



**MINUTES OF THE REGULAR MEETING OF THE
CITY COUNCIL/REDEVELOPMENT SUCCESSOR AGENCY
PUBLIC FINANCING AUTHORITY/HOUSING AUTHORITY
OF THE CITY OF SOUTH PASADENA CONVENED
THIS 7TH DAY OF MAY 2014, AT 7:30 P.M.
AMEDEE O. "DICK" RICHARDS, JR., COUNCIL CHAMBERS
1424 MISSION STREET**

ROLL CALL

Mayor Pro Tem Joe convened the Regular Meeting of the South Pasadena City Council/Redevelopment Successor Agency (Agency)/Public Financing Authority (Authority)/Housing Authority (Authority) at 7:43 p.m.

Chief Deputy City Clerk Hall called the roll. Present were City Councilmembers/Agency/Authority Members Cacciotti, Mahmud, and Schneider; and Mayor Pro Tem/Agency/Authority Vice Chair Joe. Mayor/Agency/Authority Chair Khubesrian arrived at 7:49 p.m.

Absent: None.

Other Officials and Staff present: City Manager/Agency/Authority Executive Director Gonzalez; City Attorney/Agency/Authority Counsel Adams; City Treasurer Pia; Assistant City Manager Straus; Police Chief Miller; Deputy Fire Chief Riddle; Finance Director Batt; Public Works Director Toor; Planning and Building Director Watkins; Community Services Director Pautsch; City Librarian Fjeldsted; City Clerk Zneimer; and Chief Deputy City Clerk Hall.

INVOCATION

Councilmember Schneider presented the invocation.

PLEDGE OF ALLEGIANCE

Daisy Troop #9331 led the Pledge of Allegiance.

1. CLOSED SESSION ANNOUNCEMENTS

City Attorney Adams reported that at approximately 6:30 p.m., Mayor Pro Tem Joe called to order the Closed Session Meeting of the City Council of May 7, 2014, with all Councilmembers present, with the exception of Mayor Khubesrian. City Attorney Adams reported there was no one from the public wishing to speak on the Closed Session agenda items. He stated Mayor Pro Tem Joe recessed the meeting into Closed Session to discuss the following items as listed on the Closed Session Agenda: 3) Labor Negotiations, Pursuant to Government Code Section 54957.6, Conference with Labor Negotiators regarding labor negotiations with the following Employee organizations: Firefighters' Association (FFA); Police Officers' Association (POA); Public Service Employees' Association (PSEA); PSEA- Part Time Unit; Unrepresented Employees: City Manager; Management Employees; City negotiators: City Manager Sergio Gonzalez, Assistant City Manager Hilary Straus, Finance Director David Batt, Assistant Finance Director Pearl Lieu, City Attorney Richard L. Adams II, and Legal Counsel Adrianna Guzman; and 4) Personnel Item, Pursuant to Government Code Section 54957 (b) (1), Performance Evaluation of City Manager. City Attorney Adams announced there was no reportable action on Closed Session Agenda Item No. 3 and Closed Session Agenda Item No. 4 was not discussed.

2. PRESENTATION BY PAUL LEON, SP APPOINTEE TO THE METRO GOLD LINE FOOTHILL EXTENSION CONSTRUCTION AUTHORITY AND MAYOR OF ONTARIO, TO PROVIDE UPDATE ON THE GOLD LINE EXTENSION

Paul Leon, South Pasadena Appointee to the Metro Gold Line Foothill Extension Construction Authority and Mayor of Ontario, provided an update and PowerPoint presentation on the Gold Line Extension Project and responded to Councilmembers' questions.

3. PRESENTATION OF CERTIFICATES OF APPRECIATION TO OUTGOING YOUTH COMMISSIONERS MATTHEW CHEN, EMILY FIGUEROA, AND RYAN NAKAKURA

Mayor Khubesrian and Councilmember Cacciotti, Council Liaison to the Youth Commission, presented Certificates of Appreciation to Matthew Chen, Ryan Nakakura, David Beadle on behalf of his daughter Evelyn Beadle, and Aydin Pasebani. Outgoing Youth Commissioner Emily Figueroa was unable to attend.

4. PRESENTATION OF PROCLAMATION DECLARING MAY 2014, AS “PRESERVATION MONTH” IN THE CITY OF SOUTH PASADENA

Mayor Khubesrian presented a Proclamation declaring May 2014, as “Preservation Month” in the City of South Pasadena to Larry McGrail, Member, South Pasadena Preservation Foundation.

5. COUNCILMEMBERS’ COMMENTS (3 MINUTES EACH)

Councilmember Cacciotti requested follow up on the following items: 1) Refer to the Natural Resources and Environmental Commission (NREC) to review expansion of the City's sustainability principles to zero waste by encouraging the redistribution of extra food from grocery stores, retailers, and caterers, and donate to local organizations in need of these extra supplies, and collaborate with Urban Harvester, seconded by Councilmember Schneider; 2) Refer to NREC the establishment of a Solar Voltaic Committee to explore installation of solar power at City facilities, seconded by Councilmember Schneider; 3) Refer to NREC to consider policy or ordinance banning the use of Styrofoam, seconded by Councilmember Schneider; and 4) Councilmember Cacciotti requested designation of a special reserve fund for an Emergency Operations Center, seconded by Councilmember Schneider. Councilmember Cacciotti announced “Bike to Work Day” would be held on Thursday, May 15, 2014, and encouraged citizens to participate in conjunction with the City of Los Angeles. Councilmember Cacciotti thanked City staff, the South Coast Air Quality Management District (AQMD), and Frank Cardenas, South Pasadena resident, for their assistance in obtaining grants for the Arroyo Seco Bicycle and Pedestrian Trail.

Councilmember Mahmud reported that she attended the following events: 1) South Pasadena Beautiful’s 44th Annual Garden Tour held on April 27, 2014; 2) The City’s 6th Annual Eclectic Music Festival held on May 3, 2014 – Councilmember Mahmud thanked City Librarian Fjeldsted, South Pasadena Chamber of Commerce, sponsors, merchants, artists, and Bob McClain, IT/Audio/Visual; and 3) Animal Commission “Be Kind to Animals Week” event which recognized children’s art work – Councilmember Mahmud thanked the volunteers. Councilmember Mahmud announced “Public Works Week” to be held on May 21, 2014, and thanked Public Works Director Toor and Public Works staff for their work.

Councilmember Schneider announced the following events: 1) Library Board of Trustees Meeting to be held on May 19, 2014, to discuss future plans of the South Pasadena Public Library; and 2) South Pasadena Tournament of Roses will be hosting a Golf Tournament on June 21, 2014.

Mayor Pro Tem Joe invited residents to attend the 2014 Memorial Day Service on Monday, May 26, 2014, from 9:00 a.m. to 9:30 a.m., at the War Memorial Building, and displayed a PowerPoint slide.

Mayor Khubesrian reported that she, City Manager Gonzalez, and Councilmember Mahmud attended the Southern California Association of Governments Regional Conference held on May 1 to 2, 2014, which focused on transportation innovations, and provided a summary of the sessions. She announced an upcoming event hosted by the South Pasadena Healthy Community Coalition, in which they will host a screening of a documentary "Hungry for Change" on Friday, May 30, 2014, at 6:00 p.m., at the South Pasadena Library Community Room.

6. CITY MANAGER COMMUNICATIONS

City Manager Gonzalez reported that he attended the Police Officers' Association's Awards Luncheon and Ceremony held today, May 7, 2014. He announced the City's Employee Appreciation Luncheon would be held on Thursday, May 8, 2014, at the Fire Department.

Community Services Director Pautsch introduced a new program "Volunteen Program" for high school students who live or attend school in South Pasadena, and displayed a flyer.

7. REORDERING OF AND ADDITIONS TO THE AGENDA

None.

CONSENT CALENDAR

Councilmember Mahmud requested that Item Nos. 10 and 12 be removed from the Consent Calendar for separate consideration.

MOTION: M/S Cacciotti/Joe to approve Consent Calendar Item Nos. 8, 9, 11, and 13; and including Prepaid Warrants #183079-183134 in the amount of \$430,144.32, General City Warrants #183135-183269 in the amount of \$456,630.85, and Payroll 04-25-14 in the amount of \$391,505.71 totaling \$1,278,280.88; and seated as the Successor Agency to the Community Redevelopment Agency, approve Redevelopment Successor Agency warrants for \$11,806.63 (included in above total). By roll call vote, the motion passed unanimously. Absent: None.

The Consent Calendar consisted of the following items:

8. APPROVAL OF THE MINUTES OF THE SPECIAL STUDY SESSION CITY COUNCIL MEETING OF APRIL 23, 2014, SPECIAL CITY COUNCIL MEETING OF APRIL 23, 2014, AND SPECIAL CLOSED SESSION MEETING OF APRIL 30, 2014

9. APPROVAL OF PREPAID WARRANTS IN THE AMOUNT OF \$430,144.32, GENERAL CITY WARRANTS IN THE AMOUNT OF \$456,630.85 AND PAYROLL IN THE AMOUNT OF \$391,505.71

11. APPROVAL OF ORDINANCE NO. 2268 AMENDING CHAPTER 35 OF THE SOUTH PASADENA MUNICIPAL CODE TO ADD WATER SHORTAGE PLANS AND WATER CONSERVATION PROVISIONS

13. AWARD FY 2013-14 CDBG SIDEWALK REPLACEMENT PROJECT

ITEMS PULLED FROM THE CONSENT CALENDAR FOR SEPARATE CONSIDERATION

10. SECOND READING AND ADOPTION OF AN ORDINANCE AMENDING THE SOUTH PASADENA ZONING CODE REGARDING SETBACKS REQUIREMENTS FOR DETACHED GARAGES AND CARPORTS

In response to Councilmember Mahmud's question, Planning and Building Director Watkins explained the Planning Commission's unanimous decision on the clearance, and stated that two feet provides residents the maximum flexibility.

It was moved by Councilmember Mahmud and seconded by Councilmember Cacciotti to modify the proposed minimum required setbacks for detached garages and carports from two feet to three feet, and introduction of a new ordinance. Thereafter, the motion was withdrawn.

MOTION: M/S Mahmud/Cacciotti to refer the proposed ordinance to the Planning Commission for consideration of a three foot minimum required setbacks for detached garages and carports. By roll call vote, the motion passed unanimously. Absent: None.

Chief Deputy City Clerk Hall indicated that the second reading of Consent Calendar Item No. 11, APPROVAL OF **ORDINANCE NO. 2268** AMENDING CHAPTER 35 OF THE SOUTH PASADENA MUNICIPAL CODE TO ADD WATER SHORTAGE PLANS AND WATER CONSERVATION PROVISIONS, was not read during the approval of the Consent Calendar items. She then read, by title only, **Ordinance No. 2268** into the record.

12. SECOND READING AND ADOPTION OF ORDINANCE NO. 2269 REGARDING PROHIBITING SINGLE-USE PLASTIC CARRYOUT BAGS AND INCORPORATION BY REFERENCE THE LOS ANGELES COUNTY ENVIRONMENTAL IMPACT REPORT AND STATEMENT OF OVERRIDING CONSIDERATION

Councilmember Mahmud thanked all residents who sent comment letters to the City Council. She indicated the ordinance would not be implemented for four months.

Kim Hughes, Chair, NREC, expressed support for the proposed ordinance to ban the use of plastic bags and that it is a prudent action.

Michael DeLucia, South Pasadena resident, expressed his opposition to the proposed ordinance to ban the use of plastic bags and the potential adverse impacts were not sufficiently addressed in the Los Angeles County Environmental Impact Report. He also presented data.

Elisabeth Emirhanian, Member, Women Involved In South Pasadena Political Action (WISPPA), expressed WISPPA's support of the proposed ordinance to ban the use of plastic bags.

Chief Deputy City Clerk Hall presented and read by title **ORDINANCE NO. 2269** OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, AMENDING CHAPTER 16 (GARBAGE AND WASTE) OF THE SOUTH PASADENA MUNICIPAL CODE WITH THE ADDITION OF AN ARTICLE III (SINGLE-USE PLASTIC CARRYOUT BAGS) TO BAN THE USE OF SINGLE-USE PLASTIC BAGS AT LARGE GROCERY STORES, PHARMACIES AND CONVENIENCE STORES AND ADOPTION BY REFERENCE THE LOS ANGELES COUNTY ENVIRONMENTAL IMPACT REPORT.

MOTION: M/S Mahmud/Joe to approve: 1) Incorporation by reference the Los Angeles County Environmental Impact Report (EIR) and Statement of Overriding Consideration for an Ordinance Prohibiting Single-Use Plastic Carryout Bags, which is on file with the City Clerk's Office; and 2) Read by title only for second reading, waive further reading, and adoption of **ORDINANCE NO. 2269** OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, AMENDING CHAPTER 16 (GARBAGE AND WASTE) OF THE SOUTH PASADENA MUNICIPAL CODE WITH THE ADDITION OF AN ARTICLE III (SINGLE-USE PLASTIC CARRYOUT BAGS) TO BAN THE USE OF SINGLE-USE PLASTIC BAGS AT LARGE GROCERY STORES, PHARMACIES AND CONVENIENCE STORES AND ADOPTION BY REFERENCE THE LOS ANGELES COUNTY ENVIRONMENTAL IMPACT REPORT, and promotion of the use of reusable bags. The motion passed by the following roll call vote:

AYES: Cacciotti, Joe, Mahmud, Schneider, and Mayor Khubesian

NOES: None

ABSENT: None

ABSTAIN: None

PUBLIC COMMENTS

Mayor Khubesian opened the Public Comments section of the meeting.

David Beadle, South Pasadena resident, commented on sectarian prayer in Cities and thanked the City Council for the diversity of invocations at its meetings.

Tom Sullivan, Owner, Ultimate Recycle, LLC, offered samples of recyclable pothole mix.

Tony Tartaglia, Public Affairs Manager, Southern California Gas Company (SCGC), introduced new Public Affairs Manager, Helen Romero Shaw. Public Affairs Manager Shaw provided a summary of her background with SCGC.

Councilmember Mahmud requested that SCGC consider offering the earthquake safety valves program again.

Councilmember Cacciotti requested a report on the condition of gas pipe lines in the City.

Sherry Plotkin, Volunteer, Urban Harvester, provided information on Urban Harvester's zero waste program and thanked Councilmembers Cacciotti and Schneider for their support.

There being no additional speakers, Mayor Khubesian closed the Public Comments section.

ACTION/DISCUSSION**14. APPROVAL OF CITY OF SOUTH PASADENA'S INSURANCE PLACEMENTS WITH THE CALIFORNIA STATE ASSOCIATION OF COUNTIES EXCESS INSURANCE AUTHORITY (CSAC-EIA) AND RESOLUTION NO. 7346 DELEGATING AUTHORITY TO THE CITY MANAGER OR DESIGNEE TO ACT ON BEHALF OF THE CITY**

Assistant City Manager Straus presented a summary of the staff report and indicated that staff issued a Notice of Intent to Terminate to California Joint Powers Insurance Authority (CJPIA). He indicated that staff studied various options by reviewing three different candidate insurance pools, including revisiting the City's own insurance pool. Assistant City Manager Straus introduced the City's insurance broker, Alliant Insurance Services, Inc. (AISI), and representatives Michael Simmons, Vice Chairman of Public Entities, AISI, and Conor Boughey, Assistant Vice President, AISI. He also stated that presentations would be made by Gina Dean, Chief Operating Officer, CSAC-EIA, and Jonathan Shull, Chief Executive Officer, CJPIA.

Assistant Vice President Boughey provided the background and history of the insurance pool evaluation as part of a PowerPoint presentation. He stated he worked with City staff and the Finance Committee (FC) to evaluate the City's current and proposed pool memberships and the pricing. Assistant Vice President Boughey discussed CJPIA's requirement that cities must be members of their liability program in comparison to CSAC-EIA. Assistant Vice President Boughey explained that CSAC-EIA has no mandatory program and offers the option to buy primary coverage or excess coverage. He reviewed the general financial statistics of each of the insurance pools.

Councilmember Cacciotti inquired about a threshold amount to settle without bringing matters to the City Council, what is the current practice, and how does it differ under the proposed CSAC-EIA.

In response to Councilmember Cacciotti's question, Assistant Vice President Boughey explained the current practice is that all claims are forwarded to a Third Party Administrator (TPA).

Vice Chairman of Public Entities Simmons explained that under CSAC-EIA, City staff and City Council would be more actively involved in the management of the claims process, and this is why there are various levels of authority. He explained that under the proposed settlement authority policy, claims in the amount of \$25,000 to \$100,000 would require City Council authority.

Chief Executive Officer Shull noted that the Self Insured Retention (SIR) would be directly paid out of the City's SIR under the CSAC-EIA Program, whereas, it would be included in the City's coverage under the CJPIA annual premium.

Discussion followed among the City Council, insurance representatives, and insurance brokers regarding premium payments made under the CJPIA program versus the proposed CSAC-EIA program, and settlement authority.

Assistant Vice President Boughey reviewed the loss prevention programs of each of the insurance pools. He stated that CJPIA is a full service insurance pool that helps mitigate losses and encourages member usage. He stated under the CSAC-EIA model, not all services are included for free, as the City would have to evaluate its losses incurred, identify how it would like to mitigate those losses, and engage CSAC-EIA to receive those services. Assistant Vice President Boughey explained that CJPIA is a primary insurance pool and CSAC-EIA is an excess insurance pool. Assistant Vice President Boughey recommended that the City consider a self-insured retention of \$800,000. He explained that in order to appropriately fund a self-insured retention at the City level, an Actuarial study was conducted. He summarized the Actuarial study, which evaluated the City's losses over the last 10 years, and recommended that the City set aside \$240,000 per year into a City account that would be sufficient to cover all claims within the first

\$100,000 per year. He indicated that if the City decided to be more conservative, funding to a 70 percent confidence level would be \$298,000.

In response to Mayor Pro Tem Joe's inquiry, Vice Chairman of Public Entities Simmons explained that the \$240,000 fund would build over time. He stated a key element of an Actuary is to predict what, on average, the City should set aside. Vice Chairman of Public Entities Simmons stated the reason the 70 percent confidence level number is provided is to be prudent. He indicated many cities set aside a higher amount of funding as they do not know which year high claims will be received.

In response to Councilmember Mahmud's question, Assistant Vice President Boughey explained that a 52 to 57 percent expected confidence level is represented by an amount of \$240,000.

By consensus, the City Council agreed to reschedule Item No. 17, Direction regarding proposed budget expenditures for Fiscal Year 2014-15, to the May 21, 2014, City Council Meeting.

In response to Councilmember Schneider's question, Assistant Vice President Boughey stated every year, the City will send its loss trend to the Actuary for updating of a new loss pick, and could trend up or down, and is based on industry and personal experience.

Assistant Vice President Boughey reported that a similar study was completed on the Workers' Compensation Program to help the City evaluate whether or not to purchase a first dollar program or an excess program. He indicated the Actuarial study demonstrated that the first dollar program made the most financial sense. Assistant Vice President Boughey stated that no additional staff would need to be hired and discussed the transition time for staff that would only occur during the first year. Assistant Vice President Boughey discussed CJPIA's continuance to run out their prior, retrospectively rated program, which may result in diminishing assessments and disbursements. Assistant Vice President Boughey discussed the City's open worker's compensation claims and liability claims. Assistant Vice President Boughey discussed transitional costs to join CSAC-EIA. Assistant Vice President Boughey advised that after thoroughly reviewing the many aspects of insurance pool membership with assistance from AISI, staff and the FC, it is recommended that City Council select CSAC-EIA Option #4, as discussed and presented in the PowerPoint presentation. Assistant Vice President Boughey discussed CSAC-EIA's standard general liability limit of \$25,000,000, and the City's current general liability limit of \$50,000,000 through CJPIA. He indicated that CSAC-EIA offers additional limit options of \$35,000,000, \$50,000,000, or higher, if desired.

In response to Councilmember Schneider and Cacciotti's questions, Vice Chairman of Public Entities Simmons discussed examples of claims settled in excess of \$25,000,000 that occurred in other cities.

Discussion followed among City Council and the insurance brokers regarding the City's liabilities related to owning and operating several water reservoirs and property damage.

Chief Operating Officer Dean presented the history and services of CSAC-EIA. She presented financial information and explained the organizational structure of CSAC-EIA. Chief Operating Officer Dean responded to Councilmembers' questions.

Chief Executive Officer Shull thanked the City Council for 36 years of membership. He presented the history of CJPIA and noted that the membership consisted of municipal agencies, with some special districts, as opposed to county agencies represented in CSAC-EIA. He explained the services they offer and the governance of their organization. Chief Executive Officer Shull discussed the average liability claims and related staff time. He provided clarification on the retrospective adjustment that was due last year compared to the annual contribution. Chief Executive Officer Shull explained that the formula was changed, with input and consensus from the members, to collect funds in advance, and not after the fact to cover claims. He was not made aware of the FC Meeting. Chief Executive Officer Shull indicated CJPIA is reviewing the possibility of changing their liability program and offering separate insurance pools. He stated CJPIA has provided excellent service for many years and encouraged the City Council to maintain their membership with CJPIA. Chief Executive Officer Shull responded to Councilmembers' questions.

Assistant City Manager Straus explained that the bulk of the work completed, as would be done under the proposal, would be handled by the TPA. He stated staff would be obligated to be more involved with the TPA's decision making process. Assistant City Manager Straus agreed that the analysis that AISI conducted, and the impact it would have based on the City's claim profile, is accurate.

Discussion followed among City Council and the insurance pool representatives regarding credits and deficits related to resolution of claims, and cost of services.

City Treasurer Pia stated this process has been a shining example of the financial stewardship model in South Pasadena. He stated the work of the FC has been outstanding and he introduced Frank Cataña, Member, FC.

Member Catania commented that the FC became involved in reviewing the City's insurance coverage approximately a year and a half ago, at the City Council's request, when the City received a retrospective invoice. He affirmed the FC's recommendation that City Council select CSAC-EIA Option #4, as discussed and presented in the PowerPoint presentation. He stated the FC supports the previously discussed settlement authority. FC Member Cataña stated the FC also recommended that the City conduct an annual loss prevention review. FC Member Cataña responded to Councilmembers' questions.

Discussion followed among City Councilmembers and staff regarding the various aspects of insurance premium costs related to the workers compensation and liability programs.

Mayor Khubesrian opened the Public Comments section.

Elisabeth Emirhanian, South Pasadena resident, commented regarding the comparison and difference in cost between the two worker's compensation programs.

Assistant City Manager Straus stated that it is staff's recommendation through the FC, that the City maintain a first dollar program for the first three years and then continue to evaluate the workers compensation profile.

Mayor Khubesrian closed the Public Comments section.

In response to Mayor Khubesrian's inquiry, Chief Executive Officer Shull indicated that CJPIA has lost nine members since 1978. He stated they have been placed on notice by a number of members since they implemented the new formula. Chief Executive Officer Shull clarified that CJPIA's liability program is not costly for every city as it is reflective of the member's experience.

Discussion followed among the City Council and FC Member Cataña regarding staffing.

In response to Councilmember Cacciotti's question, Assistant Vice President Boughey explained that when the City applied to CSAC-EIA, a review of the City's policies and procedures was completed, and recommendations were made. He stated that CSAC-EIA requested the City provide a plan by July 1, 2014, and membership would be granted.

Councilmember Cacciotti requested that a list of the identified findings be provided to City Council.

City Manager Gonzalez summarized the process, additional staff involvement, and cost savings. He noted that, if in the future, CJPIA provides separate services, they will be revisited.

In response to the questions of Mayor Khubesrian and Mayor Pro Tem Joe, Assistant City Manager Straus stated he felt confident that staff had the capacity to handle the duties since the bulk of the work will be done by the TPA.

Discussion followed among the City Council and staff regarding staff capacity and potential involvement by City Council in the claims process.

Councilmember Schneider recommended that the City Council consider approving \$50,000,000 in excess coverage.

MOTION: M/S Cacciotti/Schneider to approve staff's recommendation as follows: 1) Approve joining the California State Association of Counties Excess Insurance Authority for the July 1, 2014 insurance renewal; 2) Approve \$50,000,000 for the standard limit level for general liability claims per occurrence; 3) Approve the following documents: a) CSAC-EIA's Joint Powers Authority Agreement; b) Liability program Memorandum of Understanding; c) Primary Workers' Compensation Program Memorandum of Understanding; and d) Excess Workers' Compensation Program Memorandum of Understanding; 4) Adopt **Resolution No. 7346** to delegate authority to the City Manager or the City Manager's designee to act on behalf of the City in matters relating to its membership, including negotiations during the renewal period and execution of the attached documents; and 5) Approve the City Self Fund to a 70 percent confidence level of \$298,000 per year. By roll call vote, the motion passed unanimously. Absent: None.

Assistant City Manager Straus requested that Item No. 16, Approval of agreement with Carl Warren and Company for liability claims handling and settlement authority, be rescheduled to a future City Council Meeting, as additional time is needed to review the agreement.

By consensus, the City Council agreed to move Item No. 16 to a future City Council Meeting to be determined.

15. RESOLUTION NO. 7347 ESTABLISHING A COUNCIL POLICY REGARDING LIABILITY CLAIMS HANDLING AND SETTLEMENT AUTHORITY

Assistant City Manager Straus presented the staff report. He stated that City Council currently grants expenditure authority in the amount of \$25,000 to the City Manager. He indicated that staff is proposing the following levels of claim settlement authority: 1) \$0 to \$2,500 claims managed through the TPA; 2) \$2,501 to \$25,000 claims authorized by the City Manager; and 3) Claims at or above \$25,001 would be approved or rejected by the City Council.

In response to Mayor Khubesrian's inquiry, Assistant Vice President Boughey stated that approximately 10 to 15 claims are in excess of \$25,000 per year, and 1 to 3 claims are in excess of \$100,000 per year.

Councilmember Cacciotti noted that the City Manager may authorize settlement in the amount of \$25,001 to \$100,000, to be later ratified by City Council, in the event of the need for an urgent claims payment.

Mayor Khubesrian opened the Public Comments section.

There being no one wishing to speak, Mayor Khubesrian closed the Public Comments section.

In response to Councilmember Schneider's question, Assistant Vice President Boughey confirmed that CSAC-EIA has the right, however, not an obligation, to take over a claim that is more than \$100,000. He stated that CSAC-EIA has never taken this action and would work with the City to ensure that a mutually acceptable agreement is reached.

In response to Mayor Pro Tem Joe's question, Assistant City Manager Straus confirmed that legal costs are included in the \$25,000 claims limit.

MOTION: M/S Mahmud/Schneider to adopt **Resolution No. 7347** establishing a City Council policy concerning liability claims handling and settlement authority as follows: 1) \$0 to \$2,500 - Claims managed through the TPA; 2) \$2,501 to \$25,000 - Claims authorized by the City Manager; and 3) Claims at or above \$25,001 would be approved or rejected by the City Council. By roll call vote, the motion passed unanimously. Absent: None.

16. APPROVAL OF AGREEMENT WITH CARL WARREN AND COMPANY FOR LIABILITY CLAIMS ADMINISTRATION

By consensus, the City Council agreed to reschedule Item No. 16 to a future City Council Meeting.

17. DIRECTION REGARDING PROPOSED BUDGET EXPENDITURES FOR FISCAL YEAR 2014-15

By consensus, the City Council agreed to reschedule Item No. 17 to the May 21, 2014, City Council Meeting.

18. APPROVAL OF RESOLUTION NO. 7348, JOB DESCRIPTION, AND A SALARY SCALE UPDATE FOR CLASSIFICATIONS WITHIN THE UNREPRESENTED MANAGEMENT GROUP

Assistant City Manager Straus summarized the staff report as part of a PowerPoint presentation and responded to Councilmembers' questions.

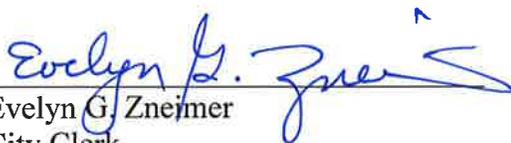
Mayor Khubesrian opened the Public Comments section.

There being no speakers, Mayor Khubesrian closed the Public Comments section.

MOTION: M/S Mahmud/Cacciotti to approve 1) Job description for the classification of Public Works Operations Manager; 2) Updated salary scale for the classification of Public Works Director; and 3) **Resolution No. 7348** reflecting the inclusion of the Public Works Operations Manager and the updated Public Works Director salary scales in the Management Salary Schedule. By roll call vote, the motion passed unanimously. Absent: None.

ADJOURNMENT

Mayor Khubesrian adjourned the Regular Meeting of the South Pasadena City Council/Redevelopment Successor Agency/Public Financing Authority/ Housing Authority at 11:42 p.m.


Evelyn G. Zneimer
City Clerk


Marina Khubesrian, M.D.
Mayor

Minutes approved by the South Pasadena City Council on May 21, 2014.