



**CITY OF AZUSA**  
**MINUTES OF THE SPECIAL MEETING OF**  
**THE CITY COUNCIL**  
**MONDAY, MAY 24, 2021 – 6:30 P.M.**

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

Mayor Gonzales called the meeting to order at 7:01 P.M.

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

**PRESENT: COUNCILMEMBERS:** GONZALES, MACIAS, ALVAREZ, AVILA, MENDEZ

**ABSENT: COUNCILMEMBERS:** NONE

**ALSO PRESENT**

**Elected Officials:** City Clerk Cornejo.

**Staff Members:** City Manager Gonzalez, City Attorney Ferre, Director of Administrative Services Johnson, Director of Economic and Community Development Marquez, Director of Public Works/City Engineer Delgadillo, Director of Information Technology and Library Services Graf, Director of Utilities Robledo, Director of Community Resources Carpenter, Chief of Police Bertelsen, Budget Administrator Lam, and Chief Deputy City Clerk Garcia.

**THE CITY COUNCIL RECESSED AT 7:02 P.M. AND RECONVENED AT 7:12 P.M.**

**PUBLIC COMMENT**

None.

**SCHEDULED ITEMS**

**FISCAL YEAR 2021/22 CITY OF AZUSA, CITY OF AZUSA PUBLIC FINANCING AUTHORITY, AND SUCCESSOR AGENCY PRELIMINARY OPERATING AND CAPITAL IMPROVEMENT PLAN BUDGET REVIEW**

City Manager Gonzalez introduced the Item.

Director of Administrative Services Johnson provided an overview of the budget strategy and development, and presented the economic outlook and potential significant budget impacts.

FY 2020-21 General Fund highlights include a balanced Fiscal Year 2021/22 \$51.9 budget with a projected \$315,130 surplus; \$1.1M of capital outlay and CIP requests are being proposed; \$2.0M in savings from the issuance of the Pension Obligation Bonds are being considered; the budget includes the cost of recent labor contracts; there is an anticipated \$550K increase to the fire services contract; and personnel changes are being proposed.

The FY 2021/22 General Fund Proposed Revenues includes a 5.5% increase; an anticipated increase in property tax due to home values; an \$840K increase in sales tax revenues due to Measure Z sales tax revenues; and 2003 certificates of participation bonds have been paid off which will result in a decline in the cost reimbursements category.

The FY 2021/22 General Fund Proposed Expenditures include an anticipated 10% increase; a \$2.5M in salary savings, adopted mid-year, will be removed; an anticipated decrease in Safety due to the PERS unfunded liability payoff; a Debt Service increase due to annual Pension Obligation Bond; and an overall \$4.6M increase to the General Fund budget.

In response to questions posed, Director of Administrative Services Johnson provided information regarding increases to fire safety costs.

Director of Administrative Services Johnson provided a review of the Reserve Policy and recommended changes which included Budget Stabilization and Catastrophic Event (from 20% to 25%), Capital and Infrastructure Replacement (from \$1.5M to \$2.0M), Insurance (from \$1.5M to \$2.5M), and Retiree Benefits (remain at \$2.0M); the anticipated ending reserve balance for Fiscal Year 2020/21 is approximately \$26.1M; projected undesignated reserves of \$5.6M to \$6.6M annually over the next five years; and options for assigning undesignated reserves.

In response to questions posed by the Council, Director of Administrative Johnson provided Worker's Compensation costs and described how Staff is working to mitigate those costs. City Manager Gonzalez provided additional information regarding claims and insurance premiums.

The proposed FY 2021/22 Citywide Budget is approximately \$173M; proposed Citywide Budget Revenues and Transfers In are \$165M and projected to be less than expenditures; Citywide FTE Summary includes a proposed 18.58 FTE net increase, and a brief overview was provided.

An overview of the Citywide Five-Year Capital Improvement Program (CIP) was provided; the FY 2021/22 CIP proposed budget is \$28M over the next five years; major FY 2021/22 projects were highlighted.

In response to questions posed by the Council, City Manager Gonzalez described the proposed Downtown Improvements CIP project; and discussed code enforcement in the downtown district. The Council suggested that the allocated amount be increased to include maintenance and safety measures.

Deputy City Manager De Anda-Scaia provided an overview of the service areas within the Administration Department; budget highlights included \$100K for General Municipal Election Expenses, \$25K for special initiatives, increases for special legal services and City Council donations and contributions. Highlights for FY 2021/22 include continuing to lead the City forward in overcoming the impacts associated with the COVID-19 pandemic, and evaluating and facilitating the state and federal post-COVID-19 recovery funding toward City Council goals and objectives.

Director of Administrative Services Johnson presented an overview of the Administrative Services budget which includes the addition of a part-time Store Keeper and salary increases of \$70k within the Finance and Human Resources divisions; Finance overall increases of \$33,350; and Human Resources/Risk Management overall increases of \$273,800 the bulk of which is for claims and expenses. Key program objectives include continued reduction of the City's long-term financial obligations, assisting all City Departments in utilizing and maximizing special revenues which defrays the General Fund budget, and developing a robust Loss Prevention Program.

Economic and Community Development Director Marquez presented an overview of the Economic & Community Development Budget which includes a 4% reduction in comparison to last year's budget; operating highlights include \$125k for citywide branding, \$100k for plan check and building inspection services, \$45k for a scanning project which includes plans and case files; a full-time Administrative Tech position is being requested; and provided information regarding the designated code enforcement officer for the downtown area.

In response to questions posed by the Council, Economic and Community Development Director Marquez provided a description of the gateways to the downtown area.

Chief of Police Bertelsen presented Public Safety Budget highlights which include a request for three full-time Police Officer positions; increase to the LA County Fire Services contract; non-personnel budget increases for equipment; a \$61k increase for crossing guard, jail services, and human services contracts; \$167k increase for police IT costs the bulk of which are related to fleet; noteworthy requests include \$15k for a police K-9 team, \$50k for police helicopter contract services, \$195k for a body worn camera program, and a restructure of the Police Department IT Division.

In response to questions posed by the Council, Chief of Police Bertelsen provided information regarding the cost of police helicopter contract services, provided information regarding the total number of officers in the department, police officer recruitment, lateral officer employment incentives, the body worn camera program roll out and funding, utilization of the Police Department drones, crossing guard staffing, traffic division structure and enforcement, the restructuring of the Police Department IT division, provided an overview of capital improvement projects within the Police Department, and security and long-term outlook of the Department.

Director of Community Resources Carpenter provided an overview of the Community Resources Department and program highlights which included the expected reopening of senior nutrition services, the expansion of case management for seniors and youth, the further reopening of sports and recreation activities, the expansion of teen programs and services, the continuation of COVID-19 testing and vaccinations; and recruitment requests include the reclassification of an existing senior programs part-time position to a full-time position.

In response to questions posed by the Council, she provided information regarding the opening of Slauson Park Pool and available programs; and provided an update on senior meal delivery.

Chief of Police Bertelsen responded to a question posed by the Council, providing information about park hours and nighttime patrols.

City Manager Gonzales provided information regarding a proposed update of the Senior Center and facilities assessments.

At the request of the Council, Staff will explore the option of utilizing the Boy Scout House for teen programs.

Library & Information Technology Services Director Graf presented the department highlights which includes the transitioning to digital and virtual services, partnerships with social services programs, enhancing the partnership with Azusa Unified School District, implementation of the network upgrade and new phone system.

In response to questions posed by the Council, Library & Information Technology Services Director Graf discussed the VOIP system update; and provided information regarding the updating of the City's email format.

Director of Public Works/City Engineer Delgadillo presented the department personnel requests which includes two new part-time employees, the reclassification of an Administrative Technician to Senior Administrative Technician, and the addition of a full-time Senior Management Analyst; provided a description of significant capital outlay requests; and discussed some of the notable Capital Improvement Project requests.

In response to questions posed by the Council, Director of Public Works/City Engineer Delgadillo explained the reasoning for recruiting two part-time staff rather than one full-time staff; discussed the dollar amount of allocated funds for Citywide Sidewalk Improvements and the approach for repairs; provided information regarding the process for inspecting trees when a sidewalk becomes lifted; discussed the different funding sources that will be used to fund the Senior Management Analyst position; and maintenance of streets, medians, and freeway underpasses.

Director of Utilities Robledo presented the personnel requests for the Light & Water Department which include an adjustment to the salary range for the Assistant Director of Utilities – Resources Management and the Senior Power Resources Planner in order to remain market competitive, the reclassification of a full-time Cashier position to a Customer Services Representative I, and the reclassification of a Customer Care Lead to a Customer Care Operations Supervisor, and the reclassification of a Customer Service Representative II. Budget highlights include a decrease in water utility operating expenses and an increase in electric utility operating expenses, no capital outlay requests, infrastructure replacement programs, well rehabilitation, electric vehicle charging infrastructure updates, LED streetlight replacement, and a renewable energy solar shade structure.

In response to questions posed by the Council, he stated that Field Service Representatives are able to do manual reads of meters if the communications fail; Field Service Representatives have a higher level of functions which allow them to take care of turn-ons and turn-offs as well as read meters; and the Water Production Operator Lead position will not be filled until all meters have been changed and the positions will be filled through attrition.

Utilities Director Robledo presented the Light & Water budget highlights which include a 2-5% reduction in sales, however, it is expected that sales will recover; it is projected that the Department will have a \$3M positive cash flow which includes operations and personnel; the Department will be able to fund \$2M in Capital Improvement Projects and \$400K in Capital Outlay on a pay-go basis; non-personnel expenses include \$530K for the purchase of replacement water to recover the water table from the drought and a \$623K decrease in the budget due to a carryover of funds to purchase transmission rights; Capital Outlay requests include replacement of old equipment and vehicles, and a new HVAC Unit for the Gladstone Yard; Capital Improvement Projects include infrastructure replacement projects such as water mains and wood poles, advanced metering infrastructure, new customer facility expansions, and LED streetlight replacement; public benefits funds are set aside for city building improvements.

In response to questions posed by the Council, he provided an update on the LED streetlight replacement project; discussed the pay increase rate for the proposed salary adjustments; provided information about the process of well rehabilitation and associated costs; and provided information about the electric vehicle charging station located near the post office.

Director of Administrative Services Johnson responded to questions posed by the Council by providing information regarding the Classification and Compensation study which was conducted in 2016 and the manner in which the recommended changes are implemented.

City Manager Gonzalez addressed the comments regarding personnel requests and described the process of identifying which requests are selected for presentation to the Council.

Director of Administrative Services Johnson concluded the presentation stating that a budget surplus of \$315K is expected; total reserves are expected to be \$26.1M by the end of the 2021/22 fiscal year; \$19.5M in annual reserves will be set aside; \$6.6M in undesignated reserves will be available to allow the City to address ongoing liabilities, aging infrastructure, and the enhancement of special programs.

Discussion ensued regarding the budget and direction to Staff; it was the request of the Council to have budget documents made available to them a few days sooner to allow ample time for review; and the Council commended Staff for their hard work in preparing the proposed budget.

City Manager Gonzalez recommended a goals and priorities meeting to discuss the allocation of the \$6.6M in undesignated reserves and any special programs that the Council may be interested in. The final budget will be presented for adoption on June 21, 2021.

## **ADJOURNMENT**

The meeting was adjourned by consensus of the City Council.

**TIME OF ADJOURNMENT: 9:13 P.M.**



---

**CITY CLERK**