

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

February 2, 2016

CALL TO ORDER: Mayor 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.

PLEDGE OF ALLEGIANCE: Council Member Shanahan

INVOCATION: Father Rudy Alumam, St. Irenaeus Catholic Church

ROLL CALL: Council and Commission Members

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

Council/Commission Members absent: None

City Officials present: Laurie A. Murray, City Manager
Michelle Molko, Assistant City Attorney
Michael Belknap, Community Services Director
Douglas Dumhart, Community Development Director
Mike McCrary, Interim Police Chief
Kimberly Kenney, Deputy City Clerk

PRESENTATIONS

1. Noella Lew, representing the La Palma Community Activities and Beautification Committee, Home Spotlight Committee, presented the Quarterly Home Spotlight Award to the home of Cathleen Tsujioka, 5351 Marview Drive, 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.

Deputy City Clerk Kenney 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 January 19, 2016, Regular Meeting of the Successor Agency.

Council Member Kim made a motion to approve Consent Calendar Item A.

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

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

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 January 19, 2016, Regular Meeting of the Planning Commission.

Commission Member Kim made a motion to approve Consent Calendar Item PL-1.

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

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

NOES: None

PUBLIC HEARINGS

PL-2. Consideration of a Resolution Approving Conditional Use Permit (CUP) 370 to Operate a Liquor Store (Palma Liquor); Selling Beer, Wine and Distilled Spirits for Off-Premise Consumption Under a Type 21 (Off-Sale General) Alcohol License from the State of California Department of Alcohol Beverage Control (ABC); Located at 5466 La Palma Avenue, La Palma, California 90623 (Assessor's Parcel Number: 262-102-19)

- a) Chairperson Goedhart opened the Public Hearing at 7:08 p.m.
- b) Community Development Director Dumhart gave the Staff Report
- c) Commissioner Comments and Questions
None.
- d) Public Input:

Louis Toth a La Palma Resident, addressed the City Council regarding clarification of the address for the relocation of the business as Google Maps is showing the address at a different location than staff is.

Community Development Director Dumhart responded that Google Maps is incorrect; and that the business is located in the suite adjacent to the Dentist.

Elouisa Velasquez, a La Palma resident, addressed the City Council regarding her support for the relocation of Palma Liquor store; support for the owner; and support for the owner's staff.

Lisa Volivitch, a La Palma resident, addressed the City council regarding her support for the business owner and his staff.

Roberta Riaz, a La Palma resident, addressed the City Council regarding her support for the staff at Palma Liquor; and that they do card youngsters who try to buy cigarettes.

Jade Bartholomew, a La Palma resident, addressed the City Council regarding her support for the business owner and his staff.

Nino Poureshagh, a La Palma resident, addressed the City Council regarding his support for the business owner; and support for the business relocation.

Robert Carruth, a La Palma resident, addressed the City Council regarding his support for the business owner; that the owner is a good neighbor; and announced his support for the relocation of the business.

John Odee, a La Palma resident, addressed the City Council regarding his support for the business owner and staff; and that he will continue to do his business with them.

Mike and Mary Paningsoro, La Palma residents, addressed the City council regarding support for the business owner.

- e) Chairperson Goedhart closed the Public Hearing at 7:18 p.m.

Commission Comments and Questions:

Discussion ensued regarding the amount of support for the business; that the business owner is also a resident of the City; that the business has been part of La Palma for over forty years; that the business owner has always been a responsible operator of that business.

- f) Adopt Resolution No. PC 2016-05 approving Conditional Use Permit 370 for the operation of a liquor store (Palma Liquor) selling beer, wine, and distilled spirits for off-premise consumption under a Type 21 alcohol license

at 5466 La Palma Avenue, La Palma, California 90623 (Assessor's Parcel Number: 262-102-19).

Commission Member Hwangbo made a motion to adopt Resolution No. PC 2016-05 approving Conditional Use Permit 370 for the operation of a liquor store (Palma Liquor) selling beer, wine, and distilled spirits for off-premise consumption under a Type 21 alcohol license at 5466 La Palma Avenue, La Palma, California 90623 (Assessor's Parcel Number: 262-102-19). The motion was seconded by Commission Member Kim.

Discussion further ensued regarding support for the project; that with the relocation, that the owner and staff be mindful of kids who have access to alcohol; and support for the business.

The motion carried on the following vote:

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

NOES: None

Mr. Patel, business owner for Palma Liquor, announced that he will make every endeavor to continue to be a good merchant in La Palma; gave a brief history of his business; that he has never permitted any questionable activity; that he monitors the children who patronize his store; and thanked the Planning Commission for their support.

REGULAR ITEMS

None Scheduled.

ADJOURN THE PLANNING COMMISSION AND RECONVENE AS THE CITY COUNCIL AT 7:22 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 January 19, 2016, Regular Meeting of the City Council.

3. Approval of Register of Demands

Resolution No. 2016-05 approving the Register of Demands for February 2, 2016.

4. Water Conservation Monthly Report for December 2015

Receive and file the Water Conservation Monthly Report for December 2015.

Council Member Kim made a motion to approve Consent Calendar Items 1 through 4.

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

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

NOES: None

PUBLIC HEARINGS

5. Consideration of an Ordinance Approving a Development Agreement Between the City of La Palma and Foster Interstate Media, Inc., for a Double-sided Digital Display Billboard at 5545 Orangethorpe Avenue, La Palma, California

City Manager Murray announced that due to an error in noticing the Public Hearing, the item would be postponed to the February 16, 2016, Regular Meeting of the City Council.

REGULAR ITEMS

6. Adoption of an Ordinance Amending Chapter 14, Article I (Finance and Taxation in General) of the La Palma Municipal Code

Community Services Director Belknap gave the Staff Report.

Order the second reading and adopt Ordinance 2016-04 of the City of La Palma amending Chapter 14, Article I of the Municipal Code reducing the Water Funds Emergency Reserve requirement to five (5) percent.

Council Member Kim made a motion to adopt Ordinance 2016-04 amending Chapter 14, Article I (Finance and Taxation in General) of the La Palma Municipal Code.

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

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

NOES: None

7. Resolution Certifying the City's Commitment to Projects Submitted for Inclusion in the 2017 Federal Transportation Improvement Program (FTIP)

Community Services Director Belknap gave the Staff Report.

Adopt Resolution No. 2016-06 certifying that the City has the resources to fund the projects in the Fiscal Year 2016-17 to 2021-22 Transportation Improvement Program (TIP) and affirms its commitment to implement all projects in the program.

Council Member Kim made a motion to adopt Resolution No. 2016-06 certifying that the City has the resources to fund the projects in the Fiscal Year 2016-17 to 2021-22 Transportation Improvement Program (TIP) and affirms its commitment to implement all projects in the program.

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

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

NOES: None

8. Report from Citizen Committee on La Palma's Financial Sustainability and Future

City Manager Murray introduced the item and invited the Citizen Committee Chairperson to give the Staff Report.

Keith Nelson, Citizen Committee on La Palma's Financial Sustainability and Future Chairperson, inquired about the report out from the City Council's Strategic Planning Session.

Mayor Goedhart announced that at the January 29, 2016, Strategic Planning meeting, the City Council gave direction to Staff to research considering putting a revenue measure on the 2016 Ballot.

Assistant City Attorney Molko recommended that Council Member AB 1234 Reports be taken out of order as a matter of procedure and that Agenda Item 8 be postponed so that the AB 1234 discussion could be held now to report out from the Strategic Planning meeting as that meeting does not relate to this item.

Mayor Goedhart suspended any further action on Item 8; opened up Council Member AB1234 Reports; and announced that the outcome of the Strategic Planning Meeting was that the City Council directed Staff to research placing a revenue measure on the November 2016 Ballot, develop a Fiscal 2016-17 Budget that maintains frontline services and shows fiscal responsibility including suspending the July 4th Run for Fun, eliminating La Palma Days, reducing Concerts in the Park to one event in conjunction with the Civic Expo, explore contracting and/or shared service opportunities with other agencies, look for other expenditure reductions, and utilize reserves to meet the projected \$800,000 budget deficit.

Mayor Goedhart suspended Council Member AB1234 Reports to allow the continuance of the Citizen Committee presentation.

Chairperson Nelson continued with his presentation and closed by stating his disappointment with the City Council using the Committee's report in their Strategic Planning Session before the Committee's report was presented to the City Council.

Mayor Goedhart noted that the Committee's report was made public and its use in the Strategic Planning was only meant to be responsible in making appropriate decisions for the City's future over the next year.

Chairperson Nelson noted that he asked the City Manager to delay any Goal Setting Session; and that he or a Citizen Committee member would have liked to have attended that meeting in an effort to review the information with the City Council.

Committee Member Lutz announced that he has been a City volunteer for over 50 years; that he opposes the City Council having used the Committee's report in a meeting prior to the Committee having a chance to present it; questioned whether or not his service has been worth the effort; and his opposition to suspending the July 4th Run for Fun and reducing Concerts in the Park to only one event a year.

Committee Member Carruth noted his surprise and disappointment that the Committee's report was used in the Strategic Planning meeting; that a lot of cuts have already been made; that money spent for a shade structure at a local school should have been invested in La Palma; that the true reason for the Committee's

creation was essentially to address the City's pension liability obligations; gave a report on the impact of Orange County's pension liability obligations; that the Committee looked at disincorporation, but that every parcel owner would still be stuck with payments for that liability with no other alternative; and that any revenue measures should be relabeled as a 'pension tax.'

Mayor Goedhart clarified that the shade structure referred to was approved by a previous City Council in 2012; that the City Council meant no disrespect to the Committee by using their report in the Strategic Planning meeting; that the City Council is facing an \$800,000 deficit next year and the report was used in preparation of the Fiscal Year 2016-17 Budget; that if a Committee Member is upset, he'd personally apologize as that was not the intent of the City Council; and that the City Council has a special joint meeting scheduled on February 9th to further discuss the report.

Committee Member Lutz asked why there is a need to meet with the City Council since the report has already been presented.

Ralph Rodriguez, a La Palma resident, addressed the City Council regarding the pension spike having happened in 2003; that after seeing the quality of Committee Members, he felt hopeful of the outcome of their meetings; his opposition to using the report prior to the Committee's presentation; and asked for a report out from the Strategic Planning meeting on the vote taken to direct Staff regarding new taxes.

City Manager Murray announced that the minutes from that meeting are not prepared yet, but that it was a 5-0 straw vote to direct Staff to investigate and conduct research; that there was no specific action taken; and that there was only direction to start preparation of the budget document.

Mayor Goedhart clarified that no tax was approved at that meeting, but rather that the City Council directed Staff to conduct research for a revenue measure for the 2016 Ballot.

Mr. Rodriguez continued by expressing his concern that the City Council is rushing to a conclusion that the only way solve the problem is by creating revenues on the backs of the residents; that he is unclear of who to address financial concerns to with the lack of financial leadership in the City; that he is opposed to having Council Members fill the financial roles for the City; that with the election climate in November, the City may not have success in trying to pass anything other than a Transient Occupancy Tax (TOT) measure; his opposition to the back and forth dialogue between the City Council and public commenters; and encouragement that the City Council should listen and let the comment period be completed prior to starting any discussion.

Mayor Goedhart noted that he appreciates all public comment, but reminded those present that he has 34 years' experience as a Finance Director.

Wally Zimmerman, a La Palma resident, addressed the City Council regarding the Police Department being the single largest expenditure of the City; that he supports public safety; and that instituting a revenue generating tax measure may solve the immediate financial issues, but that the City needs to resolve long term financial obligations to pensions.

Jerry Lomeli, a La Palma resident, addressed the City Council regarding getting access to the detailed report that was presented; whether the TOT would be significant enough; that the City needs to stop cutting services and reevaluate revenues that are not being utilized; his opposition to taxing residents; and that the City should consider generating revenue in other ways.

Council Comments and Questions:

Discussion ensued regarding the City Council's appreciation for the time the Committee Members committed to this project; understanding the difficult struggle with determining the recommendations in the report; that the City has historically struggled with revenues because the City is not sustainable; that the City has been cutting services for the past five or more years; that the City is facing an additional \$300,000 in decreased revenues due to lowered oil prices; that the City cannot continue to operate as we do now; concern for the health of the organization; that this crisis is an opportunity to reinvent the City's government; that the City is small, fully built out, and not designed to generate revenues; support for placing a revenue measure on the 2016 Ballot; that the Committee's report is confirmation of what the City Council already knew; thanks and appreciation to all eleven Committee Members; that the pension issues are going to escalate; apologies to the Committee Members who felt slighted that the City Council took their report and used it to plan; that the City Council took no formal vote on the report and only used it for discussion; that prior to the Committee's formulation, the City had already made \$2 million in reductions; that any more cuts would change the character of the City and the City Council created the Committee to get direction from the residents; that none of the direction given during the Strategic Planning meeting was easy, but the City needs to remain solvent and responsible; that the City Council looks forward to working with the community on resolution; that the Strategic Planning meeting was open to the public and any Committee Member was welcome to join; and that any disappointment could have been addressed during the Strategic Planning meeting.

City Manager Murray noted that the Strategic Planning meeting was a noticed public meeting; encouraged residents to sign up for the 'Notify Me' program on the City's website; and advised those interested to contact City Staff if they had questions about how to sign up.

Mayor Goedhart stated that he has office hours at City Hall from 1:00-4:00 p.m. on Wednesdays and invited the public to come to him with their concerns; that the Community is facing significant problems; that the financial situation has gotten worse; that the City Council instituted reforms and reduced expenditures for years; that the City cannot 'cut' its way out of the financial problems; that the City Council wants the City to succeed; that the Citizen Committee has done a wonderful job; that the City Council looks forward to the upcoming joint meeting; that there will be a Town Hall meeting on April 26th inviting the Community to discuss recommendations and plans to address concerns; and reminded the Committee of the joint meeting on February 9, 2016, at the Community Center.

Council Member Hwangbo made a motion to receive and file the report from Citizen Committee on La Palma's Financial Sustainability and Future.

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

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

NOES: None

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

Council Member Shanahan had nothing to report.

Mayor Pro Tem Steggell attended the Orange County Fire Authority (OCFA) Board meeting; the Cypress State of the City; and the Los Alamitos State of the City.

Council Member Hwangbo had nothing to report but asked that Staff be mindful of the importance of communication to our residents as the City looks at dealing with important issues this year.

Council Member Kim attended the Cypress State of the City; the Orange County Sanitation District (OCSD) regular meeting; the Goal Setting and Strategic Planning Session; the OCSD Special Meeting; and the Los Alamitos State of the City.

Mayor Goedhart had nothing further to report and noted the upcoming State of the City address in a Town Hall format at the Community Center on April 26 at 12:00 p.m.

CITY MANAGER REMARKS

City Manager Murray announced that she will be out of the office at the League of California Cities City Managers meeting; that during her absence Community Services Director Belknap will be acting City Manager; reminded the City Council of the upcoming closure on February 15th in recognition of President's Day; and noted that at the scheduled February 9th Joint Meeting, Interim Police Chief McCrary and Community Services Director Belknap will be reporting on existing shared opportunities the departments are already conducting.

CITY ATTORNEY REMARKS

Assistant City Attorney Molko had nothing to report.

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:	Laurie Murray, City Manager Steve Filarsky, Agency Labor Counsel
Employee Organizations:	La Palma General Employees Association La Palma Police Association La Palma Professional Employees Association
Unrepresented Employees:	Executive Management

Mayor Goedhart recessed to Closed Session at 8:26 p.m.

Mayor Goedhart reconvened in Open Session at 8:40 p.m. and asked for a report.

City Manager Murray responded that there were no reportable actions out of Closed Session.

ADJOURNMENT

Mayor Goedhart adjourned the Regular Meeting of the La Palma City Council at 8:41 p.m.

Gerard Goedhart
Mayor

Attest:

Kimberly Kenney
Deputy City Clerk