

MINUTES OF THE REGULAR MEETING  
OF THE LA PALMA CITY COUNCIL

February 17, 2015

CALL TO ORDER: Mayor Kim called the Regular Meeting of the La Palma City Council to order at 6:30 p.m. in the Council Chambers of La Palma City Hall, 7822 Walker Street, La Palma, California, with all members present.

CLOSED SESSION

CS-1. CONFERENCE WITH REAL PROPERTY NEGOTIATIONS

Pursuant to Government Code Section 54956.8

Property: 5410-14 La Palma Avenue, La Palma, California,  
APN # 262-102-14

City Negotiators: Michelle Molko, Assistant City Attorney  
Ellen Volmert, City Manager  
Douglas Dumhart, Community Development Director

Negotiating Parties: Joon Lee, LeaseNegotiations.com

Under Negotiations: Price and Terms for Commercial Lease

Mayor Kim recessed to Closed Session at 6:31 p.m.

Mayor Kim reconvened in Open Session at 7:00 p.m. and asked for a report from Closed Session.

Administrative Services Director Murray responded that there were no reportable actions for Item CS-1.

PLEDGE OF ALLEGIANCE: Council Member Steggel

INVOCATION: Pastor Steve Bland, La Palma Christian Center

ROLL CALL:

Council and Commission Members

Council/Commission  
Members present:

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

Council/Commission  
members absent:

None

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  
Kimberly Kenney, Minutes Clerk

PRESENTATIONS

1. Kerry J. Worgan, California Public Employees Retirement System (CalPERS) Senior Pension Actuary, gave a presentation regarding CalPERS rates and assumptions.

Discussion ensued regarding the new changes to the pooling structure allowing cities to pay down their unfunded liability; that the City Council thought they paid some of their unfunded liability but had previously paid the CalPERS side fund; and that the City can make a payment towards its unfunded liability and it will impact next year's projected payments and contribution.

ORAL COMMUNICATIONS

Robert Carruth, 7201 Monterey Lane, addressed the City Council regarding La Palma's pension debt; that market volatility creates the inability to predict correct projections; that CalPERS is a political organization and a pension manager; detailed analysis of the rates of returns; support to use more conservative rates to calculate ongoing contributions; and asked the City Council to take aggressive steps to conduct sensitivity analysis in order to address the City's unfunded liability.

RECESS THE CITY COUNCIL AND CONVENE AS THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION AT 7:35 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 Register of Demands

Resolution No. SA 2015-04 approving the Successor Agency Registers of Demands for February 17, 2015.

B. Successor Agency 2nd Quarter Cash and Investment Report, Fiscal Year 2014-15, as of December 31, 2014

Receive and file the Cash and Investment Report for the second quarter of Fiscal Year 2014-15

Mayor Kim made a motion to approve Consent Calendar Items A and B.

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

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

NOES: None

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

None Scheduled.

ADJOURN THE SUCCESSOR AGENCY, AND CONVENE AS THE PLANNING COMMISSION AT 7:36 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 7:37 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. 2015-05 approving the Register of Demands for February 17, 2015.
3. City of La Palma 2nd Quarter Cash and Investment Report, Fiscal Year 2014-15, as of December 31, 2014  
Receive and file the Cash and Investment Report for the second quarter of Fiscal Year 2014-15.
4. Award of Contract to JDL Design, LLC for the Replacement of the Walker Street Booster Station PLC Panel (Phase II), City Project 11-WTR-02.

Award a contract in the amount of \$53,395 to JDL Design, LLC for the Replacement of the Walker Street Booster Station Process Logic Control (PLC) Panel (Phase II), City Project 11-WTR-02.

5. Purchase of Replacement Police Vehicle

Authorize the purchase of one (1) replacement vehicle, 2014 model year Dodge Charger Police Package from McPeck Dodge of Anaheim available under the Cooperative purchase provision of the City of Los Angeles Contract Number 0001402136.

Council Member Shanahan made a motion to approve Consent Calendar Items 1 through 5.

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

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

NOES: None

PUBLIC HEARINGS

6. Consideration of Agreement to Lease 5410 La Palma Avenue by and between the City of La Palma and Elite Tae Kwon Do Center, Inc. for a Martial Arts Studio - CONTINUED FROM FEBRUARY 3, 2015

- a) Mayor Kim reopened the Public Hearing at 7:37 p.m.
- b) Community Development Director Dumhart gave the Staff Report
- c) Public Input:  
No members of the public wished to speak.
- d) Mayor Kim closed the Public Hearing at 7:38 p.m.
- e) Council Comments and Questions:  
None.
- f) Adopt Resolution approving an Agreement to Lease 5410 La Palma Ave by and between the City of La Palma and Elite Tae Kwon Do Center, Inc. for a

Martial Arts Studio and authorize the Mayor to execute the Lease Agreement; and,

- g) Appropriate \$20,742 from the Economic Development Fund for Brokerage obligations outlined in the Agreement to Lease 5410 La Palma Avenue.

Council Member Shanahan made a motion to adopt Resolution No. 2015-06 approving an Agreement to Lease 5410 La Palma Ave by and between the City of La Palma and Elite Tae Kwon Do Center, Inc. for a Martial Arts Studio and authorize the Mayor to execute the Lease Agreement; and appropriate \$20,742 from the Economic Development Fund for Brokerage obligations outlined in the Agreement to Lease 5410 La Palma Avenue.

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

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

NOES: Council Member Hwangbo

## REGULAR ITEMS

### 7. Appointments to Citizen Committees

Mayor Kim introduced the item and gave a brief report out on the interview process. He also thanked the citizens for the dedication to serve.

- a) Appoint Jonathan Dhauw, Alta Duke, and Kathy Peters to the Community Activities and Beautification Committee; all with four-year terms expiring December 31, 2018; and
- b) Appoint Guillermo "Willie" Ortega and Re-Appoint Jan Jensen to the Traffic Safety Committee; both with four-year terms expiring December 31, 2018.

Mayor Kim made a motion to appoint Jonathan Dhauw, Alta Duke, and Kathy Peters to the Community Activities and Beautification Committee; all with four-year terms expiring December 31, 2018; and appoint Guillermo "Willie" Ortega and Reappoint Jan Jensen to the Traffic Safety Committee; both with four-year terms expiring December 31, 2018.

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

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

NOES: None

8. Consideration of Consultant Services Agreement with DesignUA Inc., for Preparation of Tenant Improvement Plans for 5410-14 La Palma Avenue - CONTINUED FROM FEBRUARY 3, 2015

Community Development Director Dumhart gave the Staff Report.

Council Member Shanahan made a motion to approve the Consultant Services Agreement with Design UA for the preparation of tenant improvement plans for 5410-14 La Palma Avenue and authorize appropriation of \$6,500 from the Economic Development Fund.

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

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

NOES: None

9. Moratorium on Issuing Parking Citations during Winter Holiday Period

Police Chief Nuñez gave the Staff Report.

Public Comment:

David Kimes, 5712 Conifer Drive, addressed the City Council announcing his support for the Winter Holiday Street Sweeping Ticket Moratorium.

Chief Nunez added that street sweeping will still be conducted during the period of moratorium, but that vehicles will not be ticketed.

Jim Johnson, 7511 Mark Circle, addressed the City Council regarding his opposition to conducting Street Sweeping during a ticket moratorium and suggested to discontinue the sweeping until after the moratorium.

Council Comments and Questions:

Discussion ensued regarding support for the item; that the City Council has the ability to change City Ordinances; and that the City Council prioritizes residential concerns.

Mayor Pro Tem Goedhart made a motion to adopt Resolution No. 2015-07 declaring a moratorium on issuing street sweeping violation citations from December 22 through December 28, during the Winter Holiday period.

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

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

NOES: None

10. High School Survey to Residents North of Houston

City Manager Volmert gave the Staff Report.

Council Comments and Questions:

Discussion ensued regarding the logic behind the 50% mail rate; that where students currently go to school and where they went in the past should be two separate questions; opposition to such a long survey and support to have the survey condensed to two to three questions; that people are more responsive to a short survey; opposition to wasting money on postage when offering an online survey; that legislators care about whether students want to go to La Palma schools; that the numerous questions will hinder the response rate; that the only questions need to be whether students support legislation that would allow them to attend La Palma Schools and where would you send your child if you had a choice; support to decrease the amount of questions asked; details of why the initial survey is so long and the methodology behind the additional questions; that some of the information may be useful to the school districts; that school district financial impacts will need to be addressed with the legislature; support for simple being better.

- a) Approve conducting a survey of residents north of Houston; and
- b) Appropriate \$2,150 from the Onetime Projects Fund for the project.

Mayor Pro Tem Goedhart made a motion to direct the City Manager to develop a two or three question survey of residents north of Houston



pertinent to public support of high school of choice. The motion was seconded by Council Member Steggell.

Further discussion ensued regarding clarification of the project timeline from having a shorter survey; that responses should be due by March 9, 2015; and that with a shorter survey, the amount of analysis is decreased, reducing the turnaround time.

The motion carried on the following vote:

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

NOES: Council Member Hwangbo and Council Member Shanahan

Administrative Services Director Murray announced that the motion did not include the appropriation of funds for the survey.

Mayor Pro Tem Goedhart made a motion to appropriate \$2,150 from the Onetime Projects Fund for the school of choice survey project to residents north of Houston.

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

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

NOES: Council Member Hwangbo

Mayor Kim requested to take a short recess at 8:19 p.m.

Mayor Kim reconvened the City Council at 8:24 p.m. with all members present.

11. Second Quarter Operating Report, City Council Goals Update, and Mid Year Budget Adjustments, Fiscal Year 2014-15
  - a) Receive the presentation on the Second Quarter Operating Report and City Council Goals Update.

Administrative Services Director Murray gave the presentation.

Community Services Director Belknap gave a brief report on the City's Street Median Design project for water conservation.

Administrative Services Director Murray continued the presentation.

Council Comments and Questions:

Discussion ensued regarding the proposed reduction in staffing hours at Central Park; that at first the deficit did appear to be as bad as anticipated; that the upcoming McDonalds renovations and closure could impact the sales tax revenues; a request that Staff bring back a budget balancing discussion at the upcoming March 17 meeting with recommendations; that the current proposed deficit includes the management furloughs; that cutting services and reducing operating hours in order to balance a mid-year budget at this point is too confusing to the public; that Mayor Pro Tem Goedhart estimated the actual budget deficit could be up to \$250,000; that Police Department overtime is well over budget; that current vacancies of three officers and one officer out on a long-term workers compensation claim has caused increased overtime; that the deficit is growing; concern for financial trends and that the current plan is not sustainable; that Staff is comfortable with the initial numbers expressed as the proposed deficit but is willing to research the matter further; that overtime in the Police Department is normal as a result of sick and leave time; that additional research and recommendations will have to be made in order to balance the FY 14-15 budget; that the budget gap is not as bad as originally thought; that certain Council Members are willing to use reserves to cover the deficit; that the budget is not exact science and based on current expenditures and estimated revenues that could change; that Staff has over and underestimated budget numbers; support for the item to be brought back to the City Council with different recommendations; opposition to making additional cuts to services without seeing a more detailed and defined budget deficit report; that the proposed Police Department reorganization has not produced any savings due to the additional vacancies in staff, which were not anticipated; and details of the four officer vacancies and the timeline for filling those vacancies.

- b) Approve the transfer of Fiscal Year 2013-14 General Fund excess funds; and approve a Resolution amending the Fiscal Year 2014-15 Budget to adjust certain Department and Program budgets.

Council Member Hwangbo made a motion to continue the item to the March 17, 2015, City Council meeting.

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

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

NOES: None

12. Long Term Fiscal Planning and Projected Fiscal Year 2015-16 Revenues and Expenditures

Administrative Services Director Murray gave the Staff Report.

Public Comment:

Keith Nelson, 5311 La Luna, addressed the City Council regarding that the current Transient Occupancy Tax (TOT) generates \$307,000; support to increase the TOT; history of the Utility User Tax (UUT); opposition to increasing the UUT to pay for pension costs; and asked the City Council to practice caution in finding ways to increase the City's revenue without adversely impacting the residential tax formula. He inquired about the City's Reserve Police Officer staff helping to lower overtime costs.

Police Chief Nunez responded that Reserves Officers supplement rather than supplant full-time Officers on duty.

Council Comments and Questions:

Discussion ensued regarding the City Council not indicating direction to increasing the UUT or TOT; that this discussion is the introduction to the upcoming Sustainable Financial Plan (SFP); that the City needs to look at other revenue generating options; support for Staff to start bringing this forward for discussion; difficulty of a tax increase without having first conducted expenditure reductions; that a tax increase would not relieve the deficit; that the City Council needs to prepare for cutting services that it cannot afford; support for reviewing the TOT; that the only options are changes to the City's service structure, employee structure, or increasing taxes; support for reducing expenditures; that personnel costs are going to automatically increase over time because of CalPERS; that the community looks to the City Council for leadership and direction whether it be welcomed news or not; the possibility and evaluation of increasing sales tax; the upcoming nonprofit status of La Palma Intercommunity Hospital; and that Staff arrange a meeting with hospital personnel regarding the upcoming impacts.

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

**Mayor Pro Tem Goedhart** had nothing to report.

**Council Member Hwangbo** attended a Southern California Association of Governments (SCAG) meeting; an Association of California Cities - Orange County (ACC-OC) meeting; and noted that tape on the poles from election signs at the corner of Moody and La Palma needs to be addressed.

Community Development Director Dumhart responded that he would have the City's Code Enforcement Officer resolve the issue with the maintenance manager of that property location.

**Council Member Steggell** attended the Buena Park State of the City address.

**Council Member Shanahan** attended the Council Policy Subcommittee meeting.

**Mayor Kim** attended the Neighborhood Watch Banquet; the John F. Kennedy High School Baseball Tile dedication ceremony; the Council Policy Subcommittee; the Citizen Selection Subcommittee meeting to interview applicants; and the Orange County Sanitation District (OCSD) Administration Committee meeting.

#### CITY MANAGER REMARKS

**City Manager Volmert** announced that she was going to report on being awarded the Community Development Block Grant (CDBG); however, Administrative Services Director Murray addressed it in the previous presentation.

#### CITY ATTORNEY REMARKS

**Assistant City Attorney Molko** had nothing to report.

#### ADJOURNMENT

Mayor Kim adjourned the Regular Meeting of the La Palma City Council at 10:05 p.m.

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Peter L. Kim  
Mayor

Attest:

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Laurie A. Murray, CMC  
City Clerk

