

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

November 1, 2011

CALL TO ORDER: Mayor Rodriguez called the Regular Meeting of the La Palma City Council to order at 5:31 p.m. in the Council Chambers of La Palma City Hall, 7822 Walker Street, La Palma, California, with all members present.

CLOSED SESSION

Mayor Rodriguez recessed to Closed Session at 5:35 p.m. regarding the following:

CS-1. The City Council will meet in Closed Session pursuant to Government Code Section 54957.6: CONFERENCE WITH LABOR NEGOTIATORS

Agency Designated
Representatives:

Steve Filarsky, Filarsky & Watt
Dominic Lazzaretto, City Manager
Laurie Murray, Administrative Services
Manager

Employee Organization:

La Palma General Employees
Association
La Palma Police Association
La Palma Professional Employees
Association

Unrepresented Employees:

Executive Management

Mayor Rodriguez recessed the Closed Session at 6:21 p.m.

OPEN SESSION

Mayor Rodriguez reconvened the City Council in Open Session at 7:01 p.m. with all members present and no reportable actions.

PLEDGE OF ALLEGIANCE: Council Member Waldman

INVOCATION: Council Member Shanahan

ROLL CALL:

Council and Commission Members

Council/Commission
Members present:

Mayor Pro Tem/Vice Chairperson Charoen,
Council/Commission Member Hwangbo,
Mayor/Chairperson Rodriguez, Council/Commission
Member Shanahan, and Council/Commission
Member Waldman

Council/Commission
Members absent:

None

City Officials present:

Dominic Lazzaretto, City Manager/Executive Director
Joel Kuperberg, City Attorney
Michael Belknap, Recreation & Community Services
Director
Douglas Dumhart, Community Development Director
Jeff Moneda, Public Works Director/City Engineer
Laurie Murray, Administrative Services Manager/City
Clerk
Kimberly Kenney, Minutes Clerk
Jim Enright, Police Captain

PRESENTATIONS

1. Mayor Rodriguez presented a Proclamation to Community Development Director Dumhart declaring November 26, 2011, as Small Business Saturday.
2. Lawrence Shaw, Orange County Vector Control District (OCVCD) Director of Operations, gave a presentation on Contemporary Mosquito Control in Orange County.

Discussion ensued regarding rats along the Pacific Electric Right-of-Way (PE ROW) and how the OCVCD attempts to correct the problem; red fire ants; and satellite monitoring of swimming pools to detect potential mosquito breeding grounds.

3. Bret Barbre, Metropolitan Water District of Orange County (MWDOC) Division One Director, gave a presentation on MWDOC's 60th anniversary and presented the City with a refund check in the amount of \$6,600 for the Urban Water Management Plan.

ORAL COMMUNICATIONS

Steven Maikoski, 4551 Maroon Drive, addressed the City Council regarding his concern for traffic conditions on Maroon Drive and potential remedies.

Public Works Director Moneda announced that the item will be heard by the Traffic Safety Committee at its first meeting in January 2012.

City Council Member Shanahan asked if the City had sent a letter to residents regarding incidents on Maroon Drive and City Manager Lazzaretto responded that the City did not.

Robert Carruth, 5201 Monterey Lane, addressed the City Council regarding his support for Governor Brown's initiative for a 12-point Pension Reform Plan and asked if the City could send a letter in support of the reform.

City Manager Lazzaretto responded that the City Council typically adopts a Resolution in support of such matters; that the City could write a letter in support of the reform; that the City would benefit from working with other local agencies and associations by joining efforts in support of the Governor's Pension Reform Plan.

Gary DeForest, 5162 Del Norte, addressed the City Council inquiring why there is still a Crossing Guard at Crescent Avenue and Watson Street when there is a brand new signal at that intersection.

City Manager Lazzaretto responded that the cost of that Crossing Guard is shared with the City of Cypress and that it was being phased out effective November 1.

Mr. DeForest also addressed the City Council regarding the number of school children that ignore the crossing signal at Walker Street and La Luna Drive, and requested Police Department presence in that area.

Public Works Director Moneda noted that the Traffic Safety Committee would be reviewing plans to modify the intersection of Walker Street and La Luna Drive at its first meeting in January 2012.

RECESS THE CITY COUNCIL AND CONVENE AS THE COMMUNITY DEVELOPMENT COMMISSION AT 7:40 P.M.

CONSENT CALENDAR

A. Approval of Community Development Commission Minutes

Minutes of the October 18, 2011, Regular Meeting of the La Palma Community Development Commission.

B. Approval of Register of Demands

Resolution No. CDC 2011-30 approving the Register of Demands for November 1, 2011.

Vice Chairperson Charoen made a motion to approve Consent Calendar Item A and B.

The motion was seconded by Commission Member Waldman and carried on the following vote:

AYES: Vice Chairperson Charoen, Commission Member Hwangbo, Chairperson Rodriguez, Commission Member Shanahan, and Commission Member Waldman

NOES: None

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

None Scheduled.

ADJOURN THE COMMUNITY DEVELOPMENT COMMISSION, AND CONVENE AS THE PLANNING COMMISSION AT 7:41 P.M.

CONSENT CALENDAR

PL-1. Approval of Planning Commission Minutes

Minutes of the October 18, 2011, Regular Meeting of the La Palma Planning Commission.

Commission Member Waldman made a motion to approve Consent Calendar Item PL-1.

The motion was seconded by Commission Member Hwangbo and carried on the following vote:

AYES: Vice Chairperson Charoen, Commission

Member Hwangbo, Chairperson Rodriguez,
Commission Member Shanahan, and
Commission Member Waldman

NOES: None

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

None Scheduled.

ADJOURN THE PLANNING COMMISSION, AND RECONVENE AS THE CITY COUNCIL AT 7:42 P.M.

CONSENT CALENDAR

1. Waive the Reading of All Ordinances
Waive the reading of all Ordinances in their entirety and read by title only.
2. Approval of Council Minutes
Minutes of the October 18, 2011, Regular Meeting of the La Palma City Council.
3. Approval of Register of Demands
Resolution No. 2011-51 approving the Register of Demands for November 1, 2011.
4. Notice of Completion and Acceptance of Work for Construction Services for the Fire Hydrant Maintenance Project, City Project No. 10-WTR-06
Accept the work and authorize the Public Works Director to file the Notice of Completion and Acceptance of Work for Construction Services for the Fire Hydrant Maintenance Project, City Project No. 10-WTR-06.
5. Notice of Completion and Acceptance of Work for Construction Services for the Street Rehabilitation on Walker Street from La Palma Avenue to 183rd Street, City Project No. ST-307

Accept the work and authorize the Public Works Director to file the Notice of Completion and Acceptance of Work for Construction Services for the Street Rehabilitation on Walker Street from La Palma Avenue to 183rd Street, City Project No. ST-307.

Council Member Shanahan made a motion to approve Consent Calendar Items 1 through 5.

The motion was seconded by Mayor Pro Tem Charoen and carried on the following vote:

AYES: Mayor Pro Tem Charoen, Council Member Hwangbo, Mayor Rodriguez, Council Member Shanahan, and Council Member Waldman

NOES: None

ITEMS PULLED FROM CONSENT CALENDAR

6. Notice of Completion and Acceptance of Work for Construction Services for the Pavement Rehabilitation of Residential Streets with Asphalt Rubber Overlay (ARHM) and Rubberized Slurry Seal (REAS) Project, City Project No. ST-308

Council Member Hwangbo requested to have the Item pulled from the Consent Calendar to clarify the change orders.

Public Works Director Moneda clarified that Staff prepared the estimated specifications on the project; however, the quantity of materials and the cost of the project increased due to unforeseen grading circumstances and further deterioration of the roadway.

Mayor Rodriguez added that the project was still \$400,000 under the amount appropriated for the project.

Accept the work and authorize the Public Works Director to file the Notice of Completion and Acceptance of Work for Construction Services for the Pavement Rehabilitation of Residential Streets with Asphalt Rubber Overlay (ARHM) and Rubberized Slurry Seal (REAS) Project, City Project No. ST-308

Council Member Hwangbo made a motion to accept the work and authorize the Public Works Director to file the Notice of Completion and Acceptance of Work for Construction Services for the Pavement Rehabilitation of Residential Streets with Asphalt Rubber Overlay (ARHM) and Rubberized Slurry Seal (REAS) Project, City Project No. ST-308.

The motion was seconded by Council Member Waldman and carried on the following vote:

AYES: Mayor Pro Tem Charoen, Council Member Hwangbo, Mayor Rodriguez, Council Member Shanahan, and Council Member Waldman

NOES: None

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

7. Memorandum of Understanding with the La Palma Police Association

City Manager Lazzaretto gave the Staff Report.

Discussion ensued regarding how the Memorandum of Understanding (MOU) with the La Palma Police Association (LPPA) affects the City's Budget; that the City's adopted budget had a \$14,000 surplus; that the MOU will result in an additional \$68,000 in savings, bringing the City's surplus to \$82,000; and that the original FY 2011-12 adopted budget did not include an estimate for the savings from the LPPA agreement.

Public Input:

Robert Carruth, 7201 Monterey Lane, addressed the City Council regarding the difference in labor practices between the City's other labor groups and the LPPA; his opposition to the LPPA litigation against the City and the proposed UUT related Initiative; that the LPPA is the party who engaged in unfair labor practices; his opposition to the 1% retention payment to offset the pension contribution in the third year of the contract; that the LPPA needs to find another representative; that the residents of La Palma deserve a letter of apology from the LPPA and their attorney; and he asked how much the LPPA legal actions cost the City.

City Manager Lazzaretto responded that labor attorney costs were approximately \$9,500 and Staff costs were approximately \$7,500 for an approximate total of \$17,000 for the legal actions and the proposed Initiative.

Cheryl Papas, 5272 Duke Drive, addressed the City Council regarding disappointment with the LPPA's labor practices; her opposition to the 1% retention payment to offset the pension contribution in the third year of the contract; and suggested that the City review other policing alternatives in the future.

Gerard Goedhart, 4922 Berton Circle, addressed the City Council regarding disappointment in the LPPA's labor practices; that the LPPA did not show respect for their employer; that the City's unfunded pension liability is \$3.5 million and that figure is not clearly stated in the approved FY 2011-12 budget.

City Manager Lazzaretto clarified that the City does not pay the \$300,000 annual actuarial contribution, but pays the invoice for actual benefits received, which is approximately \$100,000.

Mr. Goedhart continued suggesting that the City Council needs to change its financial model; that the City's budget is not balanced; and that he supports the resolution of the labor negotiations.

City Manager Lazzaretto clarified that by adding the second tier retiree plan that does not receive full medical benefits will reduce the City's unfunded liability.

Larry Herman, 5122 Andrew Drive, addressed the City Council regarding overtime in the Police Department.

City Manager Lazzaretto clarified that overtime has been reduced in the Police Department and that it fluctuates when there is staff turnover.

Council Comments and Questions:

Discussion ensued regarding the LPPA sworn officers paying their full 9% retirement contribution; that in fairness, all employees should be paying their full portion of retirement benefits; that any amount of money saved should be applauded; that with this agreement, the City Council is causing inequity amongst the other labor groups; that the LPPA pursued litigation because it worked in their favor; that the City may see an increase in lawsuits in future negotiations; that the 1% retention payment is not subject to retirement benefits, that the LPPA will be paying their full 9% retirement contribution by 2014; that there is a contingency in the MOU that if a new agreement is not in place by 2014 that the sworn members would receive a prorated 1% retention payment until an agreement is reached; and that the City Council is not able to discuss specific negotiations that were discussed in Closed Sessions.

Mr. Carruth addressed the City Council again regarding his opposition to the 1% retention payment to offset the pension contribution in the third year of the contract.

Mr. Goedhart asked for clarification of the LPPA's advancement of holiday pay; his opposition to the provision; and stated that if the City Council changed anything in the original labor agreement since the LPPA lawsuits were filed, the City Council should not approve the MOU because it would be rewarding the bad behavior.

City Manager Lazzaretto clarified that the LPPA will receive a lump sum check at the beginning of the year for holidays that year.

Further discussion ensued regarding not discussing specific items that were discussed during Closed Session; that the LPPA litigation did not influence the City Council's decisions; that the City spent approximately \$81,000 for the entire negotiation process, of which, the three previous labor groups cost approximately \$17,000 combined and the LPPA cost approximately \$64,000; that the LPPA's actions divided the community; that the City is mandated by State regulations to follow pension program guidelines; that total savings of \$1,023,743 is significant and was accomplished by all the labor groups coming to agreement; that all labor groups experienced benefit reductions during this negotiating period; that the City will recover from this process; and that the City of La Palma is one of the first in California that has agreed to the 2% at 55 retirement formula for safety personnel.

Mike Jewell, 5211 Blairwood Drive, addressed the City Council regarding his opposition to employees being able to cash out unused sick time and asked for a status report on the current empty businesses in La Palma.

City Manager Lazzaretto responded that Community Development Director Dumhart has been working with commercial agencies; that a business is moving into the Drug Emporium site; that the announcement of a new grocer at the Ralph's Center is forthcoming; that the University of Phoenix has been approved to move into Centerpointe; that redevelopment funds have been suspended, but that the City is working with other cities and agencies to file litigation against the State in an effort to keep those funds; and clarified that if the MOU is adopted tonight, the agreement is final.

Further discussion ensued regarding the City Council being thankful to Staff for their efforts; that the City Council cannot direct the LPPA on who they choose for legal representation; that this contract will leave the LPPA paying their full 9% by the end of Fiscal Year 2013-14; that, although the agreement may not be perfect, it gets the City back on track to where they should be financially; and that the labor agreements keep the City viable.

Resolution No. 2011-52 approving the adoption of the Memorandum of Understanding between the City of La Palma and the La Palma Police Association.

Council Member Shanahan made a motion to adopt Resolution No. 2011-52 approving the Memorandum of Understanding between the City of La Palma and the La Palma Police Association.

The motion was seconded by Council Member Waldman and carried on the following vote:

AYES: Council Member Hwangbo, Mayor Rodriguez,
Council Member Shanahan, and Council
Member Waldman

NOES: Mayor Pro Tem Charoen

8. California Public Employees' Retirement System Resolutions

Administrative Services Manager Murray gave the Staff Report.

- a) Adopt a Resolution reducing the City's employer paid member contributions to the California Public Employees' Retirement System (CalPERS) to 4.75% for Fiscal Year 2011-12 for Miscellaneous employees in the La Palma Police Association; and

Resolution No. 2011-53 reducing the City's employer paid member contributions to the California Public Employees' Retirement System (CalPERS) to 4.75% for Fiscal Year 2011-12 for Miscellaneous employees in the La Palma Police Association.

- b) Adopt a Resolution reducing the City's employer paid member contributions to CalPERS to 5.75% for Fiscal Year 2011-12 for Safety employees in the La Palma Police Association; and

Resolution No. 2011-54 reducing the City's employer paid member contributions to CalPERS to 5.75% for Fiscal Year 2011-12 for Safety employees in the La Palma Police Association; and

Council Member Waldman made a motion to adopt Resolution No. 2011-53 reducing the City's employer paid member contributions to CalPERS to 5.75% for Fiscal Year 2011-12 for Safety employees in the La Palma Police Association; and adopt Resolution No. 2011-54 reducing the City's employer paid member contributions to CalPERS to 5.75% for Fiscal Year 2011-12 for Safety employees in the La Palma Police Association.

The motion was seconded by Council Member Shanahan and carried on the following vote:

AYES: Mayor Pro Tem Charoen, Council Member Hwangbo, Mayor Rodriguez, Council Member Shanahan, and Council Member Waldman

NOES: None

9. Study Session: Development of a Contingency Plan for Significant Economic Variations in the Community

City Manager Lazzaretto gave the Staff Report.

Council Comments and Questions:

Discussion ensued regarding seeking revenue generating business if BP/ARCO leaves the City; having Staff present an initial proposal; the importance of resident feedback; support for a 20% reduction in service model; support for a priority ranking system for City services; the need to reopen labor agreements as part of the contingency plan; showing all potential revenue outlets by program; reviewing job responsibilities and analyzing how those services can be spread amongst staff if there is a reduction in staffing levels; reviewing any cuts by evaluating the cost and benefit to the community versus what specific positions would be cut; finding alternate funding sources; that the goal should be to balance the budget; that the City Council needs to look at the Reserve Policy in a short term situation; that the Utility Users Tax (UUT) and User Fee Study would have to be reviewed; support for using website surveys and community workshops to get community input; preparing the plan without a large expenditure;; community workshops to gather feedback in prioritizing services; that there is ample funding in the City's Reserve to cover City expenses for the short term; that the City would also have to review contracting out City services; and that the Contingency Plan should not be binding to future City Councils.

City Attorney Kuperberg noted that the Contingency Plan being discussed is for preparation measures and how the City Council implements that Plan is at their discretion.

Further discussion ensued regarding the Plan being discussed before implementation; that the Contingency Plan is a road map; Staff providing a list of prioritized services before starting any workshops; that the outcome of BP/ARCO should be formally announced by Spring 2012; that Staff could provide an initial Plan in January; beginning discussions during the City Council annual Goal Setting Session; and allocating funding for the project.

Public Input:

Gerard Goedhart, 7922 Berton Circle, addressed the City Council regarding his support for the Plan; that any potential meetings should be scheduled in the evening to allow the public to attend; and that the City needs to address its unfunded liability.

Robert Carruth, 7201 Monterey Lane, addressed the City Council regarding looking at the financial model that was in place prior to BP/ARCO's arrival to La Palma; his support for the Plan; that the City should look at alternative revenue generating businesses; that many cities are in a deficit due to poor planning; his support for a generalized brief Contingency Plan; and that the La Palma community would support an increase of the UUT to preserve services.

Discussion ensued regarding BP/ARCO arriving in La Palma in 1988; at that time the City did not have a General Reserve Policy and General Fund Reserves were nearly 0%; that the City Council will review this project at a macro level; and that this plan is important to future City Council Members.

COUNCILMEMBER AB1234 REPORTS, REPORTS FROM CITY-AFFILIATED COMMITTEES, AND COUNCIL REMARKS

Council Member Waldman attended the Orange Council Sanitation District (OCSD) Strategic Planning meeting; the Southern California Association of Governments (SCAG) Regional Transportation Plan meeting; the Association of California Cities-Orange County (ACC-OC) networking event; the OCSD general meeting; the Orange County Council of Governments (OCCOG) meeting; the La Palma Halloween Carnival; the Red Ribbon Week event; and the Cypress College Extended Opportunity Programs and Services (EOPS) event.

Council Member Shanahan attended the meeting with Cypress School District Superintendent, Beverly Hempstead; and the La Palma Halloween Carnival. He continued by inviting the City Council to the Americana Awards Kick-Off event at the White House restaurant on November 16, 2011, and announced that he plans to attend the upcoming La Palma Pageant on November 6, 2011.

Council Member Hwangbo attended the OCSD Strategic Planning meeting; the meeting with Cypress School District Superintendent, Beverly Hempstead; and the La Palma Halloween Carnival.

Mayor Pro Tem Charoen had nothing to report.

Mayor Rodriguez attended Supervisor Moorlach's Welcome Breakfast; the Southern California Air Quality Management District (AQMD) Transportation Symposium; the Planning Officials Workshop; the California Joint Powers Insurance Authority (CJPIA)

Risk Management Forum; the Red Ribbon Week event; and the La Palma Halloween Carnival.

CITY MANAGER REMARKS

City Manager Lazzaretto reported that upcoming Agenda Items will include the Quarterly Financial Report and Governor Brown's 12-Point Pension Reform Program. He reminded the City Council about the upcoming La Palma Pageant on November 6, 2011, and announced the upcoming La Palma Days Parade. He commented on the emergency at San Onofre Nuclear Power Plant and noted that the event is contained; reported on potential laws regarding Volunteer Services in communities; and closed by noting that the Local Agency Formation Commission's (LAFCO) Super City Plan is available to the public for review.

CITY ATTORNEY REMARKS

City Attorney Kuperberg had nothing to report.

ADJOURNMENT

Mayor Rodriguez adjourned the Regular Meeting of the La Palma City Council at 10:27 p.m.

Ralph D. Rodriguez
Mayor

Attest:

Laurie A. Murray, CMC
City Clerk