

**MINUTES
VERNON CITY COUNCIL
REGULAR MEETING
TUESDAY, JUNE 16, 2020
COUNCIL CHAMBER, 4305 SANTA FE AVENUE**

CALL TO ORDER

Mayor Lopez called the meeting to order at 9:03 a.m.

FLAG SALUTE

Council Member Menke led the Flag Salute.

ROLL CALL

PRESENT: Leticia Lopez, Mayor (via remote access)
Melissa Ybarra, Mayor Pro Tem
William Davis, Council Member
Carol Menke, Council Member
Diana Gonzales, Council Member

STAFF PRESENT:

Carlos Fandino, City Administrator
Arnold Alvarez-Glasman, Interim City Attorney
Norma Copado, Interim Assistant City Attorney
Lisa Pope, City Clerk
Scott Williams, Finance Director
Jim Enriquez, Interim Fire Chief
Abraham Alemu, Public Utilities General Manager
Fredrick Agyin, Health and Environmental Control Director
Michael Earl, Human Resources Director
Anthony Miranda, Police Chief
Dan Wall, Public Works Director
Diana Figueroa, Administrative Analyst

APPROVAL OF THE AGENDA

MOTION

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

PUBLIC COMMENT

None.

CONSENT CALENDAR

Council Member Menke pulled Item Nos. 8, 9 and 12.

MOTION

Council Member Davis moved and Mayor Pro Tem Ybarra seconded a motion to approve the Consent Calendar, with the exception of Item Nos. 8, 9 and 12. The question was called and the motion carried unanimously.

The Consent Calendar consisted of the following items:

1. **Approval of Minutes**
Recommendation: Approve the June 2, 2020 Regular and June 8, 2020 Special City Council meeting minutes.
2. **Claims Against the City**
Recommendation: Receive and file the claims submitted by: 1) Vernon Co, LLC., in an undetermined dollar amount; and 2) Marina Quiroz in the amount of \$3,023.77.
3. **City Payroll Warrant Register**
Recommendation: Approve City Payroll Warrant Register No. 768, for the period of May 1 through May 31, 2020, which totals \$2,889,731.37 and consists of ratification of direct deposits, checks and taxes totaling \$1,853,582.53 and ratification of checks and electronic fund transfers (EFT) for payroll related disbursements totaling \$1,036,148.84 paid through operating bank account.
4. **Federal Funds for Street Improvements Account Warrant Register**
Recommendation: Approve Federal Funds for Street Improvements Account Warrant Register No. 33, for the period of May 17 through May 30, 2020, consisting of ratification of electronic payments totaling \$43,066.78.
5. **Operating Account Warrant Register**
Recommendation: Approve Operating Account Warrant Register No. 47, for the period of May 17 through May 30, 2020, which totals \$8,804,615.16 and consists of ratification of electronic payments totaling \$8,329,337.94, ratification of the issuance of early checks totaling \$475,277.22, and voided Check Nos. 605584 and 605585 totaling \$40,000.00.
6. **Fire Department Activity Report**
Recommendation: Receive and file the April 2020 Report.
7. **Police Department Activity Report**
Recommendation: Receive and file the April 2020 Report.
10. **Services Agreement with Jacobs Engineering Group, Inc. for Environmental Compliance Services**
Recommendation: Approve and authorize the City Administrator to execute the Services Agreement with Jacobs Engineering Group, Inc. for environmental support services, in substantially the same form as submitted, for a total amount not-to-exceed \$339,913 over the three-year term of the agreement, effective July 1, 2020.
11. **Amendment No. 1 to the Services Agreement with Pacific Advanced Civil Engineering, Inc. for Design Services for Equipment and Site Improvements for Well No. 22**
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; and B) Approve and authorize the City Administrator to execute Amendment No. 1 to the Services Agreement with Pacific Advanced Civil Engineering, Inc. (PACE) in substantially the same form as submitted, for a not-to-exceed amount of \$97,985.00, effective June 16, 2020, for additional design work associated with the Well No. 22 project.

13. Property and Casualty Insurance Placements for Fiscal Year 2020-21

Recommendation: Approve procurement of annual insurance coverage for fiscal year 2020-21 for total annual premiums not to exceed \$1,216,866.

The following items were pulled from the Consent Calendar for individual consideration:

8. Annual Statement of Investment Policy for Fiscal Year 2020-2021

Recommendation: Adopt Resolution No. 2020-21 approving the Annual Statement of Investment Policy for Fiscal Year 2020-2021 and delegating investment authority to the Director of Finance/City Treasurer.

In response to Council Member Menke, Finance Director Williams explained regulations and best practices regarding investments.

MOTION

Mayor Pro Tem Ybarra moved and Council Member Gonzales seconded a motion to approve procurement of annual insurance coverage for fiscal year 2020-21 for total annual premiums not to exceed \$1,216,866. The question was called and the motion carried unanimously.

9. Services Agreements for Natural Gas Support Services

Recommendation: Approve and authorize the City Administrator to execute Service Agreements for Natural Gas Support Services for a grand total amount not-to-exceed \$610,000 over the three-year term of the agreements, effective July 1, 2020 with: 1) NewGen Strategies & Solutions (NewGen) for Natural Gas Financial and Business Support Services, in an amount not-to-exceed \$210,000 over a three-year term of the agreement; and 2) G2 Integrated Solutions (G2-IS) for Natural Gas Compliance Support Services, in an amount not-to-exceed \$400,000 over a three-year term of the agreement.

Public Utilities General Manager Alemu presented the staff report.

In response to Council questions, Public Utilities General Manager Alemu confirmed that the two companies would not be performing duplicative services. He explained the proposed rates versus staff recommendation.

MOTION

Mayor Pro Tem Ybarra moved and Council Member Gonzales seconded a motion to defer the item to allow staff to respond to why the award amount was more/less than the bid amount and provide information on the other bidders. The question was called and the motion carried unanimously.

12. Fiscal Year (FY) 2019/2020 Docket III Grants Awarded by Vernon CommUNITY Fund Grant Committee

Recommendation: Receive and file the report, as it is being provided for informational purposes only pursuant to Section 2.167(e) of the Vernon Municipal Code.

Council Member Menke indicated she pulled the item in order to acknowledge the grants.

Mayor Pro Tem Ybarra requested the matter be placed under New Business in the future. Administrative Analyst Figueroa reminded the Council that the grantees usually attended the meeting to accept the grant but due to COVID-19 that was not feasible.

MOTION

Mayor Pro Tem Ybarra moved and Council Member Menke seconded a motion to receive and file the report. The question was called and the motion carried unanimously.

NEW BUSINESS

14. Jaw Bone Canyon Property in Kern County

Recommendation:

A. Find that the proposed action is statutorily exempt from California Environmental Quality Act ("CEQA") review, in accordance with CEQA Guidelines § 15262, because the project only involves feasibility or planning studies for possible future actions which the City has not approved, adopted, or funded; and B. Hold a discussion with Lorelei Oviatt, Kern County's Planning and Natural Resources Director, and provide direction to staff.

City Administrator Fandino presented the staff report.

Lorelei Oviatt, Kern County Planning and Natural Resources Director, provided an overview of the wind generation projects in Kern County, environmental impact reports, limited transmission capacity in California, and limitations due to cultural resources. She discussed the process for a City project on its Kern County property.

In response to Council Member Menke, Ms. Oviatt confirmed the developer investment costs and issues; limited space on transmission lines; and lengthy permitting process. She agreed that time was of the essence but access and capacity were limited.

In response to Mayor Lopez, Ms. Oviatt confirmed issues of bird migration; environmental concern from the Bureau of Land Management; and the need to support renewable energy and oil but not harm endangered species. She stated there was access to the property but the roads would have to be expanded to bear the weight of the turbines. She confirmed that non-moving turbines did not produce money and there was no new, proven technology.

In response to Council Member Menke, Ms. Oviatt confirmed that mitigation was the responsibility of the lead and responsible agency.

Anthony Barkett, President and CEO of Silverado Co., discussed their proposed project for renewable energy.

Marissa Olguin, Chamber of Commerce, discussed the City's efforts to meet requirements for renewable energy. She reminded the Council of the City's reforms, State Auditor's Report of 2011 identifying corruption and requiring a public process through request for proposals (RFPs), fully vetted projects, and the City's integrated resource plan with established energy policy. She suggested establishing policies on how to move forward with the City's energy plan and procurement policies and that any project should be opposed during the COVID-19 pandemic.

MOTION

Council Member Gonzales moved to instruct the City Attorney to negotiate with Silverado Co.

Council Member Gonzales discussed the debt service on the property, indicating the City had spent over \$40 million and would spend another \$72 million. She suggested generating income from the property before the line reached capacity. She recommended the City Attorney bring in Tony Bouza, who had previously met with Council Member Menke and was on the last phone call with the City. She stated renewable power was needed and the City should enter into a power purchase agreement in order to buy power on its own land.

Council Member Menke seconded the motion.

SUBSTITUTE MOTION

Mayor Pro Tem Ybarra moved and Council Member Davis seconded a motion to table the matter.

Mayor Pro Tem Ybarra stated the City was not ready to move forward with a project. She expressed concern that there was not enough information on the proposed Silverado project nor offers from any other developers.

Mayor Lopez stated she was not comfortable supporting any project without knowing the overall cost, technology, necessary testing, \$40 million bond, and need for an RFP process.

Council Member Menke stated the request was simply to start negotiations in order to obtain the information requested.

Mayor Pro Tem Ybarra asked for information on technology, proposed project, and cost. She expressed concern with the uncertainty of COVID-19.

In response to Council Member Menke, Mr. Barkett anticipated their project, after touring the site, would be a combination of solar and wind. He suggested starting with a solar project while testing the wind. He stated the only cost to the City would be entering into a power purchase agreement to buy some form of energy. He reiterated that the City had gone through three, unsuccessful public proposal processes. He stated selling the property would not help the City service its debt and it could not be refinanced. He stated time was of the essence due to limited transmission. Council Member Menke confirmed that it would be no cost to the City and the City would be paid a fair market rental value from the developer. Mr. Barkett confirmed that as correct and indicated they were unable to

determine the rate because the amount of land to be used was not yet determined. He suggested they be allowed to exclusively negotiate with the City Attorney to present the proposal to the Council.

Council Member Menke discussed the sale of the portion of the land, with the payment not used towards paying down the bond debt. She discussed the cost of the property and asked if the Council, in good conscience, could proceed without an RFP. Interim City Attorney Alvarez-Glasman stated the Council had the authority to start negotiations with the developer and also the authority to go out to RFP. He stated the Council could either move forward or not without an RFP. Interim Assistant City Attorney Copado stated it was at the discretion of the Council.

The question was called and the substitute motion carried 3-2, Council Members Menke and Gonzales dissenting, rendering the main motion moot.

15. Ratify Appointment of Health Officer for the City of Vernon

Recommendation: Adopt Resolution No. 2020-22 ratifying the appointment of Laurene Mascola, M.D., MPH as Health Officer for the City of Vernon.

Health and Environmental Control Director Agyin presented the staff report.

In response to Council questions, Health and Environmental Control Director Agyin explained the service agreement, which would transition to a part-time position with open recruitment.

MOTION

Mayor Pro Tem Ybarra moved and Council Member Menke seconded a motion to adopt Resolution No. 2020-22 ratifying the appointment of Laurene Mascola, M.D., MPH as Health Officer for the City of Vernon. The question was called and the motion carried unanimously.

ORAL REPORTS

City Administrator Reports on Activities and other Announcements.

City Administrator Fandino provided an update on recent Police and Fire Department incidents and Public Utility power outages.

Chief Miranda discussed a recent missing person incident and complimentary communications.

Dr. Mascola introduced herself and expressed enthusiasm for working with the City.

City Clerk Pope announced the launch of the City's online public records request software - GovQA.

City Administrator Fandino commended the Council and City for the graduation parade and ongoing community outreach.

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

None.

RECESS

Mayor Lopez recessed the meeting to Closed Session at 10:28 a.m.

CLOSED SESSION

16. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code Section 54957.6

Agency Designated Representative: Carlos Fandino, City Administrator

Employee Organizations: Vernon Police Officers' Benefit Association and Vernon Police Management Association

RECONVENE


At 10:52 a.m., Mayor Lopez adjourned Closed Session and reconvened the regular meeting.

CLOSED SESSION REPORT

Interim City Attorney Alvarez-Glasman reported that the Council met in Closed Session, discussed the item listed on the agenda and took no reportable action.


ADJOURNMENT

Mayor Lopez adjourned the meeting at 10:52 a.m.



LETICIA LOPEZ, Mayor

ATTEST:



LISA POPE, City Clerk
(seal)