

MINUTES OF THE REGULAR CITY COUNCIL MEETING
OF THE CITY OF VERNON HELD MONDAY, APRIL 5, 2010,
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 at 9:00 a.m. by Mayor Gonzales.

Councilman Newmire made a motion to amend the agenda to add a request to cancel the City Council meeting of April 12, 2010. Councilman Newmire indicated that he determined that he will be absent from the April 12th meeting after the posting of the agenda and felt it was important that he be present for the items scheduled to be discussed. The motion was seconded by Davis, and said request was added to the end of the open session agenda.

The City Clerk announced that this was the time allotted for public comments.

Mayor Gonzales asked if there was anyone in the audience who wished to address the City Council. No one in the audience responded.

Mayor Gonzales presented service pins to the following employees and congratulated them on behalf of the entire City Council.

<u>Employee Name</u>	<u>Job Title</u>	<u>Years</u>
1. Allen Castro	Firefighter	10
2. Sharifzadeh Shahram	Resource Scheduler	10

The Consent Calendar was presented.

CONSENT CALENDAR

Personnel Department

1. Resignations

- a. Manuel Morales, Utilityman III in the Community Services Department, effective June 30, 2010. (Retirement)

Treasurer's Department

1. Approval of Warrant Register No. 1308, totaling \$168,247.15, covering the period of March 16 through March 22, 2010, and consisting of the following:
- Ratification of wire transfers totaling \$40,404.63;
 - Ratification of the issuance of early checks totaling \$10,526.79; and
 - Authorization to issue pending checks totaling \$117,315.73.
2. Approval of Light & Power Warrant Register No. 273, totaling \$1,017,254.09, covering the period of March 23 through March 29, and consisting of the following:
- Ratification of wire transfers totaling \$903,910.28;

- Ratification of the issuance of early checks totaling \$2,232.70; and
 - Authorization to issue pending checks totaling \$111,111.11.
3. Approval of Gas Warrant Register No. 61, totaling \$2,792,603.11, covering the period of March 9 through March 29, 2010, and consisting of the following:
- Ratification of wire transfers totaling \$2,782,341.24; and
 - Ratification of the issuance of early checks totaling \$10,261.87.

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

A Proclamation of the Mayor and the City Council of the City of Vernon Commending and Honoring Mikawaya on its 100th Anniversary, was read by title.

It was moved by McCormick, seconded by Davis, that the aforementioned proclamation be approved. Motion carried. 5-0

Mayor Gonzales presented the proclamation to Mikawaya representatives, Frances Hashimoto and Joel Friedman, and congratulated them on behalf of the entire City Council.

RESOLUTION NO. 2010-48 - A Resolution of the City Council of the City of Vernon Authorizing the City Administrator to Take Appropriate Actions to Reduce Total General Fund Governmental Activities Expenses, Including a Reduction in Force, was read by title.

It was moved by Maisano, seconded by Davis, that Resolution No. 2010-48 be approved and adopted. Motion carried. 5-0

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

The City Administrator, Mr. Donal O'Callaghan, advised that he was continuing to work with staff on balancing the City's budget and expected to present a recommended plan to the City Council on April 19, 2010.

The City Administrator advised that the Risk Manager, Mr. Willard Yamaguchi, was working with the City's insurance broker to offer more affordable options to employees with regard to medical and dental insurance plans. He asked Mr. Yamaguchi to provide an update on the matter.

The Risk Manager advised that the City would only offer one dental plan and one medical PPO plan, but would have two medical HMO plans: the current plan and a lower cost plan. He stated that each plan would have the following four tiers: (1) employee only; (2) employee plus spouse; (3) employee plus child(ren); and (4) employee plus family.

The City Administrator stated that the current negotiations do not preclude employees from finding their own medical and dental insurance plans.

The Risk Manager advised that Aetna, the City's insurance provider, would be conducting employee workshops at City Hall on April 7th and 8th, 2010, to go over the new plans.

Councilman Davis asked what the timeline on the new plans was.

The Risk Manager replied that the new plans had been negotiated with Aetna and were currently available.

Councilman Davis asked if an announcement about the workshops on the new plans would be sent to all employees.

The City Administrator responded that the Risk Manager would send an announcement to all employees.

The Risk Manager stated that there would be an open enrollment period to allow employees to change plans.

The Risk Manager advised that the City currently pays approximately \$3 million in medical and dental insurance premiums for employees and their dependents. He stated that the cost to cover only employee premiums, and not their dependents, would be approximately \$1 million.

Mayor Gonzales asked about the difference between the HMO and PPO plans.

The Risk Manager advised that under an HMO plan the insured individual is required to stay within the network. Under a PPO plan the insured individual can visit any doctor or facility he chooses, but the level of coverage and out-of-pocket costs will vary between in-network and out-of-network care providers. He stated the importance of the employees learning and understanding the plans, and each one choosing the plan that best suits his particular needs. He discussed some of the ways employees can maximize the benefits of a particular plan while minimizing their costs.

Councilman Newmire asked if employees can mix HMO and PPO plans and elect different options under each.

The Risk Manager replied that HMO and PPO plans cannot be mixed; an employee must select one plan type or the other.

The City Administrator advised that the payroll deduction of eight or nine percent for the employee's share of the CalPERS retirement cost would take effect the pay period beginning April 8, 2010.

The City Administrator, who is also the Director of Light & Power, reported on a 48 kV outage that occurred the previous week due to a metallic balloon. He asked the Transmission and Distribution Manager, Mr. Carlos Fandino, to provide additional details on the outage.

Mr. Fandino reported that the outage lasted roughly one hour and ten minutes. The response time was a little slower than usual due to the time of day the outage occurred, 6:20 a.m. The outage occurred in the area of Alcoa Avenue and Boyle Avenue, which seems to be an area prone to outages.

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Mr. O'Callaghan stated that the number of outages resulting from metallic balloons seems to be increasing. The Light & Power Department is looking at increasing the 7 kV circuit to a 16 kV circuit, but can temporarily push the 7kV circuit out wider to reduce outages. A cost comparison analysis of these options will be conducted, as State legislation prohibiting the use of Mylar balloons seems unlikely.

Mr. Fandino stated that six 7 kV circuits experience recurring outages due to balloons and the matter is currently being studied.

The City Clerk commented on the success of Mikawaya and thanked the City Council for presenting the company with a proclamation.

Councilman Maisano expressed his hope that everyone enjoyed the Easter holiday as much as he did. He acknowledged the adjustments people are having to make as a result of the current changes in the City and the economy in general.

Councilman Davis announced that his daughter, Melissa, received her doctorate degree.

The other City Council Members had no reports or announcements to make at this time.

A request to cancel the City Council meeting of April 12, 2010, was presented.

It was moved by Newmire, seconded by Davis, that the City Council meeting of April 12, 2010 be cancelled. Motion carried. 5-0

It was moved by McCormick, seconded by Maisano, that the meeting be adjourned at 9:32 a.m. Motion carried.

Hilario Gonzales
Mayor

ATTEST:

Willard G. Yamaguchi
City Clerk