

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

February 19, 2019

CALL TO ORDER: Mayor Goodman called the Regular Meeting of the 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 Council Member Steggell being absent.

PLEDGE OF ALLEGIANCE: Mayor Goodman

INVOCATION: Pastor Abel Galvan, Faith Fellowship Church

ROLL CALL: Council and Commission Members

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

Council Members absent: Council Member Steggell

City Officials present: Laurie Murray, City Manager
Emily Webb, City Attorney
Mike Belknap, Community Services Director
Scott Hutter, Planning Manager
Terry Kim, Police Chief
Sea Shelton, Administrative Services Director
Kimberly Kenney, Deputy City Clerk

ORAL COMMUNICATIONS

Mona Castillo, a La Palma resident, addressed the City Council regarding being told the residents adjacent to Walmart would get an update on January 31; having not received any information to date; complaints of the continual disruptive noise issues at the Walmart delivery dock; and requested an update.

City Manager Murray clarified that the City did not say a report would be given to residents by January 31, but that Walmart had expected a report by the end of the month; however, that testing scheduled for January 18 was delayed to January 25 as a result of the inclement weather; and the report was delayed.

Mayor Goodman restated to the audience that City Manager Murray is working with Walmart towards a solution, and that the City Council understands the importance of this issue.

RECESS THE CITY COUNCIL AND CONVENE AS THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION AT 7:08 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 of La Palma. 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 otherwise as serving as members of the Successor Agency."

CONSENT CALENDAR

A. Approval of Successor Agency Minutes

Minutes of the February 5, 2019, Regular Meetings of the Successor Agency.

Mayor Pro Tem Kim made a motion to approve Consent Calendar Item A.

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

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

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 7:09 P.M.

PRESENTATIONS

1. Emmanuel Apparicio, Vice Chairperson of the La Palma Community Activities and Beautification Committee, Home Spotlight Committee, recognized the home of Refugio and Maria Salazar, 7511 Keith Circle, La Palma.

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 February 5, 2019, Regular Meeting.
3. Approval of Register of Demands
Resolution No. 2019-06 approving the Register of Demands for February 19, 2019.
Council Member Kim announced that he had a financial conflict of interest on Item 3. Council Member Kim did not participate in the vote on this item.
4. Award a Professional Services Agreement to AKAL Consultants for the Design Engineering Services for Orangethorpe Avenue Rehabilitation Project from Walker Street to Valley View Street
Award a Professional Services Agreement to AKAL Consultants for the Design Engineering Services for Orangethorpe Avenue Rehabilitation Project from Walker Street to Valley View Street.

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

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

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

NOES: None

ABSENT: Council Member Steggell

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

5. Resolution Declaring Surplus Property for 5062 La Palma Avenue

City Manager Murray gave the Staff Report.

Council Comments and Questions:

Discussion ensued regarding the manner in which the appraisal will be reported back; that City Attorney Webb responded that the process is likely handled by reporting the appraisal back to the City Council during Closed Session under Negotiations for Real Property; that Staff will be in communication with the City Council during this process; whether the public will be made aware of the value of the property; that when the negotiations are completed, an agreement will be presented to the public as an open session item; clarification that the value and sale of the property will happen during Closed Session and that the approval of the sale will happen in Open Session; that the appraisal happens during the course of the Real Estate transaction; that the appraisal is to determine the value of the property in order to negotiate a sale in good faith, but is not made public as it could harm the negotiations; that the City has been under the assumption that we will not get the amount that was paid to purchase the property because the entitlements have changed; that City Attorney Webb detailed the multiple stages for this process by first notifying the preferred entities mandated by State Law and enter into negotiations with them if they express interest, then if no interest, the sale would be passed to preferred developers, then a general sale; that the public will get a chance to purchase the property after the state law mandates have been met; the process for entering into negotiations if the preferred entities do not express interest; and the length of time for negotiations with preferred entities.

Public Input:

James Vaughn, a La Palma resident, addressed the City Council regarding his opposition to keeping the matter in a Closed Session; support for keeping the public involved in the process because the City's tax money paid for property; and that the public should be made aware of the appraisal.

City Attorney Webb stated that there was public discussion and acknowledgement when the City initially purchased the property; that the initial paid price came in

higher than the appraisal as a result of completing a settlement agreement; that generally, Closed Sessions are to keep the negotiation confidential allowing the City to strategize without having the information go public; that the appraisal will come forward eventually during the process; and that Closed Session protects the City's position from being jeopardized during negotiations by not having information being made public.

Mr. Vaughan added his opposition to this; and requested to keep the public informed.

Mayor Goodman responded that as much as the residents would like all the information to be made public, there is a certain process that must be followed and that is why the Closed Session needs to take place.

Jerry Lomeli, a La Palma resident, addressed the City Council regarding his opposition to the price the City paid for the property; accountability for this mistake; making the sale public in case a resident wants to purchase the property; that the previous tenants got evicted; opposition to the lack of transparency on this entire scenario; and that he will be making a public records request for information regarding this property.

Council Member Goedhart responded by noting that this entire transaction is part of public record going back to 2010; that the City has been transparent throughout this process; that the amount paid is public information; that the City Council was aware of the loss for the purchase of this property and stated such; that the City made the purchase because the City could not allow the development to proceed and intervened; and that those responsible are no longer employed by the City.

Mayor Goodman encouraged members of the public to make appointments with the City Manager or City Council to address their concerns.

Mona Castillo, a La Palma resident, asked the City Council for clarification of City owned property.

James Snyder, a La Palma, asked the City Council for the full settlement price; and what the appraised value was for this property.

City Manager Murray responded that the settlement was for \$1.55 million; and that the appraised value with the entitlements, at that time, was close to \$1.5 million.

Mr. Lomeli added that during the original property purchase by the City, neither the appraised value nor the name of the appraiser was ever made public.

City Manager Murray clarified that all the information and records were publicly made and presented in previous Staff Reports to the City Council in Open Session.

Adopt a Resolution declaring the property at 5062 La Palma Avenue, La Palma, as surplus property, finding that disposition of the properties by listing with a qualified broker is in the best interest of the City, and direct staff to so list the real properties, in a manner to ensure a competitive bid process for the disposition of real properties.

Mayor Pro Tem Kim made a motion to adopt Resolution No. 2019-07 declaring the property at 5062 La Palma Avenue, La Palma, as surplus property, finding that disposition of the properties by listing with a qualified broker is in the best interest of the City, and direct staff to so list the real properties, in a manner to ensure a competitive bid process for the disposition of real properties.

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

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

NOES: None

ABSENT: Council Member Steggell

6. Mid-Year Operating Report and Budget Adjustments, Fiscal Year 2018-19

- a) Administrative Services Director Shelton presented the Second Quarter Operating Report and Proposed Mid-Year Adjustments

Council Comments and Questions:

Discussion ensued regarding the estimated decrease in sales and use tax being a result of the consultant basing their estimates on our current sales tax revenue; that part of the loss is that fuel prices did not increase as much as anticipated and car sales did not come in as projected last year; that no overpayments are related to this sales tax decrease; that we are now in year two of the transaction and use tax and the standard will be \$1.4 million in revenue; that next year there is a small anticipated growth; support that the City will still have ample revenue in surplus; support for the City Council to direct Staff to allocate these funds to get started on the medians so it can be added into the FY 2019-20 Budget; support to rehabilitate the medians at one time; that the City would bid out the median project as a whole, and commence the work in phases; that NUVIS Landscape Architecture is hoping to complete the median construction documents by April and they will then be presented to the City Council for final approval; that the City Council can approve the median project when the plans are approved; that SB1 funds have been accounted for in the Capital Improvement Projects (CIP) for City street projects; support for moving

forward with the proposed dog park; that the Strategic Planning discussion for the Hometown Heroes concert was to place it on the calendar closest to the July 4th holiday as part of the summer Concerts in the Park series; that the size and options of the new electronic reader board will be presented to the City Council after the bids are received; that City Staff can go out to bid for the median project and dog park if there is a consensus; that Staff will return to the City Council for approval of the city-wide event based on the direction and parameters given at the Strategic Planning session; that Staff and the CAB Committee are starting discussions on the event and can hopefully return to the City Council with a generalized proposal sometime by June or July; that Staff will bring forward the funding numbers for the event in the budget process after the conversations are had; that by consensus, the City Council agreed to move forward with the median project so the financing for the project can be placed in the FY 2019-20 Proposed Budget; clarification of the funding details for the median project; replacing City Hall over a twenty year period of allocating funds; detailed explanation of the pension stabilization fund; that another actuarial review will conclude by June of this year and Staff will report back the results to the City Council; that financial policies state that when the mid-year budget is brought forward, that unallocated reserves get reviewed for City Council input; that PARS can come to the City Council and do a presentation on their 115 Trust if the Council is interested; clarification of details for the increased cost of the Hometown Heroes concert; and that the Hometown Heroes Concert is planned to be an annual event.

Public Input:

No member of the public wished to speak.

- b) Approve a Resolution amending the Fiscal Year 2018-19 Budget to adjust certain revenue, department, and program budgets.

By consensus, the City Council agreed to move forward with a dog park proposal and add the line item to the budget; move forward with the medians by adding the line item to the budget; return to the City Council for approval after construction docs for the median are received; revisit the rest of the unassigned fund balance after the budget has been approved in August or September; and review a generalized proposal for the citywide community event and add a line item to the budget.

Adopt Resolution No. 2019-08 amending the Fiscal Year 2018-19 Budget to adjust certain revenue, department, and program budgets.

Mayor Pro Tem Kim made a motion to Resolution No 2019-08 amending the Fiscal Year 2018-19 Budget to adjust certain revenue, department, and

program budgets as recommended by staff and approved by consensus of the City Council.

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

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

NOES: None

ABSENT: Council Member Steggell

Mayor Goodman asked if there is a need to conduct a Closed Session regarding Walmart; that City Manager Murray noted if the City Council wished to convene to pursue the matter further than what was presented, it is their option to do so; that by consensus, the City Council agreed to discuss the issue in Closed Session.

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

Council Member Patel attended the La Palma Neighborhood Watch Appreciation Banquet.

Council Member Goedhart had nothing to report.

Mayor Pro Tem Kim attended the Orange County Sanitation District (OCSD) Legislative and Public Affairs Committee Meeting; the OCSD Administration Committee meeting; and the La Palma Neighborhood Watch Appreciation Banquet.

Mayor Goodman attended the Buena Park State of the City Address; the Orange County Vector Control District (OCVCD) meeting; the La Palma Neighborhood Watch Appreciation Banquet.

CITY MANAGER REMARKS

City Manager Murray had nothing to report.

CITY ATTORNEY REMARKS

City Attorney Webb had nothing to report.

CLOSED SESSION

CS-1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION,
SIGNIFICANT EXPOSURE TO LITIGATION

Significant exposure to litigation pursuant to Government Code Section
54956.9(d)(2):

(1 case)

Mayor Goodman recessed to Closed Session at 8:35 p.m.

Mayor Goodman reconvene at 8:55 p.m. and asked for a report.

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

ADJOURNMENT

Mayor Goodman adjourned the Regular Meeting of the City Council at 8:56 p.m. in
memory of Beth Bryan, wife of Police Services Aid James Bryan, who lost her battle with
Cancer this past week.

Marshall Goodman
Mayor

Attest:

Kimberly Kenney, CMC
Deputy City Clerk