

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

June 1, 2010

CALL TO ORDER: Mayor Shanahan called the Regular Meeting of the La Palma City Council to order at 7:02 p.m. in the Council Chambers at La Palma City Hall, 7822 Walker Street, La Palma, California.

PLEDGE OF ALLEGIANCE: Councilmember Herman

INVOCATION: Councilmember Charoen

ROLL CALL: Council and Commission Members

Councilmembers present: Councilmember Charoen, Councilmember Herman, Mayor Pro Tem Rodriguez, Mayor Shanahan, and Councilmember Waldman

Councilmembers absent: None

City Officials present: Dominic Lazzaretto, City Manager/Executive Director
Joel Kuperberg, City Attorney
Douglas Dumhart, Community Development Director
Ed Ethell, Police Chief
Jan Hobson, Recreation and Community Services Director
Jeff Moneda, Public Works Director
Keith Neves, Finance Director
Laurie Murray, Administrative Services Manager
Kimberly Kenney, Minutes Clerk

PRESENTATIONS

1. Recreation and Community Services Director Hobson introduced Marina Rabinovich as the new Recreation Coordinator.

2. Chairperson Nitesh Patel and Committee Member Cheody Fortunado of the La Palma Community Activities and Beautification Home Spotlight Committee presented Ernestine, Danielle, Steven, Seth, and Deven Guardado with the Quarterly Home Spotlight Award for their home at 8142 Suffield Street.
3. Mayor Shanahan presented a proclamation to Dr. Cindy Chaffee, Principal of George B. Miller Elementary School, in honor of the school having been named a "2010 California Distinguished School."
4. Jenelle Froisland, Public Relations Representative for Southern California Edison, presented a check from Southern California Edison in support of the City's Residential Tree Planting Rebate Program. She also presented the City Council with Southern California Edison's annual State of the Utility Address, which includes information on service reliability, assisting customers in managing their electric bill, and electric vehicles.

ORAL COMMUNICATIONS

No members of the public wished to speak.

RECESS THE CITY COUNCIL AND CONVENE AS THE COMMUNITY DEVELOPMENT COMMISSION AT 7:18 P.M.

CONSENT CALENDAR

- A. Approval of Community Development Commission Minutes

Minutes of the May 18, 2010, Regular Meeting of the La Palma Community Development Commission.

- B. Approval of Register of Demands

Resolution No. CDC 2010-12 approving the Register of Demands for June 1, 2010.

Commission Member Herman made a motion to approve Consent Calendar Items A and B.

The motion was seconded by Commission Member Charoen and carried on the following vote:

AYES: Commission Member Charoen, Commission Member Herman, Vice Chairperson Rodriguez, Chairperson Shanahan, and Commission Member Waldman

NOES: None

PUBLIC HEARINGS

None Scheduled

REGULAR ITEMS

None Scheduled

RECESS THE COMMUNITY DEVELOPMENT COMMISSION, AND CONVENE AS THE PLANNING COMMISSION AT 7:19 P.M.

CONSENT CALENDAR

PL-1. Approval of Planning Commission Minutes

Minutes of the May 18, 2010, Regular Meeting of the La Palma Planning Commission.

Vice Chairperson Rodriguez made a motion to approve Consent Calendar Item PL-1

The motion was seconded by Commission Member Herman and carried on the following vote:

AYES: Commission Member Charoen, Commission Member Herman, Vice Chairperson Rodriguez, Chairperson Shanahan, and Commission Member Waldman

NOES: None

PUBLIC HEARINGS

None Scheduled

REGULAR ITEMS

None Scheduled

ADJOURN THE PLANNING COMMISSION AND RECONVENE AS THE CITY COUNCIL AT 7:20 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 May 18, 2010, Regular Meeting of the City Council.

4. Janitorial Maintenance Services Agreement

Award a contract to the low responsible bidder, Able Maintenance Company of Santa Ana, California, for Janitorial Services for the City Hall, Police, Recreation & Community Services, and City Yard Facilities; and authorize the Mayor to execute the Agreement.

6. Resolutions Required for November 2, 2010, General Municipal Election and for Submission to the Voters of an Initiative Ordinance Amending the Utility Users Tax

a) Adopt Resolution No. 2010-26 calling and giving notice of the holding of a Municipal Election to be held on Tuesday, November 2, 2010, in conjunction with the General Municipal Election, for the election of certain officers as required by the provisions of the laws of the State of California relating to general law cities; and for the submission to the voters a question relating to an Initiative Ordinance amending the Utility Users Tax;

b) Adopt Resolution No. 2010-27 requesting the Board of Supervisors of the County of Orange to consolidate a Municipal Election to be held on November 2, 2010, with the Statewide General Election to be held on the date pursuant to Section 10403 of the Elections Code;

c) Adopt Resolution No. 2010-28 setting priorities for filing written arguments regarding a City Measure and directing the City Attorney

to prepare an Impartial Analysis;

- d) Adopt Resolution No. 2010-29 providing for the filing of Rebuttal Arguments for City Measures Submitted at a Municipal Election; and
- e) Adopt Resolution No. 2010-30 adopting regulations for candidates for elective office pertaining to candidate statements submitted to the voters at an election to be held on Tuesday, November 2, 2010.

Mayor Pro Tem Rodriguez made a motion to approve Consent Calendar Items 1, 2, 4, and 6.

The motion was seconded by Councilmember Charoen and carried on the following vote:

AYES: Councilmember Charoen, Councilmember Herman, Mayor Pro Tem Rodriguez, Mayor Shanahan, and Councilmember Waldman

NOES: None

ITEMS PULLED FROM CONSENT CALENDAR

3. Approval of Register of Demands

Councilmember Herman requested to have the Item pulled to ask for clarification on a check for animal emergency training.

Police Chief Ethell indicated that he would follow up and provide the information in the City Manager's weekly report.

Resolution No. 2010-25 approving the Register of Demands for June 1, 2010.

Councilmember Herman made a motion to approve Consent Calendar Item 3.

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

AYES: Councilmember Charoen, Councilmember Herman, Mayor Pro Tem Rodriguez, Mayor Shanahan, and Councilmember Waldman

NOES: None

5. Second Amendment to Agreement with Computer Service Company for Citywide Traffic Signal Maintenance Services, City Project No. ST-275

Councilmember Herman requested to have the Item pulled to ask the City Attorney for clarification on legal procedures for amending an agreement.

City Attorney Kuperberg responded that the City is allowed to amend an agreement as long as the adjustments are minor or simply extend the term and do not change the scope of the work.

Approve and authorize the Mayor to execute a Second Amendment to the Agreement with Computer Service Company of Corona, California for Citywide Traffic Signal Maintenance Services, City Project No. ST-275, extending the term of the Agreement until June 6, 2011.

Councilmember Herman made a motion to approve the Second Amendment to the Agreement with Computer Service Company for Citywide Traffic Signal Maintenance Services, City Project No. ST-275.

The motion was seconded by Councilmember Charoen and carried on the following vote:

AYES: Councilmember Charoen, Councilmember Herman, Mayor Pro Tem Rodriguez, Mayor Shanahan, and Councilmember Waldman

NOES: None

PUBLIC HEARINGS

7. Adoption of Proposed Water, Fire Flow, and Sewer Service Charges
 - a) Mayor Shanahan opened the Public Hearing at 7:22 p.m.
 - b) Finance Director Neves gave the Staff Report

City Manager Lazzaretto reported that the City received three letters of protest from residents at 5201 Huntswood Circle, 7451 Puerto Rico Drive, and 7352 Bourbon Way.

c) Public Input

Tara Hizon, 5191 Huntswood Circle, addressed the City Council regarding her opposition to the water rate increase.

City Attorney Kuperberg addressed Ms. Hizon's concerns regarding the City's responsibilities under Proposition 218 and reiterated that the City will not make a profit with the rate increase, but will only cover maintenance upgrades and reserves.

Marie Brennan, 5201 Huntswood Circle, addressed the City Council regarding her opposition to the water rate increase and that the Proposition 218 notices were addressed to "occupant" rather than to the homeowner.

Councilmember Herman asked why the notices were addressed to "occupant."

City Manager Lazzaretto reported that the Proposition 218 letters are addressed to "occupant" so as to reach the resident of the property and that the notices satisfy Proposition 218.

City Attorney Kuperberg further clarified that the Proposition 218 notices served as public's right to protest the proposed rate increase and that there were not enough protest letters received to stop the increase.

Gerard Goedhart, 4922 Berton Circle, addressed the City Council regarding his support of the Water, Fire Flow, and Sewer Service rate increase.

d) Mayor Shanahan closed the Public Hearing at 7:48 p.m.

Administrative Services Manager/City Clerk Murray stated that the total amount of protests received were 4 out of a possible 4,289 rate payers.

e) Council Comments and Questions:

Councilmember Herman asked for clarification on how the City came up with commercial meter size requirements in the Water Rate Study.

City Manager Lazzaretto reported that the studies concluded that there are only a small amount of commercial businesses with the larger size meter and that it did not warrant having additional tiers.

Discussion ensued regarding the amount of residential water customers and the amount of commercial water customers; the use of historical water data used in this study; the City Council's support of the water rate increase to keep the service at a quality level; that residents who do conserve water will see a reduction in their water bills; that the City is currently in a Stage One water conservation level; that the City has installed waterless urinals and plantings to help conserve city water usage; that the Finance Department audits residential customers who experience excess usage to evaluate if the customer has a leak; that at Stage Two water conservation is mandatory; that the State identifies water reduction mandates; the manner in which Staff alerts members of the public if there is excessive usage; and that the Metropolitan Water District of Orange County (MWDOC) is planning an additional 20% rate increase.

Councilmember Charoen indicated that he cannot support a rate increase because of the current economic crisis.

Further discussion ensued regarding the Orange County Water District (OCWD) having already increased their charges for pumping water to the City; that the rate increase would mean the City's Capital Improvement Plan (CIP) water projects could be met; that the City faces eventual bankruptcy or the water system will fail if the rate increase is not implemented; a listing of CIP projects that will be funded with the proposed rate increase; the new water bill model; that the City plans to hold Community meetings in conjunction with MWDOC and will be actively involved at the Civic Expo to educate the public on areas where they are eligible for rebate programs and other areas where residents can conserve water; and that the City's goal is to meet water maintenance standards to provide satisfactory water service to its residents.

- f) Resolution No. 2010-31 approving the proposed Water, Fire Flow, and Sewer Service Charges.

Councilmember Herman made a motion to approve Resolution No. 2010-31 approving the proposed Water, Fire Flow, and Sewer Service Charges.

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

AYES: Councilmember Herman, Mayor Pro Tem Rodriguez, Mayor Shanahan, and Councilmember Waldman

NOES: Councilmember Charoen

Mayor Shanahan called for a short recess at 8:16 p.m.

Mayor Shanahan reconvened the City Council at 8:23 p.m. with all members present.

REGULAR ITEMS

8. Study Session: Citywide User Fee Study

- a) Finance Director Neves gave a brief presentation on the revised User Fee Schedules.

Recreation and Community Services Director Hobson gave a brief presentation on the revised User Fee Schedules for Parks and Recreation programs.

Councilmember Herman asked about the demand for the Community Center since its rehabilitation.

Recreation Superintendent Belknap reported on the total amount of permits pulled since the Recreation Center was remodeled.

Finance Director Neves closed his presentation.

City Manager Lazzaretto reported that there are many areas where the City has reduced costs through efficiencies and is currently overcharging, which need to be reduced. He also stated that there are also several areas where the City is currently undercharging that could be raised.

Council Comments and questions:

Discussion ensued regarding that the City is not able to charge more than the actual cost and is only recovering costs for use; that the City would lose \$6,500 in revenue if the City reduces the overcharged user fees; that the City does not currently charge for residential graffiti removal; that solar energy upgrades should be

discounted; that Building Division user fees pay 90% of the contracted Building Official costs; usage history of the Tiny Tots program; that the Tiny Tots program is being fully utilized by the community; that the loud party service fee is only charged when an officer has to return for a second warning; taking the fees out of the schedule for services that are not being used; that non-residents are not allowed to rent the Community Center facilities; giving residents a discounted fee and passing the increase onto non-residents for using City Services; increasing the fees in areas that the City is not recovering fixed costs; allowing non-residents to rent the facilities at full prices and decreasing the cost of the deposit for residents; having Staff return to the City Council in a future Study Session with a detailed analysis of actual costs for services; and that residents are given priority in the Tiny Tots registration.

Public Input:

Gerard Goedhart, 4922 Berton Circle, addressed the City Council regarding his opposition to increasing the user fees for residential upgrades and announced his support for recovering lighting, facility use, and service fees.

Further discussion ensued regarding the timeline for the next Study Session.

- b) Set a Public Hearing for August 3, 2010.

By consensus, the City Council agreed to set a Public Hearing for August 3, 2010; to reduce fees that the City is currently overcharging and add fees where no current fee exists; and a desire to review an analysis of resident and non-resident usage fees at a later date of approximately six months.

RECONVENE THE COMMUNITY DEVELOPMENT COMMISSION FOR A JOINT MEETING OF THE CITY COUNCIL AND COMMUNITY DEVELOPMENT COMMISSION AT 9:21 P.M.

REGULAR ITEMS

- 9. Open Discussion of the Proposed Fiscal Year 2010-11 Budget

City Manager Lazzaretto gave a presentation on the Proposed Fiscal Year 2010-11 Budget, including what cuts in the amount of two and one-half percent (2.5%) would look like.

Council/Commission Member Comments and Questions:

Discussion ensued regarding not pursuing the two and one-half percent (2.5%) cuts as it would impact service levels; and using the City's General Fund Reserves to maintain current service levels.

ADJOURN THE COMMUNITY DEVELOPMENT COMMISSION AT 9:29 P.M.

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

Councilmember Charoen attended the Memorial Day event; the Hub Grand Opening; and the Orange County Fire Authority (OCFA) board meeting.

Councilmember Waldman attended the Orange County League of California Cities (OCLOCC) Executive Board meeting; the Orange County Sanitation District (OCSD) general meeting; the Southern California Association of Governments Pacific Electric Right-of Way (SCAG PEROW) task force meeting; and the Orange County Council of Governments (OCCOG) meeting regarding implementing SB75. He announced that he plans to attend the first meeting of the upcoming OCCOG Executive Committee.

Councilmember Herman attended the La Palma Volunteer Recognition dinner; the Orange County Vector Control District (OCVCD) general meeting; the OCVCD Union Election meeting; the Memorial Day event; and the Hub Grand Opening. He announced that he plans to attend the upcoming California Association for Retired Americans (CARA) Wrinkle Walk-a-Thon and the upcoming Relay for Life event. He commented on the status of the current oil spill in the Gulf of Mexico and reported on the status of the Afghanistan and Iraq War.

Mayor Pro Tem Rodriguez attended the La Palma Volunteer Recognition dinner; the Library Advisory Board meeting; the first La Palma Chamber of Commerce Car Show; the SCAG PEROW task force meeting; the La Palma Memorial Day event; and the Hub Grand Opening event. He closed by announcing that he plans to attend the upcoming Relay for Life event and reported on its schedule of events.

Mayor Shanahan attended the La Palma Volunteer Recognition dinner; the Memorial Day event; and the Hub Grand Opening. He announced that he plans to attend the upcoming Relay for Life event.

Councilmember Herman asked about the status of the Houston Avenue Sewer Main Project and the timeline for the completion of the restroom project at Central Park.

Public Works Director Moneda responded that the Houston Avenue Sewer Main Project will begin in the next Fiscal Year and that the Restroom Project at Central Park will be completed next week.

Mayor Shanahan reported that he also attended the National Public Works Day at the City Yard with other Councilmembers.

CITY MANAGER REMARKS

City Manager Lazzaretto announced that a Community Meeting for the Block Wall Painting Project will be held on June 3, 2010; that the Block Wall Project is scheduled to begin next week; and that upcoming agenda items will include the adoption of the Fiscal Year 2010-11 Budget.

CITY ATTORNEY REMARKS

City Attorney Kuperberg had nothing to report.

CLOSED SESSION

Mayor Shanahan recessed to a Closed Session at 10:03 p.m.

Mayor Shanahan reconvened the City Council in Open Session at 10:34 p.m. with all members present and with nothing to report.

ADJOURNMENT

Mayor Shanahan adjourned the Regular Meeting of the City Council at 10:35 p.m.

/s/

Steve Shanahan, Mayor

Attest:

A gray rectangular box containing the text */s/*, indicating a redacted signature.

Laurie A. Murray, City Clerk