been in this situation before and that it has seen lots of good times. He stated that the City has tried its best to protect its businesses and employees throughout the economic downturn.

Councilman Maisano stated that the current fiscal challenges are not limited to the city level, but extend to the state, national, and international levels. He stated that the City will survive by continuing to make the proper adjustments.

The City Administrator concurred with Councilman Maisano's statements and added that the proper adjustments include being proactive rather than reactive. He stated that simply increasing rates is not the answer because the City would lose customers as a result. The City Administrator advised that he has been working diligently with the City's financial advisors to maintain the City's current 'AAA' rating, but that it may drop to an 'AA' rating, in which case interest rates on debts would increase.

Mayor Gonzales mentioned that he had read about concerns the City of Los Angeles was having regarding how to handle its current swaps.

The City Administrator added that the City of Los Angeles may be laying-off a large number of employees.

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The City Clerk announced that this was the time for reports and announcements from members of the City Council.

Mayor Pro Tem McCormick announced that three members of his Boy Scout Troop would be receiving their Eagle Scout Awards at a special ceremony on March 20, 2010.

None of the other City Council members had anything to report at this time.

The City Council recessed into closed session to discuss the items listed on the closed session agenda.

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

It was moved by McCormick, seconded by Davis, that the meeting be adjourned, the time being 11:39 a.m. Motion carried.

Mayor Hilario Gonzales

ATTEST:

Willard G. Yamaguchi
City Clerk