

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

April 16, 2019

CALL TO ORDER: Mayor Goodman 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: Civics Core Class – Walker Junior High School

INVOCATION: Council Member Patel

ROLL CALL: Council and Commission Members

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

Council Members absent: None

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

PRESENTATIONS

None Scheduled.

ORAL COMMUNICATIONS

Rupali Kahera, Walker Junior High School Student and Civics Core Class member, announced that they published a book called "Stories from the core of our Community" and that it's available on Amazon.

Heaven Kim, Walker Junior High School Student and Civics Core Class member, announced that they are hosting a 3-D Green Challenge and encouraged meeting attendees to join the endeavor on Instagram.

RECESS THE CITY COUNCIL AND CONVENE AS THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION AT 7:03 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 April 2, 2019, Regular Meeting of the Successor Agency.

Council Member Goedhart made a motion to approve Minutes of the April 2, 2019, Regular Meeting of the Successor Agency.

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

AYES: Council Member Goedhart, Mayor Goodman, Mayor Pro Tem Kim, Council Member Patel, and Council Member 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 7:04 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 2, 2019, Regular Meeting.

3. Approval of Register of Demands

Resolution No. 2019-18 approving the Register of Demands for April 16, 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. The Road Repair and Accountability Act List (SB 1) of Projects for Fiscal Year 2019-20

Resolution No. 2019-19 identifying a list of projects to be funded by SB 1, The Road Repair and Accountability Act, for Fiscal year 2019-20.

5. Notice of Completion and Acceptance of Work for Citywide Thermoplastic Striping Improvement Project, City Project ST-347

Accept the work and authorize the Community Services Director to file the Notice of Completion and Acceptance of Work with the Orange County Recorder for the Citywide Thermoplastic Striping Improvement Project, City Project ST-347.

6. Notice of Completion and Acceptance of Work for the Walker Well Pump Maintenance Project, Phase 1, City Project 18-WTR-07

Accept the work and authorize the Community Services Director to file the Notice of Completion and Acceptance of Work with the Orange County Recorder for the Walker Well Pump Maintenance Project, City Project 18-WTR-07.

Council Member Goedhart made a motion to approve Consent Calendar Items 1 through 6.

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

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

NOES: None

PUBLIC HEARINGS

7. Consideration of Cost of Living Adjustment to Fee Schedules

- a) Mayor Goodman opened the Public Hearing at 7:05 p.m.
- b) Administrative Services Director Shelton gave the Staff Report.
- c) City Council Comments and Questions

Discussion ensued regarding clarification of the City's fees just after the Fee Study was completed in 2013; that the City did not adopt any increases at that time; that there was considerable discussion on fully burdened versus actual costs for services; that user fee studies are conducted to ensure that cities recover the proper fees; that the City Council could direct Staff to conduct another fee study; unsure if using the Bureau of Labor Statistics (BLS) is the best barometer to increase fees; that Council Member Kim won't support the fee increased based on the use of BLS as the correct method, unsure if the fees match the cost; that using the fully burdened cost would have amounted to significant fee increases as it would have included a significant amount of overhead; monitoring of La Palma's fees compared to other surrounding cities over the next year; support to conduct a fee study next year; that Staff can bring back the issue and do some research during next year's Goal Setting session for an in-depth discussion; that the future discussion to be had is whether to adopt a fee schedule that collects fully burdened cost versus the direct cost; that every year the budget is introduced, Staff brings forward the COLA Increase for Fees in order to incorporate those numbers into the budget; and that Council reached a consensus to direct Staff to review surrounding cities fees schedules, include for discussion at the annual goal setting session bring back to the City Council for discussion, and research the use of BLS as the proper metric for the fee increase.

- d) Public Input:

No members of the public wished to speak.

- e) Mayor Goodman closed the Public Hearing at 7:22 p.m.

- f) Adopt a Resolution Amending and Establishing Certain Development Project Fees and Service Charges.
- g) Adopt a Resolution Establishing an Updated User Fee Schedule for Various Municipal Activities and Services.

Council Member Goedhart made a motion to adopt Resolution No. 2019-20 Amending and Establishing Certain Development Project Fees and Service Charges and adopt Resolution No. 2019-21 Establishing an Updated User Fee Schedule for Various Municipal Activities and Services. The motion was seconded by Mayor Goodman.

Discussion ensued regarding clarification of action taken; that this is to just adjust our fees 2.5% to keep up with the cost of inflation; that the City's financials suffered by previous City Councils not approving fee increases; that the BLS is a standard index to use; concern that the fees would be increased again after research is completed; that it is up to the City Council as to whether or not to increase the fees after research is conducted; that annual fee increases are a standard operating procedure to keep the fees at a reasonable rate; that by law, we can only charge a fee that La Palma can justify with its own expenses, which may not equal what other cities charge; that Staff will research if other cities use an index other than the BLS; that a Fee Study is a time consuming process and done by a consultant; and that per Council policy, Staff has to bring forward a COLA for Fee Increases every year.

The motion carried on the following vote:

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

NOES: Mayor Pro Tem Kim

Discussion ensued regarding clarification about when the City Council wants the results of Staff's research on other indexes to use and research results from comparing other cities fees schedules; and a consensus to have that information prepared for next year's Goal Setting session.

REGULAR ITEMS

- 8. Long Term Fiscal Status and Fiscal Year 2019-20 Budget and Capital Improvement Program

Administrative Services Director Shelton gave the presentation on the City's Long Term Financial Forecast.

Administrative Services Director Shelton gave the presentation on the City's Draft Fiscal Year 2019-20 Budget.

Discussion ensued regarding whether the City Council would be interested in giving direction on personnel updates before continuing with the rest of the presentation; support to review the unassigned fund balance before a discussion ensues on personnel; that the City Council can decide to just receive and file this information and discuss in detail at the upcoming Budget Study Session; and a consensus to just continue with the presentation and a short discussion will follow thereafter.

Administrative Service Director Shelton gave the presentation on the Unassigned Fund Balance.

Community Services Director Belknap gave the presentation on the FY 2019-20 Capital Improvement Program.

Council Comments and Questions:

Discussion ensued regarding appreciation for the presentation; that the City Council should take cautionary measures to not spend funds on City Projects not needed like the dog park and International Days in lieu of the Marathon situation; support to continue City operations at status-quo; that the dog park idea is supported by the residents, but not by the City's financial situation; that Staff is hoping to have an answer from Marathon by the May 21st Budget Study Session; researching the option and support to establish a home rental permit and fee structure for home owners wishing to rent out their homes to tenants; that fees collected for the home rental permit can offset the cost for a building permit technician; support for keeping expenses status-quo; support for a future full-time code enforcement officer; that Council Member Kim cannot make any decisions on the budget until the outcome of Marathon is determined; suggestion to not include the dog park or personnel changes into the next budget study session until Marathon has made a decision; that it was not staff's intent to have the City Council make any formal decisions on the budget at this meeting; consensus to put the dog park on hold and keep everything status-quo until the Marathon decision; request to improve the budget review process; that because of the recent Marathon situation, Staff had to proceed with the budget process in this manner; support for a separate Budget Workshop; that if Marathon's outcome isn't favorable, the City would by default, continue with a status-quo budget; that Staff has not placed the 5062 La Palma property sale into the budget as the City does not know the true amount the City would get; opposition to the use of enterprise funds to pay for the additional \$4,600 of the proposed Associate Engineer

position; that the OPEB trust is expected to be fully funded by 2021; clarification of the OPEB Trust funding with the complicated accounting methods that require cash subsidies to be included in financial statements and the California rules for retirees health insurance; that Marathon's decision will affect the City's surpluses; that the County Assessor's office put Prime Healthcare's exempt status into effect; that the increase in the Administrative Services budget is a result of unfunded liability; the increase in the Police Department expenditures is partially as a result of labor agreements; and clarification of the costs for the Housing Element Consultant.

Public Input:

No member of the public wished to speak.

By consensus, the City Council agreed to receive and file the presentation.

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

Council Member Steggell attended the John F. Kennedy High School Scholarship Foundation dinner.

Council Member Patel attended the John F. Kennedy High School Scholarship Foundation dinner and Assemblywoman Quirk-Silva's California and India Coming Together in Orange County event.

Council Member Goedhart had nothing to report.

Mayor Pro Tem Kim attended the John F. Kennedy High School Scholarship Foundation Dinner; the Orange County Sanitation District (OCSD) Legislative and Public Affairs Committee meeting; and the OCSD Administrative Committee meeting.

Mayor Goodman attended the Orange County Vector Control District (OCVCD) Meeting; and the California Joint Powers Insurance Authority (CJPIA) Executive Committee Workshop and announced he was appointed to the CJPIA Executive Committee.

CITY MANAGER REMARKS

City Manager Murray announced that the exercise equipment was installed at Central Park and is open to the public; that the Arbor Day celebration will be at Central Park on April 23 at 4:00 pm; and invited the public to the State of the City Address on the April 25 at 7:00 p.m. in the Community Center.

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 8:32 p.m.

Mayor Goodman reconvened in Open Session at 8:52 p.m. and asked for a report.

City Manager Murray announced that there were reportable actions out of Closed Session.

ADJOURNMENT

Mayor Goodman adjourned the Regular Meeting of the La Palma City Council at 8:52 p.m.

Marshall Goodman
Mayor

Attest:

Kimberly Kenney, CMC
City Clerk