

MINUTES

CITY OF DELANO CITY COUNCIL – REGULAR MEETING December 19, 2016

CALL TO ORDER

Mayor Morris called the meeting to order at 5:30 p.m. in the City Hall Council Chambers, 1015 – 11th Avenue.

INVOCATION

Ms. Reyna offered the invocation.

FLAG SALUTE

Councilman Aguirre led the flag salute.

ROLL CALL

Council members present: Joe Aguirre, Ruben Hill, Liz Morris, Rueben Pascual, Grace Vallejo
Council members absent: none

OFFICIALS PRESENT

City Manager Reyna, City Attorney Garcia, City Clerk Kraft, Finance Director Rios, Interim Community Development Director Keene, Associate Engineer Nunez, Human Resources Director Zamudio, Chief of Corrections Marshall

PRESENTATIONS AND AWARDS

No items

ITEMS FROM THE PUBLIC

(unable to understand name) spoke about immigration and asked about the possibility of Delano becoming a sanctuary city. He asked to meet with each of the council members to discuss this and show them ordinances other cities have adopted.

CONSENT AGENDA

Mayor Morris announced that item #9 should also state, "...and authorize the city manager to sign the agreement."

- 1) Authorization to waive the reading of any ordinance or resolution in its entirety and consenting to the reading of such ordinances or resolutions by title only
- 2) Warrant Register in the amount of \$2,495,822.44
- 3) Minutes of regular City Council meeting of December 5, 2016; special meeting December 12, 2016
- 4) Second reading and final adoption of Ordinance No. 2016-1287 approving zone amendment for Assessor's Parcels Numbers 411-320-02 and 520-010-25, 26, and 27

- 5) Second reading and final adoption of Ordinance No. 2016-1288 prohibiting all commercial non-medical marijuana activity in the city, prohibiting outdoor marijuana cultivation on private residences
- 6) Resolution No. 2016-82 of the City Council of the City of Delano to adopt an ordinance amending the City of Delano Conflict of Interest Code
- 7)
 - a) Resolution No. 2016-83 of the City Council of the City of Delano adopting the class specification of Public Safety Communications Supervisor
 - b) Resolution No. 2016-84 of the City Council of the City of Delano adopting the class specification of Police Records Supervisor
 - c) Resolution No. 2016-85 of the City Council of the City of Delano adopting the revised Miscellaneous Unit Salary Schedule for fiscal year 2016/17 and rescinding Resolution No. 2016-71
- 8) Approve the lease agreement between the City of Delano and Mr. Nikola Hure for the rental of Port-A-Port hangar P-11 at the Delano Municipal Airport Resolution No. 2016-86 Agreement No. 2016-102
- 9) Approve revocable license for non-federal use of real property known as the Delano Transmitting Station, Voice of America land and authorize the city manager to sign Agreement No. 2016-103
- 10) **(item not approved)** Resolution of the City Council authorizing an inter-fund loan from the general fund to the Water Fund for the purpose of funding the 2016 modifications to wells 32, 33, and 34 and establishing the terms under which the loan will be repaid
- 11) Approve transfer of \$1.6 million from general fund surplus to pension fund

Councilwoman Vallejo asked that item #10 be pulled for discussion. Councilman Pascual asked that item #11 be pulled for discussion.

Moved by Councilwoman Vallejo, seconded by Councilman Aguirre, and unanimously carried to approve the Consent Agenda with the correction to item #9 as stated and items #10 and #11 pulled for discussion.

Item #10) Councilwoman Vallejo stated that some time ago the whole council voted to approve an appropriation of funds from the general fund to the water fund for this project. She stated it should be left as payment from the general fund rather than have a debt against the water fund which could affect any future study on rates.

Councilman Pascual stated he asked this item be brought back for council consideration. He stated that the fund that uses monies should pay for them and the loan can be forgiven in the future if the water fund is not able to repay it.

There was brief discussion regarding rescinding the 2017 rate increase, needed repairs to the water lines including emergency repairs, and current major projects.

Moved by Councilwoman Vallejo, seconded by Councilman Hill and carried by the following vote to deny the loan from the general fund to the water fund and make payment for the 2016 modifications to water wells 32, 33, and 34 from the general fund. AYES: Aguirre, Hill, Morris, Vallejo NOES: Pascual

Item #11) Ms. Rios presented the staff report. She provided background information and gave an update of the status of the unfunded pension liability. This year the Pension Committee hired a new actuarial

firm that has presented the committee with updated information based on a decrease in the interest rate from 7.5% to 7%, salary rate changes, and updated retirement rates and turn-over rates. The report was approved by the Pension Committee. Options to stabilize the pension fund were presented including transfer of \$1.6 million from the general fund to the pension fund.

Abel Moreno, Vice-Chairman of the Pension Committee, stated the committee had realized the pension fund was under-performing and issued requests for proposals for actuarial services and investment managers. He noted that investments alone will not make up the short fall and by 2018 the fund will start going into the negative and deplete itself if something is not done. More money will need to be put into the fund and there will have to be discussions with stakeholders. The actuarial firm presented a rehabilitation plan for the next twenty years to the committee.

There was discussion regarding a plan to rehabilitate the pension fund; if the pension fund has to be funded at 100%; the committee's recently adopted investment plan; how much the city and the employees pay into the plan; why the amounts paid to the pension fund vary from year to year; past wrong assumptions; fiscal responsibility

Councilman Pascual asked what the plan is to achieve stability of the pension fund. Councilman Aguirre asked for a power point presentation of the plan and how it works. Councilwoman Vallejo stated council will have to look at the plan and budget to see what can be done so that the city can meet its obligations.

Luis Pulido stated that putting in \$1.6 million would be putting a bandage on the problem and asked that it be explained to the members of the community. He asked if the \$1.6 million would come out of general fund surplus, if those funds were for emergencies, and how that would leave the general fund. He stated he wants the city employees to have their retirement.

Richard Markham noted some people have worked for the city for twenty or thirty years and should have their retirement. He stated someone has to watch the pension funds.

Moved by Councilwoman Vallejo, seconded by Councilman Hill and carried by the following vote to approve agenda item #11. AYES: Hill, Morris, Vallejo NOES: Aguirre, Pascual

Mayor Morris asked for a presentation of the pension plan at the next meeting.

PUBLIC HEARINGS

No items

REGULAR AGENDA

- 12) Potential sale of property owned by the City of Delano, APN 519-034-24 (243 W. 15th Avenue) to Henry E. Mendez, Jr.

Mayor Morris announced this item will be discussed in closed session and is listed under regular agenda items to allow for any public comments.

Councilwoman Vallejo stated she will leave the meeting during this discussion and vote on this item because Mr. Mendez is a relative of hers.

DEPARTMENTAL REPORTS

Ms. Zamudio reported on the bus shelter project. The city has received five grants and in January, two more grants will be available for application from the city. The amounts of those grants is not known yet. The city has secured \$351,782 already for the project. Staff is revamping the routes to eliminate stops not used so fewer shelters will be needed. Staff will bring an item to council in January to authorize purchase of the shelters.

COUNCIL STATEMENTS AND REPORTS

Councilman Aguirre no items

Councilman Hill stated he would like information on sanctuary cities.

Councilwoman Vallejo wished everyone merry Christmas and happy new year. She noted that council has more information on each item than what is on the agenda. Council members receive additional information from staff. She stated council is here to insure they do what is best for the city.

Councilman Pascual stated there has been discussion in the past regarding extending the senior discount on utilities to all seniors and asked for a report.

Mayor Morris thanked everyone for attending the meeting and wished them merry Christmas and happy new year.

CLOSED SESSION

Moved by Councilwoman Vallejo, seconded by Councilman Aguirre, and unanimously carried that the City Council adjourn to Closed Session at 6:33 p.m. The City Clerk was excused. Mayor Morris was appointed Acting City Clerk. The City Attorney and City Manager were asked to remain.

Councilwoman Vallejo left the meeting during this discussion and vote because Mr. Mendez is a relative of hers.

- 13) Conference with real property negotiators Maribel Reyna and Bonny Garcia regarding possible sale of property owned by the City of Delano, APN 519-034-24 (243 W. 15th Avenue) to Henry E. Mendez, Jr. pursuant to govt. code section 54956.8

RETURN TO GENERAL SESSION

Moved by Councilman Pascual, seconded by Councilman Hill and unanimously carried by all those present to reconvene in Open Session at 6:44 p.m. Mr. Garcia provided a report on closed session as follows:

- 13) Information was presented and by unanimous consent of all those present, direction was given.

ADJOURNMENT

Moved by Councilman Hill, seconded by Councilman Pascual, and unanimously carried by all those present to adjourn the meeting at 6:46 p.m.

Phyllis A. Kraft, City Clerk