

MINUTES OF THE SPECIAL MEETING
OF THE LA PALMA CITY COUNCIL
STRATEGIC PLANNING AND GOAL SETTING SESSION

January 27, 2017

Mayor Steggell called the Special Meeting of the La Palma City Council to order at 9:00 a.m. on Friday, January 27, 2017, in the Fan Palm Room, La Palma Community Center, at 7821 Walker Street, La Palma, California with Mayor Steggell, Council Member Goedhart, Council Member Goodman, Council Member Kim, City Manager Murray, and Administrative Services Director Shelton present; and Mayor Pro Tem Hwangbo absent.

PLEDGE OF ALLEGIANCE Mayor Steggell

ORAL COMMUNICATIONS

None.

REGULAR ITEM

1. Strategic Planning and Goal Setting Session

The City Council met for the purpose of conducting a Strategic Planning and Goal Setting Session.

City Manager Murray reported on the status of the 2016 goals as follows:

1. **Attain Fiscal Sustainability while maintaining frontline services**

The City has made significant cuts to expenditures over the past few years, including reducing the workforce by 20%, restructuring throughout the organization, including reducing upper management while retaining as many line positions as possible; significant changes in both the 2011 and 2015 labor agreements, resulting in reductions in overall employee compensation; and other significant cuts to programs and operating costs. In response to the Citizen Committee on La Palma's Sustainability and Future recommendation, the City hired a public relations consultant in March and explored revenue options. This culminated in the City Council placing Measure JJ on the November 8, 2016, ballot asking voters to approve a 1% transaction and use tax. The Measure was approved by 60.34% of La Palma voters, providing the City Council with additional fiscal resources to address this issue. Significant long term financial planning will be required this year to attain fiscal sustainability for the long term. Staff

continues to look for opportunities for shared services and for reductions in expenditures where possible. **This goal was carried over into the 2017 goals.**

2. **Reduce City Water Usage by at Least 20%**

In response to State Water Resources Control Board mandates requiring the City to achieve a 20% reduction from its 2013 water usage level, this has been a multi-year goal. The amount was reduced by the State in April 2016 to 13% and to 10% by the Municipal Water District of Orange County (MWDOC) in May 2016. As of March 2016, the City had achieved a 21.8% reduction over the prior year. This amount was greatly affected by the first phase of the City Yard Well Feasibility Test Project, which temporarily required the untreated water produced, while slowly redeveloping the well, to be sent to waste as it couldn't be used for potable water. However water conservation continued among all water users. Once the well is back online and in full production, these production numbers will continue to show reduced water use throughout the City. As of November 2016, the overall reduction was 11.8%, exceeding the new conservation goal of 10%.

3. **Complete Labor Negotiations for 2015 and 2017**

The City completed the 2015 labor negotiations with the final group settling in February. For 2017, the meetings with employee groups will begin early in 2017 in order to be completed prior to the adoption of the FY 2017-18 budget. **This goal was carried over into the 2017 goals.**

4. **School District Boundaries**

School choice has been a longstanding issue for residents in the City of La Palma, specifically for those residents living north of Houston. The City Council has worked for many years towards this goal and is resolute in its efforts to find a lasting solution that will allow La Palma children to attend La Palma schools. Throughout 2016, the City Manager met with the Superintendents of both the Anaheim Union High School District (AUHSD) and the Fullerton Joint Union High School District (FJUHSD), members of the City Council met with AUHSD Board Members, and both staff and the City Council continued to work with legislators to find a solution. **This goal was carried over into the 2017 goals.**

5. **Engage in Proactive Economic Development**

The City is committed to engaging in proactive economic development activities, including providing supportive and transparent processes to create an environment conducive to businesses. These efforts are a vital part of attaining fiscal sustainability. Quarterly confidential communications regarding economic activities were provided throughout the year to the City Council. Additionally, in order to streamline the

processing of Planning matters, the Planning Commission was eliminated and the City Council was appointed as the body to hear land use issues. This effort eliminated the need for duplicate meetings on the same issue. **This goal was carried over into the 2017 goals.**

6. Enhance Public Communication

Communicating La Palma's fiscal condition to residents and businesses has been crucial to the City's efforts in achieving fiscal sustainability. As part of these efforts, the City held a town hall style State of the City in April and a second Town Hall meeting in September to advise residents of current and future budget deficits, how the deficits arose, what the City has done in response, and the remaining options. Improvements were made to the City's website to better communicate fiscal issues and make them easier to understand and articles were included in the *Mosaic*, *The Source*, and various newspapers to communicate a consistent message.

7. Complete Police Department Assessment of Operations and Assessment of Outside Services

Upon the departure of the former Police Chief, the City hired an Interim Police Chief to conduct an analysis of the organizational structure, management practices, staffing levels, and operational effectiveness of the Police Department. The study was completed and presented to the City Council in December. As part of the study, it was determined that shared services with West Cities Police Communications is no longer a viable option for Dispatch services. Terry Kim was appointed Police Chief effective December 23, 2016.

The City Council discussed a variety of issues, with the following proposed goals to be brought to a regular City Council Meeting for adoption:

1. Attain Fiscal Sustainability while maintaining frontline services, including:
 - Examining options for restructuring the City's unfunded retirement liability
 - Fully funding the Other Post-Employment Benefits (OPEB) Trust
 - Modifying the City's financial policies
2. Complete Labor Negotiations
3. Continue working for School District Boundaries that allow La Palma children to attend La Palma schools
4. Engage in Proactive Economic Development, including:
 - Encouraging redevelopment of the Brookside Apartments complex
 - Encouraging the development of a hotel

- Encourage and/or facilitate enhanced architecture design and/or niche shopping areas within current strip mall locations
5. Invest in Community Improvements, including:
 - Redesigning medians to address drought restrictions
 - Increasing maintenance of vines on arterial walls
 - Repainting arterial block walls as appropriate
 - Investigating options for a future dog park
 - Upgrading security at City facilities
 6. Invest in Technology, including:
 - Updating the City's website and investigating fiscal transparency software options
 - Investing in code enforcement software
 - Investigating videocasting Council Meetings

As a result of the discussions on a variety of topics, by consensus, the City Council directed the City Manager as follows:

1. As part of long term financial planning and budgeting, establish a Civic Center Replacement Fund, with the plan that a new Civic Center would be built in approximately 20 years. Move forward with deferred maintenance on the current Civic Center.
2. Include funding for the following items in the FY 2017-18 Budget: Additional vine trimming; economic development; redesigning and publishing four issues per year of the *Mosaic*, reinstating a 5th summer concert, conducting the Volunteer Recognition event as a dinner, having a signature City event with some type of component to recognize/honor Veterans; and completing the Spillman project, including providing ongoing training.
3. Conduct the State of City in a town hall format.
4. Combine the Development and Traffic Safety Committees into one 7 member committee.
5. Add "In God We Trust" and "E Pluribus Unum" above and below the City Seal, respectively, in the Council Chamber.
6. Closely follow options regarding the Orange County Fire Authority (OCFA) so the City Council can make an informed decision to remain with or leave the OCFA by the June 30, 2018, deadline.

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
Sea Shelton, Administrative Services Director
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

The City Council recessed to Closed Session at 3:00 p.m.

The City Council reconvened in Open Session at 4:30 p.m. with no reportable actions.

ADJOURNMENT

Mayor Steggell adjourned the Special Meeting at 4:35 p.m.

Michele Steggell
Mayor

Attest:

Kimberly Kenney
Deputy City Clerk