

**MINUTES  
VERNON CITY COUNCIL  
REGULAR MEETING  
TUESDAY, FEBRUARY 18, 2020  
COUNCIL CHAMBER, 4305 SANTA FE AVENUE**

**CALL TO ORDER**

Mayor Ybarra called the meeting to order at 9:00 a.m.

**FLAG SALUTE**

Mayor Ybarra led the Flag Salute.

**ROLL CALL**

**PRESENT:** Melissa Ybarra, Mayor  
Leticia Lopez, Mayor Pro Tem  
William Davis, Council Member  
Carol Menke, Council Member  
Diana Gonzales, Council Member

**STAFF PRESENT:**

Carlos Fandino, City Administrator  
Brian Byun, Senior Deputy City Attorney  
Lisa Pope, City Clerk  
Scott Williams, Finance Director  
Jim Enriquez, Interim Fire Chief  
Fredrick Agyin, Director of Health and Environmental Control  
Michael Earl, Human Resources Director  
Anthony Miranda, Police Chief  
Abraham Alemu, Public Utilities General Manager  
Dan Wall, Public Works Director

**CHANGES TO THE AGENDA**

None.

**PUBLIC COMMENT**

None.

**PRESENTATIONS**

- 1. City Council  
Employee Service Pin Awards for January 2020  
Recommendation:**

No action required by City Council. This is a presentation only.

Human Resources Director Earl indicated the two recipients were unable to attend the meeting.

## **CONSENT CALENDAR**

### **MOTION**

Mayor Pro Tem Lopez moved and Council Member Davis seconded a motion to approve the Consent Calendar. The question was called and the motion carried unanimously.

The Consent Calendar consisted of the following items:

- 2. City Clerk**  
**Approval of Minutes**  
Recommendation:  
Approve minutes for the February 4, 2020 Regular City Council Meeting and February 5, 2020 Special City Council Meeting.
- 3. Finance/ Treasury**  
**City Payroll Warrant Register**  
Recommendation:  
Approve City Payroll Account Warrant Register No. 764 for the period of January 1 through January 31, 2020, which totals \$4,389,718.45 and consists of ratification of direct deposits, checks and taxes totaling \$3,054,709.01 and ratification of checks and electronic fund transfers (EFT) for payroll related disbursements totaling \$1,335,009.44 paid through operating bank account.
- 4. Finance/ Treasury**  
**Operating Account Warrant Register**  
Recommendation:  
Approve Operating Account Warrant Register No. 39, for the period of January 19 through February 1, 2020, which totals \$6,655,484.72 and consists of ratification of electronic payments totaling \$6,366,351.32 and ratification of the issuance of early checks totaling \$289,133.40.
- 5. Fire Department**  
**Fire Department Activity Report**  
Recommendation:  
Receive and file the December 2019 Report.
- 6. Police Department**  
**Police Department Activity Report**  
Recommendation:  
Receive and file the December 2019 Reports.

## **NEW BUSINESS**

### **7. Public Utilities**

#### **Construction Contract with Best Drilling and Pump, Inc. for the Well No. 17 Rehabilitation Project**

Recommendation:

- A. Find that the proposed action is categorically exempt from California Environmental Quality Act (CEQA) review, in accordance with CEQA Guidelines §15301, because the project consists of the maintenance, repair or minor alteration of existing facilities and involves negligible or no expansion of an existing use;
- B. Accept the bid from Best Drilling and Pump, Inc. as the lowest responsive and responsible bidder and reject all other bids;
- C. Approve and authorize the City Administrator to execute a Construction Contract with Best Drilling and Pump, Inc., in substantially the same form as submitted, in an amount not to exceed \$552,929.00 for the Well No. 17 Rehabilitation Project; and
- D. Authorize a contingency amount of \$47,000.00 in the event of unforeseen changes in the project and grant authority to the City Administrator to issue Change Orders for an amount up to the contingency amount, if necessary. At approximately 8.5% of the total contract value, the contingency amount requested is typical for this type and size of project.

Public Utilities General Manager Alemu presented the staff report.

In response to Council questions, City Administrator Fandino stated Well 17 was located at Downey and Vernon.

## **MOTION**

Council Member Menke moved and Mayor Pro Tem Lopez seconded a motion to: A. Find that the proposed action is categorically exempt from California Environmental Quality Act (CEQA) review, in accordance with CEQA Guidelines §15301, because the project consists of the maintenance, repair or minor alteration of existing facilities and involves negligible or no expansion of an existing use; B. Accept the bid from Best Drilling and Pump, Inc. as the lowest responsive and responsible bidder and reject all other bids; C. Approve and authorize the City Administrator to execute a Construction Contract with Best Drilling and Pump, Inc., in substantially the same form as submitted, in an amount not to exceed \$552,929.00 for the Well No. 17 Rehabilitation Project; and D. Authorize a contingency amount of \$47,000.00 in the event of unforeseen changes in the project and grant authority to the City Administrator to issue Change Orders for an amount up to the contingency amount, if necessary. At approximately 8.5% of the total contract value, the contingency amount requested is typical for this type and size of project. The question was called and the motion carried unanimously.

### **8. Finance/ Treasury**

#### **2020 Electric System Revenue Bonds**

Recommendation:

- A. Find that approval of the resolution to issue 2020 Electric System Revenue Bonds is exempt under the California Environmental Quality Act (CEQA) in accordance with

Sections 15060(c)(3), 15378(b)(4), and 15378(b)(5) because the activity approved by the Resolution relating to the refinancing or funding of previously-approved projects will not result in direct or indirect physical changes in the environment and, therefore, is not a "project," as defined in Section 15378 of the CEQA Guidelines; and

B. Adopt a resolution for the issuance of 2020 Electric System Revenue Taxable Series A Bonds in the par amount of approximately \$190 million to provide funds to (a) refund a portion of the City's outstanding 2009 Series A, 2012 Series B and 2015 Series A Electric System Revenue Bonds (b) finance costs of certain capital improvements for the electric system (c) fund a deposit to the Debt Service Reserve Fund, and (d) pay cost of issuance of the 2020 Series Bonds. The resolution provides for flexibility to accommodate interest rate fluctuations that would impact market conditions.

Finance Director Williams presented the staff report.

In response to Council questions, Finance Director Williams explained that the bond proceeds would cover the cost of refinancing. Jeffrey Higgins, BLX Group, explained the tax exempt status and refinancing of the tax exempt bonds. A discussion ensued between Council and staff regarding tax prepaid transactions, tax analysis, financing, intended use of the new money, and the bond transactions saving levels.

## **MOTION**

Council Member Davis moved and Council Member Menke seconded a motion to: A. Find that approval of the resolution to issue 2020 Electric System Revenue Bonds is exempt under the California Environmental Quality Act (CEQA) in accordance with Sections 15060(c)(3), 15378(b)(4), and 15378(b)(5) because the activity approved by the Resolution relating to the refinancing or funding of previously-approved projects will not result in direct or indirect physical changes in the environment and, therefore, is not a "project," as defined in Section 15378 of the CEQA Guidelines; and B. Adopt a resolution for the issuance of 2020 Electric System Revenue Taxable Series A Bonds in the par amount of approximately \$190 million to provide funds to (a) refund a portion of the City's outstanding 2009 Series A, 2012 Series B and 2015 Series A Electric System Revenue Bonds (b) finance costs of certain capital improvements for the electric system (c) fund a deposit to the Debt Service Reserve Fund, and (d) pay cost of issuance of the 2020 Series Bonds. The resolution provides for flexibility to accommodate interest rate fluctuations that would impact market conditions. The question was called and the motion carried unanimously.

## **9. Finance/ Treasury 2020 Water System Revenue Bonds**

Recommendation:

A. Find that approval of the resolution to issue 2020 Water System Revenue Bonds is exempt under the California Environmental Quality Act (CEQA) in accordance with Sections 15060(c)(3), 15378(b)(4), and 15378(b)(5) because the activity approved by the Resolution relating to the refinancing or funding of previously-approved projects will not result in direct or indirect physical changes in the environment and, therefore, is not a "project," as defined in Section 15378 of the CEQA Guidelines; and

B. Adopt a resolution for the issuance of 2020 Water System Revenue Tax Exempt Series A Bonds in the par amount of \$15 million to provide funds to (a) finance costs of certain capital improvements for the water system (b) fund a deposit to the Debt Service Reserve Fund, and (c) pay cost of issuance of the 2020 Series Bonds. The resolution provides for flexibility to accommodate interest rate fluctuations that would impact market conditions.

Finance Director Williams presented the staff report.

#### **MOTION**

Council Member Menke moved and Mayor Pro Tem Lopez seconded a motion to: A. Find that approval of the resolution to issue 2020 Water System Revenue Bonds is exempt under the California Environmental Quality Act (CEQA) in accordance with Sections 15060(c)(3), 15378(b)(4), and 15378(b)(5) because the activity approved by the Resolution relating to the refinancing or funding of previously-approved projects will not result in direct or indirect physical changes in the environment and, therefore, is not a "project," as defined in Section 15378 of the CEQA Guidelines; and B. Adopt a resolution for the issuance of 2020 Water System Revenue Tax Exempt Series A Bonds in the par amount of \$15 million to provide funds to (a) finance costs of certain capital improvements for the water system (b) fund a deposit to the Debt Service Reserve Fund, and (c) pay cost of issuance of the 2020 Series Bonds. The resolution provides for flexibility to accommodate interest rate fluctuations that would impact market conditions. The question was called and the motion carried unanimously.

#### **10. City Administration**

##### **Legislation to Address Use of Public Moneys to Compensate Non-employees for Business Recruitment**

Recommendation:

A. Find that the proposed action is exempt from California Environmental Quality Act (CEQA) review, because it is an administrative activity that will not result in direct or indirect physical changes in the environment, and therefore does not constitute a "project" as defined by CEQA Guidelines §15378; and

B. Authorize City staff to pursue the development of state legislation that prohibits the use of public moneys to compensate consultants or non-employees for activities related to the recruitment of private companies to relocate any portion of their business from one city or county to another pursuant to any form of sales tax sharing agreement.

City Administrator Fandino presented the staff report.

In response to Council questions, City Attorney Patel discussed the Fair Political Practices Commission (FPPC) opinion for the City of Long Beach regarding a consultant benefiting from sales tax revenue.

#### **MOTION**

Council Member Davis moved and Council Member Menke seconded a motion to: A. Find that the proposed action is exempt from California Environmental Quality Act (CEQA) review, because it is an administrative activity that will not result in direct or indirect

physical changes in the environment, and therefore does not constitute a “project” as defined by CEQA Guidelines §15378; and B. Authorize City staff to pursue the development of state legislation that prohibits the use of public moneys to compensate consultants or non-employees for activities related to the recruitment of private companies to relocate any portion of their business from one city or county to another pursuant to any form of sales tax sharing agreement. The question was called and the motion carried unanimously.

## **ORAL REPORTS**

### **City Administrator Reports on Activities and Other Announcements**

City Administrator Fandino reported on recent Vernon Police Department and Public Utilities incidents and updating the City’s retention schedules. He announced the write-in period for the April 14, 2020 General Municipal Election. He discussed the proposed fee schedule and invited the community to a public workshop on March 10 and a special Business and Industry Commission meeting on March 17, 2020. He announced the launch of the YMCA program available to Vernon residents. He stated the City would honor Kobe Bryant by projecting on the elevated tank. He announced the Spring Egg-Stravangaza on March 26, 2020.

### **City Council Reports on Activities (including AB1234), Announcements, or Directives to Staff.**

None.

## **RECESS**

Mayor Ybarra recessed the meeting to Closed Session at 9:43 a.m.

## **CLOSED SESSION**

### **11. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (4 cases)** Government Code Section 54956.9(d)(1)

Bicent (California) Malburg LLC et al. v. City of Vernon et al.,  
Los Angeles Superior Court Case No. 19STCV08859 and JAMS Reference No.  
1100107175

City of Vernon v. Bicent (California) Malburg LLC  
Los Angeles Superior Court Case No. 19STCP02411 and JAMS Reference No.  
1220062657

Vernon Professional Firefighters Association v. City of Vernon  
Public Employment Relations Board (PERB) Unfair Practice Charge No. LA-CE-1423-M  
Signal Hill vs. Central Basin Municipal Water District

Los Angeles Superior Court Case No. 19STCP03882

**12. CONFERENCE WITH LABOR NEGOTIATORS**

Government Code Section 54957.6

Agency Designated Representative: Carlos Fandino, City Administrator

Employee Organizations:

Vernon Professional Firefighters Association, and

Vernon Fire Management Association

**13. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Significant Exposure to Litigation

Government Code Section 54956.9(d)(2)

Number of potential cases: 1

Facts and Circumstances: Pursuant to Government Code Section 54956.9(e)(3), the City has received written communication threatening litigation on behalf of the Vernon Fire Management Association, which communication is made available for public inspection pursuant to Section 54957.5.

**RECONVENE**

At 10:04 a.m., Mayor Ybarra adjourned Closed Session and reconvened the regular meeting.

City Attorney Patel reported that City Council met in closed session and there was no reportable action.

**ADJOURNMENT**

Mayor Ybarra adjourned the meeting at 10:04 a.m.

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MELISSA YBARRA, Mayor

ATTEST:

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LISA POPE, City Clerk  
(seal)