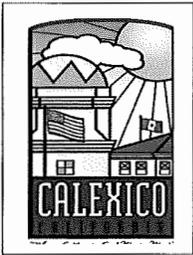


**AGENDA
ITEM**

02



AGENDA STAFF REPORT

DATE: November 28, 2018
TO: Mayor and City Council
APPROVED BY: David B. Dale, City Manager *MF for D.D.*
PREPARED BY: Gabriela T. Garcia, Deputy City Clerk *[Signature]*
SUBJECT: Approval of City Council/Calexico Community Redevelopment Agency Successor Agency/Calexico Financing Authority Minutes for Meetings of October 25, 2018 and November 14, 2018

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Recommendation:

Approval of City Council/Calexico Community Redevelopment Agency Successor Agency/Calexico Financing Authority Minutes for Meetings of October 25, 2018 and November 14, 2018.

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:

City Council/Calexico Community Redevelopment Agency Successor Agency/Calexico Financing Authority Minutes for Meetings of October 25, 2018 and November 14, 2018 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 Meetings of October 25, 2018 and November 14, 2018.

AGENDA
ITEM
02

THE CITY COUNCIL/CALEXICO COMMUNITY REDEVELOPMENT AGENCY SUCCESSOR AGENCY/CALEXICO FINANCING AUTHORITY MET IN A SPECIAL SESSION ON THE 25TH DAY OF OCTOBER, 2018 AT 5:00 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.

CALL TO ORDER

Mayor Pacheco called the meeting to order at 5:06 p.m.

ROLL CALL

PRESENT:

Mayor: Lewis Pacheco
Mayor Pro Tem: Jesus Eduardo Escobar
Council Member: Bill Hodge

ABSENT:

Council Member: Armando Real
Council Member: Maritza Hurtado
Council Member Real arrived at 5:08 p.m.

PLEDGE OF ALLEGIANCE

Miguel Figueroa led those present in the Pledge of Allegiance.

APPROVAL OF THE AGENDA

Motion was made by Council Member Hodge to approve the agenda as presented. Motion was seconded by Mayor Pro Tem Escobar and passed by the following vote to wit:

AYES: Pacheco, Escobar, Hodge
NOES: None
ABSENT: Real, Hurtado
ABSTAIN: None

PUBLIC COMMENTS AND PUBLIC APPEARANCES - No comments.

DISCUSSION AND POTENTIAL ACTION ITEMS

CONSIDERATION OF INTERIM ASSUMPTION AGREEMENT BETWEEN THE CITY OF CALEXICO AND TRINITY PROPERTY COMPANY LLC, TRINITY 341, LLC, CALEXICO DISTRIBUTION COMPANY, LLC, BARRINGTON CONSULTING, LLC, COLE BOULEVARD ADVISORS, LLC, AND DESERT VALLEY PARTNERS, LLC, RELATED TO THE DEVELOPMENT AGREEMENT WITH TRINITY PROPERTY COMPANY, LLC TO ALLOW FOR CANNABIS OPERATIONS WITHIN THE CITY.

Assistant City Manager Figueroa provided a brief report on the item presented before the Council for consideration.

Assistant City Attorney Seth Merowith stated the agreement drafted was reviewed by all six signatories and approved as to form by their attorney and action taken by Council will authorize the City Manager to execute the agreement.

Motion was made by Council Member Real to approve Interim Assumption Agreement between the City of Calexico and Trinity Property Company LLC, Trinity 341, LLC, Calexico Distribution Company, LLC, Barrington Consulting, LLC, Cole Boulevard Advisors, LLC, and Desert Valley Partners, LLC, related to the Development Agreement with Trinity Property Company, LLC to allow for Cannabis Operations within the City. Motion was seconded by Mayor Pro Tem Escobar and passed by the following vote to wit:

AYES:	Pacheco, Escobar, Hodge, Real
NOES:	None
ABSENT:	Hurtado
ABSTAIN:	None

ADJOURNMENT

There being no further business, the meeting was adjourned at 5:12 p.m.

Lewis Pacheco, Mayor

ATTEST:

Gabriela T. Garcia, Deputy City Clerk

**THE CITY COUNCIL/CALEXICO COMMUNITY REDEVELOPMENT AGENCY
SUCCESSOR AGENCY/CALEXICO FINANCING AUTHORITY MET IN A SPECIAL
SESSION ON THE 14TH DAY OF NOVEMBER, 2018 AT 5:30 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**

CALL TO ORDER

Mayor Pacheco called the meeting to order at 5:45 p.m.

ROLL CALL

PRESENT:

Mayor: Lewis Pacheco
Mayor Pro Tem: Jesus Eduardo Escobar
Council Member: Maritza Hurtado

ABSENT:

Council Member: Bill Hodge
Council Member: Armando Real

PLEDGE OF ALLEGIANCE

Clerk Garcia led those present in the Pledge of Allegiance.

APPROVAL OF THE AGENDA

Motion was made by Council Member Hurtado, seconded by Mayor Pro Tem Escobar to approve the agenda as presented. Motion passed by the following vote to wit:

AYES: Pacheco, Escobar, Hurtado
NOES: None
ABSENT: Hodge, Real
ABSTAIN: None

PUBLIC COMMENTS AND PUBLIC APPEARANCES - No comments.

PRESENTATIONS

Mayoral Recognition to the Calexico High School Jazz Band for their Participation in the Binational Mural Project Unveiling Celebration.

Mayor Pacheco, Mayor Pro Tem Escobar and Council Member Hurtado presented Certificates of Recognition to the Calexico High School Omega Jazz Band for their participation in the Binational Mural Project Unveiling Celebration.

PUBLIC COMMENTS AND PUBLIC APPEARANCES

No public comments.

DISCUSSION AND POTENTIAL ACTION ITEMS**2018-19 1ST QUARTER BUDGET STATUS REPORT AND APPROVAL OF PROPOSED BUDGET AMENDMENT RESOLUTION**

Karla Lobatos, Finance Director presented the 2018-19 General Fund first quarter report. She reported it was estimated that as of fiscal year 2017-18 there would be a deficit of \$26,048, however there were changes in revenues due to the State's software implementation which had not captured revenues due to the City in the amount of \$285,575. These additional revenues will be received by end of November. These revenues along with Measure H revenues brings the net impact to revenues to a total of \$259,528. She stated this additional funding will be placed in reserves and fiscal year 2018-19 will begin with a surplus. She advised property tax will also be increasing for this coming year due to property assessments, hotel tax is being reported conservatively at \$21,000 and Cannabis was reported at \$300,000 and is now \$700,000. The new revenues for 2018-19 are as follows:

Property tax	\$ 100,000
Hotel tax	\$ 21,000
Cannabis	\$ 400,000
Utility Fund Leases	\$(60,000)
Traffic Control Grant	\$(125,000)
Ambulance Fees	<u>\$(500,000)</u>
Total Impact to Revenues	\$(164,000)

She reported losing a grant for \$125,000 and advised the funding for the ambulance fees have not been received as expected so the revenues are being reduced by \$500,000 due to funding from Medical/Medicare and the contracts that needed to be renegotiated. Net impact to revenues is a negative \$164,000.

Ms. Lobatos reported on the 2018-19 General Fund Net of Internal Changes/Transfer Expenditures as follows:

Program Cost Adjustments:

* Police/Traffic Control	\$ 200,000
* Community Development	\$ 12,000
* Non-Department/IVECA	\$ 9,000
* Police/Dispatch equipment	<u>(300,000)</u>
Net Impact to Expenditures	\$ (97,000)

Ms. Lobatos reported the savings of \$300,000 due to the police department equipment being paid from impact fees a net impact reduction to expenditures of (\$97,000).

Ms. Lobatos reported on the Employee Vacancies as follows:

As projected in 2018-19 original budget	\$ (220,000)
Increase	<u>(41,000)</u>
As projected 11-8-2018	\$ (261,000)

She advised payroll has stayed within budget with exception of some overtime.

Ms. Lobatos provided sub-total 2018-19 General Fund totals as follows:

Original budget annual operating results	\$ 276,048
Revenue Adjustments	(164,000)
Expenditure Adjustments	<u>138,000</u>
Amended budget Annual Operating results	\$ 250,048

Council Member Real asked for the amount set aside in Fiscal Year 2017-18 for reserves. He was advised there were no reserves however, there will be \$250,000 for Fiscal Year 2018-19. Council Member Real spoke on the Council considering possibly earmarking 5% for reserves to help the City. He addressed traffic control due to the port of entry and as a region, and expressed his opinion that it is unfair for Calexico to be only agency holding the cost for the traffic control while the entire Valley benefits. He addressed the loss of the one grant for traffic control and felt that the grant should be increased rather than decreased since this is a regional issue.

Mayor Pacheco commented on a grant from ICTC for traffic controllers. City Manager Dale advised the City has been receiving a \$150,000 for the past three years and the \$125,000 in question was from the community benefits program from the County which the City did not receive.

Council Member Real commented on the need for traffic control with the lines backing up all the way to Heber. Ms. Lobatos stated there is still time to work on revenues and work with the County. Council Member Real request the revenues brought in from the tent sales.

Mayor Pro Tem Escobar commented on reserves and commented the City is in a better position with approximately \$500,000 in reserves and stated he felt it is a step in the right direction. He also commended City Staff for their work and support.

Mayor Pacheco stated it is positive and with the passing of Measures J and K it will help alleviate the budget.

Ms. Lobatos stated it had been a team effort and felt the City is moving in the right direction. Mayor Pacheco thanked staff for their work.

Motion was made by Council Member Real to approve the proposed budget amendment resolution. Motion was seconded by Mayor Pro Tem Escobar and passed by the following vote to wit:

AYES: Pacheco, Escobar, Real, Hurtado
NOES: None
ABSENT: Hodge
ABSTAIN: None

AUTHORIZE AN AMENDMENT TO THE 2018-19 FISCAL YEAR BUDGET APPROVING THE PLANNING & BUILDING SERVICES DEPARTMENT REORGANIZATION TO INCLUDE THE ADDITION OF THE PLANNING & BUILDING SERVICES DIRECTOR POSITION AND APPROVE THE REVISED JOB DESCRIPTION FOR PLANNING & BUILDING SERVICES DIRECTOR POSITION.

Denise Garcia, Human Resources Manager advised Administration requested the reorganization of the Building and Planning Departments as presented in the organizational charts before the Council. She advised the City plans to hire a Building and Planning Director and eliminate the Senior Code Enforcement, Building Manager and Associate Planner positions.

Mayor Pacheco stated the Building Manager Position would be extended until June 30, 2019.

Council Member Real stated the Building Manager position is an extremely important position and agreed with the reorganization and also agree that someone needs to be in the position until a person is hired for the director position. Denise Garcia, Human Resources Manager advised that this will not eliminate people and institutional knowledge and the persons would have bumping rights.

Mayor Pro Tem Escobar spoke about continuity within the department to make sure things are being done the best possible.

Joong Kim stated he is proud to say to public that Council is announcing the balancing of the budget based on employee and public safety pay cuts. He addressed the hiring of high salaried jobs and while balancing the budget with the employees payroll. He also stated the community does not agree with the cuts for customer services.

Motion by Mayor Pro Tem Escobar to approve Item No. 3, seconded by Council Member Real with the subject to temporary approval on the extension of the Building Manager position through June 30, 2019. Motion passed by the following vote to wit:

AYES: Pacheco, Escobar, Real, Hurtado
NOES: None
ABSENT: Hodge
ABSTAIN: None

APPROVAL TO REMOVE HIRING SUSPENSION ON CITY OF CALEXICO FY 2018-19 BUDGETED ENTERPRISE POSITIONS

Joong Kim spoke about being conservative and stated the Council is using the higher water and sewer rates to hire additional staff.

David Romero, 705 Gonzalez Court, spoke on hiring ten employees for the enterprise funds. He stated his main concern is whether the employees would be used strictly for enterprise fund works. He stated the City is talking about raising the water rates and now there is \$473,281 available to hire employees. He spoke about hiring employees from enterprise funds to be being used within the general fund and hoped the persons hired would be for the benefit of the enterprise departments.

City Manager Dale stated the positions were budgeted for the 2018-19 fiscal year however were frozen when the Council approved the budget. He stated the City is paying Hunter temporary employees, they are trained and then the City loses the employees and their knowledge after six months and the City then needs to hire new staff. He stated the City needs the labor to address the issues.

Council Member Real asked the HR Manager about the option on hiring part-time permanent employees and why this option was being taken.

Council Member Hurtado left the dais at 6:33 p.m.

Denise Garcia, Human Resources Manager stated her understanding is the only difference between a part time permanent and a full-time employee is the health benefits package. Part-time permanent are eligible for retirement and benefits but limited on the number of hours they can work.

Council Member Real pointed out that as far as letting go the person, it is a lot easier because they are not union members. Ms. Garcia concurred.

Mayor Pro Tem Escobar pointed out the costs for the eight of the laborers positions are of about \$12 dollars per hour, the electrician is about \$18 and the IT Manager is \$6,000 per month and asked for City Manager to elaborate on the necessity for these positions. City Manager Dale explained the City moved to electronic meters which require constant electronic maintenance and it needs an IT Manager to oversee the meters. He stated the City has been using temporary staffing for this and with the water breaks, there is a need for staff to address these issues. He informed that the City pays for the employee and a premium to the firm.

Council Member Real stated it may be a minimal impact on the budget, but the City needs to find quality people who want to work. He suggested hiring permanent part-time and reassess before making a final decision.

Mayor Pacheco stated the enterprise funds is strictly used for enterprise and the money stays where it is allotted.

Eduardo Barron, Distribution Operator, addressed the hiring of workers from enterprise funds and stated the need was not for laborers but for distribution operators for the water treatment plant, wastewater treatment plant and distribution. He stated that the workers being hired would be for be for streets, parks and be paid from the enterprise funds. He also addressed the control of the meters by the outside companies and not by the City.

Mayor Pacheco stated the need for laborers. Council Member Real asked if the City is asking for laborers because they are needed and questioned if they would be working in enterprise or in other areas. He expressed his concern over the workers not working in enterprise.

Motion was made by Council Member Real to remove the hiring suspension on City of Calexico FY 2018-19 Budgeted Enterprise Positions making sure the enterprise worker is working for enterprise. Motion was seconded by Council Member Hurtado and passed by the following vote to wit:

AYES:	Pacheco, Escobar, Real, Hurtado
NOES:	None
ABSENT:	Hodge
ABSTAIN:	None

ADJOURNMENT

There being no further business, meeting was adjourned at 6:48 p.m.

Lewis Pacheco, Mayor

ATTEST:

Gabriela T. Garcia, Deputy City Clerk