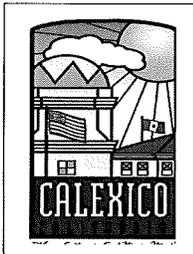


**AGENDA  
ITEM**

**4**



# AGENDA STAFF REPORT

**DATE:** August 2, 2016  
**TO:** Mayor and City Council  
**APPROVED BY:** Armando G. Villa, City Manager *Armando G. Villa*  
**PREPARED BY:** Gabriela T. Garcia, Deputy City Clerk  
**SUBJECT:** Approval of City Council/Calexico Community  
Redevelopment Agency Successor Agency/Calexico  
Financing Authority Minutes for Meeting of July 19, 2016.

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## Recommendation:

Approval of City Council/Calexico Community Redevelopment Agency Successor Agency/Calexico Financing Authority Minutes for Meeting July 19, 2016.

## Background:

In accordance with Municipal Code Section 2.04.070, the City Clerk shall prepare minutes of the proceedings of each City Council Meeting.

## Discussion & Analysis:

Approval of City Council/Calexico Community Redevelopment Agency Successor Agency/Calexico Financing Authority Minutes for Meeting of July 19, 2016 have been prepared for City Council review and approval.

## Fiscal Impact:

None.

## Coordinated With:

None.

## Attachments:

Minutes for City Council/Calexico Community Redevelopment Agency Successor Agency/Calexico Financing Authority Minutes for Meeting of July 19, 2016.

AGENDA  
ITEM

4

**THE CALEXICO CITY COUNCIL/CALEXICO REDEVELOPMENT SUCCESSOR AGENCY/CALEXICO FINANCING AUTHORITY MET IN REGULAR SESSION ON THE 19<sup>TH</sup> DAY OF JULY, 2016 AT 6:30 P.M. AT THE FERNANDO "NENE" TORRES COUNCIL CHAMBERS, 608 HEBER AVENUE, CALEXICO, CALIFORNIA. THE DATE, HOUR AND PLACE DULY ESTABLISHED FOR THE HOLDING OF SAID MEETING.**

**CLOSED SESSION AGENDA- 5:30 P.M.**

**CALL TO ORDER**

Mayor Kim called the meeting to order at 5:46 p.m.

**ROLL CALL**

Mayor: Joong S. Kim  
Mayor Pro Tem: Luis J. Castro  
Council Member: Armando Real  
Council Member: Maritza Hurtado  
Council Member: John M. Moreno

**PUBLIC COMMENTS**

No Public Comments.

**ADJOURN TO CLOSED SESSION.**

Council convened in closed session at 5:50 p.m. to discuss the following:

**1. CONFERENCE WITH LABOR NEGOTIATORS**

Agency Representatives: City Manager, City Attorney  
Employee Organizations: Police Officers Association, Fire Fighters Association, Supervisors Association, Certified Operators Association/SEIU Local 221, Calexico Municipal Employees Association, Calexico Management Association. (Govt. Code Section 54957.6).

Council reconvened from Closed Session at 6:25 p.m.

**CALEXICO CITY COUNCIL/CALEXICO REDEVELOPMENT  
SUCCESSOR AGENCY/CALEXICO FINANCING AUTHORITY**

**REGULAR SESSION AGENDA - 6:30 P.M.**

**CALL TO ORDER**

Mayor Castro called the meeting to order at 6:31 p.m.

**ROLL CALL**

Mayor: Luis Castro  
Mayor Pro Tem Armando Real  
Council Member: Maritza Hurtado  
Council Member: John M. Moreno  
Council Member: Joong S. Kim

**PLEDGE OF ALLEGIANCE**

Clerk Garcia led those present in the Pledge of Allegiance

**CLOSED SESSION ANNOUNCEMENTS**

Interim City Attorney Hargreaves stated there were no reportable actions taken.

**APPROVAL OF AGENDA:**

Mayor Castro requested to add the CPAL prior to any items are heard before public comments. Motion was made by Council Member Moreno, seconded by Mayor Pro Tem Real to approve the agenda and move the CPAL presentation to before the public comments.

Council Member Kim expressed concern over the agenda being continued and that the item on the tent sales was to be brought back as previously presented and the item was altered.

Interim City Attorney Hargreaves stated it was his understanding that it was directed that the item be brought back with an ordinance

Council Member Kim also stated the recognitions he was to present were not placed on the agenda.

Motion passed unanimously.

**CPAL PRESENTATION:**

Ms. Edna presented the categories who brought home six first place medals and two third place medals.

Category 8 placed 3<sup>rd</sup> Place – Coach Noe Garcia.

Category 2006 – Third Place – Omar Martinez, Coach

Category 2007 – First Place – Francisco Melendez.

She presented Assistant. Coach supporting these teams Mr. Arturo Mora. She thanked the parents for their support and request the community to help them to reach their dream goal which is the Michigan 2017 Nationals. She requested support for their league because they represented Calexico at Qualcomm Stadium and thanked Mayor Castro who attended the celebration.

Carmen Estrada thanked the children, the coaches and the parents for their support. Thanked City Manager Villa, Sylvia, Juan Carlos from Santo Tomas, Mayor Castro, Jose from McDonalds who provided the funding for five hotel rooms in support of the teams. She thanked the Council for their support.

Mayor Castro thanked the parents, coaches and commended the children for their hard work and their amazing talent. He stated the need to support the incredible teams who will be representing Calexico and asked for support from his colleagues in support of the teams. He asked the City Manager to help work on this matter.

### **PUBLIC COMMENTS AND PUBLIC APPEARANCES**

No public comments.

*Council took a recess at 6:47 p.m.*

*Council reconvened at 6:49 p.m.*

### **CITY COUNCIL COMMENTS AND REPORTS OF MEETINGS ATTENDED**

Council Member Kim thanked the public for their participation in tonight's meeting and stated he was happy to see our kids achieve their goals. He stated the City of Calexico is very limited and cannot support them right now and felt the City should find the funds to support them with the sports. He expressed his concern for the City's safety. He commented on the process for preparing the agenda and spoke about following rules and not making up rules.

Council Member Hurtado commented on an incident at her home and stated she had a favorable experience with calling 911 and with the officer response. She stated the suspects were caught and the officers handled the matter in an exemplary manner and in a professional manner. She commented on how it is good that groups like CPAL are helping with the kids. Thanked Officers Zamora and Officer Carbajal for helping her. She stated she is proud of the department for making due with what they have and restoring the confidence in the Staff. Thanked the Staff for their professionalism during these hard times. She congratulated HOPE Café which is very popular and thanked the City for helping making this happen.

Mayor Castro attended and participated in the special event with CPAL. He stated it was a great event and commended the teams on their great talents. He announced the teams brought home six gold and two bronze medals and they are preparing for Michigan in 2017. He further stated he is working very close with administration and requested support from his colleagues to look for some type of account to support all the players in Calexico because he is very proud of them.

### **CITY MANAGER'S REPORT**

No comments.

### **CONSENT AGENDA**

Council Member Kim pulled Item No. 4 for discussion.

Motion was made by Mayor Pro Tem Real, seconded by Council Member Moreno and passed unanimously to approve the consent agenda consisting of the following: Approval of City Council/Calexico Community Redevelopment Agency Successor Agency/Calexico Financing Authority Minutes for Meeting of June 21, 2016, June 28, 2016, June 30, 2016, July 5, 2016 and

July 7, 2016; Warrants from June 25th to July 8, 2016 and City Salaries & Benefits from June 24th to July 8th, 2016

#### **ITEMS PULLED FROM CONSENT CALENDAR FOR DISCUSSION**

#### **ITEM NO. 4. - CONSIDERATION OF CONTRACT FOR IVC WORK STUDY PROGRAM FOR FY 2016-17.**

City Manager Villa explained this is an annual contract with IV Workstudy. He informed IV Workstudy, as part of the work program provides funding of 65% of the cost of one person and the City provides the 35% difference. This program is for students to take advantage of the workplace and to be trained.

Council Member Kim stated the City mostly employs Hunter and not IVC.

City Manager Villa stated this program is for students who sign up themselves and they are placed in various departments and the City pays only 35% of their wages.

Council Member Kim asked if the City can use this program to assist with the City's budget and not use the temporary agency.

Council Member Hurtado stated these are different resources.

City Manager Villa advised that in the past there has not been that many students and the City has supplemented with Hunter employees.

Council Member Hurtado pointed out how these employees do not work throughout the summer and over the holidays.

Motion was made by Council Member Kim, seconded by Council Member Moreno and passed unanimously to approve the Contract for the IVC Work Study Program for FY 2016-17.

#### **ORDINANCE NO. 1170 OF THE CITY COUNCIL OF THE CITY OF CALEXICO, CALIFORNIA, ADDING CHAPTER 5.98 TO THE CITY OF CALEXICO MUNICIPAL CODE REGULATING OFF-SITE DISPLAY AND SALE OF AUTOMOBILES IN THE CITY.**

Council Member Kim stated that the last meeting it was said the item would be continued to the next meeting and were supposed to use the same agenda and the staff altered the agenda.

Council Member Hurtado questioned Mayor Pro Tem Real's participation in this item due to his employment with Desert Auto Plaza and also because company is a major proponent of this Ordinance. Mayor Pro Tem Real responded there is no problem because this does not just involve with one dealership in particular.

Interim City Attorney Hargreaves stated this item has been brought to Council on several occasions over the past months and at the last meeting it was directed to come back with an ordinance allowing one tent sale a year and in the interim received direction on two tent sales per dealership per year and this is subject to Council discussion. The tent sales would be subject to a permit process with standard conditions to be complied with such as City ordinances, that it not be

detrimental to the neighborhood. This is a standard ordinance and this is a first reading and will be back for a second reading and if passed it will be effective within 30 days.

Council Members discussed the sales tax procedures, permits, the percentages that come to the City and the share that is received by the City off the sales of vehicles in Calexico. City Manager Villa provided a detailed explanation on the process and how the sales tax is distributed to the City of Calexico.

Ralph Morales explained there are two permits required, a Temporary Use Permit (TUP) and a permit from Fire for inspection.

Council Member Kim commented on the benefits to the City and the need to help and protect local businesses. He further stated dealerships are welcome if they open a business in Calexico because hit and run business is hurting local businesses.

Council Member Hurtado stated the City should not turn away business however, we also participate in purchasing vehicles at the local dealership, who support our teams within the City and they pay their business licenses and fees. She stated the need to allow business in the community and get something in return for the community. She asked the businesses speak with the economic development specialist.

Mike Castro – Rogers & Rogers stated they are here to help all the community as a whole and as a special programs director he helps all the cities and provides funding. He further stated Calexico residents go to Rogers & Rogers and ask them to come to sell in Calexico.

Council Member Hurtado asked if Rogers & Rogers is willing to come to Calexico. Mike Castro spoke about making money and they also go out to the community to assist them.

Mayor Pro Tem Real asked if Rogers & Rogers wanted to have a tent sale in Calexico. Mr. Castro stated they would like to have a tent sale in Calexico.

Mayor Pro Tem Real asked if doing well in Calexico would entice them to come to Calexico as a business.

Motion was made by Mayor Pro Tem Real to approve one tent sale a year.

Maribel Padilla spoke about Desert Auto Plaza providing for our community organizations. She commented on how local dealers do not show up and are not complaining. She reminded the Council that the City is in financial debt of \$3.9 million and the City is not in position not take the \$17,000 in revenues obtained from the tent sales.

Maribel addressed the many issues relating to the sale of vehicles in Calexico and asked the City Council to give up their pay and insurance for the City. She asked that the Council think about the employees.

Sylvia Bernal, 818 4<sup>th</sup> Street stated she bought a car with a local dealer to give an opportunity for the money to stay here and it is the worst mistake of her life. She stated they only provided a 30 day guarantee. She stated a year ago she bought a Jetta in Coachella and will now only go directly

to the dealer to purchase a car and agree with Ms. Padilla 100% that any sales brought are good due to the situation the City finds itself.

Mayor Pro Tem Real made a motion to allow one tent sale per year per dealer.

Council Member Moreno stated he like the idea of once a year because this means we are opening our doors for businesses. He stated he would like to look at having the tent sales for once a year for a window of one month.

Mayor Pro Tem Real rescinded motion.

Mayor Pro Tem Real made a motion for one tent sale for the month of March.

Mayor Pro Tem Real amended his motion to one tent sale per dealer during the month of July. Second Moreno was seconded by Council Member Moreno and passed by the following vote to wit:

AYES: Castro, Real, Moreno  
NOES: Kim, Hurtado  
ABSENT: None  
ABSTAIN: None

**DESIGNATION OF VOTING DELEGATE AND ALTERNATES FOR THE LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE – OCTOBER 5-7, 2016 IN LONG BEACH, CALIFORNIA.**

City Manager Villa explained that in the past the delegates have been the Mayor and Mayor Pro Tem.

Motion was made by Council Member Kim for the Mayor Castro and Mayor Pro Tem Real to be the delegate and alternate delegate. Motion was seconded by Mayor Pro Tem Real and passed unanimously.

**APPROVAL OF MASTER CALENDAR OF CITY COUNCIL MEETINGS FOR FISCAL YEAR 2016-17. VILLA PROVIDED A STAFF REPORT**

Council Member Hurtado expressed concern on possible change in the many months. She stated Mr. Carlos Campos is the City Attorney and he has another job on Tuesdays and our legal documentation shows him as the City Attorney and felt we are spending twice on an attorney. In view of the financial situation, we should have only one attorney and asked for consideration to move the Council meetings to Wednesdays and have our City Attorney present. Council Member Hurtado proposed moving the City Council meetings to the first and third Wednesday of the month.

Interim City Attorney Hargreaves concurred it would be more efficient.

City Manager Villa requested continuance in order to review the calendar further for conflicts with holidays.

Motion was made by to continue the item for consideration to officially move the City Council meetings to Wednesdays. Motion was seconded by Mayor Pro Tem Real and passed unanimously.

**DISCUSSION ON CONSIDERATION OF A FIVE YEAR FORENSIC FINANCIAL AUDIT.**

Council Member Kim stated that the finance department needs an audit of all projects and grants due to issues with grants expenditures and use of enterprise funds. He further stated the City needs to find out what is going on and who is responsible. It will help to find mistakes and prevent them for the future.

*Mayor Pro Tem Real left the dais at 7:55 p.m.*

Mr. Kim stated the need to find out what is going wrong and if something was done wrong, to learn from our past mistakes and prepare for the future, to help the City to meeting with our losses and find out how we spent wrong. He further stated the City has not been doing things right and need to know who is responsible and go through the legal process.

Council Member Moreno stated the turn-over in administration causes these problems and instability. He stated he felt the concept is good however need to look at the cost, the tax on our employees when the City is working on closing the gap with the unions. He suggested waiting until we have a grasp on our collective bargaining units and then pinpoint which years to audit. He suggested establishing trust with administration, allowing Mr. Villa to work with the staff and the collective bargaining units to work out a plan, settle on the contracts before jumping into a ten-year forensic audit. He stated he supports the concept but the timing is wrong.

Council Member Kim stated he felt the timing is right because if not they will hide, lawyers will protect and Council will fail to the community. Also, there's not much cost of it.

Council Member Hurtado stated one very important player is the auditors, Pun & McGeady who have been standing by our side. She stated that with every audit the City receives, the auditors provide a report and tell the City if it is qualified or not qualified. When your auditor gives you an indication on these results is the need to understand the auditor's finding results and we have

*Mayor Pro Tem Real returned to the dais at 8:01 p.m.*

"not qualified" findings so the matter before us is discontent vs. criminality. The City should have more support and reassurance and the auditors do this for the City and they provide oversight. She stated that if the City receives an "unqualified" decision from the auditors then that will be the time.

City Manager Villa agreed that if there is anything to be looked at negatively, we should wait for the auditor's report. The audit costs \$60,000 to \$80,000 every year. A forensic audit will cost over \$100,000 per year for total of over \$500,000. Suggested waiting on the auditors and then act on it.

Council Member Real asked what years are pending. City Manager Villa advised they are finishing FY 2014-15.

Finance Director Mr. Gutierrez said auditors, for the past years, have validated the work of the Finance Department and have not reported any wrong doings.

Council Member Real questioned whether the City had the funding for a five year forensic audit costing approximately \$120,000 per year, totaling \$600,000. City Manager Villa advised him the City does not have the funds.

Council Member Kim stated the need to find out what is going on and the public wants to know. He further stated the City is spending thousands of dollars for a regular audit but it does not show any criminal activity and only forensic audits are able to find out any criminal activity.

Council Member Moreno asked if the City could afford this right now.

Council Member Hurtado asked to invite Mr. Pun to speak to the City and maybe he can provide some guidance.

Council Member Real motioned to continue the item until after the Audit report of FY 2014-15 is ready for review. Discussion of this Item to continue in the future.

#### **FUTURE AGENDA ITEMS:**

Council Member Hurtado:

1. Parks analysis (Hearthstone 2.5 acre parcel, Cordova Park)
2. Address cleanliness in the downtown area and suggested the BID have funds that could be spent in cleaning the downtown allies.

Mayor Pro Tem Real:

1. Joint meeting with the BID to review their finances and discuss cleanliness in the downtown. City Manager Villa stated he would speak to the BID about shifting their funds towards cleaning. City Manager will report back.
2. Closure of Rockwood Avenue for a pilot program between First Street and the alley next to Jack in the Box. Suggested the BID purchase four kiosks which could be rented by the BID, to create a monthly income of about \$4,000, for people selling cell phones and target the Mexicali shopper. He suggested the revenues could be used to hire someone to clean downtown.
3. Requested a response to why there is a mound of dirt at Cordova Park.

Council Member Kim:

1. Item on EDA Grant for public discussion. City Manager Villa advised him he is not ready to discuss because it was approved as a conceptual application and are still having meetings with developer regarding specifics.
2. Amerinational Report.
3. Discussion on status of the Casino Project. Item seconded by Council Member Moreno.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 8:30 p.m.

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Luis J. Castro, Mayor

**ATTEST:**

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Gabriela T. Garcia, Deputy City Clerk