The Irwindale CITY COUNCIL met in special session at the above time and place.

ROLL CALL: Present: Councilmembers Larry G. Burrola, Manuel R. Garcia, H. Manuel Ortiz; Mayor Pro Tem Albert F. Ambriz; Mayor Mark A. Breceda

Also present: William Tam, City Manager; Fred Galante, City Attorney; Theresa Olivares, Assistant City Manager; Ty Henshaw, Chief of Police; Eva Carreon, Director of Finance; Mary Hull, Human Resources Manager, and Laura Nieto, Chief Deputy City Clerk

SPONTANEOUS COMMUNICATIONS There were no speakers.

NEW BUSINESS

ITEM NO. 1A FISCAL YEAR 2018-2019 BUDGET WORKSHOP (Joint Item)

FISCAL YEAR 2018-2019 BUDGET WORKSHOP

DIRECTOR CARREON Director Carreon provided a PowerPoint presentation outlining the General Fund Budget summary, expenditures, CalPERS unfunded actuarial liability and its recommended payoff plan, general fund reserves, annual impact on the operating budget, personnel requests, capital budget requests, the revised expenditure budget, and short and long term strategies.

COUNCILMEMBER BURROLA Responding to several questions by Councilmember Burrola, Director Carreon further elaborated on the recommended payoff plan for CalPERS. She noted that CalPERS is requiring increased payments during the next seven years and beyond depending on their estimation of each agency’s unfunded liability. She advised that Irwindale’s unfunded liability is a total of $20.5 million over the next 30 years. She also noted that many other cities might not be able to afford the payments being required by CalPERS.

COUNCILMEMBER ORTIZ Councilmember Ortiz noted a dollar amount in the presentation of $1,041,000, to which Director Carreon indicated that this amount is what CalPERS has requested for 2018/19. They have provided an amortization schedule to the city to show what the city should pay, with a majority of that amount being interest.

CITY ATTORNEY GALANTE City Attorney Galante advised that CalPERS has taken statewide action against all its members. The agency has suffered many losses during the financial crisis and has decided to pass the costs along to all its participating agencies.
Mayor Pro Tem Ambriz asked whether it was beneficial to pay the required amount earlier, to which Director Carreon confirmed that paying Irwindale's required amount earlier would save on interest.

Councilmember Garcia asked how many employees would be covered by CalPERS, to which Director Carreon advised that Irwindale currently has about 36 full time safety employees, and 47 full time miscellaneous employees. The amount required by CalPERS covers all retirees, both those that have already retired, and those that will retire in the future.

Responding to several questions by Councilmember Burrola, Director Carreon advised that the one-time revenue she identified in her presentation is the result of large projects that the city has completed, including those with the City of Hope and Kaiser. The amounts generated will go into the General Fund reserves. She advised that staff is recommending that the Council approve: 1) making an advance payment to CalPERS in the amount of $7 million the first year, 2) approving a loan from the Reclamation Fund in the amount of $7 million the next fiscal year to make another payment to CalPERS, and 3) pay the remaining $6.5 million to CalPERS in year 3. By the third year, the city will have made more revenue and the general fund reserves will not have been depleted. She noted that this payment plan would save the city over $25 million in interest.

Councilmember Burrola also asked about the proposed loan from the Reclamation fund to the city, to which Director Carreon explained that the city is limited to the type of investments it can make, which must be considered safe and must not pose a risk, which limits the types of interest it can make on said investments to about 2%.

City Attorney Galante noted that the funding from the Reclamation fund is not being used to permanently pay off CalPERS. It is simply a loan, with a promissory note, from the city to the Reclamation Authority. The city would be obligated to pay back the loan to the Reclamation Fund at 2% interest.

Councilmember Garcia asked whether the city would pay less interest in the future or whether it could earn credits by paying off its obligation early, to which Director Carreon indicated that the liability for those employees under the "classic" PERS plan will have been funded under this proposed plan. The employees under the "PEPRA" plan have much less lucrative retirement plans.

Director Carreon added that CalPERS is being much more careful about how it invests its funding, since they will be held accountable for how these funds are utilized and because it is creating stress for many agencies.
Mayor Breceda stated that Irwindale is very fortunate to be able to have the money available to pay off its obligations, to which Director Carreon advised that the proposed plan is the best option for those cities in the position to be able to afford it. Other cities are issuing pension obligation funds and are then charging property taxes to its residents in order to be able to afford it.

Councilmember Ortiz stated that he expects the general fund reserves to grow due to upcoming projects. He asked when staff anticipates the general fund to recoup its costs, to which Director Carreon advised that staff is finalizing a long-term financial plan to present to the Council, after which the Council can provide direction to staff about how to address financial issues. She added that there are many economic development opportunities available in the near future that will generate additional revenue.

City Attorney Galante indicated that, when redevelopment agencies were dissolved, a portion of property taxes that used to go to redevelopment agencies is now distributed to various taxing agencies, one of them being the City of Irwindale. Additionally, the general fund reserve could be positively impacted depending on what the city decides to do with its 10-acre portion of the Manning Pit.

City Manager Tam advised that the budget presentation contains very conservative figures since the revenue to be generated from future projects is not included.

Mayor Pro Tem Ambriz expressed concern over state intervention on staff’s plan to pay CalPERS, to which Director Carreon advised that there is little to no risk since this is an action that the city can take without state intervention.

Responding to a question by Councilmember Burrola, Director Carreon reiterated staff’s plans to replenish the General Fund once the city makes its payments to CalPERS. He also asked about the city’s emergency funds, to which Director Carreon stated that the city carries $5 million for emergencies.

Carmen Roman quoted cartoon character Buzz Lightyear and recommended that the Council consider the city’s future “to infinity and beyond.” She also asked a question about the payment the city would make to CalPERS, to which Director Carreon advised that the payment would guarantee the availability of retirement funds to those employees that retire from the city. Ms. Roman also asked about the availability of Reclamation funds after it loans money to the city, to which Director Carreon indicated that the city will continue making funding transfers to the Reclamation fund as usual and the fund will recoup what it spends over several years.
Responding to a question by Ms. Roman, City Attorney Galante advised that the Housing Authority would need to purchase the Manning Pit property first should it desire to build housing at the site. Ms. Roman then asked how the city would replenish its funds if it were to make the suggested payments to CalPERS, to which Director Carreon again reiterated staff’s recommendation.

City Manager Tam spoke on the savings the city could realize in interest and principal should the Council approve the payment plan as suggested by staff.

Director Carreon strongly encouraged the Council to continue striving for a balanced budget and cautioned against continuously utilizing reserve funds.

Carmen Roman stated that, should the city seek a loan, it would not be able to determine the interest rate it would qualify for, to which Director Carreon advised that the city is not seeking a loan from a financial institution. Rather, it is obtaining a loan from Reclamation and, as such, the city will determine the terms of the loan, including the interest rate.

City Attorney Galante advised that several of his firm’s clients are doing something similar to what Irwindale is planning on doing.

Responding to a comment by Councilmember Burrola, Director Carreon advised that various scenarios of loan terms can be presented to the Council at a future meeting. She also advised that the budget summary will vary depending on which expenses the Council were to approve.

As requested by Councilmember Burrola, Director Carreon then discussed GASB 75 and its requirements. She noted that city pays an actuary to prepare the report every two years.

Councilmember Burrola also asked about the proposed budget for training for the Finance Department, which Director Carreon expounded upon.

Dena Zepeda asked clarifying questions regarding the budget, to which Director Carreon elaborated on.

Carmen Roman questioned the proposed Finance Department training budget. In response, Director Carreon spoke on the needs of the department to remain up-to-date on tax laws and fraud prevention, and noted that staff members alternate attendance at said trainings in order to ensure that sufficient staff is available on site at all times.
CITY MANAGER TAM  
City Manager Tam suggested allowing Director Carreon to finish her presentation so that the public has the opportunity to see what the budget for next year will look like.

DIRECTOR CARREON  
Director Carreon continued with her presentation.

CITY PLANNER SIMPSON  
City Planner Simpson then made a PowerPoint presentation outlining the Community Development Department's request for personnel changes, including the unfreezing of the Senior Planner position, freezing the Associate Planner position, the creation of a new Senior Code Enforcement Officer position, and the hiring of a part-time Office Specialist.

MAYOR PRO TEM AMBRIZ  
Mayor Pro Tem Ambriz asked about the proposed part-time position, to which City Manager Tam advised that a part-time position has been proposed for the time being, and indicated that staff may request a reclassification to permanent part-time in the future, should the work load increase.

COUNCILMEMBER ORTIZ  
Responding to several questions by Councilmember Ortiz, City Planner Simpson explained: 1) the proposed salary for the Senior Code Enforcement Officer, 2) that this position would be an internal promotion, 3) that the existing Code Enforcement Officer position would be backfilled, 4) and both positions would be full-time due to the heavy work load.

MAYOR BRECEDA  
Mayor Breceda asked about the funding source for the positions, to which City Planner Simpson indicated that the Senior Code Enforcement Officer position has the bulk of funding coming from special mining funds. She added that the funding amounts that she presented include all benefits.

COUNCILMEMBER GARCIA  
Councilmember Garcia asked about PERS costs related to these positions, to which Director Carreon advised the existing Code Enforcement Officer is a PEPRA tier PERS member, and that is not anticipated to be changed should he receive the internal promotion.

CARMEN ROMAN  
As requested by Carmen Roman, City Planner Simpson discussed the salaries for the proposed positions.

CITY MANAGER TAM  
City Manager Tam further elaborated on the staffing changes requested by the Community Development department, noting that the costs for the changes would be minimal, and that these changes would better address the current workload and mining-monitoring activities. He then presented the Engineering Department's request to convert the three permanent part-time Civil Engineering Technicians to full time positions.
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<tr>
<th>Role</th>
<th>Statement</th>
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<tr>
<td>HUMAN RESOURCES MANAGER HULL</td>
<td>Human Resources Manager Hull then presented her department's request to: 1) create a Senior HR/Risk Management Analyst position, 2) freeze the Human Resources Specialist position, and 3) reclassify the current Human Resources Specialist position to Senior HR/Risk Management Analyst.</td>
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<td>MAYOR PRO TEM AMBRIZ</td>
<td>Responding to a question by Mayor Pro Tem Ambriz, Manager Hull advised that the proposed change would allow the Analyst to perform higher level, more complex risk management duties.</td>
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<td>CARMEN ROMAN</td>
<td>Carmen Roman cited the recently-completed Classification and Compensation study, and asked about the need for this new position, to which Manager Hull reiterated that this would allow the Analyst to perform higher-level duties, which are currently outside of the job description for the employee. This is also the result of the city joining the CA Joint Powers Insurance Authority's Excess Liability Program. Carmen Roman then asked for proof of the increased workload.</td>
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<td>CHIEF HENSHAW</td>
<td>Chief Henshaw then presented the Police Department's request to hire a Lieutenant.</td>
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<td>DENA ZEPEDA</td>
<td>Dena Zepeda expressed her disappointment in her perceived lack of police patrol. She stated that she needs to call the Police Department for an officer to protect children, and said that motorists are racing down Azusa Canyon Road at night.</td>
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<td>COUNCILMEMBER GARCIA</td>
<td>Councilmember Garcia asked whether hiring a Lieutenant would help curb the department's overtime requests, to which Chief Henshaw advised that it would not, since this position would not work patrol. He noted, however, that the department is at full staff, with only two staffers out on injury, and stated that overtime costs have decreased significantly.</td>
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<td>COUNCILMEMBER ORTIZ</td>
<td>Responding to questions by Councilmember Ortiz, Chief Henshaw advised that the Lieutenant position is proposed to be an internal promotion.</td>
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<td>PAULINE ACOSTA</td>
<td>Pauline Acosta complained of an occurrence where her neighbor informed her that a suspicious person had parked their vehicle in front of her home. She stated that the Police Dispatcher suggested that she call the police the next time she spots a suspicious person. She stated that the children walking to school in the mornings need police protection.</td>
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<td>RECREATION MANAGER ZEPEDA</td>
<td>Recreation Manager Zepeda then presented the Recreation Department's request to hire a new permanent part-time Recreation Leader / Bus Driver and freeze three part-time Recreation Aide positions.</td>
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Responding to Mayor Breceda’s question, Manager Zepeda elaborated on the need for the hiring of another bus driver, noting that the current drivers alternate between the Recreation and Senior Center departments.

Responding to several questions by Councilmember Burrola, Manager Zepeda discussed the benefits tied to the Bus Driver position and explained the costs to contract out the service on Wednesdays.

Dena Zepeda concurred on the need for an additional Bus Driver, and suggested having a staff member watch over the children.

Carmen Roman spoke in support of hiring another Bus Driver and suggested hiring three part-time Recreation Aides due to the amount of upcoming events and activities for the department.

Responding to several questions by Mayor Breceda, Manager Zepeda advised that: 1) Summer Youth workers serve as support staff to Irwindale employees, 2) several trips and activities have been cancelled due to the lack of a Bus Driver, and 3) the job was previously advertised as a part-time position but received no applicants.

Mayor Breceda advocated in favor of offering promotions to internal applicants.

Mayor Pro Tem Ambriz questioned the need to freeze the three part-time Recreation Aides, noting upcoming events and activities.

Dena Zepeda lamented her perceived lack of sports programs offered by the Recreation Department.

Pauline Acosta wondered why programs, such as the KidZone program, are not offered during holidays and expressed concern over freezing existing positions.

Recreation Manager Zepeda noted that the department has offered multiple sports programs, but were cut due to a lack of sign ups.

Carmen Roman questioned why employees were allowed to go home for the holidays instead of serving the residents' children, to which Manager Zepeda advised that programs have been offered during these breaks in the past, and though parents signed up their children to participate, ultimately the children did not attend, so staff discontinued the programs.

Councilmember Burrola spoke in support of creating advertisements targeting residents to increase program participation.
Councilmember Ortiz asked about the proposed $5,000 to be used to provide the sound system for the Music in the Park concerts, and stated that the Council has previously requested that the bands that perform provide their own sound equipment.

Recreation Manager Zepeda advised that the $5,000 allows for professional-level sound equipment that provides the level of quality that is expected of these concerts, which some bands may not have at their disposition.

Assistant City Manager Olivares added that bands would charge higher fees to the city should they be required to provide their own sound equipment. She also noted that United Rock provides funding of about $10,000, of which $3,000 is designated to the Music in the Park program.

Carmen Roman stated her opinion that it should not be necessary for the city to pay for the sound equipment.

Mayor Pro Tem Ambriz stated that the bands should have performed their sound checks and all other necessary preparation early so that they are ready to begin performing at 6:00.

At 8:29 p.m., the City Council took a short recess.

At 8:36 p.m., the City Council reconvened with all members present.

Senior Center Manager Beltran then presented her department's request for a new Permanent Part-Time position.

Responding to a question by Councilmember Ortiz, Manager Beltran advised that the vacant position would be filled from within.

Mayor Pro Tem Ambriz noted that staff is requesting this staff member due to the increase in patrons at the Senior Center.

Councilmember Ortiz concurred with Mayor Pro Tem Ambriz.

Dena Zepeda supported the approval of a new permanent part-time employee.

Carmen Roman also voiced her support for staff's proposal.

Responding to a question by Councilmember Burrola, Manager Beltran advised that the department currently has only one permanent part-time employee.
Assistant City Manager Olivares then presented Administration’s request for a full time IT Manager and a part time IT Intern. In response to several questions by Councilmember Ortiz, Assistant City Manager Olivares further elaborated on the proposed pay rates for the positions. She added that these positions would be external recruitments.

Mayor Pro Tem Ambriz asked about the CalPERS tiers for the proposed positions, to which Assistant City Manager Olivares indicated that staff anticipates that they will be PEPRA tier members.

Councilmember Garcia asked whether the manager position was necessary, or whether it could be replaced with a coordinator position, to which Assistant City Manager Olivares advised that the managerial position was suggested after reviewing the job specification and the salaries provided by cities that participated in Irwindale's Classification and Compensation study.

As requested by Councilmember Burrola, Assistant City Manager Olivares discussed current projects as well as future projects to be handled by the IT department.

Suzanne Gomez thanked Assistant City Manager Olivares for her presentation, noted that IT is very important for the progress of the city, commended the Police Department for their work during last year’s 4th of July Fireworks Spectacular, thanked the Recreation and Senior Center Departments for their wonderful programs and activities, and urged the Council to make wise fiduciary decisions.

Dena Zepeda spoke in support of the proposed IT positions.

Carmen Roman also spoke in support of the proposed positions and suggested that staff check with local colleges and universities for interns, to which Assistant City Manager Olivares advised that staff is already planning on reaching out to local colleges for the intern position.

Mayor Breceda expressed optimism for a brighter future, and suggested paying off liability obligations quickly to avoid interest charges. He thanked staff for all their hard work in preparing the budget.

Councilmember Garcia noted that Irwindale is not passing along the CalPERS costs to resident homeowners.

Mayor Pro Tem Ambriz noted staff's hard work in preparing the budget and expressed his confidence in staff's recommendation.

Councilmember Burrola stated that he is a bit more comfortable with
BURROLA regard to the CalPERS situation after hearing tonight’s presentation. He also thanked staff for their hard work.

COUNCILMEMBER ORTIZ Councilmember Ortiz thanked staff for their efforts and their presentations, and suggested that the Council continue to focus on saving for the future.

CARMEN ROMAN Carmen Roman stated that she would like for the Council to address the Development Impact Fee Schedule, to which City Manager Tam advised that the draft report for the fee schedule will be presented to the Council in the near future.

DIRECTOR CARREON Director Carreon thanked the Council, all city departments, and particularly the Finance Department for all their hard work in preparing the budget.

ADJOURNMENT There being no further business to conduct, the meeting was adjourned at 8:03 p.m.

Approved as submitted at the meeting held June 13, 2018.