CALL TO ORDER & FLAG SALUTE

The meeting was called to order at 7:30 a.m. by Mayor Melissa Ybarra; Chief of Police Anthony Miranda led the Flag Salute.

Members Present: Melissa Ybarra, Leticia Lopez, William Davis, Carol Menke
Members Absent: None

CHANGES TO THE AGENDA

City Clerk Ayala announced there were no changes to the agenda.

PUBLIC COMMENT

Carlos Rubio, Teamster Representative, Teamster Bargaining Unit Local 911, expressed concerns as to the City proposed budget for the Fiscal Year 2019/2020 and the ongoing negotiations with the Teamster Bargaining Unit.

Jim Moore, Electrical Inspector, City of Vernon Public Works Department, introduced himself as one of the employees who will be impacted by the City’s proposal to contract an outside firm to perform City related services. Mr. Moore expressed concerns regarding the City’s lack of communication and transparency.

PRESENTATION

1. Fiscal Year 2019/2020 Budget Study Sessions
   1. Budget Overview - presented by Carlos Fandino, City Administrator
   2. City Attorney Department - presented by Hema Patel, City Attorney
   3. Police Department - presented by Anthony Miranda, Chief of Police
   4. Vernon Public Utilities Department – presented by Abraham Alemu, Interim General Manager of Public Utilities

   Recommendation: No action required by City Council. This is a presentation only.

City Clerk Ayala announced the presentations. All presentations provided via PowerPoint.

City Administrator Fandino provided an overview of the City’s Budget.
City Attorney Patel provided a presentation on the City Attorney Department budget.

Chief of Police Miranda provided a presentation on the Police Department budget.

Council Member Davis inquired about the K-9 Program. Chief of Police Miranda responded accordingly.

Council Member Menke inquired as to the anticipated number of Sworn Personnel in the department when the recruitment is completed. Chief of Police Miranda responded accordingly.

Interim Director of Public Utilities Alemu provided a presentation on the Vernon Public Utilities Department budget.

Mayor Ybarra recessed the meeting at 8:58 a.m.

Mayor Ybarra reconvened the meeting at 9:12 a.m.

Mayor Ybarra announced a second public comment period.

Marissa Olguin, Vernon Chamber of Commerce, commended City Administration for the strategic financial management of the City’s budget and asked City Council to pay close attention to the MOUs negotiations.

2. Human Resources
   Employee Service Pin Awards for May 2019

   **Recommendation:** No action required by City Council. This is a presentation only.

Director of Human Resources Earl announced the Service Pin Award recipients.

Mayor Ybarra presented the 35-year Service Pin Award to Vincent Rodriguez who was in attendance.

**CONSENT CALENDAR**

No public comment provided.

It was moved by Council Member Davis and seconded by Mayor Pro Tempore Lopez to approve Consent Calendar Agenda Items 3 through 13. Motion carried, 4 - 0.

Yes: Melissa Ybarra, Leticia Lopez, William Davis, Carol Menke
No: None

3. City Clerk
Minutes of the Regular City Council Meeting Held on June 4, 2019

Recommendation:
A. Receive and File

4. City Administration
Approval of Additional Funds for Contract IT-0063 for Telecommunication Services
Provided by AT&T through the State of California CALNET 3 Contract

Recommendation:
A. Find the approval of the proposed actions is exempt from California
Environmental Quality Act (CEQA) review, because it is an administrative activity
that will not result in direct or indirect physical changes in the environment, and
therefore does not constitute as a "project" as defined by CEQA Guidelines Section
15378; and

B. Ratify payments of $145,009.85 made to AT&T for CALNET 3
telecommunications services from the period of November 30, 2015 to June 30, 2018; and

C. Ratify payments of $97,443.06 made to AT&T for CALNET 3
telecommunications services from the period of July 1, 2018 to May 30, 2019; and

D. Authorize the use of additional funds for telecommunications services from
AT&T in an amount not-to-exceed $200,000 for the remaining term of CALNET 3
for the period of June 1, 2019 to June 30, 2020.

5. Finance/Treasury
Approval of Operating Account Warrant Register No. 24 Covering the Period of May
28 through June 10, 2019

Recommendation:
A. Approve Operating Account Warrant Register No. 24 which totals $7,301,223.81
and consists of the following:

1) Ratification of electronic payments totaling $6,856,850.65.
2) Ratification of the issuance of early checks totaling $382,740.69.
3) Authorization to issue pending checks totaling $61,632.47.

6. Finance/Treasury
Approval of City Payroll Warrant Register No. 756 Covering the Period of May 01
through May 31, 2019

Recommendation:
A. Approve City Payroll Warrant Register No. 756 which totals $2,842,065.88 and consists of the following:

1) Ratification of direct deposits, checks and taxes totaling $2,229,503.28.
2) Checks and electronic fund transfers (EFT) paid through Operating bank account totaling $612,562.60.

7. Finance/Treasury
Approval of Federal Funds for Street Improvements Account Warrant Register No. 28 Covering the Period of May 28 through June 10, 2019

Recommendation:
A. Approve Federal Funds for Street Improvements Account Warrant Register No. 28 which totals $28,883.80 and consists of the following:

1) Ratification of electronic payments totaling $28,883.80.

8. Finance/Treasury
Ratification of Warrant Registers to Record Voided Checks

Recommendation:
A. Ratify the following warrant registers to record voided checks:

1) Operating Account Warrant Register No. 22 to record voided Check No. 602885 in the amount of $13,500.00 issued 05/09/19 to Covarrubias, Juan.

9. Fire Department
Fire Department Activity Report for the Period of May 16 through May 31, 2019

Recommendation:
A. Receive and file.

10. Public Utilities
Approval of a Blanket Purchase Order for Equipment Purchases for Fiscal Year 2019-2020 with Schweitzer Engineering Laboratories, Inc. c/o Matzinger-Keegan, Inc.

Recommendation:
A. Find that approval of additional funds is exempt under the California Environmental Quality Act (“CEQA”), because it is an administrative activity that will not result in direct or indirect physical changes in the environment, and therefore does not constitute a “project” as defined by CEQA Guidelines section 15378; and even if it were considered to be a “project,” the proposed action is exempt from CEQA review, in accordance with CEQA Guidelines § 15302, because the proposed project consists of the replacement or reconstruction of existing equipment where the
new equipment will be located on the same site as the equipment replaced and will have substantially the same purpose and capacity as the equipment replaced; and

B. Approve the issuance of a blanket Purchase Order with Schweitzer Engineering Laboratories, Inc. ("SEL") c/o Matzinger-Keegan, Inc. ("MKI") in an amount not-to-exceed $20,000 for potential equipment purchases during fiscal year 2019-2020.

11. Public Utilities
   Approval of a Blanket Purchase Contract for Internet Connection Equipment with Fujitsu Network Communications for Fiscal Year 2019-2020

Recommendation:
A. Find that approval of additional funds is exempt under the California Environmental Quality Act ("CEQA"), because it is an administrative activity that will not result in direct or indirect physical changes in the environment, and therefore does not constitute a “project” as defined by CEQA Guidelines section 15378; and even if it were considered to be a “project,” the proposed action is exempt from CEQA review, in accordance with CEQA Guidelines § 15302, because the proposed project consists of the replacement or reconstruction of existing equipment where the new equipment will be located on the same site as the equipment replaced and will have substantially the same purpose and capacity as the equipment replaced; and

B. Approve the issuance of a blanket Purchase Contract with Fujitsu Network Communications in an amount not-to-exceed $25,000 for potential equipment purchases during fiscal year 2019-2020.

12. Public Works
   Contract Award for City Contract No. CS-1093: Sierra Pine Avenue Improvements

Recommendation:
A. Find that the award of the proposed Capital Improvement Project at Sierra Pine Avenue is categorically exempt under the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15301 (Existing Facilities), part (c) (existing highways and streets), because the project is merely to repair existing streets and involves negligible or no expansion of existing use; and

B. Accept the bid proposal from Hardy & Harper, Inc. as the lowest responsive and responsible bidder for the Sierra Pine Avenue Improvements Project and reject all other bids; and

C. Approve and authorize the City Administrator to execute Contract No. CS-1093, in substantially the same form as submitted herewith, in an amount not to exceed $247,511 for the Sierra Pine Avenue Improvements Project, for a period not to exceed 30 calendar days; and
D. Authorize a contingency of $25,000 in the event an unexpected changed condition in the project and grant authority to the City Administrator to issue a change order for an amount up to the contingency amount, if necessary.

13. **Public Works**

Award of City Contract No. CS-1061: 53rd St., 54th St., 55th St., 57th St., & Hampton St. Improvements

Recommendation:
A. Find that the award of the proposed Capital Improvement Project at 53rd St., 54th St., 55th St., 57th St., and Hampton Street is categorically exempt under the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines section 15301 (Existing Facilities), part (c) (existing highways and streets), because the project is merely to repair existing streets and involves no expansion of existing use; and

B. Accept the bid proposal from Hardy & Harper Inc., a California corporation, as the lowest responsive and responsible bidder for the 53rd St., 54th St., 55th St., 57th St., and Hampton Street Improvements Project and reject all other bids; and

C. Approve and authorize the City Administrator to execute contract CS-1061, in substantially the same form as submitted herewith, in an amount not to exceed $407,625 for the 53rd St., 54th St., 55th St., 57th St., and Hampton Street Improvements Project, for a period not to exceed 45 calendar days; and

D. Authorize a contingency of $40,000 in the event of an unexpected changed condition in the project and grant authority to the City Administrator to issue a change order for an amount up to the contingency amount, if necessary.

**NEW BUSINESS**

14. **CITY CLERK**

A Resolution calling for the Special Municipal Election to be Held on October 15, 2019, for the Election of a Certain Officer and a Resolution Requesting the Board of Supervisors of the County of Los Angeles to Render Specified Services to the City Relating to the Conduct of the Special Municipal Election

Recommendation:
A. Find that approval of the proposed action is exempt from California Environmental Quality Act ("CEQA") review, because it is an administrative activity that will not result in direct or indirect physical changes in the environment, and therefore does not constitute a "project" as defined by CEQA Guidelines section 15378; and

B. Adopt a Resolution calling for the holding of the Special Municipal Election to be held on October 15, 2019 for the Election of a City Councilmember to fill the unexpired term of former Councilmember Yvette Woodruff-Perez; and
C. Adopt a Resolution requesting the Board of Supervisors of the County of Los Angeles to render specified services to the city relating to the conduct of the Special Municipal Election to be held on October 15, 2019.

City Clerk Ayala reported on the proposed item.

No public Comment Provided

It was moved by Council Member Menke and seconded by Mayor Pro Tempore Lopez to: A. Find that approval of the proposed action is exempt from California Environmental Quality Act (“CEQA”) review, because it is an administrative activity that will not result in direct or indirect physical changes in the environment, and therefore does not constitute a “project” as defined by CEQA Guidelines section 15378; and B. Adopt a Resolution calling for the holding of the Special Municipal Election to be held on October 15, 2019 for the Election of a City Councilmember to fill the unexpired term of former Councilmember Yvette Woodruff-Perez; and C. Adopt a Resolution requesting the Board of Supervisors of the County of Los Angeles to render specified services to the city relating to the conduct of the Special Municipal Election to be held on October 15, 2019. Motion Carried, 4-0.

Yes: Melissa Ybarra, Leticia Lopez, William Davis, Carol Menke
No: None

15. Human Resources
A Resolution Adopting an Amended and Restated Citywide Fringe Benefits and Salary Resolution in Accordance with Government Code Section 20636(b)(1) and Repealing All Resolutions in Conflict Therewith

Recommendation:
A. Find that approval of the attached resolution in this staff report is exempt from California Environmental Quality Act (CEQA) review, because it is an administrative activity that will not result in direct or indirect physical changes in the environment and therefore does not constitute a “project” as defined by CEQA Guidelines Section 15378; and

B. Adopt the attached resolution amending and restating the Citywide Fringe Benefits and Salary Resolution, to reflect the following provisions:

1) Amend Exhibit A, Classification and Compensation Plan adopting the following revised job descriptions effective June 18, 2019:

-Utilities Operations Manager

2) Amend Exhibit A, Classification and Compensation Plan adopting the correction of employee group designation for the following classification effective June 18, 2019:
3) Approve the recommended reclassification of incumbents in certain classifications effective July 21, 2019, as follows:

-Current Classification and Salary Grade & Reclassification Recommendation and Salary Grade

Administrative Assistant Confidential (Grade 13) to Administrative Secretary (Grade 20)
Two (2) Associate Engineers (Grade 29) to Project Engineers (Grade 31)
Information Technology Technician (Grade 22) to Information Technology Analyst (Grade 26)

4) Amend Section 11: Automobile Allowance and Reimbursement for Expenses of the Fringe Benefits and Salary Resolution effective June 18, 2019, as follows:

-Add the classification title of Environmental Health Program Administrator, to be eligible for a $400/month automobile allowance;
-Correct the classification title of Finance Director to Director of Finance/City Treasurer;
-Correct the classification title of Health Director to Director of Health and Environmental Control

Director of Human Resources Earl reported on the item.

Mayor Ybarra inquired as to the high pay increase due to the proposed reclassification. Director Earl responded accordingly. A discussion ensued between City Council and staff as to the automobile allowance, addition and correction of classification titles in the Health Department and Finance Department.

It was moved by Council Member Davis and seconded by Mayor Pro-Tempore Lopez to: A. Find that approval of the attached resolution in this staff report is exempt from California Environmental Quality Act (CEQA) review, because it is an administrative activity that will not result in direct or indirect physical changes in the environment and therefore does not constitute a “project” as defined by CEQA Guidelines Section 15378; and B. Adopt the attached resolution amending and restating the Citywide Fringe Benefits and Salary Resolution, to reflect the following provisions: 1) Amend Exhibit A, Classification and Compensation Plan adopting the following revised job descriptions effective June 18, 2019 -Utilities Operations Manager 2) Amend Exhibit A, Classification and Compensation Plan adopting the correction of employee group designation for the following classification effective June 18, 2019: Assistant Fire Marshal FM Grade 29 to Assistant Fire Marshal M Grade 29, 3) Approve the recommended reclassification of incumbents in certain classifications effective July 21, 2019, as follows: -Current Classification and Salary Grade & Reclassification Recommendation and Salary Grade, Administrative Assistant Confidential (Grade 13) to Administrative Secretary (Grade 2), Two (2) Associate Engineers (Grade 29) to Project Engineers (Grade 31), Information Technology Technician (Grade 22) to -
Information Technology Analyst (Grade 26), and 4) Amend Section 11: Automobile Allowance
and Reimbursement for Expenses of the Fringe Benefits and Salary Resolution effective June 18,
2019, as follows:; Add the classification title of Environmental Health Program Administrator, to
be eligible for a $400/month automobile allowance; Correct the classification title of Finance
Director to Director of Finance/City Treasurer; Correct the classification title of Health Director
to Director of Health and Environmental Control

Yes: Melissa Ybarra, Leticia Lopez, William Davis, Carol Menke
No: None

16. Public Utilities
   A Resolution Declaring the City’s Official Intent To Reimburse Expenditures from the
   Proceeds of Obligations to be Issued by the City of Vernon, a Related Party or Other
   Affiliate, and Approving Certain Related Actions

Recommendation:
A. Find that adoption of the proposed Resolution does not constitute a “project” pursuant to
   section 15378(b)(2) of the Guidelines to the California Environmental Quality Act
   (“CEQA”), because the intent to reimburse expenditures from the proceeds of obligations
   merely establishes a government funding mechanism that does not identify individual specific
   projects to be constructed with the funds; and

   B. Adopt a Resolution declaring the City’s official intent to reimburse expenditures from the
   proceeds of obligations to be issued by the City of Vernon, a related party or other affiliate,
   and approving certain related actions.

Interim General Manager of Public Utilities Alemu reported on the proposed.

It was moved by Council Member Menke and seconded by Mayor Pro-Tempore Lopez to: A.
Find that adoption of the proposed Resolution does not constitute a “project” pursuant to section
15378(b)(2) of the Guidelines to the California Environmental Quality Act (“CEQA”), because
the intent to reimburse expenditures from the proceeds of obligations merely establishes a
government funding mechanism that does not identify individual specific projects to be
constructed with the funds; and B. Adopt a Resolution declaring the City’s official intent to
reimburse expenditures from the proceeds of obligations to be issued by the City of Vernon, a
related party or other affiliate, and approving certain related actions. Motion Carried, 4-0.

Yes: Melissa Ybarra, Leticia Lopez, William Davis, Carol Menke
No: None

ORAL REPORTS

Anthony Miranda, Chief of Police, reported on the following: on June 4th, Vernon PD partnerered
with the City of Huntington Park Police Department for the Special Olympics Torch Run; on June
5th, Vernon PD held a pizza party at the Vernon Elementary School for all 2019 DATE gratudates;
on June 11th and 14th, Vernon PD Officer assisted with homeless outreach and security of cleaning
crews; on June 11th, Vernon PD Officers monitored the railroad tracts in the 2800 block of 54th
Street due to burglaries in the area, and arrested three individuals for trespassing on railroad property; on June 12th, Vernon PD Detective arrested a driver for violating a restraining order; and on June 17th, Vernon PD Detective Bureau arrested two individuals for grand theft and returned property to the businesses.

Bruce English, Fire Chief, reported on the following: on June 14th, Vernon Fire US&R 78 and Battalion 78 responded to a reported train vs. pedestrian; US&R 78 removed the victims from beneath the train (photo displayed); past week Vernon FD hosted a regional live fire training event (photo displayed); and on June 11th, Fire Units responded to two homeless encampment fires.

Fredrick Agyin, Interim General Manager of Public Utilities, reported on the following: Greater Los Angeles Vector Control District will continue to provide mosquito abatement services to the City.

Carlos Fandino, City Administrator, reported on the following: The Town Hall meeting with Los Angeles County Fire will be rescheduled, additional meeting information will be provided on the next City Council Meeting.

CLOSED SESSION

City Council entered closed session at 9:38 a.m.

17. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Government Code Section 54956.9(d)(2) and (4)
Number of potential cases: 2

(1) The City is currently in a dispute with Bicent (California) Malburg, LLC (“Bicent”), the owner and operator of the Malburg Generating Station (“MGS”), which has resulted in Bicent initiating suit against the City (see “Existing Litigation” closed session item). Prior to the initiation of the suit, the City issued multiple Notices of Default under that certain Power Purchase Tolling Agreement, dated as of April 10, 2008 (as amended, the “PPTA”). The City’s claims relate to, among other things, Bicent’s failure to timely repair equipment, failure to timely produce documents requested under the PPTA, misrepresentation of available capacity, and improper overbilling (by over $6 million). The City’s claims also include various statutory claims arising out of the improper billing by Bicent of Vernon. Based on these claims, the City provided notice to Bicent that it disputed certain invoices and would exercise its payment withholding rights under certain dispute resolution provisions in the PPTA. Subsequently, on April 22, 2019, Bicent issued a Notice of Event of Default for failure to pay.

(2) The City was for several months in a dispute with the Central Basin Municipal Water District (“CBMWD”) with regard to certain provisions of a long-term agreement between the City and CBMWD. Under that agreement, the City paid approximately $2.5 million to build certain water-related infrastructure in the City to
take recycled water from CBMWD. For its part, CBMWD, under the agreement, is obligated to reimburse the City for that capital outlay in the form of a credit on its monthly water bill. The agreement also restricted CBMWD’s ability to increase the City’s recycled water rate. CBMWD challenged these provisions by unilaterally increasing the City’s recycled water rate beyond the rate increase cap imposed by the agreement and ceased applying the monthly credit even though the City’s capital expense was not fully reimbursed with interest. Rather than engage in uncertain and potentially expensive litigation to determine the parties’ respective rights and obligations under the agreement, the parties negotiated a settlement in the form of an amendment to the agreement.

18. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
   (Government Code Section 54956.9(d)(1))

   Bicent (California) Malburg LLC et al. vs. City of Vernon et al.,
   Cal. Sup. Ct., Case No. 19STCV08859

19. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
   Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2)

   Number of potential cases: 1

20. CONFERENCE WITH LABOR NEGOTIATORS
   Government Code Section 54957.6

   Agency Designated Representative: Carlos Fandino, City Administrator

   Employee Organizations:
   Teamsters Local 911,
   IBEW Local 47,
   Vernon Professional Firefighters Association,
   Vernon Fire Management Association,
   Vernon Police Management Association, and
   Vernon Police Officers’ Benefit Association

At 11:30 a.m. City Council exited closed session. City Attorney, Patel reported that four cases were discussed with City Council. For Agenda Item No. 17, City Council approved an amendment to the agreement to the Central Basin Municipal Water District.

ADJOURNMENT

With no further business, at 11:31 a.m., Mayor Ybarra adjourned the meeting.