



CITY OF AZUSA
MINUTES OF THE SPECIAL JOINT MEETING OF
THE CITY COUNCIL AND AZUSA UTILITY BOARD
TUESDAY, MAY 30, 2017 – 6:00 P.M.

The City Council/Utility Board, of the City of Azusa, met in Special Session at the above date and time in the Azusa Light & Water Conference Room, located at 729 N. Azusa Avenue, Azusa, California.

Mayor/Boardmember Rocha called the meeting to order at 6:00 P.M.

ROLL CALL: Roll call was taken by City Clerk/Secretary Cornejo. Councilmember/Boardmember Alvarez arrived at 6:09 p.m. and Councilmember/Boardmember Carrillo arrived at 6:39 p.m., after roll call.

PRESENT: COUNCILMEMBERS: GONZALES, CARRILLO, MACIAS, ALVAREZ, ROCHA
ABSENT: COUNCILMEMBERS: NONE

The Pledge of Allegiance was led by Mr. Marco Martinez.

ALSO PRESENT

Elected Officials: City Clerk/Secretary Cornejo, City Treasurer Vasquez.

Staff Members: City Manager Butzlaff, City Attorney Martinez, Director of Finance Johnson, Director of Human Resources and Risk Management Director Bragg, Director of Public Works/City Engineer Bobadilla, Director of Economic and Community Services Christiansen, Director of Utilities Morrow, Chief of Police Hunt, Director of Information Technology and Library Services Graf, Director of Recreation and Family Services Jacobs, Police Captain Fleming, Assistant Director of Finance Honis, Utilities Administrative and Financial Services Manager Tran, Utilities Communications and Environmental Program Specialist Sagun, Assistant Director-Water Operations Macias, Assistant Director of Customer Care and Solutions Kalscheuer, Budget Analyst Lam, Utility Programs Specialist Reid, Storekeeper Alvarez, Management Analyst Lacasella, and Chief Deputy City Clerk Garcia.

PUBLIC COMMENT

Mr. Jorge V. Rosales stated that he would be submitting numerous questions regarding the budget to the City Manager and Council.

Ms. Ronetta Ellington addressed the parking issues on 9th Street, Rosedale Avenue, and East Promenade requesting that the Council take the residents into consideration during the discussion about parking restrictions in the area.

Ms. Irma Sitler addressed the parking issues near the APU/Citrus College Gold Line Station stating that she would like a permit parking program implemented.

THE AZUSA UTILITY BOARD WAS RECESSED.

DISCUSSION OF PARKING OPTIONS NEAR THE APU/CITRUS COLLEGE GOLD LINE STATION.

Director of Public Works/City Engineer Bobadilla and Police Captain Fleming gave a presentation regarding the impacts of the APU/Citrus College Gold Line Station on the Rosedale Community in the area bounded by The Promenade, Ninth Street, Rosedale Avenue, and Azusa Veterans Way. An overview of the parking analysis that was conducted by the Engineering Division and Police Department was provided.

Discussion ensued regarding the three options recommended by Staff.

The Council directed Staff to proceed with Option 3, Staff will bring the item back to Council along with cost estimates to implement a modified permit parking program for specified areas and will meet with Metro to discuss other alternatives.

FISCAL YEAR 2017/18 CITY, AZUSA PUBLIC FINANCING AUTHORITY, AND SUCCESSOR AGENCY PRELIMINARY OPERATING AND CAPITAL IMPROVEMENT PLAN BUDGET REVIEW.

Director of Finance Johnson explained the budget process and discussed economic trends; provided an overview of the Proposed Fiscal Year 2017/18 General Fund Budget stating that the budget was balanced with a projected change in fund balance of \$1.4 million, which included one-time revenues of \$2.8 million; one-time operating expenditures of

\$1.2 million; the exclusion of the one-time revenues and expenditures would result in a \$189,905 budget deficit; a projected 5.2% growth in property tax revenues; and a 3% decrease in sales tax revenues.

The proposed general fund budget included the following: attrition/vacant position savings (-\$331,905); personnel changes recommended by the Class and Compensation study (\$325,020); an increase for part-time positions due to the minimum wage increase (\$37,000); a mandated Los Angeles County Fire contract increase of 7.0% (\$328,568); an increase in CalPERS costs due to re-structuring of funding unfunded liabilities (\$250,665); and an increase to the uncommitted reserve fund balance by the end of FY 2017/18 (\$9.5 million), which included one-time revenues and expenditures.

The five year forecast projected a \$1.4 million increase, which includes significant one-time revenues, to the uncommitted reserve fund balance by the end of FY 2017/18; elimination of \$1.2 million annual outlay for the Pension Obligation Bond in FY 2018/19; and a greater impact from the PERS restructuring in FY 2019/20 and beyond. A Budget Sustainability and Efficiency Committee comprised of one member from each City department and one member from each bargaining unit has been formed to look for ways reduce the General Fund Budget by 3% prior to FY 2020/21.

An overview of the FY 2017/18 reserve analysis included a projected reserve balance of \$9,484,184 which is 23.2% reserve level.

Property and sales tax revenues made up approximately 39% of the general fund's overall revenue; revenues are projected to increase by 4.1% to \$1.6 million. General fund expenditures are projected to increase by 7.4% to approximately \$41 million; excluding one-time expenditures, the increase is projected to be 4.3%.

A summary of the General fund ongoing service changes was provided. Discussion ensued regarding the cost of the fire services and tree trimming contracts.

The proposed 2017/18 general fund budget was \$153,377,414 and summarized as follows:

General Fund - \$40,806,519; Internal Services Fund - \$13,019,048; Special Revenue Fund - \$20,841,886; Debt Service Fund - \$6,564,555; Enterprise Fund - \$66,578,536; Capital Projects Fund - \$108,450; and Successor Agency Fund \$5,458,420.

There was a proposed increase of 4.30 full-time employees which would result in an approximate \$325,020 impact to the general fund. A summary of full-time positions was provided to the Council.

An overview of the Citywide Capital Improvement Program ("CIP") was provided; the proposed Five-Year Capital Improvement Program budget was \$85,661,347 with \$46,865,737 funded from non-general fund sources and an additional \$38,795,640 remained unfunded; \$8,613,017 was carried over from FY 2016/17.

Director of Human Resources and Risk Management Bragg presented the Human Resources/Risk Management Budget which included \$1,670,205 for the ICRMA special assessment and \$309,179 for insurance premiums; the implementation of a city-wide Staff Development Program; and an increase in recruitment cost for Safety and Civilian Personnel.

Director of Information Technology and Library Services Graf presented the Library Budget which included \$4,140 for the reclassification of a full-time Senior Office Specialist to a Senior Admin Assistant and a part-time Administrative Assistant to a Community Resource Specialist; expansion of adult programming; \$195,000 for the public restroom remodel; and \$10,000 for the community room renovation. The Information Technology Budget included \$1,500 for a mobile device management system; \$34,000 for Laserfische lease payments; and \$5,550 for an upgrade to the GIS server.

In response to a question posed by the Council, Director of Information Technology and Library Services Graf stated that the Library's Youth Services position has not been eliminated; Staff had an unsuccessful recruitment as there were no candidates that met their qualifications.

City Manager Butzlaff presented the Administration Budget which included \$14,065 for a salary increase for the Executive Assistant to the City Manager position and a reclassification of the Management Analyst to a Senior Management Analyst as per the Class and Compensation Study.

Chief Deputy City Clerk Garcia presented the Operating/Capital Outlay and CIP portion of the Administrative Budget which included \$10,000 for a Records Management System in the City Clerk's Office and \$80,000 for the City Council digital voting system and auditorium upgrades.

In response to questions posed by the Council, Chief Deputy City Clerk Garcia provided a description of what a digital voting system entails; stated that PEG Funds would be used to fund it; and also described the proposed auditorium upgrades.

Chief of Police Hunt presented the Public Safety budget which included \$105,005 for the reclassification of an Office Specialist I to and Admin Assistant, Unfreeze & Reclassify one full-time Police Officer to two part-time reserve officers, and the addition of two new part-time Records Specialists I; \$32,260 for the cleaning of the HVAC ducts; \$44,062 for the lease of four vehicles; \$328,568 to account for the 7% increase in the Fire Safety contract; \$43,505 increase in the P.D. IT budget; and \$29,600 for a Microwave Communications System to create a backup system for police vehicle Wi-Fi.

In response to a question posed by the Council, Chief of Police Hunt stated that the Police Department plans to replace up to four patrol vehicles per year in order to maintain safety requirements.

Director of Economic and Community Development Christiansen presented the Economic and Community Development Budget which included \$79,985 for the addition of a new Planning Technician position; \$30,00 for the Transit II Property Management Service; and \$25,000 to conduct a sign placement study for the Way Finding project.

In response to questions posed by the Council, Director of Economic and Community Development Christiansen stated that the placement of freeway signage to indicate lodging is done through CalTrans; provided an update on the Block 36 project; and Staff is looking to join Metro's Way Finding project in order to save costs.

Discussion ensued regarding the cost of the Way Finding project and estimate of signage costs.

Director of Recreation and Family Services Jacobs presented the Recreation and Family Services Department Budget which included the \$12,345 for the reclassification of two Senior Office Specialists to Senior Administrative Assistants, reclassification of two part-time Sr. Recreation Leaders to part-time Recreation Coordinators, and the addition of a new full-time Assistant Director of Recreation and Family Services; \$10,000 for carpet replacement at the Senior Center; \$20,000 for dining room paint at the Senior Center; \$21,375 for the purchase of a scissor lift (shared with Public Works); \$30,000 to install outdoor equipment replacement at Sierra Madre Park; and \$18,000 for a pool filter replacement or recreation equipment & refurbishment.

In response to questions posed by the Council, Director of Recreation and Family Services Jacobs stated that the \$116,425 request for the Assistant Director of Recreation and Family Services position is for a period of 9 months, the cost for a full year would be approximately \$125,000; the addition of the new position is part of a succession plan for the retirement of the Director of Recreation and Family Services.

Discussion ensued regarding the creation of an Assistant Director position, recruitment of a Director of Recreation and Family Services; the creation/printing of an activity newsletter; and succession planning for the City.

Public Works Director/City Engineer Bobadilla presented the Public Works Budget which included \$115,565 of various Measure, Prop and Gax Tax funds for the reclassification of the Assistant Director of Public Works to Public Works Manager, reclassification of the Street Maintenance Worker II to the Street maintenance Crew Supervisor, reclassification of two part-time bus drivers to full-time bus driver, the creation of a new full-time Transportation Dispatcher position, and the reclassification of one part-time Street Maintenance Worker I and two part-time Assistant Street Maintenance Worker I to a Street Maintenance Worker I; \$63,700 of AQMD funds for the purchase of an F-350 lift gate truck to replace two 1998 trucks; \$16,313 of TDA funds for 6 flashing stop signs; \$5,845,820 for a city wide Traffic Management System; \$34,600,000 for pavement management; \$5,126,680 for facility improvements; and \$10,000 for the Ivy-It Graffiti Deterrent Pilot Project.

In response to questions posed by the Council, Public Works Director/City Engineer Bobadilla stated that the two part-time bus driver positions are vacant and would be converted to one full-time bus driver; the Department is currently short two Street Maintenance Workers but would fill the positions once additional Gas Tax funds are received; described the process of Measure M fund distribution; gave an update on locating an organization to provide the services that were provided by LA Works; provided an overview of how pavement management funds are allocated; provided an update on the reconfiguration of the intersection of Foothill Boulevard and Alosta Avenue; and provided an update on bus stop improvements.

Discussion ensued regarding the Ivy-It Graffiti Deterrent Pilot Project, Graffiti Budget, increased graffiti in the City, and graffiti enforcement.

Director of Utilities Morrow presented the Light & Water Department Budget which included \$45,540 for the reclassification of a Utilities Systems Analyst to a new Utility Financial/Accounting Analyst, reclassification of two part-time Cashier's to a new full-time Cashier and the reclassification of an Office Specialist to a Water Education Specialist; a \$6.6 million reduction in New Power Supply costs; completion of the Electric "Cost of Service" Rate Study; Phase I of the City Facilities Electric/Water/Solar Audit; security enhancements at all Azusa Light & Water locations; \$1,280,000 for the Utility Modernization Project (AMI); \$370,000 for the customer service lobby remodel; \$88,000 to upgrade the outdoor LED message display sign; \$115,000 for the LED street lights fixture retrofit - Foothill & Alosta; and \$165,000 for the San Gabriel Valley Municipal Water District direct connection to the water treatment plant.

In response to a question posed by the Council, Director of Utilities Morrow stated that Staff was expecting a minimal impact to staffing once the AMI project began, more information would be provided when the contract is brought to the Utility Board for approval.

Director of Finance Johnson concluded the presentation stating that the proposed budgets were balanced with no proposed cuts in services; the uncommitted reserve fund balance is expected to increase to \$9.5 million by the end of FY 2017/18, inclusive of one-time revenues and expenditures.

THE CITY COUNCIL RECESSED FOR BREAK AT 8:50 P.M. AND RECONVENED AT 9:05 P.M.

THE AZUSA UTILITY BOARD RECONVENED AND THE CITY COUNCIL RECESSED.

POSSIBLE REVISIONS TO WATER RULE 21 TITLED “WATER CONSERVATION”.

Director of Utilities Morrow presented the item stating that it was a continuation item from the May 22, 2017 Utility Board Meeting; Azusa Light & Water’s Rule 21 limits lawn watering to two days per week; Staff recommended amending Water Rule 21 to allow for lawn watering three days per week in the summer and two days per week in the winter.

In response to questions posed by the Council, Director of Utilities Morrow stated that option 1 allowed for three undesignated days per week but it would be difficult to know if a customer is watering more than that and once the automated meters are in place, Staff would have the ability to monitor water usage on a daily basis; option 2 would make enforcement easier.

Discussion ensued regarding the proposed options and enforcement; option 2 was selected.

Boardmember Carrillo offered Resolution No. UB-06-2017B entitled:

A RESOLUTION OF THE UTILITY BOARD/CITY COUNCIL OF THE CITY OF AZUSA, CALIFORNIA, TO AMEND WATER RULE NO. 21, WATER CONSERVATION

Moved by Boardmember Carrillo, seconded by Boardmember Rocha and carried by unanimous vote of the Board to adopt Resolution No. UB-06-2017B amending Water Rule No. 21 to restrict lawn/turf watering to 3 designated days per week in summer months and 2 designated days per week in winter months, and make various other minor rule changes.

AYES: BOARDMEMBERS: GONZALES, CARRILLO, MACIAS, ALVAREZ, ROCHA
NOES: BOARDMEMBERS: NONE

THE UTILITY BOARD ADJOURNED AT 9:23 P.M. AND THE CITY COUNCIL RECONVENED.

CLOSED SESSION

The City Council recessed to closed session at 9:23 P.M. to discuss the following:

CONFERENCE WITH LEGAL COUNCIL – SIGNIFICANT EXPOSURE TO LITIGATION – Pursuant to California Government Code Section 54956.9(d)(2)(e)(1).

One potential case.

CLOSED SESSION REPORT

City Attorney Martinez announced that there was no reportable action.

ADJOURNMENT OF CITY COUNCIL AND UTILITY BOARD

The meeting was adjourned by consensus of the City Council.

TIME OF ADJOURNMENT: 10:20 P.M.



CITY CLERK