

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

June 21, 2016

CALL TO ORDER: Mayor Goedhart 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 Jim Riggan, 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
Chet Corbin, Management Analyst
James Tsumura, Water Supervisor

PRESENTATIONS

1. Interim Police Chief McCrary presented Certificates to Sergeant Joe Guerrero, Officer Ron Lopino, Officer Joshua Garcia, and Dispatcher Pat Valentino in recognition of their service to the community by replacing a child's stolen bicycle.
2. Interim Police Chief McCrary introduced Dan Masek as new Officers in the Police Department.

3. Community Services Director Belknap and City Manager Murray presented a plaque to Water Supervisor James Tsumura in recognition of his resignation from 11 years of service to the City.

Cecilia Iglesias, representing Senator Bob Huff's office, presented a Certificate of Recognition to retiring Water Supervisor James Tsumura for his many years of service to the community of La Palma.

4. City Manager Murray and Interim Police Chief McCrary presented a plaque to retiring Police Captain James Engen for his 25 years of dedicated service to the City.

Cecilia Iglesias, representing Senator Bob Huff's office, presented a Certificate of Recognition to retiring Police Captain James Engen for his many years of service to the community of La Palma.

ORAL COMMUNICATIONS

Larry Herman, a La Palma resident, addressed the City Council regarding his appreciation of the dead tree removal along Houston Avenue; asked about future plans for that open space right-of-way; concerns for pedestrian safety at the Moody Street crossing from the Southern California Edison right-of-way; and whether the City places signs prohibiting fireworks within City limits.

Mayor Goedhart responded that within a year, the City will be reevaluating its finances and can hopefully investigate options for the right-of-way.

Community Services Director Belknap stated that the City will be placing signs prohibiting fireworks Citywide.

RECESS THE CITY COUNCIL AND CONVENE AS THE CITY OF LA PALM AS SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION AT 7:26 P.M.

Management Analyst Corbin stated, "The City Council will now recess and convene as the Successor Agency to the Dissolved Community Development Commission of the City La Palma. Members of the La Palma City Council receive no compensation or stipend as a result of convening or participating in the Successor Agency or otherwise as serving as members of the Successor Agency."

CONSENT CALENDAR

- A. Approval of Successor Agency Minutes

Minutes of the June 7, 2016, Regular Meeting of the Successor Agency.

Council Member Kim made a motion to approve Consent Calendar Item A.

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.

ADJOURN THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE DISSOLVED
COMMUNITY DEVELOPMENT COMMISSION, AND RECONVENE AS THE CITY
COUNCIL AT 7:27 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 June 7, 2016, Regular Meeting of the City Council.
3. Approval of Register of Demands
Resolution No. 2016-41 approving the Register of Demands for June 21, 2016.
4. Amendment to the Agreement with Southeast Area Animal Control Authority for
Animal Care Services

Approve and authorize the Mayor to execute an amendment to the Agreement with the Southeast Area Animal Control Authority (SEAACA) for the provision of animal care services for the 2016-17 Fiscal Year.

5. Award of Contract Managed Mobile, Inc. for Vehicle Maintenance

Award a contract to Managed Mobile, Inc. for vehicle maintenance services of the City's fleet, and authorize the Mayor to execute the Agreement.

6. Resolution Accepting FY2015 Urban Areas Security Initiative (UASI) Grant

Resolution No. 2016-42 approving the acceptance of the Urban Areas Security Initiative (UASI) Grant and authorize the City Manager, or her designee, to complete and sign all necessary materials to facilitate the grant.

7. Resolution to Carryover funds for the Climatec Energy Project to Amend the Fiscal Year 2015-16 Budget

Resolution No. 2016-43 amending the Fiscal Year 2015-16 Budget to include carryover funds for the Climatec Energy Project.

8. Annual Measure M2 Eligibility Submittal Package, Fiscal Year 2016-17

a) Adopt the Measure M2 Seven-Year Capital Improvement Program (Fiscal Year 2016-17 through Fiscal Year 2022-23); and

b) Authorize the Community Services Director to submit the City's Measure M2 eligibility package to the Orange County Transportation Authority.

Council Member Kim made a motion to approve Consent Calendar Item 1 through 8.

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

9. Consideration of Amendment to Precise Plan 149 for a Façade Addition to 6811 Walker Street and Intention to Vacate Sidewalk Easement.

- a) Mayor Goedhart opened the Public Hearing 7:27 p.m.
- b) Community Development Director Dumhart gave the Staff Report
- c) Council Comments and Questions:

Discussion ensued regarding the Development Committee's modifications and suggestions; and that Condition 4 is actually a recommendation to possibly create a left hand turn pocket in the future.

- d) Public Input:

Todd Voelker, representing TS Voelker Architects, addressed the City Council indicating the facility is named 'Beads Factory', but is not a factory and is a showroom; that the display areas shown on the plan are intended to be functional; that they do not anticipate a large traffic count and existing parking will satisfy the needs of the business; that they will install drought tolerant landscaping; and that the renovations will be a significant investment in the community with this project.

The City Council thanked the business for making an investment in the improvements; welcomed the business to the City of La Palma; and asked why they chose La Palma as their business relocation choice.

Emad Hakim, property and Beads Factory business owner, addressed the City Council regarding factors that persuaded his decision to relocate to La Palma including close proximity to the freeways, easily accessible for customers, and that La Palma is a great safe community.

- e) Mayor Goedhart closed the Public Hearing at 7:39 p.m.

Assistant City Attorney Molko noted that a unique aspect of this project is the vacation of the easement; that this is a two-part process that includes a declaration of 'intent' to vacate the easement and setting a Public Hearing for the adoption of the vacated easement; and direction to close the Public Hearing to the Precise Plan 149 amendment.

Mayor Goedhart clarified that he was closing the Public Hearing as it relates to the Precise Plan 149 Amendment.

- f) Adopt Resolution No. 2016-44 approving the Amendment to Precise Plan 149 for a façade addition to 6811 Walker Street
- g) Adopt Resolution No. 2016-45 approving the intention to vacate a 20 foot wide sidewalk easement at 6811 Walker Street and continue Public Hearing as to such proposed vacation

Council Member Hwangbo made a motion to adopt Resolution No. 2016-44 approving the Amendment to Precise Plan 149 for a façade addition to 6811 Walker Street and adopt Resolution No. 2016-45 approving the intention to vacate a 20 foot wide sidewalk easement at 6811 Walker Street and continue Public Hearing as to such proposed vacation.

The motion was seconded by Council Member Kim 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

10. Consideration of Conditional Use Permit Number 371 for the Operation of a Warehouse, Wholesaling, and Distribution Center at 5595 Fresca Drive, La Palma, California (MATCO-NORCA)

- a) Mayor Goedhart opened the Public Hearing at 7:41 p.m.
- b) Community Development Director Dumhart gave the Staff Report
- c) Council Comments and Questions:

None.

- d) Public Input:

John McDonald, Matco-Norca President, addressed the City Council regarding the length of time his company has been in business; that the company has been in La Palma for twenty years; that the business has outgrown its existing location; that they have never experienced any crime; and that they look forward to many more years in La Palma.

- e) Mayor Goedhart closed the Public Hearing at 7:43 p.m.
- f) Adopt Resolution No. 2016-46 approving Conditional Use Permit 371 for the operation of a warehouse wholesaling and distribution center at 5595 Fresca Drive, La Palma, California (Assessor's Parcel Number 276-051-33).

Council Member Hwangbo made a motion to adopt Resolution No. 2016-46 approving Conditional Use Permit 371 for the operation of a warehouse

wholesaling and distribution center at 5595 Fresca Drive, La Palma, California (Assessor's Parcel Number 276-051-33).

The motion was seconded by Council Member Shanahan 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

11. 2015 Urban Water Management Plan

- a) Mayor Goedhart opened the Public Hearing at 7:45 p.m.
- b) Community Services Director Belknap introduced Water Supervisor Tsumura who gave the Staff Report
- c) Council Comments and Questions:

Discussion ensued regarding water loss; what the water loss is attributed to; that the loss is connected to main breaks; that water loss is calculated by looking at retail water sales and comparing it to water that is actually used; that the City is looking into pursuing grants for a recycled water project; that after submission of the report, the Department of Water Resources responds back and certifies the City.

- d) Public Input:

Larry Herman, a La Palma resident, addressed the City Council regarding other water districts relaxing their watering schedule from two to three days; whether the City has received any indicators that we could relax ours; and that the watering restrictions make keeping plants alive challenging.

Community Services Director Belknap responded that the State has recently extended some permanent some water restrictions and loosened some controls in others; that some water agencies are ready to reverse back to full watering schedules and others continue with restrictions; and that after this summer, Staff will be making more recommendations on watering schedules.

John Alvis, a La Palma resident, addressed the City Council regarding the adequate water supply in the report; and inquired about

potential over drafting of well water and how that affects the stability of the ground above.

Water Supervisor Tsumura responded that the Central Valley has experienced a lot of subsidence from over drafting; that the giant aquifer under this area where water drafting occurs is managed carefully in Orange County; that water drafting is allowed up to 75%; and that as the water situation improves, agencies would be able to place water back into the aquifers.

- e) Mayor Goedhart closed the Public Hearing at 7:57 p.m.
- f) Adopt Resolution No. 2016-47 adopting the 2015 Urban Water Management Plan.

Council Member Hwangbo noted that the State is competing with local agencies by changing requirements for reduced water usage; that they plan to impose another restriction next year; and cautioned Staff to be careful how water conservation is planned for La Palma.

Council Member Hwangbo made a motion to adopt Resolution No. 2016-47 adopting the 2015 Urban Water Management Plan.

The motion was seconded by Council Member Kim 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

REGULAR ITEMS

12. Study Session: Revenue Measure Options

City Manager Murray gave the Staff Report.

Council Comments and Questions:

Discussion ensued regarding sales tax; that out of every 8 cents on the dollar, the City only receives one cent; and that if the City Council choses to move forward with an additional one cent sales tax measure, the City would keep that additional cent.

Public Input:

Jerry Lomeli, a La Palma resident, addressed the City Council asking for clarification on the one cent received with the existing sales tax and how that translates to an additional \$1.5 million in revenue; and what has the City will do to reduce expenditures as they appear to be growing at a higher rate than projected revenues.

City Manager Murray clarified that in Fiscal Year 2016-17 the City is estimated to receive \$1.9 million in sales tax revenue; that some sales within the City of La Palma are actually done outside of City limits and under the transaction and use tax, that added one cent would not be applied; that the City's sales tax consultant has given the \$1.5 Million revenue estimate of the additional one cent sales tax increase; that in the up front years that the additional funds could be used to pay off some unfunded liability costs, which would provide relief to the General Fund and bring the gap between revenues and expenditures closer..

Mayor Goedhart responded that the charts shown in the presentation do not reflect any change in revenue, but if the ballot measure is approved, the gap would decrease over time and the City's situation would positively improve.

Council Member Hwangbo inquired about the four options presented and asked for clarification on voter approval requirements.

Assistant City Attorney Molko indicated that the California State Constitution regulates approval quotients for tax measures; that a General Tax that can be used for any and all City purposes requires a simple majority voter approval; that a specific tax or special tax that is to be used for specific purposes requires a 2/3 voter approval; and a parcel tax is considered a Special Tax, and therefore it requires a 2/3 voter approval.

Larry Herman, a La Palma resident, asked if there is any voter approval difference between a general law city or charter city.

Assistant City Attorney Molko responded that the California Constitution has the same voter approval requirements for both general law and charter cities.

Motion by Mayor Goedhart to direct staff to bring a proposed Ordinance back; Steggell seconded. Shanahan indicated support for the motion. Hwangbo indicated support for a ballot measure.

Receive and file the report and provide direction to staff regarding any potential revenue measure(s) for the November 2016 Ballot.

Mayor Goedhart made a motion to direct staff to prepare a Resolution and necessary documents for a ballot measure of a one percent (1%) sales tax increase for general purposes for placement on the November 8, 2016, Ballot.

For clarification, Assistant City Attorney Molko stated that action is not being taken to put the sales tax measure on the ballot, but only direction given to Staff to start the preparation for that action.

Discussion ensued regarding the number of revenue options; that looking at the amount of revenue needed, that a sales tax increase makes the most sense; that sales tax is a shared tax because the burden is shared; support for putting this on the ballot to get the voters opinion; that with only one hotel, a Transient Occupancy Tax does not make sense; that any Utility Users Tax (UUT) change would not be enough revenue; and that the voters of the City will be asked to decide.

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

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

Council Member Shanahan had nothing to report and wished Assistant City Attorney Molko well in her new endeavors.

Mayor Pro Tem Steggell attended the Special Meeting of the City Council; the swearing in ceremony for two new La Palma Police Officers; and wished Assistant City Attorney Molko well in her new endeavors.

Council Member Hwangbo attended the Orange County Vector District (OCVCD) meeting; the League of California Cities (LOCC) - Orange County meeting; and thanked Water Supervisor Tsumura and Police Captain Engen for their years of service. He closed by welcoming the two new police officers and wished Assistant City Attorney Molko well in her new endeavors.

Council Member Kim wished Assistant City Attorney Molko well in her new endeavors; attended the State Farm Grand Re-opening event; and the Special Meeting of the City Council.

Mayor Goedhart asked City Manager Murray to make a formal announcement about the Assistant City Attorney.

City Manager Murray announced that Assistant City Attorney Molko will be leaving the City of La Palma's service and moving on the work with the State of California Court of Appeals.

Mayor Goedhart wished Assistant City Attorney Molko well in her new endeavors; attended the State Farm Grand Re-opening event; and the swearing in ceremony for two new La Palma Police Officers introduced tonight.

CITY MANAGER REMARKS

City Manager Murray announced that the OCVCD notified that they have found mosquitos in La Palma infected with the West Nile virus and advised the public on how to take action; informed of the precautions and protection measures available that are available on the City's website; that information has been made available at all City facilities; reminded the City Council that Deputy City Clerk Kenney is out for the duration of the week at training; and reported that both she and Mayor Pro Tem Steggell will be attending the LOCC Executive forum for the rest of the week and Community Services Director Belknap will be the acting City Manager in her absence.

CITY ATTORNEY REMARKS

Assistant City Attorney Molko announced her departure and thanked Staff and the City Council for the opportunities provided to her.

ADJOURNMENT

Mayor Goedhart adjourned the Regular Meeting of the La Palma City Council at 8:29 p.m.

Gerard Goedhart
Mayor

Attest:

Kimberly Kenney
Deputy City Clerk