

MINUTES
CITY COUNCIL OF THE CITY OF LA HABRA
ADJOURNED REGULAR MEETING
&
REGULAR MEETING
&
REGULAR JOINT MEETING WITH THE
LA HABRA CIVIC IMPROVEMENT AUTHORITY, LA HABRA HOUSING AUTHORITY,
LA HABRA UTILITY AUTHORITY, AND
SUCCESSOR AGENCY TO THE LA HABRA REDEVELOPMENT AGENCY

Monday, June 18, 2018

APPROVED: These Minutes were approved on August 6, 2018.

ADJOURNED REGULAR MEETING 5:30 P.M.:

CALL TO ORDER: Mayor Shaw called the Adjourned Regular Meeting of the City Council of the City of La Habra to order at 5:30 p.m. in the Council Chamber, Closed Session Room 112c, located at 100 East La Habra Boulevard in La Habra, California.

COUNCILMEMBERS/DIRECTORS PRESENT: Mayor/Director Shaw
Councilmember/Director Gomez
Councilmember/Director Espinoza
Councilmember/Director Beamish

COUNCILMEMBERS/DIRECTORS ABSENT: Mayor Pro Tem/Director Blazey
(Excused absence)

OTHER OFFICIALS PRESENT: City Manager/Executive Director Sadro
Deputy City Attorney/Legal Counsel
Ryan Jones
City Clerk/Secretary Mason

I. ORAL COMMUNICATIONS FROM THE PUBLIC FOR CLOSED SESSION MATTERS:
None

II. CLOSED SESSION:

- a. Conference with Legal Counsel potential litigation pursuant to Government Code Section 54956.9(d)(2) (one potential case).

Legal Counsel Gary Kranker, with Jones & Mayer, and Assistant to the City Manager Ferrier were present for this item.

- b. Conference with Labor Negotiator per Government Code Section 54957.6 - Agency Representative: Jim Sadro, City Manager; Employee Organizations: Police Sworn Employees, Police Civilian Employees, La Habra Municipal

Employees Association, General Services Employees, Professional Employees, and Management and Executive Management Groups.

Finance Director Shannon, Human Resources Manager Coelho-LaFreniere, Community Services Director Failla, and Assistant to the City Manager Ferrier were present for this item.

III. ADJOURNMENT: The City Council reconvened at 6:08 p.m. There were no Closed Session announcements. Mayor Shaw adjourned the Adjourned Regular Meeting at 6:08 p.m.

REGULAR MEETING & REGULAR JOINT MEETING 6:30 P.M.:

CALL TO ORDER: Mayor/Director Shaw called the Regular Meeting of the City Council of the City of La Habra and the Regular Joint Meeting with the Successor Agency to the La Habra Redevelopment Agency, the La Habra Utility Authority, the La Habra Housing Authority, and the La Habra Civic Improvement Authority to order at 6:30 p.m. in the Council Chamber, located at 100 East La Habra Boulevard in La Habra, California.

INVOCATION: Deputy City Attorney/Legal Counsel
Ryan Jones

PLEDGE OF ALLEGIANCE: Mayor Pro Tem/Director Gomez

COUNCILMEMBERS/DIRECTORS PRESENT: Mayor/Director Shaw
Councilmember/Director Gomez
Councilmember/Director Espinoza
Councilmember/Director Beamish

COUNCILMEMBERS/DIRECTORS ABSENT: Mayor Pro Tem/Director Blazey
(Excused absence)

OTHER OFFICIALS PRESENT: City Manager/Executive Director Sadro
Deputy City Attorney/Legal Counsel
Ryan Jones
City Clerk/Secretary Mason

CLOSED SESSION ANNOUNCEMENT: None

I. PROCLAMATIONS/PRESENTATIONS:

CITY COUNCIL:

a. Proclaim July 2018 as Parks Make Life Better Month in the City of La Habra.

Mayor/Director Shaw invited Community Services Director Failla and Public Works Director Saykali to the podium to accept the proclamation. Community Services Director Failla invited the public to attend the City's summer programs available.

SUCCESSOR AGENCY:

b. Recognition of the Oversight Board to the Redevelopment Agency.

Mayor/Director Shaw invited up Community and Economic Development Director Ho to the podium. He expressed appreciation to the Oversight Board for their service and guidance to the City of the past few years. The following Oversight Board members accepted their certificates: City Manager Jim Sadro, Linda Steves, Ron Sheppard, and Fred Williams. Mayor/Director Shaw recognized the following members who were not in attendance: Colleen Patterson, Don Hannah, and James Byerrum.

Mayor/Director Shaw noted Councilmember/Vice-Chair Blazey absence and asked if Consideration Item VI.1 could be continued to the following City Council meeting to be held on July 2, 2018, at 6:30 p.m. Deputy City Attorney Ryan Jones confirmed that the item could be heard this evening, but explained that a 2-2 vote would result in no formal action being taken on the item. He noted that the item could be brought back at a future Council meeting. Following a brief discussion, Council/Directors concluded that Item VI.1 would be heard on this agenda.

II. PUBLIC COMMENTS:

Betty Price, La Habra resident, requested that City Council consider a discount program for residential refuse collection for senior CARE recipients, similar to those received for utilities. Mayor/Director Shaw referred Ms. Price to Public Works Director Saykali.

Jeremy Parness, Southern California Division President for Lennar, introduced himself to City Council. He stated that in February 2018 Lennar closed a merger with Cal-Atlantic Homes. He noted that Lennar has an open and transparent process and offered to meet with any interested parties regarding the proposed Rancho La Habra development. He thanked City staff for working through the application process with Lennar.

III. CONSENT CALENDAR:

Moved by Councilmember/Director Gomez, seconded by Councilmember/Director Beamish, and CARRIED (4-0) TO APPROVE CONSENT CALENDAR ITEMS III.A.1 THROUGH III.D.1:

Said motion CARRIED by the following roll call vote:

AYES: Councilmember/Director Beamish, Councilmember/Director Espinoza,
Councilmember/Director Gomez, Mayor/Director Shaw

NOES: NONE

ABSTAIN: NONE

ABSENT: Mayor Pro Tem/Director Blazey

A. CITY COUNCIL:

1. PROCEDURAL WAIVER: Waive reading in full of resolutions and ordinances and approval and adoption of same by reading title only.
2. Denial of Claim for Brett Bemis for Property Damage.
3. Denial of Claim for Nataleen Lopez for Property Damage.

4. Waive formal bid requirements per La Habra Municipal Code Section 4.20.050(c), utilize the cooperative purchase provision of the contract awarded by the City of Sausalito, and authorize City Manager to execute exclusive professional services agreement with Data Ticket, Inc. to provide a full range of parking citation processing and reconciliation services with a three-year term commencing on July 1, 2018 that will automatically renew for two additional one-year periods.
5. Approve City Council Minutes of:
 - a. March 19, 2018
 - b. April 2, 2018
 - c. April 16, 2018
6. Schedule a public hearing to be held on August 6, 2018 regarding proposed rate adjustments for the Refuse Enterprise Fund; and direct staff to prepare and mail notices to all La Habra property owners of the scheduled public hearing.
7. Approve and adopt the appropriate resolutions, and authorize City Manager to execute Contracts CCTR-8155 and CSPP-8338 with the California Department of Education, Child Development Services for the Fiscal School Year 2018-2019; and
 - a. APPROVE AND ADOPT **RESOLUTION NO. 5849** ENTITLED: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA HABRA CERTIFYING THE APPROVAL AND AUTHORIZING THE EXECUTION OF LOCAL AGREEMENT NO. CCTR-8155, WITH THE CALIFORNIA STATE DEPARTMENT OF EDUCATION.
 - b. APPROVE AND ADOPT **RESOLUTION NO. 5850** ENTITLED: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA HABRA CERTIFYING THE APPROVAL AND AUTHORIZING THE EXECUTION OF LOCAL AGREEMENT NO. CSPP-8338, WITH THE CALIFORNIA STATE DEPARTMENT OF EDUCATION.
8. Approve and authorize City Manager to execute the Quality Rating and Improvement System (QRIS) Block Grant Service Agreement No. 46031 for the 2017-2018 school year with the Orange County Department of Education, for continuous quality improvements for the state preschool program.
9. Approve and authorize City Manager to execute a one-year lease beginning July 1, 2018 and ending June 30, 2019, with Orange County Head Start for the use of the 1060 W. Lambert site by Orange County Head Start, Inc. to provide Head Start classes for La Habra residents for a monthly payment of \$1,000.
10. Approve Change Order No. 2 in the total amount of \$1,166,867.28 to Sialic Contractors Corporation dba Shawnan for the Lambert Road Rehabilitation from West City Limit to East City Limit Fiscal Year 2018-2017, City Project No. 1-R-17; approve an appropriation of \$400,000 from Traffic Impact Fund for the Lambert Road Rehabilitation Project No. 1-R-17; and authorize City Manager to increase the total purchase order to Sialic Contractors Corporation dba Shawnan in the amount not to exceed \$5,553,303.70.
11. WARRANTS: Approve Nos. 00116706 through 00116895 totaling \$1,909,292.73; and WIRE TRANSFERS: Approve Wire Date 6/4/18 and 6/5/18 for a total of \$453,910.24.

12. Authorize City Manager to execute Amendment No. 2 to Agreement No. C-1-2477 with the Orange County Transportation Authority's Senior Mobility Program to provide expanded La Habra Shuttle services and to designate the City's selection of Keolis, Inc. to administer the program.

B. CIVIC IMPROVEMENT AUTHORITY:

1. Review and adopt the proposed Investment Policy for implementation on January 1, 2018.

C. SUCCESSOR AGENCY:

1. Review and adopt the proposed Investment Policy for implementation on January 1, 2018.

D. UTILITY AUTHORITY:

1. Review and adopt the proposed Investment Policy for implementation on January 1, 2018.

IV. **CONSENT CALENDAR ITEMS REMOVED FOR SEPARATE DISCUSSION:** None

V. **PUBLIC HEARINGS:**

A. CITY COUNCIL & ALL AUTHORITIES/AGENCY:

1. Duly noticed joint public hearing to consider the adoption of the Fiscal Year 2018-2019 Municipal Budget and relating resolutions

Finance Director Shannon reported that the proposed budget balances available resources with expected expenses, addresses the Council's goals and objectives, provides resources for public safety and other services, and provides for the upkeep and improvement of the City's infrastructure. He itemized the various funds that make up the \$109,597,950 municipal budget. He reported that City Council reviewed the proposed Fiscal Year 2018-2019 budget at the City Council Meeting held on Monday, June 18, 2018.

Mayor/Director Shaw opened the public hearing at 6:51 p.m. There being no testimony, the public hearing was closed.

Council/Director discussion included: concern regarding the cut of two vacant positions in the Community and Economic Development Code Enforcement division; and directed staff to return to Council in three months and give an assessment regarding the effects of the decrease of the two Code Enforcement division positions.

Moved by Councilmember Beamish, seconded by Mayor Shaw, and CARRIED (4-0) TO APPROVE AND ADOPT **RESOLUTION NO. 5851** ENTITLED: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA HABRA ADOPTING A BUDGET FOR THE FISCAL YEAR COMMENCING JULY 1, 2018, AND ENDING JUNE 30, 2019, MAKING APPROPRIATIONS

FOR THE CONDUCT OF CITY OF LA HABRA GOVERNMENT, ESTABLISHING POLICIES FOR THE ADMINISTRATION OF THE ADOPTED BUDGET, AND FOR OTHER BUDGET RELATED PURPOSES.

Said motion CARRIED by the following roll call vote:

AYES: Councilmember Beamish, Councilmember Espinoza, Councilmember Gomez,
Mayor Shaw
NOES: NONE
ABSTAIN: NONE
ABSENT: Mayor Pro Tem Blazey

Moved by Director Beamish, seconded by Chair Shaw, and CARRIED (4-0) TO APPROVE AND ADOPT **RESOLUTION NO. 2018-01** ENTITLED: A RESOLUTION OF THE CIVIC IMPROVEMENT AUTHORITY OF THE CITY OF LA HABRA ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR COMMENCING JULY 1, 2018, AND ENDING JUNE 30, 2019.

Said motion CARRIED by the following roll call vote:

AYES: Director Beamish, Director Espinoza, Director Gomez, Chair Shaw
NOES: NONE
ABSTAIN: NONE
ABSENT: Vice Chair Blazey

Moved by Director Beamish, seconded by Director Shaw, and CARRIED (4-0) TO APPROVE AND ADOPT **RESOLUTION NO. 2018-01** ENTITLED: A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF LA HABRA ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR COMMENCING JULY 1, 2018, AND ENDING JUNE 30, 2019.

Said motion CARRIED by the following roll call vote:

AYES: Director Beamish, Vice Chair Espinoza, Chair Gomez, Director Shaw
NOES: NONE
ABSTAIN: NONE
ABSENT: Director Blazey

Moved by Director Beamish, seconded by Chair Shaw, and CARRIED (4-0) TO APPROVE AND ADOPT **RESOLUTION NO. 2018-03** ENTITLED: A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LA HABRA ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR COMMENCING JULY 1, 2018, AND ENDING JUNE 30, 2019.

Said motion CARRIED by the following roll call vote:

AYES: Director Beamish, Director Espinoza, Director Gomez, Chair Shaw
NOES: NONE
ABSTAIN: NONE
ABSENT: Vice Chair Blazey

Moved by Director Beamish, seconded by Chair Shaw, and CARRIED (4-0) TO APPROVE AND ADOPT **RESOLUTION NO. 2018-03** ENTITLED: A RESOLUTION OF THE UTILITY AUTHORITY OF THE CITY OF LA HABRA ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR COMMENCING JULY 1, 2018, AND ENDING JUNE 30, 2019.

Said motion CARRIED by the following roll call vote:

AYES: Director Beamish, Director Espinoza, Director Gomez, Chair Shaw
NOES: NONE
ABSTAIN: NONE
ABSENT: Vice Chair Blazey

2. Duly noticed public hearing to consider the adoption of a resolution establishing the Appropriation Limit for Fiscal Year commencing July 1, 2018, and ending June 30, 2019, pursuant to Article XIII B of the Constitution of the State of California; and

City Manager Sadro/Executive Director Sadro reported a correction to Item V.2 for the appropriation limit for Fiscal Year 2018-2019. He stated that the resolution establishing the Fiscal 2018-2019 appropriation limit pursuant to Article XIII B of the Constitution of the State of California to be adopted this evening was not included as an attachment, but has been provided at the dais and to the public.

Finance Manager Ponvanit presented the staff report. He noted that the City's appropriation limit had changed, since Fiscal Year 2017-2018, by 4.33 percent raising the limit to 65,666,161, and the City's current tax proceed subject to the appropriations limit are \$33,334,314, leaving the City with a remaining appropriations capacity of \$32,331,847, or 49.24 percent of the appropriations limit.

Council/Director discussion included: confirmation that the appropriation limits are only to the General fund; clarification of the appropriations limit adjustment for inflation and population; and the effect on the appropriations limit as a result of Proposition 13 which limits a municipality's ability to raise property taxes.

Mayor/Director Shaw opened the public hearing at 7:00 p.m. As there was no testimony, the public hearing was closed.

Moved by Councilmember/Director Gomez, seconded by Councilmember/Director Espinoza, and CARRIED (4-1) TO APPROVE AND ADOPT **RESOLUTION NO. 5852** ENTITLED: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA HABRA ESTABLISHING THE APPROPRIATION LIMIT IN ACCORDANCE WITH ARTICLE XIII B OF THE CONSTITUTION OF THE STATE OF CALIFORNIA FOR THE FISCAL YEAR COMMENCING JULY 1, 2018, AND ENDING JUNE 30, 2019, AND AMENDING RESOLUTION NO. 5808.

Said motion CARRIED by the following roll call vote:

AYES: Councilmember/Director Beamish, Councilmember/Director Espinoza,
Councilmember/Director Gomez, Mayor/Director Shaw
NOES: NONE

ABSTAIN: NONE

ABSENT: Mayor Pro Tem/Director Blazey

VI. CONSIDERATION ITEMS:

A. CITY COUNCIL:

1. Receive the Status Update Report on Cannabis Testing Laboratories and provide staff with direction on the proposed ordinance.
 - a. Receive and file the Cannabis Testing Laboratory Status Update staff report and provide staff with direction on the proposed ordinance.

Deputy Director of Community and Economic Development Jaramillo presented the staff report. He stated that City staff visited the following four Commercial Cannabis Testing Laboratories: Sequoia Analytical Labs in Sacramento, California, Infinite Chemical Analysis Labs in San Diego, California, Phamlabs in San Diego, California, and pH Solutions, LLC in Monrovia, California. He reviewed the laboratories operations, conditions, and State requirements. He noted that City's task force would begin site visits this week to cannabis delivery services with an emphasis on medical delivery only and would continue until July 2018. He confirmed staff would present a report to Council on cannabis delivery in late summer or early fall. He introduced La Habra Police Lieutenant Henderson to present the law enforcement perspective.

La Habra Police Lieutenant Henderson reported that the laboratory site visits included meetings with the municipalities and police departments regarding the laboratory's impact on the communities. He noted that there had been no increase in crime in those cities. He stated that he did not anticipate a negative impact on the City of La Habra if a cannabis testing facility were approved.

Council discussion included: security requirements of testing facilities; stages of the processing of cannabis through the testing facilities to distribution centers; confirmation that per state law cannabis could only be distributed if it had been tested and approved first; potential revenue for the City; confirmation that the revenue potential for the City would be arranged through a development agreement; clarification that this item is strictly about cannabis testing facilities; and federal law regarding cannabis.

Mayor Shaw invited the public to testify at 7:08 p.m.

Tony DeSimone, 9385 Randall Avenue, commended the City's professionalism regarding cannabis. He spoke regarding his involvement in and support of the cannabis industry. Councilmember Gomez confirmed that Mr. DeSimone had not yet met with La Habra Police Department staff.

There being no further testimony, Mayor Shaw closed public testimony at 7:10 p.m.

Moved by Councilmember Gomez, seconded by Councilmember Beamish, and FAILED TO APPROVE RECEIVE AND FILE THE CANNABIS TESTING LABORATORY STATUS UPDATE REPORT. Councilmember Beamish clarified Councilmember Gomez's motion and offered an amended motion to receive and file the Cannabis Testing Laboratory Status Update staff report;

and direct staff to implement the staff recommendations to Chapter 18.22 of the La Habra Municipal Code, as amended allowing for up to four testing laboratories in the City.

In response to Council's questions, Police Chief Price concurred with Police Lieutenant Henderson report and confirmed that other cities with cannabis testing facilities have not had significant safety concerns due to these types of facilities. He noted that any potential negative consequences could be mitigated through a development agreement. He stated that being in Law Enforcement he has concerns with cannabis and how it relates to the federal law, and the changing dynamic of the cannabis industry.

Moved by Councilmember Beamish, seconded by Mayor Shaw, and FAILED TO RECEIVE AND FILE THE CANNABIS TESTING LABORATORY STATUS UPDATE STAFF REPORT; AND DIRECT STAFF TO IMPLEMENT THE STAFF RECOMMENDATIONS TO CHAPTER 18.22 OF THE LA HABRA MUNICIPAL CODE, AS AMENDED ALLOWING FOR UP TO FOUR TESTING LABORATORIES IN THE CITY.

Said motion FAILED by the following roll call vote:

AYES: Councilmember Beamish, Mayor Shaw
NOES: Councilmember Espinoza, Councilmember Gomez
ABSTAIN: NONE
ABSENT: Mayor Pro Tem Blazey

Councilmember Beamish directed staff to bring the item back to Council on July 2, 2018, at 6:30 p.m. when Mayor Pro Tem Blazey is present. Mayor Shaw concurred.

2. Consider a request to amend the Special Event Permit Policy Guidelines to include non-profit organizations and City Departments. This project was reviewed pursuant to the guidelines of the California Environmental Quality Act (CEQA) and determined to be Categorically Exempt pursuant to Section 15321(a), Class 21: "Enforcement Actions by Regulatory Agencies" of the CEQA Guidelines. The project consists of making textual revisions to the La Habra Municipal Code. There is no specific project associated with this application.

Deputy Director of Community and Economic Development Jaramillo presented the staff report. He reviewed the amount of special event permits requested from the year 2013 through 2017. He discussed the proposed amendment, its expectation to encourage partnerships between non-profit organizations and the business community, and surrounding city's regulations regarding special events.

There was no Council discussion.

Mayor Shaw invited the public to testify at 7:23 p.m. There was no testimony.

Moved by Councilmember Espinoza, seconded by Councilmember Beamish, and CARRIED (4-1) TO APPROVE AMENDMENTS TO THE SPECIAL EVENT PERMIT POLICY GUIDELINES TO INCLUDE NONPROFIT ORGANIZATIONS AND CITY DEPARTMENTS PER ATTACHMENT 3.

Said motion CARRIED by the following roll call vote:

AYES: Councilmember Beamish, Councilmember Espinoza, Councilmember Gomez,
Mayor Shaw

NOES: NONE

ABSTAIN: NONE

ABSENT: Mayor Pro Tem Blazey

VII. MAYOR'S COMMUNITY CALENDAR:

Mayor/Director Shaw made the following announcements:

- La Habra's "Movie in the Park" series is showing "Peter Rabbit" – Friday, June 22, at 6:00 p.m. at Brio park.
- La Habra's 4th of July Celebration - Wednesday, July 4, at 4:00 p.m. at La Bonita Park with a fireworks display at 9:00 p.m.
- La Habra's 2018 Summer Concert Series - Thursday, July 12, at 7:00 p.m. at Portola Park with 1980's band "Flash Pants."
- La Habra Police Department's "National Night Out" - Tuesday, August 7, at 5:30 p.m. at Portola Park.

VIII. COMMENTS FROM STAFF: None

IX. COMMENTS FROM COUNCILMEMBERS/DIRECTORS:

Councilmember/Director Gomez reported that he attended the ribbon cutting ceremony for Hobby Lobby, a lunch at Farmers Boys restaurant, a Car Show at Northgate Market, and Chamber Night at Senor Campos where his team raised a record amount. He thanked Northgate Market, Recreation Manager DeLeon, Deputy Director of Community and Economic Development Jaramillo, Finance Director Shannon, Community Services Director Failla, City Manager Sadro, City Clerk Mason, Marketing Consultant Bruce Martin, Mayor Shaw, City Attorney Jones, and Councilmember Beamish for their generous donations to be used for scholarships at our local high schools and the programs and the La Habra Area Chamber of Commerce.

Councilmember/Director Espinoza wished a happy birthday to her neighbors Tony Gonzales who turned 98 years old on June 13 and to Mabel Covarrubias who turned 95 years old on April 12.

Mayor/Director Shaw welcomed the Peace Organization in the audience. He congratulated Councilmember/Director Gomez on his fundraising efforts for the La Habra Chamber of Commerce. Mayor/Director Shaw reported that he attended a tour with the Association of California Cities Orange County (ACCOC) of shelters, transitional housing, and permanent supportive housing in the cities of Orange, Anaheim, and Irvine. He asked to place an item on the July 2, 2018, agenda taking a support position on Assembly Bill 448 which is legislation the ACCOC has been working on that addresses the creation of a housing trust in Orange County into which cities and the county government would be able to opt into. Councilmember/Director Beamish concurred.

- X. ADJOURNMENT:** Mayor/Director Shaw adjourned the Regular Meeting of the City Council at 7:33 p.m. to Monday, July 2, 2018, at 5:30 p.m. in the Council Closed Session Room 112c, 100 E. La Habra Boulevard, followed by the Regular Meeting at 6:30 p.m. in the City Council Chamber. All other meetings were adjourned.

Respectfully submitted,

Tamara D. Mason, MMC
City Clerk/Secretary