

**MINUTES OF THE REGULAR MEETING OF THE
CITY COUNCIL AND COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF SOUTH PASADENA
CONVENED THIS 7TH DAY OF JANUARY, 2009 7:39 P.M.
AMEDEE O. "DICK" RICHARDS, JR., COUNCIL CHAMBERS
1424 MISSION STREET**

ROLL CALL

The regular meeting of the City Council and the Community Redevelopment Agency (CRA) was convened at 7:39 p.m. by Mayor/CRA Chair Sifuentes. City Councilmembers/Agency Members present: Cacciotti Putnam, and Ten; Mayor Pro tem/CRA Vice Chair Schneider; and Mayor/CRA Chair Sifuentes. Councilmembers/Agency Members absent: None. Other officials present: City Manager/Agency Executive Director Myers; City Attorney/Agency Counsel Adams; Assistant City Manager Gonzalez; Fire Chief Wallace; Interim Finance Director Hause and Assistant Finance Director Batt; Public Works Director Sweeney and Deputy Public Works Director Furukawa; Interim Transportation Manager Catenacci; and City Clerk/ Agency Secretary Kilby.

Mayor Sifuentes offered the invocation and led the Pledge of Allegiance.

**CLOSED SESSION
ANNOUNCEMENTS**

City Attorney Adams reported that Mayor Sifuentes called the Council meeting to order at approximately 6:30 p.m. and that ultimately all members of the City Council were involved in discussion of items listed on the Closed Session agenda. He reported that no members of the public were present to provide public comment. Item #3, he said, is allowed into Closed Session pursuant to Government Code Section 54956.9(a), conference with legal counsel on pending litigation, Denboer Engineering & Construction, Inc., v. City of South Pasadena Case No. GC 040276. They received a report from the City Attorney's office regarding this matter, he said, and a recent mediation. The City Council unanimously approved a settlement of this matter for \$30,000 for full release and dismissal with prejudice, he reported. There is nothing further to report on this matter, he said. They met on a personnel item pursuant to Government Code Section 54957(b)(1) public employee appointment: City Manager, he said. They received a briefing concerning the recruitment process, he said, but took no action and there is nothing further to report. They

met on labor negotiations, he said, pursuant to Government Code Section 54957.6, unrepresented employees: management employees, with City negotiator City Manager Lilian Myers. Ms. Myers provided a briefing and received direction, he said, but no action was taken by the Council and there is nothing further to report. They met on pending litigation, he said, pursuant to Government Code Section 54956.9(a) City of South Pasadena v. Metropolitan Transportation Authority Case No. BS 116620. The City Council received a briefing from Special Counsel, he said, gave direction, but took no final action and there is nothing further to report.

**PRESENTATION OF
THE 2009 IMAGE
AWARD TO GLEN
DUNCAN FOR
ENHANCING THE
IMAGE OF THE CITY
OF SOUTH PASADENA
OUTSIDE THE CITY**

Mayor Sifuentes provided background on the origination of the Image Award. He said that two awardees had been selected for 2008, and that he had presented recipient Walter Zooi with his award at the Tournament of Roses Crunch Time party in December. He said that the second awardee could not be present at that event. He presented the second 2008 Image Award to Glen Duncan for enhancing the image of the City of South Pasadena outside the City. He outlined Mr. Duncan's many contributions and Councilmember Cacciotti thanked the recipient for his work on behalf of the City. Mr. Duncan made remarks.

**COUNCILMEMBER
COMMENTS**

Councilmember Cacciotti reported on the Arroyo Seco Golf Course and Racquet Centre Lease Subcommittee and invited the community to provide feedback as to the amenities that are needed in the Arroyo. He said the current lease expires in 2011.

Councilmember Ten congratulated the Tournament of Roses Committee on the City float. He acknowledged the Police Department's efforts in crowd and traffic control during the holidays. He said the Senior Center needs volunteers to deliver senior meals.

Councilmember Putnam expressed appreciation to the Tournament of Roses Committee for constructing a "wonderful float." He made remarks about a recent news conference regarding the proposed 710 tunnel feasibility study, stating he was disappointed that Caltrans and MTA are using this to promote a project that "hasn't been studied and for which no environmental clearance has been obtained or even looked at." He said the

Council is aware of this and will be taking steps to convey the City's position on the tunnel.

Mayor Pro tem Schneider, in regard to the above-mentioned publicity efforts on the proposed 710 tunnel, said Caltrans and MTA are misrepresenting the City's position. He said the City will prepare a response to this—a press release. He requested that an item be added to the next agenda to consider obtaining public relations expertise on the issue, seconded by Councilmember Putnam. Discussion took place about the preparation of the press release.

Mayor Pro tem Schneider reported that South Pasadena received an "A" rating from the Los Angeles Conservancy for its preservation programs.

Mayor Sifuentes complimented the City float. He requested that a flyer from the Public Safety Commission on disaster preparedness be included in the City water bill. City Manager Myers agreed to investigate.

CITY MANAGER COMMUNICATIONS

City Manager Myers reported on an overwatering condition reported by Councilmember Cacciotti. She said that new sod had been planted, and that additional watering was necessary at the time. In addition, she said, flooding occurred due to rains. Staff is monitoring the watering, she said. Councilmember Cacciotti noted that there has been a big improvement.

City Manager Myers responded to a request from Mayor Sifuentes to update the Council on the status of a request to solicit a Request for Proposals for consultants to review the financial position of DECOMA, the City's partner in the downtown revitalization project, and to evaluate its credit worthiness. She said the Disposition and Development Agreement signed by the developer and the City has been reviewed. A provision in the agreement allows the City to request documents from DECOMA 30 days prior to the conveyance of the property, she said. This isn't anticipated for at least six to nine months, she said. This evaluation will be scheduled closer to this date, she said. The developer's position could change significantly between now and then, she said, due to the economy.

City Manager Myers congratulated Police Department staff for work on the DUI checkpoint on Garfield today, which resulted in the issuance of 30 citations. She said seven were to City residents.

APPROVAL OF THE MINUTES OF THE SPECIAL MEETING OF DECEMBER 7, 2008 AND THE REGULAR MEETING OF DECEMBER 17, 2008

By roll call vote (5 ayes), the City Council approved the minutes of the special meeting of December 7, 2008 and the regular meeting of December 17, 2008.

(Putnam, Cacciotti)

APPROVAL OF PREPAID WARRANTS IN THE AMOUNT OF \$307,322.25; GENERAL CITY WARRANTS IN THE AMOUNT OF \$516,837.82; AND PAYROLL IN THE AMOUNT OF \$453,173.45

By roll call vote (5 ayes), the City Council approved the Prepaid Warrants #155598-155639, General City Warrants #155640-155829, and payroll 12-19-08 and 12-24-08, for a total of \$1,277,333.52. Sitting as the Community Redevelopment Agency (CRA) Board, they approved the CRA warrants of \$8,656.49 (amount included in above warrants).

(Putnam, Cacciotti)

**PUBLIC COMMENT
LA Conservancy Report
Card**

Glen Duncan, 2031 Berkshire Avenue, announced that the City received its second "A" rating from the Los Angeles Conservancy on its preservation report card that rates some 87 municipalities. On behalf of the Cultural Heritage Commission (CHC), he presented a copy of the "report card" to the Council. He referred to a section of the document, "Elements of a Good Preservation Program," related to participation in the Mills Act program. He said the CHC is aiming to tighten up the City's Mills Act process. He made related comments.

**City's position on
proposed 710 tunnel**

Odom Stamps, 318 Fairview Avenue, said that in the past two days, two radio stations have mischaracterized the City as to its position on the proposed 710 tunnel. He urged the City Council to take proactive steps to present the City's position. He suggested the City request time to clarify the City's position on KPCC and KPFK. He suggested the Council appoint a liaison to "set the record straight."

Traffic study on Fremont

Mary Ferrero, 2030 Fremont Avenue, requested that the Council implement a traffic study on Fremont that had been planned several years ago. She said \$20,000 had been allocated for Glatting Jackson, consultants, to

conduct the study. She urged that traffic calming be implemented.

Councilmember Ten said that efforts were made in the past to remove the truck route designation on Fremont Avenue. He asked that this be revisited. Mayor Pro tem Schneider urged pursuing the Fremont traffic study. City Manager Myers said in the past there had been disagreement as to the justification for this, and she agreed to have current public works staff investigate and return with a report. Councilmember Cacciotti confirmed that the report would cover Fremont Avenue from the northern to the southern border of the City.

**STUDY SESSION
REGARDING
FINANCING OPTIONS
FOR
INFRASTRUCTURE
IMPROVEMENTS AND
PRESENTATION OF
THE FINDINGS OF THE
WATER AND SEWER
RATE STUDIES**

City Manager Myers introduced the topic, a study session regarding financing options for infrastructure improvements, and presentation of findings of water and sewer rate studies. She said this session focuses on meeting two of the Council's strategic planning objectives: to repair and replace the infrastructure and to identify ways to increase sources of revenue. She said two firms were retained to work with staff to formulate financing options for street repair, sewer and water infrastructure improvements. She made additional remarks about the process undertaken to identify revenue sources and the condition of the streets, water and sewer systems. She noted that the community supported infrastructure repair by passing Measure UT, which increased the Utility User's Tax from 5% to 8%. She said the City will move forward with an aggressive educational campaign regarding the condition of the City's infrastructure. After the presentation, she said staff would be seeking policy direction. She thanked all members of the project team for their contributions, and introduced them: Michael Busch, Urban Futures; Quennelle Quartarano, Willdan Financial Services; John Solarczyk and Melanie Barrett, Chilton & Associates; and from the City: Tracey Hause, Interim Finance Director, Matt Sweeney, Public Works Director, and Shin Furukawa, Deputy Public Works Director.

She introduced Michael Busch, Managing Principal, Urban Futures, who presented the staff report on street, water and sewer system infrastructure improvements, accompanied by PowerPoint slides. In regard to streets, he said there is a \$27.4 million backlog of street repair. He discussed the City's streets as classified into three

categories—excellent/good; fair, and poor. He outlined funding options. He emphasized the importance of undertaking all sewer and utility work at the same time as the street repair. He updated the Council on the sewer system condition, the rate study, and funding priorities.

In regard to the water system, Mr. Busch said there is a significant backlog of critical water projects must be completed. There is a seven-year \$54 million capital improvement program, he said. Most capital water facilities are at or beyond their useful life, with some reservoirs almost doubling their useful life. Costs to pump water have increased substantially, he said. He provided an update on funding priorities, the project backlog, the rate study findings, rate comparisons, development of the rate strategy, and funding scenarios. He discussed debt financing, the Proposition 218 process, and the proposed schedule. Discussion took place about $\frac{3}{4}$ " vs. 1" water meters and the difference in charges. Councilmembers posed questions during the presentation, answered by Mr. Busch and Deputy Public Works Director Furukawa.

Mayor Sifuentes opened the public comment period.

Carrie Adrian, 602 Garfield Avenue, Chair, Finance Committee, said the Committee has expressed its concern about the Wilson Reservoir, recommending that repairs be given a priority. On behalf of the Finance Committee, she expressed concern about infrastructure deterioration, especially of the water and sewer system. She said repairs cannot be delayed, and urged the Council to seek immediate financing for these needs, through bonding and/or rate increases.

Mayor Sifuentes closed the public comment period. Discussion continued. Councilmember Cacciotti made a motion related to streets, water, and sewers, and later, on a request from Councilmember Ten, bifurcated his motion (seconded by Mayor Pro tem Schneider). Councilmember Cacciotti opposed approving Certificates of Participation for street repair, stating he wanted more information about this and commenting that the City staff may not be able to handle a major street project in addition to sewers/water repair. City Manager Myers responded to comments about utilizing existing funding for streets, stating that these funds have already been

allocated. Councilmember Putnam said some General Fund money should pay for infrastructure improvements. Mr. Busch responded that if General Fund money is tapped and there is an emergency with the sewers, the General Fund and reserves will have to pay for the sewer failure. The proposed plan provides for reserves, he said. Councilmember Cacciotti advocated keeping each municipal utility separate and self-sufficient. Councilmember Putnam noted that customers will already be seeing a 15% sewer fee increase levied by the Sanitation District to construct a sewer outfall. Mayor Sifuentes emphasized the importance of undertaking repairs immediately and educating the public on the condition of the infrastructure. Mayor Pro tem Schneider expressed concern about planning and coordinating the projects. City Manager Myers responded that existing Public Works staff, supplemented by consultants, are capable of overseeing the work. Deputy Public Works Director Furukawa responded to a question about the proposed timeline for water projects, stating that this is optimistic but realistic, and to questions about the proposed projects and coordinating street work with other utility work. Mayor Sifuentes requested that when the work begins, quarterly or bimonthly updates be provided to Council. Councilmember Ten suggested seeking federal/state funding for street corridors that are used frequently by non-residents. He emphasized looking at all sources of revenue and assets. He inquired about the possibility of charging the same for ¾" and 1' water meters; Mr. Busch said the impact would be significant. He noted that there are several sizes of meters, each with a different cost. Councilmember Cacciotti suggested that this be researched and brought back to the Council.

On a request by Councilmember Ten, Councilmember Cacciotti requested that his motion be bifurcated, seconded by Mayor Pro tem Schneider.

By roll call vote (4 ayes; 1 no, Councilmember Putnam), the City Council directed staff to pursue funding water system operational costs, debt service coverage, and capital improvements by seeking bonding and increasing water rates over four years by 15%, 15%, 14%, and 11% per year, a plan that will fully fund a four-year capital improvement program for a total of \$40.6 million (upfront from bonds: \$32.3 million; pay-as-you-go \$8.3 million); create a self-sustaining enterprise; and permit

reserves to be built up over time. The City Council directed staff to initiate the Proposition 218 process to notify rate payers and to schedule a hearing, and to implement an aggressive outreach campaign to inform residents about the condition of the water system and the need to raise rates. They directed staff to organize two City-sponsored tours of Wilson, Garfield, Graves, and Grand Reservoirs prior to announcing rate increases, utilizing City Gold Link buses. They directed staff to place full- or half-page ads in the *South Pasadena Review* and produce posters and website announcements; and to send a mailer to residents. They appointed an ad hoc subcommittee consisting of Mayor Sifuentes and Councilmember Cacciotti to confer with staff on outreach efforts and to report back to the Council.

(Cacciotti, Schneider)

In regard to public notification, City Manager Myers said that an announcement will be included in the upcoming *South Pasadena Neighbors* newsletter, which is sent to every postal address in the City.

On a roll call vote (3 ayes, Councilmember Cacciotti, Mayor Pro tem Schneider, Mayor Sifuentes; 2 noes, Councilmembers Putnam and Ten), the City Council directed staff to initiate the Proposition 218 process to increase sewer rates according to the proposed rate schedule beginning in FY 09-10 for four years to correct fiscal imbalances and to fund sewer system improvements.

(Cacciotti, Schneider)

By consensus, on a proposal by Councilmember Cacciotti, the City Council deferred any decision on utilizing Certificates of Participation as a method of funding street repairs until a detailed presentation can be made on this method of financing infrastructure improvements.

**REQUEST BY MAYOR
SIFUENTES FOR A
RECOMMENDATION
REGARDING
BATTALION CHIEF**

City Manager Myers provided the staff report on the City's provision of Battalion Chief coverage for the City of San Marino. She provided a history and said staff recommends discontinuing coverage effective January 15, 2009. Fire Chief Wallace responded to questions

**COVERAGE PROVIDED
TO THE SAN MARINO
FIRE DEPARTMENT**

from the Council and provided additional information. Mayor Sifuentes stated that at one time the service was a reciprocal one. Now, however, he said, there is no reciprocal arrangement and South Pasadena's coverage enables San Marino to send its staff home. Further discussion took place about courtesies each city extends to the other.

Mayor Sifuentes opened the public comment period. No one came forward and he closed the public comment period.

By roll call vote (5 ayes), the City Council approved discontinuing the City's provision of Battalion Chief coverage to the City of San Marino effective January 15, 2009. It was understood that the City Fire Department will continue to support and follow the Unified Response Agreement with the 11 cities in "Area C."

(Cacciotti, Ten)

**MAYOR'S
APPOINTMENTS**

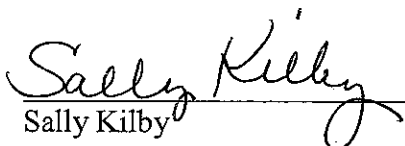
**William B. Cook
Patricia Glas
Fred M. Rusk, Jr.
Frank Catania
Ricki de Kramer**


With City Council concurrence, Mayor Sifuentes appointed William B. Cook representing the South Pasadena Public Library to the System Advisory Board of the Metropolitan Cooperative Library System for a two-year term until 01/07/2011; Patricia Glas to the Animal Commission for an unfulfilled term until 03/05/2011; and Fred M. Rusk, Jr., and Frank S. Catania to the Finance Committee. In regard to the appointment to the Senior Citizen Commission, Councilmember Putnam said that members of the Senior Citizen Commission notified him that late applications have been submitted that they want to review before an appointment is made. There was no objection to postponing the appointment to the Senior Citizen Commission.

ADJOURNMENT

By consensus, the meeting adjourned at 10:34 p.m.

(Ten, Cacciotti)


Sally Kilby
City Clerk
Secretary, CRA


David Sifuentes
Mayor
Chair, CRA