

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 04, 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 La Habra City Council 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 PRESENT: Mayor Shaw
Mayor Pro Tem Blazey
Councilmember Espinoza
Councilmember Beamish

COUNCILMEMBERS ABSENT: Councilmember Gomez (present 9:34 p.m.)

OTHER OFFICIALS PRESENT: City Manager Sadro
Deputy City Attorney Collins (left at 6:22 p.m.)
City Attorney Jones (present at 9:34 p.m.)
City Clerk 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).

Deputy City Attorney Collins, Deputy Director of Community and Economic Development Jaramillo, Housing and Economic Development Manager Cole-Corona, Assistant to the City Manager Ferrier, and Legal Counsel Kranker with Jones and Mayer were present for this item.

- b. Conference with Real Property Negotiator per Government Code Section 54956.8 - Property 115-121 N. Euclid Street: City Negotiator: Jim Sadro, City Manager; Negotiating Parties: Daniel Uribe; Under Negotiation: Price and Terms of Payment.

Deputy City Attorney Collins, Deputy Director of Community and Economic Development Jaramillo, Housing and Economic Development Manager Cole-Corona, and Assistant to the City Manager Ferrier were present for this item.

RECESS: Mayor Shaw called a recess at 6:22 p.m.

RECONVENE: The City Council reconvened at 9:34 p.m. All members were present.

- c. 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.

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

III. ADJOURNMENT: City Council reconvened from Closed Session at 10:13 p.m. There were no Closed Session announcements. Mayor Shaw adjourned the Adjourned Regular Meeting of the City Council at 10:13 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 La Habra Civic Improvement Authority, La Habra Housing Authority, the Successor Agency to the La Habra Redevelopment Agency, and the La Habra Utility Authority to order at 6:32 p.m. in the Council Chamber, located at 100 East La Habra Boulevard in La Habra, California.

INVOCATION: City Attorney/Legal Counsel Jones

PLEDGE OF ALLEGIANCE: Councilmember/Director Espinoza

COUNCILMEMBERS/DIRECTORS PRESENT: Mayor/Director Shaw
Mayor Pro Tem/Director Blazey
Councilmember/Director Gomez
(Arrived at 7:23 p.m.)
Councilmember/Director Espinoza
Councilmember/Director Beamish

COUNCILMEMBERS/DIRECTORS ABSENT: None

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

CLOSED SESSION ANNOUNCEMENT:

City Attorney Jones announced that there were no Closed Session announcements. He noted that City Council will reconvene into Closed Session after the conclusion of the Regular Meeting and Regular Joint Meeting to discuss labor negotiations.

I. PROCLAMATIONS/PRESENTATIONS:

- a. Recognition of the 2017-2018 Youth Committee.

Mayor/Director Shaw invited the Community Services Commission to the podium. Community Services Commissioner Andrea Trujillo introduced Youth Committee Chair Luke Drake, who announced the 2017-2018 Youth Committee members who accepted their certificates.

- b. Beautification Award to the Gubany Family, 530 W. Patwood Drive.

Mayor/Director Shaw called the Beautification Committee to the podium to assist in the presentation of the Beautification Award to the Gubany Family. Mr. Gubany and his son accepted the award.

- c. Proclaim June 21, 2018 through September 21, 2018 as "Soda Free Summer" in the City of La Habra.

Mayor/Director Shaw invited Recreation Manager DeLeon to the podium. Recreation Manager DeLeon spoke regarding the "Soda Free Summer" program and accepted the proclamation.

II. PUBLIC COMMENTS:

Kent Roberts spoke regarding a meeting that he attended regarding the proposed Rancho La Habra project. He noted that the attendees reached a consensus of three proposed alternatives: a public park facing Idaho Street, economic benefit of land ownership to those impacted by the development, and a 25 percent reduction in the proposed number of homes to be built.

James "Jim" Lees, 2140 South Darrell Court, stated that he would like to the Westridge Golf Course property to remain as open space. He stated that he opposed Mr. Robert's alternatives to the proposed Rancho La Habra project. He stated that signature gathering for the citizen's initiative for the preservation of open space had begun. He commented that the Lennar Homes model of the proposed Rancho La Habra project that was located in the City Hall foyer gave a perception that the development had been approved.

Tom Blaine, 1800 South Watson, spoke in opposition to the Lennar Homes model of the proposed Rancho La Habra project being placed in the City Hall foyer and stated it showed bias. He expressed disappointment in Mayor Shaw, whom he voted for, and then read portions of Mayor Shaw's political flyer for the Orange County Supervisor seat.

Peter Oh, 1450 West Harrison Avenue, spoke in opposition to the proposed Rancho La Habra development. He expressed concerns regarding the amount of traffic during rush hour;

particularly at the intersection of Beach Boulevard and Imperial Highway in La Habra. He noted that the proposed addition of homes for the Rancho La Habra project would increase the traffic.

III. CONSENT CALENDAR:

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

Said motion CARRIED by the following roll call vote:

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

A. CITY COUNCIL AND ALL AUTHORITIES/AGENCY:

1. PROCEDURAL WAIVER: Waive reading in full of resolutions and ordinances and approval and adoption of same by reading title only.
2. APPROVE SECOND READING AND ADOPTION OF **ORDINANCE NO. 1793** ENTITLED: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA HABRA, CALIFORNIA AMENDING VARIOUS SECTIONS OF CHAPTER 4.20 PURCHASING SYSTEM OF TITLE 4 REVENUE AND FINANCE AND ADDING SECTION 4.20.061 COMPETITIVE PROPOSAL REQUIREMENTS FOR PURCHASE OF SERVICES OF THE LA HABRA MUNICIPAL CODE PURSUANT TO THE REQUIREMENTS OF CODE OF FEDERAL REGULATIONS SECTION 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS.
2. Approve and adopt State required resolutions pertaining to the November 6, 2018 General Municipal Election as follows:
 - a. APPROVE AND ADOPT **RESOLUTION NO. 5842** ENTITLED: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA HABRA, CALIFORNIA, CALLING AND GIVING NOTICE OF THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD IN SAID CITY ON TUESDAY, NOVEMBER 6, 2018, FOR THE ELECTION OF CERTAIN OFFICERS AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES.
 - b. APPROVE AND ADOPT **RESOLUTION NO. 5843** ENTITLED: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA HABRA, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF ORANGE TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION OF SAID CITY TO BE HELD ON TUESDAY, NOVEMBER 6, 2018, WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON SAID DATE PURSUANT TO SECTION 10403 OF THE ELECTIONS CODE.

- d. APPROVE AND ADOPT **RESOLUTION NO. 5844** ENTITLED: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA HABRA, CALIFORNIA, ADOPTING REGULATIONS FOR CANDIDATES FOR ELECTIVE OFFICE PERTAINING TO CANDIDATES STATEMENTS SUBMITTED TO THE VOTERS AT A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 6, 2018.
4. Receive and file the 2018 Local Agency Biennial Notice of the Political Reform Act requirement and direct staff to review the Conflict of Interest Code for designated employees of the City of La Habra.
5. Waive formal bid requirements per the La Habra Municipal Code, Section 4.20.070, when negotiation shall best serve the City due to the nature of the goods, supplies, equipment or services, and authorize City Manager to execute agreement with Pyro Spectaculars, Inc. for an amount not to exceed \$22,500 for the 2018 4th of July Program.
6. Approve and adopt the Measure M2 Seven-Year Capital Improvement Program (CIP) as part of the Measure M2 eligibility requirements for Fiscal Year 2018-2019.
7. WARRANTS: Approve Nos. 00116523 through 00116704 totaling \$3,297,132.74.
- B. SUCCESSOR AGENCY:
 1. Approve Successor Agency Minutes of:
 - a. March 5, 2018
 - b. March 19, 2018
 - c. April 2, 2018
 - d. April 16, 2018
 - e. May 7, 2018
 - f. May 21, 2018
- C. HOUSING AUTHORITY:
 1. Approve Housing Authority Minutes of:
 - a. March 5, 2018
 - b. March 19, 2018
 - c. April 2, 2018
 - d. April 16, 2018
 - e. May 7, 2018
 - f. May 21, 2018
 2. Approve Notice of Completion for Demolition of Women's Club Facility located at 200 West Greenwood Avenue, Fiscal Year 2017-2018, Project No. 1-D-17; and authorize recordation.
- C. CIVIC IMPROVEMENT AUTHORITY:
 1. Approve Civic Improvement Authority Minutes of:
 - a. March 5, 2018

- b. March 19, 2018
- c. April 2, 2018
- d. April 16, 2018
- e. May 7, 2018
- f. May 21, 2018

D. CITY COUNCIL AND UTILITY AUTHORITY:

- 1. Approve Plans and Specifications for the Idaho Street Rehabilitation from Whittier Boulevard to La Habra Boulevard and Idaho Street Waterline Improvements from Highlander Avenue to La Habra Boulevard, FY 2017-2018, City Project No. 1-R-18 and 1-W-18; reject bid proposals submitted by GCI Construction Inc., Garrett J. Gentry General Engineering Inc., and GRFCO Inc. as non-responsive; award construction contract and authorize City Manager to execute agreement with All American Asphalt in the amount of \$922,062.00 and reject all other bids; authorize staff to issue a purchase order to All American Asphalt in the amount of \$1,014,268.02, which includes a ten percent contingency; and approve an appropriation of \$117,074.00 from Gas Tax available fund balance for this project.

IV. CONSENT CALENDAR ITEMS REMOVED FOR SEPARATE DISCUSSION: None

V. PUBLIC HEARINGS:

A. CITY COUNCIL:

- 1. Duly noticed public hearing to consider and approve resolutions amending the City of La Habra Master Schedule of Fees pertaining to fees for general services, administrative services, community development services, building services, fire services, police services, ambulance services, public works services, utility services and penalties for municipal code and vehicle code parking violations.

City Manager Sadro reported a correction to Public Hearing Item V.1 regarding the Master Schedule of Fees. He noted that the legal notice included amending the Community Services fees; however, amendments to the Community Services fees were not included in the Master Schedule of Fees at this time.

Finance Director Shannon presented the staff report.

Council discussion included: confirmation that the chart in the agenda report was available to view on the City's web site; decrease in subsidies by the City and fee increases needed to keep up with increases in costs; increase of fees to 100 percent coverage of costs would be accomplished incrementally; the City's fiscal inability to continue to subsidize costs of services; and identified that Council had the option to approve the proposed resolution regarding the Consumer Price Index adjustment to the Master Schedule of Fees and not approve the two proposed resolutions regarding fees for the Community Development services and Building services and the Public Works services.

Mayor Shaw opened the public hearing at 7:05 p.m. There being no testimony, Mayor Shaw closed the public hearing at 7:05 p.m.

Moved by Mayor Pro Tem Blazey, seconded by Councilmember Beamish, and CARRIED (3-1) TO APPROVE AND ADOPT **RESOLUTION NO. 5845** ENTITLED: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA HABRA, ORANGE COUNTY, CALIFORNIA AMENDING THE MASTER SCHEDULE OF FEES PERTAINING TO FEES FOR GENERAL SERVICES, ADMINISTRATIVE SERVICES, COMMUNITY DEVELOPMENT SERVICES, BUILDING SERVICES, FIRE SERVICES, POLICE SERVICES, AMBULANCE SERVICES, PUBLIC WORKS SERVICES, UTILITY SERVICES, AND PENALTIES FOR MUNICIPAL CODE AND VEHICLE PARKING VIOLATIONS.

Said motion CARRIED by the following roll call vote:

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

Moved by Mayor Pro Tem Blazey, seconded by Councilmember Beamish, and CARRIED (3-1) TO APPROVE AND ADOPT **RESOLUTION NO. 5846** ENTITLED: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA HABRA, ORANGE COUNTY, CALIFORNIA AMENDING THE MASTER SCHEDULE OF FEES PERTAINING TO FEES FOR COMMUNITY DEVELOPMENT SERVICES AND BUILDING SERVICES.

Said motion CARRIED by the following roll call vote:

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

Moved by Mayor Pro Tem Blazey, seconded by Councilmember Beamish, and CARRIED (3-1) TO APPROVE AND ADOPT **RESOLUTION NO. 5847** ENTITLED: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA HABRA, ORANGE COUNTY, CALIFORNIA AMENDING THE MASTER SCHEDULE OF FEES PERTAINING TO FEES FOR PUBLIC WORKS SERVICES.

Said motion CARRIED by the following roll call vote:

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

VI. CONSIDERATION ITEMS:

A. CITY COUNCIL:

1. Consider the establishment of a Pension Rate Stabilization Trust Fund to be administered by the Public Agency Retirement Services (PARS) Company; and

Finance Manager Ponvanit presented the staff report. He gave a brief review of the City's unfunded liability obligation payment history. He explained how a Pension Rate Stabilization Trust Fund operates. He reviewed the option and negative effects of the City placing funds aside outside of a Pension Rate Stabilization Trust Fund. He noted that Rachel Sanders, Consulting Manager, from Public Agency Retirement Services (PARS) was available for questions.

Rachel Sanders, Consulting Manager with PARS, discussed the following: number of agencies/cities in California who contract with PARS; clarification that City funds placed in a Section 115 portfolio would be in separate accounts from other City's investment funds; structure of the Section 115 Trust; number and risks percentages of portfolio options; and clarification that GASB ruled in late 2015 that assets in the Section 115 Trust addressing Other Post Employee Benefits (OPEB) liabilities would lower net OPEB liabilities, but an asset in the 115 Trust for pension prefunding would not be a direct offset to net pension liabilities.

Council discussion included: explanation of the City's portfolio and why it earned less than two percent interest; investment benefits, flexibility, and restrictions, of a Pension Rate Stabilization Fund (a Section 115 Trust); strict laws and limitations regarding investments by public agencies; Council's input/decision regarding PARS' investment portfolio options for the proposed Section 115 Trust; amount of the City's unfunded liability obligation; funds set aside to pay unfunded liability could not be claimed as an asset for the City per Governmental Accounting Standards Board (GASB), but could be claimed as an asset if placed in a Section 115 Trust; annual amount to be placed in the proposed 115 Trust; proposed 115 Trust portfolio option chosen would be at Council's discretion; amount of unfunded liability paid to Public Employee Retirement System (PERS) during Fiscal Year 2017-2018; confirmation of City's OPEB liability; and confirmation that a Section 115 Trust had already been set up with PERS for the City's OPEB liability.

Councilmember/Director Gomez arrived at 7:23 p.m.

Mayor Shaw invited the public to testify at 7:24 p.m. There was no public testimony.

Moved by Councilmember Beamish, seconded by Mayor Pro Tem Blazey, and CARRIED (4-0) TO APPROVE AND ADOPT **RESOLUTION NO. 5848** ENTITLED: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA HABRA AUTHORIZING THE ESTABLISHMENT OF A PENSION RATE STABILIZATION TRUST FUND ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES (PARS).

Said motion CARRIED by the following roll call vote:

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

Moved by Councilmember Beamish, seconded by Mayor Pro Tem Blazey, and CARRIED (4-0) TO APPROVE TO APPOINT THE CITY MANAGER AS THE CITY'S PLAN ADMINISTRATOR,

AND AUTHORIZE CITY MANAGER TO EXECUTE THE DOCUMENTS TO IMPLEMENT THE PROGRAM.

Said motion CARRIED by the following roll call vote:

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

Moved by Councilmember Beamish, seconded by Mayor Pro Tem Blazey, and CARRIED (4-0) TO APPROVE TO AUTHORIZE THE INITIAL TRANSFER OF \$500,000 SET ASIDE IN THE ADOPTED FISCAL YEAR 2017-2018 GENERAL FUND BUDGET TO THE PENSION RATE STABILIZATION TRUST FUND.

Said motion CARRIED by the following roll call vote:

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

Councilmember/Director Gomez explained his late arrival stating he was giving the eulogy at a funeral. He noted that he abstained on the items due to not being present for the discussion.

B. CITY COUNCIL AND ALL AUTHORITIES/AGENCY:

1. Receive and consider the Fiscal Year 2018-2019 Proposed Budget and direct staff regarding any revisions.

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

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

Community Services Manager Albarian – celebrated the 40th anniversary of the La Habra Children’s Museum and hosted the “Children of Hangzhou” traveling exhibit; raised over \$45,000 for the La Habra Children’s Museum through Groupon; La Habra City Hall Paver Program generated \$20,000 in new revenue; and continued to analyze and implement revenue enhancements and sponsorship opportunities to fund special events programs; and made adjustments as necessary to reduce General Fund expenses.

Public Works Director Saykali – Eliminated one vacant National Pollutant Discharge Elimination Services (NPDES) Coordinator and vacant Tree Crew positions; increased cost to purchase water and higher electricity; funding allocated for the Annual Pipe Replacement and turf removal programs; and deferred replacement of certain vehicles and equipment purchases.

Councilmember/Director Gomez thanked Public Works Director Saykali and his crew for their work this past year.

Assistant to the City Manager Ferrier regarding Fire and Ambulance – estimated unfunded liability pension costs for former City of La Habra Firefighters of \$1,033,475; Los Angeles County Fire Department (LACFD) contract cost increase of \$174,844; and CARE Ambulance contract cost increase of \$66,508.

Deputy Director of Community and Economic Development Jaramillo – Land use, growth, and development in the City; approved/pending projects that included remodeling of the In-N-Out restaurant on Lambert Road and Palm Street, Moto United expansion, and Hobby Lobby; in Fiscal Year 2017-2018 generated approximately \$1.9 million of City revenue collected through permits and fees; General Fund budget reduction of \$173,028 from two vacant Community Preservation positions and the transfer of the Way Finding Study costs to Construction Improvement projects (CIP); proposed reduction in staff would result in the elimination of weekend and holiday coverage, extended response times on active cases, and challenges with increased caseload on remaining staff; proposed to rename Community Preservation to Code Enforcement; and reclassification of a vacant Assistant Planner position to Associate Planner.

Councilmember/Director Gomez thanked Deputy Director of Community and Economic Development Jaramillo for his problem-solving skills, dedication, and customer service.

Police Chief Price – increased staffing by one part-time position for a Homeless Liaison Coordinator; temporarily decreased personnel costs through staggered hiring of one Police Officer and four Police Service Aides; decreased additional personnel costs through elimination of two vacant Records Specialist positions and four vacant part-time Reserve Police Officer positions; secured financing for Countywide mandatory upgrade of the 800 Megahertz radio equipment for Dispatch, Fire Department, and Public Works; funded the replacement of the CAD/RMS system using Asset Seizure Fund of \$700,000; and purchased patrol vehicle ballistic door panels using Asset Seizure Fund of \$15,000.

Councilmember/Director Gomez thanked Chief Price for his and his staff's work, increased morale, and community outreach done by the Police Department. He expressed appreciation for the La Habra Police Department's compassion shown, the speedy investigation conducted, and everyone going beyond the call of duty during the recent tragedy that occurred at Calvary Chapel.

Councilmember/Director Espinoza thanked Chief Price for continuing the Spanish Police Academy classes.

RECESS: Mayor Shaw called a recess at 8:57 p.m.

RECONVENE: City Council, Authorities, and Agency reconvened at 9:07 p.m. All members were present.

Assistant to the City Manager Ferrier regarding Administration and Support – increased funding due to an election year; funding for bi-annual actuarial services; elimination of one vacant part-time Public Information Coordinator position in the City Manager's office; elimination of one

vacant part-time Administrative Assistant position in the City Clerk's office; and elimination of one part-time clerical position in the Finance Department.

Finance Director Shannon – General Fund budget was balanced using a combination of line-item and one-time budget reductions, phased hiring, and proposed elimination of certain unfilled full and part-time positions; Citywide capital and development projects were anticipated to continue at a brisk pace; and continued escalation of costs related to unfunded pension liabilities would create annual budget uncertainty for the next 10 to 15 years. He reviewed the staffing levels and the implemented and potential CalPERS solutions.

Finance Manager Ponvanit – the California Public Employee Retirement System (CalPERS) unfunded liability had grown by over \$30 million as of the year 2016; new numbers to be released in late summer 2018; change in CalPERS actuarial formulas which would add to the cost to cities; as the CalPERS unfunded liability grows the CalPERS funded status had decreased well below 100 percent; CalPERS miscellaneous contribution rates as a percentage of payroll of between five and ten percent; and unfunded liability had been climbing from below zero percent to over 30 percent of the payroll at its peak; the same also applied to CalPERS Safety Contributions rates, but with 100 percent of the payroll at its peak.

Council/Director discussion included: confirmation of expenditures budgeted for Fiscal Year 2017-2018 and basis for budget cuts in Fiscal Year 2018-2019; increase in pension costs yearly and its effect on the budget; revenues affected by online retail sales and the efforts by the League of California Cities, the State Legislator, and the Association of California Cities Orange County (ACCOC) regarding this concern; General Fund was outgrowing Consumer Price Index (CPI) due to unfunded pension liability costs; budget goal was to be at or under CPI; subsidy of Community Services special events; clarification that the Corn Festival and Citrus Fair were not City events, and City costs for these events; confirmation that the Child Development program, La Habra Children's Museum, and Employment and Training program were fully funded through State grants; clarification of the Community Services reduction in full-time and part-time employees; timeline, process, design, and community input for the Vista Grande Park project; explanation of the lower Sewer Fund reserve balance versus previous years; Measure M2 program and the high road quality rating for Orange County; consequences of the elimination of two Community Preservation positions with emphasis on weekend coverage and monitoring food truck operations; instruct staff to monitor the effects of the loss of staff, identify core needs, and report back to Council with any issues; budget impact of unexpected demands made by outside agencies; possibility of contracting with a current City Net employee to fill the Homeless Liaison Coordinator position; update on the progress of the Police Department construction; amount of, and reason for La Habra Police Department overtime budget; direct staff to review other cities' unfunded liability positions; and identified that Measure T would be ending in 2028 which would be at the height of the unfunded liability costs, which would be a future budget challenge to be addressed.

Mayor/Director Shaw invited the public to testify at 9:20 p.m. There was no public testimony.

Moved by Councilmember/Director Beamish, seconded by Mayor Pro Tem/Director Blazey, and CARRIED UNANIMOUSLY (5-0) TO APPROVE TO RECEIVE AND APPROVE THE FISCAL YEAR 2018-2019 PROPOSED BUDGET AS PRESENTED.

Said motion CARRIED by the following roll call vote:

AYES: Mayor/Director Shaw, Mayor Pro Tem/Director Blazey,
Councilmember/Director Gomez, Councilmember/Director Espinoza,
Councilmember/Director Beamish

NOES: NONE

ABSTAIN: NONE

ABSENT: NONE

VII. MAYOR'S COMMUNITY CALENDAR:

Mayor/Director Shaw made the following announcements:

- La Habra Community Services Department La Habra Youth Summer Day Camp - Monday, June 4, through Friday, August 17 for children ages 4-12.
- "Movies in the Park" series free screening of "Avengers: Age of Ultron," - Friday, June 8 at 6:00 p.m. at Washington Middle School.
- La Habra's 4th of July Celebration - Wednesday, July 4, at 4:00 p.m. with the fireworks display at 9:00 p.m., at La Bonita Park.

VIII. COMMENTS FROM STAFF: None

IX. COMMENTS FROM COUNCILMEMBERS/DIRECTORS:

Councilmember/Director Beamish thanked City staff for their work presenting a balanced budget.

Councilmember/Director Blazey thanked City staff for presenting a balanced budget and their work trying to identify measures to address the CalPERS unfunded pension liability. He reported that he attended the La Habra High School and Sonora High School graduation ceremonies. He noted that the graduation ceremonies were the first events held in the newly refurbished La Habra High School football stadium. He commended the Fullerton Joint Unified School District for their use of voter approved funds to enhance the learning environment for La Habra students.

Councilmember/Director Espinoza reported that she attended the La Habra High School and Sonora High School graduation ceremonies, the Buena Park groundbreaking for their Measure I stadium, and the HWPL Peace Walk. She stated that HWPL asked for a proclamation of support on a future agenda and she asked that staff provide further information for the other Councilmembers. Councilmember/Director Gomez expressed his support for Councilmember Espinoza.

Councilmember/Director Gomez apologized for being late to the meeting stating it was due to giving the eulogy at a memorial service for Olivia Clark. He thanked Finance Director Shannon and City staff for the budget presentation. He expressed good luck to Councilmember/Director Espinoza and Councilmember/Director Shaw tomorrow in the primary election race for the Orange County Supervisor seat.

Mayor/Director Shaw reminded the community to be prepared for emergencies after recently experiencing the recent 2.7 magnitude earthquake the was centered in La Habra. He reported that he attended the La Habra High School and Sonora High School graduation ceremonies,

and presented Porter Rosso with a certificate at his Eagle Scout ceremony. He stated that due to inaccurate statements made during the Public Comment section of the Council meetings that the following statement applies; "Everybody is entitled to have their own opinion, but they are not entitled to their own facts." He clarified that the intersection of Beach Boulevard and Imperial Highway was factually not one of the top ten worst intersections in the country.

X. ADJOURNMENT: Mayor/Director Shaw adjourned the City Council Meeting at 9:29 p.m. to Monday, June 18, 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 Chambers. All other meetings were adjourned at 9:29 p.m.

Respectfully submitted,

Tamara D. Mason, MMC
City Clerk/Secretary