

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

June 3, 2014

CALL TO ORDER: Mayor Shanahan called the Regular Meeting of the La Palma City Council to order at 7:00 p.m. in the Council Chambers of La Palma City Hall, 7822 Walker Street, La Palma, California, with all members present.

PLEDGE OF ALLEGIANCE: Mayor Pro Tem Kim

INVOCATION: Council Member Charoen

ROLL CALL: Council and Commission Members

Council/Commission members present: Council/Commission Member Charoen, Council/Commission Member Goedhart, Council/Commission Member Hwangbo, Mayor Pro Tem/Vice Chairperson Kim, and Mayor/Chairperson Shanahan

Council/Commission members absent: None

City Officials present: Ellen Volmert, City Manager/Executive Director
Michelle Molko, Assistant City Attorney
Michael Belknap, Community Services Director
Douglas Dumhart, Community Development Director
Laurie A. Murray, Administrative Services Director/City Clerk
Eric Nuñez, Police Chief

PRESENTATIONS

1. Noella Lew, representing the La Palma Community Activities and Beautification Committee, Home Spotlight Committee, presented Robert and Brenda Carruth with the Quarterly Home Spotlight Award for their home at 5201 Monterey Lane, La Palma.

ORAL COMMUNICATIONS

Victor Perrin, representing the West Orange County Regional Chamber of Commerce, announced the upcoming Orange County Register's Small Business Workshop and the annual Installation of Officers.

Larry Herman, 5122 Andrew Drive, addressed the City Council to thank staff for starting the Curb Address Painting project. He reported on Proposition 42 regarding transparency, and asked how that affects the City of La Palma and if La Palma is meeting the transparency standards.

Assistant City Attorney Molko responded that Proposition 42, if passed, would remove State reimbursements for State mandated Public Records and Brown Act requirements.

Administrative Services Directory Murray stated that although La Palma has not received reimbursements, the City does comply and will continue to comply with all transparency requirements.

RECESS THE CITY COUNCIL AND CONVENE AS THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION AT 7:13 P.M.

Administrative Services Director/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 6, 2014, and May 20, 2014, Regular Meetings of the Successor Agency.

B. Successor Agency 3rd Quarter Cash and Investment Report, Fiscal Year 2013-14, as of March 31, 2014

Receive and File the Cash and Investment Report for the third quarter of the 2013-14 Fiscal Year (as of March 31, 2014)

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

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

AYES: Council Member Charoen, Council Member
Goedhart, Council Member Hwangbo, Mayor
Pro Tem Kim, and Mayor 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 7:14 P.M.

CONSENT CALENDAR

PL-1. Approval of Planning Commission Minutes

Minutes of the May 6, 2014, and May 20, 2014, Regular Meetings of the Planning
Commission.

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

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

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

NOES: None

REGULAR ITEMS

None Scheduled.

ADJOURN THE PLANNING COMMISSION AND RECONVENE AS THE CITY COUNCIL AT 7:15 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 6, 2014, and May 20, 2014, Regular Meetings of the La Palma City Council.
3. Approval of Register of Demands

Resolution No. 2014-28 approving the Register of Demands for June 3, 2014.
4. City of La Palma 3rd Quarter Cash and Investment Report, Fiscal Year 2013-14, as of March 31, 2014

Receive and File the Cash and Investment Report for the third quarter of the 2013-14 Fiscal Year (as of March 31, 2014).
6. Amendment No. 3 to the Cooperation Agreement with the County of Orange for Urban County Program for FY 2015-2017

Approve and authorize the Mayor to execute Amendment No. 3 to the Cooperation Agreement with the County of Orange for their support services in the Urban County Programs.
7. Resolutions Required for November 4, 2014, General Municipal Election
 - a) Adopt Resolution No. 2014-29 calling and giving notice of the holding of a Municipal Election to be held on Tuesday, November 4, 2014, in conjunction with the General Municipal Election, for the election of certain officers as required by the provisions of the laws of the State of California relating to general law cities;

- b) Adopt Resolution No. 2014-30 requesting the Board of Supervisors of the County of Orange to consolidate a Municipal Election to be held on November 4, 2014, with the Statewide General Election to be held on the date pursuant to Section 10403 of the Elections Code;
 - c) Adopt Resolution No. 2014-31 adopting regulations for candidates for elective office pertaining to candidate statements submitted to the voters at an election to be held on Tuesday, November 4, 2014.
8. Opposition to Assembly Bill (AB) 2188 Relating to State Mandates for Residential Solar Permits

Oppose AB 2188 and authorize the Mayor and/or City Manager to send letters communicating the City's position to local legislators and other appropriate parties.

Mayor Pro Tem Kim made a motion to approve Consent Calendar Items 1, 2, 3, 4, 6, 7, and 8.

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

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

NOES: None

ITEMS PULLED FROM THE CONSENT CALENDAR

5. Authorization for Second Amendment to Deposit/Reimbursement Agreement with La Palma Sign Partners, LLC

The item was requested to be pulled by Staff in order to present a brief progress report by Community Development Director Dumhart.

Discussion ensued regarding support for the project; details of the process needed prior to start of the project; and the scheduled construction date to start the billboard installation.

Melvin Andrews, representing La Palma Sign Partners, addressed the City Council regarding the Caltrans permitting process; the tree trimming involved; and the other multiple projects running at the same time as the permit process. He closed by commenting that construction could start possibly in February or March 2015, and the list of local business that are already interested in advertising.

Further discussion ensued regarding dates for billboard revenues being one year from Caltrans permit issuance; the entitlements that need to be processed; that the agreement guarantees the revenue stream.

Approve a second amendment to the Deposit/Reimbursement Agreement with La Palma Sign Partners, LLC, extending the term of the Agreement through October 7, 2014.

Council Member Goedhart made a motion to approve and authorize the Second Amendment to Deposit/Reimbursement Agreement with La Palma Sign Partners, LLC.

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

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

NOES: None

9. Continued from May 20, 2014, City Council Meeting: First Amendment to the Agreement with Computer Service Company (CSC) for Traffic Signal Maintenance Services

Council Member Goedhart requested to have the Item pulled in order to clarify the cost increase of the amended agreement.

Community Services Director Belknap responded that the contractor explained that increased health care and fuel costs have been reflected as the increase in the amended agreement. He closed by noting that the City's CSC service costs are lower than other cities that CSC currently contracts with.

Amend the Agreement with Computer Service Company of Corona, California, for the Citywide Traffic Signal Maintenance Services, increasing the monthly routine maintenance costs and extraordinary maintenance costs, and extending the term of the agreement through June 5, 2016.

Council Member Goedhart requested that future Staff Reports include financial analysis if there are cost increases to amended agreements.

Council Member Goedhart made a motion to approve the First Amendment to the Agreement with Computer Service Company (CSC) for Traffic Signal Maintenance Services.

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

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

NOES: None

PUBLIC HEARINGS

10. Energy Service Contract with Climatec Building Technologies for Implementation of Certain Energy Related Improvements to City Facilities

- a) Mayor Shanahan opened the Public Hearing at 7:28 p.m.
- b) Community Services Director Belknap introduced the item and Frank Mann, Climatec Account Manager, gave the presentation.

Tom Jackson, representing Climatec, reported that 33 cities are currently responding to Southern California Edison regarding purchasing street lights; the decreased overall costs and energy use reduction after the street light purchase; and the dramatic reduction of electricity use and maintenance with the proposed LED Lights.

Mr. Mann continued with his presentation.

- c) Public Input:

No members of the public wished to speak.
- d) Mayor Shanahan closed the Public Hearing at 7:47 p.m.
- e) Council Comments and Questions:

Discussion ensued regarding details of the financing agreement; that Climatec does not profit from the interest on the lease; the methodology for the decreased street light costs; that Climatec will also go out to bid on projects; the cost for solar panels and maintenance fees from a third party for 25 years; that the water reservoir's life span is at least another 25-30 years; the ten-year warranty of the new LED lights; that historically, new LED Street Lights have a life of 20-25 years before needing replacement; new LED lighting reducing overall operating costs; that

Climatec is currently conducting a similar project with Seal Beach; that Lancaster and Huntington Beach are currently going through the street light purchase process; the overall cost reductions of purchasing the street lights; the equipment warranty and financial guarantee details; the energy analysis conducted by Climatec to verify savings after the program is implemented; that Climatec will continue to monitor the energy improvements; that Climatec has been in business since 1975; the numerous laboratory tests of products involved in the energy upgrades; that a third party would own and operate the solar panels; details of the new Air Conditioner (AC) system at the Civic Center and Community Center; that Climatec will be going out to bid for the entire street light replacement project; that the cost for maintaining the lights is less than half of what the City pays now; support for the purchase of the Street lights; that Climatec met with Staff to review the best options for energy savings City-wide; how removing certain projects from this energy upgrade affects the overall cost savings; support for seeing this project broken down by component; the methodology for the four percent increase of electricity costs; opposition to not researching historical energy use for the previous ten years; support for conducting a ten-year historical energy use study prior to taking action on this project; that this project uses one-time monies to become energy efficient; the Public Utilities Commission (PUC) process for the street light purchase; support for moving forward with as much energy saving projects as possible; that Staff can address the Council's specific questions and resolve concerns aside from the meeting in order to start the negotiation process with Climatec; how the lease rate affects the total loan repayment; that Climatec has never fallen short of their guarantee; guarantee that the program costs pay for itself; showing the savings of each project component; opposition to making a decision at this meeting; support for having Climatec return with resolution to the detailed requests; bundling projects in order to get a low finance rate; that Climatec is doing a full geo-mapping of Lancaster for their street light purchase; and an overall consensus to bring back more detailed information to the City Council at a future meeting.

Mayor Shanahan requested to take a short break at 8:48 p.m.

Mayor Shanahan reconvened the City Council at 8:54 p.m. with all members present.

11. Ordinance Modifying Chapter 14, Article 1, Section 14-1 of the La Palma City Code to Combine Utility Replacement Funds with Utility Emergency Replacement Funds Thereby Reducing the Total Number of Utility Funds from Six to Four

- a) Mayor Shanahan opened the Public Hearing at 8:56 p.m.
- b) Administrative Services Director Murray gave the Staff Report
- c) Public Input:
No members of the public wished to speak.
- d) Mayor Shanahan closed the Public Hearing at 8:58 p.m.
- e) Council Comments and Questions:
None.
- f) Introduce for first reading, an Ordinance of the City Council of the City of La Palma Modifying Chapter 14, Article 1, Section 14-1 of the La Palma City Code to combine utility replacement funds with utility emergency replacement funds thereby reducing the total number of utility funds from six to four.

Council Member Charoen made a motion to introduce for first reading, an Ordinance of the City Council of the City of La Palma Modifying Chapter 14, Article 1, Section 14-1 of the La Palma City Code to combine utility replacement funds with utility emergency replacement funds thereby reducing the total number of utility funds from six to four.

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

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

NOES: None

REGULAR ITEMS

- 12. Continued from May 20, 2014, City Council Meeting: Council Member Request - City Manager Authority to Authorize Recruitments and Hiring to Fill Vacancies

City Manager Volmert gave the Staff Report.

Consider the Council Member Request and provide direction to staff as appropriate.

Assistant City Attorney Molko commented that in order to approve the item, the City Council would need to make a motion to reauthorize the City Manager to appoint, promote, and recruit personnel pursuant to the municipal code.

Council Member Hwangbo made a motion to return the City Manager Authority to authorize recruitments and hiring to fill vacancies per the Municipal Code.

Discussion ensued regarding the previous decision to temporarily take the authority away; support for giving that responsibility back to the City Manager; that the original intent of removing that authority was a decision to eliminate various open positions due to budgetary constraints and the City's economic situation; concern for current budgetary and revenue issues; and support for not changing the previous decision for another year until revenues are clearly identified.

Council Member Charoen made a substitute motion to keep the current process in place, leaving authorization to conduct recruitments with the City Council for another year.

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

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

NOES: Council Member Hwangbo and Mayor
Shanahan

13. Council Member Request: Support of Anaheim Union High School District (AUHSD) Student Petition

Determine how to proceed relative to the student petition calling for a bond measure to be placed on the November AUHSD ballot and authorize the Mayor to communicate any City Council position to the AUHSD Board of Trustees.

Discussion ensued regarding continuing the item until a member of the AUHSD or school staff can be in attendance to explain the bond measure; request to see the cost to the tax payer; and that there has been no decision to move this ballot measure forward yet.

14. Support for Assembly Bill 1453 (AB 1453) Regarding the Establishment of a Veterans' Cemetery Within Orange County

City Manager Volmert gave the Staff Report.

Support AB 1453 and authorize the communication of that position to the author, other local legislators, and other interested parties.

Council Member Goedhart made a motion to approve support for Assembly Bill 1453 (AB 1453) Regarding the Establishment of a Veterans' Cemetery within Orange County.

Larry Herman, 5122 Andrew Drive, addressed the City Council regarding his support for the item.

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

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

NOES: None

15. Third Quarter Operating Report, Fiscal Year 2013-14

Administrative Services Director Murray gave the Staff Report.

Discussion ensued regarding Council Member Goedhart's concern for the decrease in revenue; the detail of the significant one time revenues from last fiscal year; support for Staff to reconcile revenue reductions in detail; and that the explanation needs to be made public as these funds are public money.

Administrative Services Director Murray continued with the Staff Report.

City Manager Volmert reported on the City's performance measures and City Council goal progress.

Discussion ensued regarding the adopted FY 2013-14 Budget requiring the use of reserves; reasons for the reduction in the Water Fund; the amount of Capital Improvement projects using water funds; that the upcoming water rate study would address the Water Fund deficiency; that Staff is encouraging residential water conservation; and how the upcoming carryovers affect the FY 2014-15 Budget.

Receive and file the Report.

Mayor Pro Tem Kim made a motion to receive and file the Third Quarter Operating Report, Fiscal Year 2013-14. No second required.

16. Discussion of Proposed Fiscal Year 2014-15 Budget and Approval of Carryovers

Administrative Services Director Murray gave the Staff Report.

- a) Conduct an open discussion on the general content of the Proposed Fiscal Year 2014-15 Budget and provide direction for preparation of the final budget document; and
- b) Approve the carryover of certain items from the FY 2013-14 Budget to the FY 2014-15 Budget

Council Comments and Questions:

Discussion ensued regarding support reinstating the Fit 'N' Fun program to its current level; support for keeping the Association of California Cities - Orange County (ACC-OC) membership; Council Member Goedhart's request to reduce the City Council travel and meeting budget by two thousand dollars from his allotted travel and meeting funds; concern that not enough has been budgeted for labor negotiations; support for realistic expenditures in the budget; that the Orange County Council of Governments (OCCOG) expenditure is a requirement as a contribution for the cost of data collection for the forecasting that the Center for Demographic Research conducts out of California State University, Fullerton; and details of the budgeted amount for financial services.

Mayor Shanahan left the meeting at 10:01 p.m. and asked Mayor Pro Tem Kim to conduct the remainder of the meeting.

Further discussion ensued regarding reducing Police Department (PD) Office Supply expenditures; temporary use of Asset Forfeiture funds for PD Training; increased PD Contract Services due to increased Crossing Guard Services; consideration of returning crossing guard services in-house; explanation of increases in PD Operation Contract Services due to new electronic ticketing services (e-citation); increased PD meetings and training and reimbursement of those costs; explanation of increased PD Software due to the Spillman Dispatch system's GIS mapping upgrade; the decreases SOURCE printing costs due to eliminating color printing; including the Neighborhood Watch's editorial into the SOURCE; restructured Community Services (CS) budget being coded to appropriate projects; explanation of reduced credit card processing costs; the increase in minimum wage being reflected on the part-time salaries that is budgeted and the closure of the HUB; the explanation of increased contract engineering service costs; properly allocating Lead Maintenance Worker salary in the budget; concerns that electricity costs are under budgeted; realistic projections for expenditures on Street Maintenance;

explanation of costs budgeted for tree maintenance; increased Community Development (CD) software charges being due to the new Business License software; that the increase in building contract services is offset by permit revenue; additional bank fees being due to acceptance of credit cards for building permits; that the City cannot charge a service fee for credit card payments; additional Planning Contract Services attributed to the upcoming Zoning Code Update, the CEQA Service Audit, and for advertising fees for all the public notice requirements; whether Staff needs to hire a Water Rate Study Consultant; that the Council Chamber rehabilitation costs are only a placeholder; reducing the proposed funding for grant writing services and reviewing at mid-year whether additional funds are necessary;; support for an accurate budget document; request to change the format of the budget; concerns for the internal service funds; opposition to Management Team furloughs; appreciation of Staff's time and work on the FY 2014-15 Budget; that most of the carryover items are Capital Improvement projects that have completion dates in the next fiscal year; that the previous carryovers were not detailed in last year's budget approval process; how the Community Services reorganization six month review will affect the budget; support for general overtime reductions; that the proposed expenditure reductions are temporary fixes to balance this year's budget; explanation of the delayed recruitment for vacancies being cost savings; opposition to delaying PD recruitments; amount needed from reserves to balance the budget if the City Council opposed expenditure reductions recommended by Staff; the reduction in training being Citywide; lack of confidence in the budget numbers presented; support for Staff to scrutinize expenditures closely; City Council support for a balanced budget; that Staff needs to bring back revised budget numbers before the City Council can make a decision on any carryovers; and the scheduled FY 2014-15 Budget adoption dates to include the addition of all City Council requested supplemental information.

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

Council Member Charoen had nothing to report.

Council Member Goedhart attended the Orange County Sanitation District (OCSD) State of the District breakfast and its 60th Anniversary Recognition event; the Orange County Fire Authority (OCFA) board meeting; the OCSD Harassment Training session; the OCSD Board meeting; and reported that OCFA Fire Chief Keith Richter announced his retirement effective August 29, 2014.

Council Member Hwangbo attended the 4th Annual Cypress Police Appreciation Luncheon and asked if La Palma ever conducts an event like this.

Police Chief Nuñez responded that La Palma previously had that type of event; however, that it was eliminated from the budget. He also reported that other police agencies have non-profit groups that raise money for their events.

Council Member Hwangbo continued his report by stating he attended the La Palma Memorial Day ceremony; support for recognizing former Mayors at those events; attended the Anaheim Union High School District (AUHSD) Scholar Athlete Award Dinner; the Association of California Cities - Orange County (ACC-OC) City Infrastructure Summit; and announced that Samsung Chemicals will be relocating their business to La Palma.

Mayor Pro Tem Kim attended the La Palma Volunteer Recognition event and the OCSD Harassment training.

CITY MANAGER REMARKS

City Manager Volmert attended the ACC-OC Infrastructure Summit and represented the City of La Palma at the Buena Park High School graduation ceremony.

CITY ATTORNEY REMARKS

Assistant City Attorney Molko announced that she would be reporting on the outcome of Proposition 42 after the election results tonight.

ADJOURNMENT

Mayor Pro Tem Kim adjourned the Regular Meeting of the La Palma City Council at 11:15 p.m.

Steve Shanahan
Mayor

Attest:

Laurie A. Murray, CMC
City Clerk