

## MINUTES

### CITY COUNCIL OF THE CITY OF LA HABRA ADJOURNED REGULAR MEETING

#### & REGULAR MEETING

Monday, June 05, 2017

**APPROVED:** These Minutes were approved on July 17, 2017.

**ADJOURNED REGULAR MEETING:** Cancelled

**REGULAR MEETING:**

**CALL TO ORDER:** Mayor Espinoza called the Regular Meeting of the City Council of the City of La Habra to order at 6:30 p.m. in the City Council Chamber, located at 100 East La Habra Boulevard in La Habra, California.

**INVOCATION:** City Attorney Jones

**PLEDGE OF ALLEGIANCE:** Councilmember Beamish

**COUNCILMEMBERS PRESENT:** Mayor Espinoza  
Mayor Pro Tem Shaw  
Councilmember Beamish  
Councilmember Blazey

**COUNCILMEMBERS ABSENT:** Councilmember Gomez (excused)

**OTHER OFFICIALS PRESENT:** City Manager Sadro  
City Attorney Jones  
City Clerk Mason  
Deputy City Clerk Swindell

**CLOSED SESSION ANNOUNCEMENT:** None

**I. PROCLAMATIONS/PRESENTATIONS:**

a. Recognition of the 2016-2017 Youth Committee.

Mayor Espinoza invited Youth Committee Chair Carrie Surich to the podium. Carrie Surich invited Youth Committee President Lucas Drake to the podium to assist in presenting the certificates. Mayor Espinoza and Council then joined them at the podium for photographs.

b. Proclaim June 20, 2017 through September 23, 2017, as "Soda Free Summer" in the City of La Habra.

Mayor Espinoza invited Sandi Baltes, from the La Habra Collaborative, to the podium to accept the proclamation. Sandi Baltes asked those in attendance to sign a pledge to participate in the

“Soda Free Summer.” Mayor Espinoza congratulated Sandi Baltes on completing a half marathon event recently.

**c. CityNet update presentation on Homeless Community Outreach.**

Mayor Espinoza invited CityNet Executive Director Brad Fieldhouse to the podium to make a brief presentation on the status of CityNet’s outreach program to La Habra’s homeless community. He was joined by Gigi, Director of Programs and Police Liaison, to assist with the presentation.

Council discussion included: types of transitions; location of shelters; use of the North Orange County Shelter to which the City contributed funds to construct; completion of the homeless census; types of critical cases in La Habra; confirmation of a larger youth homeless population; and confirmed referrals should be made to CityNet at (714) 451-6198.

**II. PUBLIC COMMENTS:**

Carrie Surich, representing the La Habra Chamber of Commerce, announced that the “Chamber Night” fundraising event will be held on June 20, at Señor Campos restaurant from 5:00 p.m. to 8:30 p.m. to fund and benefit high school scholarships and “Relay for Life.” She encouraged the community to attend.

**III. CONSENT CALENDAR:**

Moved by Councilmember Beamish, seconded by Mayor Pro Tem Shaw, and CARRIED (4-0) TO APPROVE CONSENT CALENDAR ITEMS III.1 THROUGH III.9.

Said motion CARRIED by the following roll call vote:

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

**A. PROPOSED ITEMS:**

1. PROCEDURAL WAIVER: Waive reading in full of resolutions and ordinances and approval and adoption of same by reading title only.
2. Approve City Council Minutes of:
  - a. March 20, 2017
  - b. April 3, 2017
  - c. April 17, 2017
3. Receive and file Planning Commission Minutes of:
  - a. March 13, 2017
  - b. March 27, 2017
  - c. April 24, 2017

4. Approve Community Services Commission Minutes of:
    - a. October 12, 2016
    - b. November 9, 2016
    - c. December 14, 2016
    - d. January 11, 2017
    - e. February 8, 2017
    - f. March 8, 2017
  5. Authorize City Manager to transition the La Habra Head Start program operation to Orange County Head Start, Inc.
  6. Approve Plans and Specifications for the Hazel Street Bulb-Out Improvements; Project No. 7-R-16; award a contract for the construction of the Hazel Street Bulb-Out Improvements, Project No. 7-R-16 to Lucas Builders, Inc. of La Habra, California, in the amount of \$33,650 and reject all other bids; authorize City Manager to execute an agreement with Lucas Builders, Inc.; authorize staff to issue a purchase order in the amount of \$37,015 that includes a 10 percent contingency; and appropriate an additional \$6,949 from Gas Tax Fund to cover the cost of construction of the Hazel Street Bulb-Out Improvements project.
  7. Waive formal bid requirements per La Habra Municipal Code Section 4.20.060; authorize City Manager to issue a purchase order to NexTech Systems Inc. in the amount of \$69,659.72 for ten large dynamic vehicle speed feedback signs.
  8. Approve Plans and Specifications and award construction contract for the Alley Beautification #54 Fiscal Year 2016-2017, Project No. 8-R-16, to Black Rock Construction of Brea, California in the amount of \$124,993 and reject all other bids; authorize City Manager to execute an agreement with Black Rock Construction in the amount of \$124,993 and authorize staff to issue a purchase order in the amount of \$137,492.30 which includes a 10 percent contingency.
  9. WARRANTS: Approve Nos. 00111459 through 00111782 totaling \$2,261,316.59.
- IV. CONSENT CALENDAR ITEMS REMOVED FOR SEPARATE DISCUSSION:** None
- V. PUBLIC HEARINGS:** None at this time.
- VI. CONSIDERATION ITEMS:**
1. Consider appointment of one Councilmember to the La Habra Emergency Preparedness Council to serve as Vice Chair according to La Habra Municipal Code Section 2.52.030.B - One additional member of the City Council, appointed by the Mayor, who shall be the Vice Chair.

Mayor Espinoza introduced the item and noted that no staff report was required. City Council identified the Councilmembers who would have the time to serve on the La Habra Emergency Preparedness Council.

Moved by Mayor Espinoza, seconded by Councilmember Beamish, and CARRIED (4-0) TO APPROVE THE APPOINTMENT OF COUNCILMEMBER BLAZEY TO SERVE AS VICE CHAIR ON THE EMERGENCY PREPAREDNESS COUNCIL.

Said motion CARRIED by the following roll call vote:

AYES: Mayor Espinoza, Mayor Pro Tem Shaw, Councilmember Beamish,  
Councilmember Blazezy

NOES: NONE

ABSTAIN: NONE

ABSENT: Councilmember Gomez

## 2. Consider the Fiscal Year 2017-2018 Proposed Budget presentation.

Finance Director Shannon presented the staff report and a PowerPoint presentation, assisted by Department Directors.

The following Department Directors/Manager spoke regarding their department budgets, included major accomplishments and goals, and stated department highlights as follows:

- Community Services Director Failla – increase in revenues from recreation classes offered to offset costs; raised \$40,000 for the La Habra Children’s Museum through Groupon; Halloween event held, after not being held for 11 years, and was sponsored by 7-11; and Child Development changes due to state funding requirements.
- Public Works Director Saykali – Police Department roof and HVAC replacement of \$600,000; Neighborhood Traffic Management Program of \$150,000, Annual Arterial Rehabilitation Program of \$100,000; and finalizing the Storm Drain Master Plan of \$30,000.
- Assistant to the City Manager Ferrier regarding Fire and Ambulance – pension cost for former City of La Habra Firefighters of \$861,021; Los Angeles County Fire Department (LACFD) contract cost increase of \$412,000; and CARE Ambulance contract cost increase of \$80,000.
- Community and Economic Development Director Ho – Land use and growth and development in the City; Cervetto project is sold out; largest vacant commercial properties for potential warehouse use; Gonzalez Northgate Market partnered with CVS Pharmacy to redesign their store; City Ventures, Olson, and DR Horton residential projects; and Tommy’s Hamburgers, Farmer Boys, In-N-Out, Raising Cane’s, On the Hook, Aldi Market, and Tierra Mia Coffee Shop projects.
- Police Chief Price – six police officer and three dispatcher vacancies; two police officer retirements in June 2017; police officer body cameras operational in two months; and Computer Aided Dispatch (CAD)/Records Management and the Countywide 800 Megahertz NexGen radio communication system upgrade improvement of \$2 million.
- Finance Director Shannon – General Fund budget is balanced using a combination of one-time reductions, phased hiring, and elimination of certain unfilled positions; Citywide capital and development projects anticipated to continue at a brisk pace; and continued escalation of costs related to unfunded pension liabilities will create budget uncertainty in future years starting in Fiscal Year 2018-2019.
- Finance Manager Ponvanit – Discussed current and future CalPERS pension benefit costs challenges over the next ten years.

Council questions and discussion included: current Consumer Price Index (CPI) of 1.89 percent; staffing vacancies and General Fund reserves balancing measures that will need to be paid in the future; confirmation that approximately 80 percent of General Fund expenses are labor related; Department of Water Resources has deemed that La Habra is an independent water basin; explanation of why Lambert Road, east of Harbor Boulevard, will not be paved for a year; options for better quality and less expensive road patching methods; potential for portions of Harbor Boulevard to be repaired and paid for by the developer of the previous Beckman property saving the City approximately \$1 million; Union Pacific Bikeway trail project and potential grant funding; Los Angeles County Fire Department (LACFD) pension costs; LACFD contract cost increase cap of 4 percent yearly and how overages can be paid; minimum wage increase effects on LACFD contract; development of the former Gonzalez Northgate Market site on La Habra Boulevard and update regarding the collapsed roof of separate building at that site; loss of approximately 25 parking spaces at Home Depot due to Farmer's Boys restaurant construction; status of redesign at existing In-N-Out location at Palm Street and Lambert Road; challenges of encouraging economic development without Redevelopment Agency funds to subsidize projects; business trends in cities; sales tax decrease due to consumers purchasing online; positive effects of shopping in La Habra versus online; update on the analysis of the number of police officers needed in relation to the City's population; challenges of filling vacant police officer positions; discussion with the cities of Buena Park, Fullerton, Placentia, and Brea regarding consolidating police dispatch services to cut costs; appreciation expressed regarding Police Department community outreach efforts; identified the need to isolate necessary versus unnecessary costs in the General Fund budget; review of future revenue decreases on local, state, and federal levels; prediction and effects of a potential recession in the next ten years; confirmation that the transaction tax will sunset in Fiscal Year 2027-2028; projected California Public Employees Retirement System (CalPERS) unfunded liability costs to the City of approximately \$3.7 million next year and a 10-year total of approximately \$110,759,193.00; establishment of a CalPERS Rate Stabilization fund to fund future CalPERS costs; effects of the different plan levels offered on CalPERS pension benefits; need for cost cutting/containment and new revenues to fund CalPERS future costs; expected CalPERS costs trends after Fiscal Year 2026-2027; potential options to CalPERS, the cost to change retirement plans, and potential legislation to support the change; encouraged City employees to bring forward ideas to help with financing yearly CalPERS costs; confirmation that more CalPERS benefits are being paid by the City to its retirees than to those that are currently employed; City Council and CalPERS benefits; La Habra Chamber of Commerce funding and the need for the Chamber to show the value it gives to the City; review of the Chamber of Commerce's "Shop La Habra" program; and the Chamber members contributions to the "Shop La Habra" program.

Mayor Espinoza invited the public to testify at 8:43 p.m.

La Habra Chamber of Commerce President/CEO Mark Sturdevant spoke regarding the need for the City to become imaginative regarding ways to increase revenue and decrease expenses. He promoted the "Shop La Habra" program and requested that the City continue funding it at the same level as last year. He encouraged the City to continue working with the Chamber to promote business.

Mayor Espinoza closed the public testimony at 8:56 p.m.

Councilmember Beamish suggested amending the proposed budget to reinstate the \$10,000 for the Chamber of Commerce "Shop La Habra" contract, but to transfer the funding to the

Chamber of Commerce "General Contract" increasing it back to the original total funding of \$20,000. Mayor Pro Tem Shaw supported the amendment.

Moved by Councilmember Blazey, seconded by Councilmember Beamish, and CARRIED (4-0) TO RECEIVE AND FILE THE PROPOSED FISCAL YEAR 2017-2018 BUDGET, AS AMENDED, AND TO REINSTATE AND TRANSFER THE \$10,000 REMOVED FROM THE LA HABRA CHAMBER OF COMMERCE "SHOP LA HABRA" CONTRACT TO THE GENERAL CONTRACT WITH THE LA HABRA CHAMBER OF COMMERCE.

Said motion CARRIED by the following roll call vote:

AYES: Mayor Espinoza, Mayor Pro Tem Shaw, Councilmember Beamish,  
Councilmember Blazey

NOES: NONE

ABSTAIN: NONE

ABSENT: Councilmember Gomez

#### **VII. MAYOR'S COMMUNITY CALENDAR:**

Mayor Espinoza made the following announcements:

- Be a part of history by ordering a personalized tile paver at the new La Habra City Hall and celebrate your family, honor a loved one, or highlight your business or organization.
- La Habra Chamber of Commerce "Chamber Night" - Tuesday, June 20, at Señor Campos Restaurant, to support its scholarship program for local students.
- Concert in the Park, first in the series - Thursday, June 22, at 7:00 p.m. at El Centro Lions Park, featuring the Grammy-award winning group "Mariachi Divas."
- La Habra's 4<sup>th</sup> of July Fireworks Spectacular - Tuesday, July 4, at La Habra High School. Gates open at 5:00 p.m. with the fireworks show at 9:15 p.m.

#### **VIII. COMMENTS FROM STAFF: None**

#### **IX. COMMENTS FROM COUNCILMEMBERS:**

Councilmember Blazey stated that he attended the ceremony held at Gonzalez Northgate Market honoring the three seniors from La Habra High School who won the "Cooking Up Change" competition: Carlos Marquez, Yasmin Marquez, and Isabella Moreno. Councilmember Blazey thanked CR&R and the Public Works staff for the Hazardous Waste event. He congratulated the graduates of La Habra High School, Sonora High School, and Whittier Christian High School.

Councilmember Beamish asked to adjourn the meeting in memory of Larry Fairfield who passed away on May 16, and is survived by his wife Martha. He encouraged the community to participate in the "Soda Free Summer" organized by the La Habra Collaborative.

Mayor Pro Tem Shaw stated that he attended the Community Services annex ribbon cutting ceremony. He announced that part-time employee Norissa Cuyno was leaving the City for an opportunity with a non-profit organization, and he wished her well. He discussed Councilmembers and their CalPERS service credit benefits, and asked City staff to look into Council benefits and report back to Council.

Councilmember Blazey and Councilmember Beamish spoke regarding Councilmembers' CalPERS benefits.

City Manager Sadro clarified that staff would return to the City Council with a report clarifying Council benefits as it relates to CalPERS.

**X. ADJOURNMENT:** Mayor Espinoza adjourned the City Council meeting at 9:23 p.m., in memory of Larry Fairfield, to Monday, June 19, 2017, 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.

Respectfully submitted,

Tamara D. Mason, MMC  
City Clerk