



Item:	B-1
Minutes for:	04/19/17
Adopted:	02/07/18

MINUTES OF A REGULAR AND SPECIAL MEETING OF THE MADERA CITY COUNCIL CITY OF MADERA, CALIFORNIA

April 19, 2017
6:00 p.m.

Council Chambers
City Hall

CALL TO ORDER

The regular and special meetings of the Madera City Council for 4/19/17 were called to order by Mayor Medellin at 6:00 p.m.

ROLL CALL:

Present: Mayor Andrew J. Medellin
Mayor Pro Tem Cece Foley Gallegos, District 1
Council Member Jose Rodriguez, District 2
Council Member Donald E. Holley, District 6
Council Member Derek O. Robinson Sr., District 4
Council Member Charles F. Rigby, District 5

Absent: Council Member William Oliver, District 3

Others present were City Administrator David Tooley, City Attorney Brent Richardson, City Clerk Sonia Alvarez, Director of Community Development David Merchen, Director of Financial Services Tim Przybyla, City Engineer Keith Helmuth, Chief of Police Steve Frazier, Director of Human Resources Wendy Silva, Director of Parks and Community Services Mary Anne Seay, Grant Administrator Ivette Iraheta, Chief Building Official Steve Woodworth, Information Services Manager Mark Souders, Planning Manager Chris Boyle, Commander Dino Lawson, Program Manager Grants Jorge Rojas, Public Works Administrative Analyst Robin Bravo, Public Works Administrative Analyst Mary Church and Battalion Chief Jim Forga.

INVOCATION: Pastor Tim Echevarria, New Harvest Christian Fellowship

PLEDGE OF ALLEGIANCE: Mayor Medellin led in the Pledge of Allegiance.

PUBLIC COMMENT:

The first fifteen minutes of the meeting are reserved for members of the public to address the Council on items which are within the subject matter jurisdiction of the Council. Speakers shall be limited to three minutes. Speakers will be asked to identify themselves and state the subject of their comment. If the subject is an item on the Agenda, the Mayor has the option of asking the speaker to hold the comment until that item is called. Comments on items listed as a Public Hearing on the Agenda should be held until the hearing is opened. The Council is prohibited by law from taking any action on matters discussed that are not on the Agenda, and no adverse conclusions should be drawn if the Council does not respond to public comment at this time.

Mark Meyers, residing in Madera, California, stated he wanted to address them this evening in regards to his ongoing desire to purchase a portion of a lot at 1431 Riverview Drive. He has been working on this lot line adjustment for six years now and has been through a number of directors from the Housing Authority starting with Nick Benjamin, Donald Borgwardt, and Elena Shrayberman, and now Linda Shaw. He advised that all have been trying to get through the bureaucratic morass that has been created by the need to work with both local and federal levels of government. Through this process he has been asked to contract for

services with a surveyor, an environmental engineer to conduct an environmental assessment and a review; two different appraisals. He noted that at the end of all of this he has spent thousands of dollars with nothing to show for it. He has been told that the appraisals are no longer valid and that they will have to be redone again with each re-appraisal costing more and the cost of value identified for the property going up. He has had earnest money out there for over a year while they continue to work on this. The point he wants to make tonight is that he has tried to be patient through this process. He has tried not to bug people constantly about this issue. He has tried to react promptly on any tasks he has been asked to complete and he has tried to always be compliant with all requests in regards to this matter. He stated that if he seems frustrated by the system that does not seem to serve those who pay to run it, he apologizes. He is not unhappy with any individual. He is just tired of a system that seems to exist to serve no one. He is still very interested in completing this project after having spent thousands of dollars of his own money. He hopes everyone involved understands he is serious about getting this done. He is asking all of them tonight to help him in any way possible to get what seemed like a simple little project six years ago to move forward so that he may complete this while he can still use it. He thanked them for their time this evening. He hopes this serves as a reminder that he is still interested. He tries not to be a pest about it.

Mayor Medellin thanked him and stated his appreciation.

Mayor Medellin asked if there is anybody else wishing to speak under public comment. No other requests were made and Mayor Medellin closed public comment.

PRESENTATIONS Proclamation to Recognize the 2017 Relay for Life of Madera Event

Mayor Medellin stated it is his honor to recognize the American Cancer Society and the Annual Relay for Life. He invited his good friend Tiffanie Hall. He stated, as they all know, the American Cancer Society has the Relay for Life here in Madera and this is their 20th year. He noted that is absolutely incredible that those 20 years went by. He commented that if they have ever been, they know that it is really a celebration. It is a celebration of those survivors as well as recognition for those who succumbed to the illness. He advised that it takes a number of volunteers and a number of people to make it successful. They are very happy to have Ms. Hall here and he is very happy to report that last year alone, through these efforts, the American Cancer Society was able to generate over \$150 million towards cancer research. Mayor Medellin read from the proclamation and proclaimed May 6th and 7th, 2017 as Relay for Life Weekend in the City of Madera and encouraged citizens to participate in the Relay for Life 24-hour event to be held at Lions Town and Country Park on May 6th and May 7th, 2017. Mayor Medellin thanked Ms. Hall.

Tiffanie Hall with Relay for Life stated she would like to personally invite everybody to come on out. She stated that it is a great time. They are going to have food. This year's theme is Carnival of Hope. They are going to have carnival games, entertainment. They've got a DJ going on. She noted that it's just really a lot of fun even at 2:00 in the morning. She is sure if they live around the park, they will hear them. She added that the team she's been on, they are really loud especially 2:00, 3:00, 4:00 o'clock in the morning because they are keeping everybody going. They are keeping everybody up to date, walking, and cheering each other on. It really is just a lot of fun. She stated that one of the highlights of the event is the luminaria ceremony where they remember in honor. They have little white bags that they can purchase at \$10 apiece and they line the track. At a certain time at night, they light them. They also have a speaker that is battling cancer or who has beaten cancer speak. Then they do a silent lap. She noted that it just really hits home as to why they do what they do. If they have never been, she encouraged them to come on out, have a good time; it really is. They've got dance studios, karate studios that entertain. There are raffle prizes, carnival games, food like she said. It's just really a lot of fun. She just wanted to thank everybody and encourage people to come on out.

Mayor Medellin asked if the City of Madera team is the one that is the loudest.

Ms. Hall replied no.

Mayor Medellin stated they will have to change that this year.

Ms. Hall stated she can neither confirm nor deny which team it is.

Mayor Medellin commented to the City Clerk that they will have to work on that if they didn't quite make the loudest team.

Late Distribution Announcement

City Clerk Sonia Alvarez announced that pursuant to Government Code Section 54957, members of the public are advised that documents related to the following agenda item were distributed to the Council less than 72 hours before this meeting. Under Section B, Consent Calendar, subject matter is a resolution approving an agreement with waterTALENT; the agreement was distributed to the Council this evening. Ms. Alvarez advised that extra copies are available at the podium for members of the public wishing a copy.

A. WORKSHOP

A-1 Workshop on the City of Madera's Future Contribution Liability for the California Public Employees' Retirement System

The workshop item was heard later in the meeting immediately following item D-1.

B. CONSENT CALENDAR

- B-1 Minutes – There are no minutes for consideration.
- B-2 Information Only – Warrant Disbursement Report
- B-3 Bi-Weekly Water Conservation Report for 3/27/17 – 4/9/17 (Report by Dave Randall)
- B-4 Consideration of a Resolution Approving a Budget Amendment for the Third Year of a Three-Year Existing Agreement for Services with Laurin Associates, a Division of Raney Planning and Management, to Conduct Annual Home Long-Term Monitoring for the Arborpoint and Madera Family Apartments (Report by Ivette Iraheta)
- B-5 Consideration of a Resolution of the City of Madera, California, Authorizing the Submittal of an Extension Request to the California State Department of Housing and Community Development for Extended Funding Under the 2012-CalHome-8711, 2014-CalHome-9862; and the 2014-CalHome-9834 Agreements; the Execution of Standard Agreements if Selected for Extended Funding and Any Amendments Thereto; and Any Related Documents Necessary to Continue Participating in the CalHome 2012 and 2014 Programs and Authorizing the City Administrator or His Designee to Sign the Extension Request, Certifications, Funds Request and Any Related Grant Documents (Report by Ivette Iraheta)
- B-6 Consideration of a Resolution Approving a Lease Agreement between the City of Madera and the Community Action Partnership of Madera County, Inc. for Occupation and Use of Facilities at the Millview Community Center, and Authorizing the Mayor to Execute the Agreement on Behalf of the City (Report by Mary Anne Seay)
- B-7 Consideration of a Resolution of the City Council of the City of Madera to Summarily Vacate Excess Street Right of Way on 11th Street between South 'G' Street and Madera Avenue (Report by Keith Helmuth)
- B-8 Consideration of a Minute Order Rejecting a Claim filed by Juan Martinez (Report by Wendy Silva)

- B-9 Consideration of a Resolution Approving an Amendment to the Food Service Agreement with Madera Unified School District Providing Meals to Eligible Youth During the Summer Food Service Program and Authorizing the Mayor to Execute the Amendment to the Agreement on Behalf of the City (Report by Mary Anne Seay)
- B-10 Consideration of a Resolution Approving an Agreement with Lars Andersen and Associates, Inc., for Professional Engineering Services to Prepare a Drainage Study for the Olive Avenue Widening from Gateway Drive to Knox Street, City Project No. ST 14-07 (Report by Keith Helmuth)
- B-11 Consideration of a Resolution Approving an Agreement with waterTALENT, LLC, for the Provision of Temporary Employees, and Authorizing the City Administrator to Sign the Agreement and Related Documents (Report by Dave Randall)
- B-12 Consideration of a Minute Order Accepting the Commercial Water Meter Installation Improvement Project No. W 16-01 and Authorizing Recording of the Notice of Completion (Report by Keith Helmuth)

Mayor Medellin asked if members of the Council would like to pull any items from the consent calendar for further discussion or comments.

Council Member Rodriguez requested item B-11 pulled.

There were no other requests and Mayor Medellin announced he would entertain a motion.

ON MOTION BY COUNCIL MEMBER RIGBY, AND SECONDED BY MAYOR PRO TEM FOLEY GALLEGOS, THE CONSENT CALENDAR, WITH THE EXCEPTION OF ITEM B-11, WAS ADOPTED UNANIMOUSLY BY A VOTE OF 6-0. ABSENT: COUNCIL MEMBER OLIVER.

RES. NO. 17-51 A RESOLUTION APPROVING A BUDGET AMENDMENT FOR THE THIRD YEAR OF A THREE-YEAR EXISTING AGREEMENT FOR SERVICES WITH LAURIN ASSOCIATES, A DIVISION OF RANEY PLANNING AND MANAGEMENT, TO CONDUCT ANNUAL HOME LONG-TERM MONITORING FOR THE ARBORPOINT AND MADERA FAMILY APARTMENTS

RES. NO. 17-52 A RESOLUTION OF THE CITY OF MADERA, CALIFORNIA, AUTHORIZING THE SUBMITTAL OF AN EXTENSION REQUEST TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR EXTENDED FUNDING UNDER THE 2012-CALHOME-8711, 2014-CALHOME-9862 AND THE 2014-CALHOME-9834 AGREEMENTS; THE EXECUTION OF STANDARD AGREEMENTS IF SELECTED FOR EXTENDED FUNDING AND ANY AMENDMENTS THERETO; AND ANY RELATED DOCUMENTS NECESSARY TO CONTINUE PARTICIPATING IN THE CALHOME 2012 AND 2014 PROGRAMS AND AUTHORIZING THE CITY ADMINISTRATOR OR HIS DESIGNEE TO SIGN THE EXTENSION REQUEST, CERTIFICATIONS, FUNDS REQUEST AND ANY RELATED GRANT DOCUMENTS

RES. NO. 17-53 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA, CALIFORNIA APPROVING A LEASE AGREEMENT BETWEEN THE CITY OF MADERA AND THE COMMUNITY ACTION PARTNERSHIP OF MADERA COUNTY, INC. FOR OCCUPATION AND USE OF FACILITIES AT THE MILLVIEW COMMUNITY CENTER, AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY

RES. NO. 17-54 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA,

CALIFORNIA, TO SUMMARILY VACATE EXCESS STREET RIGHT-OF-WAY ON 11TH STREET BETWEEN G STREET AND MADERA AVENUE

RES. NO. 17-55 **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA, CALIFORNIA APPROVING AN AMENDMENT TO THE FOOD SERVICE AGREEMENT WITH MADERA UNIFIED SCHOOL DISTRICT TO PROVIDE MEALS TO ELIGIBLE YOUTH DURING THE SUMMER FOOD SERVICE PROGRAM AND AUTHORIZING THE MAYOR TO EXECUTE THE AMENDMENT TO THE AGREEMENT ON BEHALF OF THE CITY**

RES. NO. 17-56 **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA, CALIFORNIA, APPROVING AN AGREEMENT WITH LARS ANDERSEN AND ASSOCIATES, INC. FOR PROFESSIONAL ENGINEERING SERVICES TO PREPARE A DRAINAGE STUDY FOR THE OLIVE AVENUE WIDENING, GATEWAY DRIVE TO KNOX STREET, PROJECT AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT**

Mayor Medellin called item B-11 for discussion.

B-11 Consideration of a Resolution Approving an Agreement with waterTALENT, LLC, for the Provision of Temporary Employees, and Authorizing the City Administrator to Sign the Agreement and Related Documents (Report by Dave Randall)

Council Member Rodriguez referred to the proposed hire for the temporary position. He stated that he understands that the impact will be about 57% above the normal cost they would typically have for a salaried employee. He wondered what the issues have been in the past on why they have not been able to secure a permanent position for these vacancies.

City Administrator David Tooley stated that Council Member Rodriguez gave him the courtesy of acknowledging that he was going to ask this question at the meeting. Mr. Tooley replied that he can share that the problem is one of supply and demand. He advised that there are a limited number of people who possess these certifications in the State of California. He stated that the competition for them is significant. They have done two recruitments. They have had qualified candidates but they have accepted employment with other agencies.

Mr. Tooley advised that the temporary employment agreement is a stop gap measure so that they can continue their efforts and get a full time employee. He thanked Council Member Rodriguez for that opportunity to make that clear.

Council Member Rodriguez asked if it is something on the City's end or something that they don't provide for them or that they seek other employment elsewhere.

Mr. Tooley replied that in the larger sense it is probably about two things. It is about money. He explained that in a competitive market place there are larger cities who can pay more than the City of Madera. And again, with the limited number of people in the State with these kinds of certifications, it is also about quality of life. He stated that they both love the Central Valley. There are some people who prefer to live on the coast or in the mountains. They have to be that much better in the recruitment process.

Council Member Rodriguez thanked Mr. Tooley and stated his appreciation for the clarification.

Mayor Medellin asked if there are any other questions regarding item B-11. No other questions were asked and Mayor Medellin announced that he would entertain a motion.

ON MOTION BY COUNCIL MEMBER HOLLEY, AND SECONDED BY COUNCIL MEMBER RODRIGUEZ, ITEM B-11, RES. NO. 17-57 WAS ADOPTED UNANIMOUSLY BY A VOTE OF 6-0. ABSENT: COUNCIL MEMBER OLIVER.

RES. NO. 17-57 RESOLUTION APPROVING AN AGREEMENT WITH WATERTALENT, LLC, FOR THE PROVISION OF TEMPORARY EMPLOYEES AND AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE THE AGREEMENT AND RELATED DOCUMENTS ON BEHALF OF THE CITY

C. HEARINGS, PETITIONS, BIDS, RESOLUTIONS, ORDINANCES, AND AGREEMENTS

C-1 A Public Hearing to Consider an Appeal by Mr. Dave Delawder of Planning Commission Approval for Conditional Use Permit 2017-07 and Site Plan Review 2017-08, which Allows for Three Outdoor Automotive Sales Events to be Held by 365 Autos in the Madera Marketplace Wal-Mart Parking Lot during 2017 and;

Consideration of a Resolution of Determination on Appeal

Planning Manager Chris Boyle stated that yesterday they received an oral and written request on the part of the appellant for a continuance due to a death in the family. Mr. Boyle stated that staff supports the continuance and requests that the appeal hearing be scheduled for May 3, 2017.

Mayor Medellin asked if there were any questions.

COUNCIL MEMBER RIGBY MADE A MOTION TO PUSH ITEM C-1 TO THE MAY 3RD MEETING ON REQUEST OF THE APPELLANT. THE MOTION WAS SECONDED BY COUNCIL MEMBER FOLEY GALLEGOS AND WAS ADOPTED UNANIMOUSLY BY A VOTE OF 6-0. ABSENT: COUNCIL MEMBER OLIVER.

Council Member Holley asked if all the Council Members have to be present for the appeal hearing.

City Attorney Brent Richardson responded no and added that it is preferable that they have as many if they can, preferably a full house. If they have to do it with less they can. He advised that, as they know, the threshold is a five vote threshold so keeping that in mind it is better to have a full bank if they can. Understanding schedules are what they are, they get what they can.

Mayor Medellin asked Councilman Holley if he is out of town that day.

Council Member Holley replied yes.

Mayor Medellin commented he thinks Council Member Holley is the only one scheduled absent.

City Clerk Sonia Alvarez agreed.

Mayor Medellin stated right now it looks like they should have six out of the seven. He thanked Council Member Holley for bringing that up and stated his appreciation.

D. WRITTEN COMMUNICATIONS

D-1 Presentation by Madera County Public Health Department on Healthy Stores, Healthy Communities Study

Myra Miranda stated she is a Health Educator with the Madera County Public Health Department. Also with her is Alan Gilmore who is a Program Manager with the Madera County Public Health Department. Ms. Miranda stated they came today to share their results/findings on the Health Stores for the Healthy

Community data collection. She advised that it was conducted in the summer of 2016. The overall goal of the campaign is to improve the health of Californians and more locally with the Health Department, improve the health of Maderans. Ms. Miranda stated that not only did the Madera County Public Health Department work on this study, other county health departments, specifically the Tobacco Control Program in partnership with the local nutrition programs as well as the STD Prevention Branch. They all worked together to see what was available in stores. She stated that the goal is to promote community health by offering healthier options in the community as well as partnering with business owners so that their businesses continue to thrive while they promote health.

Mr. Gilmore stated that the campaign works to improve the health of Californians by educating consumers about making smart choices, about marketing practices and how those practices influence the way and the things that people buy making both healthier and less healthier choices. It also assists in making the retail environment a healthier place for all of their residents.

Mr. Gilmore stated that business owners can be an important part of this. They can be an important part of developing a healthy retail environment and working together with government, residents, business owners, they can make the community a healthier place to live while maintaining a vibrant business community. Mr. Gilmore stated they would share what they know about the health of people that live in the County of Madera.

Ms. Miranda stated one of the behaviors, which is off of the California Health Information Survey, is that 16.4% of Madera residents smoke currently compared to the 12.7% of adults in California. She stated that the percentage of Madera youth that smoke in the County are 15.4% compared to 13.8% in California.

Mr. Gilmore stated that the percentage of adults who are overweight or obese in the County of Madera is 73.1% which is higher than the state average of 62.5%. He noted that the percentage of adults who can't always find fresh fruits and vegetables showed that 26.9% of residents in the County of Madera have had that kind of experience compared to the State of California at 23.4%.

Ms. Miranda stated that the State also looked at the cost of smoking. Currently, the cost of smoking for the County itself is \$29.6 million compared to the State's \$7.48 billion. In terms of cost of smoking, what they are talking about here is loss of productivity, absences, any medical or insurance expenses related to diseases that were caused by tobacco usage.

Mr. Gilmore moved on to additional health behaviors of Madera residents. He stated that the study indicated that 22% of youth 11th grade or younger have had an experience in terms of binge drinking compared to the State of California at 18% and then the percentage of youth who have used alcohol before the age of 15 in Madera is at 35% compared to the State average of 29%.

Ms. Miranda stated they also looked at retail pharmacies that sell tobacco products which for them is a concern because a pharmacy is usually a place where you look to get cessation aids to help in quitting smoking and they found that 39.1% of the stores in Madera County sell tobacco products as opposed to the State of California which is 32.5%

Mr. Gilmore advised that they will show a video that kind of demonstrates some of the experiences that youth might have in a county like Madera.

Mr. Gilmore moved on to some of the data they collected relative to the stores in the County of Madera. He explained that this was a scientific survey. He noted that it is one of the largest of its kind that was ever conducted in the State of California. He advised that the thing that was really valuable about this survey was that they conducted the same survey in 2013 so they are now able to take a look at what they saw in 2013 and compare it to what they have seen in 2016.

Mr. Gilmore reported that the survey took a look at product marketing and the availability of healthy and unhealthy options in stores that sell tobacco. It also looked at marketing and availability of healthy and

unhealthy beverages including tobacco, alcohol, sugar sweetened beverages, junk food, fresh fruit and vegetables, milk and even condoms. They looked at 128 stores that were surveyed in the County of Madera. 85 of those stores were located in the City of Madera.

Ms. Miranda reported that one of the items that they examined was advertising. What they are looking for is unhealthy and healthy storefront ads. Unhealthy being items such as sugar sweetened beverages such as sodas, energy drinks, sports drinks, tobacco and in terms of healthy anything that is promoting healthy eating active living, water. Referring to the display, she explained that the blue bars were the results that they received in 2013 and the percentage of stores that had unhealthy store front ads in 2013 was 75.2%. For 2016 it was 79.3%. She advised that the percentage of stores with healthy store front ads in 2013 was 6.4%. In 2016 it was 10.7%. Ms. Miranda reported that they also looked at ads on stores near schools. By near they mean within 1,000 feet of a school. In 2013 it was 72.2%. In 2016 it was 76.2%.

Mr. Gilmore noted that as they can see, the numbers are not going the way they would like them to be going. He continued with discussion on advertising and income. They looked at stores in low income areas that were displaying unhealthy storefront ads and they saw it jump from 78.8% to 83.6% in a three year period. The percentage of stores in middle income or higher income areas, they saw an increase in those areas as well from 72.6% to 75%.

Ms. Miranda stated that they also looked at the percentage of stores in low income areas with healthy storefront ads. They did see a slight increase which is good. There is promotion of healthy living eating and active living here. 10.6% in 2013 and 13.1% in 2016. She advised that the percentage of stores with the same healthy storefront advertising also went up again. It is 3.2% in 2013 and 8.3% in 2016.

Mr. Gilmore stated they looked at some of the emerging issues around tobacco and tobacco control. They have a particular interest in the increase in the sale of electronic smoking devices or e-cigarettes as they are often referred to. They took a look at the percentage of stores that are selling electronic smoking devices in the County of Madera. In 2013 they saw 32.1%. That jumped to almost 70% in 2016. He noted that is a significant increase in terms of retailing that particular device which they know is a device that is attractive to youth and also is a place where a lot of youth start smoking and then transition on to using regular tobacco.

Mr. Gilmore reported that the percentage of stores that are selling flavored non-cigarette tobacco products jumped from 81.7% to 91.7% of stores in the County of Madera. He added that the number of stores that sell menthol cigarettes is 87.2% up to 97.5%. He advised that some of the things that are interesting to note about flavored tobacco products is, as they have said, it's a gateway for youth to be able to start to smoke. When they take a look at how flavored tobacco is marketed, the flavors, bubblegum, strawberry, peppermint; who are they really marketing to. He stated that obviously this is a marketing effort towards youth. He noted that what they know about menthol cigarettes is that a menthol has a numbing consideration to it when you are using it and it creates an opportunity for people to start smoking and continue to smoke because the harshness of the tobacco is eliminated because of the menthol flavor.

Ms. Miranda stated that they also looked at little cigars and cigarillos. These again, along with the flavors, little cigars and cigarillos are a little more accessible to youth. They don't fall under the same pack restrictions as cigarettes do so they are able to be sold in singles or in packs of two. They usually come flavored which is another reason why they have some concern with them but, as they can see, across the board, there has been a significant increase in little cigars and cigarillos especially since they are being sold under a dollar. They saw a significant increase between 2013 and 2016 in terms of their availability.

Mr. Gilmore commented that they also looked at the sale of little cigars and cigarillos near schools. They saw a significant jump, 94.1% in 2016 of stores that sell swisher sweets which is a form of the cigarillo. He added that the percentage of stores near schools that sell them for less than a dollar and the percentage of stores near schools with flavored non-cigarette tobacco products, 100% of the stores that they surveyed where selling that particular product near schools.

Ms. Miranda stated they also examined alcohol. As they can see, there was a slight decrease in 2016 in terms of the stores with alcohol in Madera County. Of the stores that did sell alcohol, the percentage of those stores that had alcohol near candy or toys below three feet, increased about 26%. Of the stores that sold alcohol, the percentage of stores with alcohol in the storefront ads as well increased from 75% in 2013 to 90.4% in 2016.

Mr. Gilmore stated they also took a look at one particular alcohol product, malt liquor because they know it is a product that is often marketed as a low cost, high alcohol content product. They saw a jump from 75% to 90.4% of stores that were selling malt liquor in low income areas. The percentage of stores that sell alcohol in middle to high income areas that were selling malt liquor, just a slight change from 76.8 to 79.2.

Ms. Miranda stated that additional things that they wanted to note with this survey was that 52.1% of the stores in Madera County had tobacco marketing in kid friendly locations. These were things that were below three feet so they are very accessible to somebody who is shorter than three feet or youth. She added that 61.9% of the stores near schools had tobacco marketing in kid friendly locations. Of the stores that sold alcohol almost 85% sold alcopops which are flavored alcohol such as B & J; any kind of fruity flavored alcohol, alcohol slushes, would fall under this category. They saw a great amount of the stores did sell that. She added that portion was new to their survey in terms of what they were examining. The reason they examine it is it usually is very similar to flavored tobacco. It is a starter point for somebody who wants to start drinking, they are probably going to drink something that can mask the harshness of the alcohol.

Mr. Gilmore stated they did see some areas of improvement that they want to highlight. He mentioned that the percentage of stores with sugary drinks at checkout dropped from 70.6% to 54.5%. The percentage of stores with any fresh fruit or vegetables increased from 38.5% to 52.1%. He commented that they would like to give credit to the Public Health Department that has been doing a lot of promotion of fruits and vegetables out in the community and thinking about alternative, non-traditional shopping areas where they are able to purchase fresh fruits and vegetables. Mr. Gilmore stated that finally, the percentage of stores with low or non-fat milk increased by 2%.

Ms. Miranda stated that in terms of recommendations or next steps, they would like to continue to raise the community awareness on this issue. They would also like to partner with business owners in supporting their customer's efforts to live a healthier lifestyle. They have started working with some retailers locally and just begun education with them. She commented that it is very simple starting off with, "did you know that the tobacco purchasing age is now 21?" She stated that some retailers do know. Some don't and they are here to help them. They also wanted to increase policy maker awareness of this issue here locally with the City as well as at the County and they would like to continue to improve health behaviors and outcomes for the residents in the City and County of Madera.

Mr. Gilmore thanked the Council for their time and offered to answer any questions.

Council Member Rodriguez thanked them for the presentation and added that he is always interested in healthy living. He asked if Public Health works in collaboration with the school district. His reason for asking is because they also have a Wellness Committee. In that Wellness Committee, of course, they are teaching their kids about healthy eating. He commented that Madera obviously had a high percentage of diabetes and also obesity. They do have a trustee here now and he knows that he spearheads that Wellness Committee. His reason for asking is that he is not sure if that is part of some of the training and education that they give to these organizations or for that matter the school district.

Mr. Gilmore replied that they have been an active member of the Wellness Committee for about the last two years. They were there throughout the entire approximate nine-month process of rewriting and updating the Wellness Plan, active participants in the sub-committee efforts that happened. He advised that they are working closely with Madera Unified School District with the new PEP (Physical Education Program) Grant that they received. The grant is an effort to try to increase the availability of nutrition education and physical activity education on all of the school campuses throughout the school district. He

commented that the Public Health Department actually partners with four elementary schools and provides seven months of education to all fourth, fifth, and sixth graders. It includes nutrition education and physical activity education. They've been working in those schools for about the last four years.

Council Member Rodriguez stated he is glad to hear that. When he was part of the school board, one of the biggest projects before them was nutrition. He added that the fact that this all came into wellness, he thinks tobacco and alcohol definitely fits into just having this Wellness Committee and really approaching it in a way that they can teach these kids and actually educate them on the importance of not smoking.

Council Member Rodriguez referred to their study. He wondered if they received the data from the stores and asked that they share how they went about getting the data they presented, was it a survey.

Ms. Miranda replied that she as well as another colleague, some partners in the community and some youth volunteers went into all 128 stores and collected the data. They were all trained to observe the products, what to look for, and what was available for them.

Council Member Rodriguez referred to the slide showing disease in comparison to the State level. He asked how those numbers came about as far as the percentage in the County of Madera compared to the State.

Ms. Miranda replied that the State collected that data through the California Health Information Survey. She offered to send him links to that information if they would like. She thinks that one is a couple of years old but that was the most current information they had on file.

Council Member Rodriguez stated he can follow up with her to get that information. He asked where Madera County stands in comparison to other counties as far as, for example, racial per capita regarding tobacco or alcohol use. He wondered if they have any of that information for the State of California. He recognized that they presented some high numbers when it comes to the advertisement in alcohol. He stated that is one of his biggest things alcohol around schools, alcohol around certain communities especially those that are more disadvantaged or lower income communities. He wondered how they compare to other counties or other progressive cities. He wondered what they are doing. They've come to the City Council so are they asking for some type of law or ordinance and asked if they are seeing this in different cities or counties.

Ms. Miranda stated that in terms of rankings she would have to get back to him on where they rank specifically in comparison to the other counties. She stated that the data collection campaign itself has a website. They can look at all 58 counties and compare. In terms of what they would like to do, they would like to work with the City and County on what are some ways or approaches that they could educate retailers and reduce access to tobacco products or advertisements. She knows that the City's Code Enforcement went out and looked at signage. She stated that is one of the things that they, as a program, look at but they also look at actual accessibility. The hope is to reduce youth access. She added that they have some neighboring counties that have already worked on some policies but they know that every county is different so they would like to see what they could work on together.

Council Member Rodriguez thanked them and stated that their continued efforts in educating the community and their kids is definitely going to reap its fruits later in the future. He stated his appreciation for their presentation.

Council Member Rigby thanked them for informing them tonight. He knows that they and their staff have worked diligently to accumulate all of these numbers. He referred to the study and the slide that states can't find fruit or veggies. He asked what that means.

Mr. Gilmore replied that what that usually means is that they live in an area where they don't have access to a grocery store that has the capacity to be able to carry those types of products. There may be issues around transportation for them to be able to get to a grocery store. Some of the things they have been

working on is taking a look at some corner markets, kind of mom and pop places, and start to talk to them about what it would take in terms of their infrastructure to be able to start to carry some fruits and vegetables. They understand that it has to be a win, win situation. They have to know that it is going to be profitable for the business owner as well as being able to sell those products. They work a lot with some of the smaller retailers in town to try to help to strategize ways for them to be able to begin to incorporate those kinds of items into their stores. He added that most often it's an issue of access. It could be an issue of income or transportation.

Council Member Rigby stated he doesn't want to sound hyperbole but it seems almost third world that somebody that lives in the Central Valley, produces 70% of the United States produce, lives somewhere where there is no access to fresh fruits or vegetables. He is trying to wrap his head around this.

Mr. Gilmore shared that part of what they do within their SNAP-ED (Supplemental Nutrition Assistance Program) program is try to help educate people. He noted that if you are on a very fixed income and you are going in and looking at the purchasing of fresh fruits and vegetables as opposed to canned or frozen or even just taking the family through the drive-thru, the cost may be prohibitive given the fact that they may have very limited income. He stated that it is a way of being able to help them think about ways that they can make those purchases. He added that sometimes there is the challenge of the fact that, ok I bought a papaya but I don't quite know what I do with it. They try to help them in terms of recipe preparation.

Council Member Rigby stated he understands and explained what he is getting at. He noted that he looks at the numbers here according to their statistics, the California State average versus that of Madera County. Their percentage has actually increased with any fresh fruits or vegetables found in stores. He is just trying to connect the dot where the percentage of stores that carry or have accessible fresh fruits or vegetables in conjunction with the percentage of people that can't find it, for whatever reason, it just doesn't seem to connect.

Council Member Rigby referred to something Mr. Gilmore had mentioned that he would like to pursue. He thinks they do such a diligent job of going after tobacco and alcohol. He fears as a Council Member that he doesn't want to spend a whole lot of time focused on what they despise as unhealthy. He would love to see their efforts spent on what they do want versus what they don't want. He would love for them to spend more time promoting what they do have access to, what is great. This kind of brings him to what their farm to fork effort is in the Central Valley, specifically in the City of Madera. He knows that First 5 does, he will say a commendable job of opening up a farmer's market throughout the summer. He knows that there are a lot of stipulations upon those that can participate per se. He thinks it is a lot of people that find themselves on the lower spectrum of the income ladder and he thinks that that is amazing. He is curious as to what it would look like if that was more available on a weekly basis, on a bi-weekly basis. He noted that Council Member Rodriguez kind of hit it a little bit but, are they connecting with the right agencies such as the Farm Bureau, Food Bank, them, Madera Unified School to see that they can ensure that they can make these amenities a little bit more available for the people that are having a harder time doing so. He noted that he has never smoked and drank alcohol a day in his life and that is his choice. He thinks though, they talk about kids that walk by convenience stores and are looking at advertisements of tobacco and alcohol, to him, the 99 cent mega soda does just as much harm if not more to the child than the possibility of he or she grabbing a tobacco product. To him, the BOGO, buy one candy bar get two free, does more to the child or teenager. He has been youth pastoring for fifteen years, and the Health Department's education process is working because he is finding himself buying way more bottles of water for kids on pizza night than he is two liters. He noted that is great and that is commendable to them. But again, he wants to trumpet that Public Health does such a great and thorough job at finding numbers like these of going into stores, of gaining volunteerism. He would be curious if they could take that same effort and rather than flipping it to...what is it that we offer as a County that is not good...and trying to push those efforts into... what can we offer that does help answer some of these questions. He doesn't know if they will ever be a "dry" city. He doesn't know if he wants to spend time finding out how many convenience stores have Bud Light advertisements or half naked women holding a six pack when he can take those efforts and spend it into...how do I get 26% of people that live in the Central Valley that say they don't have access to fresh fruits or vegetables. To him that is ridiculous.

Council Member Rigby stated he is willing to partner with them, put his money where his mouth is as well as his time, if they can collectively come up with a better way to access farmer's markets, a better way to get a food to fork program started within their City, within their County, getting in front of the Farm Bureau, getting in front of the right people at the right time. He is willing to partner with them. He is not just here to just talk. He will definitely help and he will challenge any of his colleagues to join him in that effort. He thinks they can solve some of these issues rather than just talk about them tonight. He wants to lead by their example and not by their mistakes. If obesity and not being able to get people the right food in the right place is a mistake of theirs, he doesn't want to be what they are known for. They should be known for finding solutions. He thanked them for coming tonight.

Council Member Holley stated that Councilman Rigby brought up some good questions. Council Member Holley advised that he works with this team and they have done quite a few studies. Mainly what they look at is when they go into a grocery store, a store, or a liquor store they find their fresh fruits way in the back. They try to get with their local business owners so that when people come into the store, they see the fresh fruit instead of having to go buy cigarettes before they get to the back store and find out that is where all the fruits are. They are trying to educate the owners, to ask them to kind of bring stuff forward so they don't have to run all over the store to grab some. They see something else before they decide that they see the fruit. They have worked with the business owners in different ways to try to get small business stores to have their fruit up front. He knows a lot of them, like some liquor stores, don't have fresh fruits so they are trying to find out what they can do as a partnership with the County, the Health Department, to bring some of those things up forward to where business owners are starting to take down their cigarette and alcohol signs and putting up fruit signs so they have done quite a bit of work with the team in bringing these things forward.

Mr. Gilmore acknowledged that Council Member Holley has been a long-time partner with them in terms of their Tobacco Coalition and thanked him for his ongoing support.

Council Member Robinson referred to their comment that it is hard to find fresh fruits because of transportation. He mentioned that you can get anywhere in Madera within 10 minutes. In every section of the City they have dollar stores that have cheap vegetables and fruits. If you go to the supermarket they have discounted fruits and vegetables like Save Mart and Food 4 Less then they have a wholesale business on Yosemite that sells in bulk. They have the Catholic charity that gives free food out. The Food Bank gives free food out. They have a number of churches giving free food out. They have the farmer's market downtown during the summer. He suggested that maybe they should educate the people so that they can develop their own vegetable raised garden so they have fresh herbs and all that. They can also give them some stakeholders like Master Gardeners and United Way and the UC Farm Bureau. He mentioned that First 5 teaches the kids also. If they can go into the schools and show the kids for instance, good nutrition will develop your mind and body as opposed to, if you are anorexic and you are eating junk food. Then they can show them results for instance, people who have cancer from smoking and the hole in their throat. They need to shock them.

Mr. Gilmore commented that he thinks it is an issue of just trying to make fruits and vegetables as accessible as possible. He added that people and parents have full lives, they have a lot going on. He noted that there have been models that have been set up where they actually established very small scale farmer's markets at a school site. So it is simply an issue of when I'm dropping my kids off or picking my kids up there is an opportunity right then and there to be able to purchase fruits and vegetables. He added that there are a lot of good things going on in terms of the community. He noted that it is an ongoing effort. He thinks they are taking a lot of good baby steps but there are still some new ideas that could be implemented and started, and they are always looking for funding to be able to implement those new ideas.

Council Member Robinson added that Fresno State also has a problem with students on campus not having enough to eat.

Mr. Gilmore agreed and added that he understands that they have their own pantry as does Fresno City College.

Council Member Robinson stated that when he lived in Pittsburgh they had this one particular guy that had a truck with fruits and vegetables. He would go throughout the streets and sell fresh fruits and vegetables as opposed to having all these ice cream trucks going around making music.

Mr. Gilmore stated that part of it is also educating the families where maybe fruits and vegetables have not been a normal part of their diet. He noted that you begin to kind of reeducate them. They are starting with the kids in the schools and hoping that that information then also transfers up to the parents as well. They do things like they have school gardens at four schools here in Madera. They are doing something called healthy lunchrooms where they are talking and working with the Food Services Director for the school district so there are a lot of efforts that are going on that he thinks are going to result in some really positive outcomes. They will see what happens in three years when they come back and talk to the Council again.

Council Member Rodriguez said he wants to get some clarity. He referenced the health behaviors of Madera residents now and going back to Councilman Rigby regarding 26.9%. He asked if that is in the County noting that there are certain rural/remote areas in the County that don't have access to the fruits and vegetables. He asked if that is what they are referring to.

Ms. Miranda agreed and added that one example is Fairmead. They did some work out there and found that they would be defined as a food desert. They actually went out and walked from what would be a common area which would be their church to what would be the nearest place where they could get food which is a Valero Gas Station out there. Because she walked it, it was about a two mile walk. If they try to imagine a mom or a parent with a kid in a stroller, there is no sidewalk so there are all these other things that come into play in terms of how are they getting there if they don't have transportation. They've worked a little bit with the County in terms of getting residents to be able to have some sort of transportation to at least get into the City of Chowchilla to do their grocery shopping.

Council Member Rodriguez stated that they all can face the fact that sugar and fat is cheaper than vegetables, fruits and what have you. The efforts that they are doing to put those in the front of the liquor stores makes it a lot easier. He stated that an apple for example is a lot more vivid when it comes to color. Someone is more tempted to get that than a bag of chips or something. He agreed that they are definitely losing the battle when it comes to advertisement. He added that obviously these people spend billions and billions of dollars to advertise and obviously to hook young kids, the youth. His suggestion would be that they counter that by producing some type of advertisement that also counters that. When they had this restructure of nutrition in the schools, one of the things that they took was the marketing. How do they market the kids to come back and eat at the schools instead of going out to the store and buying a bag of chips. He stated that most of the time when he did his trips out to the high schools, he would ask kids...why is it that you are buying a bag of chips and a soda for lunch instead of going out and really participating in our school lunches. Their biggest complaint was that the school lunches weren't healthy. They took some of that information and provided that to a consultant. This is a model that they took from Turlock Unified and their biggest thing was just market the kids...if you put these big pictures with these type foods and nutrition, kids attract to that. He added that obviously money is an issue. If you are in areas of disadvantaged, especially low income, then you are less likely to see this type of advertisement and you are more likely to see stuff that they see with the tobacco. He doesn't know how they can partner up noting that suggestions are always welcome but he knows, like Councilman Rigby said, he is willing to help if he can and be an asset to their organization if he could because he does promote healthy living and that would be something great that he would love to be a part of. He advised that he would be another Council Member that would support their cause.

Mayor Medellin stated that he ran into Supervisor Poythress today who gave a speech. He wasn't able to get to it but he asked him how it went. He was told that they asked a number of questions and he said really. He was told that it was fantastic because it meant that they were listening to what he was saying and they were engaged and they wanted to continue that conversation. So he thinks by the engagement

here by their Council Members, they appreciate their efforts. They appreciate what they are doing and even want to continue to help. Mayor Medellin stated that he knows that through their efforts in the Public Health Department that they are everywhere in the community trying to spread the word and educate from kids to families. Not only those but those retailers that are selling these products and wanting to partner with them. He stated that is certainly commendable and he will also add that as policy makers this information is very valuable to them. These numbers are staggering to him they really are. He thanked them again noting that this is just the beginning. They will continue to work together. He added that the City of Madera resides inside the County. They are all together and this epidemic needs to be addressed as partners. It is strength in numbers. He thanked them again for all their work and for this evening.

Ms. Miranda stated she also wanted to note and do a little bit of a brag for the City. They have a monthly call where they talk about their successes or failures with tobacco control and things like that. She just wants to point out that their work here in Madera, the Council is very friendly. She has heard some horror stories from other cities. She restated that the Council is known as a really friendly City Council and that they are willing to work with them is totally unheard of, she guesses, in other counties. She thanked them for working with them and they hope to continue to work with them.

Council thanked Ms. Miranda for that.

Mayor Medellin called item A-1 for discussion.

A-1 Workshop on the City of Madera's Future Contribution Liability for the California Public Employees' Retirement System

City Administrator David Tooley stated they are going to spend a few minutes this evening talking about the City's participation in the PERS (Public Employees' Retirement System) system. He noted that in preparation for the presentation tonight, they gave the Council a staff report with background information to talk about the retirement plans that they provide for their employees. He is not going to focus on that this evening. He offered that to the extent they would like additional information, they will set up individual times for them to visit with Wendy Silva in their Human Resources Department and they can go through that in some detail. He advised that he will focus on the financial elements.

Mr. Tooley stated he needs to begin with a couple of warnings. The first warning is that nothing ever remains the same in his financial universe. Some days they are up; some days they're down. He promises them by tomorrow morning, when they wake up, some of the underlying assumptions that he has used for his presentation will change. By way of relevant example, just in the last few weeks, the State has passed a transportation tax. In the first full year of implementation, that will provide \$1.1 million that they can use on Madera streets. He acknowledged that is wonderful for them but they can't use any of that money to address their PERS obligation because it is restrictive. Just today he read an article about a bill that is going before the legislature where they would remove the tax on diapers but increase taxes on alcohol by \$1.20 a gallon. He can't tell them how that is going to affect Madera but he can tell them that those are two good examples of how every day something changes that impacts their ability to provide services because of the financing.

Mr. Tooley stated that second, as he begins this discussion he wants them to understand that clearly, there is a lot of discussion, there is a lot of debate about the pension obligation issue. For every expert that he can find for them that says there is a crisis, he can find them another who is going to say...no that is overstated, that is not a correct assessment of the facts. He happens to fall into the camp that he believes that there is a significant issue but it is not his job to convince them of his point of view. His job is to give them relevant facts, a good analysis and then put them in a position that they can make an informed decision about how they spend their money going forward.

Mr. Tooley stated they will spend a few minutes talking about PERS. He explained that PERS is the retirement system that they participate in. It is the second largest in the United States behind social security.

It provides retirement benefits to state and local employees. It is funded by their contributions and the return on investments they make for the monies they hold for them.

Mr. Tooley provided a little history. He advised that prior to 2000, the CalPERS pension plans were in a super funded status. That means that for every dollar they anticipated that they had to spend, they had more than a dollar in the bank in terms of cash and investments. He noted that at that point and time, the economy looked pretty good. Then the dot-com bubble in 2000/2001 hit and CalPERS fell below the super funded status. It was followed by their great recession in 2008/09 and CalPERS fell to a 61% funded status. He commented that by any measure, that is a significant drop.

Mr. Tooley stated that this is one of the most important slides that they are going to touch on this evening. He commented that in 2001 CalPERS tells them that there were two active workers for every retiree. In 2016 they dropped to 1.3 active employees per retiree and it is projected in the next 10 to 20 years that is going to drop to less than one worker for every retired employee. He advised that should tell them a couple of things. The first is that people are living longer so PERS has to pay out more money. If PERS pays out more money, they have to put more money into the system and as they put more money into the system, they can hire fewer employees to carry out the critical services of government and pay for that PERS cost. He stated that this is a circular firing squad. If this tells them anything, and this is what it tells him, the problem is not getting worse, the problem is getting worse at an accelerating pace. Unless something else changes, he thinks there is a crisis on the horizon.

Mr. Tooley commented on what the actions are that have been taken to address these issues looking forward. In 2012 there was the Pension Reform Act. It changed benefits available to new employees. That is why they see multiple plans described in the staff report provided to them. But, it did not change benefits for existing CalPERS members. He explained that this is often called the California rule. He added that once in, you can't change the retirement formula to something less than what you have now. He noted that is actively being challenged through the court system.

Mr. Tooley stated that in 2014 CalPERS reduced the discount rate from 7 $\frac{3}{4}$ to 7 $\frac{1}{2}$ percent. He explained that the discount rate is the anticipated rate of return on PERS investments. He commented that it is a good thing they did it in 2014 because in 2015, the PERS return on their investment portfolio was .6 percent so even in a period where the economy was swinging up, PERS was having trouble with their portfolio. He noted that they are among the best in the world at the investment game. They have tremendous leverage but in some years they are not going to meet their projections. And increasingly, there is concern about whether they can make 7 or 7 $\frac{1}{2}$ percent projections.

Mr. Tooley noted that at that time, PERS also changed some of their assumptions about how long they all live and they adopted a policy to smooth market gains and losses over 30 year periods. He commented that in the finance world that he was brought up, they used three, five or seven year smoothing periods. He noted that where CalPERS made the decision to go 30 years, they took on additional levels of risk. In spite of these changes, the CalPERS overall funding status has only increased from 61 percent in 2008 to 64 percent in 2017. They are not gaining a lot of ground.

Mr. Tooley stated they would talk about what is happening in Madera right now. He advised that CalPERS has made another decision to lower the discount rate over a multi-year period, he thinks it is about eight, from 7 $\frac{1}{2}$ to 7 percent.

Mr. Tooley advised that the League of Cities sent out a tool. He didn't see it at first. He commented that one of his buddies in the profession called him and said, have you done the analysis on this. His buddy was in a blind panic. Mr. Tooley thought that it can't be that bad but it was.

Mr. Tooley explained that they have used this tool and they are going to provide the Council some projections this evening and it contains the following kinds of assumptions. The first is that 17/18 includes the addition of the positions funded by Measure K but no additional positions at this time. He advised that

every position that they add is going to increase their funding liability. They have assumed a 3 percent increase each year in the payroll plus a factor of 1 ½ percent for step increases. He stated that is not a recommendation that they are going to increase salaries by 3 percent each year. It is simply one example of what a financial outcome might look like. He advised that collective bargaining discussions belong in closed session. They assume no further changes in the discount rate. They will worry about that later. He added that there are no additional changes to the CalPERS assumptions and no policy changes in how market gains and losses are spread. Here is what they find noting that he wants to spend a minute with this.

Mr. Tooley presented the impacts on their General Fund. Right now they anticipate that they are going to spend almost \$8.9 million in General Fund monies to pay for their PERS contribution. He referred to the second line down and asked that they look at the year to year change. In 2018/19, that is when the change in the discount rate takes place, additional of 274 than 341. He then asked that they look at the jump in 20/21, \$642,000 is what their obligation looks like. Referring to the third line down, he noted that the cumulative increase over this period is \$2.6 million. If they look at the last line, that is a 68 ½ percent increase in their PERS obligation. He advised that does not include the value of any changes in compensation that they provide for employees, increases in terms of healthcare. From a budgetary standpoint, these are very, very significant numbers.

Mr. Tooley advised that they have also looked at the other funds of the City and while the impact is the same, about 68 percent, they have fewer funds in all of the other operating funds and it looks like about an \$823,000 increase over the period that they are evaluating. He asked that they be clear that it impacts water, sewer, all of their fee schedules, all of these things are going to have a significant impact on how they do business.

Mr. Tooley stated they would look at the impact on the projected employer contribution rates. He advised that these are expressed as a percentage of payroll. Right now, in the Miscellaneous Group, that is people like him, the City Attorney, and any of his key department head staff, they pay about 22 ½ cents on every dollar for just the retirement costs. A dollar salary, 22.8 cents for PERS cost. By 22/23, that is projected to go to 36 cents.

Mr. Tooley referred to Classic Safety. He noted that is anyone who was hired before a date certain in 2012. Right now they pay almost 49 cents on the dollar for their retirement. He knows of some cities that are already paying 75 cents on the dollar. By 2022, that goes to 76 cents on the dollar. If they assume just some reasonable increases in healthcare costs, they will probably be paying more than a dollar of fringe benefits for every dollar they pay in terms of salary for this particular group.

Mr. Tooley stated that Safety Tier I and Safety PEPRA are obviously less because they are new plans and they haven't accrued the same liabilities that their older plans have.

Mr. Tooley referred to political realities and stated that there is very little political will to address the problem in Sacramento. By and large people don't get elected to the Assembly or Senate by not being pro-labor. He advised that pending litigation regarding vesting rights is going to take multiple years of resolution. He noted that an important case just got decided in San Diego. He advised that San Diego is not a PERS city but the decision addressed many of the same issues that are going to be fought over PERS. He stated that the political reality is that the legislature is not going to move. Any relief they get is probably going to be through the court system. It is going to take some years to get through the State court system and he believes it will be ultimately appealed to the Supreme Court of the United States. He thinks ultimately there is going to be some relief. He noted that the Detroit decision provided that but he and the City Attorney have had a discussion. He doesn't know how they'd handicap this bet but he would say relief somewhere in a five to 10 year period. They are in this game for some time to come. He stated that it is obviously a politically charged issue with multiple stakeholders. He advised that there is turnover in the State Legislature every year. They get a new crop of people who don't understand the issue yet so there is just no momentum to achieve change.

Mr. Tooley stated that the economy is healthy for now. This change in the discount rate is going to be implemented over eight years. He asked if there is anyone in the room who believes they are not going to see some resetting of the economy during that eight year period. He stated what the scary part is, right now PERS is reducing the discount rate from 7 ½ to 7 percent. He asked what if they go back and reset it to 6 percent during this period. The numbers he just showed them double in that particular scenario.

Mayor Medellin commented that during the recession, a number of cities filed for bankruptcy in the State of California only, so it sounds like what Mr. Tooley is leading up to is something drastic will have to happen. If it is not going to happen in the legislature, there is no political will, it is almost like things have to hit rock bottom before something is actually done.

Mr. Tooley stated he thinks that is an accurate assessment. He noted that either the courts are going to provide them some additional tools or in the alternative the system is going to go so bad and people are going to be awake to the fact that their services are being cut so that they can pay for their PERS cost. He thinks that is a good assessment.

Mr. Tooley also noted that PERS will be going back in 2018, as they do on a periodic basis, to reassess the other elements of the rates. He commented that this is not the only thing that affects rates. As he indicated to the Council by email, there is legislation that makes the problem worse by limiting the City's ability to contract the services. He added that this legislation makes contracting for services subject to CEQA (California Environmental Quality Act). He advised that he has no idea what compensation has to do with CEQA. He explained that CEQA is a land use law however, CEQA is a very effective tool for attorneys to stall decision making. He stated that again, it goes to that politically charged sense of the future.

Mr. Tooley commented on where do they go from here now that he has painted such a happy picture and he feels like the Grim Reaper. He thinks it is beyond their ability to solve. Quite candidly he just doesn't think there is a lot they can do as a City except to continue to lobby for their interests and understand that they are in this game for the long term.

Mr. Tooley stated they can choose to try to contain costs through the collective bargaining process. He thinks that is going to be difficult and painful for all involved including the bargaining units. He noted that there might be some years where they ask them to pay for some of the additional PERS costs. He noted that there could be years where nobody gets an increase in take home pay because it's entirely eaten up by the costs of PERS. Even worse, could there be years where they have to reduce take home pay. Those are outcomes he doesn't want to deal with. That is not the kind of conversation he wants to have with their collective bargaining units. It is not fair to them and it is not fair to us.

Mr. Tooley stated that in the meantime, they are going to have to hunker down. He is going to present them with a series of options and decisions about how they make use of their funds and increasingly, he thinks that is going to present some difficult decisions for them. They are going to have to make choices between what you'd like to do and what you have to do.

Mr. Tooley commented on the kinds of things that could happen. He stated that California's favorite solution to every problem is just to throw money at it. As one example, there is periodically a discussion that takes place about changing sales tax in the State and applying sales tax against professional services as opposed to just goods. For example, there would be a sales tax for your work with your lawyer or you tax accountant, you fill in the blank. What the State might do is that they might reduce the sales tax from eight percent to six but they apply it to services as well and a big windfall of money takes place. He can't promise that is going to happen but if things get bad enough, the State is going to look for any harbor to try to solve this problem.

Mr. Tooley stated that on a local basis, they are going to have to take a hard look at everything they do including their fee structures. He has assigned the Police Department the responsibility of looking at a

cannabis tax. The new State law allows up to six plants in a home. If it is going to take place, maybe they should try to assess a fee or a tax against it. Regardless of their feelings about cannabis, the State law is in place. They need to look at the tools that they have in order to make themselves well. They are having a discussion right now about a rental inspection fee program. That program assumes, he thinks that it uses the fee off of their master fee schedule of \$45 an hour. He commented that that hourly rate does not begin to cover their cost of doing business. They should anticipate when he brings the new budget before them, he is going to bring a revised fee schedule and in everything they do, they are going to have a discussion about...is this an instance where we need to recover their full costs of doing service...because candidly, they are going to need that money.

Mr. Tooley stated that the worst case alternative is reducing services. He noted that they don't have that in front of them right now because they have some fairly significant fund balances and even if the world caves in on them, they've got a couple of years that they can try to deal with this. But he will tell them those fund balances will go more quickly than they think. He had hoped that this would be the year that they could begin to, and he and the Mayor have this discussion all the time, he wants to move the needle. He wants to move this community forward and provide better assets and better services. Suddenly they and he have to start thinking about hanging on to those fund balances because they've got a PERS problem. He will give them that discussion. He will expand on the discussion and he will give them the opportunity to make those decisions. He is giving them the heads up now that he thinks that the conversation just got more complicated.

Mr. Tooley stated there are also some tools out there where they can do some *pre[word unclear]* of retirement contributions. There is an IRS (Internal Revenue Service) opportunity where they can put money into a defined account and they can get around some of the investment limitations that are currently available for cities. They will evaluate that but he is going to tell them upfront, he doesn't like it. There is a reason that there are limitations on how cities do investments and those reasons include the loss of hundreds of million dollars of derivatives in Los Angeles and repo agreements out of Texas. They are good at the basics of investments, and actually he thinks Mr. Przybyla (Director of Financial Services) is really good at it but, there are things they shouldn't be playing in. In terms of municipal dollars, it's security first, liquidity second, and return last. They invert the typical investment motto.

Mr. Tooley stated that this evening, what he has tried to do is he's tried to give them a heads up. His anticipation is this is not the end of the discussion, this is the beginning of the discussion. It becomes an integral part of the budget process as they move forward. He thinks next year is going to be a difficult budget process because they've already got their own share of problems but he is not worried about next year. It's the six years that come after that. He noted that finance is a game of playing chess. You have to think at least three or four moves in advance. This is the opening move of their discussion. He offered to try to answer any questions.

Council Member Rodriguez thanked Mr. Tooley for the presentation. He added that obviously he is new to the City and just listening to his presentation, the way he speaks, really makes him feel good that the City is in good hands.

Mr. Tooley commented that Council Member Rodriguez is a finance guy so he is looking to him to help him out.

Council Member Rodriguez offered a suggestion noting that Mr. Tooley brought up other alternatives. He noted that he is not glad that Mr. Tooley brought up the cannabis deal and again he is not trying to promote cannabis. He keeps saying that over and over. But, the alternatives of eventually heading down a path where potentially they could reduce staff, they could reduce safety, and that is the last thing that they want. He noted that obviously, imposing taxes on their residents is another issue that is kind of sticky and hairy but looking at the possibility of potentially doing a commercial project. When he says that, again, he wants to stress out that it's not trying to tamper with the core values that their City already has in place and that is that ban that they currently have. He noted that obviously that is not something that he would promote, no

dispensary in their City, nothing that is going to go against the values of their community. But more so, something on the outskirts where potentially is not as visible or anything like that but what other cities might be doing. He is glad that Mr. Tooley brought that up. It is not something that he is pushing. He can see that in his face but it is something that, a cruel reality, that they have to look for in the future because the last thing he would like to do is ever reduce their services that they currently provide to their residents and impose a different tax or what have you. He thanked Mr. Tooley for the presentation and restated that he thinks they are in good hands. He added that if he has any further questions, he will reach out to Mr. Tooley.

Mr. Tooley commented that his job is to give them objective information. The cannabis discussion is one that is going to evolve throughout the State. One of his friends in the profession is the City Manager of Hanford. He is having lunch with him next week to talk about their exploration of this issue. Again, he will provide them objective information and at the end of the day, the Council votes.

Council Member Rodriguez stated he knows that his colleagues might be holding up their eyes when he says something like this but honestly, directing his comment to Chief Frazier, with all due respect, he knows it is something that's not really in the best interest of the City of Madera and it is not in his best interest either but what other sources of revenue do they have. Obviously they have this casino, they have the Love Center. They were trying to push for manufacturing jobs and what have you but for the most part, what else is there he presented them this year. He asked if there is anything else to potentially alleviate the issue with the CalPERS aside from what he presented here.

Mr. Tooley replied that the other things that could affect this of course is new development and economic development has to be their primary focus as they move forward. To the extent that Love's eventually opens, and they are still getting around some hurdles, that becomes a significant revenue source to them. He thinks the new casino has two years of litigation in front of them. Their 12 to 1500 new jobs, that is a game changer. Even with that said, is pension where they want to spend their money. Right now, it is not a choice.

Mayor Medellin commented, as Mr. Tooley said, this is a chess match so to speak and they have to be prepared which he knows Mr. Tooley prides himself on being prepared and bringing the Council all the facts. A discussion like this cannot happen too soon. There will be a number of discussions. First of all, as to what those numbers are going to be, are they or are they not going to get relief and what is CalPERS going to send their way. And, not only being reactive to that but being proactive in the way on how they will deal with that whether it be additional economic development so these are all questions that they will continue to ask themselves and hopefully be ahead of the game so that they are not blindsided. He can certainly appreciate Council Member Rodriguez's direction. Let's not leave any rock unturned. And discuss all the alternatives that they have before them and try to keep those decisions in their control rather than wait and have somebody make those decisions for them.

Council Member Robinson stated he attended the General Membership meeting for the League of Cities and they talked about CalPERS, the same argument Mr. Tooley presented.

Mr. Tooley stated he knows Council Member Robinson has seen some of these slides.

Council Member Robinson commented that they were talking about the advantage of a trust, using a separate trust fund like a 115 trust to keep full control of how much to invest and control investments, like a rainy-day fund. He said you can pull money out and it also addresses the pension liability, and also increase your credit rating and diversify, investing and potential for greater pensions.

Mr. Tooley explained that what Council Member Robinson is talking about is an IRS Section 115 Fund. Once you put money in it, it is irrevocable. You can only use it for that purpose so you cannot pull it out. He noted that Council Member Robinson also correctly reports that by going into the Section 115 Fund, they have greater flexibility in how they make investments. That was the presentation he made a moment

ago. He added that critically maybe it's something they have to consider but his experience watching other cities make risky investments and losing hundreds of millions of dollars tells him that they should proceed with caution. He acknowledged to Council Member Robinson good catch though.

Mayor Medellin stated that the return on their investment is disappointing. Pre-2000, the return funded that liability, things were great and of course they know that nothing lasts forever but the return they are getting now is just incredible to fathom that it's really nothing. He added that who knows where that will take them in the next five to eight years. He wondered if that return will continue, will it be an uptick or something that will again make these numbers almost double.

Mr. Tooley stated that if either he or the Mayor could make that call, Warren Buffett would be calling them for advice before he calls God.

Mayor Medellin thanked Mr. Grim Reaper for that workshop. They really appreciate it.

Mr. Tooley commented that somehow, he knew that was coming.

Mayor Medellin noted that Mr. Tooley wore black as well. He thanked Mr. Tooley again.

E. ADMINISTRATIVE REPORTS

There are no items for this section.

F. COUNCIL REPORTS

Council Member Robinson reported that he attended the General Membership meeting for the League of Cities.

Council Member Robinson reported that he attended the Monroe Anti-Graffiti along with the Mayor and Councilman Oliver.

Council Member Robinson reported that today he attended a meeting at Fresno State with the veterans on agriculture careers. He noted that it was very insightful.

Mayor Pro Tem Foley Gallegos reported that she got to take a tour with the Chief Building Official Mr. Woodworth. She saw their beautiful almond processing plant being built near the airport by Span. She noted that it was a really interesting tour they got to take with the site superintendent and the engineer. She thanked Mr. Woodworth for that time.

Mayor Pro Tem Foley Gallegos reported that on April 26th CAPMC (Community Action Partnership of Madera County) is doing Denim Day for Sexual Violence Prevention and Education Campaign that hopefully they can get the word out to their City employees to wear jeans on that day. That is to help protect men and women from this disease that is going around in their nation.

Mayor Pro Tem Foley Gallegos stated she has an invitation. She advised that she is on the Business Education Committee. They are doing Salute to Education on May 11th. On that day they are going to be honoring one of their fellow City Councilman. She advised that he is going to be receiving the Friend of Education Award and that is for his volunteer efforts and services to their students at Madera Unified and in their County. That is going to be given and presented to Councilman Holley from Parkwood Elementary School.

Council Member Holley thanked them and added that they can all come.

Council Member Rigby directed his comment to Mr. Tooley or the City Clerk and stated he would like to see a workshop done by their City Transportation. He knows that they came in not too long ago. He thinks it was about 1 ½ years ago. He was kind of sitting in on MCTC (Madera County Transportation Commission) today. He thinks that is something he would like to see happen in the near future whether it be from MAX but to kind of talk about how the bus systems are running.

Mr. Tooley asked if there is interest from MCTC or from City staff.

Council Member Rigby stated staff will be fine.

Mr. Tooley asked if there are any particular areas or primarily the transportation (transit) system itself.

Council Member Rigby stated he wants to see it from top to bottom.

Council Member Holley stated he is still stung over here. He thanked Council Member Foley Gallegos for recognizing that.

Council Member Holley stated that on May 6th he and Council Member Robinson will be honored at BAPAC (Black American Political Association of California) which is Black Political Advocate in Fresno to recognize all African American Elected Officials at a Gala in Fresno. He wanted everyone to know that his colleague at the far end and himself are really honored to be recognized by such a great organization. He added that other than that, things are going smooth.

Council Member Rodriguez apologized to Councilwoman Foley Gallegos for walking out on him. He noted that it is a bad thing when you drink water and it is kind of chilly. He apologized for missing her presentation.

Council Member Rodriguez reported that he had an opportunity to attend the anti-graffiti at Lincoln Elementary alongside their Mayor and Supervisor Robert Poythress. He will tell them that this is the first event that he attends. He thinks it is an excellent program. He wants to commend his colleagues for all their past efforts in promoting this. He thinks it is great. These kids were very attentive and actually this is where you catch them early. He stated that honestly, the presentation that was done there is just amazing how these kids react to the presentation and how they must have seen someone that was acting as a graffiti person. It was exciting to see that and he thanked them again.

Council Member Rodriguez stated he knows they talk about the cannabis a lot. He does want to assure them that he does not hold a marijuana card and he does not have six plants in his house. He wanted to throw that out there.

Mayor Medellin commented that the graffiti program has just been outstanding when they go out to different schools. He added that actually, they are going to go to every single elementary school at Madera Unified and talk to third graders. But he does have to say that normally they start in the cafeteria and then do a demonstration outside and more cafeterias than not have fresh fruits and vegetables through a program that he knows that Madera County assists with along with Madera Unified. He added that again, keep up those efforts.

Mayor Medellin referred to the Transportation Committee meeting that they had today. Today was their annual Unmet Needs with transportation which included the County. They have people that use their transportation system, the Dial A Ride and the MAX (Madera Area Express). There were a few kudos but some questions and concerns through those people that use their services. He thinks it is a great idea to maybe come before the Council and educate them as to how their system works and how they can better that system if at all.

Mayor Medellin stated he was approached a month and a half or so ago with some local pastors, mainly pastors in Madera that have mainly Spanish speaking congregations. They were really, really concerned

over their new administration over the Health, Safety, and Welfare of their congregation. They reached out to him and Supervisor Max Rodriguez. In turn, he reached out to their Chief of Police and Supervisor Rodriguez reached out to their Sheriff. This last Monday they were able to get together with a number of pastors that had a lot of questions regarding immigration, immigration status and things like that here in Madera and even some neighboring cities. He wants to thank the Chief personally for actually arranging an ICE (Immigration and Customs Enforcement) agent from Fresno to come meet with them and the pastors last week. He added that Commander Lawson was there as well as the District Attorney and Sheriff Jay Varney who also brought another employee with him. That outreach was just incredible that they were able to partner and sit in the same room and comfort them and at the same time explain just what the law is. The pastors called him the next day and just really couldn't thank him enough for those efforts to answer those questions and kind of put some of the tension at ease if you will. He thanked Chief Frazier and Commander Lawson for their efforts and their willingness to reach out and answer those questions and make a number of residents here in Madera feel a little more comfortable and safe. He added that that trust is invaluable.

Council Member Holley gave a shout out to his friend from the School Board Ed McIntyre for coming out and joining them this evening. He is glad to have him in their presence. He hopes Trustee McIntyre learned a lot and stated he is always welcome.

G. CLOSED SESSION

There are no items for closed session.

SPECIAL MEETING – Mayor Medellin moved to the special meeting agenda.

G. CLOSED SESSION

G-1 Closed Session Announcement – City Attorney

City Attorney Brent Richardson announced that the Council will now adjourn to closed session pursuant to Government Code Section 54956.8 to discuss real property negotiators as described under item G-2.

The Council adjourned to closed session at 7:35 p.m.

G-2 Conference with Real Property Negotiators - Pursuant to Government Code Section 54956.8

Property 1: 4 Parcels

LEWIS HELEN F TR ETAL APN: 013-050-007, 013-050-008, 013-050-009,
013-050-010

Agency Negotiators: David Tooley, David Merchen

Negotiating Parties: Sheila Urbanek & Joel Mazmanian Representing Lewis Helen F
Tr. Etal

Under Negotiations: Price and Terms

Property 2: 2 Parcels

MCINTYRE EDWARD J & GAIL ETAL APN: 013-200-012, 013-200-013

Agency Negotiators: David Tooley, David Merchen

Negotiating Parties: Edward and Gail McIntyre

Under Negotiations: Price and Terms

Property 3: 1 Parcel

MCINTYRE EDWARD J & GAIL ETAL APN: 013-200-015
Agency Negotiators: David Tooley, David Merchen
Negotiating Parties: Edward and Gail McIntyre
Under Negotiations: Price and Terms

Property 4: 2 Parcels

SCHULTZ, WILLIAM & GLORIA APN: 013-270-016, 013-270-017
Agency Negotiators: David Tooley, David Merchen
Negotiating Parties: Buk Wagner Representing William & Gloria Schultz
Under Negotiations: Price and Terms

G-3 Closed Session Report – City Attorney

The Council returned from closed session at 8:18 p.m. with all members present.

City Attorney Brent Richardson announced that the Council met in closed session pursuant to Government Code Section 54956.8 to discuss real property negotiators as described under item G-2 and reported that no reportable action was taken.

ADJOURNMENT

The special and regular meetings were adjourned by Mayor Medellin at 8:18 p.m.

CONSISTENCY WITH THE VISION MADERA 2025 PLAN

Approval of the minutes is not addressed in the vision or action plans; the requested action is also not in conflict with any of the actions or goals contained in that plan.



SONIA ALVAREZ, City Clerk



ANDREW J. MEDELLIN, Mayor

