

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

July 2, 2002

Mayor Walker called the regular meeting of the La Palma City Council to order at 7:00 p.m. on Tuesday, July 2, 2002, in the Council Chambers of La Palma City Hall, 7822 Walker Street, La Palma, California.

PLEDGE OF ALLEGIANCE

Councilmember Duke led the Pledge of Allegiance to the United States Flag.

INVOCATION

Pastor Sandra Heer of the Fountain of Living Waters Methodist Church gave the Invocation.

ROLL CALL:

Councilmembers present: Lauree Aragona, Christine Barnes, Kenneth A. Blake, Alta E. Duke, Paul F. Walker

Councilmembers absent: None

City Officials present: Catherine Standiford, City Manager
Vince Giampa, Chief of Police
Jeff Kirkpatrick, Police Captain
Ed Ethell, Police Captain
Ismile Noorbaksh, Director of Public Works/City Engineer
Tami K. Piscotty, Assistant to the City Manager
Paul Pitts, Director of Building & Safety
Robbeyn Bird, Director of Finance
Jan Hobson, Director of Recreation & Community Services
Joan Hoesterey, Principal Planner
Dan Slater, Deputy City Attorney
Peggie Turnage, Executive Assistant

PRESENTATIONS

Mayor Walker presented a Proclamation designating July as Parks & Recreation Month to Director of Recreation and Community Services Jan Hobson.

Ruth Jacobs of the Sarcoidosis Network Foundation, Inc. presented a plaque to the Mayor in recognition of the City's participation in the Annual Sarcoidosis Walk.

ORAL COMMUNICATIONS

Mr. William Lopez, 5462 Bransford Drive, La Palma, addressed the Council to express his opposition to the proposed Walgreen's at Valley View Street and La Palma Avenue.

RECESS

Mayor Walker recessed the City Council to convene as the Community Development Commission at 7:14 p.m. (See separate Community Development Commission Minutes.)

RECONVENING

Mayor Walker reconvened the meeting in regular session at 7:17 p.m.

CONSENT CALENDAR

Councilmember Blake made a motion to approve the following item on the Consent Calendar:

APPROVED THE JUNE 18, 2002 CITY COUNCIL MEETING MINUTES

The motion as seconded by Mayor Pro Tem Barnes and carried on the following roll call vote:

AYES: Barnes, Blake, Walker

NOES: None

ABSENT: None

ABSTAIN: Aragona, Duke

Councilmember Blake made a motion to approve the following items on the Consent Calendar:

ADOPTED RESOLUTION NO. 2002-31 APPROVING A REGISTER OF DEMANDS FOR JULY 2, 2002

ADOPTED RESOLUTION NO. 2002-32 AUTHORIZING THE DESTRUCTION OF OBSOLETE FINANCE RECORDS AS PROVIDED BY GOVERNMENT CODE SECTION 34090 OF THE STATE OF CALIFORNIA

ADOPTED RESOLUTION NO'S. 2002-33 AND 2002-34 INCREASING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

ADOPTED RESOLUTION NO. 2002-38 ELECTING TO BE SUBJECT TO AND FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

ADOPTED RESOLUTION NO. 2002-35 CALLING AND GIVING NOTICE OF THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 5, 2002 FOR THE ELECTION OF CERTAIN OFFICERS AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES

ADOPTED RESOLUTION NO. 2002-36 REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF ORANGE TO CONSOLIDATE A MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 5, 2002, WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON THE DATE PURSUANT TO SECTION 10403 OF THE ELECTIONS CODE

ADOPTED RESOLUTION NO. 2002-37 ADOPTING REGULATIONS FOR CANDIDATES FOR ELECTIVE OFFICE PERTAINING TO CANDIDATES' STATEMENTS SUBMITTED TO THE VOTERS AT AN ELECTION TO BE HELD ON TUESDAY, NOVEMBER 5, 2002

AUTHORIZED THE DIRECTOR OF PUBLIC WORKS TO FILE THE NOTICE OF COMPLETION AND ACCEPTANCE OF WORK FOR THE ABANDONMENT OF SWAGER WELL, CITY PROJECT NO. 01-WTR-02

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

AYES:	Aragona, Barnes, Blake, Duke, Walker
NOES:	None
ABSENT:	None

PUBLIC HEARING

ADOPTION OF FISCAL YEAR 2002/2003 BUDGET

Mayor/Chairman Walker opened the Public Hearing and called upon City Manager Catherine Standiford to present the staff report.

Ms. Standiford stated that the proposed General Fund FY 2002-03 budget is balanced, maintains the same levels of service to the community that were provided in the last Fiscal Year, and maintains emphasis on public safety; the community's number one priority. She added that the budget does include a realignment of several existing services and programs into a new Community Development Department consisting of Planning, Building, Code Enforcement, and Economic Development activities. She explained that the reasons for this realignment is to group similar services together to strengthen the city's ability to respond to economic development needs related to business retention and attraction and to take advantage of opportunities to consolidate clerical support, resulting in some cost savings. In addition, the proposed budget addresses the dramatic increases in Worker's Compensation and General Liability premiums that the City has experienced by funding next year's higher premium costs into the base budget. By using reserves in the Insurance and Employee Benefits Funds to cover the portion of those increased costs related to the City's past loss experience. In addition, it is being recommended that on a one-time basis excess funds from the Capital Outlay Reserve be used to replenish a portion of the Insurance and Employee Benefits reserves.

Ms. Standiford then presented an overview of the General Fund Revenues pointing out that the top four revenue sources are property tax, sales tax, utility users tax and vehicle license fees

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representing 65% of the total General Fund. She explained that the slight revenue growth is due to the fact that the City has recently taken steps to invest in the Community Development Commission and economic development activities. This investment will yield increased cash flow coming into the General fund for the next 15 years. She pointed out, that while the revenue picture certainly looks better than it did a few months ago, there is still concern that the State could take away the VLF. In addition, state budget deliberations continue to support the Governor's proposal to shift redevelopment tax increment revenues from cities and counties to the State ERAF. The potential impact to La Palma could be up to \$69,000 less per year for the next three years in redevelopment tax increment.

Ms. Standiford reviewed the proposed expenditures, pointing out that providing City services is very labor intensive with 75% of the budget being personnel and related costs, with only 25% going toward supplies, equipment, building maintenance, etc. She then briefly reviewed the proposed level of funding for each department. In addition, she explained that one of the reasons for the creation of the Community Development Department, and recruiting a Community Development Director, is that the City needs to place a higher priority on economic development activities that will enhance the city's financial base and explained that the business community contributes 65% or more of the revenue coming into La Palma.

Ms. Standiford then reviewed the General Fund projected balances and recommended that \$200,000 of the \$258,400 in revenues over expenditures be reserved in the Employee Benefit Fund. She explained that the City is experiencing significant recruitment challenges in the Police Department due to the fact, that La Palma is now one of only two agencies in all of Orange County that does not provide the 3% at 50 enhance retirement benefit to its police officers. By reserving these funds the City can begin to plan for the future cost of this benefit.

Ms. Standiford next presented an overview of the proposed Capital Improvement Projects. Pointing out that some of the projects on this year's list have been on the list for a while and suggested it may be a good idea for the Council to re-evaluate and re-prioritize some of them. In addition, the capital needs of the existing facilities need to be prioritized along with the desire to provide new capital projects in the external community.

Ms. Standiford then presented a brief review of the CDC Capital Budget and the Affordable Housing Budget.

Ms. Standiford concluded by presenting the following recommendations:

- Set the Utility Users Tax at 5% for FY 2002/03,
- Reserve \$200,00 of the \$258,400 in projected revenues over expenses to the Employee Benefits Fund to begin amassing funds to pay for at least part of the costs to provide competitive compensation,
- Authorize the one-time transfer of excess Capital Outlay Reserve to replace Insurance and Employee Benefit Fund reserves needed to cover the cost of losses related to Worker's Compensation and General Liability.

There being no one in the audience who wished to address the Council/Commission on this item, Councilmember/Commissionmember Blake made a motion to close the Public Hearing. The motion was seconded by Councilmember/Commissionmember Duke and carried on the following roll call vote:

AYES: Aragona, Barnes, Blake, Duke, Walker
NOES: None
ABSENT: None

Councilmember/Commissionmember Duke stated that she feels the planning and budgeting done by staff was well thought out and agrees with the development of the new Community Development Department. She suggested that consideration be given to the possibility of incorporating the painting of the Civic Center buildings into the same Fiscal Year.

Councilmember/Commissionmember Aragona stated that she feels the Community Development Department is long needed and asked if the formation of this department would allow the City to reduce some of the outside services. Ms. Standiford responded affirmatively.

Councilmember/Commissionmember Aragona stated that she feels the Capital Improvements list is excellent and added that she feels it is important to look at the Capital Improvement Project, they are a piece of what sets La Palma apart from some of its neighbors.

Councilmember/Commissionmember Aragona referred to the Red Ribbon Week item suggested that the Council needs to be thinking now where it wants to go with this program after December, when she steps down. She explained that in the past, \$5,000 has been budgeted for this program; but the Committee has always been able to raise the funds and has not used the funds set aside by the City. However, things can change. The Committee has always relied heavily on donations from the business community but the business community and residents can economically feel a pinch. Another item she feels should be given some consideration is the City's membership in organizations such as the Orange County League of Cities and SCAG. She added that the league provides some very important services such as lobbyists and local education programs but the City's costs to belong to the league have gone up. In addition, the costs to belong to SCAG have gone up. She suggested that perhaps the City could cancel their SCAG membership because it is possible to have a voice in SCAG even if the City does not belong to the organization.

Councilmember/Commissionmember Aragona stated that another concern she has is the dramatic increase in Worker's Compensation costs and stated that the City needs to look at ways to reduce those costs.

Councilmember/Commissionmember Blake commended all the departments on doing such a good job in keeping a balanced budget, while also complying with the Council Policies adopted the previous year.

Mayor/Chairman Pro Tem Barnes asked what the probability is of the state taking the 3.5% redevelopment tax increment. Ms. Standiford responded that at this point it looks pretty definite that this will occur.

Mayor/Chairman Pro Tem Barnes asked if this reduction is included in the proposed budget. Ms. Standiford responded staff would have to come back and make an adjustment to reduce the tax increment by whatever amount the formula yields. How the formula is going to be applied is one of the questions that is still hanging out there.

Mayor/Chairman Pro Tem Barnes stated that she feels the new Community Development Department will expedite all of the Planning, Building, Code Enforcement activities and will serve the public and business community more efficiently.

Mayor/Chairman Walker suggested that the new Community Development Department would be able to go after some of those unlicensed businesses in the community such as gardeners, painters, and services of that sort. He commended the departments for putting the proposed budget together in a timely manner.

Mayor Pro Tem Barnes made a motion to adopt Resolution No. 2002-39 Approving and Adopting a Budget for Fiscal Year 2002/2003. The motion was seconded by Councilmember Aragona and carried on the following roll call vote:

- AYES: Aragona, Barnes, Blake, Duke, Walker
- NOES: None
- ABSENT: None

Commissionmember Duke made a motion to adopt Resolution No. CDC 2002-15 Approving and Adopting a Budget for the Fiscal Year 2002/2003. The motion was seconded by Commissionmember Blake and carried on the following roll call vote:

- AYES: Aragona, Barnes, Blake, Duke, Walker
- NOES: None
- ABSENT: None

Mayor Pro Tem Barnes made a motion to adopt Resolution No. 2002-40 Adopting Salary, Benefits, and the Public Agency Retirement System for Part-time Employees and Rescinding Resolution No. 2000-38. The motion was seconded by Councilmember Duke and carried on the following roll call vote:

AYES: Aragona, Barnes, Blake, Duke, Walker
NOES: None
ABSENT: None

Mayor Walker made a motion to adopt Resolution No. 2002-41 Approving the City's Appropriations Limit for Fiscal Year 2002/2003. The motion was seconded by Councilmember Aragona and carried on the following roll call vote:

AYES: Aragona, Barnes, Blake, Duke, Walker
NOES: None
ABSENT: None

Mayor/Chairman Walker adjourned the Community Development Commission at 8:10 p.m.

COUNCILMEMBER REPORTS FROM CITY-AFFILIATED COMMITTEES/COUNCIL REMARKS

Mayor Walker introduced Jo Marie, spokesperson for the Sarcoidosis Foundation, who had arrived at the Council meeting during the Budget presentation.

Jo Marie thanked everyone on behalf of Sarcoidosis. She stated that she cares a lot about those suffering from this disease and sincerely appreciates the city's efforts in participating in the annual walk.

Councilmember Aragona stated that she attended a retirement celebration for William Holt who has been the Executive Director of the CJPIA. She announced that Jonathon Shull will be the new Executive Director. She also stated that she attended the Emergency Medical Care Committee meeting and reported that the recent train disaster in Fullerton pointed out the need for a new approach to emergency response. She also recommended that everyone be just a little more aware of their surroundings on the coming July 4th holiday. Councilmember Aragona stated that the California League of Cities will hold its annual forum in Monterey in July. This year the City of La Palma has taken an active role as she, the City Manager, and the Mayor will all be presenting sessions at the forum.

Councilmember Duke stated she attended the OCCOG meeting and reported they have received a grant to work with Western Riverside COG on a study on work travel between Orange County and West Riverside.

Councilmember Blake stated he attended the Orange County Fire Authority and reported that they have reviewed the budget and it is a balanced budget and funds have been set-aside for the enhanced retirement for firefighters. He encouraged everyone to be very careful with fireworks because of the very high fire danger in the western U. S. this year. He stated there would be task forces out from the Fire Authority looking for illegal fireworks.

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Mayor Pro Tem Barnes stated she attended the Growth Management Area with Mr. Noorbaksh, which was an extremely short meeting. She also stated that she attended the DARE graduation at Los Coyotes School and commented what a great rapport Officer Erica Flores has with the students. Mayor Pro Tem Barnes added that she also attended the West Orange County Cities Association meeting, at which the OCTA Orange County Project Definition Study was discussed. She reported that Bruce Broadwater of Garden Grove and Kermit Marsh of Westminster encouraged the P&E right-of-way project. At the meeting a motion was made to use the P&E right-of-way. A voice vote was taken and she was the only dissenting vote. She suggested the Council discuss this item further to determine the direction the City wants to take. She then stated that she also attended the Gateway Cities COG Orange Line Feasibility Study and reported that they want to form a joint powers authority to pool funds, get more detailed engineering and environmental studies and more access to the right-of-way, etc. She stated that she attended the rededication of Heritage Park in Cerritos and reported that it was very nicely staged. She announced that August 22nd is the date for the West Orange County Legislative Mixer at the Joint Forces Training Facility in Los Alamitos. Mayor Pro Tem Barnes stated that she understands that they have changed the number on the SUV bill and it is on the Governor's desk. She expressed concern on this tax.

Councilmember Aragona asked the Mayor to place the use of the P&E right-of-way on a future Agenda or possibly a study session.

City Manager Catherine Standiford clarified that the action of the West Orange County Cities was, she felt, intended to give direction to OCTA. She added that at this point the West Orange County Project Definition Study as currently proposed does not extend past Cypress. She suggested that staff should check with OCTA to determine what impact the West Orange County Cities action has on that study.

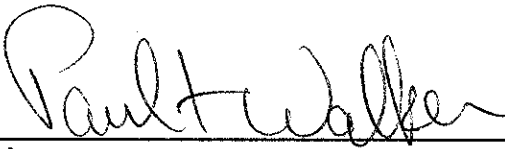
Mayor Walker stated that he attended the Sanitation District meeting and reported there was three hours of public comment. He stated that there is an interesting video presentation that he left in the Mayor's Office that basically says that the results are inconclusive. He added that Costa Mesa adopted a resolution to eliminate the 301(h) waiver, which he believes makes nine cities that are now opposed to the waiver.

Mayor Walker announced that the first Concert in the Park would be on July 13th. He asked everyone to be careful on the July 4th Holiday and reminded everyone that fireworks are prohibited in La Palma.

Councilmember Blake reminded everyone of the Kiwanis Pancake Breakfast on July 4th from 7:00 a.m. to 10:00 a.m.

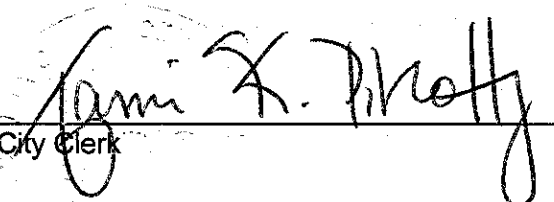
ADJOURNMENT

The City Council adjourned at 8:36 p.m.



Mayor

ATTEST:



City Clerk