

MINUTES OF THE SPECIAL MEETING
OF THE LA PALMA CITY COUNCIL

January 20, 2009

Mayor Waldman called the Special Meeting of the La Palma City Council to order at 5:05 p.m. on Wednesday, January 20, 2009, in the Fan Palm Room at the La Palma Community Center, 7821 Walker Street, La Palma, California, with all members present.

ORAL COMMUNICATIONS

No one wished to speak.

REGULAR ITEMS

1. **Study Session: Long Term Revenues and Capital Project Direction**

City Manager Lazzaretto gave a brief overview on the City's sales tax history, explaining that while certain sales tax income was in question, the City set aside payments from the State Board of Equalization in case it had to be returned. Now that the State has determined that the City can keep a portion of the monies, the City is in an enviable position of having recognized an additional \$8.1 million dollars in the General Fund unreserved beginning balance for the Fiscal Year 2008-09 Budget.

Finance Director Neves reported on the City's sales tax history; an overview of the General Fund and the estimated ending unreserved fund balance for Fiscal Year 2008-09 of \$19,581,590; an overview of the current Capital Outlay Reserve Fund (COR); an overview of the City's California Public Employers Retirement System (CalPERS) unfunded liability for safety and miscellaneous employees and how paying the \$3,819,570 liability would save the City approximately \$1.1 million dollars in interest over the next ten years in addition to having ongoing expenditures reduced by approximately \$500,000 per year.

Public Works Director Moneda presented an overview of the March 2008 Long Term Infrastructure Study Session wherein various projects were discussed and ranked; and alternatives for beautification and maintenance of the City's arterial block walls.

Staff recommended that the City payoff the CalPERS unfunded liability in the amount of \$3.8 million to reduce the City's employer contribution rates and that the City transfer \$7.5 million to COR for future projects to be included in the 2009-10 Proposed Budget and beyond.

Gerard Goedhart, 4922 Berton Circle, asked for clarification on the one time transfer of approximately \$1.7 million into COR.

Staff advised Mr. Goedhart that the monies were set aside for the City's pavement rehabilitation program.

Discussion ensued regarding sales tax and property tax projections in light of the current economy; historical costs of maintaining block walls; methods of financing arterial wall improvements; the City's Retiree Medical liability; Utility Users Tax (UUT), investment interest rates; and timelines for funding the City's CalPERS unfunded liability.

Gerard Goedhart, 4922 Berton Circle, addressed the City Council in favor of paying the City's CalPERS unfunded liability.

By consensus, the City Council directed staff to prepare the 2009-10 budget with the assumption that the City Council would approve the payment of the City's unfunded CalPERS liabilities; to bring payment of the unfunded CalPERS liabilities forward at a Regular City Council meeting in the Spring; and to further discuss potential capital improvement projects as they relate to the City's unreserved funds at the City Council Goal Setting Session.

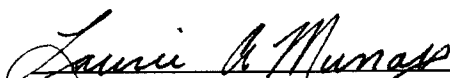
ADJOURNMENT

Mayor Waldman adjourned the meeting at 6:20 p.m. to its Regular Meeting on Tuesday, January 20, 2008, at 7:00 p.m., in the Council Chambers at La Palma City Hall, 7822 Walker Street, La Palma, California, 90623



Mark I. Waldman, Mayor

Attest:



Laurie A. Murray, City Clerk