

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

July 5, 2011

CALL TO ORDER: Mayor Rodriguez called the Regular Meeting of the La Palma City Council to order at 6:45 p.m. in the Council Chambers of La Palma City Hall, 7822 Walker Street, La Palma, California, with all members present.

RECESS TO CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Subdivision (a) of Section 54956.9)

Name of case: Donald Sipple, John Simon, Karl Simonsen, and Christopher Jacobs, Settlement Class Representatives; New Cingular Wireless PCS LLC, a Delaware limited liability company versus The City of Alameda, The City of La Palma, California et al.

Case Number: Los Angeles Superior Court BC462270

Mayor Rodriguez recessed to Closed Session at 6:47 p.m.

OPEN SESSION

Mayor Rodriguez reconvened the City Council at 7:01 p.m. with all members present.

City Attorney Kuperberg reported that the City Council unanimously voted to authorize defense of the impending litigation.

PLEDGE OF ALLEGIANCE: Boy Scout Troop Number 610

INVOCATION: Council Member Shanahan

ROLL CALL:

Council and Commission Members

Council/Commission
Members present:

Mayor Pro Tem/Vice Chairperson Charoen,
Council/Commission Member Hwangbo,
Mayor/Chairperson Rodriguez,
Council/Commission Member Shanahan, and
Council/Commission Member Waldman

Council/Commission
Members absent:

None

City Officials present:

Dominic Lazzaretto, City Manager/Executive
Director
Joel Kuperberg, City Attorney
Douglas Dumhart, Community Development
Director
James Enright, Police Captain
Jeff Moneda, Public Works Director/City
Engineer
Laurie Murray, Administrative Services
Manager/City Clerk
Kimberly Kenney, Minutes Clerk

ORAL COMMUNICATIONS

Les Parsons, representing the La Palma Police Officers Association (LPPA), addressed the City Council regarding ongoing labor negotiations; he stressed that the City's police officers are dedicated to every resident's safety and the community; that they donate to La Palma Schools, local sports teams, and several local charities; that he is opposed to recent public comment against City workers; and that cuts to his benefits and salary are personal. He closed by asking the City Council to look for reasonable solutions in the labor negotiation process.

Terry Kim, representing the LPPA, addressed the City Council regarding a LPPA third party financial investigation that found the City to be in excellent financial condition; the type of service calls that the Police Department responds to; the concessions that the LPPA have presented to the City's negotiating team; and the difference between private sector and public sector benefits.

Jose Guerrero, representing the LPPA, addressed the City Council regarding the ongoing labor negotiations and asked for the City Council's support in the labor negotiation process.

Jan Jensen, 7562 Trabuco Lane, addressed the City Council regarding her support for the LPPA.

Emma Diones, 7842 Norann Circle, addressed the City Council regarding her support for the LPPA and noted the number of Police Chiefs the City has produced.

Cheryl Pappas, 5272 Dumaine Drive, addressed the City Council regarding her opposition to the LPPA not paying the employee portion of their retirement contributions and in opposition to their salary schedules.

Robert Carruth, 7201 Monterey Lane, addressed the City Council regarding his opposition to the comments made by the LPPA representatives; that his previous public comments have been misinterpreted and misread; clarification that his previous comments were not to take salary cuts, but for employees to pay their fair share of their retirement contributions. He closed by asking the City Council to support the same theme that the other bargaining groups agreed to.

Paul Bracciodieta, representing the LPPA, addressed the City Council regarding prior salary increases and that those increases only brought the police officers to 4% below the median level of other comparable cities. He stressed that that the department's police officers will continue to protect and serve all residents of La Palma.

Marianne Astle, 7692 Cory Circle, addressed the City Council regarding her support for the LPPA.

Jeff McCombs, 7212 Monterey Lane, addressed the City Council regarding his opposition to the LPPA not paying their retirement contributions; in favor of a 401K type of retirement program; and that the City should only pay fair and equitable rates for services.

Diane Patterson, 5021 Sharon Drive, addressed the City Council regarding her support for the LPPA, other City employees, the City Council, and City Management.. She asked the City Council to provide a fair solution for employees and residents alike.

Gerard Goedhart, 4922 Berton Circle, addressed the City Council regarding his support for the City Council and the LPPA to negotiate an amicable labor agreement.

Maggie Faust, LPPA, addressed the City Council pledging to them and to Mr. Carruth that the Police Department's service levels will not be diminished for him or any other member of the La Palma community.

RECESS THE CITY COUNCIL AND CONVENE AS THE COMMUNITY DEVELOPMENT COMMISSION AT 8:02 P.M.

CONSENT CALENDAR

A. Approval of Community Development Commission Minutes

Minutes of the June 7, 2011, and June 21, 2011, Regular Meetings of the La Palma Community Development Commission.

B. Approval of Register of Demands

Resolution No. CDC 2011-19 approving the Register of Demands for July 5, 2011.

Vice Chairperson Charoen made a motion to approve Consent Calendar Items A and B.

The motion was seconded by Commission Member Shanahan and carried on the following vote:

AYES: Vice Chairperson Charoen, Commission Member Hwangbo,
Chairperson Rodriguez, Commission Member Shanahan,
and Commission Member Waldman

NOES: None

PUBLIC HEARINGS

None Scheduled.

RECONVENE THE CITY COUNCIL FOR A JOINT MEETING WITH THE COMMUNITY DEVELOPMENT COMMISSION AT 8:03 P.M.

REGULAR ITEMS

C. Approval of AB 1867 Affordable Housing Program Guidelines, Use of Low and Moderate Income Housing Funds Outside Project Area, and Authorization to Acquire Real Property

City Manager/Executive Director Lazzaretto noted that due to the recent State Budget adoption and evolving redevelopment issues, some of the Staff recommendations have changed.

Community Development Director Dumhart gave the presentation.

Public Input:

Cheryl Pappas, 5272 Duke Drive, addressed the City Council regarding her opposition to low income residential projects; that the City should not be involved in the taking of foreclosed homes; and expressed concern for the need to fill the empty commercial space within the City.

Mayor/Chairperson Rodriguez clarified that the City does not "take" foreclosed homes, but makes arrangements with property owners who decide to sell their property; that the State mandates housing affordability requirements; what the low income levels are in Orange County; and that the homeowners of this type of project are typically working families.

Community Development Director Dumhart noted that the proposed affordable housing units are multi-family housing units and not single family dwellings.

Council/ Commission Questions and Comments:

Discussion ensued regarding the purpose of this item being to approve the program guidelines; that Staff is not making any recommendations to fund the purchase of any properties at this time as the funds would come from Community Development Commission (CDC) set-aside monies for affordable housing; that a decision need not be made tonight as there are still pending issues with redevelopment funding; that the CDC would only be a possible funding source for the program; that the State could take away a large amount of CDC dollars; that Staff has been working on the program guidelines for several months and that they will be used for the proposed affordable housing project; that the City would need to find funding sources; that funding and granting agencies are more likely to approve an affordable housing project if program guidelines are in place; that the City's proposed affordable housing project satisfies the State's Regional Housing Needs Assessment (RHNA) numbers; that the CDC budgeted \$800,000 for foreclosed housing purchases in the FY 2011-12 budget, however it is recommended that an additional \$400,000 be added to the affordable housing budget to procure housing lots; that the City cannot allocate any funding from CDC due to current legislation; a recommendation to remove all language in the proposed Resolutions regarding the CDC and bring the item back to the City Council for approval; Community Development Director Dumhart's previous experience with AB 1867 Affordable Housing Program Guidelines in several affordable housing units in San Juan Capistrano; that the priority of the guidelines is to make the units available to La Palma residents;; that the program has a five year review period for residents; that detailed recertification of all new residents occurs annually; that the City will be able to enforce occupancy and income limits; and that affordability and income restrictions would be placed on any properties while they are in escrow.

Mike Jewell, 5211 Blairwood Drive, asked if the City would profit from the proposed affordable housing project.

Mayor/Chairperson Rodriguez responded that the State mandates affordable housing requirements and this program helps the City to meet those requirements.

Mr. Jewell asked if the City has any experience in creating affordable housing condominium units.

Mayor/Chairperson Rodriguez noted that Community Development Dumhart has had years of experience dealing with affordable housing in San Juan Capistrano.

Mr. Jewell noted his opposition to affordable housing in condominium projects.

Mayor/Chairperson Rodriguez responded that, historically, most cities meet the RHNA requirements with apartment housing; however, the City of La Palma wants to approach this project by proposing townhomes and condominium purchases for the Community.

Mr. Jewell asked for clarification as to whether this project would be like the County's Section 8 program and whether there would be any follow up on residents.

Community Development Director Dumhart responded that yes the program is similar to Section 8 affordable housing assistance, but that there were some differences. These four units would be owned by an affordable housing corporation that would report back to the City and have strict guidelines with detailed follow up for the residents.

Further discussion ensued regarding how the County defines an overcrowded dwelling; that the overcrowding numbers are determined by State Building Codes that establish occupancy levels; that the guidelines should be adopted before the Fall of 2011 in order to be competitive for funding; that if the City does not act on the Denni Street project, that its RHNA 2014 requirements will not be met; and that rehabilitation of apartment units can be done with Redevelopment funds.

- a) City Council: Adopt a Resolution approving AB 1867 Affordable Housing Program Guidelines, the expenditure of Low and Moderate Income Housing Funds for the purpose of acquiring properties for the purpose of increasing, improving, and preserving the community's supply of low- and moderate-income housing; and
- b) Community Development Commission: Adopt a Resolution approving AB 1867 Affordable Housing Program Guidelines, the expenditure of Low-and Moderate-Income Housing Funds for the purpose of acquiring properties for the purpose of increasing, improving, and preserving the community's supply of low- and moderate-income housing, and authorizing the

Executive Director to acquire real properties; and

- c) Community Development Commission: Approve a supplemental appropriation of \$400,000 from the Low and Moderate Income Housing (LMIH) Fund for the AB 1867 Program.

By consensus, the City Council/Community Development Commission agreed to table the item to a future City Council meeting to allow staff enough time to modify the resolution by removing any CDC language.

Mayor/Chairperson Rodriguez requested to take a short recess at 8:45 p.m.

Mayor/Chairperson Rodriguez reconvened the City Council and Community Development Commission at 8:51 p.m. with all members present.

RECESS THE CITY COUNCIL, ADJOURN COMMUNITY DEVELOPMENT COMMISSION, AND CONVENE AS THE PLANNING COMMISSION AT 8:51 P.M.

CONSENT CALENDAR

PL-1. Approval of Planning Commission Minutes

Minutes of the June 7, 2011, and June 21, 2011, Regular Meetings of the La Palma Planning Commission.

Commission Member Hwangbo made a motion to approve Consent Calendar Item PL-1.

The motion was seconded by Vice Chairperson Charoen and carried on the following vote:

AYES:	Vice Chairperson Charoen, Commission Member Hwangbo, Chairperson Rodriguez, Commission Member Shanahan, and Commission Member Waldman
NOES:	None

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

None Scheduled.

ADJOURN THE PLANNING COMMISSION, AND RECONVENE AS THE CITY COUNCIL AT 8:52 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 June 7, 2011, and June 21, 2011, Regular Meetings of the La Palma City Council; the Minutes of the April 18, 2011, Special Joint Meeting of the City Council, Development Committee, and Traffic Safety Committee; and the Minutes of the April 26, 2011, Special Joint Meeting of the City Council, Community Activities and Beautification Committee, Development Committee, and Traffic Safety Committee.

3. Approval of Register of Demands

Resolution No. 2011-33 approving the Register of Demands for July 5, 2011.

4. Submittal of Applications to the State of California Department of Transportation for Funding Under the Federal Safe Routes to School Grant Program (Cycle 3) to Enhance Safety in School Zones Citywide

Resolution No. 2011-34 approving the submittal of applications to the State of California Department of Transportation for funding under the Federal Safe Routes to School Grant Program (Cycle 3) to enhance safety in school zones citywide.

5. California Public Employees' Retirement System Resolutions

- a) Resolution No. 2011-35 reducing the City's employer paid member contributions to the California Public Employees' Retirement System (CalPERS) to 5% for Fiscal Year 2011-12 for Miscellaneous employees in the La Palma General Employees Association, the La Palma Professional Employees Association, and the unrepresented Management Team;

- b) Resolution No. 2011-36 reducing the City's employer paid member contributions to CalPERS to 6% for Fiscal Year 2011-12 for Safety employees in the unrepresented Management Team; and

- c) Resolution No. 2011-37 implementing section 414(h)(2) of the Internal Revenue Code allowing employee contributions to CalPERS to be tax deferred.

Mayor Pro Tem Charoen made a motion to approve Consent Calendar Items 1 through 5.

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

AYES: Mayor Pro Tem Charoen, Council Member Hwangbo, Mayor Rodriguez, Council Member Shanahan, and Council Member Waldman

NOES: None

ITEMS PULLED FROM CONSENT CALENDAR

- 6. Authorization for Council Members to Attend the League of California Cities Annual Conference and Designation of Voting Delegates

Council Member Shanahan requested that Item 6 be pulled from the Consent Calendar to clarify that he is also planning to attend the League of California Cities Annual Conference.

City Manager Lazzaretto responded that his request to attend was received late and that his attendance was reflected in the Staff Report, but was missed on the Agenda Face Sheet.

- a) Approve the attendance of Mayor Rodriguez, Council Member Hwangbo, Council Member Shanahan, and Council Member Waldman at the League of California Cities Annual Conference, September 21-23, 2011, in San Francisco; and

- b) Designate Mayor Rodriguez as the City of La Palma's Voting Delegate at the League's Annual Conference and Council Member Waldman as the Alternate Voting Delegate.

Council Member Waldman made a motion to approve the attendance of Mayor Rodriguez, Council Member Hwangbo, Council Member Shanahan, and Council Member Waldman at the League of California Cities Annual Conference, September 21-23, 2011, in San Francisco and to Designate Mayor Rodriguez as the City of La Palma's Voting Delegate and Council Member Waldman as the Alternate Voting Delegate.

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

AYES: Mayor Pro Tem Charoen, Council Member Hwangbo, Mayor Rodriguez, Council Member Shanahan, and Council Member Waldman

NOES: None

REGULAR ITEMS

7. Memorandum of Understanding for the La Palma General Employees Association

City Manager Lazzaretto gave the Staff Report.

Public Input:

Robert Carruth, 7201 Monterey Lane, addressed the City Council asking that in future staff reports that the public be provided with a detailed analysis for employer versus employee retirement contributions; to ask for clarification on merit increases; and to express his appreciation for the employees who have made concessions in the recently negotiated Memorandums of Understanding (MOUs).

Council Comments and Questions:

Discussion ensued regarding appreciation for the sacrifices made by employees; the need for the City to be sustainable; and that Council Member Hwangbo is not supporting the proposed MOU due to the current pension program.

Resolution No. 2011-38 adopting the Memorandum of Understanding between the City of La Palma and the La Palma General Employees Association.

Council Member Waldman made a motion to approve the Memorandum of Understanding for the La Palma General Employees Association.

Further discussion ensued regarding the benefit cuts in the MOU.

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

AYES: Mayor Pro Tem Charoen, Mayor Rodriguez,
Council Member Shanahan, and Council
Member Waldman

NOES: Council Member Hwangbo

8. Council Member Request: Reduction of City Council Stipends

City Manager Lazzaretto asked the City Attorney to explain the process of reducing City Council Stipends.

City Attorney Kuperberg explained that under California Law, there is a mechanism for decreasing the stipend amount; that any decrease would not take effect until each Council Member's term of office ends; that there is a mechanism in State statutes that allows Council Members to waive all or a portion of their stipends for a period of time; and that if the City Council chooses to waive a portion of their stipend, that they should make their request in writing to the City Clerk.

Council Member Shanahan gave a brief presentation and requested that the City Council stipend be voluntarily reduced by \$100 since City employees have taken reductions in recent labor agreements. He noted that the stipend barely covers long distance travel mileage to conferences; that the City Council does not submit mileage reimbursement for attendance at local meetings; and stated that he will voluntarily take the \$100 a month reduction in his stipend.

Discussion ensued regarding whether the intent includes voluntary reductions to external agency stipends; that there are other cities who have similar stipend amounts; that other cities provide benefits as well as a stipend; that Council Member Shanahan intended the voluntary reduction come from La Palma City Council Stipends only; that, historically, the City Council only submits reimbursements for long distance travel to meetings; that the City Council's stipend has been \$300 a month since at least 1986; and what State regulations allow.

City Attorney Kuperberg noted that the La Palma Municipal Code follows State Law, which allows for a maximum of \$300 a month; that the law has been in effect for several decades and the legislature allows for incremental increases based on a ballot vote; and that Charter Cities can set any rate they wish.

Further discussion ensued regarding other cities stipend rates and compensation packages for Council Members; that the City Council could increase the stipend 5% per year by the Public Hearing and Ordinance process; and that the voluntary stipend reduction would be public record and should be addressed to the City Clerk.

Public Comment:

Robert Carruth, 7201 Monterey Lane, addressed the City Council regarding in support of the gesture, but that he feels that City Council Members are well deserving of the entire \$300 monthly stipend. In lieu of the proposed reduction, he offered to match any Council Member's donation of their stipend(s) to a La Palma cause up to a maximum of \$2,000.

Gerard Goedhart, 4922 Berton Circle, addressed the City Council regarding his support for the City Council keeping their entire stipends.

Further discussion ensued regarding City Council's appreciation for the idea; that City Council Members do attend numerous meetings and don't submit reimbursements; that City Council Members all give to the community and donate to charitable events; and that the City Council could donate their stipend(s) to charitable community events or organizations.

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

Council Member Waldman attended the Orange County Sanitation District (OCSD) meeting; the Orange County Council of Governments (OCCOG) meeting; the July 4th Run for Fun event; and the July 4th event at the Los Alamitos Joint Forces Training Base. He noted that his children were taking advantage of the City's new swim lesson program at John F. Kennedy High School.

Council Member Shanahan attended the July 4th Run for Fun event and thanked Staff for their work on the event. He asked what the attendance was for this year's event.

Recreation and Community Services Supervisor Robinson reported that there were 740 runners and walkers for the 10K and 78 participants in the Yankee Doodle Dash. She noted that a record was broken for the men's 5K run for ages 50+. The new time, which broke the previous record by 12 seconds, is now an American Track and Field (ATF) record.

Council Member Shanahan closed by announcing that he and his wife are expecting a child in February.

Council Member Hwangbo attended the California Joint Powers Insurance Authority (CJPIA) Newly Elected Officials Academy; the July 4th Run for Fun event; and thanked Staff and volunteers for their efforts and contributions to the event's success.

Mayor Pro Tem Charoen attended the July 4th Run for Fun event and thanked Staff and volunteers for their efforts.

Mayor Rodriguez reported that he attended the St. Irenaeus Fiesta; the Young Legislators Graduation Ceremony; the Special Meeting of the City Council on July 1, 2011; and the July 4th Run for Fun event and thanked Staff and volunteers for their efforts. He announced his plans to present Cerritos Council Member Joseph Cho with the medal he won at La Palma's July 4 Run at the upcoming Cerritos City Council meeting. He reminded everyone of resident Kiana Miyamoto's plans to start a La Palma walk and running club.

CITY MANAGER REMARKS

City Manager Lazzaretto attended the July 4th Run for Fun event and thanked Staff for their efforts. He announced that upcoming Agenda Items would include a proposal to develop a bank at La Palma Avenue and Valley View Street, the resolutions to formalize the second tier of retirement for miscellaneous employees, and reminded everyone of the first Concert in the Park on July 9, 2011.

CITY ATTORNEY REMARKS

City Attorney Kuperberg had nothing to report.

ADJOURNMENT

Mayor Rodriguez adjourned the Regular Meeting of the La Palma City Council at 9:44 p.m.

Ralph D. Rodriguez
Mayor

Attest:

Laurie A. Murray, CMC
City Clerk

