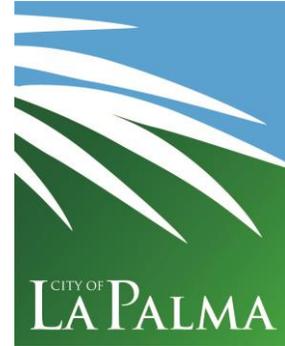


# City of La Palma

## Agenda Item No. 13



MEETING DATE: May 19, 2015

TO: CITY COUNCIL

FROM: CITY MANAGER

SUBMITTED BY: Laurie A. Murray, Administrative Services Director

AGENDA TITLE: Council Member Request: Citizen Committee on La Palma's Sustainability and Future

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### **RECOMMENDED ACTION:**

It is recommended that City Council consider the Mayor's request and provide direction to staff as appropriate.

### **BACKGROUND:**

Mayor Kim submitted a Council Member Request form for the City Council to consider appointing a temporary ad hoc citizen committee to review the City's operations and finances and to recommend to the City Council, a plan to achieve long-term financial sustainability. The committee would be dissolved once a formal recommendation has been presented to the City Council.

Staff presented an update on the status of the Long Term Financial Plan on February 17, 2015, and on April 21, 2015. These reports indicated that the City's long term sustainability had been lost, in part, due to four drivers—sales tax revenues, property tax revenues, CalPERS costs, and insurance costs. Through the budgeting process the Fiscal Year 2015-16 Budget deficit has been reduced from approximately \$718,000 to roughly \$116,000 and on May 11, staff was directed to return on June 2 with additional cuts to balance the budget for the upcoming year. However, as pointed out in the attached Council Request, these reductions may impact the character and traditions of the City. The Request further opined that the City Council does not believe it is prudent to consider any significant long-term changes without input from the residents. The proposal is to establish a citizen's committee to allow more input and opportunities for the public to discuss and provide possible solutions that are acceptable to residents, and make La Palma sustainable for generations to come.

**FISCAL IMPACT:**

There is no fiscal impact associated with the discussion of Mayor Kim's request. There would be nominal expense associated with facilitating the committee as well as significant staff time required, but the costs and workload can be absorbed into ongoing operating costs.

**APPROVED:**

  
\_\_\_\_\_  
Administrative Services  
Director

  
\_\_\_\_\_  
City Manager

Attachment:            1.        City Council Member Request and Attachment



# City Council Member Request

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From: Peter Kim

Date: May 12, 2015

Agenda Item Requested?      Yes X    No

Staff Research Requested?    Yes     No X

## Request

(Please describe the request and its purpose, context, or other information that may be helpful.):

Please see attached and place this on the May 19th Meeting for City Council consideration.

## Desired Timeline for Completion:

- Within one week       Within two weeks       Within one month  
 Within two months     Within three months     Within six months

Other/Specific date: Tuesday, May 19

## Level of Priority (in relationship to established goals and priorities):

- Request is related to or expands upon existing goals  
Which one? \_\_\_\_\_
- X Request is new, not related to existing goals
-

# **Citizen Committee on La Palma's Sustainability and Future**

## **The Necessity of the Committee**

The City of La Palma is at a critical juncture in its 60 year history. After the Great Recession and loss of our largest sales tax producer has reduced revenues, while pension and other costs have increased. In response, the City Council continues towards a 20 percent reduction of its workforce to pre-1985 staffing levels, from 65 employees to 52, including the elimination of two department directors. In addition, we have been forced to suspend our City's signature event, La Palma Days. Unfortunately, these reductions are not nearly enough to achieve a balanced budget.

The types of measures beyond those already enacted and planned may impact the character and traditions of our City. The City Council does not believe that it is prudent to consider any significant changes without input from the residents. Therefore, the City Council is proposing to establish a citizen's committee to allow more input and opportunities for the public to discuss and provide possible solutions that are acceptable to the residents, and make La Palma sustainable for generations to come. In addition, the Committee will be tasked with providing concrete recommendations to the City Council for consideration, formal adoption and implementation.

## **Membership and Structure of the Committee**

The Committee will be comprised of 11 members. Each City Council Member will appoint two (2) Committee Members while the Mayor will appoint three (3). Any resident, business owner, or person who works in La Palma can apply for consideration. If the formation of the Committee is approved by the City Council at the May 19th meeting, applications will be accepted for consideration from Wednesday, May 20, 2015 – Tuesday, July 7, 2015. The City will advertise in the special financial newsletter and all other outlets to ensure that all members of the public have an opportunity to apply. Council Members will select from the entire pool of candidates who applied. If more than one Council Member selects the same applicant, whichever Council Member submits their selections first will be chosen. Staff will bring the selected names by each Council Member for approval and final ratification at the Tuesday, July 21, 2015 Council meeting. Once this Committee is formed, the membership will elect a Chair and Vice Chair for the duration of the committee's existence. The Committee will have full independence from the City Council and while Council Members may attend and make comments as members of the public, no formal intervention from the City Council will be made.

The Committee will meet at least once a month and below is the suggested time line:

- August 2015 – Initial Meeting and Overview of City's Finances
- September 2015 – Administration Department/Community Development Department Overview
- October 2015 – Police Department Overview
- November 2015 – Community Services Department Overview
- December 2015-February 2016 – Meetings for Discussion and Formation of Recommendations

### **Responsibilities of the Committee**

The Committee Members are charged with the responsibility of reviewing the City's operations and finances and to recommend to the City Council, a plan to achieve long-term financial sustainability.

The Committee will have the support and assistance from the City Manager and the Administrative Services Director to carry out its mandate. In addition, Department Directors will formerly present to the Committee a review of their respective departments, including which functions are mandated by law.

The Committee is tasked at a minimum to answering the following and providing recommendations to the City Council by February 16, 2016:

- What operational efficiencies can still be achieved while maintaining critical services expected by the residents?
- Are the current revenue sources sufficient in keeping La Palma sustainable? If not, what is/are the best option(s) for sustainability?