



CITY OF AZUSA
MINUTES OF THE CITY COUNCIL, THE SUCCESSOR AGENCY
TO THE FORMER REDEVELOPMENT AGENCY,
THE PUBLIC FINANCING AUTHORITY
REGULAR MEETING
MONDAY, MARCH 2, 2020 – 6:30 P.M.

The City Council of the City of Azusa met in regular session at the above date and time in the Azusa Auditorium located at 213 E. Foothill Boulevard, Azusa, CA 91702.

Mayor Pro-tem Alvarez called the meeting to order at 6:30 P.M.

ROLL CALL: Roll call was taken by City Clerk Cornejo.

PRESENT: COUNCILMEMBERS: GONZALES, CARRILLO, MACIAS, ALVAREZ
ABSENT: COUNCILMEMBERS: ROCHA

ALSO PRESENT

Elected Officials: City Clerk Cornejo.

Staff Members: City Manager Gonzalez, City Attorney Martinez, Chief of Police Bertelsen, Director of Economic and Community Development Marquez, Neighborhood Services Coordinator Quiroz, and Chief Deputy City Clerk Garcia.

PUBLIC COMMENT

None given.

CLOSED SESSION

The City Council recessed to closed session at 6:32 P.M. to discuss the following:

1. **CONFERENCE WITH LEGAL COUNSEL – WORKERS COMPENSATION CLAIM Pursuant to California Government Code, Section 54956.95**
Case Name: Tracy Rosales v. City of Azusa; WC Claim No. AZUA-2535
2. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS – Pursuant to California Government Code, Section 54956.8**
Property Address: The parcels located at the southeast corner of Azusa Avenue and Ninth Street (APNs 8608-025-902, 8608-025-907, 8608-025-908, 8608-025-909, and 8608-025-910 and a portion of 8608-025-914)
Agency Negotiators: Sergio Gonzalez, City Manager; and Matt Marquez, Director of Economic and Community Development
Negotiating Parties: Chris Costanzo, Costanzo Investments, LLC
Under Negotiation: Price & Terms for amendments to DDA

REGULAR SESSION

Mayor Pro-tem Alvarez called the meeting to order at 7:30 P.M.

ROLL CALL: Roll call was taken by City Clerk Cornejo.

PRESENT: COUNCILMEMBERS: GONZALES, CARRILLO, MACIAS, ALVAREZ
ABSENT: COUNCILMEMBERS: ROCHA

ALSO PRESENT

Elected Officials: City Clerk Cornejo.

Staff Members: City Manager Gonzalez, City Attorney Martinez, Chief of Police Bertelsen, Director of Economic and Community Development Marquez, Director of Administrative Services Johnson, Director of Community Resources Carpenter, Director of Utilities Robledo, Director of Public Works/City Engineer Delgadillo, Director of Information Technology and Library Services Graf, Planning Manager Munoz, Community Improvement Manager McMinn, Senior

Community Improvement Inspector Hale, Development Service Assistant Ho, Deputy City Clerk I Hernandez, Neighborhood Services Coordinator Quiroz, and Chief Deputy City Clerk Garcia.

The Pledge of Allegiance was led by Chief of Police Bertelsen.

The invocation was given by the Dhamakaya Meditation Center.

CLOSED SESSION REPORT

The City Council reconvened at 7:30 P.M.; City Attorney Martinez announced the following regarding Closed Session: All members were present with the exception of Mayor Rocha, who has an excused absence. Item 1 – City Council heard a presentation from its workers compensation team, no reportable action; Item 2 – City Council provided direction to its negotiating team, no further reportable action.

CEREMONIAL

1. Employee of the Quarter certificates were presented to Candice Ho, Development Services Assistant and Brenda Hernandez, Deputy City Clerk I.

PUBLIC COMMENT

Ms. Blanca Gonzalez expressed concerns regarding traffic and speeding on Sierra Madre Avenue; and inquired about the addition of a bicycle lane on Sierra Madre Avenue.

Ms. Jule Arevalo provided documents to the City Attorney and Human Resources. She addressed the Council to state that she is submitting an ethics and code of conduct complaint regarding Councilmember Gonzales; noted that she was not offered the form during her first meeting with the City Manager; expressed concerns regarding confidentiality amongst City Council and Staff; and stated that the issue can be followed on the Azusa, California Facebook page.

Mr. Jorge V. Rosales expressed concerns regarding bicyclists and skateboarders not obeying traffic stops on Sierra Madre Avenue; and expressed his hope that the City Council will approve Item D-2 which would authorize the use of Electric and Sewer Funds to pay off the unfunded liabilities and commended Staff for their recommendation.

Mr. Jack Vander Loop expressed concerns regarding the moderator of the Azusa Woman's Club candidate's forum and the lack of impartiality; and provided details regarding a meeting with the Azusa Woman's Club President and Vice-President regarding allegations made against Councilmember Gonzales.

REPORTS, UPDATES AND ANNOUNCEMENTS FROM STAFF/COUNCIL

1. 2020 U.S. Census Update

Ms. Tina Marquez Herzog, Los Angeles County Chief Executive Office, provided information about the 2020 Census and discussed its importance. She responded to a question posed by the Council regarding individuals without access to internet stating that County Departments will be allowed to make their computers available for individuals to use to complete the Census.

Councilmember Macias inquired about the status of the speeding concerns raised at the February 18, 2020 meeting and speed bump criteria; and also inquired about traffic enforcement in that area.

City Manager Gonzalez provided an update stating that Staff is evaluating the requests and will be providing a comprehensive report on accident and speed data in April; provided information on the process of analyzing these concerns; and stated that traffic enforcement is done throughout the City, however the street in question is being evaluated for line of sight, speed concerns, and traffic counts.

Councilmember Macias congratulated the two employees of the quarter and congratulated Candice Ho on her upcoming retirement; encouraged everyone to vote and discussed the importance of voting; and described how he participated in the building of the first school for girls in Afghanistan.

Councilmember Carrillo expressed his appreciation of Councilmember Macias' experience in the building of the first girls' school in Afghanistan; announced that the Azusa Softball Little League will be moving to Northside Park; announced Azusa Softball Little League's opening day on March 21 and invited everyone to attend; expressed his distaste for the negativity and accusations taking place during this election season; and encouraged everyone to vote.

Councilmember Gonzales thanked and congratulated the employees of the quarter and congratulated Candice Ho on her upcoming retirement; thanked everyone that attended the Casino Night Fundraiser which benefits youth sports; and requested that checks be presented to Azusa American Little League, Azusa Softball League, Azusa Jr. All American Football Raiders, and the City's Recreation Department at the March 16, 2020 Council Meeting; and encouraged everyone to exercise their right to vote.

Mayor Pro-Tem Alvarez congratulated the employees of the quarter; and encouraged everyone to exercise their right to vote.

SCHEDULED ITEMS

FISCAL YEAR 2019-20 GENERAL FUND MID-YEAR BUDGET REVIEW AND ADJUSTMENTS

Director of Administrative Services Johnson presented the mid-year budget stating that through the second quarter of the fiscal year, revenues are at 33% mainly due to the timing of revenues received such as sales tax and property tax; it is expected that revenues will pace with projections; expenditures are at 49% of the budget; and personnel costs make up 60% of the budget and are at an increase from last year due to CalPERS costs.

Proposed adjustments to revenues include an approximate decrease of \$134K; it was expected that revenues from the leasing of The Promenade property would be received, however the property has not been leased yet and the line item will be decreased; rates of returns for cash and investments have increased; and permits and plan check fees are activity based and are anticipated to be approximately \$150K lower than expected. Proposed adjustments to expenditures include a \$1.1M decrease due to salary savings from retirements and vacancies; the need to contract out for plan check services has resulted in a \$150K increase; and overall there is a proposed decrease of \$950K to the expenditure budget. The proposed mid-year adjustments will result in a net budget decrease of \$850K. The FY 2019-20 mid-year amendment results in a projected deficit of \$2.1M.

The budget study session is tentatively scheduled for May 25 with the final budget adoption on June 15.

Councilmember Carrillo offered Resolution No. 2020-C07 entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AZUSA APPROVING AND ADOPTING THE MID-YEAR BUDGET AMENDMENTS FOR THE CITY OF AZUSA

Moved by Councilmember Carrillo, seconded by Councilmember Gonzales, and carried by the following vote of the Council to receive, review and file Fiscal Year 2019-20 second quarter budget-to-actual report ending December 31, 2019; adopt Resolution No. 2020-C07 approving the listed proposed budget amendments; and approve a \$15,000 amendment for Transtech Engineers, Inc. PO 032223 to continue plan checking consulting services.

AYES: COUNCILMEMBERS: GONZALES, CARRILLO, MACIAS, ALVAREZ
NOES: COUNCILMEMBERS: NONE
ABSENT: COUNCILMEMBERS: ROCHA

JOINT ITEM OF THE CITY COUNCIL AND AZUSA UTILITY BOARD

UPDATE ON ISSUANCE OF PENSION OBLIGATION BONDS AND AUTHORIZE FUNDING OF UNFUNDED ACCRUED LIABILITY

Director of Administrative Services Johnson presented an update on the City's unfunded accrued liability (UAL) stating that \$13.6M of the UAL is allocated to Enterprise Funds; an analysis showed that using Water Fund cash on hand to pay down \$6.4M of the liability was not recommended due to the cash reserve policy and credit rating requirements; and it is recommended that cash on hand be used to pay down the Electric and Sewer portions of the UAL which totals \$7.2M.

Mr. Michael Busch, Urban Futures, Inc., provided an update on the issuance of Pension Obligation Bonds (POBs) stating that the \$7.2M pre-payment reduces the POBs to \$74M; the net present value savings is \$29.8M due to lower rates; and a decision has not been made on which amortization bases will be paid using the \$7.2M and will be determined based on rates.

Director of Administrative Services Johnson described options to pay the water portion of the UAL which will be brought back to Council at a later time.

In response to questions posed by the Council, Director of Administrative Services Johnson stated that the Water Fund UAL payment plan would be brought back at the same time that the bond issuance is brought back to Council for approval; once bonds are issued it will take approximately 30 days for the City to pay CalPERS; the payment of the Electric and Sewer UAL can be made prior to the issuance of bonds; the water debt service coverage is \$1.25M; the Water portion of the UAL will be paid down with the bonds; and the City's credit rating will be impacted positively.

Mr. Michael Busch responded to questions posed by the Council stating that the validation process has not been completed; documents will be presented to Council in May or June; the bonds will be sold in June and the rate will be known then; once the bonds are sold, the funds will be sent to CalPERS.

Discussion ensued regarding the bond process, the process of amortization bases payment, risks associated with paying down the UAL, rate stabilization, and Staff recommendations.

Moved by Councilmember/Boardmember Macias, seconded by Councilmember/Vice-Chair Carrillo and carried by the following vote of the Council/Board to authorize the City Manager to approve lump sum payments of the City's Unfunded Accrued Liability for pensions to CalPERS from the Electric Utility (Fund 33) in a not-to-exceed amount of \$5,400,000; authorize the City Manager to approve lump sum payments of the City's Unfunded Accrued Liability for pensions to CalPERS from the Sewer Utility (Fund 34) in a not-to-exceed amount of \$1,820,000; and direct Staff to return to Council for authorization of a payment plan to fund the Water Utility's (Fund 31) portion of the City's Unfunded Accrued Liability for CalPERS pensions at a later date.

AYES: COUNCILMEMBERS/BOARDMEMBERS: GONZALES, CARRILLO, MACIAS, ALVAREZ
NOES: COUNCILMEMBERS/BOARDMEMBERS: NONE
ABSENT: COUNCILMEMBERS/BOARDMEMBERS: ROCHA

CONSENT CALENDAR: Moved by Councilmember Gonzales, seconded by Councilmember Carrillo and carried by the following vote of the Council, to approve Consent Calendar Items E-1 to E-5. Councilmember Carrillo abstained from Item E-1 only.

AYES: COUNCILMEMBERS: GONZALES, CARRILLO, MACIAS, ALVAREZ
NOES: COUNCILMEMBERS: NONE
ABSTAIN: COUNCILMEMBERS: CARRILLO (Item E-1 only)
ABSENT: COUNCILMEMBERS: ROCHA

1. The minutes of the Regular Meeting of February 18, 2020 were approved as written.
2. Resolution No. 2020-C08 was adopted and entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AZUSA ALLOWING CERTAIN CLAIMS AND DEMANDS AND SPECIFYING THE FUNDS OUT OF WHICH THE SAME ARE TO BE PAID.

3. The Human Resources Action Items, in accordance with the City of Azusa Civil Service Rules Section 5.75 and applicable Memorandum of Understanding(s), were approved as follows:

New Appointment: G. Delgado
Promotion: Magdiely Perkins
Class Specification Revision: Street Maintenance Worker III.

4. The Amended and Restated Joint Powers Agreement creating the Regional Government Services Authority (Delta Dental Pool) was approved and accepted; and the City Manager was authorized to sign the agreement.
5. The project plans and specifications for the Alleyways and Industrial Roads Pavement Rehabilitation Project No. 66120A and 66120C were approved; and Staff was authorized to solicit a Notice of Inviting Bids for the project.

SUCCESSOR AGENCY RELATED BUSINESS

RESOLUTION AUTHORIZING PAYMENT OF WARRANTS BY THE SUCCESSOR AGENCY DATED JANUARY 31, 2020 THROUGH FEBRUARY 26, 2020

Agencymember Gonzales offered Resolution No. 2020-R05 entitled:

A RESOLUTION OF THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF AZUSA ALLOWING CERTAIN CLAIMS AND DEMANDS TO BE PAID OUT OF SUCCESSOR AGENCY FUNDS

Moved by Agencymember Gonzales, seconded by Agencymember Carrillo and carried by unanimous vote of the Agency to adopt Resolution No. 2020-R05.

AYES: AGENCY MEMBERS: GONZALES, CARRILLO, MACIAS, ALVAREZ
NOES: AGENCY MEMBERS: NONE
ABSENT: AGENCY MEMBERS: ROCHA

ADJOURNMENT:

The meeting was adjourned by consensus of the City Council.

TIME OF ADJOURNMENT: 9:31 P.M.



CITY CLERK

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NEXT RESOLUTION NO. 2020-C09 (City)

NEXT ORDINANCE NO. 2020-03

NEXT RESOLUTION NO. 2020-R06 (Former Redevelopment Agency)

NEXT MEETINGS: March 16, 2020 and April 6, 2020.