

## MINUTES

### CITY COUNCIL OF THE CITY OF DUARTE REGULAR MEETING – TUESDAY, JANUARY 28, 2003

The City Council of the City of Duarte met in a regular meeting in the Council Chambers, 1600 Huntington Drive, Duarte, California. Mayor Chapjian called the meeting to order at 7:07 p.m.

- PLEDGE TO THE FLAG** Mayor Chapjian led the Pledge of Allegiance to the Flag.
- MOMENT OF REFLECTION** A moment of reflection was observed.
- CITY CLERK RECORDATION OF ATTENDANCE** The City Clerk recorded the following in attendance:  
PRESENT: Finlay, Fasana (arrived at 7:11 p.m.), Paras, Reyes, Chapjian  
ABSENT: None  
ADMINISTRATIVE STAFF PRESENT: City Manager Duff, City Attorney Ralph Leech
- ADOPTION OF AGENDA** Finlay moved, Paras seconded to adopt the Agenda, as amended to consider Item 16 (Closed Session) prior to Item 15 (Items from City Council), and carried unanimously.
- ANNOUNCEMENTS**  
Jan Wight, Duarte Chamber of Commerce, stated the Chamber held its first noontime blender last week and will do it again, announced the grand opening of California Chicken King, Duarte Tile and Stone, and Personnel Solutions, and provided copies of California tourism books.  
Pat Wood, Duarte Diversity Group, announced An Evening of Music Celebrating Religious Diversity on February 1, 6:00-9:30 p.m., at the Performing Arts Center.
- FISCAL AFFAIRS**  
Finlay moved, Reyes seconded to approve payment to the Southern California Edison Company, and carried with Fasana abstaining.  
Paras moved, Fasana seconded to approve the remainder of Fiscal Affairs, and carried unanimously.
- SPECIAL ITEMS**  
Recognition – Amanda Corral and Mitra Faridian Reflections Program  
Mayor Chapjian introduced students Amanda Corral and Mitra Faridian, who received Honorable Mention at the First District PTA Reflections Program for their poem and artwork. Mayor Chapjian presented the students Certificates of Appreciation in recognition of their awards, and congratulations were extended.
- ORAL COMMUNICATIONS**  
John Steelesmith, Edison Company, thanked all for their patience and support during the recent windstorm, stated it was classified as a Category 3, provided information on the status of the energy/financial crisis, stated Edison's debt is expected to be paid off by mid-summer, and noted there would be a major drop in rates.  
Claudia Heller, President, Duarte Historical Society, stated remarks made by Lino Paras at the last meeting about the Duarte Historical Society were not honest and intimated that the Museum Executive Board was bought by the City, stated his accusation is an insult to the volunteers, she worked with Mr. Paras and the Executive Board, the Historical Board worked with Mr. Duff and City staff to save the school house, Mr. Duff assured her the City was dedicated to saving the school house, all potential developers were informed that any sale or proposal was contingent on saving the school house, Mr. Paras demanded

it be saved after the City pledged to save it, Mr. Paras has taken credit for saving the school house, the Museum staff worked with the contractor providing photos and advice, the Duarte Historical Society is staffed by volunteers who are not paid, the Historical Society has not asked the City for money for over a decade, although it asked for help to repair the roof, and stated all have a right to have their say, and each has to decide who is credible and who is not.

Lino Paras, Duarte, stated he is a lifetime member of the Historical Society, his comments referred to 1987 and the old Historical Society who was being subsidized by the City Council, stated Claudia Heller was not involved with the Historical Society at that time and cannot speak for the Historical Society per se, stated she is a liar or her memory is skewed based on her political agenda, stated Mr. Duff lied to him when he was told the request for proposals to developers included a provision to save the old school house, stated Claudia Heller has a political agenda, and stated Mr. Reyes gets into trouble because he is the only one who opens his mouth in public, like himself.

John Van Doren, former Duarte resident, stated he was here taking action in 1987.

Jack Collins, Duarte, stated there were two letters in the Star News, one from a non-resident and the other was regarding the report, read the definition of confidential communication, stated Mr. Reyes demanded access to the report, he knew he was to have access to the report not marked confidential, if he was handed the report, he should have immediately returned it, asked if Mr. Reyes made copies of the pages he wanted, stated he violated his oath, the trust of the Duarte people, and those that voted for him, and stated Mr. Reyes should do the honorable thing and resign his seat on the City Council.

Douglas Bradley, Bradbury, read the letter he sent to the Pasadena Star News regarding Mr. Duff in its entirety.

Jeff Woodson, Duarte, stated Mr. Bradley should worry about Bradbury, not Duarte, stated the citizens of Duarte will clean up Duarte, read a letter he sent to the City Council, the President, and other officials about invocation injustice, felt the first amendment was misapplied in the court case brought by Mr. Rubin, read the first amendment, and stated it appears to him the ruling by the court violates this and infringes on his freedom of speech.

Susie Bence, Duarte, stated the report belongs to the public, and later asked who is in charge of editing and revising the report. Chapjian stated the investigator is Trudy Largent & Associates.

Esther Monreal, Duarte, inquired why the soundwall did not continue to Highland, stated she still hears noise, and stated the Gold Line will be another noise.

Margaret Viramontes, Duarte, asked when the nightmare will end, asked when the Council is going to go back to ruling the City, and stated she is sick and tired of everybody pounding on Mr. Reyes.

#### CONSENT CALENDAR

Fasana moved, Reyes seconded to approve the Consent Calendar, as follows, and carried unanimously.  
Approve Items A, B.  
Receive and File Item C.

#### COUNCIL BILL Council Bill 03-O-01

Leech read by title Council Bill 03-O-01:

Internet Cafés  
(Second Reading)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DUARTE, CALIFORNIA, AMENDING CHAPTERS 19.08, 19.56, AND 19.58 OF THE DUARTE MUNICIPAL CODE RELATING TO THE CONDITIONAL USE AND OPERATION OF INTERNET CAFÉS IN NEIGHBORHOOD AND GENERAL COMMERCIAL ZONES (C-1 AND C-2) (Second Reading)

Reyes moved moved, Paras seconded to waive further reading and adopt Ordinance No. 767.

There was discussion about the modifications and corrections made to the proposed ordinance since its first reading.

ORDINANCE NO. 767

The motion to waive further reading and adopt Ordinance No. 767 carried unanimously.

Council Bill 03-R-01  
Reject Governor's proposed shift of local vehicle license fee (VLF) revenues

Leech read by title Council Bill 03-R-01:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DUARTE, CALIFORNIA, URGING THE CALIFORNIA LEGISLATURE TO REJECT THE GOVERNOR'S PROPOSED SHIFT OF LOCAL VEHICLE LICENSE FEE (VLF) REVENUES AND TO HONOR THE 1998 COMMITMENT TO RESTORE THE VLF

RESOLUTION NO. 03-01

Finlay moved, Fasana seconded to waive further reading and adopt Resolution No. No. 03-01, and carried unanimously.

ECONOMIC DEVELOPMENT COMMISSION  
Business Survey Results

Ed Houlemarde, Economic Development Commission, presented the report about the business survey, and discussed the results, analysis, and business community perspective.

Reyes moved, Fasana seconded to receive and file the Economic Development Commission recommendation concerning the business survey results, and carried unanimously.

CITY MANAGER  
Recommendation – CDBG  
Citizen Advisory Committee

Cox provided a staff report about the proposed Community Development Block Grant (CDBG) Citizen Advisory Committee recommendation concerning 29<sup>th</sup> Year CDBG projects and allocation of funds.

There was discussion about use of the funds, and paperwork requirements for the groups involved.

Reyes moved, Paras seconded to approve the proposed 29<sup>th</sup> Year (2003-2004) Community Development Block Grant (CDBG) projects and allocation of funds recommendations by the CDBG Citizen Advisory Committee, and carried unanimously.

Mayor Chapjian asked Mr. Duff to respond to Ms. Monreal's question about the soundwalls. Duff stated the noise monitoring/testing is established by Caltrans and is within their responsibility, they determine the location of soundwalls, and stated staff would pass on Ms. Monreal's concerns to Caltrans.

Recommendation – Contract for lobbying services (Hillside property acquisition grants)

Kristen Petersen, Assistant to the City Manager, presented the staff report about the City's efforts to pursue grant funding for hillside acquisition, and discussed State program funds, the current State budget, lobbying services, and proposed legislation by Assemblymember Liu.

Jeff Woodson, Duarte, asked if this required an RFP, stated he would like more information about the lobbyist's ethics and integrity, inquired if there is a conflict of interest with Pacific Communities paying for the services, and suggested this should be unconditional.

Report – Governor’s budget proposal

Petersen stated Pacific Communities is interested in seeing the City be able to receive funding to acquire the property, the City looks for grants for preservation and restoration, in order to qualify for that, the application will require the property owner to be a willing seller and to understand that is the intent, and stated the funding requires a covenant that makes that statement.

Cox stated Bob Naylor and this company have the expertise in terms of working with the Wildlife Conservation Board, and the lobbyist specializes in this field. Fasana stated this is one of the largest lobbying firms in Sacramento, they have been effective, they are trusted, and they are fairly well regarded.

Reyes inquired about the total cost for lobbying services. Petersen stated it is not to exceed \$9,000, up to 25% of the amount paid by Pacific Communities.

Fasana moved, Reyes seconded to approve the contract with Nielsen, Merksamer, Parrinello, Mueller & Naylor for lobbying services regarding hillside property acquisition grants, and carried unanimously.

Mike Yelton, Director of Finance, presented a detailed staff report about the impact of the Governor’s budget proposal on the City of Duarte.

Fasana moved, Finlay seconded to receive and file the report.

Jeff Woodson, Duarte, stated there are CDBG funds, stated the loss of money could affect those programs, asked about the impact on programs, appreciated the fact that Duarte does not need to react to the problems with the same sense of panic that has struck other communities, encouraged staff and Council to keep it that way, challenged staff and the Council to direct how much it impacts us and to fight this the whole way, felt citizens should not have this forced on them, and felt the Governor mis-handled funds.

Fasana stated it is hard to project as some funding sources are highly restricted, if redevelopment funds were affected, it would be devastating, it depends on how the cuts are made and how long the structural problem will continue, the City has worked diligently to build reserves, and stated we will probably take some of the cuts, and cuts to schools will be devastating.

Finlay stated she was in Sacramento lobbying to retain the VLF backfill, the Governor spoke of jobs, and stated redevelopment dollars are needed to keep jobs going.

Paras inquired if the mid-year budget review would be a workshop or a session. Duff stated typically it is an Agenda item, and if City Council so directs, it could follow the item to another date at a special workshop. Paras stated there are items that have been previously discussed by Council, and they may want to look at it a little deeper.

Chapjian recommended staff come back with a normal budget, and one with a 5% to 10% reduction should cuts be made by the State, so that we can get ahead of the curve, stated redevelopment is very important, and stated new businesses may have to be brought into the community that will draw regionally to the area and stimulate the economy.

The motion to receive and file the report about the impact of the Governor’s budget proposal on the City of Duarte carried unanimously.

Special City Council Meetings

Chapjian stated he would like to schedule at least one Special City Council Meeting per quarter out in the community.

Fasana moved, Reyes seconded that staff poll City Council members on their calendars, with one meeting to be held by March, and carried unanimously.

Duarte Chamber of Commerce  
Use/Services Agreements

Duff stated the proposed Use Agreement and Services Agreement between the City of Duarte and the Duarte Chamber of Commerce are both for a 24-month period, and they will be effective February 1, 2003 – February 1, 2005.

Steve Markman, Mailboxes Etc., stated the City has an interest in the business community, there is a solid relationship between the Chamber and the City, he served on the committee about the sign ordinance, the community has been good to him and his business, and urged City Council to maintain the relationship at the current level.

Manoj Patel, President, Duarte Chamber of Commerce, thanked the City and staff for the agreements, quoted the Chamber's mission statement, stated the Duarte View has increased in size, stated he appreciates Mr. Kirchner helping with the layout of the Duarte View, Chamber membership is 311, and stated the Chamber looks forward to the ongoing relationship with the City.

Lino Paras, Duarte, stated in the 1990s there was a faction between the Council and the Chamber and funding was cut, stated Finlay and Fasana encouraged the creation of the Duarte Business Association which tried to destroy the Chamber and installed a renegade group, the Chamber survived without the funding, Mr. Reyes and Mr. Kirchner filled in, and urged Council to sign the contract.

Finlay stated with regard to Mr. Paras' comments, there is no way she encouraged the startup of the Duarte Business Association.

Reyes moved, Paras seconded to approve the Use Agreement and the Services Agreement between the City of Duarte and the Duarte Chamber of Commerce, per staff recommendation, and carried unanimously.

ORAL COMMUNICATIONS

Neil Bjornsen, Duarte, stated the next item City Council will discuss is a matter of extreme importance, urged the Council to make the report public and let the facts speak for themselves, stated the City has been negatively impacted and its image has been tarnished, and stated he hopes Mr. Reyes has the integrity and fortitude to be honorable and do the right thing accordingly.

Jeff Woodson, Duarte, stated tonight was the State of the Union Address by the President and suggested in the future, if there is such a conflict, a television could be present in the Council Chambers, thinks the Downtown Duarte Task Force comments will show the urgency to move forward prudently, stated he is still waiting for the team building workshop, stated several cities to the east have soundwalls, the noise levels are above what they are allowed to be, several lawsuits are pending against Caltrans, and inquired about the State of the City Address.

Chapjian stated the State of the City Address is a Chamber event in which he will participate, and the date is being determined.

CLOSED SESSION  
Conference with legal counsel  
(Report on the Investigation into

Jeff Woodson, Duarte, encouraged Council to release the report so the citizens can decide for themselves, he would like this to be out in front, thinks the citizens have a right to know what the

Allegations of Misconduct Made by Employees Against Mayor Phil Reyes)

financial impact would be, stated a professional investigator is not biased, and inquired if there is a conflict of interest for Mr. Reyes to participate in the discussion.

City Attorney Leech stated Mr. Reyes has the right and responsibility to attend and participate in the Closed Session.

Lino Paras, Duarte, read a portion of the contract with Trudy Largent & Associates, read the letter he submitted to the newspaper about Mr. Duff in its entirety, felt City Council has the right to see the entire report, stated whatever is decided in Closed Session should be announced, and stated if Council is concerned with the union suing, let them sue, call their bluff, and maybe the truth will come out.

Mayor Chapjian called a Closed Session at 9:03 p.m., pursuant to Government Code Section 54956.9(b)(1) for a conference with legal counsel to discuss the letter of complaint from the attorney for the City's Employees Union regarding Council-member Reyes' possession of the Confidential (non-redacted) Report on the Investigation into Allegations of Misconduct Made by Employees Against Mayor Phil Reyes, prepared by Trudy Largent & Associates. By adopting a motion to adjourn to Closed Session, the City Council has determined, on the advice of the City Attorney that, based on existing facts and circumstances, there is a significant exposure to litigation against the City of Duarte. City Council reconvened at 10:05 p.m. with all members present. City Attorney Leech announced that by a vote of 3-2 (AYES: Finlay, Fasana, Chapjian; NOES: Reyes, Paras), it was decided to keep one copy of the confidential unredacted report available only in the City Attorney's office and all other copies destroyed, and by a vote of 5-0, it was decided to release the redacted version to the press, with a copy available at City Hall, release one copy to the District Attorney's office, send three copies to the library, and to make the redacted version available on the website as soon as it can be provided.

ITEMS FROM COUNCIL  
Report on the Investigation

Lino Paras, Duarte, stated he agreed with the City Council's decision, and would like an unedited copy to be delivered to the District Attorney. Chapjian stated if need be, the District Attorney can get a copy from the City Attorney. Fasana stated if the District Attorney wants to see more information, he can ask for the unredacted version.

Bob Hunt, SEIU, stated he wanted to express some of the concerns of the union members in the City, the union members are not adversaries of the City Council and the community, they are dedicated to providing quality service to the community, they hope to continue to work, serve the members of the public, and continue that relationship, they do not wish to be a pawn or in the crossfire of political fighting within the community, employees felt there would be an impact on working conditions, they had a sense of fear, and were in danger of not gaining respect, stated he hopes the chapter about the report is closed and nothing further will happen, he is concerned that people will be caught in the crossfire, the union has been around for a long time and is behind its members 100%, if employees are attacked, the union will fight, and stated if anyone picks on, retaliates, or harasses employees, the union will back them 100%.

Pat Wood, Duarte, stated she thinks the City Council did the right thing for the people of the community, they can make their own judgments, she has seen no issues of retaliation, if one is

doing a good job, there is no fear of losing one's job, the employees' story will be heard, Mr. Reyes' story will be heard, and stated we need to move forward.

Fasana stated there are a number of allegations, he thinks some of the more serious ones were sustained, there has been talk in the community about staff members being safe, he thinks there are justified concerns that the issue of replacing people goes beyond replacing the City Manager, accountability has to flow through the person who is running staff daily to the full Council, when Council dictates replacement of staff below the City Manager's level, it dilutes the ability of the City Manager and leads to uncertainty and lack of direction among employees, discussed the recall election taking place in South Gate, stated he understands the concerns are justified, there is a perception that those who support Mr. Duff are somehow corrupt, Mr. Duff has maintained professionalism throughout City staff to insure that the system operates correctly, through Mr. Duff's leadership, the City has built its reserves, the budget in South Gate had a \$13 million reserve in July 2001 and today it is \$600,000, there is an effect on citizenry when there is a corrupt regime, in South Gate there was a siphon in revenues, there have been legal fees, raffles, auctions, free trash service, and Council meddling, stated one Councilmember can control the others by the use of intimidation, when there is a key item of difference, there seems to be a permanent break in terms of allegiance, discussed reasons for the arrest of the City Treasurer of South Gate and the intimidation of their police department, stated Mr. Reyes has associations with some of those in South Gate, he has taken numerous contributions in the last election, and has a real estate contract with South Gate, stated some have sought to discredit the work of Dr. Jayasinghe of the Duarte Outreach Center, which is a tactic used in cities such as South Gate, stated the Mid-Valley Manpower Consortium is under investigation due to concerns about accounting and the outreach process, one of the people in those meetings was Jose Lomas of Bradbury who is now charged with opening bank and cellular phone accounts under the Outreach Center's name, the next court hearing is on February 4<sup>th</sup>, and stated City employees are in fear for their positions, they have concerns, it affects their work, and he echoes some of the concerns and comments.

Reyes thanked employees for their ethics and integrity during the interview process, stated 90-95% of the employees did what was right, a few others did not, stated what action we take as a community related to those employees or to the City Council majority that has not scrutinized or made certain individuals accountable will be in the hands of the community, stated he feels he can lead, he has committed his life to the community, he can lead the community if continued to be allowed, he brings people forward who have the same commitment and desire, stated all sometimes make bad decisions, he wants the report out as soon as possible, offered his copy of the report to anyone who wants it, stated there are a couple items in it he feels are very defensible, he is concerned where the community is going and where it is at, stated last Saturday, there was an opportunity to look at the new high school, stated we need to come together as a community, since the time the entire community worked in concert diligently to get the school bond passed, nothing has been done at that level, his goal is to get the community back to that level, many do not believe that we are all part of this community, and stated he would rather not be up there advocating for the residents' interests as it is difficult, trying, and

stressful, but he made the commitment to them and has no problem advocating for their interests and will continue.

Fasana stated the high school was a tremendous achievement in this community, through ethical leadership and awarding contracts to responsible bidders, it resulted in a project well done, when contracts are awarded based on who you know rather than your ability to do the job, there are risks, and stated that is part of the concern of where we may possibly be going.

Reyes asked if that is not happening here. Fasana stated he does not believe it is, but he believes it possibly will.

Chapjian stated he thinks Council did the right thing by releasing the report, it is unbiased, the investigator makes conclusions based on facts and credibility, stated it took a lot of guts for Mr. Fasana to say what he did, thinks we are headed in the direction of South Gate if this keeps going, it is up to the voters, if that is what they want, they is what they may get, it is not difficult to advocate for the interests of the community, he has asked Mr. Reyes to tell him what needs to be done, he is willing to do whatever it takes for the entire community, if one disagrees with Mr. Reyes one time, things do get difficult, the City is becoming a laughingstock and taking a hit, businesses would not want to come into the political climate that exists now, the citizens are suffering since tax dollars are not being brought in through the redevelopment process because things are hung up in politics, we are losing out on tax money, businesses, and regional draw that could make Duarte shine, this has and continues to tarnish the image of the community, and stated he hopes we can move on from here and move toward a positive step to make Duarte an ideal model town again.

PARAS: 1) Thanked Mr. Hunt for coming to the meeting, and stated she supported the formation of the union; 2) Stated she is glad the report is going to be out to the public, and it will be an opportunity for the public to make their own judgment call; 3) Regarding traffic calming devices on Vineyard in front of Royal Oaks Park, stated some have asked about the markings and if they can park there; 4) Stated she thinks the business community is strong, and we need to work harder together to get businesses to the community; 5) Attended the grand reopening at Duarte High School, and congratulated the community for providing the schools with those options; and 6) Stated she feels the community needs to come together, she wants all to get something done, and stated we need to unite and move forward.

FINLAY: 1) Stated the community has had to deal with a lot regarding the investigation, applauded the employees, stated they were as truthful as they could be, and stated she is fully in support of releasing the document; 2) Stated she also feels it is time to move on and get some things done, she hopes the factionalization of the City will stop, in 1998 something phenomenal was done with the school bond when everyone got together and said it was of prime importance, and stated the Downtown Duarte Task Force may give us a vision to follow, as it is not interesting to shoot barbs back and forth, it is more interesting to see good buildings going up on Huntington Drive; 3) Stated Dr. Jayasinghe approached her about a housing situation on Huntington Drive where senior citizens were forced out due to rent increase, and provided the letter to Mr. Duff; and 4) Stated the Sanitation District reported that the Puente Hills Landfill has been re-permitted until November 2013, there will be a materials recycling facility for more recycling, they will be

building rail haul, and it will keep the cost of waste down.

FASANA: Stated with regard to the report, there will be a charge for copying the documents, City Council does not believe it is appropriate to waive the copying cost, and stated three copies will be available at the library and it will be on the internet.

CHAPJIAN: 1) Congratulated the School District and all who worked hard on the bond measure, stated it is fantastic, and there was a nice tour of the new facilities; 2) Stated Duarte's Promise planted trees along Central Avenue, and thanked City staff, Wal-Mart, and Cal-Am for their help; and 3) Announced the Duarte Rotary Club meeting on January 31, 7:30 a.m., at Denny's, and stated Assemblymember Liu will discuss the State budget cuts.

ADJOURNMENT

Fasana moved, Finlay seconded to adjourn the meeting at 10:50 p.m. to the Joint City Council/School Board Meeting, February 11, 2003, at 5:30 p.m., in memory of Lloyd Monserratt, and carried unanimously.

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Mayor George Chapjian

ATTEST:

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City Clerk Marla Akana