

MINUTES OF THE REGULAR MEETING
OF THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE
DISSOLVED COMMUNITY DEVELOPMENT COMMISSION

May 3, 2016

CALL TO ORDER: Mayor Goedhart called the Regular Meeting of the City of La Palma as Successor Agency to the Dissolved Community Development Commission to order at 7:08 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 Steve Bland, La Palma Christian Center

ROLL CALL: Council Members

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

Council Members absent: None

City Officials present: Laurie A. Murray, City Manager
Michelle Molko, Assistant City Attorney
Michael Belknap, Community Services Director
Douglas Dumhart, Community Development Director
Mike McCrary, Interim Police Chief
Sea Shelton, Administrative Services Director
Kimberly Kenney, Deputy City Clerk

Deputy City Clerk Kenney 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 April 19, 2016, Regular Meeting of the Successor Agency.

B. Approval of Register of Demands

Resolution No. SA RES 2016-04 approving the Successor Agency Registers of Demands for May 3, 2016.

C. Successor Agency 3rd Quarter Cash and Investment Report, Fiscal Year 2015-16, as of March 31, 2016

Receive and file the Cash and Investment Report for the third quarter of Fiscal Year 2015-16

Council Member Kim made a motion to approve Consent Calendar A, B, and C.

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

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

NOES: None

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

None Scheduled.

RECESS 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.

RECONVENE THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE
DISSOLVED COMMUNITY DEVELOPMENT COMMISSION FOR A JOINT MEETING
WITH THE CITY COUNCIL AT 7:20 P.M.

PUBLIC HEARINGS

12. Presentation and Adoption Fiscal Year 2016-17 Budget

City Manager Murray thanked the City Council and Staff for all the work involved and time invested with getting the FY 2016-17 Budget approved this early in the year.

- a) Mayor Goedhart opened the Public Hearing at 7:24 p.m.
- b) Administrative Services Director Shelton gave the Staff Report
- c) City Council Comments and Questions:
None.
- d) Public Comments:
No members of the public wished to speak.
- e) Mayor Goedhart closed the Public Hearing at 7:25 p.m.

Discussion ensued regarding the City's financial difficulties over the past few years; that the City has decreased its expenses by cutting 1.7 million dollars out of the Budget over the past few years; that reserves will be exhausted in approximately 10 years if the City does not take action; that after the Budget adoption, the City Council will have discussions over the next two months to address the financial concerns; that a very big decision will need to be made; that the City does not have many options to increase revenue ; that the residents of the City will need to make serious considerations and possibly vote on a tax measure; that long term solutions to make La Palma more sustainable should be reviewed and researched; that innovation is needed in order to survive; and that Staff is encouraged to bring ideas to the City Council.

- f) Adopt Resolution approving and adopting a Budget for Fiscal Year 2016-17, which includes the City's Financial Policy Statements.

Council Member Shanahan made a motion to adopt Resolution No. 2016-29 approving and adopting a Budget for Fiscal Year 2016-17, which includes the City's Financial Policy Statements.

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

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

NOES: None

Mayor Goedhart thanked the Staff for their hard work over the past few months and announced that the City Council looks forward to Staff presenting options and various alternatives for financial sustainability.

Council Member Hwangbo inquired about Placentia's situation; how the City is doing things differently; has staff reviewed our processes; and asked what we are doing to prevent a situation like theirs.

City Manager Murray responded that what happened in Placentia cannot happen in La Palma because wire transfer authority is only allowed to be made between our own internal accounts; any transfer that is not into one of our own accounts has to be signed off by the City Manager before the transfer is made, with the bank calling the City Manager directly; that the City has controls in place; that we have an outside firm of Certified Professional Accountants that do all the bank and cash reconciliations, checks and balances, which are then reviewed a second time by the Department Director.

ADJOURNMENT

Mayor Goedhart adjourned the Regular Meeting of the City of La Palma as Successor Agency to the Dissolved Community Development Commission at 7:33 p.m.

Gerard Goedhart
Mayor

Attest:

Kimberly Kenney
Deputy City Clerk