

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

June 5, 2001

Mayor Aragona called the regular meeting of the La Palma City Council to order at 6:05 p.m. on Tuesday, June 5, 2001, in the Council Chambers of La Palma City Hall, 7822 Walker Street, La Palma, California.

Councilmember Duke made a motion to approve the addition of an additional Closed Session Item pursuant to Government Code Section 54956.9: CONFERENCE WITH LEGAL COUNSEL – Threatened Litigation; one case. The motion was seconded by Councilmember Blake and carried on the following roll call vote:

AYES: Aragona, Barnes, Blake, Duke, Walker

NOES: None

ABSENT: None

CLOSED SESSION

The City Council recessed to a Closed Session pursuant to Government Code Section 54957: PUBLIC EMPLOYMENT; Evaluation of City Attorney; and pursuant to Government Code Section 54956.9: CONFERENCE WITH LEGAL COUNSEL – Threatened Litigation; one case

RECONVENING

Mayor Aragona reconvened the meeting in regular session at 7:00 p.m.

PLEDGE OF ALLEGIANCE

Councilmember Barnes led the Pledge of Allegiance to the United States Flag.

INVOCATION

Pastor Herbert C. Carson of Faith Fellowship gave the Invocation.

ROLL CALL:

Councilmembers present: Lauree Aragona, Christine Barnes, Kenneth A. Blake, Alta E. Duke, Paul F. Walker

Councilmembers absent: None

City Officials present: Len Wood, Interim City Manager
Vince Giampa, Chief of Police
Ismile Noorbaksh, Director of Public Works/City Engineer
Tami K. Piscotty, Assistant to the City Manager
Joan Hoesterey, Principal Planner
Joel Kuperberg, City Attorney
Peggie Turnage, Executive Assistant

PRESENTATIONS

Mayor Aragona and Mayor Pro Tem Walker presented Certificates of Achievement to Orange County Alcohol, Tobacco, Other Drug Violence Free Poster and Writing Contest Winners: Rohan Sheth, First Place; Eric Kim, Second Place; and Symphony Tran Pham, Third Place. Each of the recipients briefly described their award winning entry.

ORAL COMMUNICATIONS

Anaheim Union High School District Facilities Task Force Representative Brian O'Neal addressed the Council to report that at the June 18th meeting, modernization of Ball and Sycamore Junior High and Savannah High School was reviewed and the updates will start in June. Not included in the modernization program are the athletic facilities, kitchens, and offices. He also reported that the first lease purchase plan for relocatables is starting to take place now for the next school year. A total of 29 portable buildings are needed for the next school year, thirteen new ones, plus three for special education and replacement of thirteen existing lease only classrooms. He added that it is anticipated that Kennedy High School will not require any more classrooms for this coming year. Mr. O'Neal reported that facility funding is becoming a major issue. There are not enough funds available to accommodate the anticipated growth in the District and the State has no funds available. Certificates of Participation can help somewhat but that is banking on future General Fund receipts to pay off the future debt. Because of the problem they are having with the classrooms they are looking at options to accommodate the future influx of students, which will probably continue for another ten years. Some of those options are year around sessions, converting the continuing education school Trident into a Junior High School, redistricting, and general obligation bonds. A survey will be conducted to determine the feasibility of placing the general obligation bonds on a future ballot.

Councilmember Duke asked for more information on the term "redistricting".

Mr. O'Neal responded that because of the population in each school, some will be overcrowded and some could handle a few more students, so they are looking at possibly redrawing some of the lines to manipulate the population around the schools.

Mayor Aragona clarified that the students would be moved to schools within the district and not to a different district and Mr. O'Neal responded affirmatively.

RECESS

Mayor Aragona recessed the City Council to convene as the Community Development Commission at 7:13 p.m. (See separate Community Development Commission Minutes.)

RECONVENING

Mayor Aragona reconvened the meeting in regular session at 7:16 p.m.

CONSENT CALENDAR

Councilmember Blake pulled Consent Calendar Item No. 8.

Mayor Pro Tem Walker made a motion to approve the following items on the Consent Calendar:

APPROVED THE MAY 15, 2001 CITY COUNCIL MEETING MINUTES

ADOPTED RESOLUTION NO. 2001-22 APPROVING A REGISTER OF DEMANDS JUNE 5, 2001

APPROVED THE BUDGET ADJUSTMENT AND AN APPROPRIATION OF \$6,976.55 FROM THE AIR QUALITY FUND (FUND 15) FOR THE PURCHASE OF AN ELECTRIC POWERED UTILITY VEHICLE

ADOPTED RESOLUTION 2001-23 AUTHORIZING THE SUBMITTAL OF THE APPLICATION TO THE CALIFORNIA DEPARTMENT OF PARKS AND RECREATION FOR GRANT FUNDS FOR THE PER CAPITA PROGRAM UNDER THE NEIGHBORHOOD PARKS, CLEAN WATER, CLEAN AIR, AND COASTAL PROTECTION BOND ACT OF 2000, PROPOSITION 12 (AB 18) PROJECT AND APPROPRIATE THE \$150,000 TO THE CENTRAL PARK COMMUNITY CENTER PROJECT

REAPPOINTED JAY GOLDBERG TO THE TRAFFIC SAFETY COMMITTEE FOR A TERM EXPIRING ON DECEMBER 31, 2004

ADOPTED RESOLUTION NO. 2001-24 CONCERNING THE STATUS OF THE CIRCULATION ELEMENT FOR THE CITY OF LA PALMA

APPROVED THE BUDGET ADJUSTMENT AND APPROPRIATION OF FUNDS IN THE AMOUNT OF \$49,120 IN GENERAL LIABILITY AND \$54,137 IN WORKERS' COMPENSATION TO PAY FOR INCREASED COSTS IN GENERAL LIABILITY AND WORKERS' COMPENSATION PREMIUMS FROM THE INSURANCE FUND

The motion as seconded by Councilmember Duke and carried on the following roll call vote:

AYES: Aragona, Barnes, Blake, Duke, Walker
NOES: None
ABSENT: None

CITY CODE ENFORCEMENT UPDATE

Councilmember Blake referred to the items relating to vehicle storage and asked if these are violations for unregistered vehicles stored in a driveway.

Chief Giampa responded this report does not reflect what the violation was for but he would be happy to get the details.

Councilmember Blake stated he is aware of a vehicle on San Simeon where the individual is in the hospital and the van has probably not been moved for two or three months and expressed concern that code violations should not be issued in this type of circumstance.

Chief Giampa stated that when code violations are enforced, it is done so with the spirit of the law as opposed to the letter of the law and in a situation where someone is incapacitated they will work with the homeowner in order to resolve the situation.

Councilmember Blake referred to the item concerning the pool motor and commented that he hoped the City is not getting involved in neighborhood disputes. He added that in some instances the pools that have the enclosures required by the City Code create more noise than those that are not enclosed.

Chief Giampa assured the Council that as long as someone has complied with the code they have nothing to fear and the department clearly would not get involved in neighborhood disputes where there is no violation of the code.

Mayor Pro Tem Walker made a motion to receive and file the report of open code enforcement cases. The motion was seconded by Councilmember Blake and carried on the following roll call vote:

AYES:	Aragona, Barnes, Blake, Duke, Walker
NOES:	None
ABSENT:	None

PUBLIC HEARING

FISCAL YEAR 2001/2002 BUDGET FOR THE CITY OF LA PALMA

Chairman/Mayor Aragona opened the Joint Public Hearing for the La Palma Community Development Commission/City Council and called upon Interim City Manager Len Wood to present the staff report.

Mr. Wood gave a visual overview presentation identifying ten important policy issues that overlie the budget that the Council will be dealing with this year as well as future budgets:

- 1 Balanced General Fund Budget
- 2 Requests were Cut to Bring the General Fund into Balance
- 3 General Fund Revenues Remain Tenuous
- 4 Recurring Revenues must meet or exceed the Recurring Expenditures
- 5 The General Fund Reserve is not adequate
- 6 La Palma Must Begin Dealing with its Long Term Financial Issues

- 7 On-going Money Must be Found for the Community Center Operations and Maintenance
- 8 Money Must be Found to Continue the Slurry Seal Program
- 9 Money Must be Found for the Maintenance of CIP
- 10 Community Development money is needed for Community Redevelopment Projects

Mr. Wood explained that the City's total budget, all funds, is \$13,247,000. Of that the General Fund is 6.9 million; Water, Sewer, Streets, 4.5 million in operations and 1.7 million in capital improvements. To achieve a balanced budget the departments made significant cuts in their requests; most of the previously approved programs continue however, some important new program requests were left unfunded. Mr. Wood explained that the revenue base is very, very small and if any revenue is lost it could have a serious impact on the entire community. He stated that the four main revenue sources are: Sales Tax at 24%, Property Tax at 18%; Utility Users Tax at 15%; and Vehicle License Fees at 11% and represent 68% of the General Fund. Total revenues for next year are estimated at eight million.

Commissionmember/Councilmember Blake expressed concern that the City could lose the Vehicle License Tax and Mr. Wood confirmed that is a possibility.

Mr. Wood added that the 2000 census shows a loss in population, which is important because several of the City's revenue sources are based on population. He also stated that La Palma does not realize much growth in property tax because the City has a very stable population and most of the homeowners are pre Proposition 13. Mr. Wood pointed out that just eight firms generate 80% of the sales tax and if just one of those firms is lost, the City has a problem. Mr. Wood also explained that the Utility Users Tax is in jeopardy in light of a recent court case and the City Attorney has been requested to look at the ramifications of that court case. Mr. Wood stated that it is important to look at how the funds are distributed in terms of the General Fund. The Police Department represents 51% of the General Fund; Recreation, 19%; and Public Works 9%. In addition, Mr. Wood explained that the City has the ability to build the Community Center but if it is going to proceed with the Community Center expansion, it needs funds to operate and maintain the facility. He also explained that a shortfall of \$135,000 has been identified in the Slurry Seal program.

Chairman/Aragona asked if the ramifications of the possibility of lost revenues will be spelled out in the staff's budget recommendations to City Council.

Mr. Wood responded that the budget message will include these issues. He added that rather than adopting the budget and putting it on the shelf, it will have to be revisited continually.

Mr. Brian O'Neal, 5042 Cartagena Circle, La Palma, addressed the Commission/Council to ask if the one time revenue source is still viable. Mr. Wood responded affirmatively but it is used only for Capital Improvement projects. Mr. O'Neal asked if the \$260,000 for Community Center Operations is over and above the proposed budget and Mr. Wood responded affirmatively.

Commissionmember/Councilmember Blake asked if the \$260,000 is over and above what the City is currently spending for operations and maintenance and Mr. Wood responded affirmatively.

Mr. O'Neal asked if staff would be able to project what additional funds would be generated as a result of the expansion of the facility. Mr. Wood stated staff could probably make an estimate of the offset. Mr. O'Neal suggested it might be wise to start looking at a two-year budget process or further out.

Mr. Wood responded he feels the City needs to look five or ten years in the future because the issues get more severe each year if they are not dealt with.

Mr. Larry Herman, 5122 Andrew Drive, La Palma, addressed the Commission/Council to ask where the City should be on its General Fund Reserve.

Mr. Wood responded his first concern is getting the ongoing revenues in excess of expenditures. He suggested that instead of thinking of a certain percentage, how many months of operations the General Fund reserve would provide, and right now it is around five months.

Chairman/Mayor Pro Tem Walker made a motion to close the Public Hearing. The motion was seconded by Commissionmember/Councilmember Duke and carried on the following roll call vote:

AYES:	Aragona, Barnes, Blake, Duke, Walker
NOES:	None
ABSENT:	None

Commissionmember/Councilmember Duke stated that it was projected that the City would receive funds from the Senior project and asked where the City stands on that.

Mr. Wood responded that proceeds of \$110,000 have been included in the budget from that project.

Commissionmember/Councilmember Blake thanked Mr. Wood for the overview presentation and commented that it was very easily understood.

Commissionmember/Councilmember Duke made a motion to reopen the public hearing. The motion was seconded by Commissionmember/Councilmember Blake and carried on the following roll call vote:

AYES:	Aragona, Barnes, Blake, Duke, Walker
NOES:	None
ABSENT:	None

Commissionmember/Councilmember Barnes made a motion to continue this item to the meeting of June 19, 2001. The motion was seconded by Commissionmember/Councilmember Duke and carried on the following roll call vote:

AYES: Aragona, Barnes, Blake, Duke, Walker
NOES: None
ABSENT: None

COUNCILMEMBER REPORTS FROM CITY-AFFILIATED COMMITTEES/COUNCIL REMARKS

Councilmember Barnes reported that she attended the Anaheim Union High School District Facilities Task Force with Mr. O'Neal and the Legislative Action Days in Sacramento with Mayor Aragona and City Clerk Tami Piscotty. She commented that at the Legislative Action Days energy was the primary topic. She reported that the May revised state budget picture is not encouraging for cities. She stated she appreciated the opportunity to meet personally with the various legislators.

Mayor Pro Tem Walker reported that at the Sanitation District Meeting they are working on the 301 waiver. He explained that every five years they must reapply with the Federal Government. At the meeting the possible purchase of an ocean-monitoring vessel for the amount of 1.3 million dollars and there is some concern on this item.

Mayor Aragona reported that she attended a meeting with Mr. Noorbaksh on project approval of Measure M funds for all the projected projects in Orange County and the cities priorities. She also reported that she attended the Seniors Club luncheon and they are working on a Father/Mother Recognition Luncheon to be held on June 21st. She also reported on the West Orange County Cities Association meeting at which the West Orange County Rail issue was discussed. Tom Harman's OCTA bill was discussed at length. Also discussed was the potential of a joint powers agreement for animal control.

Mayor Aragona reported that La Palma resident, Earl Jacobs Jr. passed away from a disease called Sarcoidosis. She then reported on the recent Sarcoidosis challenge to Cerritos for a walk at the Cerritos Towne Center on May 17th, which was very impressive. She stated that next year the walk will be held in La Palma.

Mayor Aragona reported on the Block Party on Suffield and stated that the block party truly represented the city's cultural diversity. She also reported on the Public Works Day Open House at the City Yard and commended the public works staff for putting together a great program. She also commented that she attended the Bahai Race Unity event and presented a City Proclamation. Legislative Action Days in Sacramento were excellent. She stated she particularly enjoyed the visit with Senator Joe Dunn and his housing consultant where she was able to share some of the SCAG's concerns because there is nothing written into the bill for cities like La Palma which are built out.

Mayor Aragona thanked Captain Ethell and Chief Giampa for setting up a ride along with Officer Les Parsons on Memorial Day weekend and stated it was very informative. She also thanked the Recreation Department for an excellent Memorial Day Program. She added that she attended a meeting on "Trails" called by Supervisor Cynthia Coad where they discussed open land or Edison

right-of-way and unused rail lines for trails and La Palma's rail lines came up for discussion as a potential trail. Mayor Aragona reported that she attended a Girl Scout Award Ceremony and stated all the projects the girls did for their Gold Award projects were excellent. She stated that she attended the Orange County School of Performing Arts program and reported that three La Palma residents are involved in this program. She concluded by reporting on the Senior Awards Ceremony for Kennedy High School and stated that the recipients of the City awards are excellent students.

Councilmember Blake reported that at the Executive Board Meeting of the Orange County Fire Authority they authorized staff to advertise for General Contractors and Sub Contractors for using the pre-qualification provision for the new regional fire operations and training center. At the General Board meeting they approved the issuance and sale of the 2001/2002 tax and revenue anticipation notes. They also approved the preliminary financing plan for the regional fire operation and training center and authorized staff to get approval from 2/3 of the member agencies by July 26th. He added he is hoping to place this presentation on La Palma's July 3rd City Council Meeting Agenda. The OCFA also adopted the 2001/2003, two-year budget.

Councilmember Blake stated that he attended the Kennedy Senior Awards Ceremony and the final Kennedy Choir show for this year and reported that the two instructors sang a song to the Senior Class that was very moving. He also talked about the block party and reported that the next block party will be in September.

Councilmember Blake asked if the City is considering doing any signal lens conversions to the new high intensity lights.

Director of Public Works/City Engineer Ismile Noorbaksh responded that they are working with the maintenance company to get prices so perhaps on a quarterly basis some of the lights can be replaced. He added that because of the demand there is not much production so everyone is falling behind.

Councilmember Duke stated she attended the Orange County Council of Governments and reported they are struggling with some budget issues in order to continue some of the priority projects. She explained that SCAG has reduced the appropriations to the sub regions. They are working with SCAG in the hopes they will restore some of that funding but in the event that doesn't happen they will probably come to the cities either through a dues increase or one-time assessment.

Councilmember Duke reported that the Scholarship Awards were very fine and announced that the recipients for the City of La Palma's Awards were Robert Tzong and Nora Stefanos and the Buena Park High School Awards will be held next Tuesday. She added that for the first time the scholarship awards were opened up to the general population of the City and Jennifer Leung of Cerritos High School submitted an excellent application.

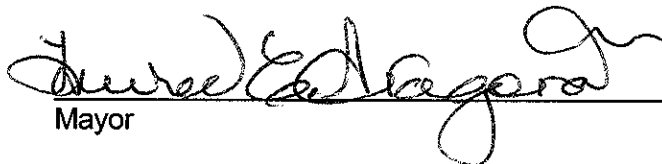
Assistant to the City Manager Tami Piscotty reported that Jennifer will be attending the June 19th City Council meeting to receive her award.

Councilmember Duke commented that the Memorial Day Service was a real trip in history and the speaker could have gone on for hours. She commended the Recreation and Community Services

Department on a very nice looking brochure. She also stated that she feels the Kennedy Choir Directors have brought a very special talent and attitude to the entire program. She concluded by announcing the Kennedy Baccalaureate ceremony on Sunday at 3 p.m. at Knott Avenue Christian Church.

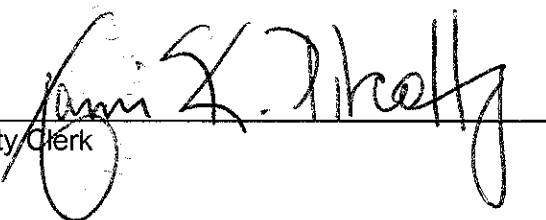
ADJOURNMENT

The City Council adjourned at 8:31 p.m. to a Closed Session on Friday, June 15, 2001 at 9:00 a.m. to the California Joint Powers Insurance Authority, 8081 Moody Street, La Palma, pursuant to Government Code Section 54957: Public Employment; Recruitment of City Manager.



Mayor

ATTEST:



City Clerk