

MINUTES OF THE REGULAR MEETING  
OF THE LA PALMA CITY COUNCIL

May 21, 2013

CALL TO ORDER: Mayor Hwangbo called the Regular Meeting of the La Palma City Council to order at 6:45 p.m. in the Council Chambers of La Palma City Hall, 7822 Walker Street, La Palma, California, with Council Member Charoen being absent.

CLOSED SESSION

CS1. The City Council will meet in Closed Session pursuant to Government Code Section 54956.9: CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Paragraph (1) of Subdivision (d) of Section 54956.9)

Name of case: Karla Ramirez and Mario Ramirez vs. City of Cypress, City of La Palma, Southern California Edison Company, a California Corporation and Does 1 through 30, inclusive

Case Number: Los Angeles Superior Court BC470526

Mayor Hwangbo recessed to Closed Session at 6:45 p.m.

Mayor Hwangbo reconvened in Open Session at 7:07 p.m. with all Council Members present and asked for a report.

City Attorney Kuperberg stated that there were no reportable actions and Administrative Manager/City Clerk Murray noted that the Granicus Audio player is experiencing technical difficulties at the current time, but that the audio would be posted to the City's website in the morning.

PLEDGE OF ALLEGIANCE: Council Member Shanahan

INVOCATION: Kaushik Patel, Gaytri Conscious Center

ROLL CALL: Council and Commission Members

Council/Commission Members present: Council/Commission Member Charoen, Council/Commission Member Goedhart,

Mayor/Chairperson Hwangbo, Council/Commission Member Kim, and Mayor Pro Tem/Vice Chairperson Shanahan

Council/Commission Members absent:

None

City Officials present:

Ellen Volmert, City Manager/Executive Director  
Joel Kuperberg, City Attorney  
Michael Belknap, Recreation & Community Services Director  
Douglas Dumhart, Community Development Director  
Michael Solorza, Finance Director  
Laurie Murray, Administrative Services Manager/City Clerk  
James Tsumura, Acting City Manager  
Kimberly Kenney, Minutes Clerk

## PRESENTATIONS

1. Recreation and Community Services Director Belknap introduced Recreation Specialist DJ Albarian who gave a brief presentation of the Youth Action Committee program.

Recreation Specialist Albarian introduced Youth Action Committee Members: Nichol John, Bridget Lee, Hiseo Lee, Jordan Otero, Sabira Parajuli, Shivani Patel, Keshani Rajapaksa, Bianca Soto, Kylie Tierney, and Dulce Velasco.

2. City Manager Volmert introduced Desi Alvarez, from CivilSource, as the new contract City Engineer.

## ORAL COMMUNICATIONS

Abe Waheed, 5271 Ivywood Drive, addressed the City Council regarding the victims of the Moore, Oklahoma, tornado and proposed establishing a relief fund for those affected.

RECESS THE CITY COUNCIL AND CONVENE AS THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION AT 7:21 P.M.

Administrative Services Manager/City Clerk Murray stated, "The City Council will now recess and convene as the Successor Agency to the Dissolved Community Development Commission of the City La Palma, and then recess and convene as the Planning Commission. Members of the La Palma City Council receive no compensation or stipend as a result of convening or participating in either the Successor Agency or Planning Commission meetings, or otherwise as serving as members of the Successor Agency or Planning Commission."

### CONSENT CALENDAR

A. Approval of Successor Agency Minutes

Minutes of the May 7, 2013, Regular Meeting of the Successor Agency.

Council Member Charoen made a motion to approve Consent Calendar Item A.

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

AYES: Council Member Charoen, Council Member  
Goedhart, Mayor Hwangbo, Council Member  
Kim, and Mayor Pro Tem Shanahan

NOES: None

### PUBLIC HEARINGS

None Scheduled.

### REGULAR ITEMS

None Scheduled.

ADJOURN THE SUCCESSOR AGENCY AND CONVENE AS THE PLANNING  
COMMISSION AT 7:22 P.M.

### CONSENT CALENDAR

PL-1. Approval of Planning Commission Minutes

Minutes of the May 7, 2013, Regular Meeting of the Planning Commission.

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

The motion was seconded by Vice Chairperson Shanahan and carried on the following vote:

AYES: Commission Member Charoen, Commission Member Goedhart, Chairperson Hwangbo, Commission Member Kim, and Vice Chairperson Shanahan

NOES: None

### PUBLIC HEARINGS

PL-2 Development Code Amendment 2013-03 - An Ordinance amending certain provisions within Chapter 26 of the La Palma Municipal Code to implement Housing Element Program No. 10 and comply with State Housing law Senate Bill (SB) 2

- a) Chairperson Hwangbo opened the Public Hearing at 7:23 p.m.
- b) Associate Planner Hutter gave the Staff Report
- c) Public Input

No members of the public wished to speak.

- d) Chairperson Hwangbo closed the Public Hearing at 7:39 p.m.
- e) Commission Comments and Questions

Discussion ensued regarding the amendment being State mandated; that the State will not certify the City's Housing Element until the amendment is approved; and that the City needs approval of the Housing Element for the General Plan Update.

- f) Adopt a Resolution recommending City Council approve an Ordinance adding and amending certain provisions within Chapter 26 of the La Palma City Code to establish development/use standards and performance standards to allow "Emergency Shelters" as a permitted by-right use within the City's Public Industrial (PI) Zone; and, list "Transitional/Supportive Housing" as a permitted by-right use within the City's Single-Family District Residential (R-1) Zone.

Commission Member Goedhart made a motion to adopt Resolution PC 2013-04 recommending that the City Council approve an Ordinance adding and amending certain provisions within Chapter 26 of the La Palma City Code to establish development/use standards and performance standards to allow "Emergency Shelters" as a permitted by-right use within the City's Public Industrial (PI) Zone; and, list "Transitional/Supportive Housing" as a permitted by-right use within the City's Single-Family District Residential (R-1) Zone.

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

AYES: Commission Member Charoen, Commission Member Goedhart, Chairperson Hwangbo, Commission Member Kim, and Vice Chairperson Shanahan

NOES: None

#### REGULAR ITEMS

None Scheduled.

ADJOURN THE PLANNING COMMISSION AND RECONVENE AS THE CITY COUNCIL AT 7:40 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 May 7, 2013, Regular Meeting of the La Palma City Council.
3. Approval of Register of Demands  
Resolution No. 2013-22 approving the Register of Demands for May 21, 2013.
5. Agreement for Prosecution Services by the District Attorney of Orange County

Approve and authorize the Mayor to execute the Agreement for Prosecution Services between the City of La Palma and the County of Orange.

6. Authorization for Council Member to Attend the League of California Cities Policy Committee Meetings

Approve the attendance of Mayor Steve Hwangbo at the League of California Cities (LOCC) Employee Relations Policy Committee meeting, to be held on June 13, 2013, in Sacramento.

Council Member Kim made a motion to approve Consent Calendar Items 1, 2, 3, 5, and 6.

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

AYES: Council Member Charoen, Council Member Goedhart, Mayor Hwangbo, Council Member Kim, and Mayor Pro Tem Shanahan

NOES: None

#### ITEMS PULLED FROM CONSENT CALENDAR

4. Award of Contract to All American Asphalt for the La Palma Avenue Rehabilitation Project from West City Limit (WCL) to Valley View Street, City Project No. ST-324

Council Member Goedhart requested to have the item pulled in order to ask questions regarding the project financing and the numbers reflected in the budget document. He noted his concerns that there were not adequate Measure M funds; and whether the City will be able to complete the project in the specified timeline.

Finance Director Solorza provided details regarding the Measure M funding from the current fiscal year and the next fiscal year, the Capital Outlay Reserve (COR) funding, and the State Local Partnership Program (SLPP) grant funding for the project; the funding timeline; and that the City would have sufficient funds for City Project ST-324.

Council Member Goedhart restated his concerns regarding not having adequate funding for the project and stated that he would like to see an analysis regarding the funding and therefore, could not approve the project at this time.

Discussion ensued regarding conflicts in the staff report with the proposed budget document, that a two-week delay of the approval would not be problematic, but that any longer of a delay could affect grant funding and possibly hamper completing the project before school starts again in the fall; that staff was confident that there is sufficient funding, and that there are quality controls in place for rideability due to the outcome of the Walker Street rehabilitation project.

Council Member Kim requested that the City Council postpone action on the item until the funding numbers are reflected in the FY 2013-14 Budget presentation at the June 4, 2013, City Council meeting.

- a) Approve the Award of Contact in the amount of \$749,515 to All American Asphalt for the La Palma Avenue Rehabilitation Project from West City Limit (WCL) to Valley View Street, City Project No. ST-324;
- b) Authorize appropriation of funds in the amount of \$318,000 in the Measure M2 fund (012-900-813.100) and \$548,991 in the Capital Outlay Reserve (COR) fund (035-900-813.100); and
- c) Approve a resolution awarding a contract in the amount of \$749,515 to All American Asphalt for the La Palma Avenue Rehabilitation Project from West City Limit (WCL) to Valley View Street, City Project No. ST-324.

Council Member Goedhart made a motion to continue the item to the June 4, 2013, City Council meeting in order to allow for a full accounting of the match that the City is obligating itself with the approval of the project.

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

AYES: Council Member Charoen, Council Member Goedhart, Mayor Hwangbo, and Council Member Kim

NOES: Mayor Pro Tem Shanahan

#### 7. Liability Insurance Retrospective Deposit

Council Member Goedhart requested to have the item pulled in order to clarify that the City has a liability of \$676,000 that has not been included in the budget or the fund balances and that this was going to bring the Insurance Internal Service Fund below the amount stated in the City's Reserve Policy. He asked

that staff comment on what the staff's plan is to address the deficit in the reserves.

City Manager Volmert clarified that if the Internal Service Fund falls below the guideline amount of \$1 million, Staff would bring an action plan back to City Council on how to address the deficit and that plan would likely include changing future allocations to the fund and depends on the payment option chosen by the City Council.

Discussion ensued regarding the reserve balance; the required payments; a request for Staff's plan sooner rather than later; the allocation process; that this expense was not anticipated at this time; that a plan for meeting the reserve policy will be brought to the City Council in the next few meetings.

Appropriate funds from the Insurance Internal Service Reserve Fund and authorize Liability Insurance Retrospective Deposit Payment option 3 (Annual Fee of 1.615%), which would spread the total amount owed over three years. The first payment of \$225,570 would be made prior to June 30, 2013, with subsequent payments of \$231,049 made on July 1, 2014, and July 1, 2015, respectively.

Mayor Hwangbo made a motion to approve the appropriation of funds from the Insurance Internal Service Reserve Fund and authorize the Liability Insurance Retrospective Deposit Payment option 3 (Annual Fee of 1.615%), which would spread the total amount owed over three years. The first payment of \$225,570 would be made prior to June 30, 2013, with subsequent payments of \$231,049 made on July 1, 2014, and July 1, 2015, respectively.

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

AYES: Council Member Charoen, Council Member  
Goedhart, Mayor Hwangbo, Council Member  
Kim, and Mayor Pro Tem Shanahan

NOES: None

## PUBLIC HEARINGS

None Scheduled.

## REGULAR ITEMS



8. Authorization for Council Members to Attend the League of California Cities Annual Conference, Designation of Voting Delegates, and Cancellation of September 17, 2013, Meeting

Administrative Services Manager Murray gave the Staff Report.

- a) Approve the attendance of interested Council Members at the League of California Cities Annual Conference, September 18-20, 2013, in Sacramento;
- b) Designate Mayor Steve Hwangbo as the City of La Palma's Voting Delegate at the League's Annual Conference;
- c) Select an Alternate Voting Delegate; and
- d) Cancel the September 17, 2013, City Council meeting.

Council Member Kim made a motion to approve the attendance of interested Council Members at the League of California Cities Annual Conference, September 18-20, 2013, in Sacramento; designate Mayor Steve Hwangbo as the City of La Palma's voting delegate at the League's Annual Conference; designate Council Member Goedhart as the alternate voting delegate; and cancel the September 17, 2013, City Council meeting.

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

AYES: Council Member Charoen, Council Member Goedhart, Mayor Hwangbo, Council Member Kim, and Mayor Pro Tem Shanahan

NOES: None

9. General Plan Update - Land Use Element Opportunity Areas Revisited

Community Development Director Dumhart gave the Staff Report.

Public Input:

Gary Burch, 8282 Fontainbleau Way, Cypress, representing La Palma United Methodist Church, gave a brief history of the Church and current plans to expand the facility.

Jonathan Joon Han, 8111 Walker Street, architect for La Palma United Methodist Church, addressed the City Council regarding the specifications of the Church expansion and funding sources for the project.

Abe Waheed, 5271 Ivywood Drive, addressed the City Council regarding support for the General Plan's proposed changes and support for City-wide improvements.

#### Council Comments and Questions:

Discussion ensued regarding the City Council making a decision on general opportunity areas within the City and not making any zoning decisions at this meeting; the history and expansion plans for La Palma United Methodist Church; the history and development interest of the Crescent Avenue/Walker Street vacant property; opposition to rezoning the La Palma United Methodist Church property in lieu of the proposed facility expansion; support for changing the zoning of the Crescent property to Multiple Family Residential District (R3); the history and support of Centerpointe; the history and proposed land use options of the Pacific Electric Right-of-Way (PEROW) Corridor; the history of Floor to Area Ratio (FAR) development standards; intensity and density proposals of various options; not changing the character of the City; and zoning compatibilities.

Council Member Goedhart noted his opposition to conducting a study of the intensities and densities being proposed and to Option 2.

Recommendation that the City Council approve Option 2 Land Use Designations from the October 16, 2012, Agenda Report to be evaluated for the identified opportunity areas.

Council Member Charoen made a motion to approve Option 2 as recommended by Staff for Land Use Designations to be evaluated for the identified opportunity areas but with no change to the Public Institutional (PI) zone for the La Palma United Methodist Church property; evaluating Multiple-Family Residential zoning options for the Crescent Avenue/Moody Street property; and exploring the land uses for the Pacific Electric Right-of-Way Corridor.

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

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

NOES: Council Member Goedhart, and Council  
Member Kim

Mayor Hwangbo requested a short recess at 9:09 p.m.

Mayor Hwangbo reconvened the City Council at 9:17 p.m. with all members present.

10. Discussion of Proposed Fiscal Year 2013-14 Budget

Finance Director Solorza gave the Staff Report.

Public Input:

Christine Barnes, 4971 Berton Circle, addressed the City Council regarding the Tesoro Agreement being approved; opposition to employee lay-offs; opposition to contracting out the City Engineer position; and support for using General Fund Reserves for balancing the FY 2013-14 budget.

Discussion ensued regarding the estimated Tesoro sales tax revenue; budget deficits; reserve fund balances; the City's future investment towards Other Post Employment Benefits (OPEB); details of tax increment and loan payments from previous Redevelopment projects; laws regarding the dissolution of Redevelopment and how payments are to be made to the State; the responsibility of the Successor Agency's Recognized Obligation Payment Schedule (ROPS); that the Successor Agency's funds are not included in the FY 2013-14 Budget and is approved separately; that the City has complied with all laws regarding the Successor Agency payments and expects to be in receipt of repayment; and concern how Successor Agency funds are being used.

City Attorney Kuperberg stated that his associate, Dan Slater, has been very involved with the City's transactions regarding the Successor Agency.

Further discussion ensued regarding the interpretation of the laws of the Successor Agency being challenged state-wide.

City Attorney Kuperberg responded that the City is safe by reserving Successor Agency funds until payment is determined; that most cities do not know for a certainty how Successor Agency responsibilities are to be managed; that there are numerous lawsuits against the state regarding the dissolution of Redevelopment; and that all Successor Agencies are in new territory, but the City will follow State laws regarding how funds will be dispersed.

Further discussion ensued regarding support for the use of reserves to balance the FY 2013-14 budget; support for contracting out Engineering Services;

combining Public Works with the Community Services Department; that contracting Engineering Services can be re-evaluated by the City Council over the year; the status of the Successor Agency's ownership of the Hub; opposition to the use of Reserves to balance the FY 2014-15 Budget; that to balance the FY 2013-14 Budget without the use of Reserves means the City would have to cut Staff and Services; support for optimal efficiency within the organization; that a full reorganizational study of the entire City would cost and take time to complete because of the specialized services the City provides; questions with the fairness in how position eliminations were proposed; that the deficit has currently increased by \$6500 since the last budget presentation; that the City Council can give general direction to make budget cuts; that the City Council has various reasons to not adopt the FY 2013-14; and what the consequences of not approving a budget by the end of the fiscal year would be.

City Attorney Kuperberg responded that not approving a budget would lead to the need for a temporary resolution in order to pay the City's bills; and ultimately, not approving a budget would cause the City to shut down and it would be unable to issue pay checks.

Further discussion ensued regarding Staff needing direction in order prepare a budget that can be approved.

Public Input:

Christine Barnes, 4971 Berton Circle, addressed the City Council in support of using reserves to make up the budget gap rather than not approving a budget.

Further discussion ensued regarding the continual use of Reserves; cuts needing to be made within the Administration Department; the need to see a reorganization plan before committing to use reserves; and the need to downsize the organization.

City Attorney Kuperberg stated that in order to record the City Council's direction by a vote, it would be best to make a formal motion; and that a motion would be needed in order to validate the reorganization within the Recreation and Community Services and Public Works departments.

Mayor Pro Tem Shanahan made a motion to approve the Public Works Director Reorganization Plan Option 2A: Recreation and Community Services Department becomes the Community Services Department; that all Public Works functions report to the Community Services Director; contract out City Engineer Services; create equity for the Community Services Director and Maintenance Supervisor; and restoring the Maintenance Worker position to a full-time level.

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

AYES: Council Member Goedhart, Council Member Kim, and Mayor Pro Tem Shanahan

NOES: Council Member Charoen, and Mayor Hwangbo

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

**Mayor Pro Tem Shanahan** attended the Walmart Grand Opening ceremony.

**Council Member Kim** attended the Orange County Vehicle Theft Recovery Officer of the Year Awards; the Walmart Grand Opening Ceremony; the Special City Council Budget Meeting; the Cypress Police Foundation Appreciation Luncheon; and City of Seal Beach Public Safety Honors Luncheon.

**Council Member Goedhart** attended the Orange County Sanitation District Administrative meeting; the Library Advisory Board meeting; and the Walmart Grand Opening Ceremony.

**Council Member Charoen** attended the Walmart Grand Opening Ceremony and the Diversity Heritage Awards in Costa Mesa.

**Mayor Hwangbo** attended the Orange County Vehicle Theft Recovery Officer of the Year Awards; the Walmart Grand Opening Ceremony; the Walker Junior High School Career Day; the Youth Motivation Task Force; the Special City Council Budget Meeting; the Citizen Selection Committee meeting; and the Orange County Sanitation District meeting.

CITY MANAGER REMARKS

**City Manager Volmert** attended the Driving Under the Influence (DUI) Officer of the Year Awards and the Walmart Grand Opening Ceremony.

CITY ATTORNEY REMARKS

**City Attorney Kuperberg** had nothing to report.

CLOSED SESSION

CS-2. The City Council will meet in Closed Session pursuant to Government Code Section 54957.6: CONFERENCE WITH LABOR NEGOTIATORS

Agency Designated Representatives: Ellen Volmert, City Manager  
Laurie Murray, Administrative Services  
Manager  
Steve Filarsky, Agency Labor Counsel

Employee Organization: La Palma General Employees  
Association  
La Palma Police Association  
La Palma Professional Employees  
Association

Unrepresented Employees: Executive Management

Mayor Hwangbo recessed to Closed Session at 10:52 p.m.

Mayor Hwangbo reconvened in Open Session at 11:43 p.m. and Administrative Services Manager/City Clerk Murray stated that there were no reportable actions on CS-2.

#### ADJOURNMENT

Mayor Hwangbo adjourned the Regular Meeting of the La Palma City Council at 11:44 p.m. in honor of those affected by the Moore, Oklahoma tornado.

---

Steve Hwangbo  
Mayor

Attest:

---

Laurie A. Murray, CMC  
City Clerk