

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

July 5, 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 Hwangbo

INVOCATION: Father Rudy Alumam, St. Irenaeus Catholic Church

ROLL CALL: Council Members

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

Council Members absent: None

City Officials present: Laurie A. Murray, City Manager
Joel Kuperberg, City Attorney
Michael Belknap, Community Services Director
Douglas Dumhart, Community Development Director
Mike McCrary, Interim Police Chief
Sea Shelton, Administrative Services Director
Kimberly Kenney, Deputy City Clerk

PRESENTATIONS

1. Interim Police Chief McCrary introduced Ivy Zhao as a new Officer in the Police Department.

ORAL COMMUNICATIONS

Jeff McCombs, a La Palma resident, addressed the City Council regarding his opposition to illegal fireworks in his neighborhood and support to have City laws enforced.

Interim Police Chief McCrary responded that the Police Department confiscated numerous illegal fireworks last night, but without an address, it would be hard to answer if it was his area that was responded to; that the adjacent City, Buena Park had a large number fireworks being set off; encouraged the public to come forward with more information; and that he would investigate the matter further.

Robert Carruth, a La Palma resident, addressed the City Council regarding his previous comments at a City Council meeting; noted his opposition to the City's response; opposed the lack of response to specific requests for records; and closed by encouraging public comments be treated respectfully and equally.

RECESS THE CITY COUNCIL AND CONVENE AS THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION AT 7:11 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. Members of the La Palma City Council receive no compensation or stipend as a result of convening or participating in the Successor Agency or otherwise as serving as members of the Successor Agency."

CONSENT CALENDAR

A. Approval of Successor Agency Minutes

Minutes of the June 21, 2016, Regular Meeting of the Successor Agency.

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

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

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

None Scheduled.

ADJOURN THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION, AND RECONVENE AS THE CITY COUNCIL AT 7:12 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 June 15, 2016, Special Meeting and the June 21, 2016, Regular Meeting of the City Council.
3. Approval of Register of Demands

Resolution No. 2016-48 approving the Register of Demands for July 5, 2016.
4. Water Conservation Monthly Report for May 2016

Receive and file the Water Conservation Monthly Report for May 2016.
5. Award of Contract to AKAL Consultants for the La Palma Avenue Rehabilitation Project from Moody Street to Valley View Street, City Project No. ST-334, Federal Project No. STPL 5319(016)

Award a professional services agreement in an amount not to exceed \$72,500 to AKAL Consultants for Construction Administration and Management Services for the La Palma Avenue Rehabilitation Project from Moody Street to Valley View Street, City Project No. ST-334, Federal Project No. STPL 5319(016).

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

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 HEARING

6. Vacation of a 20-Foot Wide Sidewalk Easement located at 6811 Walker Street
- a) Mayor Goedhart re-opened the Public Hearing as to the vacation of the sidewalk easement at 7:13 p.m.
 - b) Community Development Director Dumhart gave the Staff Report
 - c) Council Comments and Questions:
None
 - d) Public Input:
No members of the public wished to speak
 - e) Mayor Goedhart closed the Public Hearing at 7:14 p.m.
 - g) Adopt a Resolution vacating a 20 foot wide sidewalk easement at 6811 Walker Street

Resolution No. 2016-49 vacating a 20 foot wide sidewalk easement at 6811 Walker Street

Council Member Hwangbo made a motion to adopt Resolution No. 2016-49 vacating a 20 foot wide sidewalk easement at 6811 Walker Street.

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

REGULAR ITEMS

7. Resolution Proposing and Submitting to the Voters at the General Municipal Election to be Held on November 8, 2016, a Proposal to Adopt an Initiative

Ordinance Establishing a One Percent Transactions and Use Tax, Directing the City Attorney to Prepare an Impartial Analysis, and Authorizing and Setting Deadlines for the Filing of Arguments For or Against the Ballot Measure

City Manager Murray gave the Staff Report.

Council Comments and Questions:

Discussion ensued regarding the Special Meeting planned for July 11; that the Special Meeting is a public meeting and all are invited to attend; that this meeting is where the City Council will approve authors and signors for the ballot argument in favor of the measure; and inquired about the details of the ballot measure process.

City Attorney Kuperberg responded that it is better to have the argument in favor of the measure as an open and public meeting; that all Council Members should be present for this meeting whether or not they endorse the argument; that community members can sign the argument as well as Council Members; that the law states that the City Council should be first to sign the measure in favor and then the public or anyone else after they sign; that according to the law, anyone in support of the measure can submit the argument, but when you have multiple people who would like to submit arguments, the City Council gets first priority as they are the originators of the ballot measure; that the City Attorney will prepare the impartial analysis, an objective summary of what the ballot measure is and its indications; and that multiple people can submit arguments against and it is up to the City to manage the arguments against.

City Manager Murray noted that if multiple arguments are received, the City Clerk determines the argument that is published; that deadlines are set by the Election Code; that there is a 14 day deadline for the arguments, and a 10 day review period of those arguments; that a rebuttal argument has to be filed within that 10 day review period; and that the City Council will need to be available for a special meeting to approve the rebuttal, if needed.

Discussion ensued regarding that the Bureau of Labor Statistics estimates that the average household in this region spends \$25,000 per year in taxable goods; that the City's sales tax consultant estimates that a 1% increase will yield \$1.5 million in tax revenue that Staff has a high level of confidence in the number given by the tax consultant; that the tax itself is based on use tax for autos/transportation, building/industry, general consumer goods, and restaurants/hotels; that the City Council appointed the Financial Sustainability Committee to make other recommendations and how Staff responded to those; that the City has recently done a restructure in the Police Department; that the Interim Police Chief is finalizing his report, which will include recommendations for other changes in the Police Department; that there is not much more that can be done in the Community Services Department as they are currently contracting numerous services; that if this measure is approved, the City will be addressing it's

unfunded liabilities to allow the City to stabilize its revenues and expenditures; that staff will continue to look at other ways to provide savings throughout the organization and within departments, and that City Management will also be reviewing options if the measure does not pass to ensure the sustainability of La Palma in the future; that the City Council will provide direction on how to use the revenue; and that the revenue will provide for services to maintain current levels and allow for enhanced services to the community.

Public Input:

Keith Nelson, a La Palma resident, addressed the City Council regarding his opposition to forming a Financial Sustainability Committee if the City Council had already decided to move forward with a sales tax measure; opposition to not actively pursuing a joint agency with other policing agencies as recommended; opposition to paying for a consultant instead of spending the money to conduct more research on reorganizing and developing a better plan; opposition to a survey that highlighted police department services; opposition to not having any survey questions regarding the City's unfunded liabilities; and if the City loses Tesoro's revenue, the City is placed in the exact same predicament.

Robert Carruth, a La Palma resident, clarified that the Election Code details who gets to select the arguments; that there were several conclusions by the Financial Sustainability Committee that were recommended to the City Council; clarification on combining public safety services before contracting out; opposition to scare tactics to intimidate voters; opposition to no data driven decision in regards to the City's public safety options; opposition to the wording of the type of tax for this proposal; opposition to the City rebating Tesoro revenues; opposition to not getting employee compensation numbers quickly; and increased costs per employee due to rising costs of pensions.

Larry Herman, a La Palma resident, addressed the City Council regarding expenditures on the report; the difference between Public Works and Recreation Department expenditures; concern to not cut Public Works expenditures because they directly impact infrastructure and maintain the City's water; whether the City gets performance reports from SEAACA for the City's animal care services; whether the animal care service worker is dedicated to the City of La Palma; noted concerns for some cul-de-sacs needing street improvements; and requested transparency on how the tax revenue will be spent.

Interim Police Chief McCrary responded that we get monthly reports from SEAACA.

City Manager Murray responded that according to the City's contract, we get priority for animal service calls and that there is dedicated officer coverage for a 40-hour week.

Jeff McCombs, a La Palma resident, noted his opposition to the City Council not taking his staffing suggestions from two years ago into consideration; and inquired about the City's contribution to the employee portion of their pensions; when the next contract negotiations will take place; and that the measure should clearly state that revenues will go towards employee pensions.

City Manager Murray responded that in 2011, the outcome of the City's labor contracts was that all employees pay the entire portion of the required employee contributions towards pensions; that a tiered retirement structure was implemented; and that the next labor negotiations will be next year and that it is unlikely that there would be any changes to that structure.

City Attorney Kuperberg clarified Mr. Carruth's comment regarding the Elections Code and noted that while it is up to the election official to make the determination for selecting the arguments, the order of priorities is clearly listed; that although Staff made expenditure recommendations, the measure does not state how any of the funds will be spent; and that the City Council will make an annual decision on how the money gets spent during the budget process every year.

Council Member Hwangbo inquired about the oversight for the revenue if this measure is approved.

City Attorney Kuperberg responded that the financial oversight responsibility falls on the City Council during the warrant register process, mid-year budget adjustments, and the annual budget process; that the City Council can also choose to create a citizen committee charged with oversight of the revenue; and that the overview decision is ultimately up to the Council.

Discussion ensued regarding clarification that the sales tax is for anyone who buys goods in La Palma, whether they are a resident or not; that Council Member Shanahan supports this measure; that there is no other option - without removing the pension piece (which is not possible) - to get the City out of its structural deficit; that the professionals have already reviewed enough materials to know that even contracting out police services would not be enough savings to impact the structural deficit; that conducting a study for police services with the Sheriff could take a minimum of nine months to get the results; that the decision will be up to the citizens; support for the public's participation and comments during this process; that because the City of La Palma is so small, it is not structured to be sustainable; that the City Council needs to rethink the way it is conducting its government; that asking the residents to approve a tax measure is an easy way out and a short-term solution, but the City has created this urgency; that arguments for or against the measure would need to be approved by July 18; that Council Member Hwangbo will not be signing in support of the measure, but will support putting the measure on the ballot to allow the residents to make a decision; that the City make every effort to be fair by sharing a factual and impartial analysis of the City's issue; that since 2012, the City Council has made every effort to

restructure the organization by instituting several changes, making severe cuts, reducing operations, including police department staff significantly, and the City still has a deficit; that there is no way 'cut' the way out of the deficit; that pension costs are higher; that there would be no significant savings contracting out police as they include overhead and rising pension costs into their contracted rates; that the City is still obligated to pay its contractual pension obligations; that it is the City Council's responsibility to manage the funds received from the measure; that the citizens will need to decide whether it wants to continue being a city, but it is well known that most of the costs for a city are public safety; that if this does not pass, the City will have to look at significant cuts in service; that Mayor Goedhart supports this measure and will sign in favor of it; and that the public will need to decide the City's future.

Resolution No. 2016-50 proposing and submitting to the voters at the General Municipal Election to be held on November 8, 2016, a proposal to adopt an Initiative Ordinance establishing a one percent Transactions and Use Tax, directing the City Attorney to prepare an impartial analysis, and authorizing and setting deadlines for the filing of arguments for or against the ballot measure.

Council Member Shanahan made a motion to adopt Resolution No. 2016-50 proposing and submitting to the voters at the General Municipal Election to be Held on November 8, 2016, a proposal to Adopt an Initiative Ordinance establishing a One Percent Transactions and Use Tax, Directing the City Attorney to Prepare an Impartial Analysis, and Authorizing and Setting Deadlines for the Filing of Arguments For or Against the Ballot Measure; and set a special meeting on July 11, 2016, to sign the argument in favor of the measure.

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
-------	------

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

Council Member Shanahan thanked Staff and the public for their work and participation with the July 4th Run for Fun.

Mayor Pro Tem Steggell thanked Staff for their efforts at the July 4th Run for Fun.

Council Member Hwangbo attended the Orange County Council of Governments (OCCOG) board meeting; the July 4th Run for Fun; and suggested more advertising for this event next year. He asked that the political signs from the June Primary Election be removed and inquired about candidate filing deadlines.

City Manager Murray announced that Candidates can pull nomination papers starting July 18 and that the last day to file is on August 12, 2016.

Council Member Kim attended the Orange County Sanitation District (OCSD) board meeting and the July 4th Run for Fun.

Mayor Goedhart attended the July 4th Run for Fun.

CITY MANAGER REMARKS

City Manager Murray had nothing to report.

CITY ATTORNEY REMARKS

City Attorney Kuperberg had nothing to report and announced that he looks forward to working together tackling the challenges of the City.

ADJOURNMENT

Mayor Goedhart adjourned the City Council meeting at 8:29 p.m. to a Special Meeting on July 11, 2016.

Gerard Goedhart
Mayor

Attest:

Kimberly Kenney
Deputy City Clerk