

**CITY COUNCIL
AND
PUBLIC FINANCING AUTHORITY
MINUTES**

TUESDAY, MARCH 3, 2015, 2 P.M.
ART PICK COUNCIL CHAMBER
CITY HALL
3900 MAIN STREET

City of Arts & Innovation

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Roll Call:

Mayor Bailey called the meeting to order at 2 p.m. in the Art Pick Council Chamber with all Councilmembers present except Councilmembers Gardner and Adams.

ORAL COMMUNICATIONS FROM THE AUDIENCE

Errol Koschewitz spoke regarding street repairs and employee salaries and benefits. Theresa Newham spoke regarding the Community Police Review Commission, animals, traffic, and music. Raychele Sterling spoke regarding the incoming City Attorney and Community Facilities Districts. Vivian Moreno spoke regarding the Convention Center, Festival of Lights, the Agricultural Park, Community Facilities District No. 2015-2, and housing. Marilyn Whitney spoke regarding Community Facilities District No. 2015-2 and the Agricultural Park.

INTRODUCTION

INTRODUCTION OF INCOMING CITY ATTORNEY

Mayor Bailey introduced incoming City Attorney Gary G. Geuss.

WORKSHOP

ECONOMIC DEVELOPMENT UPDATE

Following discussion and without formal motion, the City Council received and ordered filed the Economic Development update.

PRESENTATION

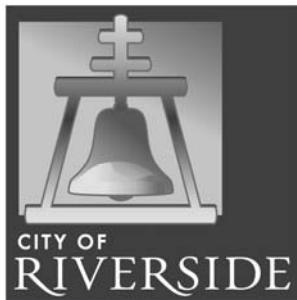
2014 FESTIVAL OF LIGHTS UPDATE

Following discussion and without formal motion, the City Council received and ordered filed the 2014 Festival of Lights update.

DISCUSSION CALENDAR

AGREEMENT - COMMUNITY FACILITIES DISTRICT NO. 2015-2 - ARROYO PARK - RESOLUTIONS - PUBLIC HEARING SCHEDULED

Following discussion, the City Council (1) adopted a resolution declaring its intention to establish City of Riverside Community Facilities District (CFD) No. 2015-2 (Arroyo Park); (2) approved a Funding Agreement with FRA-RSI Arroyo Park, LLC, for levy of special taxes and the issuance and sale of bonds to finance the acquisition of approximately 21.34 gross acres of public



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land including Tract No. 28987 commonly known as "Arroyo Park" from Friends of Riverside Airport, LLC.; (3) adopted a resolution declaring its intention to incur bonded indebtedness for not-to-exceed \$6 million on behalf of CFD 2015-2 (Arroyo Park); and (4) scheduled a public hearing for April 28, 2015, at 3 p.m., on the formation of CFD No. 2015-2 (Arroyo Park) provided the City Council receives a report from the Department of Toxic Substances Control and soil testing is conducted on properties in the area and on the subject property in key places; whereupon, the titles having been read and further readings waived, Resolution No. 22810 of the City Council of the City of Riverside Declaring its Intention to Establish Proposed Community Facilities District No. 2015-2 (Arroyo Park) of the City of Riverside and Approving a Funding and Acquisition Agreement; and Resolution No. 22811 of the City Council of the City of Riverside Declaring Necessity for Proposed Community Facilities District No. 2015-2 (Arroyo Park) of the City of Riverside to Incur Bonded Indebtedness, were presented and adopted.

Motion Second All Ayes	X	X
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JOINT ITEM WITH PUBLIC FINANCING AUTHORITY - LETTER OF CREDIT RENEWAL - REFUNDING CERTIFICATES OF PARTICIPATION
Following discussion, the City Council authorized the Interim City Manager, or his designee, to approve documents required to renew the Letter of Credit with Bank of America supporting the outstanding 2008 \$128,300,000 Refunding Certificates of Participation (COPs) issued as Variable Rate Demand Notes in 2008, including but not limited to, a Third Amendment to the Reimbursement Agreement, a Fee Letter, and any other documents required to execute the renewal.

Motion Second All Ayes	X	X
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Following discussion, the Public Financing Authority authorized the Interim City Manager, or his designee, to approve documents required to renew the Letter of Credit with Bank of America supporting the outstanding 2008 \$128,300,000 Refunding Certificates of Participation (COPs) issued as Variable Rate Demand Notes in 2008, including but not limited to, a Third Amendment to the Reimbursement Agreement, a Fee Letter, and any other documents required to execute the renewal.

Motion Second All Ayes	X	X
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CLOSED SESSIONS

The Mayor and City Council recessed to the City Council Board Room for closed sessions pursuant to Government Code (1) §54956.9(d)(1) to confer with and/or receive advice from legal counsel concerning Letitia A. Pepper v. City of Riverside, et al., USDC Case No. ED CV 14-00916 JGB (SPx); (2) §54956.9(d)(2) to confer with and/or receive advice from legal counsel



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concerning one case of anticipated litigation; (3) §54956.9(d)(4) to confer with and/or receive advice from legal counsel concerning one case of anticipated litigation; (4) §54957.6 to review the City Council's position and instruct designated representatives regarding salaries, salary schedules, or compensation paid in the form of fringe benefits of all Executive Management employees, all Management and Confidential employees as defined by PERS, Fire Management Unit, Riverside City Firefighters Association, Riverside Police Officers Association (Police and Police Supervisory Units), Service Employees International Union #721, International Brotherhood of Electrical Workers #47, and Riverside Police Administrators Association; (5) §54957 for appointment of City Attorney by City Council; and (6) §54957 for performance evaluation of Interim City Manager.

RECESS

The City Council reconvened at 6:15 p.m. in the Art Pick Council Chamber with Mayor Bailey presiding and all Councilmembers present except Councilmembers Gardner and Adams.

MAYOR/COUNCILMEMBER COMMUNICATIONS

Mayor Bailey introduced El Presidente Jesus Gonzales Otero and Official Mayor Juan Meana of Sister City Cuautla, Mexico.

BRIEF STATUS REPORTS FOR REGIONAL ORGANIZATIONS, CONFERENCES, SEMINARS, AND MEETINGS ATTENDED BY MAYOR AND CITY COUNCIL - WARD UPDATES - ANNOUNCEMENTS

Councilmember Melendrez reported on the upcoming March Joint Powers Authority Walk with the Chair event.

The Pledge of Allegiance was given to the Flag.

PRESENTATIONS

RIVERSIDE PRIDE SUCCESS REPORT

Councilmember Perry reported on "Contest of Courage" by the Riverside Youth Judo Club in Ward 6.

Mayor Bailey called upon Chief Diaz and Riverside Police Foundation Board Members to present checks to the Explorer Posts for the Riverside Police Department and California Highway Patrol, the Teen to Teen Program, the El Protector Program, and the Riverside Youth Judo Club to support their activities.

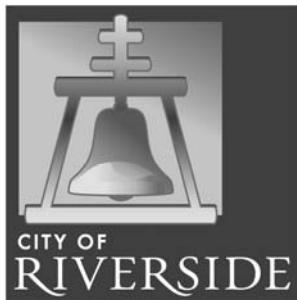


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The City Clerk administered the Oath of Office to the newly appointed members of City boards and commissions.							
ORAL COMMUNICATIONS FROM THE AUDIENCE Erin Snyder spoke regarding the Neighborhood Fest. Vivian Moreno spoke regarding a blog site and the Friday Morning Group. Marilyn Whitney spoke regarding the Agricultural Park and the Department of Toxic Substances Control. Dvonne Pitruzzello spoke regarding Community Facilities District 2015-2 and the Agricultural Park. Theresa Newham spoke regarding the Agricultural Park.							
<u>DISCUSSION CALENDAR</u>							
AGREEMENT - PEAK LOAD REDUCTION PROGRAM Following discussion, the City Council approved the recommendations of the Utility Services/Land Use/Energy Development Committee to (1) approve the Contract with Ice Energy Holdings, Inc., to implement the Peak Load Reduction Program using Ice Bear thermal energy storage for calendar year 2015 with four optional one-year extensions through 2019, with the initial costs of \$702,000 for Fiscal Year 2014-15, expenditures for the optional subsequent years to fluctuate between \$1.9 and \$1.6 million per year, and ongoing maintenance costs to start at approximately \$26,000 yearly from the Public Utilities Department Budget; (2) authorize the Interim City Manager, or his designee, to execute the Contract under the terms and conditions in the Contract; (3) authorize the Interim City Manager, or his designee, to execute any future amendments or extensions to the Contract under terms and conditions substantially similar or superior to the Contract; (4) authorize the Interim City Manager, or his designee, to exercise the cancellation, extension, and/or termination provisions contained in the Contract; (5) authorize the Interim City Manager, or his designee, to execute and administer the individual License Agreements with participating customers including executing, terminating or modifying future License Agreements; (6) authorize the Interim City Manager, or his designee, to execute any documents necessary to administer the Contract that are consistent with the policies established by the City Council; and (7) request staff to report back to the Board of Public Utilities within nine months prior to the renewal of this Contract as to the effect of the contract on peak-load reduction.	Motion Second All Ayes					X	



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**AGREEMENT - SAN ONOFRE GENERATING STATION
DECOMMISSIONING**

Following discussion, the City Council approved the recommendations of the Utility Services/Land Use/Energy Development Committee to (1) approve the San Onofre Nuclear Generating Station (SONGS) Decommissioning Agreement with Southern California Edison Company, San Diego Gas and Electric Company, and the City of Anaheim for decommissioning of SONGS Units 2 and 3 with the City's share of the decommissioning cost of approximately \$79 million from decommissioning trust funds; (2) authorize the Interim City Manager, or his designee, to execute the Agreement as outlined in the staff report; (3) authorize the Interim City Manager, or his designee, to execute any documents necessary to administer the Agreement that are consistent with the policies established by the City Council; and (4) authorize the Interim City Manager, or his designee, to update the exhibits and schedules attached in the Decommissioning Agreement with no substantive changes to the Agreement.

Motion Second All Ayes	X	X
Motion Second All Ayes	X	X

CONSENT CALENDAR

The following items were approved by one motion affirming the actions appropriate to each item.

MINUTES

The Minutes of the City Council meeting of February 24, 2015, were approved as presented.

EMPLOYMENT AGREEMENT - CITY ATTORNEY - RESOLUTION

The City Council (1) approved and authorized the Mayor and Mayor Pro Tem to execute an Employment Agreement with Gary G. Geuss to be effective beginning April 13, 2015, with an annual salary of \$265,000 and the benefits as set forth in the Employment Agreement attached to the staff report; and (2) adopted a resolution amending Master Salary and Fringe Benefits Plan Resolution No. 20665 to enact certain provisions of the City Attorney's Employee Agreement; whereupon, the title having been read and further reading waived, Resolution No. 22812 of the City Council of the City of Riverside, California, Amending Resolution No. 21052 to Amend Part I of the Fringe Benefits and Salary Plan, to Reflect Various Updates and Changes, was presented and adopted.

**PURCHASE AND SALE AGREEMENT - RIGHT OF ENTRY AND
TEMPORARY CONSTRUCTION EASEMENT - STORM DRAIN - SPRUCE**

The City Council (1) approved a Purchase and Sale Agreement with Riverside County Flood Control and Water Conservation District (District) and accepted compensation in the amount of \$20,444 for a 3,989-square-



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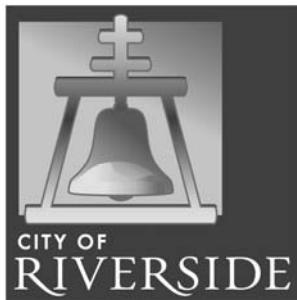
foot permanent storm drain easement for City-owned property identified as Assessor Parcel No. 210-130-029 (Property) for construction of the University Avenue Wash Channel Storm Drain, Stage 3 Project; (2) approved the Right of Entry and Temporary Construction Easement Agreement with the District and accepted compensation in the amount of \$6,315 for a 3,739-square-foot temporary construction easement on the Property to accommodate the District request to enter upon the Property, on a temporary basis, for all purposes necessary to facilitate and accomplish construction, installation and implementation of the Project from Spruce Street southeasterly to the existing storm drain 200 feet north of Massachusetts Avenue and 660 feet west of Durahart Street; and (3) authorized the Interim City Manager, or his designee, to execute the Agreements, including making minor, non-substantive changes to the Agreements.

AGREEMENT - ENVIRONMENTAL SITE REMEDIATION - TYLER STREET WIDENING PROJECT - 10302 WELLS - RESOLUTION

The City Council (1) adopted a resolution waiving the formal competitive procurement requirements of Resolution No 22576; (2) approved an agreement with Frey Environmental, Inc., for completion of environmental site remediation work at 10302 Wells Avenue for an amount not-to-exceed \$200,000 from Tyler Street Widening Project Account 9594827152-440223; and (3) authorized the City Manager, or his designee, to execute the Agreement, including making minor, non-substantive changes; whereupon, the title having been read and further reading waived, Resolution No. 22813 of the City Council of the City of Riverside, California, (1) Waiving the Competitive Procurement Requirements of Resolution No. 22576 to Contract with Frey Environmental, Inc. to Provide Environmental Site Remediation at 10302 Wells Avenue; and (2) Authorizing the Purchasing Services Manager to Issue a Purchase Order in an Amount Not to Exceed \$200,000.00 for Such Procurement, was presented and adopted.

PURCHASE AND SALE AGREEMENT - TYLER STREET WIDENING PROJECT - 10302 WELLS

The City Council (1) approved the Purchase and Sale Agreement with Omar I. and Samar O. Salem and Amin A. and Siham Jadallah for \$359,605 for the purchase of 10302 Wells Avenue, APN 147-251-005, for the Tyler Street Widening Project - Hole to Wells Avenue; and (2) authorized the Interim City Manager, or his designee, to execute the Agreement, including making minor, non-substantive changes, to sign all documents and instruments



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necessary to complete the transaction, including execution of an assignment of reimbursement rights to the underground storage tank cleanup fund and to expend up to \$10,000 for title, escrow and related closing costs for a total of \$369,605 from Tyler Street Widening Project Account 9594827-440223.

ANNUAL MOWING AND EDGING SERVICES AT VARIOUS CITY PARKS
 The City Council (1) approved the agreement with Pacific Coast Landscape & Design, Inc., through December 31, 2015, for \$88,000 from Parks Division Neighborhood Maintenance Contract Account 5215000-421204 for annual mowing and edging services at Bobby Bonds, Bordwell, Bryant, Carlson, El Dorado, Fairmount, and Villegas Parks; and (2) authorized the Interim City Manager, or his designee, to execute the agreement, including making minor, non-substantive changes and four one-year extensions subject to the availability of budgeted funds.

BID 7296 - TRAFFIC SIGNAL INSTALLATION - VARIOUS LOCATIONS
 The City Council awarded Bid 7296 to Select Electric, Inc., Poway, in the amount of \$337,977 from the Public Works Department Budget for installation of a traffic signal at the intersection of Central Avenue and Rumsey Drive and modifying existing traffic signals at various locations as outlined in the staff report.

BID 7306 - DEMOLITION AND LOT CLEARING - TYLER STREET IMPROVEMENTS PROJECT

The City Council (1) awarded Bid 7306 to American Integrated Services, Inc., Wilmington, in the amount of \$149,778.80 from Gas Tax Account 9594827-440223 for demolition of one commercial building and five residential buildings located at 4734, 4754, 4760, and 4768 Tyler Street, 10302 Wells Avenue, and 10307 Cook Avenue in preparation for construction of the Tyler Street Improvements Project between Wells and Hole Avenues; and (2) authorized an increase in the change order authority from \$14,977.88 (10 percent) to \$40,000 (26.71 percent).

MAYOR/COUNCILMEMBER COMMUNICATIONS

LEGISLATIVE REPORTS

There was nothing to report on the CA Cities Advocate dated February 20, 2015.



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BRIEF STATUS REPORTS FOR REGIONAL ORGANIZATIONS, CONFERENCES, SEMINARS, AND MEETINGS ATTENDED BY MAYOR AND CITY COUNCIL - WARD UPDATES - ANNOUNCEMENTS
Councilmember Davis reported on the Riverside Neighborhood Partnership meeting.

REPORT ON CLOSED SESSIONS

Interim City Attorney Smith announced that there were no reportable actions on the closed sessions held earlier in the day.

ITEMS FOR FUTURE CITY COUNCIL CONSIDERATION

There were no items requested for future City Council consideration.

The City Council adjourned at 8:15 p.m.

Respectfully submitted,

COLLEEN J. NICOL
City Clerk