

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

December 16, 2014

CALL TO ORDER: Mayor Pro Tem Goedhart 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 Mayor Kim being absent.

PLEDGE OF ALLEGIANCE: Council Member Shanahan

INVOCATION: Pastor Steve Bland, La Palma Christian Center

ROLL CALL: Council and Commission Members

Council/Commission Members present: Mayor Pro Tem Goedhart, Council Member Hwangbo, Council Member Shanahan, Council Member Steggell

Council/Commission Members absent: Mayor Kim

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

PRESENTATIONS

1. Mayor Pro Tem Goedhart presented a proclamation and cash award to Paul Bracciodieta, in recognition of being named the 2014 Employee of the Year.
2. Mayor Pro Tem Goedhart presented a proclamation and cash award to Chet Corbin, in recognition of being named the 2014 Supervisor/Professional Employee of the Year.
3. Council Member Hwangbo presented a Proclamation to Mr. Kim, president of the Korean American Foundation of Orange County, in recognition of January 13 as Korean-American Day

ORAL COMMUNICATIONS

Keith Nelson, 5311 La Luna Drive, addressed the City Council regarding the Kiwanis's receiving the collective donations that would provide families in La Palma with a week of quality food during the holiday season. He thanked all employees and local businesses that were involved and asked that the effort be placed into the next Mosaic.

Larry Herman, 5122 Andrew Drive, addressed the City Council regarding a dead tree on the western end of Houston Avenue and noted the vacant tree wells along Houston that need attention.

RECESS THE CITY COUNCIL AND CONVENE AS THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION AT 7:17 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 TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION, AND CONVENE AS THE PLANNING COMMISSION AT 7:18 P.M.

CONSENT CALENDAR

None Scheduled.

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

None Scheduled.

ADJOURN THE PLANNING COMMISSION AND RECONVENE AS THE CITY COUNCIL
AT 7:19 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 Register of Demands

Resolution No. 2014-60 approving the Register of Demands for December 16, 2014.
3. Resolution Adopting the June 30, 2014, Measure M2 Expenditure Report

Resolution No. 2014-61 adopting the June 30, 2014, Measure M2 expenditure report.
4. Notice of Completion and Acceptance of Work for the Pavement Rehabilitation of Residential Streets with Asphalt Rubber Overlay (ARHM), City Project No. ST-331

Accept the work and authorize the Community Services Director to file the Notice of Completion and Acceptance of Work with the Orange County Recorder for the Pavement Rehabilitation of Residential Streets with Asphalt Rubber Overlay (ARHM), City Project No. ST-331.
6. Resolution Approving the City's Submittal of an Application to the Orange County Transportation Authority (OCTA) for the Regional Surface Transportation

Program Funding under the Moving Ahead for Progress in the 21st Century
Federal Transportation Act

Adopt Resolution No. 2014-63 approving the submittal of an application to the Orange County Transportation Authority (OCTA) for the Regional Surface Transportation Program (RSTP) Funding under the Moving Ahead for Progress in the 21st Century Federal Transportation Act for the La Palma Avenue and Valley View Street Rehabilitation Projects.

Council Member Shanahan made a motion to approve Consent Calendar Items 1 through 4 and Item 6.

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

AYES:	Mayor Pro Tem Goedhart, Council Member Hwangbo, Council Member Shanahan, and Council Member Steggell
NOES:	None
ABSENT:	Mayor Kim

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

Mayor Pro Tem Goedhart announced that he would change the order of the Regular Items to accommodate a Staff member's schedule.

10. First Quarter Financial Operating Report and City Council Goals Update - Fiscal Year 2014-15

Administrative Services Director Murray gave the Staff Report.

Council Comments and Questions:

Discussion ensued regarding gasoline sales tax revenue reductions and the impact on overall revenues; other unanticipated revenue reductions; that decisions will be made on the Association of California Cities - Orange County (ACC-OC) membership and Management furloughs at the mid-year budget adjustments

discussion; and that actual revenues are not as they were projected during the FY 2014-15 Budget adoption.

Public Comment:

Larry Herman, 5122 Andrew Drive, addressed the City Council regarding the water conservation Ordinance and explanation of how leak notices are handled.

Community Services Director Belknap detailed the process for monitoring water customer usage and how leaks are handled as dictated in the recently adopted Water Conservation Ordinance.

Receive and File the report.

Council Member Hwangbo made a motion to receive and file the First Quarter Financial Operating Report and City Council Goals Update - Fiscal Year 2014-15.

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

AYES:	Mayor Pro Tem Goedhart, Council Member Hwangbo, Council Member Shanahan, and Council Member Steggell
NOES:	None
ABSENT:	Mayor Kim

ITEMS PULLED FROM CONSENT CALENDAR

Mayor Pro Tem Goedhart requested to pull Item 5 from the Consent Calendar to first hear the Financial Operating report as the outcome directly affects the decision on the item.

5. Approval to Recruit a Part Time Community Liaison Officers and Adoption of a Resolution Adopting a Revised Part-time Salary Schedule

Mayor Pro Tem Goedhart asked for the cost and job duties of the newly created position.

Police Chief Nuñez responded by noting this position is part of the Police Department's reorganization plan; added that this position is 4% below the County average; and detailed the duties and responsibilities of the new Community Liaison Officer.

- a) Approve the recruitment for one or more part time (hourly) Community Liaison Officer(s), not to exceed a total of 20 hours per week; and
- b) Adopt Resolution No. 2014-62 adopting a Revised Part-time Salary Schedule.

Council Member Steggell made a motion to approve the recruitment for one or more part time (hourly) Community Liaison Officer(s), not to exceed a total of 20 hours per week; and adopt Resolution no. 2014-62 revising a Part-time Salary Schedule.

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

AYES:	Mayor Pro Tem Goedhart, Council Member Hwangbo, Council Member Shanahan, and Council Member Steggell
NOES:	None
ABSENT:	Mayor Kim

REGULAR ITEMS CONTINUED

11. Financial Services System Conversion Update and Proposed Budget Structure

Administrative Services Director Murray gave the Staff Report.

Council Comments and Questions:

Discussion ensued regarding support for upgrading the financial technology; accessibility to robust financial information and reports with the new software; and support for the ability to look at trends and realistic financial data.

Receive and file the report and provide direction to staff as warranted.

Council Member Hwangbo made a motion to receive and file the Financial Services System Conversion Update and Proposed Budget Structure report.

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

AYES:	Mayor Pro Tem Goedhart, Council Member Hwangbo, Council Member Shanahan, and Council Member Steggell
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NOES: None

ABSENT: Mayor Kim

7. Consideration of Site License Agreement with Catherine G. Martinet and Paul E. Martinet Living Trust of 1987 and Robert A. Stiles Tax Free Trust for Water Quality Improvements in the Public Right-of-Way - 5692 Fresca Drive

Community Development Director Dumhart gave the Staff Report.

Council comments and questions:

Discussion ensued regarding support for the project as it supports local businesses; that the parking lot repairs should have been proactively addressed and not brought up by code enforcement; the engineering specifications to the water reduction system; the requirements of the application to make the improvements; and how the project will not cause any damage to the City's public Right-of-Way (ROW).

Approve and authorize the Mayor to execute a Site License Agreement with Catherine G. Martinet and Paul E. Martinet Living Trust of 1987 and Robert A. Stiles Tax Free Trust for Water Quality Improvements in the Public Right-of-Way.

Council Member Hwangbo made a motion to approve and authorize the Site License Agreement with Catherine G. Martinet and Paul E. Martinet Living Trust of 1987 and Robert A. Stiles Tax Free Trust for Water Quality Improvements in the Public Right-of-Way - 5692 Fresca Drive

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

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

NOES: None

ABSENT: Mayor Kim

8. Energy Service Contract for Energy Related Improvements to City Facilities

Community Services Director Belknap gave the Staff Report.

Council Comments and questions:

Discussion ensued regarding support for financing at the lowest interest rate possible; support for using the City's funds to partially fund the project; explanation of the reduction in savings; and clarification of the contract's guaranteed savings.

Frank Mann, Climatec Project Manager, responded that they offer a 15 year guarantee for the length of the investment - a guarantee that the investment would be covered by the energy savings - and the City can opt out at any time; and noted the extra funds are for the engineers to conduct an annual review and costs related to that.

Discussion further ensued regarding the reduction in savings only if the City opts out after a three year period; that if they did not opt out, the City would be responsible for the \$7500 annual measurement and verification fees by the engineers; that Staff negotiated the best rate with Climatec; details of the contingency; the different financing and payment options; support for spending reserve funds in order to decrease the amount owed for financing the energy project; that this project can finance itself because of the energy savings; that the City has some upcoming major financial responsibilities that do not have self financing options, but need reserve funds in order to resolve; the possibility of using one time project funds exclusive of reserves for some of the energy project; support for the City to use its reserves to partially finance the project; support to move forward with the energy project contract, but not the financing portion; support for the 10-year repayment option because of the interest expense; prepayment option actually being a penalty; that Staff's recommendation is to fully finance the project; the significant increased CalPERS obligations that affect the sustainable financial plan; support to discuss other financing options to maximize the savings; and that the City Council can approve the Climatec contract in order to start the energy savings project to avoid any cost increases and discuss financing options at a later date.

- a) Authorize the City Manager to execute the Climatec Guaranteed Savings Contract and associated agreements; and
- b) Approve Resolution No. 2014-64 authorizing the execution and delivery of an equipment lease-purchase agreement, an escrow agreement and equipment schedule with respect to the acquisition, purchase, financing, and leasing of certain equipment for the public benefit; authorizing the execution and delivery of documents required in connection therewith; and authorizing and taking of all other actions necessary to the consummation of the transactions contemplated by this resolution.

Council Member Hwangbo made a motion to approve and authorize the City Manager to execute the Climatec Guaranteed Savings Contract and associated agreements exclusive of the project financing; and direct Staff to return to the City Council with other financing options.

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

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

NOES: None

ABSENT: Mayor Kim

9. Community Development Block Grant (CDBG) Request

Community Services Director Belknap gave the Staff Report.

Council Comments and Questions:

Discussion ensued regarding the timeline for grant funding; support for submitting the grant application; the number of agencies that are eligible; that Orange County confirmed that they would consider La Palma's grant application; that the City has a fair a chance of receiving the CDBG grant funds; and that Stanton will not be making an application allowing La Palma the grant funding opportunity.

Authorize staff to utilize Blais & Associates to develop and submit a grant for Community Development Block Grant (CDBG) funds for Public Facilities and Improvements (PF&I).

Council Member Shanahan made a motion to approve and authorize Staff to utilize Blais & Associates to develop and submit a grant for Community Development Block Grant (CDBG) funds for Public Facilities and Improvements (PF&I).

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

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

NOES: None

ABSENT: Mayor Kim

Council Member Shanahan attended the annual Employee Recognition luncheon and congratulated the Employees of the Year; thanked Team Vision for their work; thanked Staff for raising monies to donate to the Kiwanis; and closed by wishing a Merry Christmas to everyone.

Council Member Steggell attended the annual Employee Recognition luncheon and congratulated the Employees of the Year and wished everyone a Merry Christmas.

Council Member Hwangbo attended the annual Employee Recognition luncheon and wished everyone a Merry Christmas and happy New Year.

Mayor Pro Tem Goedhart attended the Orange County Fire Authority (OCFA) Board meeting; the City of Cypress reorganization meeting; the City of Los Alamitos reorganization meeting; the annual Employee Recognition luncheon; thanked employees for their hard work; and wished the City staff and residents a Merry Christmas, happy holidays, and a happy New Year. He announced that the City Council will not have a regular meeting on January 6th, but a Goal Setting Session at 7:00 p.m. in the Fan Palm Room at the Community Center.

CITY MANAGER REMARKS

City Manager Volmert announced her holiday absence during the holiday closure and wished everyone a safe and happy holiday season. She closed by thanking everyone for their service and work over the past year.

CITY ATTORNEY REMARKS

Assistant City Attorney Molko announced the upcoming new Legislation going into effect January 1st and wished a happy holidays to everyone.

ADJOURNMENT

Mayor Pro Tem Goedhart adjourned the Regular Meeting of the La Palma City Council at 8:58 p.m. to the Special Goal Setting Session on January 6, 2015.

Peter L. Kim
Mayor

Attest:

Laurie A. Murray, CMC
City Clerk