

MINUTES OF THE REGULAR MEETING  
OF THE LA PALMA CITY COUNCIL

May 21, 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, with Council Member Steggell being absent.

PLEDGE OF ALLEGIANCE: Mayor Pro Tem Kim

INVOCATION: President Carl Hansen, Church of Jesus Christ of Latter Day Saints

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

PRESENTATIONS

1. La Palma Community Activities and Beautification Committee Member Lew and Home Spotlight Sub Committee Member, recognized the home of Phil & Audrey Hodges, 5327 Achilles Circles, La Palma.
2. Mayor Goodman recognized Lori Whalen for her 11 Years of Dedicated Service to the City of La Palma.

## ORAL COMMUNICATIONS

Wally Zimmerman, a La Palma resident, addressed the City Council regarding concerns that asphalt gravel is getting spurred up onto his lawn from the Street Sweeper.

Community Services Director Belknap responded that the Seven-Year Residential Paving Plan will begin shortly, starting with Slurry Seals to address crack sealing.

## RECESS THE CITY COUNCIL AND CONVENE AS THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION AT 7:18 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 May 7, 2019, Regular Meeting of the Successor Agency.

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

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

None Scheduled.

ADJOURN THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION AND RECONVENE AS THE CITY COUNCIL AT 7:19 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 May 7, 2019, Regular Meeting.

3. Approval of Register of Demands

Resolution No. 2019-24 approving the Register of Demands for May 21, 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 of Contract to RJ Noble Company for the Orangethorpe Avenue Rehabilitation Project, City Project No. ST-346

- a) Approve Award of Contract in the amount of \$435,035 to, the low bidder, RJ Noble Company for the Orangethorpe Avenue Rehabilitation Project, City Project No. ST-346; and
- b) Approve the funding agreement in the amount of \$57,000, with the City of Cerritos for completion of the Orangethorpe improvements within the City of Cerritos.

Council Member Goedhart made a motion to approve Consent Calendar Item 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 ITEM

### 5. Continued: Walmart Inc. Settlement and Release Agreement

City Manager Murray gave the Staff Report.

Mayor Goodman closed the presentation by adding that this has been a long process; that he has been involved since the first complaint almost a year ago; that the City Council has been very proactive; commended the City Council and Staff for their work and interaction with residents affected; and support for a resolution to this matter.

Public Input:

James Snyder, a La Palma resident adjacent to the Walmart property, addressed the City Council regarding opposition to the sound barrier; that the agreement was never presented; urged to reject the agreement; and opposition to only having one meeting with Walmart; and opposition to not having his perimeter wall built to code.

Mary Paningsoro, a La Palma resident adjacent to the Walmart property, addressed the City Council regarding opposition to the trucks pulling in next to the Church-side of the wall, idling until the store opens; that the Noise Violation sign is too small; and concerns that trucks will having difficulty making a three point turn.

Jonathan Shardlow, Land Use Counsel for Walmart, addressed the City Council regarding support for Staff's recommendation; looking forward to implementing the protocols; thanked the City Manager, Staff, and residents for their patience through this process; and that the City still has code enforcement obligations that need to be met and understands the use of citations if the matter pursues further.

Mona Castillo, a La Palma resident adjacent to the Walmart property, addressed the City Council regarding the research involved regarding the electrical issues close to the existing wall; that fuel smells have not been addressed; and clarification as to whether residents can rebuild a new wall up to ten feet.

City Manager Murray responded that residents can build their own wall up to 8 feet, and any taller would require a variance. Planning Manager Hutter added that rebuilding a wall requires a permit.

City Manager Murray addressed the public comment stating the Settlement Agreement, the Noise Study, the material specifications and proposal were all in the previous Staff Report made available on May 7; that Staff will follow up with Walmart to enforce no idling; that the electrical transformers referred to are not electrical lines, but an electrical transformer.

Mr. Snyder noted that he spoke with Sheila Medina at Southern California Edison who noted there were no electrical lines feeding under the property wall.

Staff clarified that there are electrical issues - whether it be electric lines or transformers - that are prohibiting and impeding a foundation being laid.

#### Council Comments and Questions:

Discussion ensued regarding whether the wall will affect the turning radius; that the turn will be tight, but if a wall were to be built, it would encroach further into their turning radius; that Council Members did not contact Southern California Edison; that the public should hear from the Ad-Hoc Committee.

Ad-Hoc Committee Members, Council Member Patel and Mayor Goodman, noted they worked with Staff, residents, and Walmart; that the agreement is fair and the best way to mitigate the noise issues; that all parties need to be given a chance to mitigate the issues; that Council has placed options to address future nuisances; that the City Council has the obligation to move forward with Code Enforcement if Walmart does violate the agreement; that compromise had ensued to find a resolution; and that the City has leverage to ensure things are going smoothly as agreed upon.

Further discussion ensued regarding empathy from the City Council to the residents in this situation; that the City Council's authority is to mitigate the noise violations; clarification that the land owner of the store property is not Walmart; that if they have not started construction within 90 days, the City will reinstitute citations; that the time needed prior to construction start is for engineering, material orders, coordinating construction, and then two weeks to construct the sound wall; that the City has installed larger signage to mitigate the noise; that although Police cannot patrol the area 24 hours a day, they will issue citations if the Police Department gets a complaint from a resident; support for strict enforcement; appreciation for Walmart's cooperation to mitigate the noise; and support for approving Staff recommendation.

Joe Rallo, a La Palma resident adjacent to Walmart, asked for clarification on the \$46,000 reimbursement to Walmart; and asked what the City plans to do if the noise is not mitigated after the sound wall is built.

City Attorney Webb explained that because Walmart worked with City Staff and planned to build the wall out to a longer degree than what was agreed upon, and that they cooperated with us for an extended period of time so the agreement was reached.

Further discussion ensued regarding Walmart building a longer, lengthier wall than what was needed to mitigate the sound; that the \$46,000 was to help mitigate the issue to ensure that all residents adjacent to Walmart were given a sound barrier; and that Walmart would have to mitigate future noise issues if the wall does not resolve the concerns.

Mr. Snyder, addressed the City Council regarding his opposition to the Sound Study consisting of 26 minutes of testing and none of the testing done at the property line.

City Manager Murray responded that the noise receivers were placed at multiple locations on the property including at the property lines that measured the noise levels.

- a) Approve a Settlement and Release Agreement with Walmart Inc., a Delaware corporation; and
- b) Approve a Tree Reimbursement Program for the residences adjacent to the Walmart Center.

Council Member Goedhart made a motion to approve a Settlement and Release Agreement with Walmart Inc., a Delaware corporation; and approve a Tree Reimbursement Program for the residences adjacent to the Walmart Center.

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.

## Study Session Fiscal Year 2019-20 Proposed Budget and Capital Improvement Program Workshop

Mayor Goodman requested a short recess at 8:15 p.m.

Mayor Goodman reconvened the City Council at 8:20 p.m.

Recommendation that the City Council receive Staff presentation on the Proposed FY 2019-20 Budget and provide direction for any changes to be made for the June 4 Public Hearing.

Administrative Services Director Shelton gave an overview of the Agenda for this Budget Item.

Shelton gave a presentation on the FY 2019-20 General Fund overview.

Discussion ensued regarding clarification on the Capital Outlay Reserve (COR) for the Median Project including the additional \$150,000 previously discussed; that the City Council gave direction to staff to add those additional funds and that amount will be reflected in the Final Budget document; that the Unassigned Fund Balance does not reflect the sale of the 5062 La Palma Avenue property; that the property sales will be realized in the next Fiscal Year; that there are two medians at the cost of \$150,000 each, but because of the saving in the CIP at the cost of one of the medians, the City Council would only need to allocate funds for one median from the Unassigned Fund Balance; clarification of when the City Council decides to allocate the unassigned funds; that the City Council usually makes this determination at Mid-Year; support for part of the unassigned funds to be used for the medians; support to put a formal item on the agenda on how to use the remaining funds so the funds are earmarked for specific projects; that Staff can bring the item forward at the beginning of the Fiscal Year; that the City's Financial Policy says the decision on what to assign the unassigned fund balance to can be done at Mid-Year, however it would be best to have the discussion after the City's audit.

Director Shelton gave a presentation on the Fiscal Year 2019-20 Proposed budget, with a quick update on the City's Economic Outlook.

Discussion ensued regarding clarification of the General Fund Surplus is the balance after the Walmart Settlement of \$48,000 and \$24,000 allocation for the Emergency fund; that this Surplus does not include the additional expenditure of the proposed full-time Code Enforcement officer; and that the proposed position has not been decided on yet.

Administrative Services Director gave a presentation on the Departmental Budgets.

Discussion ensued regarding the last OPEB valuation being done two years ago; that at that time, we were 80% funded; that the City has not been making withdrawals nor plans to withdraw in the next couple of years in hopes to be close to 100% funded; that the City plans an OPEB valuation at the end of this year to get a better figure; that at the time of the last valuation, the OPEB fund was about 1.6 million, gaining value of over \$200,000 in interest earnings; that former GASB 45 required an valuation every two years; that now with GASB 75 compliance, the City is required to do a valuation every year in order to complete its financial statements; that the OPEB valuation determines the funding level; that the City is adding to the budget based on the previous OPEB valuation; clarification of the City's use of the GovInvest Pension Valuation Software and the need to continue; that this software not only gives Staff the actuarials, but will allow Staff in future labor negotiations to plug in salary increases and how that affects CalPERS payments; that the City was given a discount on this software for a three year deal; and a needed discussion for OPEB funding in detail.

Administrative Services Director Shelton continued with her presentation on Department Budgets, including the Police Services division.

Discussion ensued regarding clarification of the Police Team Building Workshop; that the workshop is not done every year; that the increase was for the Facilitator costs; that the Workshop includes the entire Management Team to work on Strategic Planning and Staffing issues, and it's proven beneficial; that this program used to be reimbursed by POST and is no longer; that there are not a lot of companies that provide Crossing Guard Services and the increase is a result of the minimum wage requirement; that previously the City negotiated with the School Districts for Crossing Guard services, however it proved futile in the past as the City only received one payment; that the Public Safety Task Force is used for the prevention of youth violence prevention and not safety; that the Spillman onsite training has been completed; and that Spillman is still working on the GIS Mapping System Upgrade that is scheduled to begin within the next 30 days.

Administrative Services Director Shelton continued with the Police Services Budget.

Administrative Services Director continued with her presentation on Department Budgets, including the Community Services and Community Development Departments.

Discussion ensued regarding the explanation of why the Housing Element is mandated; that the Housing Element is the process of inserting the State's housing

requirements into the City's General Plan; that the City was unable to change some of the Zoning Code issues previously, but are able to incorporate that with the Housing Element since the State will no longer allow the documents to be out of sync; that the preliminary Regional Housing Needs Assessment (RHNA) numbers could go up into the hundreds; that rezoning previously discussed areas along Orangethorpe is likely; that the preliminary numbers coming out of the Southern California Association of Governments (SCAG) are high; that the State is discussing cutting transportation funding if cities don't meet their RHNA numbers, and is why the City is forced to oppose legislation that would approve this; that the City plans to appeal the proposed numbers; that there are other creative ways to meet the housing numbers through a Housing Trust or building permanent supportive housing; that a new City Council sound system is included in the CIP Council Rehabilitation Project; explanation of the cost for scanning community development documents; that the City does not have the machine or technology to scan these documents; details of the duties of the Community Development Consultant including economic development, dispensing of the 5062 La Palma property, the Brookside Concept Plan, and other projects; that the Consultant is only here 4 hours a week; that if the City enters into a development agreement, there will be a need for a full time Community Development Director and Staff; and that an RFP will be going out shortly for the Brookside Apartments Concept Plan.

Administrative Services Director Shelton gave a presentation on the General Fund Long Term Forecast and a CalPERS update.

Discussion ensued regarding clarification of the 7% rate of return for CalPERS; that the City's economic advisors project a slight recession, but that a recovery would quickly follow; that CalPERS has previously met their return rate on average; that CalPERS amortize any gains or losses over a 20 year period; that unfortunately, CalPERS is not very forthcoming with their net returns, that would help the City make their estimates; concerns with trade wars, tariffs, and the inability to predict what is going to happen to the economy; that Staff will make adjustments when the numbers come through; that the City made a proactive decision to ensure stability by paying down \$5 million in unfunded liability; support to raise revenues by possibly considering raising the Transient Occupancy Tax (TOT) in the future as a 2020 ballot measure; that the TOT will go to a vote of the people and only affects visitors, not residents; that during the Goal Setting Session, the City Council had discussed modernizing the TOT; and that the City's TOT is really below average.

Administrative Services Director gave a presentation on additional Budget Items to consider for the Final FY 2019-20 Budget.

Discussion ensued regarding Staff not recommending additional staffing; that it's not prudent to add anything to the base; that the City cannot delay hiring someone

for the replacement to the Recreation Coordinator position as that position would directly impact current Recreation service levels; whether the City should wait until Marathon Petroleum makes a formal decision; that Director Belknap has an interim currently filling the Recreation Coordinator position; that if that position is not filled, an evaluation and decision of what events and programs to remove would need to be made; and a request to have a list of duties for this position.

Administrative Services Director Shelton gave a presentation on Utility Funds and Special Revenue Fund.

Discussion ensued regarding the Speed Study being mandated in order for the Police Department to enforce the speed limits; and that the City is required to conduct the speed study every five years.

Administrative Services Director Shelton continued with her presentation on the Special Revenue Fund, the Internal Service Funds, and the Economic Development Fund.

Administrative Services Director Shelton gave a presentation on the Capital Improvement Program and Fund Balances.

Discussion ensued regarding the decrease in Water and Sewer Reserves; whether the Reserve amount is adequate enough for operations; that during the last rate study, the City Council decided to minimize the impact to the residents by lowering the Reserve amount; that Staff is currently planning a rate study; that if there was catastrophic event, the City would look to FEMA and the City's insurance for assistance; that the City does not have any additional insurance except what is provided through the California Joint Powers Insurance Authority (CJPIA); that the CJPIA carries all of the City's property and infrastructure insurance; description of the proposal for the Citywide Event including a community oriented event to include a small parade to include food and entertainment with a cultural flare; that local community, school, and cultural groups will be in the parade; that the parade cost is based on street closures; opposition to having a parade component; that history shows a low turnout for parades; that the parade component was scaled down from the bands as discussed at the Strategic Planning Session; and support for keeping \$25,000 for the Citywide event as the City Council has not seen the proposal of the event.

By consensus, the City Council directed Staff to keep a \$25,000 placeholder for the Citywide Event in the FY 2019-20 Budget.

Discussion ensued regarding being open to the idea of having a full time Code Enforcement Officer; evaluating the core responsibilities of the vacant position and determining whether to eliminate the vacant position; that Staff will bring forward the duties of the vacancy and the result of programs and services that will be cut

by the elimination of this position; and a consensus to bring forward the Final budget with the Recreation Coordinator vacancy being filled and discuss the costs and details of adding a Permit Technician and Code Enforcement position, to include an analysis of the Recreation Coordinator position.

Council Member Goedhart added that he is opposed to adding to the base of the budget; that the Council has already conducted an analysis and reviewed employee positions during the financial cuts conducted a few years ago.

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

**Council Member Patel** attended the Annual Volunteer Recognition Event; the Anaheim Union High School District (AUHSD) meeting with Superintendent, AUHSD Board, and Executive Staff; the Youth Action Committee (YAC) Award ceremony; and the Lion's Club of Little India Installation.

**Council Member Goedhart** reported that he has been recuperating from partial knee replacement surgery.

**Mayor Pro Tem Kim** attended the Orange County Sanitation District (OCSD) Administrative Committee meeting; the OCSD Plant Tour; the Annual Volunteer Recognition event; the OCSD Legislative and Public Affairs Committee meeting.

**Mayor Goodman** attended the Orange County Vector Control District (OCVCD) Budget meeting; the OCSD Plant Tour; the Annual Volunteer Recognition event; the George B. Miller Third Grade Field Trip; the OCVCD Board meeting; and the Cypress Police Appreciation Luncheon.

#### CITY MANAGER REMARKS

**City Manager Murray** reminded everyone of the Annual Memorial Day Ceremony in front of the Eternal Flame on May 27 at 9:00 a.m.; reminded all present to sign up for the July 4 Run for Fun event; and asked those present to please join the La Palma Relay for Life Team event to raise money to support the American Cancer Society.

#### CITY ATTORNEY REMARKS

**City Attorney Webb** announced that SB 50 has been shelved for the year; however, the City Council should expect it to return; and that she will be monitoring this and all the other housing bills.

ADJOURNMENT

Mayor Goodman adjourned the Regular Meeting of the City Council at 9:50 p.m.

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Peter L. Kim  
Mayor Pro Tem

Attest:

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Kimberly Kenney, CMC  
Deputy City Clerk