

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

October 7, 2014

CALL TO ORDER: Mayor Shanahan called the Regular Meeting of the La Palma City Council to order at 7:01 p.m. in the Council Chambers of La Palma City Hall, 7822 Walker Street, La Palma, California.

PLEDGE OF ALLEGIANCE: Mayor Pro Tem Kim

INVOCATION: Dr. Paul Kim, United Methodist Church

ROLL CALL: Council and Commission Members

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

Council/Commission Members absent: None

City Officials present: Ellen Volmert, City Manager
Michelle Molko, Assistant City Attorney
Michael Belknap, Community Services Director
Douglas Dumhart, Community Development Director
Laurie Murray, Administrative Services Director/City Clerk
Eric Nuñez, Police Chief

PRESENTATIONS

None Scheduled.

ORAL COMMUNICATIONS

Victoria Toste, 4792 La Palma Avenue, addressed the City Council regarding her code enforcement notice of violation to fix a dilapidated fence on her property and asked for financial assistance because of her limited income.

Dave Steffen, Orange County Fire Authority (OCFA) Division Chief, addressed the City Council regarding his new promotion, taking over for previous Chief McKeown. He introduced Kelly Zimmerman as Battalion Chief, who addressed the City Council regarding his previous history of working in the City. He closed by reminding everyone about the upcoming Fire Prevention week and encouraged everyone to attend the OCFA Open House on October 11 at Station 13 and at the OCFA Headquarters in Irvine.

RECESS THE CITY COUNCIL AND CONVENE AS THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION AT 7:08 P.M.

Administrative Services Director/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

Minutes of the September 16, 2014, Regular Meeting of the Successor Agency.

B. Successor Agency 4th Quarter Cash and Investment Report, Fiscal Year 2013-14, as of June 30, 2014

Receive and file the Cash and Investment Report for the fourth quarter of the 2013-14.

Council Member Charoen made a motion to approve Consent Calendar Items A and B.

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

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

NOES: None

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

None Scheduled.

ADJOURN THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION, AND CONVENE AS THE PLANNING COMMISSION AT 7:09 P.M.

CONSENT CALENDAR

PL-1. Approval of Planning Commission Minutes

Minutes of the September 16, 2014, Regular Meetings of the Planning Commission.

Vice Chairperson Kim made a motion to approve Consent Calendar Item PL-1.

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

AYES: Commission Member Charoen, Commission Member Goedhart, Commission Member Hwangbo, Vice Chairperson Kim, and Chairperson Shanahan

NOES: None

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

None Scheduled.

ADJOURN THE PLANNING COMMISSION AND RECONVENE AS THE CITY COUNCIL
AT 7:10 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 City Council Minutes

Minutes of the September 16, 2014, Regular Meeting of the La Palma City Council.
3. Approval of Register of Demands

Resolution No. 2014-51 approving the Register of Demands for October 7, 2014.
4. City of La Palma 4th Quarter Cash and Investment Report, Fiscal Year 2013-14, as of June 30, 2014

Receive and file the Cash and Investment Report for the fourth quarter of the 2013-14 Fiscal Year.
5. Purchase of Replacement Police Vehicle

Authorize the purchase of one (1) replacement vehicle, 2014 model year Ford Police Interceptor Utility SUV from Wondries Fleet Group of Alhambra available under the Cooperative purchase provision of the City of Los Angeles Contract Number 15837.
6. Request to Fill a Vacant Administrative Secretary Position

Authorize the recruitment and hiring of the vacant Administrative Secretary position in the Police Department.
7. Request to fill the Part-time Information Technologies Technician Position
 - a) Authorize the recruitment and hiring of a part-time Information Technologies Technician; and
 - b) Adopt Resolution No. 2014-52 of the City Council of the City of La Palma amending the salary schedule for part-time employees.

Council Member Charoen made a motion to approve Consent Calendar Items 1 through 7.

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

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

NOES: None

PUBLIC HEARINGS

8. Energy Service Contract for Energy Related Improvements to City Facilities

- a) Mayor Shanahan opened the Public Hearing at 7:10 p.m.
- b) Community Services Director Belknap introduced the item and Frank Mann, Climatec Account Manager, gave the presentation.

Jeff Dartel, representing Climatec, gave a report on the financial specifications and the project's direct costs.

Community Services Director Belknap noted that there was an error in the Staff Report and that there is no resolution to adopt, but a recommendation to approve the project.

- c) Public Input:

None.

- d) Mayor Shanahan closed the Public Hearing at 7:32 p.m.

- e) Council Comments and Questions:

Discussion ensued regarding the Street Light project commencing after the Public Utility Commission's (PUC) approval of the Street Light Purchase; that there is savings without the Street Light purchase; that any City Hall implementation will be decided after further discussions regarding that facility; the financing mechanism; the process for acquiring financing for the project; that although the presentation states a project life cycle of fifteen years, the actual is more likely to be twenty five years; that older equipment equals increased maintenance costs; that the City would be leasing the money, but would have savings in the Utility fund to pay for the project; details of the savings guarantee; that Climatec guarantees that the amount of savings will minimally equal the amount of the lease payment, otherwise Climatec would pay for the difference; that the City is the responsible party for the loan payments; the projected annual energy cost

savings; that the cities contracted with Climatec are exceeding the savings that were originally projected; appreciation for Staff and Climatec's time without any agreement to move forward; that the guarantee is conservative, but savings is proven; that Climatec has been in business since 1970 and is the fastest growing company in this industry; that there is always a risk that a company could disappear; that Climatec will have project managers that work with an assigned Staff member during the entire time of the project's implementation; that if this gets approved, the City can move forward with the street lighting purchase and Climatec will start work on the municipal financing; that Staff would bring back the Financing options to get Council approval prior to moving forward with the municipal lease; that Climatec is exceeding all of its clients guarantees; how the City of Lancaster's street light purchase affects this project; whether the Street Light purchase can be expedited; that even though Southern California Edison (SCE) has preapproved the City's Street Light Purchase, the process for the PUC approval is lengthy; that the Street Light purchase is the most costly portion, but also provides the most savings of this energy improvement project; that because La Palma is a much smaller city, the light purchase process should be much quicker; that SCE will have a resolution that the City will need to sign; City Council support for the project; that all monies and interest rates are negotiable; the status of Seal Beach's energy improvements with Climatec and satisfaction with the project; details of Climatec's role in the Street Light purchase; that Climatec will also work with engineering models for the street lights; the city's maintenance cost for the lights and that replacement is included in that cost; the life of street light poles exceeding fifty years; the City's street light replacement schedule; Climatec's ten year equipment warranty on the street lights; that the LED street lights have a life span of 15-20 years; that the maintenance work would be contracted out and not completed by City employees due to equipment limitations; details of the irrigation improvements; that the City plans to bring forward a landscape architect to renovate the medians and efficient landscape irrigation would be part of the proposal; that at a 3% interest rate, the City's total interest payment would be \$240K and the possibility of using Reserves to pay for the project so the City keeps all its savings; that the second phase of the Energy Improvement project would include the Civic Center after a seismic retrofit or rebuild is approved; that Climatec wants to partner with La Palma in any Civic Center upgrades in order to streamline energy efficiency; support for moving forward with the SCE Street Light purchase; and that any property insurance impacts with the additional Street Light purchase would be minimal.

- f) Adopt Resolution No. 2014-53 approving the Climatec guaranteed savings project, pending Legal Counsel review and staff approval of all associated agreements.

Council Member Hwangbo made a motion to adopt Resolution No. 2014-53 approving the Climatec guaranteed savings project, pending Legal Counsel review and staff approval of all associated agreements.

Discussion ensued regarding Staff coming back to City Council with funding options using the Sustainable Financial Plan methodology; the reason why Climatec cannot fully fund the project; that municipalities can get a lower interest rate than private companies; and options for paying the lease in its entirety.

Assistant City Attorney Molko restated the motion and clarified that the negotiated agreements will come back before the City Council for approval at a future date.

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

AYES: Council Member Goedhart, Council Member Hwangbo, Mayor Pro Tem Kim, and Mayor Shanahan

NOES: None

ABSTAINED: Council Member Charoen

9. Consideration of an Ordinance adding Section 44-137(h) to Chapter 44 of the La Palma City Code to establish a new zoning overlay district entitled "Freeway Overlay District" (FO) and repealing Division 5 of Article III of Chapter 44, Titled "Signs", and Adding thereto a New Division 5 of Article III of Chapter 44 Titled "Signs"
 - a) Mayor Shanahan opened the Public Hearing at 8:25 p.m.
 - b) Community Development Director Dumhart gave the Staff Report
 - c) Public Input:
None.
 - d) Mayor Shanahan closed the Public Hearing at 8:42 p.m.
 - e) Council Comments and Questions:
None.

- f) Adopt Resolution No. 2014-54 Adopting the Initial Study/Mitigated Negative Declaration (IS/MND) for the proposed Freeway Overlay Zoning District and Code amendments
- g) Introduce and Order the First Reading of an Ordinance adding Section 44-137(h) to Chapter 44 of the La Palma City Code to establish a new zoning overlay district entitled "Freeway Overlay District" (FO) and repealing Division 5 of Article III of Chapter 44 Titled "Signs", and adding thereto a new Division 5 of Article III of Chapter 44 Titled "Signs."

Assistant City Attorney Molko clarified the language in and title of the resolution that the City Council will adopt and Administrative Services Director Murray reminded the maker of the motion that the Ordinance needs to be read by title.

Council Member Hwangbo made a motion to adopt Resolution No. 2014-54 Adopting the Initial Study/Mitigated Negative Declaration (IS/MND) for the proposed Freeway Overlay Zoning District and Code amendments and introduce the first reading of an Ordinance adding Section 44-137(h) to Chapter 44 of the La Palma City Code to establish a new zoning overlay district entitled "Freeway Overlay District" (FO) and repealing Division 5 of Article III of Chapter 44 Titled "Signs", and adding thereto a new Division 5 of Article III of Chapter 44 Titled "Signs."

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

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

NOES: None

Mayor Shanahan requested a short recess at 8:44 p.m.

Mayor Shanahan reconvened the City Council at 8:51 p.m. with all members present.

- 10. Declaration of Stage One Water Watch and Approve Reallocation of Funds to Supplement Weather Based Irrigation Timer Rebates
 - a) Mayor Shanahan opened the Public Hearing at 8:52 p.m.
 - b) Community Services Director Belknap gave the Staff Report

c) Public Input:

None.

d) Mayor Shanahan closed the Public Hearing at 9:06 p.m.

e) Council Comments and Questions:

Discussion ensued regarding factors leading to a Stage II Water Alert; that the City needs to meet a 20% water reduction over a period of years; details of Stage II and Stage III water restrictions; that the State's water supply is the determining factor to enter a Stage II alert; support for the City reducing its water usage; that the City should anticipate additional water restrictions in the near future; that Staff will be sending out a Request for Proposal (RFP) for a water rate study to be conducted in the next fiscal year; that results of the RFP should be presented to the City Council in December.

f) Declare a Stage One Water Watch throughout the entire City of La Palma water service boundaries

g) Approve reallocation of funds to supplement rebates for weather based irrigation timers

Council Member Goedhart made a motion to declare a Stage One Water Watch throughout the entire City of La Palma water service boundaries and approve reallocation of funds to supplement rebates for weather based irrigation timers.

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

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

NOES: None

REGULAR ITEMS

11. Authorization for a Fourth Amendment to Deposit/Reimbursement Agreement with La Palma Sign Partners, LLC

Community Development Director Dumhart gave the Staff Report.

Council Comments and Questions:

Discussion ensued regarding Council Member Goedhart's support for the item, but noted that this will be the last extension he supports; that La Palma Sign Partners has had enough experience in the past year; disappointment in previous delays on the project; and Council Member Goedhart's expectations to see results in March 2015.

Council Member Goedhart made a motion to approve the authorization for a Fourth Amendment to Deposit/Reimbursement Agreement with La Palma Sign Partners, LLC.

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

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

NOES: None

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

Council Member Charoen had nothing to report.

Council Member Goedhart attended an Orange County Fire Authority (OCFA) Board Meeting.

Council Member Hwangbo had nothing to report.

Mayor Pro Tem Kim attended the Orange County Sanitation District (OCSD) monthly meeting; the September 30th Special Meeting of the City Council; and Captain Terry Kim's swearing in ceremony.

Mayor Shanahan forwarded his congratulations to Captain Terry Kim and had nothing to report.

CITY MANAGER REMARKS

City Manager Volmert announced the upcoming SCORE small business workshop on October 16, 2014, at the La Palma Community Center; that she will be visiting Korea from October 9-19, 2014; and closed by stating she will be looking forward to bringing back information and discoveries from the international trip.

CITY ATTORNEY REMARKS

Assistant City Attorney Molko announced the new State-wide plastic bag ban and reported that the first phase will go into effect in July of 2015.

CLOSED SESSION

CS-1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code Section 54957

Position Title: City Manager

Mayor Shanahan recessed to Closed Session at 9:14 PM

Mayor Shanahan reconvened in Open Session at 10:15 p.m.

Administrative Services Director Murray announced that there were no reportable actions from the Closed Session.

ADJOURNMENT

Mayor Shanahan adjourned the Regular Meeting of the La Palma City Council at 10:16 p.m.

Steve Shanahan
Mayor

Attest:

Laurie A. Murray, CMC
City Clerk