

MINUTES

CITY COUNCIL OF THE CITY OF LA HABRA ADJOURNED REGULAR MEETING

&

REGULAR MEETING Monday, March 20, 2017

APPROVED: These Minutes were approved on June 5, 2017.

ADJOURNED REGULAR MEETING:

CALL TO ORDER: Mayor Espinoza called to order the Adjourned Regular Meeting of the La Habra City Council at 4:30 p.m. in the Administrative Conference Room 210 (enter through Room 206) 2nd Floor, located at 110 East La Habra Boulevard in La Habra, California.

COUNCILMEMBERS PRESENT: Mayor Espinoza
Mayor Pro Tem Shaw (arrived at 4:35 p.m.)
Councilmember Beamish
Councilmember Blazey
Councilmember Gomez (arrived at 4:51 p.m.)

COUNCILMEMBERS ABSENT: None

OTHER OFFICIALS PRESENT: Acting City Manager Failla
City Clerk Mason

- I. Conduct interviews for annual expiring terms and vacancies on the Planning Commission, the Community Services Commission, and the Beautification Committee.

Interviews were conducted with the following applicants: Andrea Trujillo, JP Vielma, Teresa Kempker, and Gary Martinez.

RECESS: Mayor Espinoza called a recess at 5:30 p.m.

RECONVENE: The City Council reconvened at 5:58 p.m. in Council Chamber, Room 112c, located at 100 East La Habra Boulevard in La Habra, California. All Councilmembers were present. Acting City Manager Failla, City Clerk Mason, and City Attorney Jones were also present.

- II. **ORAL COMMUNICATIONS FROM THE PUBLIC FOR CLOSED SESSION MATTERS:**
None

- III. **CLOSED SESSION:**

- a. Conference with Legal Counsel - Existing Litigation, Government Code Section 54956.9(d)(1): AmeriCare v. City of La Habra, United States District Court, Central District Case No.8:16-cv-01759-JLS (AFMx)

Human Resources Director Juengel, Human Resources Manager Coelho-LaFreniere, and Deputy City Attorney Jim Touchstone were present for this item.

- IV. ADJOURNMENT:** Council reconvened from Closed Session at 6:14 p.m. There were no Closed Session announcements. Mayor Espinoza adjourned the Adjourned Regular Meeting of the City Council at 6:14 p.m.

REGULAR MEETING:

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

COUNCILMEMBERS ABSENT: None

OTHER OFFICIALS PRESENT: Acting City Manager Failla
City Attorney Jones
City Clerk Mason
Deputy City Clerk Swindell

CLOSED SESSION ANNOUNCEMENT: None

I. PROCLAMATIONS/PRESENTATIONS: None at this time.

II. PUBLIC COMMENTS:

Mayor Jane Williams, representing the La Habra Heights City Council, stated that she hopes everyone enjoys the new City Hall building as much as La Habra Heights has enjoyed their new City Hall building. She wished everyone well.

Craig Sheets spoke regarding: aspects of silicone, electronic eyes, nuclear warheads on oil derricks, and thermonuclear warheads in corn fields.

Ron Miller, 1661 Dorwood Avenue, representing his friend Francoise Faucret, who he identified as a 72 year old divorced senior citizen and La Habra resident since 1981, spoke regarding issues with the remodeling of the interior and exterior of her home. Mayor Espinoza stated that she had called Mrs. Faucret and left her a message, and that she will call her daily and leave messages until she speaks with Mrs. Faucret. Mayor Espinoza referred Ron Miller to Community and Economic Development Director Ho.

III. CONSENT CALENDAR:

Robert Dale, 1401 Sierra Vista Drive, requested that Items III.10 and III.11 be removed for separate discussion.

Moved by Councilmember Beamish, seconded by Councilmember Gomez, and CARRIED UNANIMOUSLY (5-0) TO APPROVE CONSENT CALENDAR ITEMS III.1 THROUGH III.15, WITH THE EXCEPTION OF ITEMS III.10 AND III.11 WHICH WERE REMOVED FOR SEPARATE DISCUSSION.

Said motion CARRIED by the following roll call vote:

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

NOES: NONE

ABSTAIN: NONE

ABSENT: NONE

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. Authorize City Manager to place the City's primary earthquake policy with Landmark American Insurance Company at a policy limit of \$5 million and the excess coverage of \$58.87 million to be assigned to Everest Indemnity, QBE Specialty Insurance, and General Security for the period of April 19, 2017 through April 19, 2018 at a 10 percent deductible and an annual premium cost of \$254,328.
3. Approve denial of claim for Auto Club Enterprises for property damage.
4. Approve denial of claim for Beth Baker for property damage.
5. Approve denial of claim for Francisco Miranda for property damage.
6. Approve denial of claim for Elisa Ponce for bodily injury and Isabel Araiza for personal injury.
7. Approve denial of claim for Paul Rundgren for property damage.
8. Approve and authorize City Manager to sign the CCTR-6156 Contract Amendment 02 and the CSPP-6315 Contract Amendment 02 with the California Department of Education, Child Development Division for the 2016-17 Fiscal Year.
 - a. APPROVE AND ADOPT **RESOLUTION NO. 5793** 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-6156, AMENDMENT 2 WITH THE CALIFORNIA STATE DEPARTMENT OF EDUCATION.
 - b. APPROVE AND ADOPT **RESOLUTION NO. 5794** 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-6315, AMENDMENT 2 WITH THE CALIFORNIA STATE DEPARTMENT OF EDUCATION.

9. Approve and authorize City Manager to execute the lease agreement between Ostovani Professional Park, LLC and the City of La Habra for the relocation of the Youth Employment & Training Center.
10. REMOVED FOR SEPARATE DISCUSSION. PLEASE SEE BELOW.
11. REMOVED FOR SEPARATE DISCUSSION. PLEASE SEE BELOW.
12. Approve the Notice of Completion for the La Bonita Park-Parking Lot Improvements; Project No. 2-P-16.
13. Approve Amendment No. 1 to Albert Grover and Associates for professional traffic engineering services to complete existing projects and additional public requests not to exceed the total budgeted amount of \$75,600.
14. WARRANTS: Approve Nos. 00110427 through 00110688 totaling \$2,220,028.17.
15. Receive and file the Annual Report on the City of La Habra General Plan for calendar year 2016 and authorize the Director of Community and Economic Development to forward the document to the Governor's Office of Planning and Research and the Department of Housing and Community Development per Government Code Section 65400 (b) (1).

IV. CONSENT CALENDAR ITEMS REMOVED FOR SEPARATE DISCUSSION:

- III.10 Approve the Cooperative Agreement No. C-7-1547 with the Orange County Transportation Authority for Union Pacific Rail Line Bikeway Project and authorize the Mayor to execute the agreement.

City Engineer Johansen presented the staff report.

Mayor Pro Tem Shaw spoke regarding the project with Orange County Transportation Authority and confirmed that the project is being funded through the available funds of the Mobile Source Air Pollution Reduction Review Committee (MSRP).

Mayor Espinoza invited the public to testify at 6:48 p.m. There was no public testimony.

Moved by Councilmember Gomez, seconded by Councilmember Beamish, and CARRIED UNANIMOUSLY (5-0) TO APPROVE COOPERATIVE AGREEMENT NO. C-7-1547 WITH THE ORANGE COUNTY TRANSPORTATION AUTHORITY FOR UNION PACIFIC RAIL LINE BIKEWAY PROJECT AND AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENT.

Said motion CARRIED by the following roll call vote:

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

III.11 Authorize Director of Public Works to request a 24-month delay from the Orange County Transportation Authority (OCTA) of the deadline to award a construction contract for the Whittier Boulevard and Hacienda Road Intersection Improvements Project.

City Engineer Johansen presented the staff report.

Council discussion included: confirmation that City staff notified OCTA of the need for the delay by the deadline of March 17, 2017; and verification OCTA did not have an issue with the delay.

Mayor Espinoza invited the public to testify at 6:49 p.m. There was no public testimony.

Moved by Councilmember Gomez, seconded by Councilmember Beamish, and CARRIED UNANIMOUSLY (5-0) TO APPROVE AUTHORIZING THE DIRECTOR OF PUBLIC WORKS TO REQUEST A 24-MONTH DELAY FROM THE ORANGE COUNTY TRANSPORTATION AUTHORITY (OCTA) OF THE DEADLINE TO AWARD A CONSTRUCTION CONTRACT FOR THE WHITTIER BOULEVARD AND HACIENDA ROAD INTERSECTION IMPROVEMENTS PROJECT.

Said motion CARRIED by the following roll call vote:

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

NOES: NONE

ABSTAIN: NONE

ABSENT: NONE

V. PUBLIC HEARINGS:

1. Duly noticed public hearing to consider amending Chapter 9.22 of Title 19 of the City of La Habra Municipal Code Relating to Firework Use, Discharge, Possession, Storage and Sale on Private Property.

a. REMOVED FROM THE AGENDA

Mayor Espinoza reported that Item V.1 had been removed from the agenda. She stated that it would be re-noticed and heard at a future Council meeting.

VI. CONSIDERATION ITEMS:

1. Consider Fiscal Year 2016-2017 Mid-Year Budget update.

Director of Finance Shannon presented the Fiscal Year 2016-2017 Mid-Year Budget PowerPoint presentation. He reported that the General Fund is projected to end Fiscal Year 2016-2017 with a carry-over of approximately 2.3 million dollars. He reviewed the Fiscal Year 2016-2017 General Fund Revenues and estimated the General Fund Revenues to close at approximately \$1.8 million more than the adopted budget. He noted that the revenue growth can be attributed to a combination of recurring tax revenue growth and two large one-time receipts from property sales which included: \$389,412 property tax apportionment from the sale of a Successor Agency property on Imperial Highway and \$740,000 in proceeds from the sale of a Housing Authority property formerly known as the Women's Club, located at 200 West

Greenwood. He confirmed that the City Clerk's Department, Community Development Department, Police Department, and Public Works Department came in under budget due to vacancies. He noted that the Fire Department would have come in on budget, apart from legal fees for a pending lawsuit. He stated that all the Non-General Fund operating budgets are expected to end the fiscal year at or below their expenditure budgets, with revenues tracking to budget projections.

Council discussion included: identified that the increase in the California Public Employee Retirement System (CalPERS) employer contribution rates for the City employees in the PERS Miscellaneous and Public Safety pension plans will be the principal challenge; total projected increase in PERS costs for Fiscal Year 2016-2017 is estimated at \$677,464 with the majority attributed to the General Fund; review of unfunded liabilities; CalPERS rate of return for Fiscal Year 2016-2017; clarification that whenever CalPERS lowers their estimated rate of return, the City's pension costs increase; State Senator John Moorloch's pending legislation regarding an alternative payment option for municipalities opting out of CalPERS; and Orange County cities loss of sales tax revenue due to residents shopping online.

Mayor Espinoza invited the public to testify at 7:06 p.m.

Robert Dale, 1401 Sierra Vista Drive, congratulated City Council on the new City Hall facility. He asked about the Public Employees Retirement System (PERS) unfunded liability, and for an update regarding the dissolution of the La Habra Redevelopment Agency.

Director of Finance Shannon stated that all cities are dealing with unfunded liabilities due in part to retirees living longer and inaccurate predictions of interest rate returns. He stated that if the City closed down, it would be responsible to pay CalPERS \$54 million of unfunded liabilities to cover all City of La Habra employee retirement payouts. It was explained that an increase of retired City employees affects CalPERS pension payouts, which increases the CalPERS cost and affects the City's budget. He explained that the City is strategizing on how to find a method to pay down the unfunded liability. He noted that the La Habra Redevelopment Agency (RDA) was dissolved in 2012; confirmation that Recognized Obligation Payment Schedules (ROPS) are submitted annually to the California State Department of Finance; the City is paying down long-term debt, which includes outstanding bonds; and that the RDA has one remaining unsold property.

There being no further testimony, Mayor Espinoza closed public testimony at 7:11 p.m.

Moved by Councilmember Beamish, seconded by Councilmember Gomez, and CARRIED UNANIMOUSLY (5-0) TO APPROVE TO RECEIVE AND FILE THE FISCAL YEAR 2016-2017 MID-YEAR BUDGET UPDATE.

Said motion CARRIED by the following roll call vote:

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

NOES: NONE

ABSTAIN: NONE

ABSENT: NONE

2. [Consider City of La Habra Goals and Objectives for Fiscal Year 2017-2018.](#)

Assistant to the City Manager Ferrier presented the staff report.

Mayor Espinoza invited the public to testify at 7:14 p.m. There was no public testimony.

Moved by Councilmember Beamish, seconded by Councilmember Blazey, and CARRIED UNANIMOUSLY (5-0) TO ADD UNDER SECTION 1 ENSURE PUBLIC SAFETY IN OUR COMMUNITY *“DIRECT STAFF TO CONDUCT AN ANALYSIS TO DETERMINE THE APPROPRIATE STAFF LEVELS OF POLICE DEPARTMENT OFFICERS FOR THE COMMUNITY, AND PROVIDE RECOMMENDATIONS TO CITY COUNCIL.”*

Said motion CARRIED by the following roll call vote:

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

Moved by Councilmember Beamish, seconded by Councilmember Blazey, and CARRIED UNANIMOUSLY (5-0) TO ADD UNDER SECTION 2 MAINTAIN CONSTANT VIGILANCE WITH FISCAL ISSUES AFFECTING THE CITY AND RESPONSIBLY MANAGE AND IMPROVE THE CITY'S RESOURCES AND REVENUES *“DIRECT STAFF TO PROVIDE AN ANALYSIS OF STRATEGIES FOR LOWERING UNFUNDED LIABILITIES AND PROVIDE CITY COUNCIL WITH OPTIONS.”*

Said motion CARRIED by the following roll call vote:

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

It was Motioned by Councilmember Beamish, seconded by Councilmember Blazey and CARRIED UNANIMOUSLY (5-0) TO ADD UNDER SECTION 4. RECRUITMENT, RETENTION, AND TRAINING OF EMPLOYEES *“DIRECT STAFF TO CLARIFY SECTION F AND IDENTIFY STAFF IN THE ORGANIZATION THAT ARE POTENTIAL MANAGERS, DIRECTORS, AND CITY MANAGER; DEVELOP A FORMAL TRAINING PROGRAM THROUGH UNIVERSITIES OR CUSTOM EDUCATIONAL PROGRAM; AND CREATE A FORMAL SUCCESSION PLAN.”* Following Council discussion, Councilmember Beamish withdrew his motion and Councilmember Blazey withdrew his second. MOTION DIED.

City Attorney Jones clarified the difference between a goal, which is a broad standard, and the motion, which is the implementation of a program. He noted that it is City Council's decision to take a detailed or general approach to the goals.

Council discussion included: clarification of the motion, compared motion to Section 4.f of the La Habra Goals for Fiscal Year 2017-2018, which appeared to be similar but not as detailed; and a potential study session on the matter.

Councilmember Beamish expressed his concerns regarding staff's code compliance process and commented regarding Section 5 Maintain and Improve the Built Environment Within the Community of the La Habra Goals for Fiscal Year 2017-2018. He requested staff to review code compliance timelines and provide Council with recommendations for strengthening and resolving issues more expeditiously.

Moved by Councilmember Blazey, seconded by Councilmember Beamish, and CARRIED UNANIMOUSLY (5-0) TO ADD UNDER SECTION 3 MAINTAIN AND IMPROVE CITY INFRASTRUCTURE AND FACILITIES OF THE LA HABRA GOALS FOR FISCAL YEAR 2017-2018, AS CONSISTENT WITH GENERAL PLAN 2035 GOALS, OUTDOOR SPACES 1 THROUGH 4 IN CHAPTER 5, THAT THE CITY WILL WORK WITH LAND OWNERS AND DEVELOPERS TO IDENTIFY OPPORTUNITIES FOR ADDITIONAL PARK LAND AND OPEN SPACE.

Said motion CARRIED by the following roll call vote:

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

Mayor Pro Tem Shaw asked for a status report regarding the new Section 3.g Develop and present an Arterial Roadway Pavement Management Plan for Council consideration of the La Habra Goals for Fiscal Year 2017-2018. Assistant to the City Manager Ferrier stated staff will research and report back to Council. Mayor Pro Tem Shaw commented that there was no goal under Section 3 for alleyway pavement management. Councilmember Beamish noted that the City is in the second year of the 4-year Alleyway Pavement Management Program.

Moved by Councilmember Gomez, seconded by Councilmember Beamish, and CARRIED UNANIMOUSLY (5-0) TO RECEIVE AND FILE THE CITY OF LA HABRA GOALS FOR FISCAL YEAR 2017-2018 AS AMENDED.

Said motion CARRIED by the following roll call vote:

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

VII. MAYOR'S COMMUNITY CALENDAR:

Mayor Espinoza made the following announcements:

- Order 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.
- 2017 La Habra State of the Community - Friday, March 24, at 11:00 a.m. at La Habra City Hall.

- La Habra Children's Museum 2017 "Chipping in for Kids" Golf Tournament – Monday, April 3 at the Hacienda Golf Club. Proceeds go to support Museum operations and programming.
- 2017 "Spring Family Eggstravaganza" - Saturday, April 15 from 8:00 a.m. – 12:00 p.m. at La Bonita Park. The event will feature a helicopter egg drop and egg hunt for kids of all ages.
- La Habra Chamber of Commerce La Habra Citrus Fair - Friday, May 5, through Sunday, May 7.
- North Orange County Gem and Mineral Society's "Game of Stones" show - Friday, June 2, through Sunday, June 4, at the La Habra Community Center.

VIII. COMMENTS FROM STAFF: None

IX. COMMENTS FROM COUNCILMEMBERS:

Councilmember Beamish thanked the Community Services, the Public Works, and the Los Angeles County Fire Department staff for their work on the La Habra 5K Walk/Run event in which he attended and participated. He suggested that the Community Services Commission form a Running Club for La Habra residents.

Mayor Pro Tem Shaw stated that he attended the Association of California Cities Orange County and the Orange County Business Council trip to Sacramento where they discussed housing and transportation. He stated that they met with the Assembly Housing Committee Chairman who discussed Assembly Bill 1506 that would repeal the Costa Hawkins Act and open the doors to rent control; and legislation that would eliminate the mortgage interest deduction on second homes. He added that they also met with Senator Jim Bell, the Senate Transportation Committee Chairman, to discuss Senate Bill 1, which would increase the gas tax and vehicle licensing fees. He stated that he attended the Miss La Habra Pageant and congratulated Miss La Habra and Miss Congeniality Kellie Stein, and Princesses Kira Cauley, Kawkab Chigri, Deanna Gonzales, Mariana Estrada, and the participants.

Councilmember Gomez thanked the La Habra Chamber of Commerce for hosting the St. Patrick's Mixer at the new City Hall. He thanked Mayor Espinoza who addressed everyone at the event. He announced there is a Walking Club in La Habra that meets every Saturday at 10:00 a.m. to walk the Guadalupe Trail. Councilmember Gomez expressed his concerns regarding an individual who attends the Council Meetings and speaks offensively. He suggested that the City Attorney speak with the individual to encourage this person to be more positive in his comments. He asked that the meeting be adjourned in memory of Ray Molina, who was active in the La Habra Boxing Club and served on a City Commission, and who passed away recently after a fall.

Councilmember Blazey stated that as the alternate for La Habra, he attended the Orange County Sanitation District Board member training. He expressed regrets for not being able to attend the Miss La Habra Pageant due to illness. He congratulated the Miss La Habra Court and Cindy Singer for organizing the event. He added that he will be visiting with students at Imperial Middle School to discuss city government. He stated that he will attend and meet with students from La Habra High School, Sonora High School, and Whittier Christian School for Student Government Day, and will attend the State of the City address. He quoted the second President of the United States John Adams, who was one of the main individuals behind the writing of the Declaration of Independence and the Constitution who said, "And liberty cannot be preserved with a general knowledge among the people who have a right from the frame of their nature to knowledge, as the great creator who has done nothing in vain has given them

understandings and a desire to know, but besides this they have a right and indisputable, inalienable, indefeasible divine right to the most dreaded and envied kind of knowledge. I mean the characters and conducts of their rulers.”

Mayor Espinoza stated she attended the majority of the events during the week. She stated that she will be meeting and welcoming the Walnut Elementary children to the new City Hall for a tour being conducted by Assistant to the City Manager Ferrier. She added that she will also be visiting La Habra High School and Sonora High School to speak about leadership. She stated that she will be adjourning the meeting in memory of Ray Molina and also David Sadro, father of City Manager Jim Sadro. She noted that David Sadro was 78 years old, was a Civil Engineer by trade, retired from the Los Angeles Community College District in 2008, was a La Habra resident since 1991, a prior resident of La Habra Heights since 1979, and a former business owner in La Habra. She noted that he is survived by his wife Mary Sadro, sons Jim, Steven, and Allen, two grandchildren, and one great grandchild.

X. ADJOURNMENT: Mayor Espinoza adjourned the Regular Meeting of the La Habra City Council in memory of Ray Molina and David Sadro to Monday, April 3, 2017, at 5:15 p.m. in the Administrative Conference Room 210 (enter through Room 206) 2nd Floor at 110 E La Habra Boulevard, La Habra CA, followed by the Regular Meeting at 6:30 p.m. in the City Council Chambers located at 100 E. La Habra Boulevard, La Habra, CA.

Respectfully submitted,

Tamara D. Mason, MMC
City Clerk