

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

June 4, 2013

CALL TO ORDER: Mayor Hwangbo called the Regular Meeting of the La Palma City Council to order at 7:02 p.m. in the Council Chambers of La Palma City Hall, 7822 Walker Street, La Palma, California.

PLEDGE OF ALLEGIANCE: Council Member Charoen

INVOCATION: Pastor Jerry Bennett, Faith Fellowship Church

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 and Community Services Director
Douglas Dumhart, Community Development Director
Eric Nunez, Police Chief
Michael Solorza, Finance Director
Laurie Murray, Administrative Services Manager
James Tsumura, Acting Public Works Director
Kimberly Kenney, Minutes Clerk

PRESENTATIONS

1. Pat Craig, La Palma Community Activities and Beautification Committee (CAB) Member, presented the Quarterly Home Spotlight Award to CAB Member Cheody Fortunato on behalf of Ann Nagasawa for Ms. Nagasawa's home at

5801 Warwick Circle, La Palma.

ORAL COMMUNICATIONS

No members of the Public wished to speak.

RECESS THE CITY COUNCIL AND CONVENE AS THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION AT 7:06 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 21, 2013, Regular Meeting of the Successor Agency.

B. Approval of Register of Demands

Resolution No. SA 2013-07 approving the Successor Agency Register of Demands for June 4, 2013.

Council Member Charoen made a motion to approve Consent Calendar Items A and B.

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 CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE
DISSOLVED COMMUNITY DEVELOPMENT COMMISSION AND CONVENE AS THE
PLANNING COMMISSION AT 7:07 P.M.

CONSENT CALENDAR

PL-1. Approval of Planning Commission Minutes

Minutes of the May 21, 2013, Regular Meeting of the Planning Commission.

Vice Chairperson Shanahan made a motion to approve Consent Calendar Item PL-1.

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

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

NOES: None

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

None Scheduled.

ADJOURN THE PLANNING COMMISSION AND RECONVENE AS THE CITY COUNCIL AT 7:08 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 21, 2013, Regular Meeting of the La Palma City Council; the Minutes of the April 23, 2013 Joint La Palma City Council, Development Committee, and Traffic Safety Committee Meeting; the Minutes of the April 23, 2013 Joint La Palma City Council and Community Activities and Beautification Committee; and the Minutes of the April 23, 2013 Special Meeting of the La Palma City Council.

3. Approval of Register of Demands

Resolution No. 2013-23 approving the Register of Demands for June 4, 2013.

6. Appointment to Community Activities and Beautification Committee

Appoint Michele Steggell to the Community Activities and Beautification (CAB) Committee with a four-year term expiring December 31, 2016.

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

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

ITEMS PULLED FROM CONSENT CALENDAR

4. 2013 Sewer Master Plan, City Project No. 11-SWR-01

Council Member Goedhart requested that the item be pulled so staff could clarify whether the proposed density intensification in the General Plan has any impact on the Sewer Master Plan and whether the financial model of the Capital Improvements Plan (CIP) can support the upcoming sewer projects.

Acting Public Works Director Tsumura responded that no additional projects were added due to the densities being studied and that the current sewer system could handle any increased flows related to those densities. He further reported that the sewer revenues collected are sufficient to allocate to the CIP projects.

Mayor Hwangbo asked for clarification on the timeline to conduct Closed Circuit TV (CCTV) to the entire sewer system in the city.

Contract City Engineer Alvarez responded that the CCTV Study would take approximately four months. Interim Public Works Director Tsumura noted that a certified designee would review the video foot by foot to verify the severity of sewer issues.

Approve the City's 2013 Sewer Master Plan, City Project No. 11-SWR-01.

Council Member Goedhart made a motion to approve the 2013 Sewer Master Plan, City Project No. 11-SWR-01.

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

5. Revision to Salary Schedules

Council Member Goedhart requested to have the item pulled in order to discuss the methodology of the proposed salary; concern for a lack of internal comparisons or equity; and whether external comparisons are made and with which cities.

City Manager Volmert responded that the salary is the outcome of a previous discussion with the City Council; the additional duties and responsibilities of the position; the impact on the General Fund; and that the recommendation is

consistent with the City Council's decision to move forward with efficiency in the organization presented in the proposed budget.

Administrative Services Manager Murray stated that the comparable cities used are Buena Park, Cypress, La Habra, Laguna Beach, Los Alamitos, Placentia, and Seal Beach, and gave historical background to the methodology that was used for the proposed salary.

Council Member Goedhart stated his opposition to the comparable cities used and his support for changing the Community Services Director salary to the equivalent of the Community Development Director's.

Approve the salary schedules effective June 8, 2013.

Council Member Goedhart made a motion to approve the revision to Salary Schedules to reflect the new Community Services Director salary at the equivalent of the Community Development Director's salary.

Discussion ensued regarding how the proposal will affect having a Public Works Director position in the future; that the methodology was based on equity; the metrics used to measure the new position's performance; and how much of the position is funded by the General versus other funds.

Council Member Goedhart restated his motion to move the salary schedule to reflect the new Community Services Director salary at the equivalent of the Community Development Director's salary. The motion was seconded by Council Member Kim.

Mayor Hwangbo stated he could not support the item due to the lack of cost savings and possible liability issues.

Council Member Charoen stated he could not support the item due to laying off lower level Staff and giving salary increases to Management Staff.

The motion failed as followed:

AYES: Council Member Goedhart and Council Member Kim.

NOES: Council Member Charoen, Mayor Hwangbo, and Mayor Pro Tem Shanahan.

Mayor Pro Tem Shanahan made a motion to approve the Staff recommendation of the Revision to Salary Schedules, effective June 8, 2013.

The motion failed for lack of a second.

City Manager Volmert commented that if the City Council takes no action, neither salary will be affected; however, the City Council could choose motions on the separate positions.

Council Member Goedhart made a motion to approve the Revision to the Salary Schedule for the Maintenance Supervisor.

The motion was seconded by Mayor Pro Tem Shanahan 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

Council Goedhart stated his support for a salary change for the new Community Services Director and requested to make the original motion again.

City Attorney Kuperberg commented that there is no rule prohibiting restating a motion that previously failed.

Council Member Goedhart made a motion to approve the Revision to the Salary Schedule of the Community Services Director to the equivalent of the Community Development Director.

Discussion ensued regarding clarification if the salary schedule is not approved, the position would have more responsibility with no pay increase; that the City Council can direct Staff to set the salary level at their discretion; and that the Community Services Director's salary is 2% below the mean of the comparable cities.

The motion was seconded by Mayor Pro Tem Shanahan 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

PUBLIC HEARINGS

7. Consideration of Request for Public Convenience or Necessity Determination - Crescent Car Wash located at 8471 Walker Street

- a) Mayor Hwangbo opened the Public Hearing at 7:37 p.m.
- b) Community Development Director Dumhart gave the Staff Report
- c) Public Input:

The following individuals addressed the City Council in opposition to the applicant's request:

Larry Herman, 5122 Andrew Drive

Barry Feinberg, 8456 Walker Street

Gary Deforest, 5162 Del Norte Circle

- d) Mayor Hwangbo closed the Public Hearing at 8:00 p.m.
- e) City Council Comments and Questions:

Discussion ensued regarding the Alcohol Beverage Control (ABC) agency approval process; that the previous City Council worked with La Palma Express and the Police Department to ensure concerns related to alcohol sales; that if approved, the Conditional Use Permit (CUP) could put regulations on the applicant and address the noise concerns; that the business has changed hands over several years; that there was never a liquor license with that property; that the original property used to be a fast food drive-through facility; and deferring the project to the ABC.

- f) Adopt a Resolution Approving a Public Convenience or Necessity Determination for Crescent Car Wash located at 8471 Walker Street and authorize that the Community Development Director send a Letter of Public Convenience or Necessity to ABC.

Council Member Goedhart made a motion to receive and file, taking no action on the item.

The motion failed for lack of a second.

Mayor Pro Tem Shanahan made a motion to adopt Resolution No. 2013-24 Approving a Public Convenience or Necessity Determination for Crescent Car Wash located at 8471 Walker Street and authorize that the Community Development Director send a Letter of Public Convenience or Necessity to ABC.

The motion failed for lack of a second.

Council Member Charoen made a motion to deny the application.

The motion failed for lack of a second.

Discussion ensued regarding if the City Council denies the application, the applicant can apply for an ABC type 21 license which does not need City Council approval and approves the sale of spirits in addition to beer and wine.

By consensus, the City Council agreed to take no action on the item.

ITEMS MOVED UP ON THE AGENDA

REGULAR ITEMS

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

City Manager Volmert introduced the item and Finance Director Solorza gave the Staff Report.

Council Questions and Comments:

Discussion ensued regarding the matching funds; ensuring that the amounts presented are correct; that the contract reflects Measure M funds from the previous fiscal year; questions regarding the technical requirements and funding sources of the contract; and concerns that the City could lose the contract because funding has not been clearly identified relative to the funding year.

Acting Public Works Director Tsumura responded that he would confer with AKAL Consultants, who prepared the SLPP project, to get clarification on Measure M funding.

Further discussion ensued regarding timing of grant funds; having a negative cash balance at times while awaiting receipt of grant fund reimbursements; use of Capital Outlay Reserve (COR) fund; that the contract language for the City's requirements do not specify a funding year, and whether the contract language would prohibit commencement of the project.

City Attorney Kuperberg recommended that Staff confer with the Orange County Transportation Agency (OCTA) regarding the City's approach for the rehabilitation project; and that the City Council could conditionally approve it

based on confirmation from the OCTA that the approach that Staff is recommending is permissible under the contract, as OCTA is the only party who can enforce the contract.

Acting Public Works Director Tsumura stated that because this is a pavement project, temperature is crucial in addition to completing the project when school is not in session. He closed by noting that there is no guarantee that the City would get the extension for grant funding if this project were delayed.

Public Comment:

Larry Herman, 5122 Andrew Drive, addressed the City Council as to whether the City of Cerritos will guarantee their reimbursement to La Palma for the rehabilitation; and asked for clarification as to which residential areas are included in Zone 7 of the Pavement Management Plan.

Finance Director Solorza responded that the City of Cerritos has entered a contract to reimburse the City of La Palma for a portion of the work and if they chose not to proceed, that work will not be done; that Zone 7 is East of Moody, West of Walker Street, and South of the Edison Right-of-Way; and that the project would be funded from COR if Measure M funds are not available.

- a) Approve and award 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.
- 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 Resolution No. 2013-27 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.
- d) Authorize the Mayor to execute a Cooperative Agreement with the City of Cerritos in the amount of \$60,500 for the added alternative bid item of Cerritos portion of La Palma Avenue (northern half), from Denni Street to the Del Amo Bridge.

Mayor Hwangbo made a motion to approve the project conditioned upon getting clarification from the OCTA regarding funding for the project.

Council Member Goedhart asked for a friendly amendment to move Items A, C, and D, to exclude Item B, appropriation of funding, until funding

clarification from OCTA is made. Mayor Hwangbo accepted the amendment due to the project's timeline urgency.

The amended motion was seconded by Council Member Goedhart.

City Attorney Kuperberg noted his concern for not appropriating funds for a project that is approved. He recommended that the City Council allocate funds to the project to secure its completion.

Mayor Hwangbo made a substitute motion to approve Items A, B, C, and D, conditionally based on the response back from the OCTA regarding funding for the project.

The motion was seconded by Council Member Goedhart and he clarified that approving this project means that financial support will be initially coming from COR; that if matching funds from the City of Cerritos and grant funds from OCTA cannot be accomplished, the City will be fully funding the project from COR; and that Staff will be coming back to the City Council with a response from OCTA regarding their funding.

The motion carried on the following vote:

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

NOES: None

Mayor Hwangbo requested to take a short recess at 8:37 p.m.

Mayor Hwangbo reconvened the City Council at 8:43 p.m. with all members present.

Acting Public Works Director Tsumura reported that after a quick call to the City's Consultant during the break, he verified that initial funding sources will be coming from the City's COR fund; that the standard is that cities pay upfront and get reimbursed later; that the County allows you to consolidate funds for Street Rehabilitation projects; and that the Consultant stated he will get a letter from OCTA verifying funding.

8. Adoption of Fiscal Year 2013-14 Operating and Capital Budget
 - a) Mayor Hwangbo opened the Public Hearing at 8:45 p.m.
 - b) Finance Director Solorza gave the Staff Report

c) Public Input:

Larry Herman, 5122 Andrew Drive, asked the City Council if the City plans to pursue the purchase of street lights and install solar cells as previously presented.

Mayor Hwangbo responded that the City Council directed Staff to remove the street light purchase from FY 2013-14 Budget, but is being presented as a potential project in the future.

City Manager Volmert verified that Staff was to remove potential savings of the street light purchase and solar cell installation from FY 2013-14 Budget, but is still moving forward with assessing energy management projects.

d) Mayor Hwangbo closed the Public Hearing at 9:00 p.m.

e) City Council Comments and Questions:

Discussion ensued regarding concern that the deficit be addressed urgently as it will increase over the next couple of years; that the deficit will leave a negative balance in several funds; that expenses have to be cut; a suggestion to further consolidate staff; the loss of Redevelopment's affect on the City's financial status; the need to implement a city-wide reorganization; that Tesoro's tax increment will not fix every financial issue; that Staff will continue to pursue fiscally conservative decisions as financial challenges are presented; that adopting a budget does not end financial issues; that Staff is reviewing current processes to ensure efficiency; lack of accuracy in the numbers of the current budget and how to rectify that for next year's budget; the upcoming changes in the quarterly report; new software that will clarify budget numbers and assist with Human Resource processes; concern for adopting a budget with inaccurate numbers; that the City Council started the budget process much earlier due to economic issues facing the City; that the City Council expects the FY 2013-14 Budget to continue to be worked on by Staff; and that there is an expectation that a balanced Budget will be presented for the 2014-15 fiscal year.

f) Adopt Resolution No. 2013-24 approving and adopting a Budget for Fiscal Year 2013-14, which includes the City's Financial Policy Statements

g) Adopt Resolution No. 2013-25 approving the City's Annual Appropriations Limit for Fiscal Year 2013-14.

Mayor Hwangbo made a motion to adopt Resolution No. 2013-24 approving and adopting a Budget for Fiscal Year 2013-14, which includes the City's Financial Policy Statements; and adopt Resolution No. 2013-25 approving the City's Annual Appropriations Limit for Fiscal Year 2013-14.

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

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

NOES: Council Member Charoen, and Council Member Goedhart

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

Council Member Charoen attended the Memorial Day event.

Council Member Goedhart attended the Orange County Fire Authority (OCFA) Executive Board and regular Board meetings; the Memorial Day event; and the American Cancer Society Relay for Life event.

Council Member Kim attended the Orange County Sanitation District (OCSD) meeting; the Memorial Day Event; and the American Cancer Society Relay for Life event.

Mayor Pro Tem Shanahan attended the Memorial Day event; the American Cancer Society Relay for Life event and thanked Staff for all their efforts at the event.

Mayor Hwangbo attended the Cerritos State of the City Address; the Memorial Day event; Congresswoman Sanchez' Small Business Seminar; the American Cancer Society Relay for Life event and noted that approximately \$105,000 was raised; the third grade visit to City Hall; and announced the upcoming July 4th Run for Fun event.

CITY MANAGER REMARKS

City Manager Volmert attended the American Cancer Society Relay for Life event and the Association of California Cities - Orange County (ACC-OC) Infrastructure Summit.

CITY ATTORNEY REMARKS

City Attorney Kuperberg commented that he is following some bills in the legislature regarding public works infrastructure and the proposed modification of Proposition 13

that would allow for reassessment of non-residential properties. He closed by stating he will be out of town and that Michelle Molko will be representing him in his absence.

CLOSED SESSION

CS-1. 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

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 9:32 p.m.

Mayor Hwangbo reconvened in Open Session at 10:53 p.m. with all members present and requested a report.

Administrative Services Manager Murray stated that there were no reportable actions taken on Items CS-1 and CS-2.

ADJOURNMENT

Mayor Hwangbo adjourned the Regular Meeting of the La Palma City Council at 10:54 p.m.

Steve Hwangbo
Mayor

Attest:

Laurie A. Murray, CMC
City Clerk