

AGENDA
REGULAR MEETING
SIERRA MADRE CITY COUNCIL, AND
SUCCESSOR AGENCY, AND
PUBLIC FINANCE AUTHORITY



John Capoccia, Mayor
Gene Goss, Mayor Pro Tem
Rachelle Arizmendi, Council Member
Denise Delmar, Council Member
John Harabedian, Council Member

Tuesday, September 22, 2015

Closed Session 5:30 pm

Open Session 6:30 pm

City Hall Council Chambers
232 W. Sierra Madre Boulevard
Sierra Madre, California 91024

Nancy Shollenberger, City Clerk
Richard Mays, City Treasurer

PUBLIC COMMENT

The Council will listen to the public on any item on the agenda. Under the Brown Act, Council is prohibited from taking action on items not on the agenda, but the matter may be referred to staff or to a subsequent meeting. Each speaker will be limited to three continuous minutes, which may not be delegated. These rules will be enforced but may be changed by appropriate City Council action.

PUBLIC COMMENT FOR ITEMS ON THE AGENDA:

Persons wishing to speak on any item on the agenda will be called at the time the agenda item is brought forward. Persons wishing to speak on closed session items have a choice of doing so either immediately prior to the closed session or at the time for comments on items at the open session.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:

Time shall be devoted to audience participation early on the agenda.

CLOSED SESSION

CALL TO ORDER/ROLL CALL

Mayor Capoccia, Mayor Pro Tem Goss, Council Member Arizmendi, Council Member Delmar, and Council Member Harabedian

PUBLIC COMMENT

Regarding Closed Session Items

RECESS TO CLOSED SESSION REGARDING:

CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION

Pursuant to Calif. Government Code Section G.C.54956.9 (d)(1)
CEIT v. City of Sierra Madre, et. al.

PERSONNEL

Pursuant to Calif. Government Code Section 54957

Public Employee Performance Evaluation

Title: City Manager

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Regarding Closed Session Items

RECESS TO CLOSED SESSION REGARDING:

CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION

Pursuant to Calif. Government Code Section G.C 54956.9 (d)(1)
CETT v. City of Sierra Madre, et. al.

PERSONNEL

Pursuant to Calif. Government Code Section 54957

Public Employee Performance Evaluation

Title: City Manager

OPEN SESSION

CALL TO ORDER/ROLL CALL MEMBERS OF THE CITY COUNCIL

Mayor Capoccia, Mayor Pro Tem Goss,
Council Members Arizmendi, Delmar, and Harabedian

PLEDGE OF ALLEGIANCE AND INVOCATION/INSPIRATION

Mayor John Capoccia

REPORT OUT FROM CLOSED SESSION

City Attorney report from the closed session.

APPROVAL OF AGENDA

Vote of the Council to proceed with City business.

APPROVAL OF MINUTES

Approval of minutes from the Special City Council
meeting on August 24, 2015 and the Regular City
Council meeting on September 8, 2015.

MAYOR AND CITY COUNCIL REPORTS

Council Member activities relating to City business.

PUBLIC COMMENT

Regarding items not on the Agenda.

PRESENTATION

Introduction of the new Community Services Manager
Dani Cullens

ACTION ITEMS

1. CONSENT

a) ADOPTION OF RESOLUTION 15-59 OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE APPROVING CERTAIN DEMANDS

Recommendation that the City Council approve
Resolution 15-59 for approval of payment of
City Warrants in aggregate amount of
\$178,513.27; Library warrants in the aggregate
amount of \$2,682.88, and payroll transfer in the
aggregate amount of \$318,897.99 for fiscal years
ending June 30, 2015 and June 2016.

b) CONSIDERATION OF NOVEMBER AND DECEMBER COUNCIL MEETING SCHEDULE

Recommendation that the City Council approve
the cancellation of the regular City Council
meeting on December 22, 2015 and direct staff
to pay all necessary expenses.

c) AWARD OF CONTRACT FOR LIBRARY FACILITY CONDITION ASSESSMENT

Recommendation that the City Council approve
an award of contract for a Library Facility
Condition Assessment to Onyx Architects and
authorize a distribution from the Gift in
Memorial Account in the amount of \$22,930 to
pay for the assessment.

d) REQUEST FOR PROPOSALS FOR BANKING SERVICES

Recommendation that the City Council direct
staff to proceed with the RFP to solicit proposals
for City banking services.

e) CONSIDERATION OF SUMMARY FISCAL YEAR 2015/2016 BUDGET PAMPHLET

Recommendation that the City Council receive
and file.

ITEMS FOR DISCUSSION

2. RECOMMENDATIONS FROM THE REVENUE COMMITTEE
Recommendation that the City Council provide staff with direction.
3. GENERAL PLAN IMPLEMENTATION (STRATEGIC PLAN UPDATE)
Recommendation that the City Council provide staff with direction.
4. CONSIDERATION OF FOLLOW-UP REGARDING COMMUNITY INPUT FOR THE 2015/2016 BUDGET
Recommendation that the City Council provide staff with direction.
5. STRATEGIC PLAN UPDATE FROM MAY 6, 2015 RETREAT
Recommendation that the City Council receive and file.

PUBLIC COMMENT

Council is prohibited from taking action on items not on the agenda, but the matter may be referred to staff or to a subsequent meeting. Each speaker will be limited to three continuous minutes, which may not be delegated. These rules will be enforced but may be changed by Council action.

ACTION ITEMS

Regardless of staff recommendation on any agenda item, the City Council will consider such matters, including action to approve, conditionally approve, reject, or continue such item.

PUBLIC HEARING

The appellant and/or applicant will each be provided a total of ten (10) minutes to address their item. A portion of their allotted time may be reserved for rebuttal or a summary conclusion at the close of public comment. All other speakers will be limited to a total of three continuous minutes, which cannot be delegated. These rules will be enforced but may be changed by appropriate City Council action.

AVAILABILITY OF AGENDA MATERIALS

Materials related to items on this agenda are available for public inspection on the City's website at www.cityofsierramadre.com, and during normal business hours at City Hall, 232 W. Sierra Madre Blvd. and at the Sierra Madre Public Library, 440 W. Sierra Madre Blvd.

LIVE BROADCASTS

Regular City Council meetings are broadcasted live on Cable Channel 3 and rebroadcast on Wednesday and Saturday at 5:30 p.m.

MEETING ASSISTANCE

If you require special assistance to participate in this meeting, please call the City Manager's office at (626) 355-7135 at least 48 hours prior to the meeting.

ADJOURNMENT

The City Council will adjourn to a Regular Meeting at this same place on Tuesday, October 13, 2015.

Agenda
Regular Meeting of the Sierra Madre City Council,
Successor Agency, and Public Finance Authority
Tuesday, September 22, 2015
Closed Session: 5:30 p.m.; Open Session: 6:30 p.m.
City Hall Council Chambers, 232 W. Sierra Madre Boulevard

John Capoccia, Mayor, opened the Regular Meeting of the Sierra Madre City Council, Successor Agency, and Public Finance Authority at 5:30 p.m. The Mayor asked for public comment and there was none, so the Mayor immediately adjourned to the Closed Session. The City Council returned from Closed Session at 6:29 p.m. and the Mayor opened the Open Session at 6:32 p.m. City Clerk, Nancy Sue Shollenberger, read the Roll noting that all City Council Members were present.

CALL TO ORDER/ROLL CALL, MEMBERS OF THE CITY COUNCIL:

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

Absent: None

Also Present: Elaine Aguilar, City Manager
Teresa Highsmith, City Attorney
Elisa Cox, Assistant City Manager
Vincent Gonzalez, Planning Director
Bruce Inman, Director of Public Works
Carolyn Thomas, Library Director
Larry Giannone, Safety Director and Police Chief
Nancy Sue Shollenberger, City Clerk

PLEDGE OF ALLEGIANCE AND INVOCATION/INSPIRATION:

Mayor, John Capoccia, led the Pledge of Allegiance and added the following message:

Pope Francis has arrived in the United States today for what will likely be known as a historic visit. The Pope has emerged as a moral voice on issues such as poverty and climate change and has pushed for a more inclusive, diverse and welcoming church. Today is also the beginning of Yom Kippur, or Day of Atonement, which is the holiest day of the year in Judaism. Also, tomorrow is Eid al-Adha also known as Feast of the Sacrifice, which is a significant Muslim holy day. This is a good time to remember that the concept of “Freedom of Religion” is embedded in our Constitution in the First Amendment, even though it’s been hotly debated and tested repeatedly throughout the history of our great nation. The timing of the Pope’s arrival could have, and perhaps has generated controversy, but I admire the recent comments from a prominent Jew and Muslim who were asked to comment on the timing of the Pope’s visit:

First, from Jack Moline, Executive Director of the Interfaith Alliance and former Rabbi at Congregation Agudas Achim:

“ ...The Pope is here to make a state visit and to minister to his flock...and while he has always been very friendly to and considerate of the Jewish community, he didn’t need to move his schedule to accommodate our holidays.”

And from Harris Zafar, author of “Demystifying Islam: Tackling the Tough Questions”, who had “no issue with the Pope being here at the same time as the Muslim holy days:

“In fact, both in line with the spirit of selflessness and sacrifice that this holiday is meant to be all about, as well as the overall intention of religion, which is to bring you closer to God – not to have a selfish competition with other religions – we...don’t see any problem or offense.”

So, with those thoughts, let’s keep that spirit of tolerance and understanding in mind as we deliberate over the agenda items before us, and work hard to think broadly and deeply about the issues, and execute our duty to serve the citizens of Sierra Madre in a way that can be held up as an exemplary model of good governance. Thank you.

REPORT OUT FROM CLOSED SESSION:

Teresa Highsmith, City Attorney, reported that the City Council met in Closed Session this evening to discuss the following:

Conference with Legal Counsel – Existing Litigation
Pursuant to Calif. Government Code Section G.C. 54956.9(d)(1)
CETT v. City of Sierra Madre, et al.

The City Attorney reported that time constraints did not allow for discussion of this item.

Personnel
Pursuant to Calif. Government code Section 54957
Public Employee Performance Evaluation
Title: City Manager

The City Attorney reported that the evaluation of the City Manager is ongoing.

APPROVAL OF AGENDA:

Council Member, John Harabedian moved and it was seconded by Council Member, Rachelle Arizmendi for approval of the Agenda as presented. The motion passed by unanimous voice vote.

APPROVAL OF MINUTES OF SPECIAL CITY COUNCIL MEETING ON AUGUST 24, 2015; AND THE REGULAR CITY COUNCIL MEETING ON SEPTEMBER 8, 2015:

Council Member, Denise Delmar, gave the City Clerk three pages where there was a misspelled word on each page. The City Clerk will correct these errors. (September 8, 2015 Meeting).

Mayor Pro Tem, Gene Goss, asked that on page 5 of 17 of the August 24, 2015 Meeting, a comment he made be removed. (I can’t fathom that”)

Council Member, Rachelle Arizmendi moved and it was seconded by Council Member, John Harabedian for approval of the Special Meeting Minutes on August 24, 2015, with the removal of a comment made by Mayor Pro Tem and the Regular City Council Meeting on September 8, 2015, three misspelled words be corrected.. The motion passed by unanimous voice vote.

MAYOR AND CITY COUNCIL REPORTS:

- 1). Mayor, John Capoccia, Mayor Pro Tem, Gene Goss and Council Member, John Harabedian, had no report.
- 2). Council Member, Rachelle Arizmendi, wanted to thank the Sierra Madre Police and Fire Departments on the Memorial Service.
- 3). Council Member, Denise Delmar, announced that the Library Contract Meeting was held on September 15th and vendors will be here on October 20, 2015.

PUBLIC COMMENT:

John Davis, E. Alegria

Mr. Davis announced that he was present this evening because he feels there was an injustice in penalties on his current water bill. Our family is doing all we can to conserve water. Our back yard is not being watered at all. One day I came home and there was a "green" batch in the yard. I reached down and it was wet. The Plumber dug four ft. and found a ½" water pipe. I have no idea how long the leak has gone on. We lost lots of water. Our house is 100 years old. I honestly promise you that this won't happen again. We are asking for elimination of the fine. We have removed all galvanized pipe and replaced with copper pipe. My understanding of penalty phase was for folks who have ignored saving water. Please consider eliminating the penalty assessment and I will pay the balance of the water bill. Thank you.

Rich Proctor, Library Trustee

Mr. Proctor thanked the City Council for their service. You have problems and challenges. I want to let you know what is happening at the Library. The Months of September and October, we are holding a "card sign-up month". You can get a free Library card. The Library has 70,000 articles at the Library and Mozart, which you can take home. Thank you.

Cameron Thornton, Member of Mater Dolorosa Passionist Retreat Center's Development Task Force.

Mr. Thornton was present to bring the City Council and residents of Sierra Madre an update of the activities of the Task Force.

As you may be aware, Mater Dolorosa was purchased by the Passionists in 1924, and has hosted religious retreats for over 90 years, currently drawing 10,000 retreatants annually and another 4,000 on Good Friday who visit and walk our Stations of the Cross. We will continue this religious ministry in Sierra Madre for decades to come.

In 2007, we were directed by our leadership in Illinois to sell the 20 unused acres at the bottom of their 88-acre parcel in order to raise funds to support Passionist ministry work across America and cover health care and retirement costs of our many aging priests and brothers. The research we've conducted since convinces us that the best way to raise funds for the Passionists while protecting the retreat experience and being a good neighbor to those who live nearby is to sell the 20 acres to a homebuilder.

For the last several months, we have been explaining our vision to groups around town, our near-neighbors and Preserve Sierra Madre. It is just a vision at this point, but we know a lot about what the neighborhood will be like, and here's what we are committing to in our meetings:

- Lot sizes will be similar to those around us, so there would be somewhere between 40 and 50 homes.
- The design would protect the village character of Sierra Madre, with a mix of lot sizes, home sizes and styles.
- Natural open space would separate our neighborhood from adjacent homes to our south and west, and
- The neighborhood would be ungated, with a park and paths that connect to Bailey Canyon Park and its trails to the Angeles National Forest.

Many of the folks we've met with agree that a modest, organic extension of Sierra Madre could be a good thing. To date dozens of residents have signed a statement that says:

(QUOTE) I recognize the potential benefits to Sierra Madre of a new, well-planned residential neighborhood that is compatible with the existing look and feel of our town, and encourage the City Council to give the proposed development of 20 acres of the 88-acre Mater Dolorosa Passionist Retreat Center their fair and impartial consideration. (UNQUOTE).

We should be selecting a homebuilder partner soon, and the builder will then do his own outreach to help design a plan that works for Sierra Madre. I'm certain they will want to talk with you as part of this effort, and trust that you will be as open-minded as most of the people we've met with, and give them your fair and impartial consideration.

Also, we will soon be hosting a website associated with our project. Once the website is active, I will send you an e-mail with the link. If you would like more information on our vision, feel free to call me at (818) 281-2360. Thank you.

Kelly Lang, Windsor Lane

Ms. Lang was present this evening to address the signed Petition this past week. Most of the residents were not aware that this was going on. We, the residents, on Windsor Lane, want parking on the east side of the street to remain. We request that everything remains the same. Bruce Inman sent us a letter informing us of the Petition. Put this on your radar.

Mayor Capoccia closed public input.

Mayor, John Capoccia, asked that we address the Water Bill of John Davis. Tonight, the City Council cannot give direction, there is nothing we can do to reimburse or lower your bill. We need to agendize.

City Manager, Elaine Aguilar, noted that what the Mayor has just said is right. When a resident comes in, we can set up a payment plan.

Mayor Capoccia stated that he feels we should make it more fair.

Mr. John Davis remarked: "I appreciate your offer to address the problem".

Mayor Capoccia noted that the City Council did say they would look at penalties.

City Manager, Elaine Aguilar, also noted that the City Council needs to address what to do with the penalty money. We will schedule to agendize.

Mayor Capoccia asked staff about the Windsor Lane discussion.

The City Manager stated that staff surveyed the residents and they are not in favor of making any changes.

Presentation of new Community Services Manager, Dani Cullens. The City Manager stated that she was unable to attend this evening so this presentation will be moved to the October 13, 2015 City Council Meeting.

ACTION ITEMS:

1) CONSENT CALENDAR

Elaine Aguilar, City Manager, gave the following report under the Consent Calendar:

1a). APPROVAL OF WARRANTS:

Staff is recommending approval of Resolution No. 15-59 "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE APPROVING CERTAIN DEMANDS" and approval of payment of City Warrants in the aggregate amount of \$178,513.27; Sierra Madre Library Warrants in aggregate amount of \$2,682.88 and Payroll Transfer in the aggregate amount of \$318,897.99 for the fiscal year ending June 30, 2015 and 2016.

1b). CONSIDERATION OF NOVEMBER AND DECEMBER CITY COUNCIL MEETING

Sierra Madre Municipal Code Section 2.04.010 requires that meetings of the City Council shall be held at 6:30 p.m. on the second and fourth Tuesdays of each calendar month unless and until the City Council establishes another regular meeting time by resolution.

During 2015, the second Council meeting in November will fall during the week of Thanksgiving. It is also important to note that the second meeting in December is during the week of Christmas. It is recommended that the City Council proceed with the second meeting in November as scheduled and approve the cancellation of the second regular City Council meeting in December 2015 and direct staff to pay all necessary expenses during that time.

This year the second Tuesday of December falls during the week of Christmas. Therefore, it is recommended that the City Council approve the cancellation of the Regular City Council meeting of December 22, 2015 and direct staff to pay all necessary expenses during that time.

1c). AWARD OF CONTRACT FOR LIBRARY FACILITY CONDITION ASSESSMENT

City Council approved a second request for proposals (RFP) to solicit bids for a Library Facility Condition Assessment at the June 9, 2015 meeting. Four proposals were received and reviewed by a committee.

Staff is recommending that Council approve an award of contract for a Library Facility Condition Assessment to Onyx Architects in the amount of \$22,930.

1d). REQUEST FOR PROPOSALS FOR BANKING SERVICES:

Bank of America has provided the City of Sierra Madre banking services for over ten years. There have been many changes in the banking industry over time and it would be of benefit for the City to issue a request for proposals (RFP) for banking services to see what the industry has to offer. Staff is seeking the City Council's direction to proceed with the request for proposals (RFP) for banking. A draft RFP was attached to the Agenda for the City Council's consideration.

Staff recommends the City Council direct staff to proceed with the RFP to solicit proposals for banking services.

1e). CONSIDERATION OF SUMMARY FY 2015-2016 BUDGET PAMPHLET

One of the objectives on the City Council's current Strategic Plan is for the Council to approve a Budget Summary Pamphlet. Staff worked with the designated Council Member (Council Member Delmar) to prepare the attached tri-fold pamphlet.

It is envisioned that the pamphlet, once approved, will be available on the City's website and at City facilities. The pamphlet can be updated and reproduced in future budget years.

Council Member, Denise Delmar, questioned a warrant and staff told her what it was, and she also wanted to remark that the Budget Pamphlet is great! Staff did a great job.

The City Manager noted that this pamphlet will be available on the public counter and website. The FPPC does not allow for mass mailings, with City Council Members' names on it.

Council Member, Rachelle Arizmendi, stated that staff should remove the City Council's names and mail in water bills.

Mayor Capoccia opened up for public comment and there was none.

Mayor Pro Tem, Gene Goss, moved and it was seconded by Council Member, John Harabedian, for approval of the Consent Calendar as presented by staff. The motion passed unanimously by voice vote of the City Council.

2). RECOMMENDATIONS FROM THE REVENUE COMMITTEE

Elaine Aguilar, City Manager, gave the staff report.

In July, the City Council created three special Committees to provide input into the City's current deficit budget situation. The Council created a committee to evaluate contracting Police services, another Committee is evaluating contracting Library services, and the third Committee was tasked with evaluating the City's current General Fund revenue options. The Revenue Committee has completed their assignment and their final report is in the Agenda for the Council's consideration.

It is recommended that the Council review the report attached to the Agenda and provide direction to staff or the Committee.

The City Council appointed a seven member Revenue Committee, and membership consisted of:

Chair: Edward Garcia
Vice Chair: Barry Gold
Member: Patrick Holland
Member: Paul Savoie
Member: Daker Staggs
City Treasurer: Richard Mays
Council Member: John Harabedian

The Committee met on five occasions (July 27th, August 6th, August 25th, September 9th, and September 16th). Committee agendas were posted on the City's website and the meetings were open to the public.

Over the five meetings, the Committee reviewed a significant amount of information regarding City revenues, expenditures, proposed budget reductions, historical revenues, other cities' revenue sources, and other information. A summary of the information is included in the Committee's report. At the conclusion of the committee's research, they have recommended that the Utility Users Tax, at a maximum rate (meaning the Council can designate a lower rate) of 12%, be placed before the voters. The Committee report makes a number of other recommendations and findings for the Council's consideration. Members of the Committee will be in attendance at tonight's meeting should the Council have questions.

The current fiscal year's budget (FY 2015-2016) is projecting a \$529,527 General Fund deficit and General Fund Reserves re being used to close the gap. The next fiscal year's budget is projects to have a deficit of \$994,474, if no expenditure reductions are made and/or no new revenue source is approved.

It is recommended that the City Council provide staff with direction.

A complete copy of the City of Sierra Madre Revenue Committee Report is available for review at City Hall, or the City Clerk's Office. The document is dated September 16, 2015.

Edward Garcia, Chair of the Revenue Committee

Mr. Garcia stated that he gave the staff the Committee's final report. He thanked City staff, Elaine Aguilar and Elisa Cox for answering all their requests. We were to address shortfalls and consider ways to address shortfalls. We urge you to consider recommendations:

- Raise the Utility User Tax ("U.U.T.") limit from the current sunset provisions to a maximum of 12%.
- The Council carefully considered whether or not a UUT sunset clause is necessary since our current experience with a sunset clause has shown to be detrimental to one of the primary revenue sources of the City.
- Continue an annual review of the UUT by the Council at a Council meeting to determine what the level of the UUT must be before the upcoming year to meet projected obligations (0% to 12%).
- Continuance of a UUT oversight committee to review the Council's use of funds.
- Begin an immediate public education program in regards to historical revenue and expense data, sources of revenues and expenditures, and general trends in City finance.
- Include a maximum UUT increase from year-to-year of 2%.
- The Council will provide recommendations of a "Plan B" should an increase in the UUT ballot measure fail. The Council will recommend where further cuts to City services should be made. The Council should have recommendations ready to be put in place the beginning of the 2016-2017 Fiscal Year. This recommendation is to avoid further depleting City monetary reserves.

Additional findings and recommendations of the Committee:

- Although the committee was formed to provide recommendations to the Council regarding revenues to the General Budget and the year-to-year funding, we recognize that the City will have to address funding infrastructure in the near future.
- The current policy of allocating a relatively small amount of the budget for some of the repairs is not a sustainable model to address the current state of the infrastructure in Sierra Madre.
- Following this current election cycle, we suggest an ad-hoc committee be formed in order to provide recommendations to the Council regarding funding sources to deal with the poor state of the City's infrastructure.

Mayor Capoccia thanked Mr. Garcia and the Committee for their hard work.

Council Member, Denise Delmar, also thanked the Committee for their hard work. She also informed the public that Barry Gold sent a letter, expressing his views. She asked the committee if they felt going through the process was good? Do you suggest an Oversight Committee?

Mr. Edward Garcia felt that it was a good process. The Committee addressed if it was a sustainable model to go forward. Also, the City Council should set the budget, then have a committee to go through.

Council Member, Rachelle Arizmendi, remarked that the idea is for the City Council to review every year what the percentage will be – it could go down.

Mayor Pro Tem, Gene Goss, also thanked the Committee for their hard work. You did a fantastic job! You have a good handle on what you want to accomplish. The UUT lost twice! How do we approach the public?

Mr. Garcia noted that the Committee discussed this. We are not concerned about electability issue. The residents seem to be more receptive now. It is a known tax. Education is clear. If it does not pass, we should not use reserves.

Council Member, John Harabedian, announced that he sat on this Committee. He thanked everyone for their participation. The Treasurer and I took an advisory role. A conclusion was reached after five meetings. Every item was discussed at length. A lot came down to reality, election and what is doable. The Committee did a great job.

John Capoccia, Mayor, questioned continuance of UUT Oversight Committee. The current one addressed 6% to 10% and make sure money is used for public safety.

Mr. Garcia stated that revenue needs are greater than that – General Fund. We see the need for a committee.

Mayor Capoccia stated that the Committee will look at expenditures and where money should be spent.

Mr. Garcia said it would be more of a citizen audit. If you put this item on the ballot – you need to articulate what we want. Regarding assessment districts, parcel tax, you would want more oversight vehicle.

Mayor Capoccia feels we need to engage citizens on the process, what they want – it is a challenge to do that.

Council Member, Denise Delmar, stated, “Keep City Council honest – use UUT for what is needed”.

Mayor Capoccia remarked that we need to deal with the infrastructure problems. Maybe we should put more in water infrastructure. Prop 218 will be used. The recommendation was to earmark some of the 12% for infrastructure or property tax to balance. How much for assessment and UUT?

Council Member, John Harabedian, stated that the Revenue Committee did not deal with infrastructure. The \$1M deficit is coming up. The committee said, Okay, we know the 1M deficit is coming up, but that falls out of our jurisdiction. The Committee did not envision long-term funding. They are not recommending a sunset clause. Maybe a parcel tax in the future.

Mayor Capoccia also remarked that the recommendations for Plan B. We need to say what we will cut. We need to make it clear what we are going to do. We need another revenue source and we need to do it quickly.

Council Member, Rachelle Arizmendi, remarked that she didn’t thank the committee and Edward Garcia for being Chair and she wanted to do that. She thanked the Committee for their recommendations.

The following letter was received from Barry Gold, and he asked that it be included in the Minutes:

Barry Gold, Member of the Revenue Committee

Dear Mayor Capoccia and Council Members:

I am writing to you because next Tuesday night is the beginning of Yom Kippur, Judaism’s holiest time of the year. Consequently I will not be able to attend the City Council meeting. As a member of the Revenue Committee and knowing that the committee’s recommendations will be presented to you Tuesday night, I have put below what I would have preferred to say to you in person.

First of all, I must say that it has been an honor serving with the other committee members. Each and every one a dedicated, knowledgeable, valuable member of our community and a true gentleman. Our committee Chairman, Edward Garcia, is hard working, always prepared, and skillfully kept us on track and on time.

The committee's work was made so much easier by having Council Member Harabedian, City Treasurer Mays, and the staff with us sharing their wealth of knowledge.

Basically the committee recognizes the need to increase city revenue due to the sunsetting of the current UUT, Utility Users Tax, which will be 6% in 2016-2017. Several possible revenue sources were considered and all committee members agreed that the most expedient source of needed revenue is a UUT measure to be put on the April 2016 ballot with the following key provisions:

The City Council shall set the UUT rate annually based on budget needs not to exceed 12% (maximum allowed by state law).

Establish a UUT oversight committee to review the council's use of funds and verify that the rate set was not more than needed.

Set a 2% Maximum rate increase per year, not to exceed 12%.

I personally feel that a measure providing for a rate of up to 12% would be rejected by the voters (50% plus 1 needed for approval). I recommend a 9% maximum rate.

The 2016-2017 budget deficit is projected to be around \$995,000 with the 6% UUT tax rate. Each 1% increase in the tax rate brings in an additional \$250,000.00. If the rate was 9% then an additional \$750,000.00 would come in and reduce the \$995,000 deficit down to \$245,000.00. Budget cuts, in the amount of \$245,000 should be made to balance the budget. This way the voters will see that we are not just raising taxes to balance the budget, we are also lowering our expenses.

The staff, in a May 26, 2015 agenda report, identified three levels of possible cuts:

Level 1	\$	315,000.00
Level 2		730,000.00
Level 3		1,311,000.00

Based on this staff report \$245,000 in cuts should not be difficult.

A 9% UUT rate with \$245,000 in cuts, I believe, would be approved by the voters.

We all know that we cannot have the services we need and want without paying for them. The question is what is a reasonable amount to pay?

The voters may be asked to choose from more than one measure on the April ballot. A group who circulated a petition to put a measure on the ballot that would eliminate the UUT and whose petition was denied due to the lack of just one acceptable signature, is circulating a new petition. The organizers will go to the people who signed the original petition whose names were accepted, and then find one more qualified person.

If you approve a UUT rate increase measure and the group seeking to eliminate the UUT also qualify a measure the voters will have one of three choices:

- 1). Vote yes on the 12% increase measure and no on the UUT elimination measure.
- 2). Vote yes on the elimination measure and no on the 12% increase measure.
- 3). Vote no on both measures.

Choice 1 results in a 12% rate. Choice 2 results in a 0% rate, and choice 3 results in a 6% rate, since the current UUT measure would remain in effect.

When the people realize they are deciding between 0%, 6%, and 12%, they may feel the city is asking for too much. Especially since we all know that in a couple of years, the city will ask us all to approve a property based tax to raise \$40 to \$80 million dollars to fund our much needed capital improvements. Replacing our water pipes alone is estimated to cost \$40,000,000.00. So the voters may vote for choice 2 or 3 knowing they will be asked to come up with major funds in a couple of years.

If the choices were 0%, 6% or 9%, there would be a much greater chance the 9% option would prevail.

Also, I would like to see the exemption for those who do not have to pay the UUT lowered from "Low Income" to "Very Low Income". I am not comfortable having people vote for a tax they do not have to pay when others do. Lowering the exemption threshold will minimize this inequity.

Finally, I believe that a sunset provision, in ten years, should be included. I would like the voters to be able to say if they want to continue the UUT or not, and if so at what rate. A lot could happen in ten years. This matter should be revisited by the voters at some future point.

Again, I wish I could be at the Council meeting. I thank you for taking your time to read my letter. I wish you all a happy and healthy new year 5776.

Respectfully, Barry Gold

Mayor Capoccia opened up for public input.

Pat Alcorn, E. Grand View Avenue

Ms. Alcorn, after reviewing the recommendations, feels that a 12% ballot measure will be a red flag. We need to raise the UUT. It can go down to 6%. Consider 8-10% UUT. There should be no sunset. Consider 8-10 years before you consider another ballot measure. The last ballot measure didn't fly.

Mayor Capoccia closed public input portion.

Mayor Capoccia asked the timeline for a ballot measure.

The City Manager said legal time is December. We should have Resolution in November.

Mayor Capoccia stated that we need to determine the rate and sunset clause.

Council Member, John Harabedian, remarked on the UUT and Parcel Tax – I struggled on both. The UUT is most doable. There is UUT fatigue. The committee took credence in town hall meeting. The numbers we received in Town Hall meeting speaks well. 57% wanted 12%. Maybe not perfect reading, but 12% wouldn't be dead on arrival. It would put the City in the best way to address the budget. The committee wanted 12%, Barr Gold wanted 9%. The committee was not concerned with political aspects. They felt 12% was necessary.

Mayor, John Capoccia, feels that 10% will balance the budget. Mr. Gold's recommendation, he felt we could carve out more. Explaining to folks where we would get the money would be less services. We need to cover \$1M gap. How do we find cuts to create a balanced budget?

Council Member, John Harabedian, remarked that 8% is fair and then we can go to 10% or 12%. To impose 4% increase would be too fast.

Mayor, John Capoccia, stated that the UUT would increase 2% per year. In 2010 it was voted not to allow it to go. Maximum of 12%, but only if City Council votes to go to 12%. The Sunset Clause was a mechanism to get the people to pass.

Council Member, Rachel Arizmendi, stated that 12% was sticker shock to me. Committee was not charged on electability. 12% is maximum, and will be very difficult to pass. I would want more time – 10% would be \$250,000. Level 1 Cost savings – the risk is greater for not passing at 12%.

Mayor, John Capoccia, asked if the City Council felt the voters would want Level 1 cuts?

Council Member, Rachel Arizmendi, stated that some would be unhappy, and others not notice for a year. What cuts would have less impact? The gamble is not having it pass at all.

Mayor, John Capoccia, remarked that the City Council's opinion to the community, based on our analysis, what would you recommend? Less than 10% there will be closing in Library and cuts to Police Department. We need to tell the people clearly the decision we are making.

Council Member, Denise Delmar, stated that where she sees this – the UUT has been on the ballot twice and failed. We had Town Hall meetings where the residents wanted 12%. What scares me is 12% now – that is the highest we can go. Expenses always increase. The City has to live within its means. Raises, health insurance, etc. to staff – mindset is this is staffing. We can't look at increasing positions. Let's stay at 10% and cuts, with no sunset. Maybe five or six years go to 12%. Control and use 10%. Don't go crazy and go on shopping spree! I feel that is doable. We can't slash staff. We need to have Plan B ready. Find sufficient ways to do things. I am scared to use 12% now. Have Oversight Committee. 10% is Level 1 cuts.

Mayor, John Capoccia, stated that what the City Council will consider is to propose 10% at start and five years later, could go to 12%. What can we agree on?

Council Member, John Harabedian, stated four years 10%, 2020 go to 12%.

Mayor, John Capoccia, stated that after the City Council votes, the voters have time to elect people who have their point of view.

Mayor Pro Tem, Gene Goss, stated that we have a five year backlog in repairing sidewalks and tree trimming! I don't want a negative impact on the quality of life in Sierra Madre. We had budget cuts and management changes. Rather than more cuts, maybe 2% in three or four years. We need revenue to draw on. People have misgivings about this.

Council Member, Denise Delmar, stated that 12% is maximum, we can never go higher. Property taxes are increasing. Perhaps a parcel tax – it scares me to go to 12% now. We need to look at Police and Fire.

Mayor Pro Tem, Gene Goss, stated that at 10%, we need to address make-up in Fire crews, Library – we are kicking the can down the road.

Mayor, John Capoccia, stated that he wants to allow the voters to weigh in. I believe that 12% is good for the City. We have gone three years without raising to 12%. At 10% we have a tight budget.

Council Member, John Harabedian, stated that he is biased here – having lived here three and one-half years, 10% is good for a few years, and operating with understaffed departments. The Planning Department has been understaffed for ten years. Knowing these facts, our hands are tied for four years at 10%. We need to keep key employees. The reality is limping along, or go to 12% and have a good way of life. The City Council is not comfortable with layoffs. The citizens did not want to cut anything. I can't say that 10% is where we should be.

Mayor, John Capoccia, asked if the City Council believed that the Town Hall meeting was representative of the City?

Council Member, Rachele Arizmendi, stated that she didn't think so. It wasn't representative. People who are informed came to the Town Hall meeting. It will take education of residents, more than ever before. No-one has felt what changes will do.

Mayor, John Capoccia, stated that we are looking for consensus on the City Council. It makes our job easier. Do we think 12% is what we should go for? What is right number?

Mayor Pro Tem, Gene Goss, stated that we need the community to know we are short in revenue. 12% is the way to go. When I look at public input, they were very quick to say they voted no on the last UUT, but it was wrong. No-one saw anything happening in the past. They saw no pain in dropping of the UUT. Now we are discussing contracting out departments. I hope we can find a way for consensus.

Council Member, Denise Delmar, stated that we are not trying to talk the community into anything. If 12% is the maximum we can do, in four or five years, what do we do? There will be increases every year in the budget. We provided staff with information. I am not campaigning.

Mayor, John Capoccia, remarked that the committee recommended 2% per year – election in April it is 8%. A 10% rate is tight budget. Fire Department engineers are a problem.

Council Member, Rachele Arizmendi, noted that the UUT at 10% or 12% isn't the answer for our infrastructure. All eggs can't be in the UUT basket. I have a problem with 12%. I am comfortable with 10%.

Council Member, Denise Delmar, stated that there should be no sunset clause. 10% now and 12% in four or five years, perhaps oversight committee could be recommended. The percentage should not go up without the City Council vote, and 1% per year maximum.

Council Member, John Harabedian, stated that he is willing to discuss 10% and four years to 12%. Don't love it!

City Manager, Elaine Aguilar, stated that staff will prepare a draft UUT ordinance for the next meeting.

Mayor Capoccia opened for public comment.

Lou Oronoz

Mr. Oronoz stated that just to get clear from my standpoint – this isn't something to sell – educate proponents of 12%, Police, Fire and Community services. 10% will have impact on services. Level 1 cuts – 12% gives you opportunity in 2017 to address. You all need to support. I appreciate your discussion. It is incumbent on you to put together. We need Police and Fire to protect us. I suggest you go ahead and rethink at 12%. It is there for a reason – pay heed to it.

Mayor Capoccia closed public input.

Mayor Capoccia asked the City Council to give this more thought and bring back. Level 1 had cuts in Library, Administration and Police.

Council Member Delmar asked staff if we have lost Police staff.

The City Manager stated, Yes, sworn police officers. Part time employees would need to go.

Mayor Capoccia stated, "This is the most important thing we will do on the City Council".

BREAK: The City Council requested a break at 8:30 p.m. and reconvened at 8:40 p.m.

3). GENERAL PLAN IMPLEMENTATION (STRATEGIC PLAN UPDATE)

Elaine Aguilar, City Manager, gave the staff report.

On July 14, 2015, City Council certified the Final Environmental Impact Report and adoption of the General Plan Update document. The document includes updates to the Land Use, Resource Management, Hazard Prevention, and Community Services Elements, and the associated Implementation Program 2015-2035.

As part of the Strategic Plan three-year goals, staff is seeking City Council direction to prioritize General Plan implementation measures for calendar year 2015-2016. Staff has identified proposed "due dates", but is seeking Council authorization to either proceed as presented, or as otherwise directed by the Council.

The departments of Planning, Community Services, Public Works and Library are included in this report. The Police and Fire Department's Implementation update and schedule will return at a future meeting.

The entire implementation program was included at the end of the staff report, as the last attachment.

Each City department has a number of assignments per the approved General Plan Implementation Program. Staff is returning with suggested dates for the items identified as being completed in 2015 and 2016. Staff is seeking the City Council's review of the proposed more detailed implementation schedule.

- Attachment 1 lists the Library's Implementation Program.
- Attachment 2 lists the Community and Cultural Events Implementation Program.
- Attachment 3 lists the Community Services (Public Services component) Implementation Program.
- Attachment 4 lists the Public Works Implementation Program
- Attachment 5 lists the Planning and Community Preservation Implementation Program.
- Attachment 6 is a copy of the entire Implementation Program.

Staff reviewed the Planning and Community Preservation - Chapter One - Land Use Implementation Program (IM-2, IM03, IM-4, IM-9, IM-10, IM-12, IM-29, IM-30, IM-36, IM-37 and IM-38), followed by Pending Municipal Code Revisions and Projects, Minimum Lot Size in the R-1 Zone, Second Unit Ordinance, Conditional Use Permit Findings, R-1 Zone Average Front Yard Setback, Minor Conditional Use Permit Noticing Requirements, Angle Plane Encroachment, Development Projects.

There is no fiscal impact to the City of Sierra Madre resulting from this informational report. Many of the objectives will result in individual agenda reports to the City Council for action or direction and at that time the financial implications, if any, will be included.

Staff is seeking City Council direction regarding the prioritization of the implementation measures to be carried out in Calendar Year 2015-2016.

All of the above-mentioned attachments are available at City Hall for review by interest parties, or the City Clerk's Office also has a copy.

Council Member, Denise Delmar, asked staff to get information out to people with historical homes.

The City Council expressed their approval with everything presented.

Mayor Capoccia opened for public input and there was none.

4). CONSIDERATION OF FOLLOW-UP REGARDING COMMUNITY INPUT FOR THE 2015-2016 BUDGET.

Elaine Aguilar, City Manager, gave the staff report.

This item was carried over from the Council's September 8, 2015 meeting.

One of the objectives on the City Council's current Strategic Plan is for the Council to review and determine if there was any additional follow-up to the input received from the Budget related community input meetings that were held during May and June 2015. Attached to the Agenda was a summary of all of the input received.

In May and June 2015, a total of twelve community input meetings were held to obtain input regarding the City's General Fund Budget. A Budget town Hall forum was held on June 6th, with more than 250 individuals in attendance. All of the input received was considered by the City Council prior to adopting the current fiscal year's budget.

The City Council's Strategic Plan included an objective to revisit the input received at the community input meetings to determine if there were items that could be given further consideration or study. Much of the input has been acted upon in one form or another, such as the Council's formation of three special Committees. The Committees are addressing some of the questions and input received as they deliberate on their various subjects. As a reminder, the most recent and currently scheduled Committee meeting dates are:

General Fund Revenue Option Committee September 9th at 6:30 p.m. (final Meeting).

Library Contract Proposal Committee – September 15th at 6:30 p.m.; October 20th; November 17th and December 15th (if needed).

Sheriff Contract Proposal Committee – September 28th at 6:00 p.m.

Each of the committees are working to provide reports to the Council. The Revenue Committee report was scheduled for tonight's agenda.

Attached to the Agenda for the Council's review is a summary of all of the input received from the twelve Community meetings. It is recommended that the Council review the attachment and provide direction regarding any additional follow-up desired.

It is recommended that the City Council provide staff with direction.

Council Member, John Harabedian, asked if there could be a basic pole taken on what the residents want?

City Manager, Elaine Aguilar, remarked that staff can have it at the next City Council Meeting. We can interview firms. I will caution you, it will cost \$10,000 to \$20,000 area.

Council Member, Rachelle Arizmendi, stated that she would be interested in that information.

Mayor, John Capoccia, asked "What questions do you ask?"

The City Manager stated that the firms know how to come up with questions.

Mayor Capoccia asked the staff to come up with a cost.

Council Member Harabedian asked that the percentage of 10% or 12% be asked – it is worth looking at.

Mayor Capoccia opened for public input.

Pat Alcorn, E. Grand View

Mrs. Alcorn questioned if an on-line pole could be considered?

6). STRATEGIC PLAN FROM MAY 6, 2015 RETREAT

Elaine Aguilar, City Manager, gave the staff report. This is a receive and file agenda item.

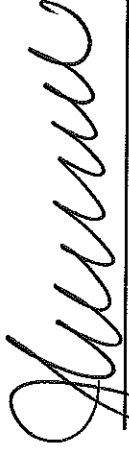
FUTURE AGENDA ITEMS:

- 1) Council Member, Rachelle Arizmendi asked that “water penalties”, with an exception for leaks, etc. be agendized for discussion.
- 2) The City Manager announced that the next Strategic Planning Meeting is October 20th.
- 3) Mayor, John Capoccia, asked that whether we want to do the Strategic Planning Retreat once or twice a year be agendized for discussion.

Mayor Capoccia opened for public input and there was none.

ADJOURNMENT:

Council Member, John Harabedian moved and it was seconded by Council Member, Rachelle Arizmendi for adjournment at 9:04 p.m. The motion passed by unanimous voice vote.


John Capoccia, Mayor of the City of Sierra Madre

Minutes taken and typed by:



Nancy Sue Shollenberger
City Clerk