

**PRELIMINARY MINUTES**

**REGULAR PALM DESERT CITY COUNCIL MEETING**

**THURSDAY, APRIL 16, 2020**

**CITY OF PALM DESERT, CALIFORNIA  
VIRTUAL MEETING**

---

**I. CALL TO ORDER - 3:00 P.M.**

Mayor Nestande convened the meeting at 3:01 p.m.

**II. ROLL CALL**

Present:

Councilmember Jan C. Harnik (teleconference)  
Councilman Sabby Jonathan (teleconference)  
Mayor Pro Tem Kathleen Kelly (teleconference)  
Councilmember Susan Marie Weber (teleconference)  
Mayor Gina Nestande

Also Present:

Lauri Aylaian, City Manager (teleconference)  
Robert W. Hargreaves, City Attorney (teleconference)  
Andy Firestine, Assistant City Manager (teleconference)  
Rachelle D. Klassen, City Clerk  
Lori Carney, Director of Administrative Services  
Ryan Stendell, Director of Community Development  
Janet M. Moore, Director of Finance/City Treasurer  
Tom Garcia, Director of Public Works (teleconference)  
Stephen Y. Aryan, Risk Manager  
Bryan White, Battalion Chief, Palm Desert Fire/Riverside Co. Fire Dept./Cal Fire  
Lt. Matt Martello, Asst. Chief, Palm Desert Police/Riverside Co. Sheriff's Dept.  
Grace L. Rocha, Deputy City Clerk

**III. ORAL COMMUNICATIONS - A (CLOSED SESSION ITEMS)**

None

**IV. ADJOURN TO CLOSED SESSION**

Request for Closed Session:

- A. Conference with Real Property Negotiator pursuant to Government Code Section 54956.8:

- 1) Property: Lease Property - Parkview Professional Office Complex -  
73710 Fred Waring Drive, Suite No. 219  
Agency Negotiator: Lauri Aylaian/Janet Moore/City of Palm Desert  
Other Party Negotiator: Michael A. Peroni/The Altum Group  
Property Owner: City of Palm Desert  
Under Negotiation:    Price    Terms of Payment
- 2) Property: 54330 Ocotillo Drive, Palm Desert (APN 627-232-005)  
SWC Ocotillo/Tumbleweed  
Agency Negotiator: Lauri Aylaian/Martin Alvarez/Wayne Olson/  
City of Palm Desert  
Property Owner: City of Palm Desert  
Under Negotiation:    Price    Terms of Payment

B. Conference with Legal Counsel regarding existing litigation pursuant to Government Code Section 54956.9(d)(1):

- 1) Lorraine Salas and Karina Quintanilla v. City of Palm Desert,  
Riverside County Superior Court, Case No. PSC 1903800

C. Conference with Legal Counsel regarding significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2):  
Number of potential cases:   

D. Conference with Labor Negotiator pursuant to Government Code Section 54957.6:

- 1) Agency: Lauri Aylaian/City of Palm Desert  
Employee Organization: Palm Desert Employees Organization

With City Council concurrence, Mayor Nestande adjourned the meeting to Closed Session of the City Council at 3:02 p.m. She reconvened the meeting at 4:37 p.m.

**V. RECONVENE REGULAR MEETING - 4:00 P.M.**

A. REPORT ON ACTION FROM CLOSED SESSION.

None

**VI. PLEDGE OF ALLEGIANCE TO THE FLAG OF  
THE UNITED STATES OF AMERICA - Councilmember Jan C. Harnik**

**VII. INVOCATION/INSPIRATION - Mayor Pro Tem Kathleen Kelly**

VIII. AWARDS AND PRESENTATIONS

None

IX. ORAL COMMUNICATIONS - B

On behalf of the entire City Council, Mayor Nestande presented City Clerk Rachelle D. Klassen with a proclamation for her 24+ years of service with the City of Palm Desert as this would be her last City Council meeting before she retires at the end of April. She said staff and the City Council will miss Ms. Klassen as her history in Palm Desert is unprecedented. The proclamation read as follows:

*Whereas, on June 5, 1995, **Rachelle D. Klassen** started working for the City of Palm Desert as an accounting assistant in the Finance Department; and*

*Whereas, Rachelle joined Palm Desert's City Clerk's Office in January 1, 1997, as a records technician, and on July 1, 1998, she was promoted to Deputy City Clerk; and*

*Whereas, in October of 2001, Rachelle was certified as a municipal clerk by the International Institute of Municipal Clerks, and on July 1, 2002, she officially succeeded Sheila Gilligan as City Clerk becoming only the second City Clerk in Palm Desert's 47-year-history as an incorporated City; and*

*Whereas, in 2006, Rachelle was recognized with the Palm Desert Area Chamber of Commerce's Award of Excellence; and*

*Whereas, in 2008, Rachelle's outstanding work ethic and dedication were honored at Palm Desert's annual employee holiday celebration where she was presnted by then City Manger Carlos Ortega and Mayor Jean Benson with the Spirit of the City Award; and*

*Whereas, in October 2011, Rachelle earned the rare distinction of being named a Master Municipal Clerk by the International Institute of Municipal Clerks - an honor reserved for clerks who have made a significant contribution to their local governments; and*

*Whereas, she has presided over more than 400 City Council meetings without a single unscheduled absence from said meetings; and*

*Whereas, Rachelle's integrity, thoroughness, and professionalism have served and benefitted more than 13 sitting City Council members, as well as countless Council candidates, through the years; and*

*Whereas, her encyclopedic knowledge and prodigious powers of recollection have provided our organization with a uniquely valuable resource of institutional memory that will be, like her, impossible to replace.*

*Now, therefore, I Gina Nestande, Mayor of the City of Palm Desert, California, along with the entire City council, declare Thursday, April 16, 2020, as*

***Rachelle D. Klassen Day***

*in the City of Palm Desert and encourage all residents to join in honoring and celebrating her many years of excellent and dedicated service to our community.*

Ms. Klassen graciously accepted the kind words, thanking the City Council and staff for the recognition, stating it was very special.

Ms. Aylaian said Rachelle has just been amazing and she will be missed by everyone.

Mayor Pro Tem Kelly added she couldn't think of anyone who better captured the spirit of Palm Desert, and she hopes everyone will continue to be inspired by her perfect example for a very long time.

Ms. Aylaian noted Ms. Klassen agreed to return when staff can congregate for a barbeque or a celebration of some sort.

**X. CONSENT CALENDAR**

**PALM DESERT CITY COUNCIL**

- A. MINUTES of the Special Meeting of March 20, 2020, and the Regular City Council Meeting of March 26, 2020.

Rec: Approve as presented.

- B. CLAIMS AND DEMANDS AGAINST THE CITY TREASURY - Warrants Dated 2/14/2020, 2/21/2020, and 2/28/2020.

Rec: Approve as presented.

- C. LETTER OF RESIGNATION from Greg Gritters - Citizens' Sustainability Committee.

Rec: Receive with very sincere regret.

- D. CONSIDERATION of a Request to Extend Entitlements for the Proposed Development of the Arc Village Project and Associated Contract on Vacant Housing Authority Property Known As APN 622-370-014 (Allied Real Estate Partners, LLC, Applicant) (**Joint Consideration with the Palm Desert Housing Authority - see also Item H below**).

Rec: By Minute Motion: 1) Consider a request to extend Case No. PP/CUP 16-102 entitlements and Contract No. HA34970 with Allied Real Estate Partners, LLC, through September 30, 2020, for proposed development of the Arc Village Project at the vacant Authority property known as APN 622-370-014; 2) authorize legal counsel to prepare and finalize an extension contract; 3) authorize the Chairman and/or Executive Director, or their designee, to execute any necessary actions, including execution of the negotiated extension contract and all related documents necessary to facilitate the contract and the Arc Village Project.

- E. REQUEST FOR ACCEPTANCE OF WORK for Contract No. C38700 - Haystack Parkway Turf Reduction Project (Project No. 980-19) (Universal Concrete Construction, Indio, CA).

Rec: By Minute Motion, accept the work as complete and authorize the City Clerk to file a Notice of Completion for the subject project.

## SUCCESSOR AGENCY TO THE PALM DESERT REDEVELOPMENT AGENCY

- F. MINUTES of the March 26, 2020, Regular Meeting of the Board of Directors of the Successor Agency to the Palm Desert Redevelopment Agency.

Rec: Approve as presented.

## PALM DESERT HOUSING AUTHORITY

- G. MINUTES of the Housing Authority Meeting of March 26, 2020.

Rec: Approve as presented.

- H. CONSIDERATION of a Request to Extend Entitlements for the Proposed Development of the Arc Village Project and Associated Contract on Vacant Housing Authority Property Known As APN 622-370-014 (Allied Real Estate Partners, LLC, Applicant) (**Joint Consideration with the Palm Desert City Council - see also Item D above**).

Rec: By Minute Motion: 1) Consider a request to extend Case No. PP/CUP 16-102 entitlements and Contract No. HA34970 with Allied Real Estate Partners, LLC, through September 30, 2020, for

proposed development of the Arc Village Project at the vacant Authority property known as APN 622-370-014; 2) authorize legal counsel to prepare and finalize an extension contract; 3) authorize the Chairman and/or Executive Director, or their designee, to execute any necessary actions, including execution of the negotiated extension contract and all related documents necessary to facilitate the contract and the Arc Village Project.

Upon motion by Harnik, second by Weber, and 5-0 vote of the City Council (AYES: Harnik, Jonathan, Kelly, Weber, and Nestande; NOES: None), the Consent Calendar was approved as presented.

**XI. CONSENT ITEMS HELD OVER**

None

**XII. RESOLUTIONS**

- A. RESOLUTION NO. 2020 - 37 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, APPROVING THE FINAL SUBDIVISION MAP OF PARCEL NO. 37795 (The Altum Group, Inc., Applicant).

Councilman Jonathan moved to waive further reading and adopt Resolution No. 2020-37. Motion was seconded by Weber and carried by a 5-0 vote (AYES: Harnik, Jonathan, Kelly, Weber, and Nestande; NOES: None).

- B. RESOLUTION NO. 2020 - 38 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, DESIGNATING THE CITY MANAGER, ASSISTANT CITY MANAGER, AND CITY TREASURER TO BE THE AUTHORIZED AGENTS TO PROVIDE REQUIRED ASSURANCES AND EXECUTE AGREEMENTS FOR THE PURPOSES OF OBTAINING FINANCIAL ASSISTANCE FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) AND THE STATE OF CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES (CalOES) FOR DISASTER AID.

Councilmember Harnik moved to waive further reading and adopt Resolution No. 2020 - 38. Motion was seconded by Weber and carried by a 5-0 vote (AYES: Harnik, Jonathan, Kelly, Weber, and Nestande; NOES: None).

**XIII. ORDINANCES**

A. For Introduction:

None

B. For Adoption:

None

**XIV. NEW BUSINESS**

- A. REQUEST FOR AWARD OF CONTRACT IN THE AMOUNT OF \$1,445,020 TO LEONIDA BUILDERS, INC., FOR THE ALESSANDRO ALLEY IMPROVEMENTS PHASE I PROJECT (CONTRACT NO. C38790, PROJECT NO. 817-16).

Project Administrator Ryan Gayler highlighted that the project will rehabilitate the street pavement, and it include drainage improvements, facade enhancements, and landscape improvements to Alessandro Alley. He said the City staff has put a lot of time and effort over the past two decades to bring this project to completion. He noted the project is primarily funded by bonds, and staff is requesting an appropriation of approximately \$410,000 from the Committed Capital Improvement Project Reserve fund. He called attention to the irregularity in the staff report and performance bond amounts, stating the forms will have the correct amount of \$1,445,020 when they are sent to the contractor.

Councilmember Harnik noted the difference of \$616,582 between the two bids received and questioned if staff was comfortable with the amount of the lower bid.

Mr. Gayler responded this project is more of a niche project not typically performed by most general contractors. Leonida Builders specializes in these types of projects and are more competitive because of their ability to take on jobs of this nature. He spoke with the contractor about the bid amounts and he was satisfied with the response.

Councilmember Weber asked if the bid amount was different from the awarded contract.

Mr. Gayler explained there was a mathematical error on the part of the contractor. Further responding, he said if the project was postponed, the cost would likely increase.

Mayor Pro Tem Kelly moved to, by Minute Motion, award/authorize: 1) Subject contract in the amount of \$1,445,020 to Leonida Builders, Santa Clarita, California, for construction of the Alessandro Alley Improvements - Phase I Project; 2) Director of Finance to set aside a 10% contingency for the project in the amount of \$144,502; 3) Appropriation of \$410,000 from the Committed Capital Improvement Project Reserve to the project account; 4) City Manager, or designee, to review and approve written requests for the use of contingency change orders for unanticipated conditions, per Section 3.30.170 of the Palm Desert Municipal Code; 5) Mayor to execute the Agreement and any documents necessary to effectuate the actions taken herewith with funds available in Account No. 4514341-4400100, Capital Bond Funds for the Alessandro Alley Improvements and the Committed CIP Reserve Fund, as amended waiving the irregularity in the bid and to award Contract C38790 as presented. Motion was seconded by Harnik and carried by a 5-0 vote (AYES: Harnik, Jonathan, Kelly, Weber, and Nestande; NOES: None).

**B. REQUEST FOR APPROVAL OF EIGHTEEN (18) SCULPTURES AND SIX (6) ALTERNATES FOR THE 2021/2022 EL PASEO SCULPTURE EXHIBITION.**

Ms. Aylaian summarized the staff report, stating this action would replace the existing artwork on El Paseo with a new exhibition. The exhibition is biennial, and the Art in Public Places Commission has forwarded its recommendations within the report. An honorarium in the amount of \$5,000 would be offered to each of the participating artists and this year will be an international one with several artists from outside the country. She added that the recommendations look fantastic and staff recommends approval.

Councilmember Weber stated that the Art in Public Places Commission was meeting and reviewing the proposals in advance of the coronavirus pandemic. An entire day was spent reviewing the proposals and choosing the artwork for this exhibition.

Councilmember Weber moved to, by Minute Motion, approve/authorize: 1) Eighteen (18) sculptures and six (6) alternate sculptures for the 2021/2022 El Paseo Sculpture Exhibition; 2) Honorarium of \$5,000 for each of the participating artists; 3) Staff to finalize negotiations of the subject contracts with the eighteen (18) artists and authorize the Mayor to execute same, subject to the satisfaction of the City Attorney (Contract Nos. C39950A-Z); and 4) City Manager to make changes to sculpture selection based on staff recommendation. Motion seconded by Kelly and carried by a 5-0 vote (AYES: Harnik, Jonathan, Kelly, Weber, and Nestande; NOES: None).



C. REQUEST FOR AUTHORIZATION TO NOTIFY RIVERSIDE COUNTY OF INTENT TO ELIMINATE ADDITIONAL FIRE MARSHAL SERVICES PROVIDED UNDER EXHIBIT "D" OF THE CURRENT COOPERATIVE AGREEMENT (CONTRACT NO. C37050).

Ms. Aylaian reported this item does not make any concrete changes, and leaves an option open. The existing fire marshal services that are provided under contract with the County are done in excess of the base services provided for all communities who contract CalFire through the County. She stated that for a number of years, the City has paid for and received additional fire marshal services, part of which installed a fire marshal office in City Hall. As staff looks at ways to close the budget gap for this year and next, one of the things that could be considered is to discontinue the extra services here at City Hall. County offices are just north of the 10 freeway on Washington Street, so developers would not be impacted with traveling greater distances to have plans reviewed. She said walk-up traffic is typically low, and for the three weeks prior to City Hall closure due to the pandemic, there were approximately 15 to 20 visitors per week. The County requires notice of 120 days if the City plans to reduce or eliminate the services, and staff is requesting authorization to issue the notice while the matter is studied and reviewed in relation to the budget process.

Mayor Nestande stated the City will need to look at cost-saving measures, and this is one that should be considered under the current circumstances.

MR. JAMES FRATER, Riverside County Fire Department/County Fire Marshal, said his office does not support the City's intent to eliminate additional fire marshal services in that there would be a reduction in customer service. He pointed out the Marshal office would no longer be part of a one-stop shop for permitting services as they would be moved to a County office. Further, Fire Marshal staff would not be available for impromptu meetings at the City with internal and external customers. Additionally, the business and development community would have to travel to two different locations to submit permit applications and plans, and the Fire Marshals' office will not be part of the City's permit software for seamless and efficient delivery of construction projects. He went on to say there would also be a reduction in service level because the County would determine the turnaround time for plans, reviews, and inspections instead of the City. He noted existing business inspections beyond those that are State mandated like business license inspection services, are not part of the standard level of service provided by County offices. Existing business inspections result in resolution of significant safety issues such as shut-off fire sprinkler systems, inoperable fire alarm systems, chained exits, inoperable fire pumps, flammable liquid spraying without spray booths, and

inadequate fire sprinkler design, and present significant safety hazards for building occupants and fire fighters if these issues are not identified and resolved. Statistically, fires at businesses impact potential tax revenue, noting that FEMA indicated roughly 40-60% of small businesses do not reopen after a fire, and 90% of smaller companies fail within a year unless they resume operations within five days. He stated that in support of the Palm Desert community vision for a safe community and the Strategic Plan task force recommendation to streamline processes and create centralized resources for businesses, and the Fire Marshals' office does not support this item due to its reduction in customer service, service level, and fire safety provided. He concluded that if the cost is the reason for considering this item, he had identified in a previous presentation that the personnel costs to the City of \$170,000 for FY 2018-2019, and the benefits outweigh the cost. He pointed out that moving to the County office results in application fees set by the County, not by the City; County construction permitting fees are deposit-based and currently charge \$184 an hour for plan review and \$170 per hour for inspections. Current Palm Desert fire fees are based on \$125 per hour for plan review and \$113 per hour for inspections, and he suggested the City reconsider adjusting the Palm Desert fire fees to recover more of the Fire Marshal program cost at the City instead of sending people to the County, and retain the current service levels and tax revenue.

Councilmember Weber commented on the importance of ensuring there was no delay when developers need inspections, questioning where they would go if the office at City Hall is closed, and how much of a delay is anticipated in turnaround time.

Ms. Aylaian responded the County office is about a mile outside of city limits, just north of Interstate 10. She said it's possible some of the fees could be borne by the developers rather than the City who has picked up a portion of the cost in the past, although this has not yet been resolved. She agreed there may be a loss of customer service to some extent, although it should not be significant, and the Fire Marshal's office should still be able to tie into the City's software for processing and tracking the permitting process. She also noted there is no reason to expect that there would be a reduction in fire safety since the Fire Marshal will be required to perform the same plan checks and inspections for which they are being compensated.

Mayor Pro Tem Kelly commented that staff estimated a potential savings of \$500,000, and Mr. Frater claimed personnel costs of \$170,000, questioning why there was such a discrepancy.

Ms. Aylaian explained that staff based their information on the numbers provided in Exhibit D of the contract, and was unsure where Mr. Frater would have obtained his calculations. She noted staff is asking for authorization to give notice now in order to work with the County on the mechanics of how

plan checks and inspections would work and what the numbers would be. She noted the Fire Marshal has been at City Hall for approximately seven years, although this has not always been the case, because their prior location was at the Parkview building. The fee structure has been in place for so long that it will take time to determine what the fees will be and who will bear the cost. Responding to question, she said total cost of the Fire Department is approximately \$12 million.

Councilman Jonathan asked if the City was essentially paying \$500,000 to avoid having applicants drive to Washington Street.

Ms. Aylaian replied the City receives additional services such as when a business license is pulled, a Fire Marshal representative will physically inspect the location. This type of inspection could be performed by a Code Compliance officer. There are additional inspections that are not State-mandated. There are other cities such as Coachella that contract with the County for Fire Marshal services and use the basic services provided under the contract. There may be services that the City wishes to retain, and those services will be explored during the 120 days of required notice before coming back to Council with a proposal for revised services.

Councilmember Harnik clarified that Council action today is not a commitment either way, but an opportunity to explore potential options. She asked staff to elaborate on how the amount of savings was determined.

Ms. Aylaian stated the City pays \$500,000 for the current level of services, and will continue to pay a certain amount to obtain Fire Marshal services. The amount of savings will depend on what type of service above the basic service is utilized by the City. A savings of the full amount of \$500,000 is not realistic as we will need to pay for some of the inspection services, so the savings would likely be approximately \$200,000 to \$400,000. Upon question, staff agreed to compile a list of services that would be considered additional to the base contract so that Council can review at a later date.

Councilman Jonathan moved to, by Minute Motion, authorize the City Manager to issue to Riverside County written notice of intent to eliminate additional Fire Marshal services provided to the City of Palm Desert under Exhibit "D" of the current Cooperative Agreement. Motion was seconded by Councilmember Weber and carried by a 5-0 vote (AYES: Harnik, Jonathan, Kelly, Weber, and Nestande; NOES: None).

## **XV. CONTINUED BUSINESS**

None

**XVI. OLD BUSINESS**

A. REQUEST FOR DIRECTION TO STAFF REGARDING TWO COUNCILMEMBER REQUESTS FOR ACTION RELATED TO DESERT COMMUNITY ENERGY.

Mr. Stendell recalled for the City Council that in June 2019, Councilman Jonathan requested staff analyze the possibility of entering the municipal accounts into Desert Community Energy (DCE). A study session was conducted and a follow-up request for action to discuss whether the Council wishes to participate in the DCE. Today, staff is requesting direction on launching municipal accounts or to give notice to terminate the DCE in Palm Desert. He said Ms. Katie Barrows, Director of Environmental Resources for Coachella Valley Association of Governments (CVAG) was present to answer any questions.

Mayor Pro Tem Kelly pointed out the staff report provided two choices, and asked if there was a third choice to leave things the way they are and not launch the City accounts while remaining a member of the Joint Powers Authority (JPA).

Mr. Stendell confirmed it was a valid third choice.

Councilman Jonathan asked if there was a savings if the City were to stay with DCE and roll its municipal accounts in a saver option.

Mr. Stendell explained the Desert Saver intends to save the consumer approximately one half of a percent, (0.5%), which equates to approximately \$5,266. Responding to question about whether resident enrollment in CARE and FERA programs terminate should the City withdraw from DCE.

Mr. Stendell said there are exceptions and time periods for withdrawal that may leave the option available to those enrolled, although generally the contract would terminate.

Mayor Nestande reminded Council that DCE had a false start last summer and the City had to pull the opening because of the contract. She noted DCE is hiring an energy consultant, and asked if the City would be at financial risk if the energy contracts are not negotiated in a way that favors energy prices.

Mr. Stendell responded that it is difficult to talk about ultimate certainty when it comes to rates because they do anything but stay certain, and Council should be cautious of that. The JPA does what it can to insulate the City from risk, and ultimately there is to the ratepayer as they are the ones who usually

bear the cost if there is turbulence in the market, so the rates can go in both directions.

Mayor Nestande questioned if the DCE program included hydroelectric or nuclear generated energy, which are both clean air technologies

Mr. Stendell said Southern California Edison (SCE) is not allowed to count those energy sources, but DCE can include hydroelectric energy.

Councilman Jonathan recalled the City first voted to join DCE, in part, because Council received reassurances that the City itself had no direct liability, even in the event of rate changes. He noted the City got lucky with the time out in that it ended with \$5 million to the positive, and should the situation be negative, the City would not have any direct liability.

Mayor Pro Tem Kelly pointed out that the proposal is for the City to be a ratepayer if the action is approved, and as a ratepayer the City could be affected by changes to the rate.

Councilman Jonathan asked if the City had any liability by continuing to be a member of DCE, whether it registers its accounts or not. His recollection, after legal analysis and consulting with JPIA, was that the City would not have any liability.

MS. KATIE BARROWS confirmed the JPA structure shields the City from financial risk. If there were any commitment of funds in the future, the City Council would have to make that decision. There is protection within the JPA form that is used by many Community Choice programs throughout the State, stating she has not ever seen a situation where a city was put at risk. She said the JPA takes on the financial risk and it's one of the reasons for building a reserve.

Mr. Hargreaves concurred with Ms. Barrows in that the JPA setup is designed to insulate the members' agencies from risk, if there is, it would be the ratepayer.

Councilmember Weber stated one of the reasons she asked to exit the JPA is that the public is under the impression that the only way to go green is to be part of DCE, which is not true, because residents can simply check the box to "Go Green" with Edison to do the same thing. The other concern with putting the City in the DCE, the same applies, it can choose to go green with SCE. She concluded the only reason to be in the DCE is to offset the effects of carbon, and that's not a good reason to remain in a JPA, which is another layer of government involvement. Also, if the City exits the JPA, it will lose the ability for the groups that are going around door to door to sign people up or help with their electric bill, which has nothing to do with the JPA and

the DCE. Since these groups get paid \$80 a signature, so they are happy to go out and get signatures to help people with their electric bill. Each of the residents has an opportunity to choose to go green by contacting Edison, which is why she supports exiting the JPA.

Councilman Jonathan said he appreciated Councilmember Weber's desire to avoid more government involvement, because it resonated with him. However, he sees it as an opportunity to give residents a choice. The City's strategic plan calls for promotion for greater usage of more sustainable materials, and this is an opportunity to do so. He said the City adopted the plan and it should adhere to it. He referenced the statistics in the staff report as an opportunity to make a bold statement and do what it can to protect our environment which the City has been at the forefront of doing in the past. If now is not the right time, the City should retain the option by remaining in the DCE so that it can be done at a savings over the SCE option. The Desert Saver rate, if the City were to enroll, would not cost additional money and would instead save 0.5%. He saw no downside to having the City enroll all of its municipal accounts in the Desert Saver option, stating it sends a message the City is on board with greater sustainability. He noted that CARE/FERA (California Alternate Rates for Energy/Family Electric Rate Assistance) is and has been available to all ratepayers, they just don't know about it, which is what the contract with Lift to Rise is all about. The total potential savings to Palm Desert residents would be about \$1.3 million. More than 1,000 households are qualified for these programs, however, they are not currently taking advantage of it because Edison does not publicize it. If the City drops out of DCE, it would be a disservice to the residents.

Mayor Pro Tem Kelly supports leaving things exactly as they are at this time, which means remain part of the JPA, but not switching City accounts to either of the options presented by staff. This evening, Council is not talking about switching resident accounts, but only talking about the potential of switching the City's utility accounts. At the appropriate time, she would favor Edison green choice for City accounts, which has a better mix of energy than DCE carbon-free rate, and it include more renewable benefitting the environment. However, this was not the time to change, and she has apprehensions about switching to either of the DCE choices presented. She is concerned about the small size of the JPA, which is more difficult to modulate in response to changes in the cost of energy. At this time, she strongly favors being part of the JPA to see what Palm Springs experiences and how things play out.

Councilmember Harnik concurred, but she's disturbed by the fact that the definition of green energy is different for Edison than it is for the CCA (Community Choice Aggregation). She agrees there must be a misunderstanding because some residents believe the City is taking their options away, which is not true. Tonight Council is only talking about

municipality accounts and not individual rate payers. If residents currently want to purchase green energy, they can sign up with SCE. The CPUC (California Public Utility Commission) is currently looking at individual usage and rates to accommodate the rate payer, especially during this shelter in place period. With respect to the Lift to Rise and signing people up, they could be doing it for SCE as well to help Palm Desert residents. She supports staying in the JPA, and waiting to see what happens with Palm Springs and learn from it.

Mayor Nestande's concern with the DCE in general is the risk involved. Buying energy is one of the riskiest investments anyone can do, especially because the DCE is small. Also, it would be creating another bureaucratic bureaucracy. She believes DCE has already paid \$450,000 to Lift to Rise, \$150,000 to an energy consultant, and another \$50,000 for public relations and marketing, when SCE is an option for green energy. She asked how the DCE can guarantee that their rate would be 10% less, because if for some reason energy ends up costing more, the ratepayer would bear the brunt of the risk. The other thing she didn't like is that it automatically signs people up, however, if the rate payer actually checked the box to join, she could support it.

Councilmember Weber said it's unfortunate these two items are mixed together on one report, but it takes away from specifically getting out of the JPA. By being in the DCE, it can put all the members into debt, and DCE representative are not elected. For example, infrastructures can be build, loans can be made, or borrowing money in order to purchase electricity, without the ratepayer knowing its taking place. On top, there is the misunderstanding that the DCE is the only place they can purchase green energy, which is not a true statement. She asked Mayor Pro Tem to explain her position to remain in the JPA, when the DCE can create debt.

Mayor Pro Tem Kelly explained the input she has received and confirmed by the City Attorney is that as a JPA member the City does not have any exposure. The exposure would occur at the time that energy is procured for Palm Desert residents. She expressed disappointment in the way the failed launch of DCE was executed because residents were not fully educated about their choices. Since the perspective launch was aborted, residents did not become DCE customers.

Mr. Hargreaves concurred, stating since the DCE launch was aborted, Palm Desert residents are not ratepayers or members of the DCE.

MR. KIM FLOYD, Palm Desert, provided a comment via email and requested it be read into the record as follows: *"I am writing on behalf of the 200 plus Sierra Club members who are residents of Palm Desert as well as the 7,000 members to our local chapter. We are very concerned about climate change*

*and we believe that we all need to act to mitigate its worst effects. We want our local government to act with focus and concern to reduce the carbon footprint of our city and residents. That means you, the leaders of Palm Desert. We want you to start addressing climate change with passion and vision. Engaging DCE as our source of electricity for both the City municipal accounts and residents would be a very positive step to move the city forward in addressing climate change on a local basis. Thank you for your consideration.”*

Councilmember Weber moved to, by Minute Motion, approve exiting the Joint Powers Authority. Motion was seconded by Nestande and the motion failed by a 2-3 vote (AYES: Weber and Nestande; NOES: Harnik, Jonathan, and Kelly).

No further action was taken or needed to remain with the status quo.

**B. UPDATE AND REQUEST FOR DIRECTION ON THE PRESIDENT’S PLAZA PARKING LOT IMPROVEMENTS PROJECT (PROJECT NO. 758-14).**

Mr. Garcia provided an update on the status of the project. He noted that Council authorized staff to go out to bid on March 12. Within a few days the City Manager declared a local emergency in light of rapidly-changing developments related to the COVID-19 pandemic. There was a plan to address the shortfall with the use of bonds funds; however, staff did not know the extent of the shortfall without construction bids in hand. It was determined that it would be difficult to continue with the project without impacting the business season for businesses trying to recover from the shutdown caused by the pandemic. The existing schedule is 300 working days which would cover two construction cycles over the summer. The current bid expires on June 30, 2020, and it also pays for the services such as water, landscaping and lighting and waste management trash and recycling. The bid renewal was to be based on improvements being in place. Without the surety of the project moving forward and the bid expiring, a new bid needs to be in place. Staff is requesting a delay in the bidding of the project to keep construction out of the recovery cycle for the businesses, so it would go out to bid in Spring 2021 and begin construction in Summer 2021 and finishing at the end of Summer 2022. Secondly, staff is requesting to go out to bid for a renewal that would only reflect increases in the service fees for water, landscaping and waste management, and that the bid would be for two years rather than 18 months as noted in the staff report. Thirdly, staff is requesting to issue a Request for Proposals (RFP) for construction management services for constructability review and engineering, with an option for full construction management services should a construction contract be awarded. This project has been through numerous redesigns, yet the cost has stayed similar due to the fixed costs associated with the project. The pavement is in such condition that simple fixes do not work. It needs to



be replaced which is a fixed cost, and once work begins on the pavement, the City will incur utility costs in the amount of approximately \$2.4 million.

Mayor Pro Tem Kelly asked Mr. Garcia if it would be feasible to start the RFP process in Winter 2020 with the hope that the project would be staged and ready to start as early as possible in late Spring or early Summer 2021, because postponing the bid process may not leave space for any potential glitches and could result in the loss of another summer.

Mr. Garcia responded that delaying going out to bid now would allow staff to work on the scheduling with the construction management firm, which would reduce the impact to businesses during the winter season. He stated that if a construction management firm is on board in the next month or two, plans should be available to issue by late Winter 2020 or early Spring 2021 with construction to start in late Spring or early Summer 2021.

Councilmember Harnik requested a further explanation on the construction timeline of 300 days and asked if there was a break in the middle or if it was consecutive. She also noted that Mr. Garcia indicated staff was ready to issue an RFP on March 12 and asked why that did not happen.

Mr. Garcia said that the construction timeline is 300 days, and the utility work needs to be done before the paving work can be done. He indicated that there was discussion as to whether to phase the parking lots and complete them one at a time, or to perform all work at once across both parking lots. The amount of work to be done requires 300 days. He noted there was a shortfall of \$736,000 and the only funding source available would have been the General Fund. The impact of COVID-19 on the budget became clear almost immediately and staff was uncomfortable coming back to Council with a project that would require a decision to use General Fund reserves. Staff is seeking additional funding sources and the delay allowed the opportunity to work with other departments to determine if any other funds were available.

Councilmember Harnik stated that a recovery cycle for businesses is being assumed. Since businesses are currently closed, it would seem this would be a great opportunity to start the construction, particularly with the low cost of oil which is reflected in every area of construction. She stated that going out to bid in early Spring 2021 sounds too later, and asked how to make sure that there is an RFP ready to be issued and construction ready to go by next Spring instead. She noted that there are construction companies ready to work and is concerned that the City is missing an opportunity, stating construction should be starting on May 1, 2020 rather than being delayed another year.

Councilman Jonathan stated that this project was supposed to be under construction this year, and staff is asking to delay. He asked how staff can ensure that construction starts May 1, 2021. He noted that this project is still in the recommendation stage, and the City is not obligated to perform it. He held the same concerns expressed by other Councilmembers and before he could agree to an extension, he would want assurances he could have reasonable expectation construction will begin May 1, 2021, with no further delays.

Mr. Firestine explained that staff would use the time during the delay to retain the services of a construction management firm, conduct a constructability review, and get the project out to bid through a competitive process in early 2021, adding he was confident staff would accomplish the project with no further delays.

Mayor Pro Tem Kelly acknowledged that the postponement appeared necessary and Council appears to share similar viewpoints on this particular issue.

Mayor Pro Tem Kelly said she was prepared to make a motion with instructions that steps be taken in sufficient time for a May 1, 2021, start date for construction with regular process updates to Council.

Mayor Pro Tem Kelly moved to, by Minute Motion: 1) Receive and file update report on the President's Plaza Parking Lot Improvements Project; 2) delay the Project until 2021, while contracting with a construction management firm to conduct constructability and value engineering reviews, and work with the business community to renew the President's Plaza I Business Improvement District (BID) for 24 months; 3) direct staff to take steps in sufficient time for a May 1, 2021, start of construction; and 4) staff to provide the City Council updates on a regular basis. Motion was seconded by Jonathan and carried by a 5-0 vote (AYES: Harnik, Jonathan, Kelly, Weber, and Nestande; NOES: None).

**NOTE: THE FOLLOWING ITEM WAS LISTED ON AN AGENDA ADDENDUM POSTED AT LEAST 72 HOURS PRIOR TO THE MEETING.**

- C. REQUEST TO RECEIVE AND FILE AN INFORMATIONAL UPDATE REGARDING SAN PABLO AVENUE PHASE 2 STREETScape IMPROVEMENTS (Project No. 681-20).

Project Manager Randy Bowman reported the project will start on the south end of Fred Waring Drive and ends on Magnesia Falls Drive. It will include two roundabouts, one at the entrance to the College of the Desert, and the other at Magnesia Falls Drive. This project received substantial Active Transportation Program (ATP) grant from RCTC (Riverside County Transportation Commission) for construction of the project. The core of the ATP program is high expectation for increase accommodation for pedestrian

and bicyclist. The project has a lot of sidewalk, bike lanes, and a tie-in to the CV Link Project, and follow the architecture landscape and design pallet that was established with Phase 1. He recalled for the City Council that they awarded the design contract in September 2019, and commenced within days. In November, the designer completed the preliminary engineering for the project, which establishes the rules for detailed design. In January of 2020, it reached a milestone in that the plans were 65% complete, in February the City advertise for construction management and awarded the contract in March for a construction manager. Additionally, College of the Desert granted a temporary construction easement to blend in the project into the college. Today, staff completed a project team meeting with the designer and their input will be in the 95% complete plans. Lastly, staff submitted their ATP allocation request with the RCTC. Staff is in close contact with RCTC and Cal Trans throughout the design and development of the project, especially now during the Covid-19 pandemic to ensure any changes in requirements that staff is kept informed. Staff will bring forth the Temporary Construction Access Easement for Council approval at the next City Council meeting. It's important to acknowledge this project interfaces with two projects on Magnesia Falls, so staff is closely coordinating Phase 2 with the CV Link element. Looking ahead, he anticipates having the plan approved and construction of Phase 1 completed. In June he expects to start the Palm Desert CV Link project. It's important to note that until the City hears from the State, it cannot look at any actions on the project that would jeopardize it. In August the expectation is to receive and award a construction contract award with City Council approval. In September he expects construction to commence on the Phase 2 project, and to be completed in time for the City's 4<sup>th</sup> of July celebration. Lastly, the budget is a concern for every agency. To date, Council has awarded the design in the amount of \$780,000, Construction Management Contract for \$1,072,000, and expenditures from capital bond funds for San Pablo Phase 2. The City has the ATP grant in the amount of \$2.2 million, Capital Bonds on hand on the variable and designated for this project in the amount of \$6 million. He has every reason to believe that the ATP funds will remain in place for the project. Staff does not anticipate any General Fund needs for this project.

Councilmember Harnik inquired about the potholes that showed up on the slides.

Mr. Bowman explained those are areas where the geo technical consultants dug down to identify utility locations. Responding to question about the CV Link and Coachella Valley extension to El Dorado, he expects those projects to be completed in March 2021. It starts at the Bump & Grind and around Painters Path, along Parkview, down to Monterey and Magnesia Falls, and terminates where Magnesia Falls turns into Deep Canyon Road. CVAG and CVWD are working together on the Hovley connector, and there is support to do the on-street project first.

Councilman Jonathan asked if the March 2021 completion date includes the two extensions on the west and east end.

Ms. Aylaian said yes to the west and no to the east.

Mr. Bowman replied that the east end is out of the City's control, because it depends on CVAG and their design, but he anticipates being done with design at the end of summer, going out to bid in the fall with construction being completed within six-months. Therefore, perhaps around March 2021 as well.

Mayor Pro Tem moved to, by Minute Motion, receive and file the update on the San Pablo Avenue Phase 2 Streetscape Improvements. Motion was seconded by Nestande and carried by 5-0 vote (AYES: Harnik, Jonathan, Kelly, Weber, and Nestande; NOES: None).

## **XVII. PUBLIC HEARINGS**

- A. REQUEST FOR SUBMISSION OF THE PROGRAM YEAR 2020 ACTION PLAN TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD).

Management Analyst Christopher Gerry noted he distributed a supplemental memo to the City Council regarding this agenda item requesting the City Council open and close the public hearing without a recommendation. As a result of the coronavirus, the United States Department of Housing and Urban Development (HUD) has provided the City an additional allocation of Community Development Block Grant (CDBG) funds. They also revised other statutory requirement, which increases flexibility for funding certain activities. City staff will meet with the Outside Agency Funding Committee in the immediate future to discuss such changes and requirements to identify and recommend the highest and best use of these funds. Subsequently, an additional public hearing will be scheduled in the future as well.

Mayor Nestande declared the public hearing open and invited public testimony on this matter. With no public testimony being offered, she declared the public hearing closed.

No further action was taken on this item.

- B. REQUEST FOR CONDUCT OF THE FIFTH PUBLIC HEARING ON CREATION OF VOTING DISTRICTS, RECEIPT OF COMMUNITY INPUT ON THE DRAFT COUNCIL DISTRICT BOUNDARY MAPS; SELECTING ONE OF THE PROPOSED, POPULATION-COMPLIANT MAPS OF DISTRICT BOUNDARIES; CONFIRMING THE CURRENT PROPOSED ELECTION SEQUENCING IN ORDER TO IMPLEMENT DISTRICT VOTING IN TIME FOR THE GENERAL ELECTION ON NOVEMBER 3, 2020; INTRODUCING FOR FIRST READING AN ORDINANCE RELATING TO ELECTION OF CITY COUNCIL MEMBERS BY DISTRICTS AND RANKED CHOICE VOTING.

Ms. Aylaian reported that this item was continued after the fourth public hearing in order for the subcommittee to refine the maps and Counsel to confer with the Plaintiffs on the maps, because it requires their approval as well.

DR. JUSTIN LEVITT with National Demographic Corporation (NDC) introduced two maps, NDC No. 7 and NDC No. 8. He described the differences, indicating that they were very slight distinctions and are both based on NDC No. 5, which was discussed in detail at the last Council meeting of March 26, 2020.

Mayor Pro Tem Kelly urged the Council to adopt NDC No. 7 this evening, including postponing the introduction of the Ordinance until the next meeting. Not because of the provision in the Ordinance that addresses district, but rather of the provisions regarding ranked choice voting. The ongoing pandemic has changed the way that life operates. Therefore, it would inappropriate to try to implement a major change such as ranked choice voting. She hopes delaying would allow for appropriate and timely discussion in time to implement the change by 2022. It is not the time to introduce such different information, indicating people can only hold so much information.

Councilmember Harnik concurred.

Councilman Jonathan stated that splitting the city into two districts would not be one he would have chosen, and NDC 7 was not his first, second, or third choice, but for practical reasons he was prepared to support it. The issue of ranked choice voting, the early estimate indicate the City's revenue will be reduced by \$15 to \$18 million due to the pandemic. So while \$350,00 or more may have been affordable in the past, it's not at this point. Secondly, residents are burdened with a lot of issues that they don't need to try to understand ranked choice voting, which is very complicated. He supports adopting NDC No. 7 and deferring the first reading in the hopes of deferring ranked choice voting to 2022.

Mayor Nestande concurred with all statements made by her colleagues.

Mayor Pro Tem Kelly moved to, by Minute Motion, adopt NDC-7 map and postponed the first reading of Ordinance No. 1356 until the April 30, 2020, City Council meeting to explore changing the implementation date of Ranked Choice Voting to 2022. Motion was seconded by Harnik and carried by a 5-0 vote (AYES: Harnik, Jonathan, Kelly, Weber, and Nestande; NOES: None).

**XVIII. MAYOR AND COUNCILMEMBER REPORTS & REMARKS TO THE COMMUNITY**

A. Councilmember Jan C. Harnik Committee Reports and General Comments.

1. Riverside County Transportation Commission (RCTC) - reported the Traffic Relief Plan has been finalized and will serve everyone well, especially with the Council of Governments (COG) when applying for grants like the Active Transportation Projects. Also, the Local Transportation Fund has \$15,410,000 to be used as emergency contingency, and they are choosing to use it for public transportation during this time. She noted Sunline Transit Agency will receive \$4,300,000 to help with their shortfall during this pandemic.

B. Councilman Sabby Jonathan Committee Reports and General Comments.

1. City Manager's COVID-19 Briefings - thanked Ms. Aylaian for providing briefings to the City Council, and for being so thorough. He said it kept Council up-to-date, which helps them answer questions from the public.
2. California Voting Rights Act (CVRA) Subcommittee - appreciated Mayor Pro Tem Kelly's insight and expertise, which has been invaluable to the committee and residents.

Mayor Pro Tem Kelly offered her gratitude as well, stating their discussions and exchange has been very fruitful. She assured members of the public that Councilmembers are continuing to serve on all the mutual committees where they represent Palm Desert. She said the business of government continues, and Council is hearing about the pressing needs from residents that need to be addressed at the County or State level. Intermittently, Council and staff are doing its best to be heard whenever possible.

Councilmember Weber extended her appreciation to Mayor Pro Tem Kelly and Councilman Jonathan for their involvement with this subcommittee as they have spent so much time working with the plaintiffs and attorneys in trying to resolve this voting issue. She also

thanked those in the community who participated in the process by emailing the City Council with their feedback.

3. Cal State University Subcommittee - thanked Councilmember Harnik for her knowledge and expertise in this area, because it serves the residents quite well. Additionally, he thanked staff who has been working through this under challenging circumstances and delivering as best they can.

C. Mayor Pro Tem Kathleen Kelly Committee Reports and General Comments.

1. Remote/Virtual City Council Format - commended staff for facilitating the format for this meeting, which she felt was completely effective. She said it enabled Council to deliberate effectively as they always do.

Councilmember Weber concurred, stating staff and the IT Department acted quickly in implementing all the changes in order for Council to operate from home.

D. Councilmember Susan Marie Weber Committee Reports and General Comments.

Please refer to comments offered under Section XVIII - Reports and Remarks - B2 and C1 above.

E. Mayor Gina Nestande Committee Reports and General Comments.

1. Reopening the Economy - reported she has been meeting with Assemblyman Chad Mayes, County Supervisor Manuel Perez, and the Palm Desert Area Chamber of Commerce in trying to at least get golf courses reopened using social distancing. She believed people needed to know there is light at the end of the tunnel, adding her goal is to get the economy going sooner rather than later.

F. City Council Requests for Action.

1. Consideration of Funds for the Joslyn Center - Councilmember Jan C. Harnik asked if there was a way to help the Joslyn Center with FEMA (Federal Emergency Management Agency) and COVID-19 related Community Development Block Grant (CDBG) funds for members of the community who are in need of food. She noted people who are out of work are experiencing extreme obstacles to their usual way of living.

G. City Council Consideration of Travel Requests/Reports.

None

**XIX. STAFF REPORTS AND REMARKS**

A. City Manager

1. Personnel Update Announcements:

a) Emergency Coordinator Greg Papazian last day with the City is Friday, April 17. She said Mr. Papazian was hired by Coachella Valley Water District.

b) City Clerk Rachelle D. Klassen last day is Friday, April 24, as she is retiring from the City of Palm Desert after 24+ years.

B. City Attorney

Mr. Hargreaves thanked staff for doing a great job with this evenings meeting, stating it was heartening to see democracy at work with all the obstacles and challenges and having Councilmembers participate via conference.

C. City Clerk

Deputy City Clerk Grace Rocha thanked City Clerk Rachelle Klassen for her leadership and friendship, stating she will miss her very much.

Ms. Klassen said she will miss everyone at City Hall as well.

D. Public Safety

1. Fire Department

Battalion Chief Bryan White updated the City Council on their ongoing operations in response to COVID-19 pandemic. He said all fire stations are open, staffed, and covered. They continue to respond to an emergency in five minutes or less. After 40 days into the pandemic, they have run more than 4,000 services call, and 1,300 of them were in Palm Desert. He noted they have not had a single positive case of COVID-19 from their first responders. Although, fire stations are open, access to them is restricted in order to protect the health and safety of both staff and the public.



2. Police Department

Lt. Martello reported one officer isolated himself, because he may have been exposed to someone who reported they had the virus, but to date, they've had zero infections. He said the Department is running smooth, and they have had no issues.

Mayor Nestande thanked Chief White and Lt. Martello for their service and taking care of Palm Desert residents.

**XX. ADJOURNMENT**

With City Council concurrence, Mayor Nestande adjourned the meeting at 7:37 p.m.

---

GINA NESTANDE, MAYOR

ATTEST:

---

RACHELLE D. KLASSEN, CITY CLERK  
CITY OF PALM DESERT, CALIFORNIA