MINUTES
LA PUENTE CITY COUNCIL AND SUCCESSOR AGENCY
REGULAR MEETING OF
MAY 14, 2013

Per *Robert's Rules of Order Newly Revised 10th Edition*, minutes are a record of the actions taken by the body. These minutes do not include a summary of the discussion but only reflect the action taken by the body. A complete audio recording of this meeting is available on the City's website www.lapuente.org

A Regular Meeting of the City Council and Successor Agency of the City of La Puente was held in the Council Chambers of City Hall, 15900 East Main Street, La Puente, California, on May 14, 2013, at 6:30 p.m.

6:30 P.M. CLOSED SESSION AGENDA

CALL TO ORDER

Mayor Klinakis called the meeting to order at 6:30 p.m.

ROLL CALL

ROLL CALL

Members present:	Klinakis, Lewis, Holloway, House, and Argudo (Arrived at 6:50 p.m.)
Members absent:	None
Staff present:	City Manager Plumlee, City Attorney Casso, City Clerk Jacquez-Nares, Director of Development Services Consultant DiMario, and City Engineer Pagett

ORAL COMMUNICATIONS -- CLOSED SESSION

Ken Medeiros stated his concerns with the way the Closed Session Item was listed on the agenda.

City Attorney Casso stated that the agenda was posted as per the regulations in the Brown Act.

THE CITY COUNCIL WILL RECESS TO CLOSED SESSION, CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION, Initiation of litigation pursuant to Government Code Section 54956.9(c) (Two cases)

RECESS INTO CLOSED SESSION:

City Attorney Casso recessed the City Council at 6:35 p.m. into Closed Session to discuss the item as listed on the agenda.

RECONVENE TO OPEN SESSION

Mayor Klinakis reconvened the City Council into open session at 7:10 p.m.

REPORT OUT OF CLOSED SESSION

City Attorney Casso stated that the City Council recessed into Closed Session to discuss two items of anticipated litigations, as to the first item no reportable action was taken and in the second item there was a 5-0 vote of the Council and no final action was taken. He also reported for the record that Council Member Argudo arrived at the Closed Session at 6:50 p.m.

7:00 P.M. OPEN SESSION AGENDA

ROLL CALL

Members present:	Klinakis, Lewis, Argudo, Holloway, and House
Members absent:	None
Staff present:	City Manager Plumlee, City Attorney Casso, City Clerk Jacquez-Nares, Director of Development Services Consultant DiMario, Interim Director of Administrative Services Steinbrink, City Engineer Pagett, Police Chief Lt. Cacheiro, Recreation Manager Lerma, and Finance Manager Purificacion

PLEDGE OF ALLEGIANCE

Council Member Argudo led the Pledge of Allegiance.

PRESENTATIONS

CERTIFICATE OF APPRECIATION TO CAPTAIN MIKE CLAUS OF THE LOS ANGELES SHERIFF'S DEPARTMENT

City Manager Plumlee provided an introduction on Captain Mike Claus of the Los Angeles Sheriff's Department.

The Mayor and City Council provided a Certificate of Appreciation and City Tile to Captain Mike Claus of the Los Angeles Sheriff's Department for his years of service to City and Community of La Puente.

Captain Claus thanked everyone at the City of La Puente for recognizing his efforts, he had an awesome team. He believes that Captain Murakami would be an outstanding addition to the team.

Mayor Klinakis on behalf of the Youth Activities League thanked Captain Claus for all his support.

Council Member Holloway thanked Captain Claus on behalf of the City and the residents for the excellent work he has done in the City and the positive working relationship between the City staff and City Council. He also believes Captain Murakami would be an excellent addition.

City Manager Plumlee mentioned to Captain Claus his appreciation from his and the staff's perspective on the support he provided the City Council, City staff and this community for the four and half years he worked with the City of La Puente.

PRESENTATION OF MILITARY BANNER CERTIFICATE

City Manager Plumlee provided a summary of the Military Banner program and introduced the family of Vic Sanceda.

Mayor Klinakis recognized the members of the Education Commission that were in attendance: Nadia A. Mendoza and Karen Dahlitz.

PRESENTATION FROM SOUTHLAND TRANSIT

City Manager Plumlee introduced Scott Transue the representative of Southland Transit who would provide an overview of their services.

Scott Transue, Vice President of Southland Transit, introduced Gabriela Marquez City of La Puente Project Manager that was also in attendance. He provided a summary of the PowerPoint presentation of their services.

Council Member Holloway requested clarification on the dial-a-ride services whether they are being provided to the City of La Puente residents only, the first come first serve scheduling, and the standing appointments. Ms. Marquez stated that the residency is verified upon submittal of their applications for the registration process. Mr. Transue stated that the rider needs to be in their computer system prior to scheduling their pickup. The scheduling is a balancing act there are benefits to having pre-scheduled appointments but they will look into providing services to all ridership.

Council Member Argudo thanked Southland Transit for the presentation and is hopeful that they can prioritize the types of services they can provide. Mr. Transue is willing to look at the fixed route to try to better provide services on the dial-a-ride without increasing the contract. He is willing to look into grants for additional funding.

Council Member Lewis asked what the cost benefit was if the City purchased the vehicles or Southland Transit purchased the vehicles. Mr. Transue recommended that the City purchase the vehicles because if the service provider purchases the vehicle the rates would increase to cover the price and interest. He stated that they are willing to work with the City to solicit grants for additional funding sources for these services.

Council Member Argudo stated that the vehicles may have subsidies through AQMD. He also asked City Manager Plumlee if the City is looking into the other grants available not just AQMD funds.

City Manager Plumlee stated that there are AQMD grant funds that the City has received and these funding sources would be presented at a later date for Council's approval. He stated that the City staff has received some funding and will continue looking into additional funding opportunities.

Mayor Klinakis asked how much the City was spending with Southland Transit. Mr. Transue stated that it is approximately $600,000 for both services. City Manager Plumlee stated that the fares are subsidized by Prop A funds and that this analysis would be provided with the presentation on this item at a future meeting.

Director of Development Services Di Mario clarified that the services provided by Southland Transit is paid entirely by Prop A funds.

ORAL COMMUNICATIONS

Leonard W. Rose Jr. announced that his 50th birthday was on Friday, May 17, 2013 and the benefits of visiting the doctor. He also mentioned his family's living trust.

Manuel Maldonado stated that the constituents are very unhappy with the services that Code Enforcement was providing. He encouraged the Council to revamp this department. The Code Enforcement Officers harass the residents. Mr. Maldonado requested that more port-a-potties at the 4th of July event. He stated his concerns with Congresswoman Napolitano's office lack of advertisement of the open house scheduled for May 29, 2013 in the City of El Monte. He also suggested that the Community Center marquee have advertisement in Spanish. Mr. Maldonado requested that the arrow street signs on Glendora and Nelson be placed on the traffic signal not just painted on the street.

Lauren Carboney, Vice President of Old Town Puente Association, announced that they would like to have a music festival on August 23, 2013 and is requesting City support for this event. She thanked the Berdins for their continued support.

Ken Medeiros stated his concerns with the amount the City is paying for the City Attorney.

Marty Paz stated his concerns with the speed limit on Glendora and requested that a deputy be placed on that street. He stated that he spoke to the City Manager on the banners and it had been two and half months and he had not received an answer from the City Manager. Mr. Paz stated his concerns with April being clean up month and the whole City in general looks bad. He stated that he had asked a lady in Code Enforcement for some information and it had been six weeks and she had not provided the information. Mr. Paz commended Ricardo Carrillo for doing what he said he would do. He stated his concerns with the Senior Center parking and the City cars that are now being parked on the street further impeding parking. He stated that there are still four cars left in the parking lot of the Senior Center.

Rudy Almeida congratulated Mayor Klinakis and said he will miss former Mayor Holloway. He stated his concerns with the sex offenders that live in Hacienda Heights and La Puente. Mr. Almeida stated that the Sheriff's did a great job and that he has known Captain Murakami for 16 years and he welcomed him back to the City of La Puente.

Mayor Klinakis requested that the City Manager provide the number of registered sex offenders that live in the City of La Puente.

Council Member Holloway also would like the sex offender information provided to the residents but the City had to be careful with the legal requirements on providing this type of information.

BOARDS/COMMISSION/COMMITTEE REPORTS

Mayor Holloway provided the Council Members with the newsletter from the Mosquito and Vector Control District on the Asian Tiger Mosquito and information on the Sanitation District facility and boat tours.

A. MINUTES OF PREVIOUS CITY COUNCIL AND SUCCESSOR AGENCY

A-1 READ AND APPROVE THE MINUTES OF THE REGULAR AND SPECIAL MEETINGS OF APRIL 9, 2013 AND REGULAR MEETING OF APRIL 23, 2013

Council Member Holloway moved to waive the reading and approve the Minutes of the Regular and Special Meetings of April 9, 2013 and Regular meeting of April 23, 2013 as amended; seconded by Council Member Argudo. The motion unanimously carried by the following roll call vote: AYES: Klinakis, Lewis, Argudo, Holloway, and House. NOES: None.

B. PUBLIC HEARINGS BEFORE THE CITY COUNCIL - None.

C. UNFINISHED BUSINESS OF THE CITY COUNCIL - None.

D. CITY COUNCIL CONSENT CALENDAR

Council Member Argudo pulled Item D-5 for separate discussion.

Council Member Argudo moved to approve Consent Calendar Item Nos. D-1 through D-4, and D-6; seconded by Council Member House. The motion unanimously carried by the following roll call vote: AYES: Klinakis, Lewis, Argudo, Holloway, and House. NOES: None.

D-1 CONSIDERATION OF A RESOLUTION APPROVING WARRANT REGISTER NO. 1340 FISCAL YEAR 2012-2013

Action Taken: The City Council adopted Resolution No. 13-5073 approving Warrant Register No. 1340.

D-2 CONSIDERATION OF AN AGREEMENT BETWEEN THE CITY AND LOS ANGELES COUNTY FOR THE COUNTYWIDE HOUSEHOLD HAZARDOUS WASTE COLLECTION EVENT

Action Taken: The City Council approved the Countywide Household Hazardous Waste Collection Program Siting Liability Agreement No. 13-1110 and authorized the Mayor to sign the agreement.

D-3 CONSIDERATION OF A RESOLUTION APPROVING A SUBORDINATION AGREEMENT BETWEEN THE CITY OF LA PUENTE, ARMANDO ROLDAN, AND BANK OF AMERICA, WITH RESPECT TO THE CALHOME LOAN PROGRAM

Action Taken: The City Council: 1) Adopted Resolution No. 13-5074 approving the new Subordination Agreement No. 13-1111; and 2) Authorized the City Manager to execute the Subordination Agreement on behalf of the City.

D-4 CONSIDERATION OF AN AMENDMENT TO A PROFESSIONAL SERVICES AGREEMENT WITH INTELLIBRIDGE PARTNERS, LLC TO PROVIDE INTERIM ADMINISTRATIVE SERVICES DIRECTOR SERVICES IN AN AMOUNT NOT TO EXCEED $15,000.00

Action Taken: The City Council approved Amendment No. 13-1105-01 to the Professional Services Agreement with IntelliBridge Partners, LLC in the amount of $15,000.00.

D-5 CONSIDERATION OF SCHOLARSHIP AWARDS FOR FY 2013-2014

Council Member Argudo stated he wanted to discuss the item because there were applicants that were missing documents to complete their application and there was a surplus in the scholarship fund.

Council Member Holloway asked if the Education Commission was aware of the five applications that were missing documentation and was the missing documentation received.

Education Commissioner Mendoza stated that the Education Commission was aware that these applications were missing documents and that several were informed that they could submit the documents up until the deadline.

City Clerk Jacquez-Nares stated that only one item had been received with was from an applicant that was given the opportunity to submit the documentation prior to the deadline and he stated he would bring it in and he decided to mail it in and it was received several days after the deadline. Of the five applications, two were missing tax information, one was missing the biography, one was missing a reference letter, and one turned in another student's transcript.

Council Member Lewis stated her concerns with making exceptions every year, there was a deadline and this would prejudice the individuals that did submit their complete information on time.

Council Member Argudo agrees with Council Member Lewis but is suggesting that the initial application be submitted by the deadline and to provide a five to seven day window to allow the applicants to submit any missing documents. He also asked for the deadline date.

City Clerk Jacquez-Nares stated the deadline date was April 16, 2013 to submit the entire application packet. She listed the items that completed the application, stated that the City Clerk's Office did a preliminary review of the application packet and address verification upon submittal.

Council Member House asked if there were a significant amount of non-residents submitting applications and how did the students get the application. He suggested sending a map of the City with the applications.

City Clerk Jacquez-Nares confirmed that there were many non-residents and that the applications were sent to all of the high schools and adult education schools.

Mayor Klinakis stated that he was on the original Education Commission and served for three years. He supports Council Member Lewis and was concerned that nowadays people do not adhere to the rules.

Council Member Holloway asked if there were applicants that turned in their applications before the deadline that had documents missing and provided that information later but before the deadline. City Clerk Jacquez-Nares confirmed that there were various applicants that had submitted their missing documents before the deadline.

Council Member House stated that the Council needs to consider that the deadline is set so that the Education Commission can meet and make their recommendations and if information is submitted after the deadline then the Commission would have to meet again and this is an imposition on the people that have donated their time to the City to serve on the Commission.

Council Member Argudo moved to send a letter to the five applicants that were missing documentation to allow them provide the documents within five to ten days and if they meet the criteria award them a scholarship. Motion died for lack of second.

Council Member House moved to 1) Award fifteen scholarships for the 2013-2014 academic year in the amount of $500 each; 2) Authorize the Finance Manager to create a scholarship fund and place $4,000 for use in FY 2014-2015; and 3) Schedule a presentation of awards during the May 28, 2013 City Council Meeting; seconded by Council Member Argudo. The motion unanimously carried by the following roll call vote: AYES: Klinakis, Lewis, Argudo, Holloway, and House. NOES: None.

D-6 CONSIDERATION OF AN AGREEMENT WITH PUBLIC FINANCIAL MANAGEMENT, INC. FOR FINANCIAL ADVISORY SERVICES IN AN AMOUNT NOT TO EXCEED $24,500

Action Taken: The City Council approved Agreement No. 13-1112 with Public Financial Management, Inc. for financial advisory services, in an amount not to exceed $24,500.00.

Mayor/Chair Klinakis recessed the meeting at 8:21 p.m.

Mayor/Chair Klinakis reconvened the meeting at 8:28 p.m.

E. NEW BUSINESS TO BE CONSIDERED BY THE CITY COUNCIL

Mayor Klinakis provided the entire City Council with a flyer from Captain Murakami on the run/walk for life event held at Industry Hills.

Council Member Argudo requested that Item E-2 be taken out of order.

THIS ITEM WAS TAKEN OUT OF ORDER

E-2 DISCUSSION AND DIRECTION ON CODE ENFORCEMENT (Mayor Klinakis)

Mayor Pro Tem Klinakis stated that for the past year and half he had been having difficulties with the way that Code Enforcement operated within the City and that the City Council's main complaint from the constituents was on Code Enforcement. He requested that the location for the Sheriff's and Code Enforcement Departments be moved to the Community Center. He believed that the move would help curb the illegal activities at the park and relieved the parking issue at the Senior Center. Mayor Klinakis would like to have the Code Enforcement Department revamped in order to provide better service to the community. He asked the Council what their satisfaction level was with the Code Enforcement Department.

Council Member Holloway supports this discussion and requested that everything be reviewed to include how the Code Enforcement Department works, how things were addressed, how things were prioritized, how it was organized, how they function and where it was located. He is concerned with the cost associated with this change.

Council Member House stated that his Code Enforcement concern was that the city looks like it is falling apart and supports moving the department to a different location.

Mayor Klinakis for the last four or five months he and Council Member Holloway reached out to Captain Murakami to discuss the Rosemead Code Enforcement model which was highly recognized in the San Gabriel Valley, the entire Rosemead community loved what was done in their City.

Mayor Pro Tem Lewis stated that a change may help with the stigma associated with Code Enforcement that now is Community Preservation and perhaps a review of the existing policies and customer training would be helpful. She is open to improving the process to provide better service to the constituents and be more efficient with the limited resources.
Council Member Argudo requested that Captain Murakami provide the philosophy for the Rosemead model.

Captain Murakami provided the summary of the Rosemead model which the City Manager implemented in City of Rosemead. The goal for the Rosemead Code

Enforcement Department was to gain compliance not issue citations. He stated that the La Puente Code Enforcement Department would need the full support of its Council and City staff in order to make it work. The Council sets the priorities and the locations within the City that the Code Enforcement Department would concentrate in.

Council Member Argudo asked how residents were handled that had a multitude of violations was the process an initial warning, followed by a citation, and lastly a double citation. Captain Murakami confirmed the process and stated that the main objective was compliance so they took into consideration their financial ability to comply, along with a reasonable time to comply and their good faith effort.

Council Member Holloway congratulated Captain Murakami for the work that he did in the City of Rosemead and welcomed him back to the City of La Puente. He was looking forward to working with him in order to implement the Rosemead model here in the City of La Puente.

Mayor Klinakis added that it was unfair for the staff at the front counter to have to deal with irate residents due to a Code Enforcement issue. He is in favor of the location separation and would like to see staff receive training. Mayor Klinakis created an Ad Hoc Committee with Council Member Holloway and himself and requested that Captain Murakami participate.

City Attorney Casso stated that the Brown Act stipulated that an Ad Hoc Committe shall be made up of solely of less than a quorum of the City Council and Captian Murakami would be assisting the Ad Hoc Committee but not a member of the Ad Hoc Committee.

Council Member Holloway asked who the staff liaison would be for this Ad Hoc Committee, the City Manager or Lt. Cacheiro.

Council Member Argudo suggested that Lt. Cacheiro be part of the Ad Hoc Committee. He requested that the Committee look at the associated costs and subsidies such as the CDBG funding currently being used to fund Code Enforcement. These CDBG funds could be used within the community. He also requested a date for the Committee's report to the entire Council.

Council Member Holloway stated his concern that having the Lt. Cacheiro may be a Brown Act issue. City Attorney Casso suggested that the Ad Hoc Committee consult with the Code Enforcement Attorney, Mr. Deeper.

Mayor Klinakis stated that the Code Enforcement Ad Hoc Committee would bring back a report at the first City Council meeting in July.

E-1 CONSIDERATION OF MAYOR'S APPOINTMENTS TO VARIOUS BOARD POSITIONS

Mayor Klinakis stated that all the appointments would remain the same with a couple of changes and read for the record the following appointments to outside organizations:

Committee	Delegate	Alternate
California Contract Cities Assn.	Vince House	David Argudo
Sanitation Districts 15 & 21	Charlie Klinakis	Dan Holloway
League of California Cities	Vince House	David Argudo
City Selection Committee	Vince House	David Argudo
San Gabriel Valley Council of Governments	Charlie Klinakis	Violeta Lewis
Southern California JPIA	Dan Holloway	Vince House
Foothill Transit Zone	Violeta Lewis	Charlie Klinakis
San Gabriel Valley Mosquito & Vector Control District	Dan Holloway	
National League of Cities	Violeta Lewis	Dan Holloway

Mayor Klinakis moved to adopt Resolution No. 13-5075 appointing specific representatives to the San Gabriel Valley Council of Governments; seconded by Council Member Holloway. The motion unanimously carried by the following roll call vote: AYES: Klinakis, Lewis, Argudo, Holloway, and House. NOES: None.

E-3 FISCAL YEAR 2012/2013 BUDGET WORKSHOP

City Manager Plumlee provided a brief introduction to this item and introduced Interim Director of Administrative Services Steinbrink who would provide the budget overview. Council Member Holloway requested a clarification on the information that was placed on the dais and the information that was received with the agenda packet. Interim Director Steinbrink clarified the documents one was the PowerPoint presentation and the other was the introductory letter to the budget.

Council Member Holloway clarified that this was just an overview and at a future date there would be a public meeting and then the Council would have an additional meeting for a final review in which the budget would be discussed in detail line item by line item. Interim Director of Administrative Services Steinbrink confirmed Council Member Holloway understanding of the various budget meetings.

City Manager Plumlee stated that depending on where Council wanted to go with this, there was an opportunity to go line by line, but the intent was to try to provide as much information and answer as many questions as possible at tonight's and the next meetings as well and throughout the budget process.

Mayor Klinakis stated that it was not the City Council intent to get into the minutia tonight, they just wanted a basic overview and in the future meetings address the details.

Interim Director of Administrative Services Steinbrink provided the summary of the PowerPoint presentation.

Mayor Klinakis asked if the figures presented included the $1.5 million that was part of the ROPS. Interim Director of Administrative Services Steinbrink confirmed that the City currently has the $1.5 million and it has been committed on the City's financial statements.

Council Member Holloway commented that in 2008 or 2009 it was projected that the City would run out of money in FY 2014/2015 and congratulated City Council, staff, and everyone that was involved in the moving the projections to FY 2021/2022 and beyond.

Council Member Argudo asked if the net gap of $651,000 included the onetime CALPERS payoff of $282,271. Interim Director of Administrative Services Steinbrink stated the CALPERS payment was to help reduce the gap and if it was not paid it would increase the $651,000 gap by $20,000 the first year with a three percent increase each subsequent year for the next 16 years.

Council Member Holloway stated that when the staff reorganization plan with the reduction of staff was done it was projected to save $900,000 per year but there had to be additional drivers if the City continues to have over a $600,000 deficit. Interim Director of Administrative Services stated that it was not just attributed to the Community Center debt payment but the economy, the stock market, employer contributions, the State taking more money, and the removal of the Redevelopment Agency. There were a number of factors that all cities across the State of California were facing that were getting them into trouble. Council Member Holloway wanted everyone to know that if the staff reduction was not done the City would be facing a $1.5 million deficit.

Council Member Argudo stated that since the reorganization the stock market did plummet, there we some salary step adoptions, and some additional employees brought into the City. He believed that the addition of these employees took a good chunk of the budget and increased the gap. He believed that some of the expenditures would come to light when the Council goes through the budget line by line. He likes the conservative budget presented by the staff.

Finance Director Purificacion stated that the projected numbers presented for expenditures (4 percent) in the past were too high and for the revenue were too low (1.3 percent) therefore creating a greater gap in the General Fund.

City Manager Plumlee stated that the reorganization plan did bring the base down in FY 10/11 and it saved almost $1 million in General Fund expenditures. There are a combination of factors that have brought the City to where it is now such as the ones mentioned by Glen and Raul and the combination of expenditures continuing to rise and revenues dropping.

Council Member Holloway wants staff to present all of the factors that have brought the City's deficit to the public not just the Community Center debt.

A Council and staff discussion ensued on the dates of the budget meetings, whether they were regular scheduled Council meetings, and the length of time of these meetings. By Council consensus, it was agreed to set the budget meeting for May 28, 2013 at 3:00 p.m. and to continue to have the regularly scheduled City Council meeting at 7:00 p.m. with a light agenda.

Mayor Klinakis requested clarification on page 18 of the PowerPoint presentation on whether the sidewalk and parkway landscape improvements were the ones on Temple and Amar. Director of Development Services Di Mario confirmed that Temple is on page 18 as a new project and Amar was on page 17 which was a project in the current year that would be carried over to the next year.

Council Member Argudo asked about the continuing projects such as the Valley wall. Mayor Klinakis stated that if they were not listed in the current presentation they could be addressed in the future budget meetings.

Council Member Holloway moved to receive and file this report; seconded by Council Member House. The motion unanimously carried by the following roll call vote: AYES: Klinakis, Lewis, Argudo, Holloway, and House. NOES: None.

E-4 CONSIDERATION OF A RECOMMENDATION SEEKING COUNCIL APPROVAL TO PAY OFF THE CITY'S SIDE FUND LIABILITY TO CALPERS

Finance Manager Purificacion provided a brief summary of this item.

Council Member House moved to approve the payoff of the side fund liability to CalPERS in the amount of $282,271.00, using unassigned General Fund reserves; seconded by Council Member Holloway.

Council Member Argudo requested an opportunity for discussion. He stated his concerns with the gaps in the budget, the making this payment now, and the continued depletion the General Fund Reserves.

Mayor Pro Tem Lewis requested clarification on the penalties that would be incurred if this was not paid off. Finance Manager Purificacion stated that the City's interest payment would increase every year. This payment would lessen the gap but if not paid the gap would increase every year in order to cover for this payment. In the first year the $282,271 payment would become a $400,000 payment and increase every year thereafter.

Mayor Klinakis added that if the reserves were at a drastic low amount, then he would agree with Council Member Argudo. The City had a healthy reserve and the prudent thing to do was to pay this off.

Council Member Holloway commented that Council Member Argudo had always stated that the City had maintained a healthy reserve. Council Member Holloway does not support of using reserve money to purchase property but in this case making the payment now would benefit the City in the long run.

Council Member Argudo stated that he may have misinterpreted the briefing he received earlier in the day and requested clarification if the payment was not paid now how it would go up to a $400,000 the following year. Interim Director of Administrative Services Steinbrink stated that the liability would not increase but the interest would increase three percent per year and the interest amount was greater than the amount the City would pay therefore the City would add to the principal every year. The way this was set up in the beginning years was like an interest only loan.

Mayor Pro Tem Lewis stated that the important thing was that they were charging a one percent penalty on the payroll and the payroll was not going to go down the projections show that it would increase.

Mayor Klinakis asked why the City was paying CALPERS seven and a half percent in the first place. Interim Director of Administrative Services Steinbrink stated that seven and half percent was the actuarial assumption for their earning rate on their investment return. Any unfunded liability the City had with PERS because they do not have the City's money they assume if they did have the City's money they would be earning the seven and half percent on that money.

The motion unanimously carried by the following roll call vote: AYES: Klinakis, Lewis, Argudo, Holloway, and House. NOES: None.

ADHOC COMMITTEE REPORTS - None.

AB 1234 REPORTS - None.

ORAL COMMENTS FROM COUNCIL

Mayor Klinakis thanked the Council for participating in the meeting today.

ORAL COMMENTS FROM STAFF - None.

ADJOURNMENT

There being no further business to come before the City Council and Successor Agency, Mayor/Chair Klinakis adjourned the meeting at 10:14 p.m.

Approved this 28th day of May 2013

Pat Jacquez-Nares

Pat Jacquez-Nares, CMC
City Clerk/Secretary

Charlie Klinakis
Mayor/Chair