

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

September 18, 2012

CALL TO ORDER: Mayor Charoen 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 all members present.

PLEDGE OF ALLEGIANCE: Mayor Pro Tem Hwangbo

INVOCATION: Pastor Dave Lutes, La Palma Christian Center

ROLL CALL: Council and Commission Members

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

Council/Commission Members absent: None

City Officials present: Ellen Volmert, City Manager/Executive Director
Joel Kuperberg, City Attorney
Michael Belknap, Recreation and Community Services Director
Douglas Dumhart, Community Development Director
Jeff Moneda, Public Works Director
Eric Nuñez, Police Chief
Michael Solorza, Finance Director
Laurie Murray, Administrative Services Manager/City Clerk
Kimberly Kenney, Minutes Clerk

PRESENTATIONS

1. Police Chief Nunez introduced Corporal Les Parsons who recognized the Police Explorer graduates.

ORAL COMMUNICATIONS

Chris Nguyen, representing Assembly Member Chris Norby's Office, welcomed City Manager Volmert and addressed the City Council regarding new legislation affecting California Public Employees Retirement System (CalPERS) pension reform and Workers' Compensation reform.

Keith Nelson, 5311 La Luna Drive, addressed the City Council regarding the upcoming League of Women Voters Candidates Night and commented on the poor outcome of the Walker Street rehabilitation project.

Wallace Yelle, 7461 Puerto Rico Drive, addressed the City Council regarding the poor outcome of the Walker Street rehabilitation project and regarding the new trash recycling program.

RECESS THE CITY COUNCIL AND CONVENE AS THE SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF LA PALMA AT 7:23 P.M.

Administrative Services Manager/City Clerk Murray stated "The City Council will now recess and convene as the Successor Agency to the Dissolved Community Development Commission of the City La Palma, and then recess and convene as the Planning Commission. 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 Planning Commission meetings, or otherwise as serving as members of the Successor Agency or Planning Commission."

CONSENT CALENDAR

A. Approval of Successor Agency Minutes

Approve the Minutes of the September 4, 2012, Regular Meeting of the Successor Agency.

B. Approval of Register of Demands

Adopt Resolution No. SA 2012-22 approving the Successor Agency Register of Demands for September 18, 2012.

Council Member Waldman made a motion to approve Consent Calendar Item A and B.

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

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

NOES: None

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

None Scheduled.

ADJOURN THE SUCCESSOR AGENCY AND CONVENE AS THE PLANNING COMMISSION AT 7:24 P.M.

CONSENT CALENDAR

PL-1. Approval of Planning Commission Minutes

Approve the Minutes of the September 4, 2012, Regular Meeting of the La Palma Planning Commission.

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

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

AYES: Chairperson Charoen, Vice Chairperson Hwangbo, Commission Member 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 7:25 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

Approve the Minutes of the September 4, 2012, Regular Meeting of the La Palma City Council.

3. Approval of Register of Demands

Adopt Resolution No. 2012-51 approving the Register of Demands for September 18, 2012.

5. Notice of Completion and Acceptance of Work for Construction Services for the Installation of ADA Pedestrian Ramps and Removal and Replacement of Curb, Gutter, and Sidewalk at Various Locations Citywide, City Project No. ST-315

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 the Installation of ADA Pedestrian Ramps and Removal and Replacement of Curb, Gutter, and Sidewalk at Various Locations Citywide, City Project No. ST-315.

Council Member Shanahan made a motion to approve Consent Calendar Items 1, 2, 3, and 5.

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

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

NOES: None

ITEMS PULLED FROM CONSENT CALENDAR

4. Notice of Completion and Acceptance of Work for Pavement Rehabilitation of Residential Streets with Conventional Asphalt Concrete Overlay, City Project No. ST-319

Council Member Rodriguez requested to have the item pulled to get clarification on how a street rehabilitation project is deemed "Satisfactory".

- a) 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 the Pavement Rehabilitation of Residential Streets with Conventional Asphalt Concrete Overlay, City Project No. ST-319; and
- b) Approve the carryover of funds from FY 2011-12 and amend the FY 2012-13 Gas Tax Fund budget by increasing appropriations by \$65,000 (011-900-813.000).

Discussion ensued regarding the technical process for completion of a street project; how Staff monitors a street project; and several issues with the Walker Street rehabilitation project.

Council Member Rodriguez made a motion to 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 the Pavement Rehabilitation of Residential Streets with Conventional Asphalt Concrete Overlay, City Project No. ST-319; and approve the carryover of funds from FY 2011-12 and amend the FY 2012-13 Gas Tax Fund budget by increasing appropriations by \$65,000 (011-900-813.000).

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

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

NOES: None

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

6. Consideration of an Operating Covenant and Restrictive Covenants Affecting Interest in Real Property Agreement with BP West Coast Products, LLC

Community Development Dumhart gave the Staff Report.

Public Input:

No members of the public wished to speak.

Council Comments and Questions:

Discussion ensued regarding the terms of the Agreement.

Approve and authorize the Mayor to execute an Operating Covenant and Restrictive Covenants Affecting Interest in Real Property Agreement with BP West Coast Products, LLC.

Council Member Waldman made a motion to approve the Operating Covenant and Restrictive Covenants Affecting Interest in Real Property Agreement with BP West Coast Products, LLC.

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

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

NOES: None

7. Joint Use Agreement with Centralia School District for Contribution by City for Expenditure by City for Shade Structure at George B. Miller School

Recreation and Community Services Director Belknap gave the Staff Report.

The following individuals addressed the City Council regarding their support for the Shade Structure at George B. Miller School:

Evelyn Young, 7922 Rose Street.

Sandra Seibert, 7751 Furman Road.

Javier Soto, 7912 Rose Street.

Council Comments and Questions:

Discussion ensued regarding the terms of the Joint Use Agreement; Summer Day Camp Users; the School District's commitment to fund the balance of the shade structure; and proposed changes to the Joint Use Agreement.

The following individual addressed the City Council regarding their opposition to the City funding a Shade Structure at George Miller School:

Robert Carruth, 7201 Monterey Lane.

By majority consensus, the City Council directed Staff to renegotiate the agreement to include the following terms: the City would release funds in two stages—50% at project inception and 50% at project completion; the City contribution to remain at \$30,000; allowing public access to the facility ground during off-hours; a ten year term with no facility fees except the janitorial fees.

Mayor Charoen requested to take a short recess at 9:02 p.m.

Mayor Charoen reconvened the City Council at 9:10 p.m. with all members present.

8. Fiscal Status Response and Planning: FY 2012-13 Budget Adjustments and Revenue Enhancement Considerations

City Manager Volmert introduced the item and Finance Director Solorza gave the Staff Report.

The following individuals addressed the City Council regarding the FY 2012-13 Budget Adjustments and Revenue Enhancement Considerations:

Pat Craig, 7662 Tracy Lane.

Jeff McCombs, 7212 Monterey Lane.

Robert Carruth, 7201 Monterey Lane. He also gave a short budget proposal presentation as permitted by the City Council.

- a) Review the recommended adjustments to the FY 2012-13 Budget;

Council Comments and Question:

Discussion ensued regarding the recommended adjustments to the FY 2012-13 Budget.

- b) Adopt Resolution No. 2012-52 amending the FY 2012-13 Budget;

Mayor Pro Tem Hwangbo made a motion to send the item back to Staff to balance the FY 2012-13 Budget without using COR funds. The motion failed for lack of a second.

Council Member Waldman made a motion to adopt Resolution No. 2012-52 amending the FY 2012-13 Budget with the exception of eliminating a printed "*The Source*" newsletter and not using COR funds to balance the budget.

The motion was seconded by Mayor Charoen.

Further discussion ensued regarding the details of the Staff recommended budget cuts.

Mayor Charoen asked for a friendly amendment to the previous motion to Adopt Resolution No. 2012-53 amending the FY 2012-13 Budget to include all of the Staff recommended Budget cuts...

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

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

NOES: Council Member Rodriguez

Further discussion ensued regarding how to recover the approximate \$250,000 deficit; not wanting to use COR funds to balance the budget; and asking Staff to come back with proposals on how to balance the budget without using COR funds.

- c) Approve moving forward with requesting a formal quote to update the cost recovery report;

Council Member Waldman made a motion to direct staff to move forward with reviewing the existing User Fee Study to evaluate if it is still viable.

City Attorney Kuperberg clarified that Staff has been directed to review the existing User Fee Study to evaluate whether it is current and if not, Staff may have to bring in a consultant to update the User Fee Study.

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

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

NOES: None

- d) Conduct a review of the Utility Users Tax and find that the current tax rate reduction adversely impacts the city's financial condition as defined in Section 8-63 (c) of the La Palma Municipal Code;

Discussion ensued regarding opposition and support to revert the UUT back to 5%.

- e) Adopt Resolution No. 2012-52 setting the Utility Users Tax (UUT) at the voter approved rate of 5% effective January 1, 2013; and,

Mayor Pro Tem Hwangbo made a motion to adopt Resolution No. 2012-52 setting the Utility Users Tax (UUT) at the voter approved rate of 5% effective January 1, 2013; and to balance the budget without using COR funds.

Discussion ensued regarding the General Fund Reserves, reverting the UUT back to 5% and not using COR funds to balance the budget.

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

AYES: Mayor Pro Tem Hwangbo and Council Member Waldman.

NOES: Mayor Charoen, Council Member Rodriguez, and Council Member Shanahan.

City Attorney Kuperberg recommended that the City Council make a motion to approve Items D and E.

Council Member Shanahan made a motion to approve Items (d) and (e) as recommended by Staff.

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

AYES: Council Member Rodriguez, Council Member Shanahan, and Council Member Waldman

NOES: Mayor Charoen, and Mayor Pro Tem Hwangbo

Council Member Waldman made a motion to direct staff to bring back a series of budget cuts to the City Council in order to balance the budget without using funds from COR.

The motion was seconded by Mayor Pro Tem Hwangbo and carried on the following vote:

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

NOES: Council Member Rodriguez, and Council Member Shanahan

- f) Approve the Staff recommended long-term strategies for developing a response to the permanent loss of sales tax revenue that includes outreach to residents, volunteer groups, employees and other stakeholders.

Discussion ensued regarding communication plans; that due to several Committees and Stakeholders, the timeline for their input would be approximately before Thanksgiving; that the November 6, 2012, City Council would be cancelled due to the General Municipal Election; and that by consensus, the City Council directed Staff to conduct an outreach program and get the community's feedback regarding proposed service cuts.

Council Member Waldman attended the League of California Cities (LOCC) Annual Conference; the Orange County Sanitation District (OCSD) Administration Committee meeting; and that alternate Mayor Pro Tem Hwangbo will attend the upcoming OCSD Strategic Planning meeting.

Council Member Shanahan attended the LOCC Annual Conference and the Patriot's Day Celebration on September 11, 2012, at the Irvine Firehouse.

Council Member Rodriguez attended the LOCC Annual Conference; the John F. Kennedy back to school night; the La Palma September 11th Memorial Ceremony; met with a representative from the Southern California Association of Palms; and announced the upcoming Orange County Fire Authority (OCFA) Open House at their regional headquarters on October 13, 2012.

Mayor Pro Tem Hwangbo attended the LOCC Annual Conference and the La Palma September 11th Memorial Ceremony.

Mayor Charoen attended the Thai Association of Southern California's 50th Anniversary; the Project Management Institution's Project Management Day Ceremony; the LOCC Annual Conference; and reported on the outcome of the LOCC's resolutions.

CITY MANAGER REMARKS

City Manager Volmert attended the LOCC Annual Conference; a webinar with Staff regarding pension reform; met with HDL regarding the City's sales tax quarterly report; attended a CAB meeting; an employee birthday celebration; the Team Vision Annual Bowling Night; and reported that she'll continue to meet with several Community Partners and Citizen Committees.

CITY ATTORNEY REMARKS

City Attorney Kuperberg had nothing to report.

ADJOURNMENT

Mayor Charoen adjourned the Regular Meeting of the La Palma City Council at 11:42 p.m.

G. Henry Charoen
Mayor

Attest:

Laurie A. Murray, CMC
City Clerk