

**MINUTES  
ALHAMBRA CITY COUNCIL  
ALHAMBRA REDEVELOPMENT AGENCY  
Joint Adjourned Regular Meeting  
May 17, 2010  
4:00 p.m.**

**ROLL CALL:** At 4:00 p.m., on Monday, May 17, 2010, the Alhambra City Council and the Alhambra Redevelopment Agency (ARA) met in the Community Room of the Alhambra Civic Center Library, 101 South First Street, Alhambra, California.

**CITY COUNCIL/ARA BOARD MEMBERS:**

**PRESENT: MESSINA, YAMAUCHI, PLACIDO, AYALA, SHAM  
ABSENT: NONE**

**Officials Present:** City Manager/ARA Executive Director Fuentes, Assistant City Manager/Personnel Director Bacio, City Attorney Montes, City Clerk Myles, Deputy City Manager/Administrative Services Director Schultz, Director of Public Works Chavez, Chief of Police Hudson, Fire Chief Stedman, Interim Director of Finance Wong, Interim Director of Development Services Funk, Deputy City Manager/Director of Utilities Swink, Library Director Hernandez, Director of Community Services Jarvis, Assistant to the City Manager Hayashi, Assistant to the City Manager Keating, Code Enforcement Manager Bisogno

**FLAG SALUTE:** Led by Mayor Sham

**CITY CLERK/ARA ASSISTANT SECRETARY REPORT - NOTICE NO. N2M10-58**

City Clerk/ARA Assistant Secretary **MYLES** reported that she duly gave notice of the Joint Adjourned Regular Meeting of the Agency Board and City Council being held this morning pursuant to the order of the Mayor and ARA Chairman and in accordance with Section 54955 of the Government Code of the State of California.

**MONTES:** City Attorney **MONTES** suggested Item No. 1 on this evening's agenda be taken first, then the Agency Board/Council recess into Closed Session, after which the Agency Board/Council would return to deal with the remaining workshop items.

**PRESENTATION**

- 1. AWARD OF CONTRACT: PROFESSIONAL SERVICES TO PREPARE AND PROCESS AMENDMENTS TO THE INDUSTRIAL, ADDED AREA A, AND CBD REDEVELOPMENT PLANS – F2M10-511, C2M10-506, M2M10-505**

Staff requested that the Agency Board award a contract to GRC Associates, Inc. (GRC) to prepare and process certain amendments to the Industrial, Added Area 'A' and Commercial Business District (CBD) Redevelopment Project Plans. GRC Associates, Inc. has over twenty-five years of experience in connection with redevelopment activities and has provided comprehensive redevelopment and economic, housing, environmental documentation and real estate analysis consulting services for over sixty cities in Southern California. GRC had indicated Phase I activities would be completed within ninety days from award of contract and the plan amendment process would be completed within twelve months.

Former Director of Development Services Michael **MARTIN**, a consultant on the project, gave a brief presentation on coordination of possible amendments to the Agency's three redevelopment plans. He noted the time and economic limitations of the Industrial Project Area, created in 1969 and expanded to add all of Main Street as Added Area 'A' in 1981, and the Central Business District, created in 1976. Each of these areas has certain limitations and economic limitations which include the effective date of the plan. That is when all activities within that project area cease, other than certain maintenance obligations and affordable housing issues; the day to incur debt, which was to sell or borrow monies, such as bonds, but also any financial commitments to developers, such as a tax rebate given a developer, that is an economic item that incurs debt. Also included are dates to initiate condemnation, which is still active in the Industrial Added Area 'A', but has lapsed in the CBD. Also at issue is the maximum amount of tax increment revenue that can be received through the County for each of these three project areas.

Continuing, Mr. **MARTIN** remarked on the issue of blight in the three project areas and how the dates, amounts and times had created a concern for the Redevelopment Agency. Staff had solicited three different proposals from qualified redevelopment consultants to process the necessary plan amendments which would be presented to Council at a later date. Of concern was the last day to incur debt in the Industrial area in 2012 and the Added Area 'A' in 2014. Both areas presented fairly short time periods. The Commercial Business District had actually lapsed in 2004. However, the Alhambra Place shopping center may involve redevelopment activities in the future. Two serious economic concerns were the \$75 million cap on tax increment in Added Area 'A', and the Commercial Business District \$25 million cap which the Agency should hit in the next four years. Despite hundreds of Redevelopment Agency projects in these areas, these were issues that the Agency still needed to address. Staff recommended awarding the contract to GRC, the lowest qualified bidder. John Oshimo, Principal in Charge and Project Manager of GRC Associates, 858 Oak Park Road, Suite 280, Covina, was present to answer any questions. If awarded, the project would take almost a year to process, perhaps a little longer. The first step would be to evaluate every parcel for blight in each of the three areas. Once that evaluation was completed, staff would meet with the consultants to determine the proposed amendment to present to the Council. The public review process would begin at that time, primarily involving the other taxing agencies, the largest of which was Los Angeles County which at times takes a strict view of changes of this nature.

**Discussion:** In reference to Councilmember Placido's question regarding the difference in the bids, Mr. **MARTIN** stated it might have something to do with how busy the consultants were. The work to be performed was essentially the same. Different cities had used Mr. Oshimo's firm and GRC Associates came highly recommended as a

company that adhered to their budget, accomplished projects on time, and in most cases delivered more than what they thought they were going to accomplish. Mr. Martin noted the City had used all three prospective bidders before.

Mayor **SHAM** wished to know what the City hoped to achieve by hiring this consultant. Mr. **MARTIN** remarked that it would give the Redevelopment Agency and the City an added legal tool that would enable them to continue to do projects to benefit the City in eliminating blight and creating jobs, as well as fulfill the obligation to create affordable housing. Without the ability to do such projects, the City would have some definite limitations in the near future. Mayor Sham noted Council was addressing timeline limitations and was trying to extend them to be able to continue to work.

**Action Taken:** Agency Board awarded a contract to GRC Associates, Inc. and authorized the Executive Director and Agency Counsel to enter into the contract with GRC Associates, Inc. for professional services in the amount of \$76,750 plus reimbursable expenses to prepare certain amendments to the Redevelopment Project Area Plans and rejected all other bids. **(M2M10-505)**

**Vote:** Moved: AYALA                      Seconded: PLACIDO  
Ayes: MESSINA, YAMAUCHI, PLACIDO, AYALA, SHAM  
Noes: NONE  
Absent: NONE

#### **CLOSED SESSION & CITY ATTORNEY ANNOUNCEMENT re SAME - F2M10-14**

City Attorney/Agency Counsel **MONTES** identified those items listed on this evening's agenda which would be discussed in Closed Session as follows:

***Conference with Real Property Negotiator (Govt. Code Section 54956.8):*** None

***Conference with Legal Counsel--Existing Litigation (Govt. Code Section 54956.9(a):***

City of Alhambra and 46 other Cities v. County of Los Angeles, et al., Los Angeles Superior Court Case No. BS 116375

***Conference with Legal Counsel - Anticipated Litigation:*** Significant exposure to litigation pursuant to Govt. Code Section 54956.9(b): None. Initiation of litigation pursuant to Govt. Code Section 54956.9(c): 1 matter.

***Discussion of Personnel Matters (Govt. Code Section 54957):*** None

***Conference with City's Labor Negotiator (Govt. Code Section 54957.6):*** None.

whereupon at 4:10 p.m., the Agency Board and City Council moved into closed session pursuant to applicable law, including the Brown Act (Government Code Sec. 54950, *et seq.*) for the purpose of conferring with the Agency Counsel/City Attorney.

**RECONVENE:** At 5:15 p.m, the Agency Board and City Council moved out of closed session

with all members present; and, the unanimous consent of the City Council and the Agency Board, the Mayor and Chairman continued their respective meetings.

## **ARA/COUNCIL WORKSHOP (Item Nos. 2 - 9) – F2M10-16**

The City Council and Redevelopment Agency Board moved into a **workshop format** for the purpose of staff **presenting** to the City Council and/or Agency Board and the City Council/Agency Board **discussing** with staff those matters listed below. As these items were **study session items** only, **no action** was **taken** by the **City Council** and/or **Redevelopment Agency Board** unless otherwise indicated.

### **2. PROPOSAL FOR TREE MAINTENANCE SERVICES CONTRACT EXTENSION – F96-35, F2M9-67, C97-28, C2M9-30**

Staff sought direction from the City Council regarding the proposal made by West Coast Arborists, Inc. (WCA) for a ten-year extension of the contract which governed the trees in the public right-of-way and a one year extension for tree maintenance at the Alhambra Golf Course and adjacent parking lots and various Alhambra parks.

Director of Public Works **CHAVEZ** stated staff was looking for direction regarding a proposal from West Coast Arborists, the contractor currently responsible for trimming City trees in the public right-of-way, at the City golf course, and at the Almansor complex. West Coast Arborists has maintained City trees and parkways since 1997 and over the last 13 years had not increased the price they charged for tree maintenance. WCA charged \$39 to trim a street tree and a survey of neighboring cities indicated that was the lowest price in the immediate area. The proposal was for an amendment to their contract which would expire June 30, 2010, extending the contract for ten years. WCA would keep prices the same for fiscal year 2011 and was asking for a Consumer Price Index (CPI) increase not to exceed 2.5% for the remaining years. The agreement would continue to include a 30-day cancellation clause. During the current contract period, WCA had developed a comprehensive street tree inventory including a street tree master plan. WCA was very responsive to requests, and was available to respond after hours and during emergencies. The arborist assigned to Alhambra, Joe Bartolo, had bi-weekly meetings with City staff and conducted the fieldwork necessary for any type of inspection staff requested.

Director of Community Services **JARVIS** noted the Community Services contract with West Coast Arborists was monitored separately from the Public Works contract. The Community Services contract was also due for renewal and WCA offered the same price for the coming fiscal year for that contract. WCA stated that if the City wished to tie the two contracts back together they would be willing to negotiate on the same terms as with the Public Works contract for the ten-year extension.

**Discussion:** Councilmember **MESSINA** was supportive of West Coast Arborists. City Manager **FUENTES** noted staff was not asking Council for any action this evening. The proposal would be brought back at the Council's next regular meeting in June with a written report and outline of the proposal. Mr. Fuentes suggested the contracts for

Public Works and Community Services be left separate at this time, as they would be easier to handle.

**Action Taken:** Council reviewed the report along with the options presented. This item was to be brought back at a future City Council meeting.

**3. PROPOSED HUNTINGTON DRIVE/PINE STREET PARKING IMPROVEMENTS – F2M8-81**

Staff sought direction from the City Council regarding the proposal made by Mr. George Harris to reconfigure on-street parking on Huntington Drive where it meets Pine Street, between Electric Avenue and Dos Robles Street.

Director of Public Works **CHAVEZ** recalled the City's efforts to improve the traffic situation in the Huntington Drive area over the past year. To improve traffic conditions, Alhambra and the City of South Pasadena had agreed upon a stop sign at Dos Robles and red curbing in the 1500 block of Huntington Drive. George Harris, owner of property near that location, requested some parking be restored and suggested a parking inset be cut into the existing parking for 107 feet with Mr. Harris paying for the improvements. Both Alhambra and South Pasadena had reviewed Mr. Harris' plan. Conceptually, it appeared it could be done. However, Ms. Chavez' concerns were with the street light pole east of Electric Avenue and a street light conduit running through where Mr. Harris' proposed parking inset would be. Other issues not addressed in Mr. Harris' proposal were ongoing maintenance and the Alhambra/South Pasadena boundary currently behind the curb line. Both issues would have to be worked out with the City of South Pasadena. Further investigation might be necessary regarding other existing utilities as well.

**Discussion:** Vice Mayor **YAMAUCHI** asked if Mr. Harris had any idea what his proposal would cost, to which Ms. **CHAVEZ** responded \$50,000. The street light and conduit running along the curb line had not been taken into consideration. Staff also believed there might be a water main and a high pressure gas line in the vicinity. Also, staff was unaware of any County or South Pasadena storm line or storm drain that might run along Huntington Drive. Mr. Yamauchi felt Council should be the last to vote on this item. Mr. Harris should first find out its true costs. If the City of South Pasadena agreed to it, then it could come back to the City of Alhambra. Ms. Chavez stated staff was looking for Council direction this evening. Was this item something Council wished staff to investigate?

In reference to Councilmember Placido's question regarding the number of spaces requested, Ms. **CHAVEZ** noted it was five spaces. Dr. Placido spoke to the safety issue. Council had already resolved a safety issue for that neighborhood. Would the City be contributing to another safety problem with these parking spaces? An inattentive driver traveling at 40 mph could conceivably crash into a parked car on Huntington Drive. Would the City liable for that? If Mr. Harris had an apartment complex he should not rely on street parking for his tenants. The street situation was safer now. Five people parking on the street and walking a half block from one of the side streets was not a bad trade.

Mayor **SHAM** suggested Mr. Harris re-evaluate the costs, address Councilmember Placido's concerns, then bring the proposal before the City of South Pasadena before bringing it back to the City of Alhambra.

**Action Taken:** Council reviewed the report along with the options presented.

**4. NATIONAL LEAGUE OF CITIES PRESCRIPTION DISCOUNT CARD PROGRAM – F2M10-43**

The National League of Cities (NLC) had a new program to offer savings on prescription drugs to residents without health insurance, a traditional benefits plan, or those who had prescriptions not covered by insurance. Assistant to the City Manager **KEATING** discussed features of Prescription Discount Cards which could be made available to residents by the City of Alhambra in collaboration with the National League of Cities. The card was free to all Alhambra residents who, by using the card, could save an average of 20% off the regular retail price of prescription drugs at most major pharmacy retail outlets and over 60,000 independent pharmacies. If Council chose to proceed, the program would take roughly 10 weeks to implement.

**Discussion:**

In response to Vice Mayor **YAMAUCHI's** question regarding prescription card distribution, Ms. **KEATING** noted the cards would be available through the City's website, and also at City service counters.

In reference to Councilmember **AYALA's** question on who subsidized the card, Ms. Keating remarked the prescription card was free to the City and to its residents. The cost was absorbed by the pharmacies themselves.

Councilmember **PLACIDO** asked how many cards a person was entitled to. Ms. **KEATING** stated a resident only needed one card which did not expire. Dr. Placido also expressed concern over the possibility of card misuse, i.e., someone from another city coming into Alhambra and picking up multiple cards to distribute to others. He was also concerned, if the program were implemented, with the possibility of running out of the cards. Mayor **SHAM** remarked that the National League of Cities would initially ship us about 20,000 cards and, if the City ran out, they would ship more. Ms. Keating added that in order to apply for the program the City would have to send in an application along with a jpeg of the City's logo that the League would tweak to match their formatting that goes on the card, on the internet, then on the card that they also print for us.

**Action Taken:** City Council reviewed the report.

**5. CALIFORNIA HIGH-SPEED TRAIN PROJECT – F2M10-44**

The California High-Speed Train Project is an 800-mile long rail system that will operate at speeds up to 220 miles per hour in order to transport riders from San Francisco to San Diego in less than four hours. Staff presented to Council information related to the proposed alignment for Los Angeles, which includes departure from Union Station, and contains three possible alignments to the next major station at the Ontario Airport.

Assistant to the City Manager **KEATING** outlined the two alternatives under consideration for the California High Speed Train Project. The first alternative had the train leaving Union Station in Los Angeles, following the 60 Freeway to Ontario airport then heading south to San Diego. The second alternative would leave Union Station, travel along the Union Pacific railroad line south of the 60 Freeway, then north to Ontario airport, then south again to San Diego. It was originally envisioned, that the I-10 alignment would run down the center of the 10 Freeway. Staff recently received information that Caltrans opposed the use of that freeway right-of-way and that their preference was for the train to run through Alhambra along Ramona Road. The High Speed Rail Authority would attend the first Alhambra City Council meeting in June for a PowerPoint presentation showing numbers and maps and answering Council and the public's questions.

**Discussion:**

In reference to Councilmember Placido's question regarding the connection between the High Speed Rail Authority and Caltrans, Ms. **KEATING** stated that the Rail Authority worked with the Southern California Association of Governments (SCAG) and METRO, but was essentially on its own.

City Manager **FUENTES** thought running the high speed rail through Alhambra, specifically along Ramona Road, would be a problem for the City, as it would be for San Gabriel, Rosemead and every other city along that corridor. As this issue moved forward it might necessitate the City hiring additional help to evaluate this proposal as it would have an environmental impact.

Councilmember **PLACIDO** asked the status of the high speed route alternatives. Ms. **KEATING** commented that the Rail Authority had identified their alternatives and they were hoping to meet with cities individually, taking comments from the cities into consideration before working more closely on their engineering to see if it was feasible. The Authority expected to have a serious alignment for their Board's review in August. Dr. Placido asked if the Rail Authority could invoke eminent domain to take part of Ramona Road, to which City Attorney **MONTES** responded he would have to check the legislation, but it would be a public improvement, like taking property for a freeway.

**Citizen Input:** Dr. Clyde **WILLIAMS**, 4115 Barrett Road, Los Angeles, representing *Stop the 710*, spoke for the revision of the High Speed Rail project at the Union Station.

**Action Taken:** City Council received and ordered filed the informational report presented this evening.

## 6. LOS ANGELES COUNTY TITLE 10: ANIMAL CONTROL – F2M10-36

Chief of Police **HUDSON** presented information to the Agency Board/Council regarding the potential adoption of County of Los Angeles Title 10 regarding Animal Control.

Chief **HUDSON** reviewed the City's animal control regulations as they related to Los Angeles County Title 10. Alhambra was one of the few cities in Los Angeles County that had not adopted County Title 10 and the City's current codes relating to animal control were sparse. Staff asked Council direction as to possible adoption of some or all of Title 10, depending on the Council's preferences. Highlights of Chief Hudson's review of animal control issues included the County's three versus the City's two dog limit, the City's lack of an animal micro-chipping requirement, and County code requirements for spaying and neutering of animals. Title 10 also required cats to be licensed, a voluntary requirement in Alhambra with 40% to 50% of pet owners voluntarily registering their cats. Alhambra had a four cat limit; whereas the County allowed five. The City also had a stricter definition for handling dangerous or vicious animals: one bite of another animal or person without provocation could require removal of a dog from the City limits. Chief Hudson credited Code Enforcement Manager Bisogno with using this section with great success in removing problematic dogs. The County's code delineated three bites within 36 months. The County had a strong code section on loud, continuously barking dogs whereas the City did not have the ability to deal with barking dogs quite as effectively.

### **Discussion:**

When asked by City Manager **FUENTES** what constituted a continuously barking dog, John **EMBRY**, Supervisor, Los Angeles County Animal Control, stated such complaints usually required a citizen complaint letter wherein a citizen declared the barking dog was a nuisance. As to a standard method of determining a barking dog was a nuisance, Mr. Embry stated the standard was any consistent barking that lasted for more than ten minutes. A standard method for monitoring an excessively barking dog and application of the County's criminal liability requirement making it a misdemeanor was discussed. Mr. Embry detailed the County's complaint procedure: a complaint letter from a resident, a letter of abatement from the County to the dog owner advising them of the complaint against their barking dog, a seven-day waiting period before the complainant could again contact Animal Control, then a petition the complainant could circulate in the neighborhood indicating it was a neighborhood problem, not just for one resident.

Councilmember **PLACIDO** asked which agency was responsible for dealing with barking dogs in the City to which Chief **HUDSON** responded it depended on the time of day. At night, typically, the Police Department responded if it was a continual problem, although they were not issuing citations.

Vice Mayor **YAMAUCHI** requested more time to review the literature.

Councilmember **MESSINA** asked if County animal control could prohibit a resident from feeding feral cats and what County policy was regarding restricting feral cat reproduction. Mr. **EMBRY** stated if County Animal Control found a person was feeding feral cats they could order them not to do so, and could then determine how to dispose of those cats running loose on a property. Regarding feral cat reproduction, Mr. Embry

stated the County referred people to a low-cost spay/neutering program. He also advocated residents using the County's micro-chipping service provided at no charge at County sponsored clinics.

Dr. **PLACIDO** asked if dog owners paid a fee for their dogs if they were caught and kenneled. Mr. Embry stated an owner was charged a \$20 impound fee plus \$18 each day the animal was boarded. The City would not be charged for the animal if it was returned to the owner. Dr. Placido suggested staff compare the Los Angeles County Title 10 code with the City's code and bring back recommendations for Council consideration.

Councilmember **AYALA** noted that animal bites were one difference in the two codes. On this issue, he suggested the City stay with the City's code: one bite, instead of three. He also suggested the City keep most of what it currently had compared to the County program, but perhaps look at the financial aspect. The Los Angeles Department of Animal Control was funded with taxpayer money from the State and County services for which all citizens were paying.

#### **Citizen Input:**

1. Paula **HEEDWOHL**, 3309 Viscount Street, Alhambra, had been dealing with a neighbor's barking dog problem since 2008. She had spoken to Code Enforcement Manager Bisogno and Police Chief Hudson this past February which led to a hearing with the dog's owner but there was still a problem. Ms. Heedwohl, an attorney, hoped the process the City Council was pursuing would make it easier to find ways to resolve barking dog issues. Having read the City's animal control ordinance she concluded only filing a civil lawsuit would remedy her situation, but that it would be a waste of judicial resources. She was in favor of the adoption of a new animal control ordinance.

Chief **HUDSON**, in response to City Manager Fuentes question as to whether Ms. Heedwohl's barking dog issue had ever been resolved, stated staff had been out to her residence this morning, so the issue was ongoing.

2. Lola **ARMENDARIZ**, asked if the City Council was going to make a decision on the animal control issue this evening, to which Mayor **SHAM** responded that Council was not. As to her request for more information on County Animal Control canvassing of residences to see if dogs were licensed, Chief **HUDSON** stated they sent personnel to the City every few years to those residences with licensed dogs to search for residents with unlicensed dogs. They did not necessarily knock on doors, but if they heard dogs barking or saw dogs or cats at a residence where they knew they were not registered, at that point they would make contact and inquire.

City Manager **FUENTES** stated there were provisions in the County Title 10 document that the City should implement. He suggested staff give the Council a side-by-side evaluation of what the City had and what the City could get with the County's code.

**Action Taken:** For Council/Agency Board information only. Staff will compare the Los Angeles County Title 10 code with the City's Code and bring recommendations back for Council consideration.

## 7. **DRAFT COMPREHENSIVE EMERGENCY MANAGEMENT PLAN – F2M10-45**

Fire Chief **STEDMAN** gave the overhead presentation of the Draft Comprehensive Emergency Plan, a copy of which is on file in the City Clerk's Office. Highlights of that Plan included response levels in the event of major and local disasters or local emergencies, the preparation, emergency and recovery phases for such events, the mechanism for initiating City involvement in an emergency, including emergency proclamations as well as the responsibilities of the governing bodies involved.

Chief **STEDMAN** reported that the current plan was an updated version of the Fire Department's disaster manual, with changes tracked and sent to all departments. This draft Plan would be brought back for Council approval at a later date and would then have to be submitted to the California Emergency Management Agency for their review. The Plan had three parts: the basic plan, appendices and annexes. Included were common features of an emergency organization's response level and mutual aid for different emergencies, and the State and Federal emergency standards, including the Standard Emergency Management System (SIMS) operated by the state of California and the National Incident Management System (NIMS) operated by the federal government.

Continuing, Chief **STEDMAN** spoke in detail of the four appendices and annexes to the Plan covering most facets of emergency operations such as personnel assignments and standard operating procedures (SOP). He also covered the necessary steps for a governing authority to declare an emergency which included a proclamation by the City Council or, if not the Council, the City Manager with the City Council proclaiming the emergency after the initial proclamation within 7 days. Other such emergency proclamations, declared either by the state of California or the federal government were also covered in the manual.

**Discussion:** Councilmember **MESSINA** asked how the City might get this information out into the community, to which Chief **STEDMAN** responded once the Plan was adopted, staff would put it on the City's website. Also, through the CERT program the Fire Department had trained between 400-500 people and they were asking them to share that information with their families and neighbors. The State and the County were also making efforts to get that information out to the public.

Councilmember **PLACIDO** asked if the City was working alone or with other agencies on this Plan, to which Chief **STEDMAN** stated the program was coordinated by County, the State and nation-wide. It was required by the federal government and important to have the Plan adopted by Council to get reimbursement after a disaster.

Councilmember **AYALA** noted Alhambra was one of six cities in the region with a training facility for emergency response. Chief **STEDMAN** added that Alhambra was the

only training facility of the six training facilities that was certified and in full operation at this point.

**Action Taken:** For Council/Agency Board information only.

**8. REQUEST FOR PROPOSALS: COMMERCIAL INTEGRATED WASTE MANAGEMENT PROGRAM - F2M5-42**

Staff requested Council authorization to develop and release a Request for Proposals for a new City commercial integrated waste management contract. In 2005, the current contract for exclusive commercial integrated waste management was awarded to Consolidated Disposal Service. This contract was for a five-year term and would expire on August 31, 2010.

Assistant to the City Manager **HAYASHI** reported that prior to 1999 the City had multiple trash haulers collecting commercial trash in the City. In 1999, the City issued its first Request for Proposals (RFP) for an exclusive commercial solid waste services contract. The five-year contract was awarded to Consolidated Waste Disposal Service in 2000. In 2005, a second RFP was distributed and Consolidated Disposal, with the lowest rates and an excellent track record, was again awarded the contract. The Consolidated contract expired in 2010. A staff survey of 18 cities found 17 cities with higher benchmark service levels than Alhambra for their commercial waste disposal services. In addition to a better service level, Alhambra had a guaranteed 50% diversion rate from Consolidated, in compliance with State law. Lastly, Consolidated's franchise fee required a 6% payment bringing \$140,000 per year to the City's Sanitation fund. Twice the City had utilized the RFP process and staff was requesting direction as to how Council wished proceed, as well as permission to issue an RFP, if that was Council's desire.

**Discussion:**

Vice Mayor **YAMAUCHI** asked if it was possible to extend this contract, as the City had done with its residential waste management contract. Ms. **HAYASHI** noted that was a possibility. The residential contract was for 15 years. Mr. Yamauchi thought one of Council's greatest fears would be putting out an RFP, hiring the lowest bidder, but then getting a contractor who did not do a qualified job.

Councilmember **AYALA** asked if a commercial waste contract extension was different from the residential contract extension, in response City Attorney **MONTES** stated the governing law Council had discussed in connection with the residential franchise also also to the commercial franchise. After those discussions, Council was comfortable not pursuing the RFP process and with negotiating an extension of the residential franchise. Mr. Ayala requested staff research the costs related to doing a Request for Proposals.

City Manager **FUENTES** suggested staff do an evaluation of commercial waste contract extension advantages as well as evaluate RFP costs and the advantages or disadvantages to that process. He also suggested, since the City was approaching an August contract deadline, that the Council might want to go month-to-month on the

current contract until staff completed whichever process Council directed staff to pursue. The analysis could be brought back to Council at a future date.

Councilmember **PLACIDO** asked if negotiations were going on for a month-to-month service and, if the current provider's service was better than that of other cities, why would we go any further than that? Mr. **FUENTES** stated that when staff reported back to Council on the evaluation of the month-to-month extension versus an RFP it could help Council evaluate the difference.

**Action Taken:** Staff to report back to Council on the evaluation of the month-to-month contract extension versus an RFP process that could help in Council's determination of which method was more advantageous in selecting a commercial integrated waste management program.

**9. DRAFT BUDGET FOR FY 2010-11 & CAPITAL IMPROVEMENT PLAN FOR FY 2010-2011 THROUGH 2014-2015 – F2M10-17**

Staff requested that the City Council review and discuss the Draft Annual Budget for the City of Alhambra, the Alhambra Redevelopment Agency, the Golf Course Clubhouse Corporation and the Alhambra Capital Improvements Corporation for fiscal year 2010-2011 and the Capital Improvement Plan for fiscal years 2010-2011 through 2014-2015.

City Manager **FUENTES** reported that the budget was balanced without having to do anything drastic. It was a lean budget, holding the line on everything the City had done in the past. Several positions had been and would remain frozen, and several other positions had been moved into the Water fund as a result of trying to preserve the budget and maintain reserve funds. Overall the budget was \$134.4 million in total appropriations and \$131.1 in expenditures with the General Fund a little over \$49 million. The City was balanced and keeping its reserve contingency at \$6.8 million. Mr. Fuentes underscored that as the City came out of the recession and continued to grow the reserve fund needed to grow as well. Over time that fund should be between \$12 and \$15 million to safeguard against problems in the future as down cycles seemed to happen every 12 to 13 years and would happen again. The City needed to build up its reserve fund and its special funds as well. The water department was building a strong reserve base in the Sewer and Water funds, as they were needed for capital improvement work, but would also need a reserve for the eventual huge earthquake and the significant destruction that would occur throughout California. Under those circumstances, the City would need to rebuild its infrastructure.

Continuing, Mr. **FUENTES** added that the Redevelopment Agency was doing the best it could under the circumstances with the State. California was still struggling with its budget problems. The City wrote a \$4.1 million check to the State to offset the cost of public education and would write another check this fiscal year. To make that payment the Agency had to dip into the Low/Mod Housing Fund which is required to be repaid over a five year period. It had been a struggle, but Alhambra was one of the few communities with a balanced budget, and one of the few communities that had not had to do furloughs, lay-offs, or a reduction in hours for City employees. The City still ran a "Cadillac" Parks and Recreation Department, and the Water Department was doing

extremely well and second to none in terms of service. All other departments were holding their own. Alhambra was one of the few communities still building. Two housing projects were close to breaking ground and the Director of Development Services was finalizing the language in a contract with *Babies R Us*. The Agency also had a major tenant for the Panettoni building and had tentatively reached an agreement that was going to that tenant's Board for approval. Staff was working with another tenant, a large retailer, on property on the outskirts of the City and was working on four or five projects throughout the City to add to the retail base to give us more diversification other than auto sales, on which the City was heavily dependent.

Director of Finance **WONG** gave an overhead presentation of the draft budget for 2010-2011, including the highlights of the General Fund and all other funds, as well as the five-year Capital Improvement Plan for 2010-11 through 2014-15, a copy of which is on file in the City Clerk's Office. City of Alhambra's budget was balanced. The permanent reserve fund was maintained at \$6.87 million, and the undesignated reserve was reduced from \$799,168 to \$67,800 at the end of this budget year. It was a balanced budget for the General Fund with City revenues of \$49 million, net appropriations of \$48 million and other transfers of \$1.1 million. The stated total revenues for the City were \$134.4 million, \$49 million or 36.5% of which pertained to the General Fund providing traditional services such as Police, Fire, Community Services, the Library and other administrative functions. The primary revenue sources for the General Fund included sales tax at 24%, property tax at 16%, vehicle license and vehicle license backfill at 15% and the utility users' tax at 10%. Project revenue was expected to stay the same as the current year. Overall, the General Fund revenue was increased by 4.6%. Other than sales tax, this increase can be attributed to new construction taxes from the City's several large developments underway. City would collect much of this on building permit and plan check fees.

Continuing, Ms. **WONG** discussed expenditures, particularly personnel costs and how the City achieved its budget savings. Regarding personnel costs, there were no Cost-of-Living (COLA) increases for employees in the budget. Also, there was no increase for the health insurance subsidy, the assumption being that employees would pick that up. Staff was working with the Alhambra Police Officers' Association (APOA) to defer their scheduled 4% salary increase, which would be effective July 1<sup>st</sup>. The City proposed deferring that cost over four years. If APOA did not approve the proposal, staff would have to come back to Council either to cut the budget elsewhere or ask all employees to pay a portion of the increase in their PERS costs. The major PERS rate increase comes from safety employees, comprised of Police and Fire personnel. The total cost increase was \$582,000 for the proposed budget year. The City currently has included this amount in the budget to absorb these PERS adjustments.

City Manager **FUENTES** added that if APOA did not defer, the \$582,000 cost increase would probably go to honor the 4% increase the City was scheduled to implement in the five-year agreement. Most likely the City would look at other options, for example, each employee picking up their own individual PERS increase. The City could fund the 4% or fund the PERS rate increase, but it could not do both. If required to do both the budget would not be balanced. But even with an imbalance, Alhambra would not even be close to what other communities were currently going through.

Ms. **WONG** stated three General Fund positions vacated during the fiscal year had been eliminated: Deputy Director of Public Works, Deputy Director of Community Services, and Water Quality and Environmental Supervisor for budget savings of \$353,000. Additionally, a Sanitation position and six General Fund positions were transferred to the Water fund for budget savings of \$406,000. The Redevelopment Agency must pay \$4.162 million on May 10<sup>th</sup>, with a second installment in 2010-11 of \$856,116 for a total of over \$5 million. We were allowed to borrow the money from the Low/Mod Housing funds which we did; however, that had to be repaid over five years.

Finance Director **WONG** highlighted the five-year Capital Improvement Plan items funded by the General Plan. Unless a project was funded by non-General Fund or grant funds, those costs funded by the General Fund would be deferred to future years. Public Works projects totaling \$9.6 million were all funded through non-General funds grants and taxes and Utilities Department projects totaling \$1.12 million were to be funded by non-General Fund user fees.

#### **Discussion:**

City Manager **FUENTES** reiterated that the City had five years on repayment of money to the State. If the full \$5 million reimbursement to the Low/Mod fund was not made it would result in a restructuring of the City's tax increment split from 80% of every tax increment, with 20% going to the Low/Mod Fund, to a 75%-25% split. That could have an impact on the City's ability to do projects in the future, although it might not interfere with existing debt obligations.

Councilmember **MESSINA** noted that some cities for various reasons were not going to be able to make that payment to the State. The villains were anti-redevelopment staffers in Sacramento who did not like redevelopment and felt the County should be getting all of that increment. That was how they advised their legislators. Monrovia was not making their payment.

City Manager **FUENTES** remarked not paying meant a City could not incur further obligations. It was the law. You have to make the payment. If not, you have to evaluate what that would do to your city. The only way to get out of the current financial mess was to build your way out. Alhambra made the right decision to make the payment and must create new wealth. That was what paid the bills. One day at the State level they will realize economic development happens in the cities, not through the State. Bills that divert income away from local government will have an impact. Those states that succeed have an aggressive approach to building: Texas, Arizona, Nevada and some Midwestern states. All the jobs and industries that have seemingly been in California forever might not be here much longer. Mr. Fuentes hoped the State realized that before it was too late to recover.

Councilmember **AYALA** asked if there were many contract cities that had stopped in the middle of projects because they had to pay the State. In the Capital Improvement Plan it looked as if all our projects were committed to or funded despite payment back to the State.

Mr. **FUENTES** stated everything the City had worked on was in the budget. In the future the City had three options. The first was to look at each project as stand-alone and how much revenue was generated by the Project, its sales tax and tax increment. That could be used to offset whatever costs were needed if we wished to develop. A second option might be a Section 108 loan to help with one or two major projects. The third would be a line of credit paid down by this entire process. The City could use up to \$10 million on a line of credit which could then be used in a situation where we needed a million or so dollars to make a project work.

**Action Taken:** City Council reviewed and discussed the 2010-2011 fiscal year Draft Budget and the Capital Improvement Plan for fiscal years 2010-2011 through 2014-2015.

**ORAL COMMUNICATIONS:** None

**COUNCIL COMMUNICATIONS (ANNOUNCEMENTS & FUTURE AGENDA ITEMS):** None

**ADJOURNMENT:** At 7:20 p.m., there was no further business for the Agency Board or Council to transact, the ARA Chairman and Mayor, with the consent of the Agency Board and the City Council, directed the City Clerk to **cancel** the **May 24, 2010** meeting due to an anticipated lack of quorum and adjourned their respective meetings to **8:00 a.m.**, on **Wednesday, June 2, 2010**, in **Salon 3 of Almansor Court, 700 South Almansor Street**, Alhambra, California, for the purpose of meeting jointly to discuss and update the City's Strategic Plan (**Notice No. N2M10-60**)

LAUREN MYLES  
CITY CLERK & ARA ASSISTANT SECRETARY  
by  
CRAIG ROGERS, CMC  
ASSISTANT CITY CLERK