



CITY OF SIERRA MADRE
CITY COUNCIL REGULAR MEETING MINUTES

SIERRA MADRE CITY COUNCIL
SUCCESSOR AGENCY AND
PUBLIC FINANCE AUTHORITY

Tuesday, January 28, 2020 - 6:30 pm
Sierra Madre City Hall Council Chambers
232 W. Sierra Madre Blvd., Sierra Madre, CA 91024

CALL TO ORDER/ROLL CALL MEMBERS OF THE CITY COUNCIL

Mayor John Harabedian called the meeting to order at 6:32 p.m. City Clerk Sue Spears called the roll.

Present: Mayor John Harabedian, Mayor Pro Tem John Capoccia, and Council Members Rachelle Arizmendi and Gene Goss

Absent: None

Also Present: Gabe Engeland, City Manager
Aleks Giragosian, Deputy City Attorney
Laura Aguilar, Assistant City Clerk/Administrative Services Manager
James Carlson, Management Analyst
Chris Cimino, Public Works Director
Mark Duson, Firefighter/Paramedic
Vincent Gonzalez, Director of Planning & Community Preservation
Miguel Hernandez, Human Resources Manager
Colby Konisek, Finance Director
Jose Reynoso, Utilities Services Director
Christine Smart, City Librarian
Sue Spears, City Clerk

PLEDGE OF ALLEGIANCE AND INSPIRATION

Council Member Goss led the Pledge of Allegiance and, in honor of Presidents' Day 2020, read quotes from eight United States Presidents as follows (listed in alphabetical order): Grover Cleveland, Calvin Coolidge, Thomas Jefferson, John F. Kennedy, Abraham Lincoln, Theodore Roosevelt, Martin Van Buren, and George Washington.

APPROVAL OF MEETING AGENDA

Mayor Harabedian asked for a motion to approve the agenda as presented.

Council Member Arizmendi moved to approve the agenda as presented.

Mayor Pro Tem Capoccia seconded the motion.

Ayes: Mayor John Harabedian, Mayor Pro Tem John Capoccia, and Council Members Rachelle Arizmendi and Gene Goss

Noes: None

Absent: None

Abstain: None

The motion to approve the agenda as presented was passed by a unanimous vote.

APPROVAL OF MINUTES

Mayor Harabedian asked for the approval of the Minutes of the Regular Council Meeting of January 14, 2020.

City Clerk Spears noted a change needed to the last sentence of Agenda Item #2 – the need to add the phrase “was passed by a unanimous vote”. No other changes were noted.

Council Member Arizmendi moved to approve the Minutes of the Regular Council Meeting of January 14, 2020, as amended.

Mayor Pro Tem Capoccia seconded the motion.

Ayes: Mayor John Harabedian, Mayor Pro Tem John Capoccia, and Council Members Rachelle Arizmendi and Gene Goss

Noes: None

Absent: None

Abstain: None

The motion to approve the Minutes of the Regular Council Meeting of January 14, 2020, as amended was passed by a unanimous vote.

MAYOR AND CITY COUNCIL REPORTS

- A. Mayor John Harabedian thanked those who attended the Mayor's State of the City Address.
- B. Mayor Pro Tem John Capoccia encouraged people who did not attend the 2020 Mayor's State of the City Address to view it online.
- C. Council Member Rachelle Arizmendi congratulated and expressed kudos to Mayor Harabedian and Mayor Pro Tem Capoccia for the Mayor's State of the City Address last week.
- D. Council Member Gene Goss added his congratulation to Mayor Harabedian and Mayor Pro Tem Capoccia and noted that the Mayor's State of the City Address was held at Sierra Madre Middle School, which has a beautiful campus.

PUBLIC COMMENT ON NON-AGENDA ITEMS

Mayor Harabedian opened the meeting for Public Comment on items not on the agenda.

- David Gordon, Sierra Madre Playhouse President, announced that the scheduled performances of Charlotte's Web have been cancelled because of the financial impact to the production (\$38,000 cost increase) caused by the recent passage of CA Assembly Bill 5 (AB-5).
- Keith Berman, Sierra Madre, requested that the City Council revise the default level for the Clean Power Alliance to 100% renewable energy.
- Keith Berman, Sierra Madre, requested that the City Council revise the default level for the Clean Power Alliance to 100% renewable energy.

Mayor Harabedian asked if anyone else would like to come forward to speak on items not on the agenda. Seeing no one come forward, Mayor Harabedian closed Public Comment.

PRESENTATION – PLANS FOR THE NEW LIBRARY CONSTRUCTION

Rob Stockly, Sierra Madre Library Foundation President, presented a PowerPoint, "Schematic Design of the New Sierra Madre Library", with visuals and colored drawings, that included the Site Plan, Landscape Inspiration, Design Inspiration, Street Level View, Street Level Floor Plan, Main Lobby View, Parking Level View, Parking Level Floor Plan, and Children's Room. He provided the following updated information to the City Council:

- The formation of the Parcel Tax Petition Drive and Campaign Committee is progressing well, with the achievable goal of 2/15/20 as the date that the ballot measure language will be ready for submission, along with the intent to circulate the petition, to the City Clerk and City Attorney.
- The committee is encouraged that this grass roots initiative is going to be successful.
- The campaign for a 21st Century Sierra Madre Library is working with a total project cost of \$16M, with a bond amount of approximately \$13M+.
- The Sierra Madre Library Foundation will be doing some preliminary work towards a fundraising campaign this Summer and in earnest once the parcel tax is approved by the voters in November 2020.

- The goal of the Sierra Madre Library Foundation fundraising is \$1.5M for furniture, fixtures, and equipment.
- The current SM Library deferred maintenance costs are estimated to be \$1.5M - \$1.8M and the committee is requesting that the City commit those funds to the library project upon approval of the parcel tax by the voters.
- The committee is requesting that the City consider a waiver of the discretionary permit fees/utility hook-up fees/related fees associated with the new library project, as a way to help address the costs in the \$16M budget.
- The committee is looking at a mechanism through the parcel tax to address concerns regarding maintaining staff and service levels in the brand new 21st Century library.

Mayor Harabedian asked if any Council Member had any questions.

City Manager Engeland responded Council Member questions were as follows:

- Regarding consideration of the \$1.5M deferred maintenance and the waiving of fees – when does the City Council agendaize that? - The \$1.5 M would be address through the normal budget process, which would be in April or May 2020 and well before the November 2020 vote. In terms of the waiving of fees, to the extent that the committee can identify specific fees it wants waived, the City is happy to do so if it is allowable under California law.
- Can bond money be used for operations? - The parcel tax can be used for maintenance/operations/staffing or any purpose that is approved by the public, so it depends how the ballot initiative language is worded.
- How can the City Council ensure that the \$1.5M is available for the library project as the committee does the calculations for the initiative before it gets circulated? - If the City Council wants Staff to identify up to \$1.5M in the City's budget, then that is enough direction for Staff to do that and bring it back to the City Council in the budget process.
- How can we facilitate interaction so that the committee has appropriate legal assistance? – It the bond measure is successful; it is the City that is the entity to determine the finances and related details. The City would engage with the firm Stiffel, Nicholas, and Company (which is on Consent tonight), to provide assistance to the City or refer Staff to experts who can give that assistance. As the library project is a partnership with the City and the committee, the committee can get answers to questions by working with Staff.

There was City Council consensus to thank the Sierra Madre Library Board, Friends of the SM Library, and SM Library Foundation for their work on this very exciting project

Mayor Harabedian asked if any member of the public wanted to make a comment. Seeing no one come forward, Mayor Harabedian closed Public Comment on the presentation and commended Mr. Stockly on his presentation and efforts.

AGENDA ACTION ITEMS:

1. CONSENT CALENDAR

City Clerk Spears gave the following reports under the Consent Calendar:

- ADOPTION OF RESOLUTION 20-06 OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE APPROVING CERTAIN DEMANDS - Recommendation that the City Council approve Resolution 20-06 for approval of payment of City warrants in the aggregate amount of \$555,550.39; Sierra Madre Library warrants in the aggregate amount of \$4,664.28; and payroll transfer in the aggregate amount of \$359,933.88; for fiscal year ending June 30, 2020.
- CONSIDERATION OF ACCEPTANCE OF FIREHOUSE SUBS PUBLIC SAFETY FOUNDATION GRANT FOR THE PURPOSE OF ACQUIRING A LUCAS 3 CHEST COMPRESSION SYSTEM - Recommendation that the City Council approve a grant awarded by Firehouse Subs Public Safety Foundation for the purpose of acquiring a LUCAS 3 Chest Compression System.
- APPROVAL OF CHANGE ORDER #2 TO THE 2019 WATER MAIN REPLACEMENT PROJECT CONSTRUCTION CONTRACT IN AN AMOUNT OF \$204,631.00 - Recommendation the City Council approve Change Order #2 to the construction contract to Big Ben Inc. in an amount not to exceed \$204,631 for the additional work needed to complete the 2019 Water Main Replacement Project.

- (d) CANCELLATION OF UNCOLLECTIBLE ACCOUNT RECEIVABLES AND ESTABLISHMENT OF ACCOUNTS RECEIVABLE WRITE-OFF POLICY - Recommendation that the City Council approve the write-off of 675 utility accounts with uncollectable debt, in the amount of \$32,981.63. Additionally, it is recommended the City Council approve the Cancellation of Uncollectable Accounts Receivable Policy.
- (e) SECOND READING OF ORDINANCE 1423 AMENDING MUNICIPAL CODE TO INCLUDE E-CIGARETTES - Recommendation that the City Council introduce and adopt for second reading, by title only, Ordinance 1423 amending Title 5, Chapter 5.58 and Title 8, Chapters 8.06 and 8.28 of the Sierra Madre Municipal Code regulating smoking to include e-cigarettes.
- (f) RESOLUTION 20-05 ADOPTING REVISIONS AND ADDITIONS TO THE CITY'S DELINQUENT ACCOUNT POLICY TO COMPLY WITH SB 998 – Recommendation that Council adopt Resolution 20-05 replacing the City's current Delinquent Account Policy to comply with the Water Shutoff Protection Act (SB 998), authorize amendment to Fee Schedule reducing delinquent reconnection fee to \$50 and authorize the City Manager to waive reconnection fees under special circumstances.
- (g) CONSIDERATION OF UNDERWRITER ENGAGEMENT LETTER IDENTIFYING STIFEL, NICOLAUS AND COMPANY AS BOND UNDERWITER - Recommendation that the City Council approve the underwriter engagement letter identifying Stifel, Nicolaus & Company (Stifel) as the bond underwriter for Sierra Madre should the City issue bonds related to the Sierra Madre Library.
- (h) CONSIDERATION OF RESOLUTION 20-08 AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION FOR IMPLEMENTATION OF A LOCAL TRANSACTIONS AND USE TAX; AND RESOLUTION 20-09 AUTHORIZING THE EXAMINATION OF TRANSACTIONS (SALES) AND USE TAX RECORDS - Recommendation that the City Council approve Resolution 20-08 authorizing the City Manager to execute agreements with the California Department of Tax and Fee Administration for implementation of a local transactions and use tax as approved by Sierra Madre voters in the November 5, 2019 election; and approve Resolution 20-09 authorizing the examination of transactions (sales) and use tax records.

Mayor Harabedian asked if any Council Members had questions on Consent Items 1a – 1h.

City Manager Engeland responded to Council Member questions as follows:

- Re. Item 1f – Will the resolution itself ensure that the City is in compliance by the February 1, 2020 date? - That is correct.
- Re. Item 1d (write-off of uncollectible accounts) – Is there a situation where the City would turn this over to a collection agency? - It is possible depending on the amount that is outstanding. Generally, it is not something that the City has done, but it is a good policy to try to collect the uncollectible debt to the extent that it does not cost more to collect than the actual debt and what the City would receive.

Mayor Harabedian opened the meeting for Public Comment on the Consent Items. Seeing no one, Mayor Harabedian closed Public Comment and brought the matter back to the Council for a motion.

Mayor Pro Tem Capoccia made a motion to approve Consent Items 1a – 1h as presented.

Council Member Goss seconded the motion.

Ayes: Mayor John Harabedian, Mayor Pro Tem John Capoccia, and Council Members Rachelle Arizmendi and Gene Goss
 Noes: None
 Absent: None
 Abstain: None

The motion to approve Consent Items 1a – 1h as presented was passed by a unanimous vote.

2. DISCUSSION - CONSIDERATION OF REPEAL OF ORDINANCE 1356U IN ITS ENTIRETY (REPEAL OF DECLARATION OF WATER SHORTAGE EMERGENCY)

City Manager Engeland reported on this item that included a PowerPoint presentation, titled "Consideration of Repeal of Ordinance 1356U", and the recommendation that the City Council repeal Ordinance 1356U, pursuant to Water Code Section 350 et. seq., which imposed a moratorium on the issuance of new water service connections in any zoning district in the City and declared a water shortage emergency.

Water Code Section 355 states: “The regulations and restrictions (of a moratorium) shall thereafter be and remain in full force and effect during the period of the emergency and until the supply of water available for distribution within such area has been replenished or augmented.” The City’s current and projected water availability is as follows:

<u>Water Demand (Annual)</u>	<u>Water Availability (Annual)</u>
2,300 Acre Feet	Groundwater: 940 Acre Feet SGVMD/MET: 2,500 Acre Feet (Up to) Arcadia Wheeling: As necessary/requested Joint Well (2022) 1,300 Acre Feet

Mayor Harabedian asked if any Council Members had questions on this item.

City Manager Engeland responded to City Council Member questions as follows:

- Now that the SGVMWD has voted to approve funding for Sierra Madre’s portion of the joint well (\$1.8M), at what point is there a contract or agreement between the City and Arcadia? - The wheeling agreement that the City Council previously executed has language that states that, once the joint well begins producing water, the wheeling agreement automatically terminates. Construction of the joint well project is a three-year process that includes site selection (began in FY 2019-20), design (FY 2020-21), and drilling (FY 21-22). The City Council will consider a joint well operating agreement at a future meeting, as the language is under discussion between Sierra Madre and Arcadia.

Mayor Harabedian opened this item for Public Comment.

- Petra Witarsa, Sierra Madre, spoke in support of the repeal of Ordinance 1356U.

Mayor Harabedian asked if anyone else would like to come forward to speak Seeing no one, Mayor Harabedian closed Public Comment and brought the matter back to the City Council for discussion and a motion.

Discussion occurred and there was consensus that the rationale to impose the moratorium is no longer valid and that the repeal of Ordinance 1356U is warranted.

Council Member Goss made a motion repeal Ordinance 1356U, pursuant to Water Code Section 350 et. seq., which imposed a moratorium on the issuance of new water service connections in any zoning district in the City and declared a water shortage emergency.

Mayor Pro Tem Capoccia seconded the motion.

Ayes: Mayor John Harabedian, Mayor Pro Tem Capoccia, and Council Members Rachel Arizmendi and Gene Goss

Noes: None

Absent: None

Abstain: None

The motion to repeal Ordinance 1356U, pursuant to Water Code Section 350 et. seq. was passed by a unanimous vote.

3. DISCUSSION – POTENTIAL SOLAR PHOTOVOLTAIC PROJECT AT CITY YARDS FACILITY

Management Analyst Carlson provided information on a potential solar photovoltaic project to be located at the City Yards Facility that included a PowerPoint, titled “2020 City Yards Solar Photovoltaic Project”, and the following alternatives for the City Council:

- Direct Staff to bring back a plan for consideration of an award of contract to the most qualified project applicant and proceed with implementing the project.
- Decline to pursue the project.
- Direct Staff to return with additional information.

Per the Staff Report dated 1-18-20 and the PowerPoint:

- Adding a solar photovoltaic installation in Sierra Madre has been under consideration for a number of years.
- After reviewing a variety of locations and purposes for a potential solar project, it was

determined that the best cost-benefit project would be a surface-mounted array system located in the City Yards.

- The solar photovoltaic project at City Yards will offset the electrical costs for pumping water from the City wells and boosters located at the City Yards.
- The system will provide clean power for the water distribution system with 43% energy offset (989,000 kWh per year) and 31% bill offset (\$126,000 per year).
- The best value proposal is a total "Turn-Key" cost of \$1,134,029 (\$2.04 per Watt). The best value is based on quality of the design and equipment, availability of equipment, portfolio of similar projects, industry reputation, and communications.
- Source of Funding - Staff will negotiate options with the identified firm.
- Options include full cash payment or a combination of down-payment and financing structure.

Management Analyst Carlson also read the following community communications regarding this issue that had been received by Staff:

- Robert Parkhurst, Sierra Madre, statement received on 1-25-20, spoke in support of the solar photovoltaic project at the City Yards Facility.
- William Ray, Sierra Madre, statement received on 1-27-20, spoke that he is in support of solar, but requested that the City reconsider the plan by installing the panels over the City yard employee parking lot, offices, and elsewhere.

Mayor Harabedian asked if any Council Members had questions on this item.

Management Analyst Carlson responded to City Council Member questions as follows:

- Does the \$2.04 per watt include financing costs or is it a cash deal? - That is for the project, i.e. what the City will get for the base price.
- Could the cost of financing increase the cost per watt? - That is to be determined after working with the vendor, which cannot proceed until such time as the City Council approves the project.
- Of the estimated cost of \$1.13M, approximately what is the down payment? - In conversations with the four firms interviewed, Staff explored down payment amounts of \$400,000 - \$500,000 and financing the balance. Staff is targeting a nine-year return on investment. City Manager Engeland added that how the project is financed becomes important, with shortening the total repayment time to make the project cashflow positive as quickly as possible. The most likely scenario is a large down payment from the General Fund because those funds can be used later if the City wants to move the energy savings into Water, Facilities, or anywhere else and carrying the loan in the Water Fund for whatever the down payment from the General Fund is not.
- Of the \$126,000 per year estimated bill offset, is the City expected to realize that full amount in year one? - Staff is anticipating being cash positive in the first year.
- How is the power being generated from the solar panels? - The power generated from the solar panels will be piped directly into the water distribution function, saving 43% of the energy and 31% of the costs currently paid for the power.
- What is the savings over the life of this project? - The warranties on the mounting and panels is 25 years, 90% performance after 10 years, and no less than 80% performance after 25 years. Once the construction costs are paid, the project is cash positive year after year and the savings compounds.
- Has there been consideration to move the photovoltaic panels to the lower section of the City Yards? - Utility Services Director Reynoso was consulted and determined that the water basins identified for the solar panels are underutilized and that the proposed locations were best suited for the project.
- Concerns regarding the views from the neighbors and Dapper Field - The panels will have to be a little bit lower and out of sight of the ball field and the neighbors, with considerations going forward on the existing tree screens on the west side of the basins.
- What is the actual impact on Mr. Ray? - From his letter, Mr. Ray's biggest concern was the construction noise. His property is on the corner of East Laurel and Sycamore and has its

own private tree screen. Staff has already spoken with Mr. Ray regarding working with him to mitigate his concerns should the City Council approve the project.

Mayor Harabedian and Mgmt. Analyst Carlson provided background that (1) City Staff and a subcommittee of the City Council consulted with Matthew Schneider and Robert Parkhurst (both provided their services at no cost to the City) over a year ago and explored where best to place the solar panels, (2) Mr. Schneider is a high-level executive at Sunfolding (solar company) with over 15 years of experience in the field, (3) Mr. Parkhurst is a EENR Commissioner, an environment thought leader, and sustainability professional who leads Sierra View Consulting (4) multiple locations, including the parking lot option, were considered and evaluated, (5) putting it on the other water basins was determined to be by far less effective from a water perspective, as it would disrupt a water spreading function, and (6) Mr. Schneider and Mr. Parkhurst helped locate what they thought to be the most suitable location.

Utility Services Director Reynoso responded to City Council Member questions as follows:

- What is the impact on the identified settling basins? - The impact on the City's ability to put water in the ground is really minimal compared to the benefit in the energy that the City is going to produce and the cost savings. Within the last five years, the LA County project at the Santa Anita Creek Dam put a permanent notch in the dam, which automatically spills over when the water reaches a certain level. The result is that the amount of water that can be held behind the dam is less now so that the amount of water that can be sent to Sierra Madre does not fill the basins like it did 5 – 10 years ago. There are 18 spreading basins, with a percolation rate of about 18 cubic feet per second (equates to 18-acre feet per day). Eliminating the two identified basins would probably reduce the percolation capacity by about one-acre foot per day. The City can extend its spreading period by working with LA County so that 1 – 2-acre feet of water is sent less per day.

Mayor Harabedian opened this item for Public Comment.

- David Gordon, Sierra Madre, asked if the new SM Library construction project could include putting solar panels on the roof.
- Preston McGill, REC Solar Inc. Project Developer, said that the net savings to the City for this project, based on multiple financing options, are estimated at \$3.5M - \$4M over a 30-year span.

Mayor Harabedian asked if there was anyone else would like to speak on this item. Seeing no one, Mayor Harabedian closed Public Comment and brought the matter back to the Council for discussion.

City Council discussion occurred and there was consensus to have Staff bring back a consideration of an award of contract to the most qualified project applicant. City Council member comments included the following: (1) excitement as this project provides cleaner energy and saves money at the same time, (2) this is really a long-term investment into our future, (3) this brings Sierra Madre in the forefront of taking this initiative, and (4) there is an emergency preparedness angle to the project such that, in the event of a natural disaster of large proportions where the City loses electricity/powerlines, water pumping can still continue without disruption.

Staff was provided direction to back a plan for consideration of an award of contract to the most qualified project applicant.

NEW ITEMS PLACED FOR FUTURE AGENDAS:

Mayor Harabedian asked the Council Members if there are any new items for future meeting agendas. Mayor Harabedian requested to formalize the discussion of the default level for the Clean Power Alliance at the second meeting in February.

ADJOURNMENT:

Mayor Harabedian asked for a motion to adjourn.

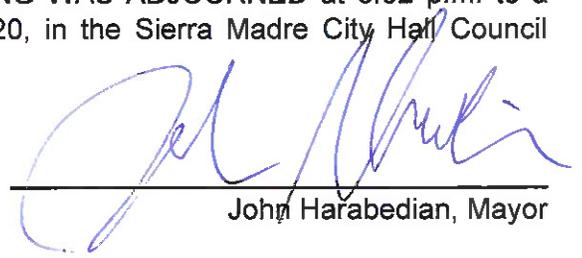
Mayor Pro Tem Capoccia made a motion to adjourn the meeting.

The motion was seconded by Council Member Goss.

Ayes: Mayor John Harabedian, Mayor Pro Tem Capoccia, and Council Members Rachel Arizmendi and Gene Goss
Noes: None
Absent: None

The motion to adjourn was passed by a unanimous vote.

THIS SIERRA MADRE CITY COUNCIL REGULAR MEETING WAS ADJOURNED at 8:02 p.m. to a Regular meeting to be held on Tuesday, February 11, 2020, in the Sierra Madre City Hall Council Chambers.



John Harabedian, Mayor

Minutes taken and prepared by:



Sue Spears, City Clerk