



CITY OF SIERRA MADRE
CITY COUNCIL REGULAR MEETING MINUTES

SIERRA MADRE CITY COUNCIL
SUCCESSOR AGENCY AND
PUBLIC FINANCE AUTHORITY

Tuesday, June 12, 2018 - 6:30 pm

Sierra Madre City Hall Council Chambers
232 W. Sierra Madre Blvd., Sierra Madre, CA 91024

CALL TO ORDER/ROLL CALL MEMBERS OF THE CITY COUNCIL

Mayor Denise Delmar called the meeting to order at 6:37 p.m. Assistant City Clerk Laura Aguilar called the roll.

Present: Mayor Denise Delmar, Mayor Pro Tem John Harabedian, Council Members Rachelle Arizmendi, John Capoccia, and Gene Goss

Absent: None

Also Present: Gabe Engeland, City Manager
Teresa Highsmith, City Attorney
Marcie Medina, Assistant City Manager
Laura Aguilar, Assistant City Clerk
Joe Ortiz, Police Chief
Jose Reynoso, Utility Services Director
Chris Cimino, Director of Public Works
James Carlson, Management Analyst
Kev Tcharkhoutian, City Engineer
Miguel Hernandez, Human Resources Manager
Jill Schofield, Acting Library Services Manager
Christine Smart, Associate Librarian
Rebecca Silva-Barrón, Community Services Manager

PLEDGE OF ALLEGIANCE AND INVOCATION/INSPIRATION:

Council Member Capoccia led the Pledge of Allegiance.

APPROVAL OF AGENDA AS PRESENTED:

Mayor Delmar asked for a motion to approve the agenda as presented.

Council Member Arizmendi moved to approve the agenda as presented.

Council Member Harabedian seconded the motion to approve the agenda as presented.

Ayes: Mayor Denise Delmar, Mayor Pro Tem John Harabedian, Council Members Rachelle Arizmendi, John Capoccia, and Gene Goss

Noes: None

The motion to approve the agenda as presented was passed unanimously.

APPROVAL OF MINUTES:

Mayor Delmar moved on to the approval of the Minutes of the Regular Council Meeting of May 22, 2018.

Council Member Harabedian moved to approve the Minutes of the Regular Council Meeting of May 22, 2018 as presented.

Council Member Capoccia seconded the motion to approve the Minutes of the Regular Meeting of May 22, 2018 as presented.

Ayes: Mayor Denise Delmar, Mayor Pro Tem Harabedian, Council Members Rachelle Arizmendi, John Capoccia, and Gene Goss
Noes: None
Absent: None
Abstain: None

The motion to approve the Minutes of the Regular Council Meeting May 22, 2018 as presented was passed unanimously.

MAYOR AND CITY COUNCIL REPORTS:

- A. Mayor Denise Delmar reported that she met with the Chair of the Library Board of Trustees and set an agenda for the July 10 joint session.
- B. Pro Tem John Harabedian did not make a report.
- C. Council Member Rachelle Arizmendi did not make a report.
- D. Council Member John Capoccia attended the Water Sub-Committee meetings at the San Gabriel Valley Council of Governments. There was a lot of discussion on clean water.
- E. Council Member Gene Goss reported that he attended the Library Board of Trustees meeting last week. The Board discussed the Library survey that was sent to the community earlier in the year.

PUBLIC COMMENT ON NON-AGENDA ITEMS:

Mayor Delmar opened the meeting for Public Comment on items not on the agenda.

- Darlene Papa, Lifeline for Pets, introduced Baxter. Baxter is a miniature pincher looking for a home. He is 7 years old and weighs 15 pounds. Contact LifelineforPets.org if you are interested in adopting Baxter.
- Laurie Byer, Highland Avenue – is concerned with the health hazard at the property on 127 E. Highland. She is worried about the vermin that will scatter when the house is demolished.
- Becky Farmer, said that she concurs with what Ms. Byer described, as she lives on a street adjacent to the 127 E. Highland house, she will be grateful for any help from the City.
- JoAnn Williams, Colony Drive, reported that she serves on the Senior Community Commission and that they are hard at work serving the seniors in Sierra Madre. Senior Community Commission is concerned with the well-being of seniors and are providing educational and physical activities and opportunities for seniors.
- Carol Parker, Mariposa Avenue, Expressed thanks to the Sierra Madre Fire Department and Paramedics. She was very ill in late February and called for help. The paramedics tended to her and transported her to Methodist Hospital where she spent a few days.
- Vic Aguilar, Concerned about water and development. Concerned about water supply and the sustainability of the community. Brought his electronic tablet to the dais for Council to see a graph from NOAA illustrating temperature and precipitation. Recommends a lawn tax.

Mayor Delmar asked if anyone else would like to come forward on items not on the agenda. Seeing no one come forward, Mayor Delmar closed Public Comment.

REPORT ON THE CLOSED SESSION SPECIAL MEETING OF THE SIERRA MADRE CITY COUNCIL ON TUESDAY, MAY 22, 2018 AT 5:30 PM

City Attorney Highsmith reported that the City Council met in Closed Session on a matter of existing litigation with CETT. A settlement agreement has been reached.

1. AGENDA ACTION ITEM: CONSENT CALENDAR:

City Manager Engeland gave the following report under the Consent Calendar:

- a) ADOPTION OF RESOLUTION 18-27 OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE APPROVING CERTAIN DEMANDS - Recommendation that the City Council approve Resolution 18-27 for approval of payment of City warrants in the aggregate amount of \$290,722.61; Library warrants in the aggregate amount of \$9,586.48, and payroll transfer in the aggregate amount of \$272,573.50 for fiscal year ending June 2018

Mayor Delmar asked if any Member of the Council had questions on the Consent Calendar. None were asked.

Mayor Delmar opened the meeting for Public Comment on the Consent Calendar. Seeing no one, Mayor Delmar closed Public Comment and brought the matter back to the Council for discussion. No additional discussion occurred.

Council Member Arizmendi made a motion to approve the Consent Calendar.

Council Member Goss seconded the motion for approval.

Ayes: Mayor Denise Delmar, Mayor Pro Tem John Harabedian, Council Members Rachelle Arizmendi, John Capoccia, and Gene Goss

Noes: None

Absent: None

Abstain: None

The motion to approve the Consent Calendar was approved unanimously.

PUBLIC HEARINGS:

2. FISCAL YEAR 2018-2019 ASSESSMENT DISTRICTS – PUBLIC HEARING AND RESOLUTION OF CONFIRMATION 18-28 AND RESOLUTION 18-29 SETTING ASSESSMENT RATES FOR AD VALOREM MAINTENANCE DISTRICTS 1, 3A, AND 3B

Director of Public Works Cimino introduced City Engineer Tcharkhoutian who gave a report on this item with the following recommendations:

That the City Council open a Public Hearing, receive testimony, and

- A. Adopt Resolution 18-28 confirming assessment proceedings for Assessment Districts 3 and 5, Community Facilities District District No. 1, E. Miramonte Sewer District, and E. Bonita Sewer District for Fiscal Year 2018-2019; .
- B. Adopt Resolution of 18-29 setting tax rates for Ad Valorem Districts No. 1, 3A, and 3B.

Mayor Delmar opened the Public Hearing and asked for public comment. Hearing none, Mayor Delmar closed the Public Hearing and brought the matter back to Council for discussion.

Council Member Capoccia made a motion to approve Resolution 18-28 and Resolution 18-29.

Mayor Pro Tem Harabedian seconded the motion.

Ayes: Mayor Denise Delmar, Mayor Pro Tem John Harabedian, Council Members Rachelle Arizmendi, John Capoccia, and Gene Goss

Noes: None

Absent: None

Abstain: None

The motion to adopt Resolutions 18-28 and 18-29 was approved unanimously.

3. CONSIDERATION OF RESOLUTION OF 18-30 ADOPTING THE FISCAL YEAR 2018-2019 BUDGET; AND RESOLUTION 18-31 APPROVING GANN APPROPRIATION LIMITS FOR FISCAL YEAR 2018-2019; AND RESOLUTION 18-32 APPROVING THE FISCAL YEAR 2018-2019 FEE SCHEDULE; AND PFA RESOLUTION 72 ADOPTING THE PUBLIC FINANCING AUTHORITY BUDGET FOR FISCAL YEAR 2018-2019

City Manager Engeland gave a report on this item, which included a PowerPoint presentation. City Manager Engeland asked Assistant City Manager Medina to take over the presentation to discuss Citywide revenues and expenditures.

Mayor Delmar asked if any Member of the Council had questions on this item.

Council Member Arizmendi thanked staff for a comprehensive report. She asked with respect to the \$100,000 contingency and how those funds would be prioritized. CM responded that if something unforeseen occurs that Directors will have to explain why it was not budgeted, what would happen if the City did not expend the money on the expense and instead waited for the next budget, and if the occurrence is a one-time or on-going expense.

Council Member Arizmendi asked about the Water Fund and investment in capital assets. Are the savings equal to the \$2.94 million so that we won't have to touch reserves? Assistant City Manager Medina responded that carry-overs from this fiscal year on items that were already budgeted to be re-budgeted for this particular purpose and also dip in to fund balance. It is a combination of a lot of things. The cash is coming from the release of those savings and budget carry-overs. It will also touch the reserves.

Mayor Pro Tem John Harabedian asked about the investment in capital assets. Is unclear how the City is accounting for investment in capital assets. Assistant City Manager Medina responded that for business funds they are not accounted on a cash basis, rather they are accounted on accrual basis. When you invest in a capital asset it is a balance sheet item, not an expenditure. The way that you expend set asset over time is through depreciation.

Council Member Goss asked if staff could describe a zero-base budget works. City Manager Engeland described the process as identifying what the core services are and what type of budget is needed to meet those services. All the directors and managers sit together as a team and defend their department expenditures.

Council Member Capoccia asked if the elimination of the Senior Planner would impact on the planning community preservation. City Manager Engeland responded that staff reorganization has made for more efficient operations.

Mayor Delmar opened the Public Hearing for public comment.

- Shannon King, Library Board Trustee, said that she is trying to wrap her head around the budget. She feels the library has taken quite a hit in the budget. She hopes that Council will consider all the programs and staff that work hard in the Library.

Mayor Delmar asked the City Manager Engeland to respond to Ms. King. City Manager Engeland described how the reductions in the budget were decided.

Mayor Delmar if anyone else would like to come forward this item. Seeing no one come forward, Mayor Delmar closed Public Comment and brought the matter back to the Council for discussion.

Council Member Capoccia made a motion to adopt Resolutions 18-30, 18-31, 18-32, and PFA Resolution 72

Council Member Arizmendi seconded the motion.

Ayes: Mayor Denise Delmar, Mayor Pro Tem John Harabedian, Council Members Rachelle Arizmendi, John Capoccia, and Gene Goss

Noes: None

Absent: None

Abstain: None

The motion to adopt Resolutions 18-30, 18-31, 18-32, and PFA Resolution 72 was approved unanimously.

At 8:01 p.m., Mayor Delmar announced that the meeting would break for a few minutes. The meeting resumed at 8:07 p.m.

4. **CONSIDERATION OF RESCINDING CITY COUNCIL DETERMINATION DENYING HILLSIDE DEVELOPMENT PERMIT 12-01 AND CONDITIONAL USE PERMIT 12-08, REINSTATING PLANNING COMMISSION RESOLUTION 13-04 APPROVING THE CONSTRUCTION OF A NEW TWO-STORY SINGLE-FAMILY RESIDENCE LOCATED AT 610 BALDWIN COURT (LOT 24)**

Council Member Rachelle Arizmendi recused herself from this item as she lives within a 500 foot radius from the project.

City Manager Engeland gave the report.

Mayor Delmar asked if any Member of the Council had questions on this item.

Mayor Delmar asked if this due to the settlement agreement. City Attorney Highsmith responded that the City has already spent over \$200,000 in litigation with CETT on this matter. It is anticipated that the City could spend another \$200,000 before the trial was completed.

Mayor Delmar asked a question that she was posed by a resident. The resident asked if approving this house would set precedence for the other houses built on One Carter. City Attorney Highsmith said it would not set precedence.

Mayor Delmar asked City Attorney Highsmith which General Plan guidelines would apply to future projects. City Attorney Highsmith responded that it would be the current General Plan.

Mayor Delmar asked Assistant City Clerk Aguilar to submit into record the e-mails received from the public and to announce who the e-mails were from.

Assistant City Clerk Aguilar responded that there were five e-mails received:

1. Ms Teryl Willis' e-mail asked to bring to the Council's attention two letters that were sent to the City Council and Planning Commission, in October and November 2014, respectively.
2. Mr. and Mrs. George and Sarah Harman sent an e-mail asking the Council to not rescind the previous denial and to "take no action."
3. Mrs. Caroline Brown asked the Council to observe the HMZ
4. Mrs. Deb Sheridan also sent an e-mail.
5. Ms. Valerie Simmie Salembier asked Council to uphold the denial of the HDP and CUP.

Mayor Delmar asked if any member of the public wanted to come forward on this item.

- Marguerite Shuster, earnestly hopes that the Council will reject the proposed house. To put it simply it fails the "eye-ball" test. Feels it is delusional to suppose that this decision will not set a binding precedence for all future construction in this development. Please vote "no."
- Teryl Willis, Carter Avenue. Couldn't agree more with the idea that this will set a precedence. Ms. Willis read a letter from Matt Bryant as he was ill and unable to attend.
- Mr. James Hask, N. Mountain Trail. Read from the e-mail from George and Sarah Harman. This letter was previously entered into public record.

Mayor Delmar asked if anyone else would like to come forward this item. Seeing no one come forward, Mayor Delmar closed Public Comment and brought the matter back to the Council for discussion.

Mayor Pro Tem Harabedian said this litigation happened over 46 square feet. We were sued over a very small issue in the grand scheme of development and the grand scheme of City issues. In his view it is time to put the issue to rest.

Council Member Capoccia commented that the Council did the best they could to negotiate the best possible deal. The Council's responsibility is to ensure that we have a community that is safe and provide services that the residents expect. Does not believe that continued litigation is worth it.

Council Member Goss said this is a tough one but we are in charge of the best interest of the entire City and common good. We just don't have \$200,000 to gamble with. We don't have deep pockets and have to pick our fights. I will vote to support it.

Mayor Delmar said this was a difficult decision and on the other hand not a difficult decision because of the cost and possibly losing control over development.

Mayor Pro Tem Harabedian made a motion to rescind the denial of Hillside Development Permit 12-01 and Conditional Use Permit 12-08 re-instating Planning Commission Resolution 13-04 approving construction of a new two-story single residence at 610 Baldwin Court.

Council Member Goss seconded the motion.

Ayes: Mayor Denise Delmar, Mayor Pro Tem John Harabedian, Council Members John Capoccia, and Gene Goss

Noes: None

Absent: None

Abstain: Council Member Arizmendi (recused)

The motion was approved unanimously with Council Member recusing herself.

5. CONSIDERATION OF ADOPTION OF COMPREHENSIVE WATER AND WASTEWATER COST OF SERVICE STUDY AND IMPLEMENTATION OF PROPOSITION 218 PROCESS FOR WATER AND SEWER RATE ADJUSTMENTS

Council Member Arizmendi returned prior to this report being given.

City Manager Engeland gave the report and presented a Power Point Presentation.

Staff recommends that the City Council

1. Adopt the draft City of Sierra Madre Comprehensive Water and Wastewater Cost of Service Study, as amended with Council direction provided at the May 22, 2018 Council meeting and includes the updated infrastructure fixed cost and the updated wastewater cost of service; and
2. Direct staff to initiate the Proposition 218 Notification and Protest ballot process based on the recommendations of the April 23, 2018 Comprehensive Water and Wastewater Cost of Services Study; and
3. Approve supporting documentation for the Proposition 218 process comprised of the Official Protest Ballot and the Guidelines for Submission and Tabulation of Protests; and
4. Set July 31, 2018 at 9:30 am at Sierra Madre City Hall for the public tabulation of protests and July 31, 2018 at 6:30 pm at Sierra Madre City Hall for the Public Hearing as required by Proposition 218.

Mayor Delmar asked the Council if they had any questions.

Council Member Capoccia had a question about the bandwidth. Your proposal is number 3 saying that that is the maximum bandwidth. What does that exactly mean?

City Manager Engeland responded that that is what staff estimates it can design and bid and have built in a year. To do more than that would have the entire town torn up for a good period of the year.

Council Member Arizmendi asked that given we are using existing staff to get to this bandwidth, what are we losing?

City Manager Engeland responded that staff would prioritize projects and possibly not work on less important projects.

Mayor Pro Tem Harabedian asked if we are established a new infrastructure fixed charge and it is broken down from the other historical fixed charges is there a reason why you would not combine the two?

City Manager Engeland responded that staff wanted to show exactly where the money is being spent.

Mayor Pro Tem Harabedian asked if it is clear in the notice that we are establishing a new fixed infrastructure charge.

City Manager Engeland responded that we will add that to the notice.

Mayor Delmar said it would be good to include what the charge is for.

Mayor Delmar opened the matter for public comment. Seeing no one, Mayor Delmar brought the matter back to Council for discussion.

Mayor Delmar invited Director Reynoso to comment.

Director Reynoso responded that it is an exciting time and he is happy to be a part of it.

Council Member Capoccia made a motion to

1. Adopt the draft City of Sierra Madre Comprehensive Water and Wastewater Cost of Service Study, as amended
2. Direct staff to initiate the Proposition 218 Notification and Protest ballot process
3. Approve supporting documentation; and
4. Set July 31, 2018 at 9:30 am at Sierra Madre City Hall for the public tabulation of protests and July 31, 2018 at 6:30 pm at Sierra Madre City Hall for the Public Hearing

Council Member Goss seconded the motion.

Ayes: Mayor Denise Delmar, Mayor Pro Tem John Harabedian, Council Members Rachelle Arizmendi, John Capoccia, and Gene Goss

Noes: None

Absent: None

Abstain: None

The motion was approved unanimously.

NEW ITEMS PLACED FOR FUTURE AGENDA:

Mayor Delmar asked the members of the City Council if there are any new items for future meeting agendas.

Council Member Capoccia asked for an update on the Kersting Court project.

Mayor Delmar asked if the Council could get a report on houses being demolished.

ADJOURNMENT:

Mayor Delmar asked for a motion to adjourn.

Mayor Pro Tem Harabedian moved to adjourn the meeting.

Council Member Arizmendi seconded the motion to adjourn.

Ayes: Mayor Denise Delmar, Mayor Pro Tem John Harabedian, Council Members Rachelle Arizmendi, John Capoccia, and Gene Goss.

Noes: None

Absent: None

Abstain: None

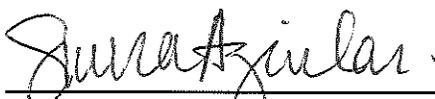
The motion to adjourn was passed unanimously.

THIS SIERRA MADRE CITY COUNCIL REGULAR MEETING WAS ADJOURNED at 8:56 p.m. to a Regular Meeting to be held on Tuesday, June 26, 2018, in the Sierra Madre City Hall Council Chambers.



Denise Delmar, Mayor

Minutes taken and prepared by:



Laura Aguilar, Assistant City Clerk