AGENDA

A REGULAR MEETING
OF THE CUDAHY CITY COUNCIL
and JOINT MEETING of the
CITY OF CUDAHY AS SUCCESSOR AGENCY and HOUSING SUCCESSOR AGENCY
TO THE CUDAHY DEVELOPMENT COMMISSION
Tuesday, August 6, 2019 – 6:30 P.M.

Written materials distributed to the City Council within 72 hours of the City Council meeting shall be available for public inspection in the City Clerk’s Office at City Hall located at 5220 Santa Ana Street, Cudahy, CA 90201.

In compliance with the Americans with Disabilities Act (ADA) if you need special assistance to participate in this meeting, you should contact the City Clerk’s Office at (323) 773-5143 at least 72 hours in advance of the meeting.

Rules of Decorum

“Members of the Public are advised that all PAGERS, CELLULAR TELEPHONES and any OTHER COMMUNICATION DEVICES are to be turned off upon entering the City Council Chambers.” If you need to have a discussion with someone in the audience, kindly step out into the lobby.

Under the Government Code, the City Council may regulate disruptive behavior that impedes the City Council Meeting.

Disruptive conduct may include, but is not limited to:

- Screaming or yelling during another audience member’s public comments period;
- Profane language directed at individuals in the meeting room;
- Throwing objects at other individuals in the meeting room;
- Physical or verbal altercations with other individuals in the meeting room; and
- Going beyond the allotted two-minute public comment period granted.

When a person’s or group’s conduct disrupts the meeting, the Mayor or presiding officer will request that the person or group stop the disruptive behavior, and WARN the person or group that they will be asked to leave the meeting room if the behavior continues.

If the person or group refuses to stop the disruptive behavior, the Mayor or presiding officer may order the person or group to leave the meeting room, and may request that those persons be escorted from the meeting room. Any person who, without authority of law, willfully disturbs or breaks up a City Council meeting is guilty of a misdemeanor. (Pen. Code, § 403.)
It should also be noted that any person who WILLFULLY disturbs or breaks up the City Council meeting may be arrested for a misdemeanor offense. (Penal Code, § 403.)

1. CALL TO ORDER

2. ROLL CALL

   Council / Agency Member Garcia
   Council / Agency Member Guerrero
   Council / Agency Member Lozoya
   Vice Mayor / Vice Chair Alcantar
   Mayor / Chair Gonzalez

3. PLEDGE OF ALLEGIANCE

4. PRESENTATIONS

   A. Rent control presentation by the City Attorney’s Office
   B. Water Resources Consultant, Maria Elena Kennedy reporting on water quality
   C. Anthony Rendon’s Office, Adrian Landa

5. PUBLIC COMMENTS

   (Each member of the public may submit one comment card if he or she wishes to address the City Council. Only speakers that submit a comment card within the first 20 minutes of the meeting will be permitted to speak for two (2) minutes concerning items under the City Council’s jurisdiction, including items on the agenda and closed session items.)

   (Any person who, without authority of law, willfully disturbs or breaks up a City Council meeting is guilty of a misdemeanor. (Pen. Code, § 403.))

6. CITY COUNCIL COMMENTS / REQUESTS FOR AGENDA ITEMS (Each Council Member is limited to three minutes.)

   (This is the time for the City Council / Agency to comment on any topics related to “City Business,” including announcements, reflections on city / regional events, response to public comments, suggested discussion topics for future council meetings, general concerns about particular city matters, questions to the staff, and directives to the staff (subject to approval / consent of the City Council majority members present, regarding staff directives). Each Council / Agency Member will be allowed to speak for a period not to exceed three (3) minutes. Notwithstanding the foregoing, the City Council Members shall not use this comment period for serial discussions or debate between
members on City business matters not properly agendized. The City Attorney shall be responsible for regulating this aspect of the proceeding.)

7. CITY MANAGER REPORT (information only)

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

9. WAIVER OF FULL READING OF RESOLUTIONS AND ORDINANCES

(Consideration to waive full text reading of all Resolutions and Ordinances by single motion made at the start of each meeting, subject to the ability of the City Council / Agency to read the full text of selected resolutions and ordinances when the item is addressed by subsequent motion.)

(COUNCIL / AGENCY)

Recommendation: Approve the Waiver of Full Reading of Resolutions and Ordinances.

10. CONSENT CALENDAR

(Items under the Consent Calendar are considered routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council / Agency Member so requests, in which event the item will be removed from the Consent Calendar and considered separately.)

A. Consideration to Review and Approve the Draft Minutes of July 16, 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 (page 7)

Presented by Assistant City Clerk

Recommendation: The City Council is requested to review and approve the City Council / Successor Agency Draft Minutes for July 16, 2019.

11. PUBLIC HEARING – NONE

12. BUSINESS SESSION

A. Adopt Proposed Resolution No. 19-26 Approving the Requested Amendment to the Fiscal Year (FY) 2019-20 City Budget Increasing Expenditures by $65,500 from the General Fund to Fund the Lugo Park Fitness Center Operations (page 21)

Presented by Parks and Recreation Coordinator

Recommendation: City Council is requesting to adopt proposed Resolution No. 19-26,
approving the requested amendment to the FY 2019-20 City Budget increasing expenditures by $65,500 for the General Fund.

B. Creation of an Economic Development Ad Hoc Committee and appoint two Council Members to serve on this committee (page 29)

*Presented by Assistant City Manager*

**Recommendation:** The City Council is requested to form an Economic Development Ad Hoc Committee and appoint two Council Members to serve on this committee.

C. Creation of a Contracts Review Ad Hoc Committee and appoint two Council Members to serve on this committee (page 33)

*Presented by Assistant City Clerk*

**Recommendation:** The City Council is requested to create a Contracts Review Ad Hoc Committee and select two Council Members to serve on this committee.

D. Discuss and Consider Placing a Resolution on the Council Agenda, Requesting a Forensic Audit from the California State Controller (page 35)

*Presented by Assistant City Clerk*

**Recommendation:** The City Council is requested to discuss, and consider placing a Resolution on the Council agenda, requesting a forensic audit from the California State Controller, by majority vote.

13. COUNCIL DISCUSSION

A. Council Member Guerrero

i. Discussion regarding increasing public speaking time to three minutes.

B. Mayor Gonzalez

i. Discuss which two Council Members will serve on the commissions Ad-Hoc committee.

**RECESS TO CLOSED SESSION**

This is the time at which the City Council will meet in closed session to go over items of business on the closed session agenda. It should be noted that Councilman Guerrero will be participating from
Bedwell Hall via teleconference. At this time, all persons other than Councilman Guerrero and City personnel authorized by either the City Manager or the City Attorney will not be allowed to remain in Bedwell Hall. Once closed session is completed and the City Council returns from closed session into open session, members of the public may then reenter the Council Chamber to rejoin the proceedings.

14. CLOSED SESSION

A. 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)

B. Closed Session Pursuant to Government Code Section 54957 – Public Employee Performance Evaluation
   Title of Employee: City Manager

RECONVENE TO OPEN SESSION

15. CLOSED SESSION ANNOUNCEMENT

16. ADJOURNMENT

I, Richard Iglesias, hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted at Cudahy City Hall, Bedwell Hall, Clara Park, Lugo Park, and the City’s Website not less than 72 hours prior to the meeting. A copy of said Agenda is on file in the City Clerk’s Office.

Dated this 1\textsuperscript{st} day of August 2019

[Signature]
Richard Iglesias
Assistant City Clerk
STAFF REPORT

Date: August 6, 2019
To: Honorable Mayor/Chair and City Council/Agency Members
From: Jose E. Pulido, City Manager/Executive Director
By: Richard Iglesias, Deputy City Clerk
Subject: Consideration to Review and Approve the Draft Minutes of July 16, 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

RECOMMENDATION

The City Council is requested to review and approve the City Council / Successor Agency Draft Minutes for July 16, 2019.

BACKGROUND / ANALYSIS

Historically

The Municipal Clerk is one of the oldest professions in government, dating back to 1272 A.D., originating in England. The record keeper then was called Remembrancer; an English official whose job was to remind the Lord Treasurer and Barons of Court, of business pending.

Years later in the 1600’s when early colonist came to America, the office of the Clerk was one of the first offices to be established. Over the years the City Clerk’s office has become the core for local government, and the liaison to the residents of the Community. The Municipal Clerk (City Clerk) is the record keeper of a City’s recorded History.

William Bennett Munro a Canadian historian and political scientist, who taught at Harvard University and the California Institute of Technology, stated in one of his first textbooks written: “No other office in municipal service has so many contacts. It serves the Mayor, the City Council, the City Manager (when there is one), and all administrative departments,
without exception. All of them call upon it, almost daily, for some service or information. Its work is not spectacular, but it demands versatility, alertness, accuracy, and no end of patience. The public does not realize how many loose ends of city administration this office pulls together.”

Moving forward to the present time, the City Clerk’s office today is generally responsible for keeping record of City Council meetings; agreements; recordings of official documents; legal advertisements; municipal elections; commissions and committees current files; claims against the city; and other legal or official documents.

City Clerks in General Law cities are required to keep a record (minutes) of the proceedings of Council meetings (Government Code Sections 36814 and 40801). Minutes are the official record of a meeting which provides a record of the Council’s decisions and actions.

**CONCLUSION**

City Council is requested to approve the attached City Council / Agency Draft Minutes of the proceedings of July 16, 2019, City Council meeting.

**FINANCIAL IMPACT**

No Financial Impact.

**ATTACHMENT**

A. Draft Minutes July 16, 2019
B. Resolution No. 16-38, approving the City Clerk’s use of Summary Action Minutes as the Official Record of the City Council proceedings.
MINUTES
CU DAHY CITY COUNCIL REGUAR MEETING and
CITY OF CUDAHY AS SUCCESSOR AGENCY and
HOUSING SUCCESSOR AGENCY TO THE CUDAHY
DEVELOPMENT COMMISSION JOINT MEETING

July 16, 2019 6:30 P.M.

1. CALL TO ORDER

Mayor / Chair Gonzalez called the meeting to order at 6:34 p.m.

2. ROLL CALL

PRESENT: Council / Agency Member Garcia (Arrived at 6:51 p.m.) (Left
Council / Agency Member Guerrero
Council / Agency Member Lozoya
Vice Mayor / Vice Chair Alcantar
Mayor / Chair Gonzalez

ABSENT: None

ALSO PRESENT: City Manager Jose E. Pulido, City Attorney, Martin de los Angeles,
Assistant City Clerk, Richard Iglesias, Finance Director, Steven
Dobrenen, Assistant Engineer, Aaron Hernandez, 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

David Rodriguez, spoke in regards to reopening the fitness center. He thanked Council for
having the fitness center open for limited hours, but mentioned that he is one of the individuals
who attends the gym in the mornings as well. He informed he did not sign up with the new gym
that opened up in the City because there are initiation fees, membership fees, and a contract.
He then asked Council to consider leaving the gym open, at the same hours as before. Finally,
he informed Council of the speeding taking place in Santa Ana Street, between Salt Lake, and
Atlantic and requested speed bumps to be placed on those areas.

Mari Lopez, expressed her concern for planned developments for low income housing on the
2040 General Plan. She continued by saying that Cecilia Street has been single home families,
and most people have been living in them for almost 30 years. She went on to say crime is not
as high as other streets, and hopes that the 2040 plan is not successful in placing apartment
buildings. She argued crime will rise if apartment buildings are allowed.

Pamela Munguia explained it is very important for the people of Cecilia Street that attended to
have their voices heard as they are in danger of having their houses devaluated. She
expressed her concern about the two parking lots that belong to the Park. She also continued by saying that if it’s legal for the city to sell that part of the park, as all maps appear that is public property as well as speaking against the Elizabeth apartment development projects. She further spoke against the City Manager and the previous City Council for changing the general plan to include high density housing on Cecilia Street. She concluded her comments by speaking against the Council for selling its properties to private parties.

Carmen Beltran, spoke against the Council for approving the General Plan that led to development projects like the Elizabeth apartments as well as high density dwellings on Cecilia. She further spoke against the former Council for approving the selling of City owned property to private parties, leading to displacement of Cudahy residents as well as even more burdens to Cudahy residents. She went on to speak against item 12A, arguing it is not worth spending $100,000 to upgrade the City website.

Hector Lozano, introduced himself and told his experience as a resident of South Gate. He discussed the detrimental effects multiunit properties had on the City including, lack or parking, more trash and debris, overpopulation, and an increase in crime. He expressed his concern worrying the City will face the same problems South Gate suffered if it continues accepting multifamily housing units.

Erika Fausto, expressed her concern in regards to information she heard given to her family about the City Manager having the authority to sell City properties to investors. She asked Council to not approve more multifamily development projects as she fears they will disrupt her and her neighbors’ way of life. She encouraged Council Members to reach out to residents and discuss future development opportunities and general plan amendments to residents before it is approved by Council.

Jack Guerrero, requested Council to extend public speaking time to three minutes at the earliest possible opportunity, arguing it is a deliberate effort by City Council to suppress free speech. He went on to stand in solidarity with Cudahy residents and demanded City Council to reopen the Lugo Fitness Center immediately. He argued if the Council approves one hundred thousand dollar contracts to consultants and contractors, it should do the same with public services like the City gym. He further noted the restrooms at Cudahy Park are a complete disgrace, filthy and repugnant. He then spoke against the City’s stance on inviting cannabis developments to the City. He told the City Council he is in contact with Wells Fargo bank, the Justice Department of the United States, the Federal Reserve Board, and the Office of the Controller of Currency to investigate the City of Cudahy for potential violation of federal banking laws for storing money in a federally regulated bank like Wells Fargo.

Patricia Covarrubias, reminded Council it works for its residents not vice versa. She then reminded residents three Council Members are in favor of the City Manager, although Council Member Alcantar ran under the promise she was going to remove the City Manager once elected in office. She further spoke against Vice Mayor Alcantar for allegedly expanding City Manager authority. She spoke against the Council for approving multifamily units under the premise it prioritizes low income housing, although a low number of units is dedicated to incomes with low housing. She argued the City does not want more apartments; it wants youth and recreation services.

**COUNCIL MEMBER GARCIA ARRIVED AT 6:51 P.M.**

Landeros, spoke against the high density units on Cecilia Street, telling Council to move the development project somewhere else. She further spoke against the Council for high parking
permit prices, and expressed her frustrations by saying she will be voting against all Council Members come the next election.

Irene Silvestre, thanked the City Council for reopening Lugo Fitness Center, but asked to retain the City’s normal operation hours. She told Council the City Manager increased gym membership fees, under the premise marketing and maintenance upgrades would happen, both not happening to date. She went on to speak against the high density allocation on Cecilia arguing people are extremely worried about the potential of bringing in multifamily units to their street.

Maria Jimenez, reminded Council it is the residents’ right to complain, further arguing City residents do not ask for much, they only require basic City services such as clean streets and public safety. She reminded Council of the recent shooting and asked what the Council did in regards to that. She concluded her comments by thanking Council Members Guerrero and Lozoya for working for the community.

Miranda Munguia, recommended Council that agenda items regarding contracts, such as the Liebert Cassidy Whitmore fourth amendment extension, should not be placed under the consent calendar, explaining she noticed a lack of information in the contract’s scope of work. She asked Council to simplify staff reports to terms residents can comprehend, as legal jargon only makes a report unnecessarily confusing. She further asked for more clarification in regards to the fourth amendment item. She went on to speak in regards to the multifamily projects currently on Elizabeth Street. She noted the lack of low income housing, also speaking against the little notice and encouraging Cecilia to proactively speak against multifamily development projects before they started. She went on to recommend Council to change policies in the General Plan to avoid developers to come in and suffer public backlash from unpopular projects.

Susie de Santiago, spoke on behalf of several of residents who attend the gym. She noticed over the past two years, when she was a commissioner, she heard numerous complaints from residents in regards to constant short notices to close the gym. She went on to tell Council the City Manager had promised to bring more marketing and upgraded fitness machines to the fitness center, promises that did not happen. She told Council that a City Manager should come up with creative solutions to keep public services, not just reject all services. She further spoke against the City’s Housing Rehabilitation program for its poor marketing, communication, and handling of her case when she applied for grant assistance. She further mentioned other residents who initially qualified based on the requirements specified on the flyer end up being rejected once they apply for the program. She concluded her comments by urging Council to prioritize having City operated services over outsourced services.

Marcos Covarrubias, spoke against the City Manager for implementing programs and policies that are unfriendly for residents as well as the lack of parking enforcement in the City. He asked Mayor Gonzalez to specify where cannabis revenues from the benefits fund is going as all recreation and city services are the same, without improvement. He brought to the City Manager’s attention there are overgrown trees that are interrupting City sidewalks. He also noted many cars across the City are parking on the fire lane, without any help from the City Manager when he brought it to his attention.

6. CITY COUNCIL COMMENTS

Council Member Lozoya, thanked residents for coming and expressing their concerns and needs, as they are encouraged to continuously do that.
Council Member Guerrero asked to agendaize a discussion item for the next meeting to extend public speaking time to three minutes, arguing two minutes is not enough to express all residents’ concerns. He agreed with the resident who brought to attention the drag racing on Santa Ana street, explaining that as a child he witnessed one of his neighbor’s children get run over by a vehicle. He noted that for years, residents have been asking for speed bumps on Santa Ana Street. He also expressed his solidarity for residents on Cecilia street, arguing the City is ill equipped to absorb more congestion from multifamily unit developments. He concluded his comments by translating in Spanish his direction to bring back public comment time to three minutes, reopening the Lugo Fitness Center to its original hours, and expressing his concern over how the City will store its cannabis revenues since it cannot legally store cannabis revenues to a federally regulated bank.

Council Member Garcia, reminded residents an election already happened and seven months in, Council has not established a plan to move the City forward. He went on to challenge the Council to provide a solid plan to move the City forward rather than criticizing and rejecting all policies and programs.

Vice Mayor Alcantar, thanked residents for attending the meeting. She went on to highlight the importance of immigration rights education. She also reminded residents there will be changes after the adoption of the new budget, including a dedicated deputy, in light of recent shootings. She went on to highlight a section in the budget allocated to renovating park restrooms, as she agrees they are not and have never been usable. She also asked to speak with residents to develop and implement a long term plan to keep the Lugo Fitness Center open. She also concluded her comments by reminding residents the City should not be anti-eviction and rent control.

Mayor Gonzalez, echoed the Vice Mayor’s thoughts in confirming the Council is looking for solutions and methods to move the City forward. He noted the Council has passed a budget and there is a $1 million revenue stream coming because of cannabis companies. He went on to highlight the importance of the General Plan Update. He also asked the City Manager to specify the Cecilia Development rumor that had been spreading in recent weeks. In regards to the multifamily development units on Elizabeth street, he referenced the Governors speech, reminding the state is currently in a housing crisis, therefore the City has to do something to address the problem.

7. CITY MANAGER REPORT (information only)

8. REPORTS REGARDING AD HOC, ADVISORY, STANDING OR OTHER COMMITTEE MEETINGS – NONE

9. WAIVER OF FULL READING OF RESOLUTIONS AND ORDINANCES - NONE

10. CONSENT CALENDAR (Items 10A-F were pulled by Council Member Guerrero)

A. Approval of the Local Agency Investment Fund (LAIF) for the Month of May 2019

Presented by the Finance Director

The City Council is requested to approve the Local Agency Investment Fund (LAIF) Report for the month of May 2019 in the amount of $5,984,107.03.
Motion: It was moved by Council Member Garcia, and seconded by Mayor Gonzalez to approve the Local Agency Investment Fund (LAIF) Report for the month of May 2019 in the amount of $5,984,107.03. The motion carried (3-2-0) by the following roll call vote.

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

B. Approval of the City Demands and Payroll Including Cash and Investment Report for the Month of May 2019

Presented by the Finance Director

The City Council is requested to approve the Demands and Payroll in the amount of $890,623.88 including Cash and Investment Report by Fund for the month of May 2019.

Motion: It was moved by Council Member Garcia, and seconded by Mayor Gonzalez to approve the Demands and Payroll in the amount of $890,623.88 including Cash and Investment Report by Fund for the month of May 2019. The motion carried (2-2-0) by the following roll call vote.

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

C. Adoption of Proposed Resolution No. 19-22 Electing the Population and Inflation Factors and Establishing the City’s Fiscal Year (FY) 2019-20 Appropriations Limit (Gann Limit)

Presented by the Finance Director

The City Council is requested to adopt proposed Resolution No. 19-22 confirming the population and inflation factors used to calculate the annual Appropriation Limit (Gann Limit) and establish the City’s Gann Limit for Fiscal Year (FY) 2019-20.

Motion: It was moved by Vice Mayor Alcantar, and seconded by Mayor Gonzalez to adopt proposed Resolution No. 19-22 confirming the population and inflation factors used to calculate the annual Appropriation Limit (Gann Limit) and establish the City’s Gann Limit for Fiscal Year (FY) 2019-20. The motion carried (3-2-0) by the following roll call vote.

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

D. Consideration to Review and Approve the Draft Minutes of July 2, 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 July 2, 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 July 2, 2019. The motion carried (4-0-0) by the following roll call vote.

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

**E. Consideration to Approve a Fourth Amendment to the Legal Services Agreement with Liebert Cassidy Whitmore (LCW) for Employment Matters**

Presented by the City Manager

The City Council is requested to approve a Fourth Amendment to the Legal Services Agreement for a one year extension with Liebert Cassidy Whitmore (LCW) for employment related matters (i.e., July 1, 2019 through June 30, 2020).

**Motion:** It was moved by Vice Mayor Alcantar, and seconded by Mayor Gonzalez to approve a Fourth Amendment to the Legal Services Agreement for a one year extension with Liebert Cassidy Whitmore (LCW) for employment related matters (i.e., July 1, 2019 through June 30, 2020). The motion carried (5-0-0) by the following roll call vote.

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

**F. Adoption of Resolution No. 19-23, Opposing Changes to Current State Card Club Regulations**

Presented by the City Manager

The City Council is requested to adopt Resolution No. 19-23, Opposing Changes to Current State Card Club Regulations.

**Motion:** It was moved by Council Member Garcia, and seconded by Mayor Gonzalez to adopt Resolution No. 19-23, Opposing Changes to Current State Card Club Regulations. The motion carried (3-2-0) by the following roll call vote.

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

**11. PUBLIC HEARING - NONE**

**A. A Public Hearing to Consider and Approve Resolution No. 19-24 Memorializing the Conduct of a Public Hearing and Levying the Annual Assessment to Maintain the City of Cudahy**
The City Council is requested to:

1. Adopt Resolution No. 19-24; memorializing a Public Hearing and Levying the Annual Assessment to maintain the City of Cudahy Street Lighting District; and

2. Direct staff to forward Resolution No. 19-24 to the Los Angeles County Assessor before the August 9, 2019 deadline.

**Motion:** It was moved by Vice Mayor Alcantar, and seconded by Mayor Gonzalez to Adopt Resolution No. 19-24; memorializing a Public Hearing and Levying the Annual Assessment to maintain the City of Cudahy Street Lighting District; and direct staff to forward Resolution No. 19-24 to the Los Angeles County Assessor before the August 9, 2019 deadline. The motion carried (5-0-0) by the following roll call vote.

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

12. **BUSINESS SESSION**

A. Approval of Professional Services Agreement (PSA) with Edgesoft, Inc. for Permit, Licensing, and Tracking System Software using the City of South Gate’s Competitive Procurement Process (piggybacking)

Presented by the City Manager

The City Council is requested to:

1. Award a Professional Services Agreement (PSA) to Edgesoft, Inc. for permit, licensing, and tracking system software for a not-to-exceed one time setup fee of $99,250 and an additional ongoing monthly maintenance cost of $3,975 using the City of South Gate’s Request for Proposal (RFP) competitive procurement process; and

2. A Adopt Resolution No. 19-25 authorizing the City Manager to execute a Professional Services Agreement (PSA) with Edgesoft, Inc. for permit and licensing software.

**Motion:** It was motioned by Council Member Garcia and Seconded by Vice Mayor Alcantar to award a Professional Services Agreement (PSA) to Edgesoft, Inc. for permit, licensing, and tracking system software for a not-to-exceed one time setup fee of $99,250 and an additional ongoing monthly maintenance cost of $3,975 using the City of South Gate’s Request for Proposal (RFP) competitive procurement process; and adopt Resolution No. 19-25 authorizing the City Manager to execute a Professional Services Agreement (PSA) with Edgesoft, Inc. for permit and licensing software. The motion carried (3-1-0) by the following roll call vote.

AYES: Garcia, Alcantar, and Gonzalez
NOES: Guerrero
ABSENT: None
ABSTAIN: None
B. Approval of the First Amendment to Master Services Contract with Willdan Engineering for On-Call Planning Services

Presented by the Finance Director

The City Council is requested to approve the First Amendment to Master Services Contract (MSC) with Willdan Engineering for On-Call Planning Services to remove the four month term established by the City Council which if not amended to remove this term would expire July 17, 2019.

Motion: It was motioned by Vice Mayor Alcantar and Seconded by Mayor Gonzalez to approve the First Amendment to Master Services Contract (MSC) with Willdan Engineering for On-Call Planning Services to remove the four month term established by the City Council which if not amended to remove this term would expire July 17, 2019. The motion carried (3-1-0) by the following roll call vote.

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

13. COUNCIL DISCUSSION – NONE

i. Discussion to re-open Lugo Fitness Center
ii. Audit for the City’s internal controls

CITY COUNCIL RECESSED TO CLOSED SESSION AT 9:22 P.M.

14. CLOSED SESSION

A. Closed session pursuant to Government Code Section 54956.9(d)(1) – Conference with Legal Counsel to Discuss Existing Litigation Matter – Zacarias v. Castro, et al. (LASC Case No. 19NWCV00202)

B. Closed Session Pursuant to Government Code Section 54957 – Public Employee Performance Evaluation
   Title of Employee: City Manager

CITY COUNCIL RECONVENED TO OPEN SESSION AT 9:40 P.M.

15. CLOSED SESSION ANNOUNCEMENT

Deputy City Attorney, Martin de Los Angeles announced that four out of the five Council Members were present; Council Member Guerrero did not participate in closed session.

Regarding closed session item 14A, direction was given; no final action was taken. Regarding closed session item 14B, update given; no final action was taken.

COUNCIL MEMBER GUERRERO WAS PRESENT IN OPEN SESSION

COUNCIL MEMBER GARCIA WAS NOT PRESENT IN OPEN SESSION (LEFT AT 9:39 P.M.)
16. **ADJOURNMENT**

The City Council / Agency meeting was adjourned at 9:22 p.m.

__________________________
Jose R. Gonzales
Mayor

**ATTEST:**

__________________________
Richard Iglesias
Assistant City Clerk
RESOLUTION NO. 16-38


WHEREAS, pursuant to Section 2.20.010(1) of the Municipal Code of the City of Cudahy, the City clerk is required to perform such duties as are set forth in the Government Code and in the City’s Municipal Code and as the City Council from time to time shall direct or authorize; and

WHEREAS, under Government Code Section 40801, the City Clerk is tasked with keeping accurate records of the proceeding of the legislative body; and

WHEREAS, pursuant to Government Code Section 36814, the City Council shall cause the City Clerk to keep a correct record of its proceedings;

WHEREAS, the City Clerk currently prepares and keeps full written minutes of the City Council’s meetings and proceedings; and

WHEREAS, instead of summary minutes, the City Council now wishes for the City Clerk to prepare and keep summary action minutes as the official record of its meetings or proceedings; and

BASED UPON THE ABOVE RECITALS, THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA, DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. The City Council hereby approves the use of summary action minutes as the official record of its meetings or proceedings in lieu of full form written minutes.

SECTION 3. This Resolution shall take effect immediately upon its adoption by the City Council and the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cudahy at its regular meeting on this 12th day of December, 2016.
ATTEST:

Richard Iglesias
Deputy City Clerk

STATE OF CALIFORNIA  )
COUNTY OF LOS ANGELES  )  SS:
CITY OF CUDAHY  )

I, Richard Iglesias, Deputy City Clerk of the City of Cudahy, hereby certify that the foregoing Resolution No. 16-38 was passed and adopted by the City Council of the City of Cudahy, signed by the Mayor and attested by the Deputy City Clerk at a regular meeting of said Council held on the 12th day of December, 2016, and that said Resolution was adopted by the following vote, to-wit:

AYES: Garcia, Markovich, Hernandez, Sanchez

NOES: None

ABSENT: None

ABSTAIN: Guerrero

Richard Iglesias
Deputy City Clerk
STAFF REPORT

Date: August 6, 2019
To: Honorable Mayor/Chair and City Council/Agency Members
From: Jose E. Pulido, City Manager
By: Victor Maria Santiago, Recreation Coordinator
Subject: Adopt Proposed Resolution No. 19-26 Approving the Requested Amendment to the Fiscal Year (FY) 2019-20 City Budget Increasing Expenditures by $65,500 from the General Fund to Fund the Lugo Park Fitness Center Operations

RECOMMENDATION

City Council is requesting to adopt proposed Resolution No. 19-26, approving the requested amendment to the FY 2019-20 City Budget increasing expenditures by $65,500 for the General Fund.

BACKGROUND

1. On August 25, 1998, the City formally opened Lugo Park to the public which included a lighted baseball diamond, soccer field, snack bar, picnic shelter, a tiny tot playground, outdoor restrooms, fitness center, boxing facility, and Teen Center.

2. In September 2017, City staff notified active gym members of an impending and indefinite closure of the Lugo Fitness Center, which was scheduled to take effect by October 1, 2017, due to budgetary reasons.

3. On September 21, 2017 and on October 2, 2017, the City Manager met with active members of the Lugo Park Fitness Center, who opposed the closure of the facility and sought to explore alternatives aimed keeping the Fitness Center open. In an act of good faith, the City Manager took the time to consider their proposed ideas on how to keep the Fitness Center doors open, and ultimately decided to allow operations to continue, at no charge to current gym members, for the month of October 2017.
4. On October 11, 2017, the City Manager, City Council member, Baru Sanchez, and Recreation Coordinator, Victor Santiago, met with active members of the Fitness Center to discuss new member fees in order to potentially keep the facility open. A consensus was reached amongst all parties to increase the fees to a proposed $20.00 for each quarter, increasing current fees to $50.00 per quarter.

5. On October 19, 2017, Recreation Coordinator engaged in one final meeting with the Fitness Center members to discuss the newly proposed fee schedules and operation hours scheduled to commence Thursday, November 2, 2017.

6. On February 12, 2018, City Council passed the midyear budget adjustments which included the elimination of the Fitness Center budget appropriation.

7. On June 19, 2018, City Council passed the 2018-19 Fiscal Year Budget, which included funding to keep the Fitness Center operational until June 30, 2019.

8. On June 4, 2019, the City Council was provided a presentation of the Draft Fiscal Year (FY) 2019-20 City Budget. The Proposed Revenues and Expenditures for the General Fund and Special Revenues Funds were included as part of the Agenda Packet.

9. On June 13, 2019, the City Manager and Finance Director met Mayor Gonzalez and Vice-Mayor Alcantar to review the budget revenues and expenditures and discuss the programs / services that were included and excluded from the proposed FY 2019-20 City Budget and changes that may have occurred since the June 4, 2019 presentation.

10. On June 18, 2019, City Council passed the City 2019-20 Fiscal Year Budget; however, it did not include funds to keep the Fitness Center in operations.

11. On July 16, 2019, City Council gave direction to staff to generate a report that would provide a Resolution amending the FY 2019-20 City Budget to maintain the fitness center operational.

**ANALYSIS**

During previous fiscal years the hours of operation for the Fitness Center were Monday to Friday from 6 am to 11 am and 4 pm to 10 pm representing 60 hours a week that the Fitness Center was opened. On an annualized basis the Fitness Center with those hours of operation accounts to, 3120 Staff hours. Factored into the operations of the Fitness Center are monthly utility expenses and repair expenses of equipment. Accordingly, the cost of staffing the Fitness Center year round is estimated to be $65,500, and for the last three years, the City has
subsidized a minimum average of $40,000 from the General Fund to maintain the Fitness Center operational annually.

In an effort to collaborate with members of the public, passionate about maintaining Fitness Center operations active, the City agreed to a temporary increase in membership fees with the hopes of delaying and/or avoiding permanent closure of the facility. Since the inception of newly proposed fees in November 2017, a total of 78 participants have registered for Fitness Center membership.

This fact demonstrates an unsteady membership renewal trend, which is greatly needed for cost recovery efforts. Moreover, City staff is unable to forecast monthly, much less annually, budgetary needs for this facility without having a steady number of participants purchasing quarterly memberships. Revenues to offset the General Fund are consistently uncertain; however costs to operate the facility remain consistently on the rise.

Lastly, during the FY 2018-19 City Budget discussion Mayor Garcia conveyed to the community that the fitness center be kept open pending the opening of the new state-of-the-art Chuze Fitness. Consequently the fitness center was only schedule to stay open till Friday, June 28, 2019. However, as a sign of good faith the City Manager kept the fitness center open (minimum schedule) until the City Council considered a funding appropriation to FY 2019-20 City Budget.

CONCLUSION

Although the City continuously aims to avoid the decline and/or elimination of any service that benefits the community, City staff finds it prudent for the City Council to consider whether or not to continue operations for a facility that does not provide the opportunity for cost recovery, which ultimately does not facilitate long-term sustainability, and ultimately aids to the continued depletion of the General Fund.

FINANCIAL IMPACT

Should City Council approve Resolution No. 19-26-XX keeping the Fitness Center operational for the remainder of Fiscal Year 2019-20, the estimated impact to the General Fund would be approximately $65,500.00 in staff time, in addition to an average cost of $1,200 per month for utilities. Moreover, repairs to gymnasium equipment will be made on an “as needed basis,” which can range from approximately $300.00 to $1,000.00 per service call.

Alternatively, should City Council decide to cease operations for the Lugo Park Fitness Center, the General Fund will no longer lose approximately $55,000 in General Fund monies annually to sustain operational costs for this facility.
Projections for gym membership revenues will be assessed from the 2018-19 4th quarter participants. Example: 54 members renew their membership at $50.00 that totals $2,700 per quarter, and that calculates to $10,800.00 for the year.

**ATTACHMENTS**

A. Proposed Resolution No. 19-26  
B. Fitness Center Operating Budget
RESOLUTION NO. 19-26


WHEREAS, the City of Cudahy (“City”) wishes to amend the Approved Fiscal Year 2019-20 City of Cudahy Budget (hereinafter, the “Budget”); and

WHEREAS, the City Council of the City of Cudahy (“City”) passed Resolution No. 19-18 adopting the Fiscal Year 2019-2020 budget.

WHEREAS, Under Section 3 of Resolution No. 19-18 the City Manager does not have the authority to amend the Approved Fiscal Year 2019-20 City Budget administratively when the total appropriations result in an increase and accordingly, City Council approval is necessary.

WHEREAS, the amount of the amendment would increase the total appropriations of the Special Revenue Funds.

BASED UPON THE ABOVE RECITALS, THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA, DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The authorized budget for the General Fund of the City are hereby amended as follows:

GENERAL FUND
EXPENDITURE INCREASE      $ 65,500
REVENUE INCREASE     $ 10,500

SECTION 2. The expenditures comprising the increase identified in Section 1 above are described in the Expenses table, attached hereto as Exhibit A.

SECTION 3. The City Council hereby directs the inclusion of Exhibit A in the Fiscal Year 2019-2020 comprehensive budget (the “Approved Fiscal Year 2019-2020 City Budget”). The Approved Fiscal Year 2019-2020 City Budget is an official record of the City and a true and correct copy of the same shall be posted on the City’s Internet website with a hard copy maintained by the City Clerk.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cudahy at its regular meeting on this 6th day of August 2019.

_____________________________
Jose R. Gonzalez
Mayor
ATTEST:

___________________________
Richard Iglesias
Assistant City Clerk

CERTIFICATION

STATE OF CALIFORNIA  )
COUNTY OF LOS ANGELES ) SS:
CITY OF CUDAHY )

I, Richard Iglesias, Assistant City Clerk of the City of Cudahy, do hereby certify that the above and foregoing Resolution No.19-26, signed by the Mayor and attested by the Assistant City Clerk at a meeting of said City Council of the City of Cudahy held on this 6th day of August 2019, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

_____________________________
Richard Iglesias
Assistant City Clerk
Exhibit A

City of Cudahy
FY 2019-20 Amendment

General Fund:

Expenditures:
Recreation (Salaries and Benefits) $41,000
Facility Operations (Utilities and Repairs) $24,500
Total $65,500

Operation of Fitness Center Monday to Friday for 60 hours a week

Revenues:
Fitness Membership Fee
  Anticipated Annual Membership Fees $10,800
<table>
<thead>
<tr>
<th>Hours of Operation</th>
<th>AM - Hours</th>
<th>PM - Hours Total</th>
<th>Loaded Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6am to 11am</td>
<td>4pm to 10pm</td>
<td></td>
</tr>
<tr>
<td>Staff Hours</td>
<td>5</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Staff open/close</td>
<td>0.5</td>
<td>0.5</td>
<td>1</td>
</tr>
<tr>
<td>Daily</td>
<td>5.5</td>
<td>6.5</td>
<td></td>
</tr>
<tr>
<td>Weekly (5 days)</td>
<td>27.5</td>
<td>32.5</td>
<td>60</td>
</tr>
<tr>
<td>Annual (52 weeks)</td>
<td>1,430</td>
<td>1,690</td>
<td>3,120</td>
</tr>
</tbody>
</table>

Direct Staff Salary and Costs (excluding liability insurance and Indirect cost)

<table>
<thead>
<tr>
<th>Cost</th>
<th>Participants</th>
<th>Quarters</th>
<th>$ per Quarters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilities</td>
<td>54</td>
<td>4</td>
<td>$ 50</td>
</tr>
<tr>
<td>Repairs</td>
<td></td>
<td></td>
<td>(10,800)</td>
</tr>
</tbody>
</table>

Net Cost

Minimum wage 12.5
Medicare @ 1.45% 0.18125
Apple Retirement @ 3.75% 0.46875
Loaded Rate 13.15
STAFF REPORT

Date: August 6, 2019
To: Honorable Mayor/Chair and City Council/Agency Members
From: Jose E. Pulido, City Manager/Executive Director
Subject: Creation of an Economic Development Ad Hoc Committee and appoint two Council Members to serve on this committee

RECOMMENDATION

The City Council is requested to form an Economic Development Ad Hoc Committee and appoint two Council Members to serve on this committee.

BACKGROUND

1. On February 1, 2012, California Governor Brown dissolved the redevelopment areas in cities statewide thereby negating $3 million annually in funds to the Cudahy Community Development Commission (CDC).

2. On July 12, 2014, the City Council held a Special Meeting to prepare a draft strategic plan (Attachment A) which among other things identified the need to establish an economic development plan, develop consistent revenue generators, implement a business retention program, and above all use these various tools to adopt a balanced budget.

3. On August 10, 2015, the City Council approved the addition of an Economic Development Ordinance No. 652 with the goal of providing the City with an economic development policy to implement its General and Strategic Plan.

4. On October 26, 2015, the City Council approved Ordinance No. 653 to amend the municipal code and provide investment and development opportunities in dilapidated and underutilized industrial zones through a Development Agreement (DA).

5. On June 13, 2016, at the regular meeting of the City Council, then Vice Mayor Hernandez requested the creation of an Ad Hoc Committee for Economic Development. The City
Council would eventually appoint then Council Member Markovich and Vice Mayor Hernandez.

6. On June 27, 2017, as part of an Economic Development Ad Hoc Committee presentation on City Council opportunities, commercial cannabis regulations and strategies were discussed by the City Council.

7. On March 20, 2018, the City Council approved a Cudahy 2040 General Plan Update with a comprehensive and implementable Economic Development Element.

8. On July 17, 2018, the City Council adopted the Zoning Code Amendment which formally established the new zoning districts and uses therein.

9. On July 16, 2019, Vice Mayor Alcantar requested that an Economic Development Ad Hoc Committee be established in order to address economic solutions and avenues for new revenues.

**ANALYSIS**

Over five years ago, the City Council identified a growing number of vacant and dilapidated warehouses within the City. These vacancies created a blighted condition in the City’s industrial areas. Due to the decline in local and national manufacturing industry, businesses once operating successfully, closed and left the City, causing employment opportunities and sales tax dollars to drastically decrease. Because of these dire circumstances, the City Council worked to create new economic development tools for the City, including the establishment of a new economic development chapter to the City’s municipal code (Ordinance 653). The new chapter outlined economic development tools such as Development Agreements to take advantage of emerging business trends.

The Ad Hoc Committee established by that former Council was successful in establishing a set of policies and timelines to revitalize the dilapidated regions with new industries that would aesthetically improve its properties as well as bring in more jobs to City residents and revenues to the City.

In July 2018, the City Council approved the Cudahy 2040 General Plan Update to address outdated land-use policies which will help further the City’s housing, community, economic development goals and policies. Also included in the updated Cudahy 2040 General Plan is an Economic Development Element that: establishes a framework for the implementation of several Private, Public Partnerships (P3) projects on the Successor Agency properties; the creation of a community development corporation a nonprofit focused on revitalizing our City.
in a socially conscious and equitable manner; and the Atlantic Avenue Complete Street Project design and construction.

As with the former Economic Development Ad Hoc Committee, this City Council needs to choose two Council members to serve as members of this new Economic Development Ad Hoc Committee. The Ad Hoc Committee would then meet on an as needed basis contingent on the goals and objectives City Council establishes for the Ad Hoc Committee.

The City is currently in discussion with non-profit organizations to bring in development projects to Atlantic Avenue that align with goals and objectives that were outlined in the 2040 General Plan Update. The Ad Hoc Committee would serve a substantial role in guiding these development projects and other future projects that may arise on Atlantic Avenue as well as other potential development regions that were established on the updated Cudahy 2040 General Plan.

**CONCLUSION**

It is recommended that the City Council establish an Ad Hoc Committee for Economic Development as requested by Vice Mayor Alcantar at the July 16, 2019 City Council meeting.

**FINANCIAL IMPACT**

None.

**ATTACHMENTS**

None.
STAFF REPORT

Date: August 6, 2019
To: Honorable Mayor/Chair and City Council/Agency Members
From: Jose E. Pulido, City Manager/Executive Director
By: Richard Iglesias, Assistant City Clerk
Subject: Creation of a Contracts Review Ad Hoc Committee and appoint two Council Members to serve on this committee

RECOMMENDATION

The City Council is requested to create a Contracts Review Ad Hoc Committee and select two Council Members to serve on this committee.

BACKGROUND

On June 18, 2019, at the regular meeting of the City Council, Mayor Gonzalez requested the creation of an Ad Hoc Committee to review all current contracts.

ANALYSIS

Per Council discussions and recommendations, the City Council will create an Ad Hoc Contracts Review Committee with the purposes of analyzing existing agreements the City has executed.

Upon Contracts revision, the Ad Hoc Committee has the discretion to recommend alternatives or suggestions to contracts for purposes of making the contract in question more efficient and cost effective.

Members of the Ad Hoc Committee can analyze and discuss contracts in question with City Staff members and have a well-rounded understanding of City contracts.
City Council will choose two Council members to serve as members of this new Ad Hoc Committee. The Ad Hoc Committee will then meet on an as needed basis contingent on the goals and objectives City Council establishes for the Ad Hoc Committee.

**CONCLUSION**

Council is requested to create a Contracts Review Ad Hoc Committee and select two Council Members to serve on the committee.

**FINANCIAL IMPACT**

None.

**ATTACHMENTS**

None.
STAFF REPORT

Date: August 6, 2019
To: Honorable Mayor/Chair and City Council/Agency Members
From: Jose E. Pulido, City Manager/Executive Director
By: Richard Iglesias, Assistant City Clerk
Subject: Discuss and Consider Placing a Resolution on the Council Agenda, Requesting a Forensic Audit from the California State Controller

RECOMMENDATION

The City Council is requested to discuss, and consider placing a Resolution on the Council agenda, requesting a forensic audit from the California State Controller, by majority vote.

BACKGROUND/ANALYSIS

On November 2, 2012, newly appointed City Council Member Guerrero sent a letter to the State Controller John Chiang, and State Assemblyman Ricardo Lara, requesting support for a forensic audit. The City Council would eventually go on to create a Forensic Audit Ad Hoc Committee to study and bringing back recommendations pertaining to a forensic audit.

On May 7, 2013, City Council provided direction to staff to develop and publish a Request For Proposals (RFP) to engage the services of nationally renowned firms to conduct a forensic audit.

The California State Controller commenced procedures to conduct a Review of Administrative and Accounting Controls (Review Report) on September 30, 2013, and on April 2014, the State Controller issued a Review Report that covered the period of July 1, 2010 through June 30, 2012. The review assessed the adequacy of the City’s controls to safeguard public assets and ensure proper use of public funds.

On February 16, 2018, the California State Auditor conducted an initial assessment to the City. The purpose of the initial assessment was to better understand the City’s risk factors,
specifically general fund imbalances and weak internal controls, and understand the City’s current and planned response to addressing those risk factors.

On July 16, 2019, Council Member Guerrero requested an agenda item calling for a forensic audit by the California State Controller.

**CONCLUSION**

The City Council is recommended to discuss, and consider requesting a Resolution calling for a forensic audit from the California State Controller, by majority vote.

**FINANCIAL IMPACT**

Based on the past State Controller Review Report, the approximate cost of an audit would be $133,000.00.

**ATTACHMENTS**

None.