

**MINUTES OF THE CITY COUNCIL
OF THE CITY OF LOS ALAMITOS**

SPECIAL MEETING – June 9, 2014

1. CALL TO ORDER

The City Council met in Special Session at 6:03 p.m., Monday, June 16, 2014, in the Council Chamber, 3191 Katella Avenue, Mayor Graham-Mejia presiding.

2. ROLL CALL

Present: Council Members: Edgar, Grose, Kusumoto,
Mayor Pro Tem Murphy, Mayor Graham-Mejia

Absent: Council Members: None

Present: Staff: Bret M. Plumlee, City Manager
Cary Reisman, City Attorney
Tony Brandyberry, Public Works Superintendent
Dave Hunt, City Engineer
Corey Lakin, Community Services Director
Todd Mattern, Police Chief
Bruce McAlpine, Police Captain
Emeline Noda, Recreation Supervisor
Ron Noda, Recreation Supervisor
Cassandra Palmer, Support Services Manager
Windmera Quintanar, CMC, City Clerk
Glenn L. Steinbrink, Interim Admin. Services Director

3. SPECIAL ORDERS OF THE DAY

A. Fiscal Year 2014-15 Proposed Budget Follow Up (Finance)

This report addressed follow up items from the previous two budget study sessions held on May 5, 2014 and May 19, 2014.

Mayor Graham-Mejia opened the item for public comment.

Bruce Murphy, resident, Committee del Amor, requested Council consider waving the associated fees for remote caller bingo approved on May 19, 2014.

The following residents spoke in favor of continuing LATV-3:

- Winslow Chase
- Lois Waddle
- Anthony Brandant (for Althea Miller)
- Thomas Rothwell

- Stephen Hammond
- John Underwood

Mayor Graham-Mejia closed the item for public comment.

City Manager Plumlee introduced the item and gave an overview of the discussion to take place.

Council Member Grose stated he would like to receive copies of the PowerPoint presentations in the future.

Interim Administrative Services Director Steinbrink summarized the Staff report, referring to the information contained therein, gave a PowerPoint presentation, and answered questions from the City Council.

City Council and Staff discussed the measures to close the budget gap.

Mayor Graham-Mejia inquired how long it would take to complete the parking and billboard implementation and the anticipated revenue.

City Manager Plumlee indicated there would be a cost to implement the programs. He indicated a partner for the billboards would be needed and revenue would be subject to that relationship. He clarified there was nothing budgeted for the gap closure on that item.

Mayor Graham-Mejia asked if a partner was found, what portion of the revenue the City could hope for.

City Manager Plumlee indicated it was too early to estimate such.

City Council and Staff discussed department budget reductions.

Mayor Graham-Mejia asked for clarification that services for the Senior Meals program were not being reduced and that more volunteers were being utilized.

Interim Administrative Services Director Steinbrink confirmed.

Council Member Grose clarified the documents pertaining to department reductions were not available to Council.

Interim Administrative Services Director Steinbrink indicated they had not been provided in the Staff report.

Council Member Grose stated he would like to receive a copy.

Mayor Graham-Mejia referred to the decrease in cuts in appropriations as proposed by departments and asked for an explanation on the difference.

Interim Administrative Services Director Steinbrink stated the elimination of dues for ACC-OC and the OC Human Relations had been removed.

Council Member Grose asked if those items were still going to be discussed.

City Manager Plumlee stated they could be discussed tonight or at a later time throughout the fiscal year. He stated a preference for a future presentation on those organizations with an explanation of the service provided.

Council Member Grose asked for clarification regarding the \$315,000 budget shortfall that is still being reflected.

Interim Administrative Services Director Steinbrink clarified there is a \$315,000 structural deficit in the General Fund for Fiscal Year 14/15. Staff is recommending closing that gap with the listed items.

Council Member Grose stated those meant everything listed needed to occur and included diversifying the portfolio, eliminating crossing guards, eliminating donated services, passing on credit card fees.

Interim Administrative Services Director Steinbrink clarified the item was before Council for discussion tonight. At the next meeting the budget adoption would include the items approved tonight. If approved, the adopted budget would no longer show a budget gap, but would show a little bit of a surplus, even if revenue from parking and billboards was not included.

Council Member Grose indicated funding for the 800MHz was coming from the IT fund, yet \$700,000 was put into capital and a change was not reflected.

Interim Administrative Services Director Steinbrink clarified a change would not be reflected until the money was spent. He added the only thing that reduces reserve is it is appropriated and spent. Fiscal Year 14/15 would be starting with \$700,000 in the Police capital expenditure fund and \$400,000 in other facilities. That money would continue to sit in those funds until Council appropriates the money.

Council Member Grose indicated he understood. He questioned the proposed elimination of \$139,000 for 800 MHz as part of the budget closure.

Interim Administrative Services Director Steinbrink stated the money would not be spent out of the general fund; it would be spent out of the police internal service fund.

Mayor Graham-Mejia stated the Council was designating the \$700,000, but it has to go through the right process.

Interim Administrative Services Director Steinbrink confirmed.

Mayor Graham-Mejia asked why Association of California Cities-Orange County (ACC-OC) and Orange County Human Relations were removed from the proposed elimination list.

Interim Administrative Services Director Steinbrink stated the Budget Ad Hoc Committee had a desire to bring those times back at a later date for a full discussion.

Mayor Graham-Mejia stated she was supportive of the whole Council discussing whether the items should be included or excluded.

Council Member Kusumoto asked the amount for the ACC-OC.

Interim Administrative Services Director Steinbrink indicated ACC-OC was \$7,249 and OC Human Relations was \$2,342.

Mayor Pro Tem Murphy stated the Ad Hoc Committee believed there were four items that needed further discussion; memberships, City Hall relocation, park upkeep and the future of LATV. The Ad Hoc Committee believed it would be better to investigate these items in detail at future workshops.

Mayor Graham-Mejia stated support. She believed if ACC-OC and OC Human Relations were going to be pulled for further discussion, then the crossing guards cost should also be discussed.

Interim Administrative Services Steinbrink indicated even without the \$60,000 for crossing guards, there was still a \$30,000 gap.

Council Member Edgar stated the Ad Hoc Committee believed the four items had emotional value to the Council, specifically the ACC-OC for maintaining relationships. He indicated the crossing guards were a bigger issue dealing with the Los Alamitos Unified School District (LAUSD). He believed putting all the costs on the table was beneficial and reiterated even without changing the crossing guard allocation there was still a \$30,000 deficit. He stated this was the Ad Hoc Committee's recommendation.

Mayor Graham-Mejia stated the entire Council sat on various Boards and believed that provided exposure. She indicated providing funding for the schools and the pool were common goals for the community; while items regarding LAUSD put the City at a deficit. She stated support for being fair and balanced and believed funding the crossing guards at only \$30,000 would potentially help with the deficit.

Council Member Edgar stated concern regarding postponing the four items without additional details. He stated he was uncertain when ACC-OC dues were owed and encouraged the Council to consider paying for memberships to organizations where there was little Council involvement. He indicated he was unsure if the Council knew what services were being paid for with the OC Human Relations and felt it was a disservice to continue the budget discussion without addressing these dues. He stated support for having additional meetings and pushing the adoption until June 30, if needed. He questioned if LATV was still up for consideration.

Mayor Pro Tem Murphy stated that was one of the items the Ad Hoc Committee believed needed additional discussion. He believed ACC-OC did not need to be decided tonight as membership was not due presently. He believed a full discussion at a later date to see how the Council wanted to best serve the community would be beneficial.

Mayor Graham-Mejia indicated Council had stepped away from attending ACC-OC meetings and various conferences because it had been politicized in a negative way. She stated support for allocating a set amount of funds to each Council Member to remove the negative stigmatism.

Council Member Kusumoto asked for clarification that membership entitles the City to attend meetings, training, and networking. He asked if the dinner fees were paid by the City.

City Manager Plumlee stated the \$7,300 was for membership dues only. He clarified there were additional costs for dinners and associated travel.

Council Member Kusumoto stated dinners are additional cost and he generally pays for himself to attend. He indicated uncertainty regarding the value of membership and would likely be supportive of backing out upon reassessment. He stated support for reducing the crossing guards by \$30,000.

Council Member Grose stated all Council memberships should be discussed in detail. He pointed out there were many community events

Council was expected to attend that included a fee and Council should have an understanding of how to function together.

Mayor Graham-Mejia stated support for taking the \$30,000 surplus and \$9,500 in memberships and applying them to the crossing guard. She stated concern for moving forward stating the City would not provide safety for the children.

Council Member Grose disagreed and believed the City and LAUSD could creatively work together to come to an agreement similar to the School Resource Officer (SRO). He pointed out there were other options available for crossing guards.

Mayor Graham-Mejia stated support for leaving funding this year and allowing the Working Group to find a mechanism within the Joint Use Agreements being discussed.

Council Member Grose indicated he was not as sympathetic and believed LAUSD needed to share in the cost.

Council Member Kusumoto stated at a minimum the Council could fund the crossing guards at \$30,000 without using the reserves. He stated support for discussing memberships at a later date when renewal was closer.

Mayor Pro Tem Murphy stated support for looking at the bigger picture and pointed out memberships could be removed from the budget at a later date.

Mayor Graham-Mejia asked the Council if it was supportive of reducing the crossing guards from \$60,000 to \$30,000 and seeing the additional funding from LAUSD. She reiterated concern there would be a lapse of safety for the children.

Council Member Edgar inquired if the City was legally obligated to provide crossing guards or if LAUSD would be responsible.

City Manager Plumlee stated there was not an agreement. He pointed out the program was funded through part-time Staff and if eliminated, would eliminate part-time positions.

Council Member Edgar asked if public safety was required by the City's Charter. He questioned if the City were to eliminate funding all together, if the responsibility would fall to LAUSD.

Mayor Graham-Mejia indicated there were different ways to fund the program and cautioned Council to consider the working relationship with LAUSD and that it had a budget as well.

City Manager Plumlee asked City Attorney Reisman if the City had a legal obligation under the Charter itself. City Attorney Reisman indicated the City did not have a legal obligation to provide crossing guards and he was unsure if LAUSD did or not.

Council Member Edgar stated support for compromising at \$30,000 funding for crossing guards. He referred to ACC-OC and pointed out membership was more than networking and allowed the City to stay informed. He stated support for a later workshop. He summarized the Budget Ad Hoc Committee had heard Council's concerns, brought forward a package for a healthy discussion, and was open to any further discussions.

Mayor Graham-Mejia understood the actions taken, but felt it should have been included in the Staff report for the Council to discuss as a whole. She stated support for funding the crossing guards at \$30,000, and indicated there was Council support to discuss ACC-OC Membership at a later meeting.

Mayor Pro Tem Murphy indicated the importance of the group following up with these various complex items over the next couple of months.

Council Member Grose recalled the Council had agreed a policy was needed to help constrain spending when it had agreed to move funds from the PERS allocation to the Capital Expenditures fund. He stated support for having an example policy come forward at the next meeting.

referred to moving funds from PERS to the Capital Improvements and stressed the importance of having a sample policy come forward to evaluate and discuss at a future meeting.

City Manager Plumlee indicated that was the next step after the budget adoption. He clarified this was a good plan for short term success and a fund balance policy would come forward next.

Mayor Graham-Mejia stated support for the policy coming before the whole Council.

Council Member Edgar stated specifically the garage and emergency fund needed to be discussed to define what they are and when funds could be spent. He indicated at a minimum the Staff report would allow for Council to set its priorities.

Mayor Graham-Mejia agreed and directed Staff to ensure the workshops happened quickly after adoption so the policies could be in place.

Council Member Edgar suggested providing a schedule of future workshops for the open items.

City Manager Plumlee indicated a rough draft could be included in the next Staff report.

City Attorney Reisman indicated after a quick thorough research, LAUSD had no obligation under California law to provide crossing guards.

City Manager Plumlee clarified consensus had been received for \$400,000 in the Capital Improvement category which included a study on City Hall relocation and funding for Parks. He pointed out the unfunded ADA Study could also be designated from this fund and was estimated at \$75,000 based on the wide range of bids received.

Mayor Graham-Mejia referred to the funding issues at the pool and questioned including those items instead. She questioned the ADA study.

Council Member Edgar indicated City Manager Plumlee had reached out to CJPIA and the study appeared to be mandatory.

City Manager Plumlee referred to an email received from Jim Grose, and clarified the study was city wide, not just city hall. The City is not required to hire a consultant, but a self assessment is necessary.

Council Member Grose stated his understanding a good faith effort was needed and inquired if interns from Cal State Fullerton could provide the needed types of services. He referred to the CIP list and believed there were assumptions made by Staff that council may not have agreed to. He stressed the importance of Council making a decision regarding exiting the campus or not, so Staff would have clear direction moving forward.

City Manager Plumlee clarified there was \$35,000 designated in the budget that gave Staff the vehicle for analysis and a follow up item would come to Council in the future.

Council Member Grose reiterated his belief the ADA study could be done without spending \$75,000, and would be willing to provide the information to Staff.

City Manager Plumlee summarized the direction from Council:

- Investigate charging for parking
- Remove \$50,000 for billboard
- Include all other items on the list to close gap
- Include crossing guard funding at \$30,000 and continue to work with LAUSD for additional funding

City Council and Staff moved on to discussion regarding the CIP/General Fund.

Mayor Graham-Mejia asked for the status on the Downtown Project.

City Engineer Hunt stated the funding was a continuation and the next phase would be public outreach. He indicated funding was included in the last budget, but was pushed back a year. \$100,000 would be used to start the process where it left off at public outreach to get an understanding of how the community feels regarding a downtown project.

Mayor Graham-Mejia asked if all of the previous \$90,000 was spent.

City Engineer Hunt stated only \$50,000 was spent.

Council Member Kusumoto asked if public outreach was the final phase, how the funding went from \$30,000 to \$200,000.

City Engineer Hunt stated Council had previously designated \$200,000 from reserves to the project would not be dropped. He indicated \$30,000 would be spent for public outreach and then the information would be presented to Council to decide what to do next.

Council Member Grose clarified \$200,000 was allocated out of the reserves.

City Engineer Hunt answered yes and indicated it was split over a two year period.

Council Member Grose indicated in actuality, this was not a Capital Improvement Project with funding coming from the designated \$200,000. He referred to the intern project, and indicated that may be a better alternative to spending manpower and money on consultants.

Council Member Edgar recalled the history of the project and believed this was the proper time to discuss if \$200,000 was the right figure. He indicated one component was the traffic study that was never disclosed to the Council or community. He respectfully requested Council keep an open mind.

City Engineer Hunt confirmed the traffic study was complete and it went to the Sub-Committee, but never made it to the Traffic Commission. He indicated the bids received for public outreach had an average cost of \$42,000, but were out of date and would need to be rebid.

Mayor Graham-Mejia suggested not exceeding \$40,000, with the goal to be closer to \$30,000.

Mayor Pro Tem Murphy indicated he was not on Council at the time and asked the purpose of the outreach.

City Engineer Hunt explained outreach would fine tune how residents, business owners, and Council feel about the project and would include a more in depth discussion of what the project really is and how it will affect each property so people can make intelligent decision to support or not support the project. Consultants are trained to get answers from respondents, know how to interact with the crowds, know the best way to provide outreach, and how to gather people together.

Mayor Pro Tem Murphy inquired if this was still a viable project.

Council Member Edgar indicated there were several auxiliary components to consider and the main concern was traffic flow. He indicated the perception was the project would increase traffic although the project design data indicated traffic would not be impeded. He stated support for a public outreach consultant to provide a balanced perspective so an informed decision could be made.

Mayor Pro Tem Murphy questioned the project being \$400,000, and asked if grant money was available for the project.

Council Member Edgar indicated infrastructure changes would have to be made.

City Engineer Hunt indicated there are available grants, but the project would have to be clearly defined and priced out first. He stated the importance of understanding what everyone wanted and what was best for the City.

Mayor Pro Tem Murphy asked how the project would get paid for.

City Engineer Hunt indicated Staff would look for funding, the General fund could be used and so could some gas tax measure funds. He referred to a grant the City had lost because a decision regarding project specifics could not be made. He advised against asking for additional money without knowing what the project is.

Mayor Pro Tem Murphy asked if the City would be paying or if funding would come from outside sources.

City Engineer Hunt indicated the goal was always to find outside sources, but reality would be a combination of both.

Council Member Edgar indicated sharing cost could be incorporated into future development agreements.

City Manager Plumlee asked if after the \$40,000 outreach, the next step would be approval of the design by Council.

City Engineer Hunt indicated there would be a study and a survey, all of which would come before Council. It would include things like preferred alternatives and cost involved. If Council approved the project, Staff would be directed to move forward and find funding.

Council Member Grose recalled his understanding of the project beginning in 2000 with the discussion of creating a walk able downtown to when it came back in 2005 with the focus on Los Alamitos Blvd. from Katella to Cerritos. He stated it was worth the discussion to get others involved and make the project more marketable; however, a decision regarding whether or not City Hall would be relocated needed to be done.

Mayor Graham-Mejia stated a different perspective was lack of parking. She indicated the shop she works at on Los Alamitos Blvd. already had limited parking and the new plan would remove 21 parking spaces. She requested Council consider parking moving forward and stated opposition to eminent domain. She asked if a new study would be needed for any changes in traffic flow.

City Engineer Hunt indicated the study was two years old and not much has changed. He added if it was over five years old he would recommend another study.

Mayor Graham-Mejia expressed concern and pointed out there were new facilities with excessive traffic and increased traffic due to the freeway improvements. She was supportive of a downtown, but wanted to ensure all factors were taken into consideration. She was supportive of maximizing outreach to include residents and businesses and wanted to receive as much input as possible from all stakeholders to ensure the City knew what everyone wanted.

Council Member Edgar indicated there was a potential item to poll in addition to the outreach which would cost an additional \$16,000-18,000.

Mayor Graham-Mejia stated she wanted to make sure the community knew what the City was planning and what the key items are. She wanted the negative impacts addressed and to hear if the community supported the project and thought the location was acceptable. She referred to the "In God We Trust" emblem in the Chamber when the community was surveyed door to door.

City Manager Plumlee summarized \$200,000 would stay in reserves and \$40,000 would be appropriated for the initial study.

Mayor Graham-Mejia clarified the amount should not exceed \$40,000.

Mayor Graham-Mejia asked for verification that the alleys would be addressed.

City Engineer Hunt confirmed the alleys are being addressed and replaced with concrete.

Council Member Grose questioned the expenditure for the median islands at Katella and Los Alamitos Blvd.

City Engineer Hunt clarified that expense was to replace the vegetation and added the landscape on the main thoroughfares would be upgraded over the next four years.

Council Member Grose stated the original amount was for \$15,000 and questioned how it ended up at \$75,000.

City Engineer Hunt indicated two different funds were being used and \$15,000 was coming from CIP fund.

Council Member Grose indicated complaints had been received the vegetation was not as nice as neighboring cities and asked if Council agreed to spending \$15,000/year to replace the plants.

City Engineer Hunt advised this would be the opportunity to discuss the project.

Council Member Grose questioned if spending \$60,000 over 4 years to replace plants was a Council priority that needed to be addressed.

Mayor Graham-Mejia supported drought resistant plants to reduce cost and asked public Works Superintendent Brandyberry to address why the plants needed to be torn out.

Council Member Grose stated he was not aware of any major problems with the existing landscape and asked if there was concurrence to spend \$60,000 towards this project.

Public Works Superintendent Brandyberry stated complaints had been received and the day lilies and star jasmines have outlived their median island life. He indicated the four year plan was to replace the plants with the same or Council could state a different preference. This was a place holder for the project and could be readdressed after the first year.

Mayor Graham-Mejia asked if the recommendation was to replace the plants with the same type.

Public Works Superintendent Brandyberry indicated this was not a landscaping project, but would depend on the Council's wishes for the overall City look. He indicated the project was more for maintenance to bring the median islands up to par.

Mayor Graham-Mejia asked if drought resistant plants could be used.

Public Works Superintendent Brandyberry answered in the affirmative. He added a grant was received to purchase new nozzles that reduce water consumption.

Council Member Grose stated the City was looking at funding and budget concerns and asked if this was a priority. He suggested it may be a topic for a later discussion.

City Manager Plumlee requested Council direction as the preliminary budget being discussed tonight would be adopted the following week.

Council Member Edgar indicated one of Council's principles was to budget for future items including maintenance. He questioned policy wise why this was funded through CIP and not another threshold.

City Manager Plumlee clarified for accounting purposes anything over \$5,000 is considered a capital project. He indicated some items that had traditionally been included in the budget were moved over to CIP for this budget cycle.

Council Member Edgar believed this was a maintenance and operations item and not part of CIP. He questioned the need to push the item into CIP and was opposed to a lengthy discussion over \$7,500.

Mayor Graham-Mejia was supportive of understanding the detail.

Public Works Superintendent Brandyberry stated these items used to be included in maintenance and operations, but were cut from the budget with the downturn of the economy. He stated the concern was now the islands were not at the same level they previously were. He indicated to add it to maintenance and operations would be an accounting function and indicated to get the work done it was added to maintenance and operations.

Council Member Edgar stated his understanding that major projects were included in CIP and questioned if this was a policy issue for Council. He indicated the \$5,000 threshold may be too low if it constrains Staff from being able to keep up with maintenance. He believed the issue may be due to limited funding for so long, CIP now needed to be used. He supported a policy that would allow Department Heads to make the decisions regarding maintenance while Council focused on infusing the different funds. He added he would not expect Council receive maintenance complaints and had no complaints directionally.

Council Member Kusumoto questioned the difference between this fund and maintenance and operations.

Interim Administrative Services Director Steinbrink clarified it was an accounting issue. He stated in most cities money was not spent from a special revenue fund, the funds were transferred to a CIP fund so there is an audit trail. The budget now made it clear which fund money was being spent from. This project was being funded by the Gas Tax Fund and Traffic Improvement Fund.

Council Member Kusumoto stated his understanding the connection for the median was it was related to the flow of cars and if this fund was not used money would come from the General Fund.

Interim Administrative Services Director Steinbrink confirmed.

Council Member Kusumoto asked if the cost to remove and install the plants was mostly material or labor.

Public Works Superintendent Brandyberry indicated it was mostly material because the work was done in house.

Mayor Graham-Mejia indicated the pilot program for speed bumps had worked well and asked if a completion date had been set to add the reflective paint around the bumps.

Public Works Superintendent Brandyberry stated the crew was working on installing trees at Cottonwood Park and were estimated to be done

towards the end of the month. After which, they would replace the broken speed humps and add the reflective paint. He estimated completion by June 30.

Council Member Grose stated for the record he opposed spending \$250,000 for the Community Center and indicated he believed the requests were more for aesthetic needs. He stated a consensus should be reached on whether or not the City would be on this property in the next 5-10 years before spending \$250,000 in repairs. He requested priorities be set on what is absolutely necessary to survive in the next 3, 5, and 10 years.

Mayor Graham-Mejia stated this was a big item and was supportive of pulling the item for additional detailed discussion and not funding it at this time. She indicated there may be more palatable solutions if City Hall were to be relocating.

Council Member Edgar pointed out the Youth Center operated out of that building and they give a significant amount of money to the community and barely survive. He stated he was supportive of the discussion, but wanted to look at the item holistically. He added support for including the Youth Center in the discussions as a stakeholder.

City Manager Plumlee indicated this was Staff's best estimate and was being funded by Park Development Fund money. He added this money had to be spent on park related use and pointed out this was not General Fund money. He added the ADA study would help the City identify the critical safety related items and was needed in order to help set priorities.

Council Member Edgar questioned the urgency and asked if funds could be used on Coyote Creek Park.

Mayor Graham-Mejia stated there were other parks that have not been addressed yet.

Community Development Director Mendoza stated City Attorney Reisman has advised the funds need to be spent near the project that generated the funds. The funds were generated by the Olson Company project and the Community Center is the closest facility to that project.

Mayor Graham-Mejia stated rubberized surface would not be beneficial if the equipment was outdated. She suggested putting some of the money towards other parks so the \$400,000 in reserves would not have to be spent. She believed if this was park money there were other parks that needed to be addressed. She stated it was inequitable that large parks were well maintained while smaller parks were not.

City Manager Plumlee indicated Staff could bring back a plan for feedback and consensus and recommended that be done after the ADA study was complete. He added he wanted to ensure this money was able to be used first before General Fund money.

Council Member Grose asked when the Youth Center agreement expires.

Community Services Director Lakin stated 2023.

Council Member Grose stated the list of items for \$250,000 was almost over the top.

Mayor Graham-Mejia agreed and requested Staff readdress what was necessary and needed versus what is wanted. She supported more equitable spending.

Council Member Kusumoto stated the City was relatively small and believed residents would benefit from anywhere the Quimby funds were spent. He stated pocket parks may be a better use of funding and questioned what qualified as immediately adjacent.

City Attorney Reisman indicated it did not have to be immediately adjacent as long as the funds benefit the residents. He stated there needed to be a nexus between where the funds were collected and where they were spent.

Mayor Graham-Mejia confirmed there was support to remove the \$250,000 for further discussion.

Interim Administrative Services Director Steinbrink asked if the direction was to remove the appropriation from the budget completely.

Mayor Graham-Mejia stated Staff was to prioritize the improvements by needs versus wants and adjust the figure accordingly so the money could be spent in other areas.

Council Member Edgar recommended Staff get the number as low as possible so there would be less criticism at budget adoption.

City Manager Plumlee suggested for this budget adopt the number as is and bring back for further discussion.

Council Member Edgar disagreed and stated \$250,000 list should be reduced to critical items.

Council Member Edgar referred to the Coyote Creek Park and stated concern the contractors would be released before work was complete. He requested Council be given the chance to inspect the park before the contractors were released. He supported carrying over the funds and asked for an update.

City Engineer Hunt gave an update on the park and summarized the following topics: current maintenance period and reseeded of certain areas; contractors will not be released until job complete; California drought tolerant plants; working with Rivers and Mountains Conservancy (RMC) to repave bike path; working with Los Angeles County public Works to add fencing, gates, and signage; upcoming walk through RMC to ensure all money is spent accordingly; and, request to carry over funding.

Council Member Edgar wanted to ensure money was not being spent on a whim and that it was being spent to look like the park was envisioned. He requested a report in the weekly regarding the RMC meeting.

City Engineer Hunt stated due to the type of plants, it would take the park three to four years to look like it was supposed to and stated there was potential.

RECESS

The City Council took a brief recess at 8:18 p.m.

RECONVENE

The City Council reconvened in Regular session at 8:31 p.m.

Interim Administrative Services Director Steinbrink gave an overview of the Garage Fund.

Council Member Grose referred to Coyote Creek Park and stated concern for the plants dying and the six month maintenance guarantee. He stated his understanding was there would be signs identifying the natural plants in the park, similar to nursery pegs, and asked if there funding had been received.

City Engineer Hunt indicated there were signs that described the natural plants and concrete labels for some of the plants. He stated nursery pegs were not included in the concept drawings.

Council Member Grose stated concern for the flat benches and lack of lighting that could possibly be an attractant for homeless. He believed there were other options for benches that would be less comfortable to lie down. He indicated two benches was not sufficient for the length of the park and questioned why they were so close together.

City Engineer Hunt advised there were two benches and 30 boulders that are considered sitting boulders. The park was geared for the natural look and included benches for older patrons.

Council Member Grose stated concern the design of the benches would be an attractant and become an enforcement issue. He advised he had spoken with a Southern California Edison (SCE) representative about the possibility of adding solar powered lights.

City Engineer Hunt advised the benches were modeled after other City park benches and added devices could be added should it become an issue.

Mayor Graham-Mejia stated it may be more of an issue due to the exclusiveness of the park.

City Engineer Hunt stated it was a passive park to be used during the daylight only. He indicated Staff was working with SCE for some low level lighting.

Council Member Edgar referred to the \$150,000 for pool expenditures on Attachment 2, page 2. He stated concern for investing in an asset the City may not have a claim to after 2016 when the lease with the Joint Forces Training Base (JFTB) expires. He indicated initial discussions with the base were favorable, but stated a preference for a full cost recovery. He believed the community needed to make a hard decision. He pointed out of the \$150,000, only \$40,000 was being requested now for pool painting.

Community Services Director Lakin added an additional \$40,000 was expected from the Aquatics Foundation.

Council Member Edgar questioned if spending \$80,000 for pool painting was crucial in the next year and a half. He indicated he was supportive of the pool and reiterated concern about the expiring lease and spending money on an asset that the City may have no right or certain future in. He asked if this was critical to keep the pool running for a year.

Community Services Director Lakin indicated Staff has tried to fund these items for the past two years. He summarized the following concerns: deteriorating pool lines; rebar rust coming through; inoperable interior lights; ability to see the bottom of the pool; and, deterioration of expansion joints. He advised repainting, auto fill valve, pool lighting, and skimmer were most important items to ensure the basic safety needs of operation. He advised at a minimum those items should be completed to ensure the pool is able to remain open.

Council Member Edgar questioned if the City could afford to sign a lease with the possibility of losing a funding source, USA Water Polo. He asked if there was a holistic position moving forward with negotiations and a point in which the City would concede to not being able to afford the lease.

Community Services Director Lakin advised the pool currently operates at a direct cost standpoint with a net zero. He believed the City was able to provide a phenomenal necessary program to residents and there was a necessity to continue providing swimming lessons. He indicated the pool would financially be able to withstand USA Water Polo leaving. He added negotiations with the JFTB were uncertain and details for add-on and additional cost would be discussed in August. Currently the JFTB does not pay to use the pool even though 20% of lap swimmers are military personnel and their families. He believed the bigger issue was the pool age of 72 years and the need for major infrastructure rehabilitation. He stated the user groups had applied for grants and were interested in seeing the pool improved.

Council Member Edgar stated the pool was an asset and he wanted to ensure the process was done right and was able to be preserved for the next 20 years. He reiterated concern for continuing to invest without a lease.

Mayor Graham-Mejia indicated this was the same discussion from the past regarding investing in aging infrastructure. She asked if there was any type of investigation to see if the pool would be structurally sound for another 10-20 years.

Community Services Director Lakin stated the pool was concrete and it would take a major earthquake for any real damage. He added if water was leaking Staff would notice. He stated chlorine and water do not wear away at a concrete pool but it does need to be painted every two to three years to insure visibility of the bottom of the pool and it's been seven years since it was last painted. He stated it was a significant expense that should be done on a routine basis. He stated the deck was 12 years old and the building itself needed roof repairs, but other than that pool would last, it just needed maintenance.

City Engineer Hunt stated there was a five year plan that cost approximately \$520,000.

Mayor Graham-Mejia stated concern for future funding if the Women's Water Polo team leaves. She indicated a large percentage of users are from outside the City, therefore, the City was providing bigger services. She referred to discussion about Seal Beach building a state of art pool and questioned what would happen if users left. She referred to additional

regulations and fees the JFTB could impose and believed all these items needed to be carefully considered, especially without a long term lease. With the City making cuts every year, could it afford to bring the pool up to a safe and usable facility and could it compete with newer pool.

Council Member Grose indicated he had a relationship with leadership at the JFTB and believed the initial talks were positive. He referred to the increase in field user fees for user groups to maintain the fields and questioned if that should be considered here. He questioned the previous policy of the Race on the Base proceeds being allocated to Pool CIP versus the current process of allocating to the General Fund. He supported addressing that policy and including a certain percentage be set aside for maintenance. He believed the City needed to maintain naming rights at the pool. He referred to an electrical system going at the JFTB that may benefit the City and stated the JFTB needs to be aware 20% of users are military personnel. He asked how much of the user fees go towards maintenance and is the money used for such.

Community Services Director Lakin stated the CIP fee is \$30 per head per organization with approximately seven ongoing users. The goal was to raise \$10,000-15,000 a year. At the end of this year, the fund would have approximately \$43,000. Staff is recommending spending \$40,000 from this fund and \$40,000 for the Aquatics Foundation. He added the Aquatics Foundation would maintain its contribution until the City hires a contractor.

Council Member Grose asked if this was a onetime donation.

Community Services Director Lakin confirmed. He added the Foundation had approximately \$52,000, and would retain \$12,000 in the goal of reinvigorating the Foundation.

Interim Administrative Services Director Steinbrink continued the overview of the Garage Fund.

Council Member Grose questioned purchasing a truck for the detective unit versus a patrol car.

Public Works Superintendent Brandyberry stated the 2005 Chevy Impala in the detective unit was being switched with the records unit. He advised the pick-up truck was purchased last year with AQMD funds, and Staff was requesting \$5,000 to add the lighting and radio to make the vehicle an undercover detective unit. He added switching the departments of the two vehicles would save money in the long run since the records unit only used it to and from court and the detectives could utilize the truck more efficiently.

Mayor Graham-Mejia stated \$30,000 for two replacements seemed low.

Public Works Superintendent Brandyberry indicated the cost was usually \$30,000-35,000, but Staff would do its best to reuse as much equipment as possible from the old vehicles. Both vehicles were grouped into one amount, but Staff would try to get a lower price.

Mayor Graham-Mejia asked if special pricing was available.

Public Works Superintendent Brandyberry indicated the goal was to piggyback off the LA County Sheriff's Department since they are a larger agency and received a great price.

Mayor Graham-Mejia asked if this model was holding up for Police longevity as well as Staff had hoped.

Public Works Superintendent Brandyberry answered in the affirmative and stated from a mechanic's view, this was the best car.

Council Member Edgar gave an overview of the Garage Fund including Maintenance and Operations and the previous misuse of funds. He advised two years ago Council had added a policy that required an asset schedule for every vehicle, by department that included the age and replacement. He indicated he could support this item if Staff could not produce a schedule from a year ago that showed this money would have to be spent.

Public Works Superintendent Brandyberry indicated there was a schedule. Currently, he was working with Interim Administrative Services Director Steinbrink to overhaul the schedule. He indicated due to personnel turnover, a schedule with funding had not been complete. He advised there was a mechanism for replacement and all the vehicles have been pushed for the past five years.

Council Member Edgar stated the Council could approve this or discuss the details and critical aspect of replacing vehicles, the Downtown project or the Youth Center. He indicated he did not believe there was an asset schedule that indicated \$130,000 needed to be spent this year. He supported approving an asset schedule for five years and only having incremental items outside that schedule come to Council for approval. He stated support for a long term methodical approach.

Mayor Pro Tem Murphy questioned replacing the Code Enforcement vehicle for primary use of Coyote Creek.

Public Works Superintendent Brandyberry stated the Code Enforcement vehicle has always been an old police car that could be used for a few additional miles. He advised this vehicle had 152,000+ miles and the engine was giving warning signs. He indicated he had spoken with management about having the Code Enforcement Officer share a smaller pick-up truck with the Public Works Crew for use at Coyote Creek. He advised sharing the vehicle would maximize its use and eliminate the need for possible costly rentals.

Mayor Pro Tem Murphy questioned if 83,000 miles was a good useful life for a truck.

Public Works Superintendent Brandyberry confirmed. He added repairs to the vehicle would cost over \$4,000 and it would likely only return \$1,800 at auction. Staff believed using grant money to subsidize purchasing a hybrid truck would be most cost effective and save the City money in the long run.

Mayor Pro Tem Murphy requested estimated repairs be included on the schedule.

City Manager Plumlee stated ideally the internal service fund would work with the replacement schedule to insure all repair costs were included for all fleet vehicles for the estimated life of the vehicles.

Mayor Pro Tem Murphy questioned if the internal service fund would recapture funding.

City Manager Plumlee answered in the affirmative and added part of fix would need to include a method of replenishment. Currently, there was not enough funding to replace all vehicles on the schedule.

Mayor Pro Tem Murphy stated his understanding there was enough in the Garage Fund for the current expense and then Council would be starting from scratch.

City Manager Plumlee confirmed and stated the recommendation would be to infuse the fund for long term replenishment until the fund is at the appropriate level and then annual charges to the General Fund would replenish it from there on. He indicated the numbers needed to be realistic and Staff understood not all vehicles could be replaced now and only high priority items would be coming forward.

Mayor Pro Tem Murphy stated concern funds could be used easily for other purposes instead of using the General Fund. He stated the

importance of having a balanced budget and confirmed these funds were for a specific purpose and would be replenished accordingly.

City Manager Plumlee confirmed.

Council Member Grose indicated he did not support this, specifically page 140 where the Patrol for Public Protection was charged an annual fee for replacement of vehicles and that had not occurred.

Council Member Edgar clarified each department is charged maintenance and operations and now there would be an additional charge based off the schedule for replacement. He added all money starts in the General Fund and this is allocated to service funds with a mechanics to charge departments.

Council Member Edgar stated the Police Department had been charged over the years so there should not be an issue and the money should be there. He asked what happened to the money.

Interim Administrative Services Director Steinbrink stated over the past several years, the only allocation to departments was for salaries, benefits, and maintenance and operations. Departments have not been allocating money for replacement. If Council were to purchase a vehicle this year, the fund would be depleted, and the same thing could not occur the following year. He clarified there is no money for the replacement of vehicles. He stated this needed to be treated like an internal service fund for replacement of vehicles governed by the schedule to see how much is collected and set aside.

Council Member Grose referred to the budget document and indicated Police Department was charged \$58,290 in FY 2010/11, towards the garage internal service fund. He understood the money was not spent on 800 MHz Radios and had been allocated in good faith. He believed the money should be there and should be used to replace the cars.

Interim Administrative Services Director Steinbrink clarified the only money collected was used to pay for the mechanic.

Council Member Grose stated that was incorrect. If the Police Department is paying \$85,364 towards salaries and operational expenses, they are being charged something that is not real.

Interim Administrative Services Director Steinbrink clarified gasoline was not included. The charge was for auto parts, repairs, supplies, and salaries and benefits for mechanic.

Council Member Grose expressed displeasure and believed the process and figures were incorrect.

Council Member Edgar advised the Budget Ad Hoc Committee had reviewed this item and explained the tax paid by each department is its share of maintenance and operations. He stated the issue at hand was to tax the departments for the CIP portion and he believed each Department understood the tax was not going towards replacements.

Mayor Graham-Mejia recalled the history of the Garage Fund and Council's decision to change the structure of the fund by no longer allocating for replacements. She recalled several times when Staff had requested replacements and Council had deferred. She stated support and reiterated Staff had been providing replacement costs year after year and this was not a surprise. She stated support for a future discussion regarding a replenishment mechanism and believed it would be unfair to the Departments to tax them now. She indicated running Police cars were needed and Public Works had been deferred for quite some time and a purchase was now needed.

Mayor Pro Tem Murphy asked Council Member Grose if he would still be against the item if a schedule came before Council before approval.

Council Member Grose indicated he understood the process and his concern was Departments were told to allocate a certain amount for replacement of vehicles and that had not been done. He believed the transparency had changed somewhere in the process. He referred to the switch from the Crown Victorias to the Dodge Chargers, and indicated money was being put aside and now it's not there. He questioned how the issue would be fixed, the allocation of reserves for PERS, and the depleted Garage Fund. He stated a belief there was an abuse of funds occurring.

City Manager Plumlee indicated the issue was being corrected and additional fixes that need to take place. He stated a fund balance reserve policy would come back to Council to address setting money aside and how it would be replenished. He reiterated the Garage Fund would need an infusion of money in addition to the annual charge for vehicle replacement.

Council Member Grose referred to the 800 MHz project and wanted to ensure designated funds were not being used. He stated concern that wagers were being made with unknowns.

Mayor Graham-Mejia recalled when she started on the Council there was over \$500,000 in the Garage Fund and that it had been properly funded.

Council had acted to reduce the allocations and was now complaining it was not properly funded. Staff was advising the road to recovery would include exhausting the fund to buy what is needed and borrowing against the \$200,000 so the amount needed for upcoming replacement would be available and could be replenished as planned. She disagreed with accusing Staff or individuals no longer with the City. She indicated she was not opposed to having a plan for the CIP funds and urged Council to support Staff's recommendation. She stated support for a workshop to set up policy to include expectations of Staff and reiterated Staff could not be blamed for the change in the way the item was funded.

Mayor Pro Tem Murphy indicated Staff was not being blamed and believed Department Heads understood no new equipment was being budgeted for and taxes were for operational cost. He recalled allocations to the Garage Fund had been removed from the budget one year to remain balanced and last year money was not spent on vehicle replacement. He believed what Staff was trying to do was move forward and ensure funding for future vehicle replacement needs. He stated concern if money was put aside, it could be spent for different items.

Council Member Grose stated he understood. He stated concern this was not brought up until the final budget work shop and would deplete the Garage Fund. He questioned if this item just occurred. He indicated he would support the item, but cautioned the same problem would occur with borrowing money allocated from the \$8 million reserve in the future. He indicated Staff needed to understand the money was for a specific purpose and needed to be there as scheduled. He did not believe the process was equitable.

City Manager Plumlee indicated the Fund Balance Policy would assist with that and when Staff brought the policy forward; it would ensure everything was properly funded.

Mayor Graham-Mejia recommended approval of the purchases with understanding the policies and procedures would be set.

Council Member Kusumoto referred to the decrease in Los Alamitos Blvd. project to \$40,000, and questioned what amount was really needed.

Mayor Graham-Mejia stated Public Works was passed over for the Police Department many times and stated support for each having a shared benefit.

Council Member Kusumoto questioned what on the list was most critical.

Public Works Superintendent Brandyberry stated patrol first, detective unit second, outfitting the truck third, and Public Works could either replace or repair the truck. He opposed keeping the Code Enforcement vehicle.

Council Member Grose did not have a concern with the prioritization of the vehicles. He questioned if the police vehicle used to follow the street sweeper could be shared with the Code Enforcement Officer and whether there was enough manpower to enforce parking at the Medical Center. He stated concern for limiting the vehicle to Coyote Creek for park maintenance.

Public Works Superintendent Brandyberry clarified Coyote Creek was an example of what the vehicle could be used for. He added the vehicle would be used throughout the City, not just for Coyote Creek and Code Enforcement.

Council Member Grose asked how many days the street sweeper vehicle was used.

Public Works Superintendent Brandyberry stated it was used for parking enforcement five days a week.

Police Chief Mattern confirmed it was used most days during the week for street sweeping and other parking enforcement.

Council Member Edgar requested establishing an asset schedule to use from here forward. He indicated it took 10 years to establish \$130,000 in the fund and it would be depleted with one action. He stated the importance of establishing a garage fund allocation that included an asset schedule to properly charge each department for maintenance and operations and CIP. He believed in theory, the funding for the initial new garage fund could be allocated to each department without having to use reserves and Staff could bring any structural deficit to Council. He indicated he did not support the full \$130,000 and believed there was a middle ground. He questioned if reserves were used for the Garage Fund, how it would be spent moving forward.

Mayor Pro Tem Murphy questioned if reserves were really being used. He stated Staff would be using the Garage Fund reserve.

Council Member Edgar stated concern the \$130,000 was being used all at once.

Mayor Pro Tem Murphy indicated that was due lack of replenishment and this process would take a couple years to replenish. He agreed starting at

zero would not allow for vehicle purchases next year and reiterated it would take a couple of years to be properly funded.

Council Member Kusumoto questioned if the Garage Fund was at zero, there would not be any money for the years after.

Mayor Pro Tem Murphy clarified there would be some since the departments would begin funding CIP.

Council Member Edgar favored having the department's budget accordingly. He stated the same issue would occur next year if there was a shortfall of whether to spend reserves or push replacements out. He understood it would take time to build up reserves, however there would be vehicle replacements needed next year. He suggested funding it at 100% from reserves or taxing the departments.

Mayor Graham-Mejia stated it was unfair that the Council made the budget cuts and was now asking the departments to absorb the replacement costs.

Council Member Kusumoto countered the situation is what it is and Staff needed to pull together. He added if the fund was exhausted there would be no way to fund an emergency purchase.

Mayor Graham-Mejia indicated that was the purpose of setting aside the \$200,000. She reiterated the fund was established and working well and Council had removed that from the budget. She indicated there was a large reserve and this would not be a regular process. She stated Staff had provided a mechanism to incrementally build the cost back into the budget.

Council Member Kusumoto agreed during difficult economic times everyone pitched in and made sacrifices. He stated his understanding the truck was the lowest priority, but grant funding was being used. He did not believe the fund was going to build up as it was being depleted.

Mayor Graham-Mejia clarified moving forward each department would contribute to the CIP for vehicle replacement. She asked when the next replacement was due.

Public Works Superintendent Brandyberry stated three vehicles in FY 15/16 and three more in FY 16/17. He stated there was a total of six Chargers and one Tahoe in patrol. He indicated Staff would take liberties to ensure everything continued to work.

Mayor Graham-Mejia supported complete funding and working with Staff to implement proper policies and procedures. She stated a huge benefit would be lost if the truck was not purchased with grant money. She recommended replacing the police vehicles and public works truck and stated the Code Enforcement vehicle could wait.

Mayor Pro Tem Murphy asked how long until the policy would be fully implemented.

City Manager Plumlee indicated a combination of long term fund replenishment and increasing the operation charge would need to occur to build the fund.

Council Member Grose questioned if the proposed budget for patrol of only \$85,364, was accurate.

City Manager Plumlee indicated it may be low in the future. He indicated if the policy was implemented, funding would be set aside now, but the internal service would not increase operation costs until FY 14/15. Reserves would be used and then increased in FY 15/16. He added a schedule would be set and a policy would be in place.

Interim Administrative Services Director Steinbrink clarified there had not been an allocation to the General Fund since FY 09/10. There was only revenue generated for the garage fund to include maintenance and operation and no money coming in for vehicle replacement.

Council Member Edgar asked how much money was in the reserve now. He recalled a drawdown of \$5,000-6000, but revenue had not been received.

Interim Administrative Services Director Steinbrink indicated five to six years ago a decision was made to save the general fund money by not allocating CIP charges to the departments and instead used built up Garage Fund reserves.

Mayor Graham-Mejia asked if there was support to modify the expense to leave \$25,000 in the Garage Fund.

Council Member Edgar indicated an amortization schedule would be coming soon which would include replacement of three cars in year one and three in year two. In theory that would be \$90,000 to \$130,000 allocation per year, and the budget was already short. He requested a decision on allocating reserves or having the departments allocate the funds.

Mayor Graham-Mejia indicated there was a potential for increased revenue from the billboard and parking.

Council Member Edgar asked what the sense of urgency was for the \$30,000, crossing guards.

Mayor Graham-Mejia stated she wanted to allow LAUSD more time. She wanted to address the item immediately so it would be in place and allow Staff to work with LAUSD for an additional year to get clear and precise details.

Mayor Pro Tem Murphy indicated he did not have a concern with spending the Garage Fund reserves. He cautioned these designations were placeholders and were not to be spent to balance the budget. He added the vehicles would need to be replaced when they failed and it would be inevitable that money would be spent. He advised there was a larger picture to look at.

Mayor Graham-Mejia pointed out this form of accounting was still new and Council had never set aside money. She supported reviewing the funds in a couple years to ensure the funding wouldn't be better utilized elsewhere.

Council Member Edgar did not support funding the garage fund with reserves and believed it should be allocated from each department. He added that would guarantee control over the allocation schedule and only replacing when necessary. He stated concern if it was fully funded Staff would bring all replacements forward.

Mayor Graham-Mejia requested the reserves be used to fund a percentage in the first year to cover any shortfalls. She reiterated it was unfair to have the departments make the cut and then request they fund it now.

Council Member Edgar stated he could agree if the initial fund did not come out of the reserves.

Council Member Edgar agreed and pointed out the budget was being balanced by borrowing from reserves.

Mayor Pro Tem Murphy stated spending was inevitable and Staff was accounting for such. He stated concern it would take another year before any reserves were built up.

Interim Administrative Services Director Steinbrink finished his presentation.

Mayor Pro Tem Murphy requested personnel titles be reviewed.

City Manager Plumlee stated all job descriptions would be reviewed as they were out of date.

4. CLOSED SESSION

A. Conference with Labor Negotiator

Agency Negotiators: Gregory D. Korduner, Consultant and Cary S. Reisman, City Attorney

Employee Organization: Los Alamitos City Employee Association
Authority: Government Code Section 54957.6

B. Conference with Labor Negotiator

Agency Negotiators: Gregory D. Korduner, Consultant and Cary S. Reisman, City Attorney

Employee Organization: Police Officers Association
Authority: Government Code Section 54957.6

C. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Pending litigation pursuant to subdivision (d)(4) of Section 54956.9. One potential case.

City Attorney Reisman read aloud the titles for Items 3A, B, and C.

Council Member Edgar recused himself from Item 3C for a conflict of interest.

RECESS

The City Council recessed into Closed Session at 10:13 p.m.

RECONVENE

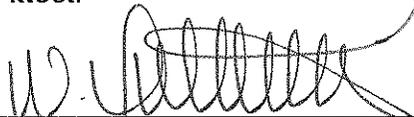
The City Council reconvened in Regular Session at 12:25 a.m.

The City Council instructed its negotiators regarding the labor negotiation matters for Items 3A and 3B. There was no reportable action for item 3C.

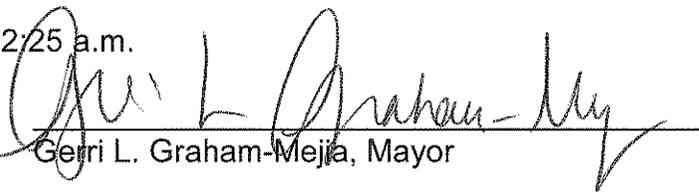
5. ADJOURNMENT

The City Council adjourned at 12:25 a.m.

Attest:



Windmer Quintanar, CMC, City Clerk



Gerri L. Graham-Mejia, Mayor