

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

August 2, 2011

CALL TO ORDER: Mayor Rodriguez called the Regular Meeting of the La Palma City Council to order at 6:19 p.m. in the Council Chambers of La Palma City Hall, 7822 Walker Street, La Palma, California.

CLOSED SESSION

CS1. The City Council will meet in Closed Session pursuant to Government Code Section 54956.9: CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Subdivision (a) of Section 54956.9)

CS2. The City Council will meet in Closed Session pursuant to Government Code Section 54957.6: CONFERENCE WITH LABOR NEGOTIATORS

Mayor Rodriguez recessed to Close Session at 6:20 p.m.

OPEN SESSION

Mayor Rodriguez reconvened the City Council in Open Session at 7:00 p.m. with all members present.

City Attorney Kuperberg reported that the City has authorized defense in the case of New Cingular Wireless PCS, LLC, regarding Utility Users Tax and has authorized retention of legal counsel for the matter.

City Manager Lazzaretto reported that the La Palma Police Association approved a conceptual agreement with key deal points being a three-year contract with members paying the entire 9% of the employee contribution towards their retirement by the end of the period; a second tier retirement formula for miscellaneous of 2% at 60 and for safety of 2% @55 with new hires paying the entire employee contribution upon day of hire; and no cost of living increases. He stated that the City and the La Palma Police Association working on language in the agreement and hope to bring it before the City Council at its August 16 meeting.

PLEDGE OF ALLEGIANCE:

Council Member Hwangbo

INVOCATION:

Mayor Pro Tem Charoen

Mayor Rodriguez welcomed representatives from the Renmin University of China, a South China Agricultural University, who were visiting the City Council meeting to observe how local government runs.

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
Michael Belknap, Recreation & Community Services Director
Douglas Dumhart, Community Development Director
Jeff Moneda, Public Works Director/City Engineer
Keith Neves, Finance Director
Eric Nuñez, Police Chief
Laurie Murray, Administrative Services Manager/City Clerk
Kimberly Kenney, Minutes Clerk

PRESENTATIONS

1. Mayor Rodriguez presented a Proclamation to the Police Chief Nuñez in honor of National Night Out.
2. Mayor Rodriguez and Council Member Hwangbo presented a Proclamation to Chloe Kim in honor of her snowboarding accomplishments.

ORAL COMMUNICATIONS

No members of the public wished to speak.

RECESS THE CITY COUNCIL AND CONVENE AS COMMUNITY DEVELOPMENT COMMISSION AT 7:17 P.M.

CONSENT CALENDAR

A. Approval of Community Development Commission Minutes

Minutes of the July 19, 2011, Regular Meeting of the La Palma Community Development Commission.

Vice Chairperson Charoen made a motion to approve Consent Calendar Item A.

The motion was seconded by Commission Member Waldman 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 COMMUNITY DEVELOPMENT COMMISSION, AND CONVENE AS THE PLANNING COMMISSION AT 7:18 P.M.

CONSENT CALENDAR

PL-1. Approval of Planning Commission Minutes

Minutes of the July 19, 2011, Regular Meeting of the La Palma Planning Commission.

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

The motion was seconded by Commission Member Waldman 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 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 July 19, 2011, Regular Meeting of the La Palma City Council.

3. Approval of Register of Demands

Resolution No. 2011-41 approving the Register of Demands for August 2, 2011.

5. Destruction of Obsolete Finance Department Records

Resolution No. 2011-42 authorizing the destruction of obsolete finance records pursuant to the California Government Code Section 34090.

Mayor Pro Tem Charoen made a motion to approve Consent Calendar Items 1, 2, 3, and 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

4. Notice of Completion and Acceptance of Work for Construction Services for Removal and Replacement of Curb, Gutter, Sidewalk, and Curb Ramps, City Project No. ST-310

Council Member Hwangbo requested to have the item pulled to clarify that the project was over the budgeted amount by 22%.

Public Works Director Moneda responded that project was over budget by 22.8% because additional locations needing rehabilitation were identified that were not included in the original scope of work and were able to be included in City Project ST-310 because of the lower unit costs. He noted that the Change Order was requested by Staff and that the project was funded by Measure M, Gas taxes and Proposition 42 funds.

Accept the work and authorize the Public Works Director to file the Notice of Completion and Acceptance of Work with the Orange County Recorder for Construction Services for Removal and Replacement of Curb, Gutter, Sidewalk, and Curb Ramps, City Project No. ST-310.

Council Member Hwangbo made a motion to approve the Notice of Completion and Acceptance of Work for Construction Services for Removal and Replacement of Curb, Gutter, Sidewalk, and Curb Ramps, City Project No. ST-310.

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

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

6. The State of Redevelopment and Presentation of Alternatives In Light of Recent Legislation

Community Development Director Dumhart gave the Presentation.

Public Input:

Robert Carruth, 7201 Monterey Lane, asked the City Council what Community Development projects the City has left on its task list; asked for clarification if the debt requirement payments are actually a way that the City repays itself; if the City's total indebtedness is \$1.7 million; clarification on loan repayments versus bond obligations; whether the "Opt-In" model will leave the City in debt; his opposition to the State taking the City's redevelopment funds; and his concern that the remittance payments to the State could fluctuate.

Discussion ensued regarding projects that currently have operational covenants and that the City has two properties that were purchased in the past two years that require complete redevelopment; that street improvements within the redevelopment zone also qualify as valid projects; that the City's debt requirements includes bond payments to bond holders and agencies as well as paying back the City's affordable housing loan; that after the City pays pack its affordable housing loan, the City will still have ample funds to finish the projects with the "Opt-In" model; that this issue could be a lengthy legal battle; that remittance payments to the State is the only way to keep the Redevelopment Agency active; that the Redevelopment Agency is allowed to back-fill the remittance payment; and that there is a redevelopment referendum that the Attorney General is currently preparing that will remove the option to keep a Redevelopment Agency alive altogether.

Debra Sumrow, 5001 Sharon Drive, asked for clarification on what other Orange County Cities are doing in reaction to the State's efforts in abolishing redevelopment.

Discussion ensued regarding other city reactions depending on how much debt they have; that a recent study indicated that 80% of Orange County cities were going to select the "Opt-In" option and make remittance payments; that there are a small number of cities that cannot make the payment; that Cerritos has an additional lawsuit against the State because they are a Charter City that has ongoing covenants; that the City Council has no other option if they wish to keep redevelopment alive; that if the City Council agrees to move forward, Staff will prepare the Ordinance for its first reading at the next meeting; that upon adoption of the Ordinance, the Redevelopment Agency can continue to conduct business; that if the City does not "Opt-In" the Hub property would have to be remanded to the successor agency and assets would be liquidated; and whether the City has an option to get its money back if the State loses the pending lawsuit.

City Attorney Kuperberg responded that it is difficult to determine what the Court's decision or what the remedies would be as it has not been determined which Court will hear the matter.

City Manager Lazzaretto noted that the proposed "Opt-In" Ordinance includes rights to receive compensation due if the lawsuit against the State is won.

Council Member Hwangbo asked if the State Supreme Court has determined whether they would hear the lawsuit against the State of California.

City Attorney Kuperberg responded that the case was filed in the original jurisdiction with the Supreme Court; the State has filed opposition pleadings; and the League of California Cities (LOCC) has filed reply papers. He added that this is an unusual procedure as cases are normally filed in a trial court and it typically takes 90 to 100 days to decide whether they will take the case. Therefore, the City should know by October. He stated that if the Supreme Court decides not to take the case, it will be delegated to a lower Court, but if an appeal is filed, the Supreme Court will end up hearing the matter anyway. He closed by commenting that it is early in the lawsuit proceedings to determine how the Court System will decide on the matter.

Further discussion ensued regarding timelines; that the agreement will require to City to pay the fees before the remittance date, with half due on January 15, 2012, and the other half due on May 15, 2012; that the only reason other cities would not make remittance payment is because those cities do not have the funds to do so; that the law allows other cities to borrow from their affordable housing funds in order to make remittance payments and the Assembly Bill is silent as to whether those cities will have to pay back those loans; that the State

is formatting three more bills that will have clean up language to fix the terminology in AB1X 26 and AB1X 27; that these bills give agencies who do not like redevelopment the option to not have that agency involvement at all; that there are cities who will not pay the remittance fees out of principle; that some cities cannot afford additional debt; that Staff recommends only 'opting out' if it no longer makes financial sense for the City to make remittance payments; not wanting to force future Council Members to not have any Redevelopment Agency options; and that the City Council supports the LOCC's position.

By consensus, the City Council agreed to have staff draft an "Opt-In" Ordinance for first reading at the next City Council meeting.

7. Mid-Term Review of the City Council's Goals for 2011

City Manager Lazzaretto gave the Staff Report.

Public Input:

Debra Sumrow, 5001 Sharon Drive, asked for clarification on whether the lease agreement for the Ralphs store is contingent upon the City providing rehabilitation of the center.

Discussion ensued regarding the Ralph's center not having a tenant just yet; that the City is aware that significant tenant improvements are being made because the owner has a similar grocer who wants to locate into that space; that the entire center is owned by four property owners; that all property owners would have to agree to the upgrades; and that the City has kept that property in mind as a major redevelopment project for years.

Robert Carruth, 7201 Monterey Lane, asked for clarification on when the new grocer will be applying for their business license and what the background was on the new Super 1 Mart going into the Hanam Center where the former Drug Emporium was located. He closed by noting his concern for using a hospital swimming pool for children's swimming lessons.

Discussion ensued regarding that the City should know who will be in the former Ralph's grocery store in mid-September, 2011; that the City will issue a press release as soon as it can identifying the new grocer; that the Super 1 Mart is an Asian-based grocer; that the Hanam Center location will be the eighth location for a Super 1 Mart; that the former Family Mart in the Hanam Center will be converted into a bulk merchandiser similar to a Smart and Final store; that the Super 1 Mart has an extensive produce section; that the pool being used for swimming lessons used to be a pool for behavioral therapy and hasn't been used in years; that the City Council commends Staff for their work on achieving the City Council's goals; and that Staff needs to continue working on getting more businesses into La Palma and retain current businesses.

By consensus, the City Council received and filed the Mid-Term Review of the City Council's Goals for 2011.

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

Council Member Hwangbo attended the Korean War Veteran's Appreciation Lunch; the Orange County LOCC meeting; and the recent Concert in the Park.

Council Member Shanahan attended the California Joint Powers Insurance Authority (CJPIA) meeting; the recent Concert in the Park; and plans to attend the upcoming Concert in the Park.

Council Member Waldman attended the recent Concerts in the Park; the Orange County Sanitation District (OCSD) meeting; and the Orange County Council of Governments (OCCOG) meeting.

Mayor Pro Tem Charoen noted that he plans to attend the upcoming Concerts in the Park.

Mayor Rodriguez attended the Special Meeting of the City Council; former Council Member Larry Herman's 50th wedding anniversary; the Orange County Fire Authority (OCFA) Board meeting; the 40th anniversary celebration for the Recreation Department; the recent Concert in the Park; a meeting with the Moody Street/Orangethorpe Avenue property owners regarding conceptually upgrading the lots; and that he will attend an upcoming meeting with additional property owners at the "Lunch with the Mayor". He announced that he is a member of the Anaheim Union High School Athletic Foundation and commented on his support of the La Palma Police Association (LPPA) coming to a conceptual labor agreement.

CITY MANAGER REMARKS

City Manager Lazzaretto announced that this upcoming Saturday is National Night Out and that it features a Bob Seger tribute band at the Concert in the Park. He reminded the City Council and audience of the upcoming Civic Expo on August 13, 2011, featuring a "Big Band" genre at the Concert in the Park. He closed by noting that upcoming agenda items include the Quarterly Cash and Investment Reports, the "Opt-In" Ordinance discussed tonight; the LOCC Annual Conference Resolutions, and the potential LPPA Labor Agreement.

CITY ATTORNEY REMARKS

City Attorney Kuperberg had nothing to report.

Mayor Rodriguez reminded the City Council of the upcoming resident recognition event on August 20, 2011, at the final Concert in the Park.

Council Member Shanahan noted that he will be donating \$100 a month from his stipend towards a La Palma community project or community organization. He commented that this month's donation will be going towards the Bicentennial Gazebo and reminded resident Robert Carruth of his offer to match donations up to \$2,000.

ADJOURNMENT

Mayor Rodriguez adjourned the Regular Meeting of the La Palma City Council in memory of Buena Park Police Officer, Daniel Ackerman, at 8:40 p.m.

Ralph D. Rodriguez,
Mayor

Attest:

Laurie A. Murray, CMC
City Clerk