

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

January 20, 2015

CALL TO ORDER: Mayor Kim 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.

PLEDGE OF ALLEGIANCE: Council Member Hwangbo

INVOCATION: Pastor Jerry Bennett, Faith Fellowship Church

ROLL CALL: Council and Commission Members

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

Council/Commission Members absent: None

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

PRESENTATIONS

1. Noella Lew, representing the La Palma Community Activities and Beautification Committee, Home Spotlight Committee, presented the Quarterly Home Spotlight Award to the home of Diana and James Ragle, 5081 Lynn Circle, La Palma.

ORAL COMMUNICATIONS

Dr. Robert Simpson, President of Cypress College, announced the upcoming 40th Anniversary Cypress College Foundation Americana Awards and expressed his appreciation to La Palma for their annual support of the event.

Philip Wendell, Cypress College Foundation Board Member, addressed the City Council regarding the mission of the Americana Awards event and announced William Meil as La Palma's Citizen of the Year. He closed by introducing La Palma residents that serve on the Americana Awards Committee.

RECESS THE CITY COUNCIL AND CONVENE AS THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION T 7:09 P.M.

Administrative Services Director 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 December 2, 2014, and December 16, 2014, Regular Meetings of the Successor Agency.

B. Approval of Register of Demands

Resolution No. SA 2015-01 approving the Successor Agency Registers of Demands for January 20, 2015.

Mayor Pro Tem Goedhart made a motion to approve Consent Calendar Items A and B.

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

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

NOES: None

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

None Scheduled.

RECONVENE THE CITY COUNCIL FOR A JOINT MEETING WITH THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION AT 7:10 P.M.

REGULAR ITEMS

C. Update to Statement of Investment Policy

Administrative Services Director Murray gave the Staff Report.

Sarah Meacham, PFM Asset Management Director, gave a presentation on the opportunities for diversification in the changing Market Environment and made her investment recommendations to the City Council.

Council Comments and Questions:

Discussion ensued regarding changing the mortgage based assets to security based assets; the options for using both; and support for the recommendation.

Successor Agency Resolution No. 2015-02 and City Council Resolution No. 2015-01 updating the Statement of Investment Policy (Exhibit A to Attachment 1) to reflect changes to the California Government Code (Code) and to take advantage of additional investment opportunities.

Council Member Hwangbo made a motion to approve the Update to Statement of Investment Policy by adopting Successor Agency Resolution No. 2015-02 and City Council Resolution No. 2015-01 updating the Statement of Investment Policy

(Exhibit A to Attachment 1) to reflect changes to the California Government Code (Code) and to take advantage of additional investment opportunities.

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

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

NOES: None

RECESS THE CITY COUNCIL, ADJOURN THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION, AND CONVENE AS THE PLANNING COMMISSION AT 7:22 P.M.

CONSENT CALENDAR

PL-1. Approval of Planning Commission Minutes

Minutes of the December 2, 2014, and December 16, 2014, Regular Meetings of the Planning Commission.

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

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

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

NOES: None

PUBLIC HEARINGS

PL-2. Consideration of Conditional Use Permit (CUP) 364 to Permit Straight-Up Fitness Facility to be Operated at 30 Centerpointe Drive, Suite 6

- a) Chairperson Kim opened the Public Hearing at 7:22 p.m.
- b) Associate Planner Hutter gave the Staff Report

c) Public Comment:

Roy Cordova, Centerstage Salon Owner, addressed the City Council regarding his concerns for the noise level of the fitness facility.

Associate Planner Hutter responded that the Conditions of Approval numbers 12 and 13 address volume control and tenant improvements to include noise dampening insulation and acoustical noise reduction elements to discourage disruptions to adjacent tenants.

Community Development Director Dumhart added that the hours of the Fitness Facility are 5-10 a.m. and 5-9 p.m. which are in direct opposition to the primary hours of operation of Centerstage Salon that are 9 a.m. - 6 p.m.

d) Chairperson Kim closed the Public Hearing at 7:31 p.m.

e) Planning Commission Comments and Questions:

Discussion ensued regarding support for the addition of this facility to the Centerpointe area businesses and that facilities like this have hours for customers usually before and after normal working hours.

f) Adopt Resolution No. PC 2015-01 Approving CUP 364, to conditionally permit a new fitness facility (Straight-Up Fitness) to be operated from the mixed-use business zoned property located at 30 Centerpointe Drive, Suite 6 (APN 276-081-38).

Commission Member Hwangbo made a motion to adopt Resolution No. PC 2015-01 Approving CUP 364, to conditionally permit a new fitness facility (Straight-Up Fitness) to be operated from the mixed-use business zoned property located at 30 Centerpointe Drive, Suite 6 (APN 276-081-38). The motion was seconded by Vice Chairperson Goedhart.

Further discussion ensued regarding noise concerns to the adjacent salon; that Mr. Cordova stated his hours vary as early as 6 a.m. up to 10 p.m.; that there are vibration concerns from free-weights in addition to the noise level; that the municipal code has allowed levels of noise up to 10 p.m.; that Staff can evaluate additional noise dampening measures as part of the tenant improvement plans; and that the Planning Commission could add a condition to add synthetic flooring to address the vibration noise issue.

Commission Member Shanahan added a friendly amendment to the original motion to have the applicant place sound absorbing synthetic flooring as part of their Conditions of Approval.

Commission Member Hwangbo, as the maker of the motion, and Vice Chairperson Goedhart, as the seconder of the motion, accepted the amendment to the motion.

Michael Duvis, Straight Up Fitness owner, detailed his fitness program regimen; noted that facility serves 15 people per session; does not conduct cross fitness training; already plans to install synthetic rubber flooring, special carpet, and noise reduction insulation to address noise concerns; and that he takes his neighbor's concerns into consideration.

Further discussion ensued regarding future concerns, if any, being addressed as described in the Conditions of Approval.

The amended motion carried on the following vote:

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

NOES: None

REGULAR ITEMS

None Scheduled.

ADJOURN THE PLANNING COMMISSION AND RECONVENE AS THE CITY COUNCIL AT 7:39 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 December 2, 2014, and December 16, 2014, Regular Meetings and the January 6, 2015, Special Meeting of the La Palma City Council.
4. Resolution Approving Sponsorship of the 2015 Cypress College Foundation Americana Awards at the Benefactor Level, and Authorizing the Distribution of Tickets to City Officials and City Volunteers to Attend the Event

Resolution No. 2015-03 approving sponsorship of the 2015 Cypress College Foundation Americana Awards at the Benefactor level, and authorizing the distribution of tickets to City officials and City volunteers to attend the event.

5. Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2014

Accept and receive and file the Comprehensive Annual Financial Report (CAFR) of the City of La Palma for the Fiscal Year ended June 30, 2014.

Council Member Shanahan made a motion to approve Consent Calendar Item 1, 2, 4, and 5.

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

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

NOES: None

ITEMS PULLED FROM CONSENT CALENDAR

3. Approval of Register of Demands

Mayor Pro Tem Goedhart requested to have the item pulled in order to question the CalPERS expenditure for retroactive Council Member enrollment.

Administrative Services Director Murray explained that the payment was an outcome of the CalPERS audit, which requires the City to offer CalPERS membership to current Council Members; that two Council Members had elected to enroll and one had authorized in writing the accumulated employer and employee PARS contributions to be used toward the CalPERS liability with the other Council Member having indicated his approval as well; that this payment was not budgeted, will have future payments, and that adequate funds were available in the Employee Benefits Fund to cover the expenditure.

Resolution No. 2015-approving the Register of Demands for January 6, 2015, and January 20, 2015.

Mayor Pro Tem Goedhart made a motion to adopt Resolution No. 2015-approving the Register of Demands for January 6, 2015, and January 20, 2015.

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

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

NOES: None

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

6. Energy Project Financing Resources and Options

Administrative Services Director Murray gave the Staff Report.

Council Comments and Questions:

Discussion ensued regarding support for 100% funding the project with City Funds; support for maximizing savings using general funds; support for using the blended version using City funds and financing the last 50%; Staff's concerns for 100% funding being that less monies will be available for other projects, including payments towards the City's California Public Employees Retirement System (CalPERS) unfunded liability which would also provide relief to the General Fund.; that Staff supports the blended version; that there are other fees to consider when financing the project; and whether there is any legal concern to fully self funding the energy project.

Assistant City Attorney Molko responded that there is no legal issue with the City self funding this project.

Further discussion ensued regarding paying back the full amount to each fund that was borrowed from; that if this was a project that the City could not afford, then financing would be an option; that the project yields 15 years of savings; that both the 10 and 15 year financing options have prepayment penalties; that the project's success is contingent upon approving the street light purchase; that there is still energy savings without the street light purchase; that the Public Utilities Commission approval for La Palma's street light purchase would be quicker than Lancaster's; that the Southern California Edison street light purchase agreement should come forward within the next fiscal year; and lack of City Council support for the blended option.

- a) Approve financing the Climatec Energy Project by reallocating resources from Fiscal Year 2013-14 General Fund balance in excess of the \$250,000 Reserves target balance (approximately \$217,667), savings from the One-Time Projects 800MHz project (approximately \$136,202), and the portion of

the 6.4% transfer of revenues to Capital Outlay Reserve (COR) and other One-Time uses not already allocated to COR (approximately \$146,131); approve financing the remaining \$754,931 through Holman Capital Corporation for a ten year term at 2.85%; and direct staff to bring the reallocation of funds forward as part of the Mid-year Budget review; and

Mayor Pro Tem Goedhart made a motion to direct staff to finance the project through City Funds as outlined by the Administrative Services Director with a repayment over the fifteen year project period or accelerated repayment if possible.

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

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

NOES: None

Mayor Pro Tem Goedhart requested that the City Council discontinue the annual \$7500 Measurement and Verification analysis after the first year study yields savings confirmation.

Administrative Services Director Murray responded that Staff would bring that study forward every year during the budget adoption process for approval.

7. Adoption of City Council Goals

City Manager Volmert gave the Staff Report.

Council Comments and Questions:

Discussion ensued regarding taking funding options for City Hall from the parking lot and put on the 2015 Goal list for adoption; that Staff could bring City Hall back to the City Council for discussion when time allows later in the calendar year; that the Administrative Services staff currently has several time intensive projects underway, including the Tyler Financial System software conversion, the Mid-Year Budget review and update to the Sustainable Financial Plan, the FY 2015-16 Budget process, and upcoming Labor Negotiations that would make completion of the City Hall discussion difficult to do by July; scheduling the discussion for the second meeting in November or sooner if possible; confusion that a recommendation to spend \$47,000 for a consultant to design City Hall when

City Hall financing had not been addressed; and support to defer the City Hall project to later in the year due to Staff's current work load.

- a) Review the draft Goal Statements from the January 6, 2015, work session and adopt City Council goals; and

Council Member Hwangbo made a motion to approve Item A, adopt the City Council Goals as listed by the City Manager, including the addition of the financing plan for the City Hall upgrade to be completed by the end of the year.

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

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

NOES: None

- b) Make a decision regarding whether to have staff research a school survey for information back to the City Council as soon as possible.

Discussion ensued regarding the outcome of a meeting with Assembly Woman Young Kim; that Assembly Woman Kim would need to have the survey information to move forward with legislative support; support to move forward with the school survey; opposition to the survey because past experience has proven that parents north of Houston already support their children going to La Palma schools; that the project is complex because of the school districts and other cities involved; support for making an effort without doing a survey; that a survey would provide the data needed to move forward; that the results would show the number of students involved; that La Palma students should have a choice to attend La Palma schools; support for former Senator Harmon's SB 1445 regarding student's school choice; and the different options to lobby the issue to the State Legislature.

Mayor Pro Tem Goedhart made a motion to direct staff to bring back to the City Council the outline of a school survey to residents north of Houston regarding School of Choice for High School Students and to include the costs of that survey.

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

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

NOES: None

ABSTAINED: Council Member Hwangbo

8. Council Member Request: General Plan Amendment

Mayor Pro Tem Goedhart gave a brief report on the Item.

Council Comments and Questions:

Discussion ensued regarding the consultants original recommendation of 3.0 Floor-to-Area Ratio (FAR) and that part of the General Plan approval was to change that to 1.5 FAR; whether businesses would want to develop the land if the FAR was reduced below 1.5; that a 1.5 FAR is a more attractive investment than the .75; the previous history of the General Plan (GP) process and that the land in question is the area north of Orangethorpe; that there are already buildings in Centerpointe that exceed .75 FAR; that during the GP process, the community spoke and informed certain City Council Members that they wanted to have an aggressive vision north of Orangethorpe; that because the City is looking at decreased revenues, the City needs to attract businesses; Council Member Goedhart's detailed discussion regarding FAR densities during the GP approval process and his opposition to the high density; concern for the impacts on services with increased density; opposition to taking up more Staff time with a GP Amendment; that the Zoning Code (ZC) does not have to have the density levels that are in the General Plan; that the reduced density could be addressed in the upcoming ZC without going through the GP Amendment process; that the ZC could accommodate detailed development standards to limit building size; the legal requirement to conduct an Environmental Impact Review (EIR) with any GP Amendment that incur costs; that the Planning Commission has ultimate approving authority of a development application; and support to engage in a density discussion during the ZC update.

Consider the Council Member request and provide direction to staff as appropriate.

Council Member Hwangbo made a motion to direct staff bring the density discussion back to the City Council during the Zoning Code update process. The motion was seconded by Council Member Steggell.

Mayor Pro Tem Goedhart announced his opposition to the motion because any density change needs to be made in the General Plan since it is a highly visible public document.

The motion carried on the following vote:

AYES: Council Member Hwangbo, Mayor Kim, Council Member Shanahan, and Council Member Steggell

NOES: Mayor Pro Tem Goedhart

9. Council Member Request: Moratorium on Issuing Parking Citations During Christmas Week

Mayor Pro Tem Goedhart gave a brief report on the Item.

Council Comments and Questions:

Discussion ensued regarding the timeline for the moratorium; and a suggestion to make it from Christmas through New Year to mirror City Hall's closure.

Public Comment:

Jim Johnson, 7511 Mark Circle, addressed the City Council regarding his support for the request and requested that the end of the moratorium be on December 28th.

Further discussion ensued regarding the moratorium being for street sweeping tickets; that parking violations are a separate matter; that there is an increase in street sweeping tickets during the Christmas holiday timeframe; that Staff would need to bring back a Resolution to make the moratorium a formal act by City Council; that research needs to be done with the street sweeping provider regarding any impacts; that the proposed moratorium should be implemented in a way that does not cause any public confusion because the days of Christmas fall differently each year; that street sweeping only occurs from 12-3 p.m.; that the Police Department currently gives parking exemptions for street sweeping; and that there is consensus to support the item, but more research is needed.

Consider the Council Member request and provide direction to staff as appropriate.

By consensus, the City Council agreed to support the moratorium, but asked Staff to come back after the necessary research with a formal report.

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

Council Member Shanahan had nothing to report and wished everyone a happy New Year.

Council Member Steggell attended the Orange County Sanitation District (OCSD) Administration Committee meeting and wished everyone a happy New Year.

Council Member Hwangbo attended the Orange County Vector Control District meeting; the special Goal Setting Session; and announced that he will be sworn in as the City's representative to the Orange County Council of Governments (OCCOG) and the Southern California Association of Governments (SCAG).

Mayor Pro Tem Goedhart announced his attendance at the upcoming Orange County Fire Authority (OCFA) meeting and asked for a status update on Central Park playground equipment and the Billboard Project.

Community Services Director Belknap responded that the City Council will see design specifications by the second meeting in February or first meeting in March 2015.

Community Development Director Dumhart responded that the last billboard extension agreement was through February 3, 2015, and that Staff plans to bring a progress report forward shortly thereafter. He added that La Palma Sign Partners had a change in their equity partner.

Mayor Kim attended the December OCSD Administration Committee meeting; the OCSD Special meeting; and reported that Cypress School District Superintendent Dr. Beverly Hempstead will be retiring at the end of June 2015.

CITY MANAGER REMARKS

City Manager Volmert attended the OCCOG Executive Committee meeting and announced her upcoming attendance next week at the League of California Cities (LOCC) City Manager Annual Conference January 28-30. She closed by reporting that Police Chief Nunez will be acting City Manager in her absence.

CITY ATTORNEY REMARKS

Assistant City Attorney Molko had nothing to report and wished everyone a happy New Year.

ADJOURNMENT

Mayor Kim adjourned the Regular Meeting of the La Palma City Council at 9:10 p.m.

Peter L. Kim
Mayor

Attest:

Laurie A. Murray, CMC
City Clerk