

MINUTES OF THE REGULAR MEETING  
OF THE LA PALMA CITY COUNCIL

December 2, 2003

Mayor Barnes called the regular meeting of the La Palma City Council to order at 7:00 p.m. on Tuesday, December 2, 2003, in the Council Chambers of La Palma City Hall, 7822 Walker Street, La Palma, California.

PLEDGE OF ALLEGIANCE

Council/Commissionmember Walker led the pledge of allegiance.

INVOCATION

Council/Commissionmember Herman gave the Invocation.

ROLL CALL:

Councilmembers present: Christine M. Barnes, Kenneth A. Blake, Alta E. Duke,  
Larry A. Herman, Paul F. Walker

Councilmembers absent: None

City Officials present: Catherine Standiford, City Manager  
Vince Giampa, Chief of Police  
Tami Piscotty, Assistant to the City Manager  
Ismile Noorbaksh, Director of Public Works/City Engineer  
Jan Hobson, Director of Recreation & Community Services  
Dominic Lazzaretto, Director of Community Development  
Jeff Kirkpatrick, Police Captain  
Joel Kuperberg, City Attorney  
Crystal Wilkerson, Administrative Secretary

PRESENTATIONS

Recreation and Community Services Director, Jan Hobson and Mayor Barnes presented certificates and a small gift in recognition and appreciation to the La Palma Days Coordinating Committees.

Richard Polis, Chair of the Classic Chevy Car Club, presented a check in the amount of \$1,000 to the La Palma Police Explorer Post.

Bob Marlow, M.A.D.D. presented a proclamation to Officer Brad Miller for his asserted effort in keeping drunk drivers off the streets.

Mayor Barnes, on behalf of the City Council, presented a Proclamation to Mrs. Bella Lagmay, the daughter of recently deceased, Alfredo Lagmay, Sr., who had been involved with the City's La Palma Days Parade for several years.

RECESS

Mayor Barnes recessed the City Council to convene as the Community Development Commission at 7:45 p.m. (See separate Community Development Commission Minutes.)

RECONVENING

Mayor Barnes reconvened the meeting in regular session at 8:05 p.m.

CONSENT CALENDAR

Mayor Pro Tem Blake made a motion to approve the following item on the Consent Calendar:

APPROVED THE November 18, 2003 CITY COUNCIL MEETING MINUTES

ADOPTED RESOLUTION NO. 2003-53 APPROVING A REGISTER OF DEMANDS FOR DECEMBER 2, 2003

The motion was seconded by Councilmember Walker and carried on the following roll call vote:

AYES: Barnes, Blake, Duke, Herman, Walker

NOES: None

ABSENT: None

REGULAR ITEMS

**Item 5 Arts Program**

Councilmember Herman requested this item be pulled for discussion. He stated that this item is in regards to the expansion of the Community Activities and Beautification Committee Arts Program.

He explained that it is his understanding they have currently generated \$550 from their "Concerts in the Park", sponsorships and donations. He stated that the Committee is requesting to use this money as part of expanding the performing arts center education program to include the third grade in addition to the fourth grade at the three local elementary schools. He stated that he would like to see Council, staff, and the members of the Committee try and receive financial participation from the two school districts that are represented, then the City can maybe match their contribution.

Councilmember Walker inquired if the schools provide the bus transportation.

City Manager Standiford responded negatively explaining that the money allocated for the arts program pays for the bus transportation.

Councilmember Walker asked if the City had to come up with the bus transportation monies also.

City Manager Standiford responded negatively explaining that currently the City has \$650 in the budget which covers the bus transportation for the fourth graders. This request is for an additional \$550 to cover the transportation for the third graders. The School provides the soft costs for study materials before the children go to the performing arts center. The program itself is offered through the performing arts center in Cerritos at no cost. The only cost that the City incurs is the transportation. She further explained that she knows that the chair of this committee, Jane Rippee, has had conversations with the schools.

Recreation and Community Services Director, Jan Hobson, stated that at the last C.A.B. Committee meeting in November they knew this item would be coming to Council and they tallied the monies collected from "Concerts in the Park" and brought in more than what they projected. She explained that some of her concerns and caution was that, in a year, when the City is potentially looking at some additional reductions, her concern was that the Committee was setting some expectations that the City may not be able to follow through with in the future. Jane Rippee then made contact with the principals and explained that because of the State's budget, the City may not be able to continue the program and addressed any expectation of being there. She

explained that the principals understood the City's concern and appreciated the possibility of adding it for 2004 and the schools trying to find funding sources to continue the program.

Mayor Duke asked if contacts had been made with the PTA's.

Jane Rippee, Chair of the C.A.B. Committee, responded positively and stated that they may be perfectly willing to chip in some money.

Councilmember Barnes stated that Jane Rippee should try to receive donations from Youth 20/20 and the La Palma Foundation.

Councilmember Herman made a motion to approve the expansion of the C.A.B. Committee's performing arts program to include the third grades, and allocate an additional \$550 to provide the necessary funding from the General Fund balance (01-420-746). The motion was seconded by Councilmember Barnes and carried on the following roll call vote:

AYES: Barnes, Blake, Duke, Herman, Walker

NOES: None

ABSENT: None

**Item 6 Zoning Code Update**

Councilmember Barnes recommended that the City Council adopt by title only, waiving further reading, an Ordinance adopting the City of La Palma Zoning Code Update and making related modifications to the City Code. The motion was seconded by Councilmember Walker and carried on the following roll call vote:

AYES: Barnes, Blake, Duke, Herman, Walker

NOES: None

ABSENT: None

**Item 7 Chamber of Commerce Agreement**

Councilmember Barnes removed herself from the Council Chambers at 8:10 p.m. due to a conflict of interest.

City Manager Standiford stated that this item has been requested by Councilmember Herman to be placed on this evening's agenda. In the staff report, a background and history of the agreement with the Chamber of Commerce has been provided. The purpose of this item was to discuss possible amendments to the agreement.

Councilmember Herman stated that the reason he asked for this item to be agendaized was that he feels that the City should have some sort of financial accountability with the Chamber of Commerce since the City provides them with \$12,000 per year. He stated that he feels this is an appropriate request and that the Chamber would probably have no problem in providing the City with this report on some sort of frequency.

City Manager Standiford stated that Chamber representatives were in the audience including, specifically Treasurer, Karla Dennis. She explained that there is standard boiler plate language that the City uses in most contracts with vendors related to maintenance of financial records allowing the City to review them and obtain an audit at the City's cost. If this is what Council is interested in, the City has boiler plate language that staff can discuss with the Chamber of Commerce.

Councilmember Walker stated that when he was on the Business Retention Committee they met quarterly and asked if they still meet this way.

City Manager Standiford stated that they are meeting semi-annually now. The quarterly reports received by the Chamber are distributed to the Business Retention Committee and the Committee is given the opportunity to review them prior to them being placed on the Council's Warrant Register for payment.

Councilmember Walker asked if the Chamber is still living up to their agreement.

City Manager Standiford responded positively and explained that in terms of their scope of work, they're not in violation of their contract. She stated that in the last meeting with the Chamber they indicated to staff that one of the items in the scope of work was a Chamber business directory and they haven't lived up to this project and that they would this coming year.

Councilmember Walker asked if new residents were receiving the Welcome Kits.

Karla Dennis stated that they are in contact with a company to do the business directory and it will be an eight month process. The Chamber is putting together information to members and businesses in the City of La Palma informing them of this directory. She stated that they recently had their 2004 strategic planning meeting. In regards to the Welcome Kit, they send this information to new businesses from the list generated by the City. They also try to make physical contact and phone contact to encourage these businesses to join the Chamber.

Councilmember Walker stated that in years past the Chamber was worried about losing new members and asked if they been able to sustain or gain new members.

Karla Dennis stated that they are currently in a sustaining mode as far as the membership is concerned. She feels that chambers, as a whole, are going through a transition as the internet is becoming more popular so people don't see the Chamber as viable as an alternative as they have in the past. The Chamber has recently picked up five new members in the last couple of months. She stated that it is real important that business owners have somewhere to go for information and they don't feel comfortable going to the City and the Chamber gives them this cushion.

Mayor Pro Tem Blake stated that he understands Councilmember Herman's concerns with wanting to see some form of financial records on a regular basis, but doesn't know if the City will gain anything from viewing them. He feels that our Chamber is fortunate that it chose a CPA as its Treasurer. He feels that the City is currently receiving very detailed quarterly reports and feels confident that they are living up to their commitment in exchange for the City's contribution on a quarterly basis. He doesn't feel that auditing their books is necessary since it is an additional cost to the City.

Councilmember Herman clarified that he wasn't asking for an audit of their books, just a financial report. He explained that he doesn't know what the \$12,000 City contributor relates to their entire budget. He just wants basic information.

Mayor Duke clarified that Councilmember Herman wanted to see figures on the operations budget and what income and sources of income they are receiving.

Karla Dennis explained that the Chamber operates with a \$36,000 annual budget. Their revenue comes from the major fund raisers including the Golf Tournament, membership dues, mixers and events hosted on a monthly basis, as well as the City contract. She explained that the City stipend is about 30% of their budget. The other items make up the remaining 70%.

Mayor Duke stated that the City has protection within the contract to review all the records and to ask for an audit (section 2.2 of the contract) within a specified period of time. She stated that looking at the scope of work a quarterly payment could not be made by the City if the Chamber did not perform by the standards of the scope of work. She asked if Amendment #2 in the staff report was submitted for approval or does the City have the signed copy on file.

City Manager Standiford stated that it is signed.

Karla Dennis stated that their newsletter is sent to all businesses in the City and they provide ribbon cuttings and grand openings to all businesses, not just Chamber members.

Councilmember Herman stated that in section 2.2 of the contract that Mayor Duke references the 24 month period in which the City has an opportunity to review documents if the contract has been voided.

City Manager Standiford responded by saying that it is true for a period of 24 months after the termination of the contract, the City has the right to review financial records. But the last part of that section also states, "and make such records available for review and audit if requested by the City at anytime during the term or within the 24 months of completion or termination of this agreement". Theoretically, if Council decides to request an audit, they can do this now and it will probably be at the City's expense.

Councilmember Herman explained again that he isn't looking at auditing the Chamber, he just wants some basic information in a financial report on the operational costs.

Karla Dennis stated that if Council would like to see their current operations budget, she can prepare a presentation of this, but needs to know exactly what it is that Council would like to see.

Mayor Duke asked if the Chamber was on the same fiscal year as the City.

Karla Dennis stated that they are on a December 31 year end.

Mayor Pro Tem Blake asked if it would be okay to receive this report at every end of the calendar year.

Councilmember Herman said he would be fine with that.

Mayor Duke stated that the Chamber may close their books December 31<sup>st</sup> but the reports aren't necessarily ready until February.

Councilmember Walker asked if the Chamber looked at their budget and considered what would happen if the State or City cut funds. Have they prepared or made provisions just in case.



Karla Dennis responded positively and explained that if they didn't receive the stipend from the City, they discussed what they would need to do to stay viable regardless of what happens. During their strategic planning meeting they discussed other ways they can do fund raising and how to get more of the community and businesses involved. They plan to have a kick off in January where they will sponsor a breakfast so businesses and members of the community can give their input on what they think can be some alternatives for the Chamber of Commerce.

Councilmember Herman stated that he feels the City would be remiss in not asking the Chamber for some type of financial report. He feels it is appropriate.

Karla Dennis asked if a change needs to be made to the contract to state the Chamber should be providing the City with a financial report.

City Manager Standiford stated that the City Attorney mentioned that it isn't necessary to make a change to the contract because the City already has the opportunity to review records.

Councilmember Herman stated that he would be fine if the City Manager and Karla Dennis wanted to get together to put the information in some sort of financial record.

Karla Dennis stated that they are on a December 31 year end. City Attorney Papenberg suggested that in the sense of the Council that it would be desirable to have this presentation, than perhaps rather than worrying about the details here at the Council meeting the City Manager and Karla Dennis can get together and the City Manager can extend a formal invitation to the Chamber to present the information and agendaize it at an appropriate Council meeting.

Councilmember Herman asked when an appropriate time would be for the Chamber.

Karla Dennis stated that it depends what the Council wants. If they want the 2004 budget, and the December 31, 2003 financials, they will be looking at the mid part of February. If the Council wants the tax return, it will not be filed until May 15, 2004.

City Manager Standiford stated that she will be in contact with Karla to determine the dates.

Councilmember Barnes joined the City Council meeting at 8:35 p.m.

### **COUNCILMEMBER REPORTS FROM CITY-AFFILIATED COMMITTEES/COUNCIL REMARKS**

Councilmember Walker stated that Councilmember Herman attended the last Orange County Sanitation District meeting as his alternate. Councilmember Walker apologized to Jan Hobson, Recreation and Community Services Director, that he would not be able to attend the Tree Lighting Ceremony and that his wife will be attending in his absence. Councilmember Walker congratulated Mayor Duke and Mayor Pro Tem Blake for their new positions on Council. He also thanked former Mayor Christine Barnes for her year of service as Mayor.

Councilmember Herman passed out a spread sheet related to the funds that the Orange County Vector Control might be asking for from cities to fund their activities. He stated that if the funds are no longer available from the State come January, 2004. The Vector Control District may come to the cities asking for some kind of assessment for their service and they are estimating \$1,000 for the City of La Palma and the services will be available through June, 2004.

City Manager Standiford asked Councilmember Herman whether this estimated cost of \$1,000 would cover from January 1, 2004 through June 30, 2004 and is it reasonable to assume that the amount would be double that amount for an entire fiscal year.

Councilmember Herman stated that he thinks the Orange County Vector Control District is trying to buy some time during that six month period to find a funding source so the cities don't have to pay for their service.

Councilmember Herman stated that, as expected, the driver's license issue became moot and the State has taken care of it in a reasonable fashion and now we can move on.

Councilmember Barnes attended the Maglev Task Force meeting and they are continuing to look at the 405 freeway as a segment to connect LAX, Long Beach, and John Wayne Airports. They are trying to get further funding for studies.

Mayor Pro Tem Blake stated that he attended the Orange County Fire Authority executive meeting and their biggest items were the performance review of the Fire Chief and looking at a compensation increase. It was approved at a 4% increase, with 2% applied to retirement and, based on the Chief's performance, he can earn up to a 10% incentive bonus. He stated that the fire fighters memorial is being developed and it is being displayed in three parts; past, present and future. He stated that the present is the largest part and there is a picture of a fire fighter and

paramedics pulling a little girl out of a collapsed building. The new headquarters will be ready to move in next October, the next board meeting is in January and the memorial has been set in September.

Councilmember Barnes stated that there will be a food drive at your local Bank sponsored by the Chamber of Commerce, Kiwanis and Lions. Packing will be held on December 20, 2003 at the Fountain of Living Water Church.

Mayor Pro Tem Blake thanked his fellow Councilmembers in elected and supporting him as Mayor Pro Tem.

Mayor Duke stated that she is looking forward to the City's annual tree lighting ceremony tomorrow night.

Councilmember Herman told Director of Public Works, Ismile Noorbaksh, that he did talk to the resident per his request, in regards to the stop sign on his property and the possibility of removing it. He stated that he referred the owners to contact Ismile directly.

#### CITY MANAGER COMMENTS

City Manager Standiford stated that the City's United Way Campaign boards were displayed in the lobby. She said how proud she is of the City's staff, Dominic for chairing the event, and the Management Team who served as his able committee for inspiring the employees to donate more to the United Way than ever in the City's history. They raised \$7,580.00 among 66 employees.

She also stated that staff is carefully watching what is happening or not happening in the State Capital related to the Vehicle License Fee backfill. She stated that there were two bills that have been introduced that will allocate funds to keep cities and counties whole with the backfill. She mentioned that for some reason these bills have not been scheduled for a committee hearing yet and the deadline is Friday, December 5<sup>th</sup> for the Legislature to make a decision about putting a bond measure on the March ballot. She mentioned that one thing that Council should know is that part of the \$15 billion bond issue would pay a portion of the VLF backfill to cities and counties. The City staff is extremely concerned and she has sent a letter to the Legislature, and it may be time to send a letter from the Mayor asking for support of these bills asking to keep cities and counties whole.

Councilmember Herman asked City Manager Standiford how the VLF was going to impact the City if the bills don't pass.

City Manager Standiford mentioned that the backfill disappeared in June 2003 and was to run through September 2003. On October 1, 2003 when the VLF was raised, the City was supposed to see 100%, the City hasn't seen 67% of this money since June, 2003 and unless the Legislature does something the City won't see any money. She stated that it is doubtful that the City will see any of the cash from now until the end of the fiscal year. Staff's estimate is it will be a \$405,000 loss from October 1, 2003 through the remainder of the fiscal year. This is about 5% of the City's budget. She encourages Council to speak to members of the community about this issue and how it will affect the City if these bonds are not passed.

Councilmember Herman asked if maybe they should call a community meeting.

City Manager Standiford stated that staff is planning on holding a budget review in late January or early February depending on how quickly staff can get the second quarter revenue numbers together. There will also be other issues that will be discussed that evening. She stated that if she could call a town meeting tomorrow to inform the citizens what is happening in the Legislature and to put pressure on them, she would. City Manager Standiford mentioned that the League of California Cities issued a fax to all Councilmembers and City Managers this afternoon, that they should schedule a budget meeting with their City Council immediately so they can inform the public as to what is at stake if the cities lose their monies. She mentioned that she plans on discussing this issue with the Management Team Wednesday in term of what options they have. She explained that cutting 5% of the budget, after 5% has already been cut, is a lot to try to absorb and one can not raise 5% in revenues instantaneously.

Mayor Duke asked when the next City Newsletter was going to be mailed.

City Manager Standiford and Director of Recreation, Jan Hobson, stated that it has already gone to print.

Councilmember Barnes asked if the City could send an extra flyer or publication of some type that lists the members of the Legislature representing La Palma and their phone numbers, so members of the community can call them.

City Manager Standiford stated that if Council would like, staff can agendize this issue for more discussion and direction from the Council for additional public education and information efforts that they would like staff to pursue.

#### CITY ATTORNEY COMMUNICATIONS

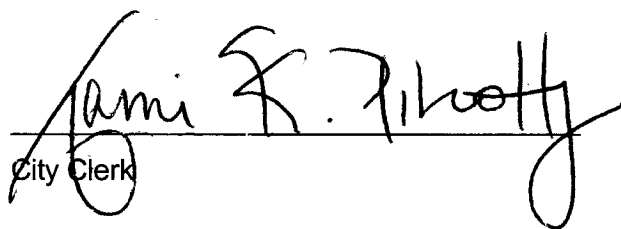
City Attorney, Joel Kuperberg, stated that he will not be able to attend the next Council meeting as he will be going on a family vacation. He wished everyone a happy and safe holiday season.

#### ADJOURNMENT

Mayor Duke adjourned the meeting at 8:45 p.m. until December 16, 2003.

  
\_\_\_\_\_  
Mayor

ATTEST:

  
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City Clerk