

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

June 17, 2014

CALL TO ORDER: Mayor Shanahan 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, with Council Member Charoen being absent.

PLEDGE OF ALLEGIANCE: Nicholas Martinez, St. Irenaeus Winner "Mayor for the Day"

INVOCATION: Pastor Moses Aleman, La Palma Christian Center

ROLL CALL: Council and Commission Members

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

Council/Commission Members absent: Council/Commission Member Charoen,

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 Murray, Administrative Services Director
Eric Nuñez, Police Chief

PRESENTATIONS

1. Mayor Shanahan presented a Proclamation to Community Services Supervisor Robinson, Senior Recreation Leader Kulassia, and Community Activities and Beautification Committee Members Sally Alvis, Pat Craig, and Michele Steggell, declaring July as Parks and Recreation Month.

ORAL COMMUNICATIONS

John Parsons, Anaheim resident speaking on behalf of Betty Enderle, 7692 Indigo Lane, addressed the City Council regarding traffic safety concerns on Indigo Lane and requested installation of a three-way stop sign at Indigo Lane and Shirley Drive.

Emily France, introduced herself to the City Council as the new Southern California Gas Company Public Affairs Manager for La Palma and reported on the upcoming advanced meter project.

Discussion ensued regarding the noticing requirement and the project commencement timeline.

Larry Herman, 5122 Andrew Drive, addressed the City Council regarding the traffic safety concerns at the intersection of Indigo Lane and Andrew Drive; asked for Police Department enforcement at the four way stop sign; his praise for the residential curb address painting project; requested that the worn red paint on the fire hydrant curbs be repainted; and asked for an update on the Del Amo Bridge widening project.

Community Services Director Belknap responded that the City of Cerritos is taking the lead for grant funding for the Del Amo Bridge widening project; that Cerritos would be taking on the design responsibilities; that there are three agencies involved with the project; and that the total cost for La Palma's percentage of this project is undetermined at this time.

RECESS THE CITY COUNCIL AND CONVENE AS THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION AT 7:16 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

None Scheduled.

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

None Scheduled.

ADJOURN THE CITY OF LA PALMA AS SUCCESSOR AGENCY, AND CONVENE AS THE PLANNING COMMISSION AT 7:17 P.M.

CONSENT CALENDAR

None Scheduled.

REGULAR ITEMS

None Scheduled.

ADJOURN THE PLANNING COMMISSION AND RECONVENE AS THE CITY COUNCIL AT 7:18 P.M.

PUBLIC HEARINGS

1. Certification of the Final Environmental Impact Report (SCH# 2013111030), Approval of a Mitigation Monitoring and Reporting Program, and Approval of the General Plan Update
 - a) Mayor Shanahan opened the Public Hearing at 7:18 p.m.
 - b) Community Development Director Dumhart gave the Staff Report.
Council Member Charoen joined the meeting at 7:22 p.m.
 - c) Public Input:
No members of the public wished to speak.
 - d) Mayor Shanahan closed the Public Hearing at 7:35 p.m.

e) Council Comments and Questions:

Discussion ensued regarding the previous split vote regarding increased density north of Orangethorpe to 1.5 Floor to Area Ratio (FAR) on the Auto Data Processing (ADP) property; that Council Member Goedhart opposes the high density proposed north of Orangethorpe, his opposition to changing the Brookside property density, support of the rezoned Freeway Overlay district, and his support for rezoning of the Crescent Avenue property; that although the ADP property may not build out to the maximum density, the highest allowable density is authorized if this proposal is approved; potential traffic impacts; when and if this development goes before the Planning Commission, the Commission can limit the size, density, and height limits; that the City has spent the previous two years working on this General Plan update; that change is inevitable; recent zoning changes in adjacent cities that accommodate growth; and that in order to provide the current level of service, the City needs to generate more revenue to pay for those services.

f) Adopt a Resolution No. 2014-32 approving and adopting the 2014 General Plan Update.

Council Member Hwangbo made a motion to certify the final Environmental Impact Report, approve a Mitigation Monitoring and Reporting Program, and adopt Resolution NO. 2014-32 approving the General Plan update—Alternative #2 - Eliminate Town Center concept, keeping other changes but leaving the proposed Town Center as its current land use. The motion was seconded by Council Member Charoen.

Further discussion ensued regarding opposition to increasing the density of the Brookside Apartments property.

The motion failed on the following vote:

AYES: Council Member Charoen and Council Member Hwangbo.

NOES: Council Member Goedhart, Mayor Pro Tem Kim, and Mayor Shanahan.

Mayor Shanahan made a motion to certify the final Environmental Impact Report, approve a Mitigation Monitoring and Reporting Program, and adopt Resolution No. 2014-32 approving the General Plan update—Alternative #2 - Eliminate Town Center concept and include the elimination of the Brookside concept.

Assistant City Attorney Molko reminded the City Council that each motion for General Plan approval needs to include certification of the EIR.

The motion was seconded by Council Member Charoen.

Discussion ensued regarding clarification of the motion to include approval of the 1.5 FAR for the ADP property north of Orangethorpe; that when and if that property development goes before the Planning Commission, the Commission can limit the size, density, and height limits; ; support for Alternative #2, but opposition to changing the density of Brookside Apartments; details of the Citizen Committee recommendations for Alternative #3; the aggressive approach that Buena Park has towards increased revenue development; and concerns for noise and traffic involved with new development or any zoning changes.

The motion carried on the following vote:

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

NOES: Council Member Goedhart and Mayor Pro Tem Kim

2. Adoption of the Fiscal Year 2014-15 Operating and Capital Budget

- a) Mayor Shanahan opened the Public Hearing at 8:01 p.m.
- b) Administrative Services Director Murray gave the Staff Report

City Manager Volmert closed the presentation by giving a report on expenditure reductions for City Council consideration.

Mayor Shanahan requested to take a short break at 8:25 p.m.

Mayor Shanahan reconvened the City Council at 8:33 p.m. with all members present.

- c) Public Input:

Ken Kitagawa, 5591 Maplewood Avenue, addressed the City Council regarding his concern for reducing labor costs; eliminating raises; reducing employee pension costs; and requesting to get a printout of the presentation.

- d) Mayor Shanahan closed the Public Hearing at 8:39 p.m.

e) Council Comments and Questions:

Discussion ensued regarding an explanation of how the contract accounting services savings could be met; effectiveness of SCORE workshops; details of Police Department cell phone reductions; opposition to using reserves in order to balance the budget; that the budget is a financial blue print; the necessity of making cuts in order to balance the budget; and addressing the public comment.

City Manager Volmert responded to Mr. Kitagawa's comments by reporting that there has been a 14% reduction in full time staff in the last two years; the labor contracts in 2011 have resulted in employees paying their full employee contribution of their pensions and salaries were not increased to compensate; elimination of two director positions; a lay-off due to budgetary constraints; no Cost of Living Adjustment (COLA) increases in the first two years of the agreements; the reduction of six departments to four; and the tremendous amount of financial changes. She also reported on the City's financial plan addressing the upcoming Statewide CalPERS increases and that the Proposed Budget is posted on the City's website.

Further discussion ensued regarding City Council's appreciation for all the work that went into the budget process; concerns for the health of the organization if cuts are made; that the City Council direction for a balanced budget has forced 'penny-pinching'; this budget projects a surplus after last year's deficit; that expenditures reduced for the FY 2014-15 year are not sustainable in the long-term; that overtime costs are always a budgetary concern; upcoming labor negotiations and election costs; support for adding monitors at the dais and additional screens for the audience; suggestions for upcoming labor negotiation and election budgetary allocations; opposition to training reductions; support for spending control and financial discipline over the past year; sales tax revenue fluctuations; support for the Fit 'N' Fun program at its current service level; support for retention of ACC-OC membership and management furlough elimination; and anticipation that revenues need to be reviewed again at the mid-year level, when Staff would have more updated data from Property and Sales Tax revenue and Utility Users Tax revenue information.

f) Adopt Resolution No. 2014-33 approving and adopting a Budget for Fiscal Year 2014-15, which includes the City's Financial Policy Statements

g) Adopt Resolution No. 2014-34 approving the City's Annual Appropriations Limit for Fiscal Year 2014-15.

Council Member Hwangbo made a motion to consider the Labor Negotiation and Election costs as nonrecurring costs; retain all days of Fit 'N' Fun and the ACC-OC membership, and eliminate the Management

Furlough; adopt Resolution No. 2014-33 approving and adopting a Budget for Fiscal Year 2014-15, which includes the City's Financial Policy Statements; and adopt Resolution No. 2014-34 approving the City's Annual Appropriations Limit for Fiscal Year 2014-15.

The motion failed for lack of a second.

Mayor Pro Tem Kim made a motion to adopt Resolution No. 2014-33 approving and adopting a Budget for Fiscal Year 2014-15, reinstating Fit N Fun to its current service level and keeping the Civic Expo; approve the City's Annual Appropriations Limit for Fiscal Year 2014-15; and review the ACC-OC membership, Management Furloughs, and other one-time reductions at mid-year.

The motion was seconded by Mayor Shanahan.

Discussion ensued regarding elections being budgeted every two years; that Labor Attorney costs fluctuate; that Council Member Goedhart only supports \$20 thousand for Grant Writing Services and will vote against the budget based on that item; and clarification of the Management Team furlough action taken with the motion.

City Manager Volmert clarified that the Grant Writing Services is a one-time project that does not come from the General Fund; that it will be consulting services versus City Staff; that this should pay for itself with the grant monies received; and reported that the motion clarifies that Management Team furloughs will come back for consideration at the mid-year review.

The motion carried on the following vote:

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

NOES: Council Member Charoen and Council Member Goedhart

CONSENT CALENDAR

3. Waive the Reading of All Ordinances

Waive the reading of all Ordinances in their entirety and read by title only.

4. Approval of Register of Demands

Adopt Resolution No. 2014-35 approving the Register of Demands for June 17, 2014.

5. Fiscal Year 2014-15 Amendment to Agreement with Southeast Area Animal Control Authority for Animal Care Services.

Approve and authorize the Mayor to execute an Amendment to the Agreement with the Southeast Area Animal Control Authority (SEAACA) for the provision of animal care services for the 2014-15 Fiscal Year.

6. 2014 Annual Water Quality Report

Receive and file the 2014 Annual Water Quality Report and direct staff to print and distribute the report to the residents of La Palma.

7. Renewed Measure M (M2) Submittal Package

Approve the submittal of the Fiscal Year 2014-15 Renewed Measure M (M2) eligibility packet to the Orange County Transportation Authority.

Council Member Goedhart made a motion to approve Consent Calendar Items 3, 4, 5, 6, and 7.

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 CONSENT CALENDAR

8. Agreement with Filarsky & Watt LLP

Staff requested to pull the item from the Consent Calendar in order to present a Staff Report.

City Manager Volmert gave the Staff Report.

Discussion ensued regarding the difference in the Staff Report and the presentation; Council Member Goedhart's support for conducting a Labor Services Request for Proposal (RFP).

Council Member Goedhart made a motion to approve an amendment to the original agreement, keeping the hourly rate at \$240 per hour and increasing the total agreement amount up to \$35,000 through June 30, 2014; as the original agreement has no termination date, that Filarsky & Watt could continue providing services at the rate of \$240 per hour until an Request for Proposal (RFP) was conducted; and direct Staff to develop and conduct an RFP process for labor attorney services.

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

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

NOES: Mayor Shanahan

REGULAR ITEMS

9. 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

Administrative Services Director Murray gave the Staff Report.

Adopt 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 Goedhart made a motion to adopt Ordinance No. 2014-01 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 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

10. Adoption of an Updated Fund Balance and Reserve Policy Pursuant to the Sustainable Financial Plan

Administrative Services Director Murray gave the Staff Report.

- a) Adopt a Resolution of the City Council of the City of La Palma establishing Fund Balance Commitments for Revenue Volatility Reserve, Economic Development, and Emergency Reserve; and
- b) Adopt a Resolution of the City Council of the City of La Palma approving the Fund Balance and Reserve Policy.

Council Member Goedhart made a motion to adopt Resolution No. 2014-36 establishing Fund Balance Commitments establishing Fund Balance Commitments for Revenue Volatility Reserve, Economic Development, and Emergency Reserve; and adopt Resolution No. 2014-37 approving the Fund Balance and Reserve Policy.

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

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

Council Member Charoen had nothing to report.

Council Member Goedhart had nothing to report and announced that he attended his son's high school graduation. He closed by requesting a status report on the Warwick Circle Code Enforcement case.

Community Development Director Dumhart responded that the residence has been cited with several notices of violations and will now be issued an administrative citation. He closed by reporting that an inspection will be conducted of the property later this week as well.

Council Member Hwangbo attended the Buena Park Relay for Life event; his son's high school graduation; and announced the upcoming July 4th Annual Fitness Run for Fun. He congratulated Administrative Services Director Murray on the birth of her granddaughter and passed on congratulations to teachers and students on another accomplished academic year.

Mayor Pro Tem Kim attended the Orange County Sanitation District (OCSD) Administration Committee meeting.

Mayor Shanahan attended the Buena Park Relay for Life event and passed on his appreciation for the Residential Curb Address Painting Project. He noted that fire hydrant curbs within the City need to have the red paint touched up.

Community Services Director Belknap responded that the repainting of fire hydrant curbs is on the maintenance schedule and will commence after July 1, 2014.

CITY MANAGER REMARKS

City Manager Volmert attended the Buena Park Relay for Life event.

CITY ATTORNEY REMARKS

Assistant City Attorney Molko reported that Proposition 42 passed, amending the State's constitution, making a change that mandated Public Record responses will no longer be reimbursed by the State.

CLOSED SESSION

CS-1. POTENTIAL INITIATION OF LITIGATION. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: One (1) potential case.

Mayor Shanahan recessed to Closed Session at 9:39 p.m.

Mayor Shanahan reconvened in Open Session at 9:52 p.m. and asked for a report.

Administrative Services Director Murray announced that there were no reportable actions.

ADJOURNMENT

Mayor Shanahan adjourned the Regular Meeting of the La Palma City Council at 9:53 p.m.

Steve Shanahan
Mayor

Attest:

Laurie A. Murray, CMC
City Clerk