

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

May 2, 2017

CALL TO ORDER: Mayor Steggell 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 Goedhart

INVOCATION: Pastor Oscar Islas, La Palma Christian Center

ROLL CALL: Council Members

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

Council Members absent: None

City Officials present: Laurie Murray, City Manager
Emily Webb, Assistant City Attorney
Michael Belknap, Community Services Director
Douglas Dumhart, Community Development Director
Terry Kim, Police Chief
Sea Shelton, Administrative Services Director
Kimberly Kenney, Deputy City Clerk

PRESENTATIONS

1. Noella Lew, Chairperson of the La Palma Community Activities and Beautification Committee and Home Spotlight Subcommittee, recognized the home of Lawtton Test, 7342 Spruce Circle, 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. 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 April 18, 2017, Regular Meeting of the Successor Agency.

B. Approval of Register of Demands

Resolution No. SA 2017-04 approving the Successor Agency Register of Demands for May 2, 2017.

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

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

AYES: Council Member Goedhart, Council Member Goodman, Mayor Pro Tem Hwangbo, Council Member Kim, and Mayor 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 7:07 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 April 18, 2017, Regular Meeting of the City Council.
3. Approval of Register of Demands
Resolution no. 2017-24 approving the Register of Demands for May 2, 2017.
4. Water Conservation Monthly Report for March 2017
Receive and file the Water Conservation Monthly Report for March 2017.
6. Award a Professional Services Agreement to AKAL Consultants for the Design Engineering Services for FY 2016/17 Street Improvement Projects
Award a Professional Services Agreement to AKAL Consultants for the Design Engineering Services for FY 2016/17 Street Improvement Projects.

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

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

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

NOES: None

ITEMS PULLED FROM CONSENT CALENDAR

5. Award a Professional Services Agreement to AKAL Consultants for Design Engineering Services of FY 2016/17 Water Improvement Projects

Mayor Pro Tem Hwangbo requested to have Item 6 pulled from the Consent Calendar in an effort to explain the planning and budgeting process for the City's water infrastructure to the public.

Community Services Director Belknap explained that the City is currently undergoing a pipeline assessment study; that the study is being finalized and will come forward with the life expectancy of City pipelines; that additional tests are being conducted and the results should be in after they complete the study; that enterprise funds are budgeted for basic pipeline repairs, however, if extensive repairs need to be made that are not in the budget, Staff is required to ask for budget approval in order to address the issue; and that City Council will be made aware of the condition of City pipelines after the assessment is done.

Award a Professional Services Agreement to AKAL Consultants for Design Engineering Services of FY 2016-17 Water Improvement Projects.

Mayor Pro Tem Hwangbo made a motion to award a Professional Services Agreement to AKAL Consultants for Design Engineering Services of FY 2016/17 Water Improvement Projects. The motion was seconded by Council Member Kim.

Further discussion ensued regarding the City having a current system in place for sewer pipe cleaning and assessment, but not for water pipelines; that the results of the assessment reveal the condition of existing pipelines; when staff finds deficiencies in the sewer lines, the practice has been to line the pipes in order to extend the life of the lines; that the City's water lines are a 50 year-old piping structure which has never had an assessment done; and that a water pipeline assessment will be conducted sometime in the summer.

The motion was carried on the following vote:

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

NOES: None

REGULAR ITEMS

7. Notification of Rate Adjustment for Sanitation Services and Implementation of Residential Source-Separated Automated Trash and Green-Waste Collection

Community Services Director Belknap gave the Staff Report.

Council Comments and Questions:

Discussion ensued regarding additional large disposal bins costing \$4 each per month and what would be charged to a resident if they want to purchase two small bins.

Efren Ramirez, Vice President of EDCO Disposal, explained that the cost per bin incorporates the work involved with the service provided; and that the cost would be the same whether the resident chose a small or large bin.

Discussion further ensued regarding trash cost not being in the mid-range for comparable cities; the difference in the price is that La Palma costs include household hazardous waste, and sharps collection in that cost which are trash specific; that Staff should compare actuals; that EDCO has implemented their automated trash and green waste collection with La Mirada, Lakewood, and in the process of implementing with Buena Park; that most of the other cities are currently going through rate reviews; that the City will have three containers, one for trash, one for recycling, and one for green waste; that green waste is delivered to Temecula where it is processed for mulch and cultivating; that there is a big push to move all the green waste from going to the landfill; City Council support for the proposal; that one benefit is the fact that in order to maximize the green waste, it reduces the capacity on actual trash and encourages green waste recycling.

Public Comment:

Terry Weber, a La Palma resident, addressed the City Council regarding the municipal codes for trash container containment and potential for violations; that payment for the container would be covered after the first year and everything thereafter would be profit for the trash company; that the blue recycle containers were given at no cost to residents and opposed to being charged for the new bins; and opposition to any cost increase.

Larry Herman, a La Palma resident, addressed the City Council regarding support for Mr. Weber's comments; the cities that are serviced by EDCO; that the previous recycling roll out did not bode well with residents; support for green separation; commended Staff, EDCO, and the City Council for coming together on this;

and that technically according to the agreement, the cost increase does not have to be approved.

City Manager Murray responded that upon review of the contract by the City, the City Council does not have the authority to change the pricing.

Jerry Lomeli, a La Palma resident, addressed the City Council regarding number of employees that will lose their jobs from having an automated system; who monitors what is in the trash; opposition to the large size trash bins and support for two smaller bins in their place without having to pay extra; and concerns for cleaning out trash containers without causing a code enforcement violation.

Wally Zimmerman, a La Palma resident, addressed the City Council regarding clarification of whether we are below our trash limits; opposition to the large trash bin size; that two smaller trash bins could mitigate the large size of the big bin; and what reductions has the City seen to landfill waste since the inception of the recycling program.

City Manager Murray responded that the City is below the trash limit and exceeding our requirement and Community Services Director Belknap noted that the recycling program has had a positive impact to the landfills.

Terry Weber, noted his opposition to additional charges.

Council Comments and Questions:

Discussion ensued regarding answering the public's questions or addressing the public's concerns.

Staff noted that EDCO would have to make the decision to negotiate the trash bin concerns.

Steve South, EDCO President & CEO, addressed the City Council regarding the concerns for the size of trash bins; that he would like to find a solution; that they want to provide service and capacity; that the focus is on the 95 gallon total capacity - whether it would be two or three bins, as long as we charge the same price for the amount collected; that EDCO is committed to not laying off employees; that the average EDCO employee has been with them for 22 to 25 years; that EDCO monitors the types of trash in the bins; that EDCO's focus is proper curb placement for trash bins; and that they would continue to work with the City during the adjustment phase.

City Manager Murray also responded that trash bin requirements in side yards would be followed through by code enforcement.

- a) Receive and file the report regarding the rate adjustment for residential and commercial sanitation services effective July 1, 2017.
- b) Approve the implementation of single family residential source-separated automated trash and green-waste collection

Council Member Kim made a motion to receive and file the Rate Adjustment for Sanitation Services and Implementation of Residential Source-Separated Automated Trash and Green-Waste Collection and approve a revised implementation of single family residential source-separated automated trash and green-waste collection based on total capacity.

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

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

NOES: None

8. Presentation of Proposed Fiscal Year 2017-18 Budget

Administrative Services Director Shelton gave the Staff Report.

Council Member Comments and Questions:

Discussion ensued regarding recommendations from Staff on the savings from paying down our pension liability; that Staff will draft language for the Financial Policy based on City Council's direction; that the City Council would need to give direction on what to do with the unassigned fund balance of almost \$4 million less the \$2.5 Million pension payment; that during the year, Staff makes assessments of the City's infrastructure needs that get budgeted every year in the Capital Improvement Program; if there is a need to create a separate fund beyond the 10-Year CIP for anticipated infrastructure projects; That replacement plans and infrastructure plans are on a rolling basis and that has not been a need to create a separate fund as projects continue to roll over into the next year's CIP; concerns for the City's pipeline age; that the Enterprise Funds fully cover repair or replacement of the City's water and sewer infrastructure and cannot be used for other City projects nor can they be funded by non-enterprise funds; that the CIP Budget covers projects not able to be funded by Enterprise Funds like streets and sidewalks; that funds needed for emergency items are brought before the City Council for approval; concern for spending Reserve Funds for the City's unfunded

liability obligations; that payment options were presented by the Bartel Associates Actuarial as part of the Budget Workshop; details of what Bartel Associates presented as part of their estimates; that using a shorter amortization table, the City could save millions in interest; that using the shorter amortization table requires larger payments over 15 years, causing the City to use Reserves and resulting in an operational deficit every year; that Staff's recommendation would result in having a surplus every year; that Staff brought the recommendation forward as a result of the City Council's Goal Setting Session objectives; that the Bartel Actuarial took into effect the reduced discount rate and factored that number into their presentation; that Staff's plan provides surpluses early on; that the City could not afford the higher payments on a shorter amortization with its current revenue streams; that Staff makes one annual payment every year; that Staff will be bringing the \$2.5 million payment to the Council and will also bring back the slides from Bartel about the payment plans; support for Staff's proposal; support for the discussion; that over the course of the next 15 years we will finally get to a 90% funding level with Staff's recommendation; questions regarding lifetime health coverage in Safety Employee contracts; and that the State Constitution requires lifetime health coverage for Safety Employees.

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

Council Member Kim attended the Every 15 Minute event and thanked City Staff, Police Department Staff, the Orange County Fire Authority (OCFA), and Mayor Steggell for their work and efforts; the Arbor Day celebration; the Budget Workshop; the Orange County Sanitation District (OCSD) Board meeting; and the OCSD Joint Steering and Legislative Public Affairs meeting.

Mayor Pro Tem Hwangbo had nothing to report.

Council Member Goodman attended the Every 15 Minutes event; the Orange County Vector Control District (OCVCD) Board of Trustees Meeting; the Budget Workshop; and the Arbor Day celebration.

Council Member Goedhart attended the Every 15 Minutes event and complimented Mayor Steggell on her efforts; the Arbor Day celebration; and the Budget Workshop.

Mayor Steggell attended the Every 15 Minutes even and thanked City Staff, Police Department Staff, OCFA Staff, and the La Palma Community Foundation members; the Arbor Day celebration; the Special OCFA Meeting; the Groundbreaking Ceremony for the Buena Park OCFA Fire Station.

CITY MANAGER REMARKS

City Manager Murray announced her upcoming absence to attend Police Officer Safety Training (POST) with Police Chief Kim and reported that Administrative Services Director Shelton will be the Acting City Manager in her absence. She closed by adding there will be no weekly report.

CITY ATTORNEY REMARKS

Assistant City Attorney Webb had nothing to report.

ADJOURNMENT

Mayor Steggell adjourned the Regular Meeting of the La Palma City Council at 8:27 p.m.

Michele Steggell
Mayor

Attest:

Kimberly Kenney
Deputy City Clerk