

**MINUTES
MONTEREY PARK CITY COUNCIL
SUCCESSOR AGENCY (SA)
REGULAR MEETING
JULY 2, 2014**

The City Council of the City of Monterey Park held a Regular Meeting of the Council in the Council Chamber, located at 320 West Newmark Avenue in the City of Monterey Park, Wednesday, July 2, 2014 at 7:00 p.m.

The minutes include items considered by the City Council acting on behalf of the Successor Agency of the former Monterey Park Redevelopment Agency, which dissolved February 1, 2012. Successor Agency matters will include the notation of "SA" next to the Agenda Item Number.

CALL TO ORDER:

Mayor Wong called the meeting to order at 7:00 p.m.

FLAG SALUTE:

The Monterey Park Fire Explorers led the flag salute.

ROLL CALL:

City Clerk Chang called the roll:

Council Members Present: Real Sebastian, Ing, Chan, Liang, Wong

Council Members Absent: None

ALSO PRESENT: City Manager Talbot, City Attorney Hensley, City Treasurer Leon, Public Works Director/Assistant City Manager Bow, Police Chief Smith, Human Resources Director Cody, Community and Economic Development Director Huntley, Management Services Director Thai, Recreation and Community Services Director Costley, City Librarian Arvizu, Controller Yaung, Support Services Manager Shay

AGENDA ADDITIONS, DELETIONS, CHANGES AND ADOPTIONS

Discussion: City Manager Talbot reported corrections to Agenda Item No. 3C stating that the City Council is approving the minutes for the regular meeting of May 21, 2014 and June 4, 2014 and the special meeting of May 27, 2014 and the adjourned special meeting of May 28, 2014.

1. PRESENTATIONS:

None.

ORAL AND WRITTEN COMMUNICATIONS

- Rita Miller invited the residents to attend the city's Annual National Night Out on August 5, 2014 from 6:00 p.m. – 8:00 p.m. at City Hall and stated that refreshments and hot dogs will be served by the Monterey Park Police Department.

MISSION STATEMENT

The mission of the City of Monterey Park is to provide excellent services to enhance the quality of life for our entire community.

- Delario Robinson spoke of his concerns on comments expressed by public speakers at the last council meeting and thanked Public Works Director Bow and the city staff for their continued hard work and dedication to the residents and community. He also recommended the city invest in new media equipment to improve the visual quality of reports for the visually impaired and encourage city transparency.

2. SUCCESSOR AGENCY TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY (SA) CONSENT CALENDAR ITEM NOS. 2A - 2B

Matters listed under consent calendar are considered to be routine, ongoing business and are enacted by one motion unless specified.

Action Taken: The City Council acting on behalf of the Successor Agency of the former Monterey Park Redevelopment Agency approved and adopted Item Nos. 2A - 2B and reading resolutions and ordinances by title only and waiving further reading thereof.

Motion: Moved by Council Member Chan and seconded by Council Member Real Sebastian, motion carried by the following vote:

Ayes: Council Members: Real Sebastian, Ing, Chan, Liang, Wong
Noes: Council Members: None
Absent: Council Members: None
Abstain: Council Members: None

2A.WARRANT REGISTER FOR SUCCESSOR AGENCY TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF JULY 2, 2014

It is required that the City Council (acting on behalf of the Successor Agency) approve all disbursements.

Action Taken: The City Council approved the payment of warrants and adopted **Resolution No. SA – 74** of the Successor Agency (SA) to the former Monterey Park Redevelopment Agency allowing certain claims and demands per warrant register dated **July 2, 2014 totaling \$14.97** and specifying the funds out of which the same are to be paid on Consent Calendar.

Resolution No. SA – 74, entitled:

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY (SA) ALLOWING CERTAIN CLAIMS AND DEMANDS PER WARRANT REGISTER DATED **July 2, 2014 totaling \$14.97** AND SPECIFYING THE FUNDS OUT OF WHICH THE SAME ARE TO BE PAID

2B.SUCCESSOR AGENCY MINUTES

Approval of Minutes from the regular meeting of May 21, 2014 and June 4, 2014 of the Successor Agency to the former Monterey Park Redevelopment Agency.

Action Taken: The City Council approved the minutes from the Successor Agency to the former Monterey Park Redevelopment Agency regular meeting of May 21, 2014 and June 4, 2014 on Consent Calendar.

This is the end of Successor Agency (SA) items.

3. CITY OF MONTEREY PARK CONSENT CALENDAR CONSISTS OF ITEM NOS. 3A - 3E

Matters listed under consent calendar are considered to be routine, ongoing business and are enacted by one motion unless specified.

Action Taken: Council Members approved and adopted Item Nos. 3A - 3E except for Item No. 3D which was pulled for separate discussion and Item No. 3E which was pulled and continued to the next regular council meeting of July 16, 2014 and reading resolutions and ordinances by title only and waiving further reading thereof.

Motion: Moved by Council Member Real Sebastian and seconded by Council Member Chan, motion carried by the following vote:

Ayes: Council Members: Real Sebastian, Ing, Chan, Liang, Wong
Noes: Council Members: None
Absent: Council Members: None
Abstain: Council Members: None

3A.WARRANT REGISTER FOR THE CITY OF MONTEREY PARK OF JULY 2, 2014

It is required that the City Council approve all disbursements.

Action Taken: The City Council approved payment of warrants and adopted **Resolution No. 11666** allowing certain claims and demands per Warrant Register dated **July 2, 2014 Totaling \$1,532,554.87** and specifying the funds out of which the same are to be paid on Consent Calendar.

Resolution No. 11666, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK, CALIFORNIA ALLOWING CERTAIN CLAIMS AND DEMANDS PER WARRANT REGISTER DATED **July 2, 2014 Totaling \$1,532,554.87** AND SPECIFYING THE FUNDS OUT OF WHICH THE SAME ARE TO BE PAID

3B.A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK APPOINTING COUNCIL REPRESENTATIVES TO SPECIFIC ORGANIZATIONS

Pursuant to Section VIII of the City Council's Policies and Procedures, the City Council appoints representatives to various regional and community organizations each July. Appointments are recommended by the Mayor and confirmed by the City Council.

Action Taken: The City Council adopted **Resolution No. 11667** appointing representatives to specific organizations on Consent Calendar.

Resolution No. 11667, entitled:

A RESOLUTION ASSIGNING REPRESENTATIVES TO SPECIFIC ORGANIZATIONS IN ACCORDANCE WITH SECTION VIII OF THE CITY COUNCIL POLICIES AND PROCEDURES

3C.MINUTES

Approval of minutes from the regular meeting of May 21, 2014 and June 4, 2014 and the special meetings of May 27, 2014 and the adjourned special meeting of May 28, 2014.

Action Taken: The City Council approved the minutes from the regular meeting of May 21, 2014 and June 4, 2014 and the special meetings of May 27, 2014 and the adjourned special meeting of May 28, 2014 on Consent Calendar.

3D.CONSIDERATION OF PURCHASING EARTHQUAKE INSURANCE COVERAGE FOR THE CITY

Following the La Habra 5.1 earthquake, Human Resources notified the City Council at the City Council Meeting on May 21, 2014 concerning the current status of insurance coverage for the City in the event of a large earthquake affecting Monterey Park Facilities. Subsequently, Council discussed possible earthquake insurance coverage during the 2014-2015 Budget Hearing Process. However the item was continued to a future meeting. If the Council decides to obtain coverage, staff would recommend consideration of \$65,000,000 insurance coverage for proposed key properties (see attachment 1) with a 5% deductible for an annual cost of approximately \$154,000.

This item was pulled for separate discussion.

Action Taken: Human Resources Director Cody informed the council of a staff report correction stating that staff is recommending the council consider a \$25,000,000 insurance coverage for the proposed key properties. The City Council (1) considered purchasing Earthquake Insurance after reviewing the cost to the City during the 2014-2015 Budget Process; (2) authorized the expenditure of \$154,000 and amended the 2014-2015 Budget accordingly and (3) directed staff to include the City Council's amendment to add the Emergency Operations Center (EOC) to the list of covered key properties under the proposed consideration of a \$25,000,000 insurance coverage.

Motion: Moved by Council Member Real Sebastian and seconded by Mayor Pro Tem Liang, motion carried by the following vote:

Ayes:	Council Members:	Real Sebastian, Ing, Chan, Liang, Wong
Noes:	Council Members:	None
Absent:	Council Members:	None
Abstain:	Council Members:	None

3E.PARCEL MAP NO. 72276 (306 N. HUNTINGTON AVENUE) - APPROVAL OF FINAL MAP

The final map has been reviewed by the City's consultant surveyor, Boghossian & Associates, for mathematical accuracy, survey analysis, title information, compliance with the Subdivision Map Act, Conditions of Approval and applicable Monterey Park Municipal Code provisions. As required, new curb, gutter, sidewalk and driveway aprons were constructed in the street right-of-way. All utility services were placed underground, and new trees, parkway landscaping and irrigation system were installed.

This item was pulled for separate discussion only.

Recommendation:

- (1) Adopt a resolution approving Final Parcel Map No. 72276; and
- (2) Take such additional, related, action that may be desirable.

Action Taken: None. This item was continued to the next Regular Council Meeting on Wednesday, July 16, 2014 at 7:00 p.m. on Consent Calendar.

4. PUBLIC HEARING

Mayor Wong opened the public hearing at 7:55 p.m. and closed the public hearing at 7:58 p.m. with no registered speakers.

4A.A PRELIMINARY PUBLIC HEARING TO SOLICIT COMMENTS FOR INCORPORATION INTO THE 2014-2015 ONE YEAR ACTION PLAN

Local governments receiving Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) program funds must prepare a Consolidated Plan every three to five years. The Consolidated Plan identifies needs and resources to achieve federal legislative goals for decent housing; creating a suitable living environments; and expanding economic opportunities for every resident, particularly for extremely low-income and low-income residents. The Consolidated Plan will serve as the federal planning document for those jurisdictions. As required by federal requirements, the City will submit its One Year Annual Action Plan (July 1, 2014 to June 30, 2015) to the U.S. Department of Housing and Urban Development (HUD) by August 16, 2014.

Action Taken: The City Council opened the public hearing, received and filed all public comment and closed the public hearing; (2) directed staff to reflect such comments in 2014-2015 One-Year Action Plan; (3) set the final public hearing for the adoption of the 2014-2015 One Year Action Plan for July 16, 2014 and (4) directed staff to include before and after pictures of the residential rehabilitation at the final public hearing scheduled at the next regular council meeting on July 16, 2014 at 7:00 p.m. for further discussion.

Motion: Moved by Mayor Wong and seconded by Council Member Chan, motion carried by the following vote:

Ayes: Council Members: Real Sebastian, Ing, Chan, Liang, Wong
Noes: Council Members: None
Absent: Council Members: None
Abstain: Council Members: None

The City Council recessed at 8:18 p.m. and reconvened with all council members present at 8:36 p.m.

4B.CONSIDERATION OF ORDINANCES ESTABLISHING PROPOSED WATER, WASTEWATER AND SOLID WASTE RATES AND SETTING THE LIFELINE DISCOUNT RATE

A review of the City's essential utility services - water, wastewater, and solid waste - shows that additional revenue is needed for operations and infrastructure improvements/maintenance. A combination of deferred maintenance, aging facilities, and increased operations costs makes the proposed rate increases necessary to continue providing these utility services. City Management Services and Public Works staff reviewed the existing water, wastewater and solid waste rates. The attached recommended adjustments were made following that review in accordance with the Monterey Park Municipal Code ("MPMC") in order to better recover the City's costs incurred for providing for these services. Below are brief highlights of the recommendation. The revenues generated within five years will support \$26.3 million in water capital improvement programs, \$12.8 million in sewer capital improvement programs and make the trash service cost neutral for the City.

Public Speakers:

- Nancy Arcuri spoke in favor of the proposed rate increases stating that residents' should pay for their personal utility usage the same way we pay our cell phone and gas services.
- Raymond Mauna spoke against the proposed rate increases stating his concerns that the city's presentation and staff report is incomplete and requested the council address the speakers' concerns disclosed at the public hearing held on June 18, 2014.
- Delario Robinson expressed his appreciation and thanked the city staff for their presentation and continued dedication to outreach with the City Council and residents. He also spoke as a 12 year resident stating he currently pays over \$100.00 on his monthly water and wastewater rates to the San Gabriel Valley Municipal Water District and spoke in favor of designating a Citizen's Committee to oversee the capital improvement projects and regulate the developer impact fee.
- Jing Wen Tan spoke against the proposed rate increases stating her concerns that the proposed rates are too high and encouraged the council to reject staff's

recommendation. She also recommended that the council address the residents' concerns and present additional information for further discussion.

- Chris Li spoke against the proposed rate increases stating that staff's recommendations and proposed rates are too high and requested additional information to the proposed capital improvement plan.
- Randy Reyes presented to the City Clerk written communication that was received, distributed and filed. He addressed the council and spoke against the proposed rate increases stating his concerns and recommendations to support the residents' concerns and comments. He encouraged the council to reject staff's recommendations and approve a flat surcharge.
- Andy Islas spoke in opposition of the proposed rate increases stating his concerns that the protest letter was poorly delivered. He recommended that the council outreach to the residents' to address the lack of awareness in the community and to avoid the potential "sticker shock" when the new rate increases are reflected in their September bill.
- Andrew Liu thanked staff for their due diligence to a complicated system stating the city's aging water and sewer infrastructure needs to be fixed and concurs with Public Works Director Bow that the council needs to ensure the maximum rates are set to ensure funding is available to complete any future capital improvement projects. He also spoke of his recommendations that the city find alternative funding sources and give the residents' good faith that the proposed rate increases will "sunset" and revert to the original rates.

EXTENSION OF COUNCIL MEETING

Action Taken: The City Council approved to extend the meeting to 12:00 a.m.

Motion: Moved by Mayor Wong and seconded by Council Member Chan, motion carried by the following vote:

Ayes: Council Members: Real Sebastian, Ing, Chan, Liang, Wong
Noes: Council Members: None
Absent: Council Members: None
Abstain: Council Members: None

The City Council recessed at 11:22 p.m. and reconvened with all council members present at 11:42 p.m.

Action Taken No. 1: The City Council (1) opened the public hearing; (2) received all written and verbal testimony regarding the proposed rate increases; (3) determined that no majority protests exists and introduced and waived the first reading of the **Ordinance** setting the amount of water rates and charges as amended to include the council's recommendation to the "revised Exhibit "A" to the water rates and charges ordinance," (attached): (1) set the cap for the water rates not to exceed 15% annually for the next 5 years commencing on September 1, 2014; (2) the water rates and charges include an

annual rate increase of 15% for the first year commencing on September 1, 2014 and the council hereby suspends the rate increase schedule for Years 2 - 5 from a 15% annual increase to 10% annual increase; (3) the City Council reserves the right to increase the annual rate increase back to 15% annual rate levels for Years 2 - 5; (4) the water rates set forth on September 1, 2019 shall automatically revert back to the rates in existence set forth on August 1, 2017; and (5) the City Council will meet at least 30 days in advance of each annual rate increase to receive a detail presentation from staff identifying expenditures made from the fund for the prior year, discuss the projected expenditures for the next 12 months period, and the council shall review the annual water rates and charges and determine whether to increase or decrease the water rates schedule for the next 12 months during the annual meeting.

Ordinance - 1st Reading, entitled:

AN ORDINANCE SETTING THE AMOUNT OF WATER RATES PURSUANT TO HEALTH AND SAFETY CODE § 5471 AND MONTEREY PARK MUNICIPAL CODE CHAPTER 14.12.

Motion: Moved by Council Member Real Sebastian and seconded by Mayor Pro Tem Liang, motion carried by the following vote:

Ayes: Council Members: Real Sebastian, Chan, Liang, Wong
Noes: Council Members: Ing
Absent: Council Members: None
Abstain: Council Members: None

Action Taken No. 2: The City Council (1) opened the public hearing; (2) received all written and verbal testimony regarding the proposed rate increases; (3) determined that no majority protests exists and introduced and waived the first reading of the **Ordinance** setting the amount of wastewater rates and charges as amended to include the council's recommendation to the "revised Exhibit "A" to the wastewater rates and charges ordinance," (attached): (1) set the cap for the wastewater rates not to exceed 15% annually for the next 5 years commencing on September 1, 2014; (2) the wastewater rates and charges include an annual rate increase of 15% for the first year commencing on September 1, 2014 and the council hereby suspends the rate increase schedule for Years 2 - 5 from a 15% annual increase to 10% annual increase; (3) the City Council reserves the right to increase the annual rate increase back to the 15% annual rate levels for Years 2 - 5; (4) the wastewater rates set forth on September 1, 2019 shall automatically revert back to the rates in existence set forth on August 1, 2017; and (5) the City Council will meet at least 30 days in advance of each annual rate increase to receive a detail presentation from staff identifying expenditures made from the fund for the prior year, discuss the projected expenditures for the next 12 months period, and the council shall review the annual wastewater rates and charges and determine whether to increase or decrease the wastewater rates schedule for the next 12 months during the annual meeting.

Ordinance - 1st Reading, entitled:

AN ORDINANCE SETTING THE AMOUNT OF WASTEWATER RATES PURSUANT TO HEALTH AND SAFETY CODE § 5471

Motion: Moved by Council Member Real Sebastian and seconded by Mayor Pro Tem Liang, motion carried by the following vote:

Ayes: Council Members: Real Sebastian, Chan, Liang, Wong
Noes: Council Members: Ing
Absent: Council Members: None
Abstain: Council Members: None

Action Taken No. 3: The City Council (1) opened the public hearing; (2) received all written and verbal testimony regarding the proposed rate increases; and (3) determined that no majority protests exists and introduced and waived the first reading of the **Ordinance** setting the amount of solid waste rates and charges.

Ordinance - 1st Reading, entitled:

AN ORDINANCE SETTING THE AMOUNT OF SOLID RATES PURSUANT TO HEALTH AND SAFETY CODE § 5471

Motion: Moved by Council Member Real Sebastian and seconded by Mayor Pro Tem Liang, motion carried by the following vote:

Ayes: Council Members: Real Sebastian, Chan, Liang, Wong
Noes: Council Members: Ing
Absent: Council Members: None
Abstain: Council Members: None

Action Taken No. 4: The City Council adopted **Resolution No. 11668** setting the discount rate for the lifeline rate established by Monterey Park Municipal Code § 14.12.185.

Resolution No. 11668, entitled:

A RESOLUTION SETTING THE DISCOUNT RATE FOR THE LIFELINE RATE ESTABLISHED BY MONTEREY PARK MUNICIPAL CODE § 14.12.185

Motion: Moved by Council Member Chan and seconded by Council Member Real Sebastian, motion carried by the following vote:

Ayes: Council Members: Real Sebastian, Chan, Liang, Wong
Noes: Council Members: Ing
Absent: Council Members: None
Abstain: Council Members: None

5. UNFINISHED BUSINESS

None.

6. NEW BUSINESS

None.

7. COUNCIL COMMUNICATIONS AND MAYOR/COUNCIL AND AGENCY MATTERS

Council communications and committee reports from Council Representatives of specific organizations.

The City Council wished the residents' a Happy 4th of July and to have a safe and sane Independence Day. The council invited the residents' to attend the city's Annual 4th of July Fireworks Spectacular and Celebration at Barnes Park. Food and entertainment will be available starting at 3:00 p.m. and the fireworks show starting at 9:00 p.m. Council Member Real Sebastian informed the residents' the City of Alhambra will be celebrating "710 Day" on July 10, 2014 to support closing the 710 freeway from 4:00 p.m. - 7:00 p.m. and invited the residents' to attend the city's "National Night Out" event on Tuesday, August 5, 2014 from 6:00 p.m. - 8:00 p.m. at City Hall.

8. CLOSED SESSION

None.

ADJOURNMENT

There being no further business for consideration, the meeting was adjourned at 12:00 a.m. in honor of Mr. Jose Martin Becerra, a long-time resident celebrating his 102nd birthday today.



Vincent D. Chang
City Clerk