



TUESDAY, MARCH 14, 2017
MINUTES OF THE REGULAR MEETING OF THE
SAN PASCUAL STABLES SUBCOMMITTEE
OF THE CITY OF SOUTH PASADENA

CALL TO ORDER

A Regular Meeting of the San Pascual Stables Subcommittee was called to order by Committee Chair Rosen on Tuesday, March 14, 2017, at 6:00 p.m., in the Amedee O. "Dick" Richards, Jr., Council Chamber, located at 1424 Mission Street, South Pasadena, California.

1. ROLL CALL

Present: Committee Members Edward Corey, Steven Friedman, and Daniel Kreinbring (Left Meeting at 7:20 p.m.); Vice-Chair Kay Findley; and Chair Ron Rosen.

Absent: None.

Other Officials and Staff

Present: Mayor Pro Tem /City Council Liaison Richard D. Schneider, M.D., Community Services Director/Staff Liaison Sheila Pautsch, and Program Specialist/Recording Secretary Reyna Salazar-Martin.

Absent: Mayor /City Council Liaison Michael A. Cacciotti.

2. MINUTES FOR APPROVAL

MOTION BY COMMITTEE MEMBER FRIEMDAN, SECOND BY VICE-CHAIR FINDLEY, CARRIED 5-0, to approve the minutes of January 11, 2017 and February 4, 2017 as amended, San Pascual Stables Subcommittee Special Meetings.

3. PUBLIC PARTICIPATION

None.

4. PRESENTATIONS

None.

Subject to revision: Unapproved until ratified by the Subcommittee

ACTION AND/OR DISCUSSION ITEMS

5. ICG, INC. CONSULTANT REPORT

Community Services Director Pautsch provided an overview of the Consultant Report (Report) completed by Ron Hagan, Senior Associate Consultant, Integrated Consulting Group, Inc. (ICG, Inc.), which included the following items:

1. Existing Conditions Survey and Rating based on the February 4, 2017 Committee Tour
2. Answers to the document titled "Consultant Tasks for the Committee"
3. "Best Practices Questionnaire"
4. Draft Request for Proposal (RFP) and License Agreement

In response to Vice-Chair Findley, Consultant Hagan indicated the grooming and feeding of horses is included in the reported gross sales.

Discussion ensued relative to whether revenue from summer camp is included in the reported gross sales. It was noted that ICG, Inc., was under the assumption that if the City offers registration for the summer camp classes, the City would take 20% of contract class, which would not be included in the gross sales.

Community Services Director Pautsch clarified that whether someone signs up at the Recreation Center or at the Stables, the City does not receive any of the summer camp revenue generated.

Consultant Hagan indicated any revenue that is generated that the City does not get a percentage of should be included in the Concessionaire's gross income.

Chair Rosen requested the concessionaire agreement call out the revenue items that will be considered, as well as the items that will not be considered gross income.

In response to Vice-Chair Findley, Consultant Hagan clarified the Stables' Riding Academy runs year round, each session consisting of 8 weeks, averaging about 100 students and fees about \$65.

Vice-Chair Findley expressed concern for the suggested approach, in which increases the percentage during each term of the agreement, instead of adjusting the minimum rent by the Consumer Price Index; opined there should be a minimum annual rent paid to the City even during years of financial hardship.

In response to Vice-Chair Findley, Consultant Hagan advised the City does not need to set a minimum amount of rent as it would be subjective and the City does not have anything to base it on at this time.

Committee Member Friedman further suggested having a trigger for default in case the revenues decrease to a certain amount.

Consultant Hagan stated a clause can be added “to maintain a certain occupancy or generate a certain amount of revenue”; discussed the bankruptcy the Los Angeles County faced at Griffith Park, in which they lost tenancy in boarding and riding; opined the goal is to develop an agreement that gives the concessionaire an incentive to succeed, to pay back in, and to keep the facility in the best operating condition possible.

In response to Vice-Chair Findley, Community Services Director Pautsch indicated the rent goes into the City’s General Fund.

Consultant Hagan provided a response to the use of cell phones inquiry, advising it is against the rules to utilize a cell phone while walking through the barn area or riding a horse, and use of a cell phone is only allowed in the office or other designated areas.

In regards to the fee for boarding equestrians’ horses from other areas during an emergency, Chair Rosen inquired how ICG, Inc., would propose that the City determines those fees.

Consultant Hagan advised the City Council would follow the same process they do in establishing any other kind of fee for the City; further explained the City Council would recommend an amount for the Committee’s approval; noted the purpose of setting this fee is to prevent the concessionaire from taking advantage of equestrians in emergency situations.

Chair Rosen inquired if it is customary for surrounding stables to not charge each other for stabling services during an emergency.

Consultant Hagan noted if two stables are within the same city and have a reciprocal agreement, then they would not charge each other for stabling services during an emergency; however, since South Pasadena only has one stable, the City would be able to charge surrounding stables for stabling services.

Committee Member Friedman opined determining the fees during an emergency could be problematic as the City Council does not meet on a daily basis; suggested the City agree upon a mechanism for giving discretionary authority during emergencies.

Consultant Hagan concurred, stating verbiage as such can be added “During an emergency, whereby horses or animals from other areas may need to be housed at the stables during an emergency, the fee for boarding such horses or other animals during the emergency must be approved by the Director of Community Services, or their representative, for the City of South Pasadena.”

Committee Member Kreinbring opined it might be challenging for the City Council or authorized designee to instantaneously come up with an amount during an emergency, as a result suggested adding a cap “in no way may exceed said amount.”

In response to Committee Member Kreinbring’s suggestion, Consultant Hagan said during an emergency all of the stables could be occupied, therefore the concessionaire would need to rent an additional pen; however by adding that cap, the concessionaire could not charge more than the regular rate, limiting the ability to respond to the needs during the emergency.

Vice-Chair Findley opined it is important for the City to build trust with the concessionaire; expressed confidence in Community Services Director Pautsch to work with the concessionaire at any given time.

By consensus the Committee filed the Consultant’s Report for the records.

6. CITY OF SOUTH PASADENA REQUEST FOR PROPOSAL – EQUESTRIAN BOARDING CONCESSION SAN PASCUAL EQUESTRIAN STABLES

The Committee reviewed the draft RFP for Equestrian Boarding Concession in sequential order of pages; over the course of discussion various changes were recommended.

In response to Chair Rosen’s inquiry, Consultant Hagan indicated this proposal will not increase or reduce the revenue for the City, rather the revenue will stay the same; noted the proposal secures a fund to complete the improvements and replacements needed to keep the Stables in a good operating condition.

Vice-Chair Findley expressed concern that the City would be putting 30% of its percentage income every year into the Capital Improvement Fund (CIF); inquired if the City is comfortable with 30% less revenue going into the City’s General Fund and into improvements at the Stables instead.

Consultant Hagan informed the Committee that 30% is industry standard, followed by Los Angeles County as well; indicated 30% is not required, and that the City can decide to put 15% or 20% of its percentage income every year; opined the percentages in the proposal will not affect the City.

Mayor Pro Tem Schneider pointed out the following miscalculations found on page 11:

Original Term (3 Years)

8% of \$800,000 Gross Income	2% of \$800,000 Gross Income Paid to CIF	City 30% of \$56,000 \$64,000 Paid to CIF	Total Annual Fee Paid by Concessionaire	Net Annual Income to City Years 1 Thru 3	Total Generated for CIF Annually for Years 1 Thru 3
\$56,000	\$16,000	\$16,800	\$72,000	\$39,200	\$32,800
\$64,000		\$19,200	\$80,000	\$44,800	\$35,200

Vice-Chair Findley opined mention of the historic house needs to be added in the appropriate place in the RFP; requested adding such verbiage “Provide a presence by either concessionaire, an employee, or person with power to act on behalf of concessionaire on the site to operate the facility and respond to emergencies on a 24 hour/7 day a week basis. This includes having a concessionaire representative on the premises during all hours of a facility rental for private or public events.”

After being informed that there is a standard provision for City contracts, Committee Member Kreinbring suggested not calling the document a “Sample Draft Concession License Agreement,” rather a “Concession License Agreement” and in the RFP, state that the “Proposer agrees if awarded, they agree to adhere to the terms of the attached contract”; emphasized the proposer needs to understand the terms in the contract.

In response to Committee Member Kreinbring, Consultant Hagan stated it should suffice if the document is called a “Draft Standard Concession License Agreement” and put in the terms that they agree with the “Standard Concession License Agreement”; noted he and Community Services Director Pautsch would review the suggested verbiage with the City Attorney.

Committee Member Friedman requested verbiage be added to the RFP reflecting the language from the Cultural Heritage Ordinance, which requires City Council approval for any proposed alterations or modifications to the historic house and shed on the property.

Mayor Pro Tem Schneider concurred with Committee Member Friedman; opined that the RFP should include verbiage such as “Since these buildings are considered historic, the City must be made aware before the appearance of the building is changed or demolished, and a Certificate of Appropriateness is required.”

In order to help the Committee stay within the timeline, Committee Member Friedman offered to prepare a short summary for the Cultural Heritage Commission (CHC) Chair Deborah Howell-Ardila to review; noted he will discuss this item during his Commission comments at the next CHC Meeting on March 16th, and hopefully be able to obtain feedback that is not in the form of action from the CHC.

Committee Member Kreinbring left the Meeting at 7:20 p.m.

In response to Committee Member Friedman, Consultant Hagan noted he would ensure the default provision is consistent throughout the entire document, which would reference 30 days written notice.

Mayor Pro Tem Schneider requested reference to the City’s Tree Ordinance be added under Regular Maintenance in Exhibit B, “Maintenance of all landscaping and trees, to include trimming and replacement when needed *in compliance with the City’s Tree Ordinance.*”

Since Mayor Cacciotti is not present tonight, Community Services Director advised it is City policy to replace all gas and diesel powered equipment used to maintain City property with clean energy powered equipment, such as electric, battery, hydrogen fuel cell, or other approved clean energy technology; noted she and Consultant Hagan would work on adding such verbiage into the agreement.

MOTION BY CHAIR ROSEN, SECOND BY COMMITTEE MEMBER FRIEDMAN, CARRIED 4-0 (ABSENT: COMMITTEE MEMBER KREINBRING), to re-draft the RFP and Agreement with the recommended changes.

COMMUNICATIONS

7. CITY COUNCIL LIAISONS REPORT

Mayor Pro Tem Schneider welcomed newly appointed Committee Member Corey, representing the Finance Commission.

8. COMMITTEE MEMBERS REPORT

None.

9. STAFF LIAISON REPORT

None.

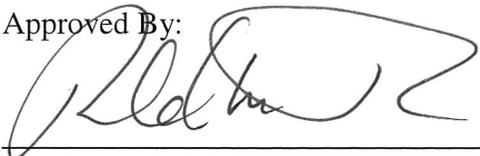
ADJOURNMENT

The Subcommittee adjourned at 7:58 p.m.

Respectfully Submitted:



Natalie Sanchez
Recording Secretary

Approved By: 

Ron Rosen
San Pascual Stables Subcommittee Chair