

MINUTES
Joint Adjourned Regular Meeting
ALHAMBRA CITY COUNCIL
ALHAMBRA REDEVELOPMENT AGENCY
May 31, 2011
5:30 p.m.

ROLL CALL: At 5:41 p.m., on Tuesday, May 31, 2011, the Alhambra City Council and the Alhambra Redevelopment Agency (ARA) met in the Ruth C. Reese Hall of the Alhambra Civic Center Library, 101 South First Street, Alhambra, California.

CITY COUNCIL/ARA BOARD MEMBERS:

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

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

FLAG SALUTE: Led by Mayor Yamauchi

CITY CLERK/ARA ASSISTANT SECRETARY REPORT - NOTICE NO. N2M11-52

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.

ARA/COUNCIL WORKSHOP (Item Nos. 1 - 5) – F2M11-16

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.

1. FY 2010-2011 & FY 2011-2012 BUDGET OVERVIEW – F2M10-17, F2M11-17

City Manager **FUENTES** outlined the schedule of budget meetings noting that there

would be 2 additional meetings after this evening on June 8th and June 13th with the public hearing and adoption of the final budget on June 27, 2011. He reported that for 2010-2011 the City would be able to meet its obligations and maintain the General Fund reserve with no impact on delivery of service, no furloughs and no layoffs. There was 7 million in unrestricted reserves plus the City's lines of credit which were an additional \$3-\$10 million. He noted that this meant the City had access to cash in the event it is necessary. He stated the City should have growth and will continue to add to the General Fund. He pointed out that the budget for the Alhambra Redevelopment Agency was extremely lean in preparation for the worst case scenario which would be a shutdown of the Agency by the State. The City's sales and property tax revenues were consistent, but some of the smaller revenue sources were slightly off. However, he anticipated that the City would be able to cover the gaps. He believed that despite the proposed spending reductions, the City will still do some incredible things in FY 2011-2012.

Interim Director of Finance **WONG** presented to the City Council the fiscal year 2010-11 estimated actual and highlights of the fiscal year 2011-12 preliminary budget. A copy of Ms. Wong's presentation is on file for review in the City Clerk's Office. She outlined the FY 2011-2012 General Fund changes with respect to revenues and expenditures. She explained that 2011-2012 General Fund cost increases resulted from several sources: Absorption of the PERS employer rate increase of 35.234% for the City's safety employees plan and 16.864% for miscellaneous employees plan totaling \$1.18 million; the Alhambra Police Officers' Association scheduled 1.33% increase in salary and benefits, an increase in electricity rate cost by Southern California Edison at 5%; step increases for employees with less than seven years of experience; adjustments in the PERS health insurance administrative costs; a full year of adjustment to the Police Department's budget for one officer; adjustment to the allocation for Fire Department compensation insurance; and the General Fund absorbing larger allocated share of Code Enforcement costs. She noted that the total cost increase from FY 2010-2011 adopted budget was \$2.6 million.

As far as changes in General Fund expenditures, she reported proposed budget adjustments as follows: changing from contract to in-house broadcasting of City Council meetings which was a savings of \$72,000; elimination of the City's Tournament of Rose float saving \$100,000; freezing 5.5 vacant positions at a savings of \$438,000; and, the transfer of seven full-time and 2.5 part-time positions to the Utilities Department at a savings of \$704,000. Ms. Wong noted that other changes in expenditures included in the budget were: charging \$110,000 and \$35,000 respectively of allocated cost for fire communication and traffic engineering to the Utilities Department; reducing an Administrative Services line item account by \$90,000; adjusting Community Services Department line item accounts by \$218,000 by eliminating the day camp program and reducing the aquatics programs line item allocation; eliminating the City's 4th of July fireworks program for \$24,000 in savings plus savings in associated overtime costs in the Public Works, Police and Fire Departments; eliminating the City's maintenance of Moor Field for \$3,000 in savings on materials; the reduction of each department's line item, except Utilities, over \$4,000 by \$2,000 for a savings of \$242,000; and, the elimination of the Library literacy program due to the loss of State grant funding. She noted that the total budget adjustments were \$2.1 million.

Continuing, Ms. Wong explained that the City's unrestricted fund balance was \$77,307 and that the reserve for contingencies was increased from \$6,873,330 to \$7,000,000, an

increase of \$126,670. She then outlined changes for the Alhambra Redevelopment Agency budget. With respect to the Industrial Area bond plan limitation test, the low/mod deficit reduction plan repayment would be deferred for 2010-2011 and 2011-2012 and the repayment term would be extended by two years. She added that there would be no repayment of Supplemental Educational Revenue Augmentation Fund (SERAF) to the Low/Mod Housing Fund for 2010-2011 and 2011-2012 for both the Industrial and CBD Project areas. She pointed out that under the proposed California Redevelopment Association plan, each redevelopment agency can voluntarily contribute tax increment revenues to the State for schools at a 1% tax increment in exchange for a 1 year extension of the life of the project area up to a maximum of 10 years. In addition, agencies can contribute 100% of Low/Mod Housing tax increment revenues for 2011-2012 in exchange for a two year extension of the life of the project area. She explained that the budget included a voluntary contribution of 100% of 2011-2012 Low/Mod Housing tax increment revenues (\$2.3 million) for a two year extension and 10% for the Industrial (\$1.8 million) and CBD (\$138,000) project areas revenues for a 10 year extension. The total amount of this contribution would be \$4.3 million for 2011-2012 and \$2 million for each of the nine years thereafter. As far as administrative costs, all were to be capped at less than 15% of net tax increment revenues for each project area and the budget called for a reduction in community promotion/outreach costs by 50% from \$53,045 to \$26,523.

Concluding, Ms. Wong explained that other changes in the FY 2011-2012 budget included: changing the City Hall and Utilities Customer Service Center operating hours from 7:30 a.m. to 5:30 p.m. to 8:00 a.m. to 5:00 p.m. Monday thru Friday; evaluating two tier benefits for new employees; full cost recovery of services provided; freezing the vacant Housing Rehabilitation Specialist position; State COPS grant funding; and, maintaining user fees for 2011-2012 at the 2010-2011 level, other than those fees tied to Los Angeles County rates.

City Manager **FUENTES** wished to point out that the change to the City Hall and Customer Service Center operating hours needed to be discussed and considered but that customer service will not be compromised. He also noted that the potential two-tier benefits system did not create a meet-and-confer issue as it would be applicable only to newly hired and future employees, not current employees.

Citizen Input: Dr. John **KRAFT**, representing *Vanguardians*, encouraged the Council to have the video of City Council meetings placed on the City's website. He also pointed out that the County was facing many delinquencies on property taxes and that this would mean lower revenues for the City of Alhambra.

Discussion: Mr. **YAMAUCHI** wished to know which positions were to be transferred to the Utilities Department and he asked if the transfers of employees have gone smoothly. Ms. **WONG** stated that the positions slated for transfer were a Clerical Assistant, a Secretary, a Parks Worker I, a Park Foreman, a Code Enforcement Manager, a Cashier I, an Assistant City Clerk and 2.5 Seasonal Workers. Mr. **FUENTES** added that overall, employees have been supportive and that the transfers provided an opportunity for them to expand their areas of expertise and technical knowledge. Mr. **AYALA** asked if the employee transfers meant that they would have new job responsibilities and also about the removal of the City's 4th of July fireworks program. Mr. **FUENTES** affirmed that the transferred employees would no longer be General Fund employees and that they would have new assignments as Utilities Department

employees. With respect to the fireworks program, he noted that it could be put back into the budget but the money would have to be drawn down on the General Reserve Fund which would reduce the fund balance. He pointed out that the City needed to save as much money as possible, but staff was on stand-by with a fireworks provider and could move forward to have the show this 4th of July and allocate the money into the budget if that was the direction given by City Council. Mrs. **MESSINA** asked whether the Parks Work I and Park Foreman would be assigned water department responsibilities. Mr. **FUENTES** affirmed that they would have different responsibilities with the Utilities Department but noted that the City's parks would be maintained at the current level, including Moor Field. He stated that Moor Field was one of the City's finest facilities and he hoped that the City could reach a mutual agreement with the Alhambra Unified School District to ensure that it remained as pristine as it was currently.

Dr. **PLACIDO** felt the City should include the 2012 4th of July fireworks show in this fiscal year's budget due to its proximity to the beginning of the new fiscal year. He noted that the Council should consider the 4th of July for both years. He felt that due to the fact that the matter was only being brought to the Council now, it was effectively killed due to the time constraints of putting the contracts together etc. Council was not given an opportunity earlier to save it and it was effectively eliminated back in January, 2011 by staff not entering into a contract and paying the bill for the event. He pointed out that residents were counting on the fireworks show to be there this year and needed to have proper notification well in advance that the show was not going to happen, this was not possible given it was already May. He stated he was disappointed there would be no 4th of July fireworks show in the City this year. He asked that staff inform the City Council by January, 2012 whether money for the 2012 fireworks show was available as this was when the process needed to start. Mr. **FUENTES** stated that he could inform the Council at the mid-year budget review in January or February. Mr. **SHAM** stated that the City should look for other potential sources of revenue to fund the fireworks show such as subcontracting out the event to a private company or encouraging residents to enroll in the paramedic subscription program as the fee was \$50 and it was a great program that also generated revenue.

Mr. **AYALA** stated that he wished to have more information with respect to the taping of the City Council meetings. Mr. **FUENTES** explained that there were essentially three options: leave the taping as it is currently and spend \$72,000, which was the cost of the City's contract with Studio Spectrum; spend \$11,000 on the equipment necessary and have staff film the meeting; and/or cut the current contract costs in half which would result in a different style of video quality. Dr. **PLACIDO** wondered how having City staff tape the meeting on purchased equipment could possibly measure up to the professional quality provided by Studio Spectrum. He stated that he did not want a "youtube" quality production for the video of City Council meetings. He also wondered how many people the re-broadcast of the meeting reached given that it was only available for Charter Cable customers and many other people had services such as DirectTV or Dish Network and would not even be able to watch the video even if they wanted to do so. He also believed that perhaps too few people were utilizing this service for the cost to the City to provide it. Mr. **AYALA** felt that the issue was about access and providing it for those that would like to be able to view it. He noted that most cities in the San Gabriel Valley had video of their City Council meetings online through the City's website. He asked for staff to provide a cost analysis for providing this service.

Mr. **AYALA** asked for predictions on the two-tier benefits program implementation and

whether this would become the standard for all cities. Mr. **FUENTES** stated that this issue was to be discussed at the League of California Cities dinner on Thursday. He noted that Alhambra would do well if benefits were rolled back to the 1990's levels of 2% at 55 for non-safety and 2% at 50 for safety employees. He explained that pensions were an employee's property right, however and once an employee performs work in accordance with their employment agreement, the pension becomes their money with a property right.

Action Taken: City Council received and filed the presentation and provided staff with feedback for incorporation into the proposed budget.

2. EXTENSION OF COMMERCIAL INTEGRATED WASTE MANAGEMENT CONTRACT WITH CONSOLIDATED DISPOSAL SERVICE - F2M5-42

Assistant to the City Manager **HAYASHI** presented a summary of the City's commercial contract extension proposal with Consolidated Disposal Service. A copy of Ms. Hayashi's presentation is on file in the City Clerk's Office. She explained that the contract extension proposal was five years and included the same rate increase formula as the residential waste contract which was the annual percent change in the Consumer Price Index (CPI) with a 5% cap. Consolidated would continue to provide free solid waste and recycling services to all City facilities at no cost as well as continue to accept street sweeping debris free of charge. Consolidated Disposal would also start an audit program of trash enclosures with shared trash containers as well as have any of their new trucks added to the fleet servicing Alhambra run on CNG (Compressed Natural Gas) fuel. Ms. Hayashi further noted that under the proposed extension, Consolidated Disposal agreed to a new liquidated damages clause covering leaks and spills to the storm drain system and graffiti not removed within 48 hours of reporting. Finally, she pointed out that Consolidated Disposal was proposing no rate increase for commercial customers other than the CPI increase, that their rates have been the same since 2008 and that they were the lowest rates among 19 surveyed cities.

Discussion: Mr. **YAMAUCHI** asked whether the graffiti removal pertained to the graffiti on Consolidated Disposal's bins and Ms. **HAYASHI** replied that yes, it was with respect to graffiti on the bins and that Consolidated was required to remove it within 48 hours of reporting. Mr. **AYALA** asked if Consolidated provided street sweeping services and wondered how much the City currently allocated to sweep the City's streets. He noted that perhaps there could be cost savings if trash collection and street sweeping services were combined. Ms. **HAYASHI** responded that Consolidated did not provide street sweeping services, but they did collect debris from the City's street sweeping free of charge. With respect to how much the City budgeted for street sweeping, Director of Public Works **CHAVEZ** stated that she did not know the exact amount offhand, but would get the information for Mr. Ayala.

Action Taken: City Council received and ordered filed the informational report. No action was taken.

3. PRESENTATION: CITY VENTURES ALHAMBRA COLLECTION PROJECT - 2400 SOUTH FREMONT AVENUE – F2M11-50

City Ventures has entered into escrow to purchase 6.95 acres at 2400 South Fremont Avenue for development of approximately 81 single family homes. The proposed project is a partnership between City Ventures and Front Porch Development Company and tentatively known as the Alhambra Collection. Mr. Bill **MCREYNOLDS**, Vice President of Development for City Ventures, presented preliminary details on the proposed residential development. A copy of Mr. McReynold's presentation is on file in the City Clerk's Office. He provided a conceptual site plan and summarized the proposed project consisted of 81 homes on an 8.8 acre site with a density of 9.2 homes per acre. There would be 50 2 and 3-story courtyard homes, 21 single-family homes and 10 luxury single-family homes. The community would be gated with a main gated neighborhood entry from Fremont Avenue and a gated entry for the luxury single-family homes off of Carlos Street. He noted that City Ventures would be getting more information regarding the proposal to the surrounding community and that he was looking forward to working in the City of Alhambra.

Citizen Input: Dr. John **KRAFT**, representing *Vanguardians*, wished City Ventures and the City good luck with the Alhambra Collection project and hoped that the homes would be priced well once they went on sale.

Discussion: Mr. **YAMAUCHI** asked in what areas City Ventures was planning to conduct outreach to residents to let them know about the project. He also wondered if City Ventures had completed a similar project in another community. Responding, Mr. **MCREYNOLDS** stated that notifications were sent to residences within a 2,500 square foot radius of 2400 South Fremont Avenue. He noted that City Ventures had a residential project in Glendora on 95 acres of land that they purchased from Azusa's Monrovia Nursery Co., however, this project was not really comparable to the project they were proposing in Alhambra because it was on a much larger scale. Dr. **PLACIDO**, noting that the average single-family lot in Alhambra was 7,200 square feet, asked what the square footage would be for homes in the Alhambra Collection. He also asked if it would be a gated community with private streets. Mr. **MCREYNOLDS** answered the square footage for homes would average between 5,000 and 6,000 square feet. The larger luxury lots would be 9,000 to 10,000 square feet. The community would be gated to vehicular traffic, but open to pedestrians. They envisioned residents having pedestrian access from the community to Granada Park. The streets would be private and maintained through a property maintenance assessment district. City Manager **FUENTES** asked if there was anything similar to this project in Alhambra. Mr. **MCREYNOLDS** pointed out the City Ventures currently had the Main Street Collection project underway on Main Street featuring townhomes, flats, and live/work lofts but this was very different than the single-family homes that would be built on the South Fremont site. He added that the Alhambra Collection would help bring revenue into the City through permit fees as did the project on Main Street.

Action Taken: As this was for informational purposes only, City Council received the information and ordered the report filed.

4. **SCAG COMPASS BLUEPRINT GRANT: CONSULTING SERVICES FOR THE CITY'S GENERAL PLAN UPDATE – ENVISION ALHAMBRA 2035 – F2M11-59**

Staff wished to inform the City Council of the Southern California Association of Government's proposal to fund consulting services to update the City of Alhambra

General Plan. Administrative Analyst **PAULSON** reported that under the Southern California Association of Governments (SCAG) Compass Blueprint program, the City of Alhambra applied for and was awarded up to \$100,000 of assistance for consultant services to update the City's General Plan. He explained that staff worked with SCAG and CalTrans to review proposals and interviewed three firms to provide these services. The Planning Center was selected to provide consultant services for the General Plan update at a cost of \$79,940.

Continuing, Mr. Paulson explained that after the City selected The Planning Center, SCAG asked City staff to further review the Planning Center's proposal and offer any modifications or changes which SCAG staff would then negotiate. The suggested process included three phases. Phase I was the General Plan Update. This phase will begin with an administrative update, memorializing and integrating the various specific plans, amendments, and master plans. It would also include the incorporation of new 2010 Census data and updated statistical information and the inclusion of General Plan elements that previously were not required such as transportation and environmental studies. Once this process was completed, the updated General Plan would then go before the Planning Commission to recommend to the City Council for adoption and once the City Council adopts the document, it will be the foundation for the visioning process. Phase II was Visioning, which would focus on gathering input from the community. It would involve several public meetings, starting with a kick-off workshop on a Saturday morning, welcoming the involvement of the entire community. After the kick-off workshop, there would be two more public workshops, one hosted by the Planning Commission and the other by the City Council. He noted that Alhambra residents would have ample time to provide their input in the visioning process.

Finally, he explained that Phase III involved a Community Profile and Visioning Reports. Once the Planning Center had gathered and analyzed all the data from the community meetings, they would then produce their deliverable documents: the Community Profile and Vision Report. The Community Profile is a bound book that would provide an updated snapshot of what the City of Alhambra looks like in 2011. The Vision Report is a document that would provide growth information to assist with long-term strategic planning for housing, transportation and sustainability throughout the City of Alhambra. He noted that the process may produce modifications to the General Plan that the City Council may want to pursue and staff believed the aforementioned process is the most efficient for providing the City of Alhambra with an updated General Plan, a document that has forecasts to help plan for future growth, development, transportation and sustainability in the City of Alhambra.

Discussion: Mr. **YAMAUCHI** asked what would happen with the remainder of the money since the grant was for \$100,000 and the contract with The Planning Center was only \$79,940. Mr. **PAULSON** explained that the remaining money would return to SCAG.

Action Taken: As this is for informational purposes only, City Council received the information and ordered the report filed.

5. **2011 FIREWORKS STAND PERMITS - F2M8-26**

Deputy City Manager/Director of Administrative Services **SCHULTZ** reported the City

received two requests for fireworks stand permits after the April 20, 2011 deadline, which is set by the Alhambra Municipal Code, passed. She explained that the fireworks stand permit process was established by ordinance and currently, organizations wishing to sell fireworks were permitted to apply to only one of the five possible categories and the City awarded three permits per category for a total of fifteen permits. Extra spaces for each category did not mean the City would award a permit to an organization that applied in a different category, they were simply extra spaces. The City Manager also had the ability to issue three additional permits at his discretion if need be and these could be issued to organizations from any of the five categories, assuming that the allotted 15 permits have been issued. Assistant City Attorney **RICHMAN** explained that based on the current system, the City did not have the flexibility to award the 2 permits requested due to the April 20th deadline being firm. The current ordinance would have to be amended in order to accommodate the additional permit requests. City Manager **FUENTES** suggested that perhaps the City Attorney could prepare a draft urgency ordinance making the necessary amendments for adoption by the Council at their meeting on June 8, 2011. Ms. **RICHMAN** explained that urgency ordinances could only be adopted at Regular City Council meetings and the June 8th meeting would be an adjourned meeting. The earliest the urgency ordinance could be brought to the City Council for adoption was June 13, 2011. Ms. **SCHULTZ** pointed out that adopting the ordinance on this date would not allow the two requesting parties enough time to get their paperwork etc. in order to meet the State Fire Marshall permit deadline of June 15, 2011.

Citizen Input: Lola **ARMENDARIZ** did not believe the City should go through the process of adopting an urgency ordinance as the process, along with the applicable deadlines, were clear and had passed. She also asked for the names of the two parties that had requested the permits after the deadline. Responding, Mrs. **MESSINA** explained that one of the groups was the Alhambra Education Foundation which raised money for elementary schools in the City.

Discussion: Mr. **YAMAUCHI** asked if this situation had occurred in previous years. Responding, Ms. **SCHULTZ** stated no, that this year was the first where the City had received requests for permits once the deadline had passed. Mr. **SHAM** stated that he would like to see the ordinance amended to help community non-profits during these difficult economic times. Mr. **AYALA** stated that the City Council could, by amending the ordinance, ensure that the currently unfilled categories are filled up and help accommodate community non-profits. Dr. **PLACIDO** stated his belief that there needed to be a deadline but perhaps the process needed to be started earlier in order to allow groups to have more time to get their paperwork together. This would prevent organizations from coming to the Council after the fact to request an amendment to the ordinance. Ms. **SCHULTZ** explained that under the current process, groups were sent the necessary paperwork in mid-March so that they had approximately 35-40 days to get their application in for the lottery deadline. Dr. **PLACIDO** reiterated that he wanted the Council to figure out a way to make the ordinance more accommodating to interested non-profits. Mr. **YAMAUCHI** clarified that today the Council was only trying to create an exception to the current ordinance to address the two requests made for fireworks stand permits post-deadline. He also noted that the Council may not be able to come up with an all-accommodating ordinance but only create or allow for exceptions as they are asked for. Mr. **SHAM** suggested that the City Manager be given the authority to fill any of the vacant categories in addition to his three discretionary permits currently allowed. Ms. **RICHMAN** explained that the City Attorney's office may have to draft an ordinance just

for this occasion only as the primary issue was that the legal deadline had passed. Mr. **AYALA** stated that it appeared that the consensus was to make the exception for the two requesting parties now as there were unfilled categories, and, in the future, the ordinance that was being proposed was to keep the deadlines, but give the City Manager or appropriate staff the ability to fill vacancies in any category after the deadline if a party was interested and there was a vacancy. Mr. **FUENTES** stated that staff would bring back an urgency ordinance at the June 13, 2011 meeting to address the current situation with the two parties requesting permits after the deadline.

Action Taken: City Council reviewed additional requests for additional fireworks stand permits and directed staff accordingly. No action was taken.

ORAL COMMUNICATIONS – F2M11-4

1. **Christine OLSON**, 915 North Curtis Avenue, representing the Alhambra Preservation Group wished to invite the City Council to Alhambra Historic Home Tour on June 12, 2011 from 11:00 a.m. to 4:00 p.m. She noted that the tour would take approximately 2 hours to complete.
2. **Lola ARMENDARIZ**, questioned how much money it would cost the City in order to accommodate the request being made regarding the two additional firework stand permits given the extra time staff would have to spend and that the City Attorney would have to draft an urgency ordinance. She did not like that the matter was being handled in this manner. She wondered if the City was going to even benefit from the extra work or make any money on the matter. She asked that City Ventures make another presentation regarding the 2400 South Fremont project at a meeting in Council Chambers so that it could be filmed and shown to residents that may be viewing the meeting from home on cable. She also suggested presentations be moved to the front of the agenda to prevent presenters from having to sit through a lengthy budget presentation.
3. **John KRAFT**, representing *Vanguardians*, felt that City records should be attainable electronically from the internet because the public needed such records to understand what local governments were doing. He felt that cities should bend over backwards to provide the public with records access.

COUNCIL COMMUNICATIONS (ANNOUNCEMENTS & FUTURE AGENDA ITEMS) - F2M11-7

Mr. Yamauchi pointed out that the Council had not provided a recommendation to City staff regarding the 4th of July fireworks show.

City Manager Fuentes stated that he was looking for a directive from the Council on whether staff should move forward with the 4th of July fireworks show. He noted that staff was on standby and had the ability to move immediately to purchase the product and hire the fireworks shooter to ensure the fireworks show was ready to go on July 4, 2011. He explained that staff would simply add the allocated cost as part of the budget the Council would approve in June

Mr. Yamauchi suggested the Council make a motion and vote on the matter. Assistant City Attorney Richman noted that a motion was not required. She explained that the City Council

could simply provide direction to proceed to the City Manager as the fireworks show was part of the FY 2011-2012 budget at the end of June.

Mrs. Messina stated that staff should stay the course and not have the fireworks show for this year based on staff's recommendation and the information provided during budget presentation this evening.

Mr. Sham stated that he believed that staff should proceed with the fireworks show for this year as it was too close to the 4th of July and the community was expecting the City to have the show as in all the years past. He did not think the cost was a great deal of money in terms of the City's overall budget given the City's budget had \$7 million in unrestricted reserves. He felt the City should continue to have the fireworks show this year and look for ways to fund it for the future.

Dr. Placido felt that staff should proceed with the fireworks show this year as the City had provided no notification to residents that the event would be cancelled for this year and that notification should have started far in advance to prevent the community from rightfully expecting it.

Mr. Ayala stated that it was difficult for him to say as he did not believe it was a fair question to ask given the Council did not know how the \$24,000 funds would be replaced if they were allocated to pay for the fireworks show. He wanted to know where in the budget \$24,000 would be cut from in order to pay for the fireworks show. Unless staff could state the specific way to replace the \$24,000 and he did not know if the cuts made to replace the \$24,000 would be from services he considered more important. Therefore, he had to say stay the course and not have the fireworks show this year. He also noted that he trusted that staff had done their due diligence and if they were recommending that the fireworks show be cut to prevent cuts in other vital City services, then he would again have to say stay the course and not hold the fireworks show this year. He felt it was the duty of the City to provide essential municipal services to residents above all else and the 4th of July event was not an essential City service such as street sweeping. He stated that based on the presumption that the \$24,000 needed to be saved to provide these services; he felt the City had to stay the course.

CLOSED SESSION & CITY ATTORNEY ANNOUNCEMENT re SAME - F2M11-14

Assistant City Attorney/Agency Counsel **RICHMAN** 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):

- a) Property: 410 East Main Street, Negotiating parties: Hillcrest Main Street Associates, City Manager/ARA Executive Director Julio J. Fuentes & Interim Director of Development Services Funk, Under Negotiation: Instruction to negotiators will concern price, terms of payment or both.
- b) Property: 110 West Main Street, Negotiating parties: Mr. Manjit Singh and City Manager/ARA Executive Director Julio J. Fuentes & Interim Director of Development Services Funk, Under

Negotiation: Instruction to negotiators will concern price, terms of payment or both.

- c) Property: 231-249 West Main Street, Negotiating parties: Sam Wong and City Manager/ARA Executive Director Julio J. Fuentes & Interim Director of Development Services Funk, Under Negotiation: Instruction to negotiators will concern price, terms of payment or both.

Conference with Legal Counsel--Existing Litigation (Govt. Code Section 54956.9(a): None

Conference with Legal Counsel - Anticipated Litigation: Significant exposure to litigation pursuant to Govt. Code Section 54956.9(b): 1 matter. Initiation of litigation pursuant to Govt. Code Section 54956.9(c): 1 matter.

Discussion of Personnel Matters (Govt. Code Section 54957): Director of Development Services

Conference with City's Labor Negotiator (Govt. Code Section 54957.6): Richard Bacio, Assistant City Manager/Personnel Director, re Management Employees, Alhambra Police Miscellaneous Association, Alhambra Police Association, Alhambra Fire Fighters' Association, and the Alhambra City Employees' Association.

ADJOURNMENT: At 9:45 p.m., the Agency Board and City Council moved out of closed session with all members present whereupon, there being 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, adjourned their respective meetings to 5:30 p.m., on June 8, 2011, in Ruth C. Reese Hall at the Alhambra Civic Center Library, 101 South First Street, Alhambra, California for the purpose of meeting jointly (**Notice No. N2M11-67**).

LAUREN MYLES, CMC
CITY CLERK/ARA ASSISTANT SECRETARY