

MINUTES

CUDAHY CITY COUNCIL REGUAR MEETING and CITY OF CUDAHY AS SUCCESSOR AGENCY and HOUSING SUCCESSOR AGENCY TO THE CUDAHY DEVELOPMENT COMMISSION JOINT MEETING

October 1, 2019 6:30 P.M.

1. CALL TO ORDER

Mayor / Chair Gonzalez called the meeting to order at 6:33 p.m.

2. ROLL CALL

PRESENT: Council / Agency Member Guerrero
Council / Agency Member Lozoya
Vice Mayor / Vice Chair Alcantar
Mayor / Chair Gonzalez

ABSENT: Council / Agency Member Garcia

ALSO PRESENT: City Manager Jose E. Pulido, City Attorney, Martin De Los Angeles, Assistant City Clerk, Richard Iglesias, Finance Director, Steven Dobrenen and Junior Deputy City Clerk, Andres Rangel.

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Vice Mayor Alcantar.

4. PRESENTATIONS - NONE

5. PUBLIC COMMENTS

Jack Guerrero, spoke against the City's alleged insufficient internal control environment. He cited the latest list from the California State Auditor ranking the City in the bottom seven in the state with the highest evaluation of risk with the potential of waste, fraud, abuse, and mismanagement, reflecting years of severe financial mismanagement. He further cited the OC Register, reporting on Cudahy for its evaluation by the California State Auditor. He further cited the City developing a remediation plan to address such financial deficiencies including highlighting tasks to be performed as well as milestones and timelines of objectives to be completed, as well as Council preparing periodic updates of implementation progress.

Marcos Oliva, asked Council why there was not a request for qualifications for the public hearing item. He further questioned business session item 12A, citing most cities appointing city clerks by Council. He explained a Council appointed city clerk maintains checks and balances, serving residents as an independent body.

Pamela Munguia, asked the city attorney the legal grounds the Council has to restrict public comment speech, not allowing residents to speak against specific Council members. She cited San Bernardino resident filing a lawsuit against the city for similar reasons and winning the case. She reminded Council the law protects residents' freedom to speak against Council members

when a resident holds grievance. She went on to speak in regards to public hearing item 11A, arguing City Council should not grant the City Manager more authority to execute negotiations and programs that are in the public hearing item. She referenced Cudahy's past Council bodies giving too much power to its city manager.

6. CITY COUNCIL COMMENTS

Council Member Guerrero, in Spanish, Mr. Guerrero reiterated against the City's alleged insufficient internal control environment. He cited the latest list from the California State Auditor ranking the City in the bottom seven in the state with the highest evaluation of risk with the potential of waste, fraud, abuse, and mismanagement, reflecting years of severe financial mismanagement. He further cited the OC Register, reporting on Cudahy for its evaluation by the California State Auditor. He reminded residents that two Council members admitted to accepting money from developers in a previous meeting. He further commented both Council members went on to vote in favor of that developer's project despite not conducting an environmental or public safety analysis and overwhelming resident backlash against the project. He called for a forensic audit from an impartial third-party state auditor. He asked residents interested in signing a petition calling for an audit from the state auditor to contact him or other watchdog residents in the community. He further asked City staff to explain how it is planning to store cannabis proceeds, explaining such funds cannot be stored at a federally regulated bank.

Vice Mayor Alcantar, directed City staff to add a discussion item for tenant protection. She explained her meeting with local schools in Cudahy and how they can be involved with the community as well as talked about her meeting with Ms. Jackie Goldberg. She further highlighted the Movie Night event and concluded her comments by announcing the Walk to School Event.

Mayor Gonzalez, directed staff to add a discussion item regarding eviction tracking, as well as how the City can ensure their rights are being protected. He reported out of the Santa Ana Railway project. He further commented about a Council financial retreat, and asked the City attorney to address Mr. Guerrero's concerns about storing cannabis proceeds at federally regulated banks. He continued his comments by discussing future development projects in the City, specifically on Atlantic corridor. He concluded his comments by announcing plans to change East Los Angeles College's satellite campus in South Gate to South East Los Angeles College.

7. CITY MANAGER REPORT (information only)

8. REPORTS REGARDING AD HOC, ADVISORY, STANDING OR OTHER COMMITTEE MEETINGS

Vice Mayor Alcantar reported on Hub Cities Consortium Committee

Mayor Gonzalez reported on plans to change East Los Angeles's satellite South Gate campus to South East Los Angeles College.

9. WAIVER OF FULL READING OF RESOLUTIONS AND ORDINANCES

Motion: It was moved by Vice Mayor Alcantar and seconded by Mayor Gonzalez to approve the waiver of full reading of Resolutions and Ordinances. The motion carried (2-0-1) by the following roll call vote.

AYES: Alcantar and Gonzalez
NOES: None
ABSENT: Garcia

ABSTAIN: Guerrero and Lozoya

10. CONSENT CALENDAR

- A. Consideration to Review and Approve the Draft Minutes of September 17, 2019, for the Regular Meeting of the City Council and the Joint Meeting of the City of Cudahy as Successor Agency and Housing Successor Agency to the Cudahy Development Commission

Presented by the Assistant City Clerk

The City Council is requested to review and approve the City Council / Successor Agency Draft Minutes for September 17, 2019.

Motion: It was moved by Vice Mayor Alcantar and seconded by Mayor Gonzalez to review and approve the City Council / Successor Agency Draft Minutes for September 17, 2019. The motion carried (3-0-1) by the following roll call vote.

AYES: Lozoya, Alcantar, and Gonzalez
NOES: None
ABSENT: Garcia
ABSTAIN: Guerrero

11. PUBLIC HEARING

- A. Approving Go Green Consultants, LLC to prepare and implement an Energy Assets Management Program for the City of Cudahy and Authorizing the City Manager to Negotiate and Execute an Energy Services and Performance Agreement and possible Abatement Lease for Capital Improvements Citywide

The City Council is requested to approve the Selection of Go Green Consultants, LLC and Authorize the City Manager to Negotiate and Execute a Program Development Agreement to prepare an Integrated Energy Assessment for the City of Cudahy and Execute definitive Agreements for Work to be Completed.

MAYOR GONZALEZ OPENED THE FLOOR FOR PUBLIC COMMENT AT 8:21 P.M.

Marcos Oliva, commented Council should have required to submit a Request for Qualifications for this project. He further commented that it is important to know what others have to say that are in the field, despite differences in cities. He also highlighted that the City should be precautious as this is not a grant, it is a loan, and therefore the \$3.5 million needs to be paid back.

Marcos Covarrubias, spoke in favor of item 11A. He asked Council that the loan could be paid through cannabis revenue.

Pamela Munguia, reminded Council that the item is accumulating \$3.5 million worth of debt, which is a loan the City cannot afford. She further commented projections can be inaccurate, citing cannabis revenue projections in the past. She did not agree with the item's urgency, emphasizing missing the deadline, as she feels such strict last-minute timelines lead to rash decision making. She concluded her comments by arguing that City facility improvement projects will not bring revenue.

Paul E. Galindo, clarified that the item 11A will save the City money in energy costs, and those savings will pay back the loan. He further commented that the loan has already been pre-approved despite difficulties in having the project financed.

Carmen Beltran, asked Council where the alleged \$7 million savings fund are, arguing that fund cannabis revenue could be used to fund this project. She concluded her comments by asking Council not to get further in debt citing the California State Auditor's list ranking City in the bottom 7 cities with high mismanagement.

MAYOR GONZALEZ CLOSED THE FLOOR FOR PUBLIC COMMENT AT 8:43 P.M.

Motion: It was moved by Council Member Guerrero, and seconded by Vice Mayor Alcantar to move forward with conducting an Investment Grade Audit (IGA), subject to City Attorney's office review, and present an IGA findings report and/or update to the City Council, as well as have Council approve all matters relating to any debt issuance, agreements, debt servicing, and/or managerial approval. The motion carried (4-0-1) by the following roll call vote.

AYES: Guerrero, Lozoya, Alcantar, and Gonzalez
NOES: None
ABSENT: Garcia
ABSTAIN: None

12. BUSINESS SESSION

- A.** Approve First Reading of Ordinance No. 702 Amending Sections 2.04.070, 2.12.030, and 2.20.010 of the Cudahy Municipal Code Relating to the Authority of the City Manager to Appoint the City Clerk for the City of Cudahy

Presented by the City Attorney's Office

The City Council is requested to approve first reading of Ordinance No. 702 amending Sections 2.04.070, 2.12.030, and 2.20.010 of the Cudahy Municipal Code relating to the authority of the City Manager to appoint the City Clerk for the City of Cudahy.

Motion: It was motioned by Mayor Gonzalez and Seconded by Council Member Lozoya to table this item until the State Auditor makes a presentation regarding City Clerk appointment. The motion carried (4-0-1) by the following roll call vote.

AYES: Guerrero, Lozoya, Alcantar, and Gonzalez
NOES: None
ABSENT: Garcia
ABSTAIN: None

13. COUNCIL DISCUSSION

Council Member Garcia

- i. Cudahy Skate Park Renovation Project

14. CLOSED SESSION

- A.** Closed Session Pursuant to Government Code Section 54957 – Public Employee Performance Evaluation

Title of Employee: City Manager

- B. Closed Session Pursuant to Government Code Section 54957.6 – Conference with Labor Negotiators Agency designated representative: Victor Ponto, City Attorney
Unrepresented employee: City Manager

- C. Closed Session Pursuant to Government Code Section 54957.6(a) – Conference with Labor Negotiator Regarding Represented Employees
City’s Designated Representative(s) for Negotiations: City Manager Jose E. Pulido and Special Counsel Oliver Yee
Employee Organization: Cudahy Miscellaneous Employees Association (CMEA)

CLOSED SESSION ANNOUNCEMENT

Deputy City Attorney Martin de los Angeles reported in regards closed session items and announced that regarding closed session item A and B, update was given but no final action was taken. Regarding closed session item C, update was provided, direction was given, but no final action was taken.

16. ADJOURNMENT

The City Council / Agency meeting was adjourned at 9:09 p.m.

Jose R. Gonzalez
Mayor

ATTEST:

Richard Iglesias
Assistant City Clerk