

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

November 7, 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, with all members present.

PLEDGE OF ALLEGIANCE: Walker Junior High School Student Ambassadors

INVOCATION: Pastor Jim Riggan, La Palma Christian Center

ROLL CALL: Council Members

ROLL CALL:

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

Council Members absent: Mayor Pro Tem Hwangbo

City Officials present: Laurie Murray, City Manager
Joel Kuperberg, City Attorney
Mike Belknap, Community Services Director
Terry Kim, Police Chief
Sea Shelton, Administrative Services Director
Kimberly Kenney, Deputy City Clerk
Kathy Graham, Community Development Consultant

PRESENTATIONS

1. Community Services Director Belknap introduced Joseph Cisneros as the new Management Analyst.
2. Mayor Steggell presented a proclamation to Orchard Supply & Hardware's Store Manager Tony Pearson, Assistant Manager Dennis Acosta, Support Team Lead Cindy Sulpacio, Hardware/Tools Lead Chad Colucci, Paint Associate Teodoro Cruz, and Clerk Lizbeth Villa in recognition of their efforts in the Neighbor to Neighbor program.

3. Mayor Steggell presented Certificates of Recognition to the La Palma Recreation Center Martial Arts Students for their participation in the 28th annual Jimmy Kim Taekwondo Championship Tournament.

ORAL COMMUNICATIONS

Lucas Ponder, representing the Walker Junior High Ambassadors, addressed the City Council regarding his responsibilities of familiarizing new students with Walker Junior High grounds and services.

RECESS THE CITY COUNCIL AND CONVENE AS THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION AT 7:15 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 October 17, 2017, Regular Meeting of the Successor Agency.

- B. Approval of Register of Demands

Resolution No. SA 2017-08 approving the Successor Agency Register of Demands for November 7, 2017.

- C. Successor Agency 1st Quarter Cash and Investment Report, Fiscal Year 2017-18, as of September 30, 2017

Receive and file the Successor Agency Cash and Investment Report for the first quarter of Fiscal Year 2017-18.

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

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

AYES: Council Member Goedhart, Council Member Goodman, Council Member Kim, and Mayor Steggell

NOES: None

ABSENT: Mayor Pro Tem Hwangbo

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 THE CITY COUNCIL AT 7:16 P.M.

Council Member Kim asked for clarification regarding Successor Agency Item C and City Council Item 4 regarding whether he needs to abstain if he has a potential financial conflict of interest since the City Council direction is only to receive and file the report.

City Attorney Kuperberg responded that if there was a decision to make an investment where he might have a financial interest, then an abstention would be necessary; however, there is no action being taken and this Item is only accepting receipt of the report, and therefore no need to abstain.

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 October 17, 2017, Regular Meeting, and Minutes of the October 24, 2017, Special Meeting of the City Council.

3. Approval of Register of Demands

Resolution No. 2017-57 approving the Register of Demands for November 7, 2017.

4. City of La Palma 1st Quarter Cash and Investment Report, Fiscal Year 2017-18, as of September 30, 2017

Receive and file the City Council Cash and Investment Report for the first quarter of Fiscal Year 2017-18.

5. Award of Contract to Infrastructure Engineers for On-Call City Engineering Services

Award and authorize the Mayor to execute a contract to Infrastructure Engineers of Brea California, for On-call City Engineering Services.

7. Acceptance of Public Works Improvements for Ozawa Circle Development

- a) Adopt a Resolution declaring acceptance of the public works improvements for Ozawa Circle Development;
- b) Direct the Deputy City Clerk to process the recording of the Notice of Completion for Tract Map 17828 with the Orange County Recorder; and
- c) Authorize the release of the corresponding Bond No.4407865, in the amount of \$188,796

Council Member Kim made a motion to approve Consent Calendar Items 1 through 5, 7 and 8.

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

AYES: Council Member Goedhart, Council Member Goodman, Council Member Kim, and Mayor Steggell

NOES: None

ABSENT: Mayor Pro Tem Hwangbo

ITEMS PULLED FROM CONSENT CALENDAR

6. Purchase of 800 MHz Dispatch Console

Mayor Steggell pulled Item 6 from the Consent Calendar to allow for public comment.

Jerry Lomeli, a La Palma resident, addressed the City Council regarding the frequency that will be used with the new console; whether that frequency will allow for interagency contact and mutual assistance; and whether there will be additional personnel required.

Police Chief Kim responded that the console is part of a multilayer 800 Megahertz system that Orange County is involved in; that there are capabilities for Orange County Sherriff to patch in; that this upgrade is so law enforcement agencies will have capability to communicate with each other; and that there will remain a single dispatcher per shift.

Approve and authorize the Mayor to execute a sole-source agreement in the amount of \$257,636 with Motorola Solutions, authorizing the purchase of one replacement dispatch console as part of the County's 800 Megahertz (MHz) Next Generation P25 upgrade project.

Council Member Kim made a motion to approve and authorize the Mayor to execute a sole-source agreement in the amount of \$257,636 with Motorola Solutions, authorizing the purchase of one replacement dispatch console as part of the County 800 Megahertz (MHz) Next Generation P25 upgrade project.

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

AYES:	Council Member Goedhart, Council Member Goodman, Council Member Kim, and Mayor Steggell
NOES:	None
ABSENT:	Mayor Pro Tem Hwangbo

PUBLIC HEARING

8. Prime Healthcare Public Hearing: Issuance of Revenue Bonds by the Wisconsin Public Finance Authority in an Aggregate Amount not to Exceed \$20,000,000

- a) City Manager Murray gave the Staff Report.
- b) Mayor Steggell opened the Public Hearing at 7:26 p.m.

Hilda Monzoluna, Chief Nursing Officer at La Palma Intercommunity Hospital, addressed the City Council regarding the needed upgrades at the Hospital that will benefit patient services.

c) Council Comments and Questions

Discussion ensued regarding the standard process to acquire the bonds; that if the City decided to not approve the resolution that the Hospital could not use tax exempt funds for financing the upgrades needed; and that the public hearing is a requirement by the Internal Revenue Service.

d) Public Input:

Martha Lomeli, a La Palma resident, addressed the City Council regarding inquiring about the hospital's non-profit status; whether the property owners are responsible for paying off the bonds if Prime Healthcare defaults on the loan; and whether language in Section 3 of the Resolution can be changed to include exempting La Palma Property Owners from any obligation to the repayment of the Bonds.

City Manager Murray responded that Prime Healthcare has filed all of the necessary nonprofit paperwork Nationwide and with the State, but the final paperwork is pending. She closed by adding that during conversation with them, she understood that the status has been approved.

City Attorney Kuperberg responded that the City has to approve the financing, but the City only has veto power without any risks associated with this bond; that there is no way property owners could be exposed in this matter; and that adding the language to exempt La Palma property owners in Section 3 will not harm the legal validity of the Resolution.

Discussion ensued regarding whether the bonds are secured bonds on the property; that City Attorney Kuperberg does not have the experience of representing clients in the private sector, only in the public sector; and that if the bonds were secured, the only property in jeopardy would be the hospital property.

Mrs. Lomeli asked if the item were approved tonight, whether it would require Prime Healthcare to actually do the upgrades they listed or use the funds for something else.

City Attorney Kuperberg responded that if the Resolution is approved, it does not ensure that the financing moves forward as there are many steps in the process; and that without reviewing the financing documents, he cannot give a definitive answer on whether it is site specific financing or corporate wide financing.

Mrs. Lomeli asked for clarification on whether the City has changed advertising to the Orange County Register versus the local News Enterprise; and that residents cannot look at every publication; and suggested to rectify the notification of public hearings on the City's website.

City Manager Murray responded that the City typically uses the News Enterprise unless the noticing requirement cannot be met; that the applicant was the party responsible for publishing the Public Hearing notice and not the City of La Palma; and that Staff will look into posting Public Hearing notices on the City's website during the upgrade.

- e) Mayor Steggell closed the Public Hearing at 7:35 p.m.
- f) Adopt a Resolution approving the Wisconsin Public Finance Authority's (the "Authority") issuance of revenue bonds (the "Bonds"), in an aggregate principal amount not to exceed \$20,000,000 to be used for projects in the City of La Palma, for the benefit of Prime Healthcare Foundation, Inc. (the "Borrower") and/or certain of its affiliates.

Council Member Goedhart made a motion to adopt Resolution No. 2017-59 approving the Wisconsin Public Finance Authority's (the "Authority") issuance of revenue bonds (the "Bonds"), in an aggregate principal amount not to exceed \$20,000,000 to be used for projects in the City of La Palma, for the benefit of Prime Healthcare Foundation, Inc. (the "Borrower") and/or certain of its affiliates.

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

AYES:	Council Member Goedhart, Council Member Goodman, Council Member Kim, and Mayor Steggell
NOES:	None
ABSENT:	Mayor Pro Tem Hwangbo

REGULAR ITEMS

9. Study Session: Zoning and Affordable Housing Update

City Manager Murray introduced the Item and introduced Community Development Consultant Kathy Graham who gave the presentation on why affordable housing is required, what affordable housing is, and who it targets.

City Attorney Kuperberg gave a presentation on the relationship of zoning in regards to Land Use Development and the California Environmental Quality Act (CEQA).

Kathy Graham continued the presentation on the City's role in affordable housing.

City Attorney Kuperberg reported on State restrictions on the City's discretion to condition or deny housing projects.

Discussion ensued regarding whether the City is required to adopt standards or regulations for Granny Flats; that City Attorney Kuperberg clarified that the City does not currently have to adopt regulations for Granny Flats, but if not, then the City would have to live with the default standards defined in the State Statute for granny flats and that the legislation does not make it clear that cities are mandated to adopt their own standards; that Council Member Goedhart does not support the idea of Granny Flats; and that there is no expressed limit for height, but if the height limit defeats the minimum density, then building height would be of concern.

City Manager Murray stated that Staff will take this information and incorporate it into the neighborhood community workshops; that Staff will return to the City Council early next year to provide input from the neighborhood workshops; discuss regulatory compliance with new housing laws; discuss affordable housing tools available to the City; and that this will determine the zoning changes the City needs to make at the end of the moratorium.

Council Comments and Questions:

Discussion ensued regarding support for the detailed presentation; that the City is going through this process because of the Village Overlay at 5062 La Palma Avenue recently brought before the City Council; that the City is considering changing the zoning; that State mandates require the City to identify specific parcels for affordable housing; how the City plans to address the zoning issues within the moratorium timeframe; that after the neighborhood workshops, Staff will return to the City Council with the results of the community's input on sites for higher density and suggestions for zoning changes; that Staff divided the City into three sections for the Community Workshop meeting dates on November 14, November 28, and December 12, 2017, at the Community Center; that workshop invitations have already been mailed for the first group north of the Edison Right-of-Way; that when Staff returns at the beginning of next year with the results of the community outreach, the City Council can decide on sites to meet the State's requirements; and that the City Council appreciates the information.

Public Comment:

Jerry Lomeli, a La Palma resident, addressed the City Council regarding concerns about Senate Bill (SB) 35 regarding changes in low income housing; his belief that the City will not be able to make changes after the first of the new year; opposition to the State's affordable housing mandates; and opposition to additional traffic as a result of high density development.

Discussion ensued regarding clarification of SB 35 and the deadline; that City Attorney Kuperberg will review the bill again, but that his recollection is that this legislation is protection to applicants so that once their application is submitted, cities cannot change certain standards during the process of having their application approved; that City Attorney Kuperberg does not believe there is any such legislation that locks in place land uses irrespective of what the property owner wants; and because of the moratorium on development in the City, there cannot be any submittals for development projects until the City Council goes through this entire rezoning process.

By consensus, the City Council agreed to receive and file the Zoning and Affordable Housing update.

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

Council Member Kim attended the Special City Council meeting and the Orange County Sanitation (OCSD) Board meeting.

Council Member Goodman attended the Orange County Vector Control District (OCVCD) Board of Trustees meeting; a CalTRANS press conference; the Special City Council meeting; and the Red Ribbon Challenge at Central Park.

Council Member Goedhart attended the Special City Council meeting and asked about the status of the City's Block Wall Painting Project.

Community Services Director Belknap answered that Staff has finalized all the little issues and planw to bring forward a Notice of Completion soon, and that there are a couple of areas like the recent accident area that need to be addressed.

Council Member Goedhart complimented the work done as it beautifies the City; and that he wants to have a discussion at midyear regarding median landscapes as part of City beautification.

Mr. Belknap responded that Staff is finalizing the Request for Proposal (RFP) right now for the median design work, and that the designs will be presented to the City Council

after a contractor has been selected; that the City already had money allocated for the next five years for median maintenance; that once Staff knows the full cost, the City Council can decide to speed up the process for new median installation; and that a contractor should be selected by early January 2018, and then 45 days afterward a design should be presented to the City Council.

Council Member Goedhart asked that since the City has a 93% rating for our Streets, whether SB 10 funds can be used for median installation.

Mr. Belknap concurred that SB 10 funds can be used for this project as additional funds that the City was not anticipating.

Council Member Goedhart added that it is important to address the medians as part of the City's beautification and notes that he supports Staff's work on the project

Council Member Kim asked if the RFP only includes existing medians or include the possibility of new medians.

Mr. Belknap responded that the RFP is only for the current medians; however, the design elements can be used and transferrable to new medians

Mayor Steggell attended the Special City Council meeting; the Orange County Fire Authority (OCFA) meeting; and complimented the work done on the City-wide block walls.

CITY MANAGER REMARKS

City Manager Murray announced that Southern California Edison will begin the street light LED replacement project; that they anticipate the project to last two weeks; that the City will experience energy savings as a result; that City offices will be closed on Thursday in recognition of Veterans day and in lieu of the short week, there will be no weekly report; and announced that City Attorney Kuperberg celebrates 30 years of service with La Palma today.

Mayor Steggell asked for an update on the electronic Billboard project.

City Manager Murray responded that Staff placed an update in a recent Weekly Report; that they have already completed their preconstruction meeting; that they are in the fabrication process; and lighting tests will be conducted in December or January.

CITY ATTORNEY REMARKS

City Attorney Kuperberg had nothing to report.

CLOSED SESSION

CS-1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Government Code Section 54957

Position Title: City Manager

Mayor Steggell recessed to Closed Session at 8:47 p.m.

Mayor Steggell reconvened the City Council meeting in Open session at 9:51 p.m. and asked for a report.

City Manager Murray had nothing to report.

ADJOURNMENT

Mayor Steggell adjourned the Regular Meeting of the La Palma City Council at 9:52 p.m.

Michele Steggell
Mayor

Attest:

Kimberly Kenney
Deputy City Clerk