

4. PLEDGE OF ALLEGIANCE

Mayor Murphy led the Pledge of Allegiance.

5. INVOCATION

Mayor Pro Tem Edgar gave the Invocation.

6. ORAL COMMUNICATIONS

Mayor Murphy opened Oral Communications.

Elizabeth Cain, Directorship of Run Seal Beach, spoke regarding the 2015 Grant Awards. Seth Ecker, Co-chair, thanked Elizabeth for her hard work.

Shelley Henderson spoke regarding the Cypress Community Festival which will be held on July 25.

John Underwood, Chair of the Cable Television Commission, gave a statement from the Cable Television Commission. As a producer, he stated the studio was at the core of LATV's mission to support community television for the people.

Mayor Pro Tem Edgar questioned if Commissioner Underwood was speaking on behalf of the Commission or himself. He questioned his role in the process with the consultants.

Commissioner Underwood indicated the statement was voted and approved by the Commission to be delivered in a public forum.

Mayor Pro Tem Edgar questioned why the item was not on the agenda.

City Manager Plumlee clarified the Consultant's report would be considered in July and the Cable Television Commission's statement would be considered by the consultants, but may not end up in the final document.

Joe Buckley, Seal Beach Swim Club, stated support for continued pool operations at the Joint Forces Training Base.

JM Ivler, resident, spoke regarding the possibility of using affordable portable equipment and software for production. He referred to production he watched that was as good as a commercial production using GoPros and editing software. He requested the information be passed to the consultants for review. He believed Community Services could train interested individuals to produce their own materials.

Brian Gorman, Los Alamitos Youth Baseball President, spoke regarding the Bronco World Series to be held August 7-10, 2015. He invited Council to the opening ceremony on August 7th at 4:00 p.m.

Mayor Murphy closed Oral Communications.

7. WARRANTS

Motion/Second: Grose/Edgar

Unanimously Carried: The City Council approved the Warrants for June 15, 2015, in the amount of \$89,540.32, ratified the Warrants for May 19, 2015, to June 14, 2015, in the amount of \$646,821.30, and authorized the City Manager to approve such expenditures as are legally due and within an unexhausted balance of an appropriation against which the same may be charged for the time period of June 16, 2015, to July 20, 2015.

ROLL CALL

Council Member Grose	Aye
Council Member Hasselbrink	Aye
Council Member Kusumoto	Aye
Mayor Pro Tem Edgar	Aye
Mayor Murphy	Aye

8. CONSENT CALENDAR

All Consent Calendar items may be acted upon by one motion unless a Council Member requests separate action on a specific item.

Council Member Hasselbrink, Mayor Pro Tem Edgar, and Mayor Murphy pulled item 8F.

Mayor Pro Tem Edgar pulled item 8B.

Motion/Second: Grose/Edgar

Unanimously Carried: The City Council approved the following Consent Calendar items:

A. Approval of Minutes (City Clerk)

1. Approved the Minutes of the Special meeting of May 4, 2015.
2. Approved the Minutes of the Special meeting of May 18, 2015.
3. Approved the Minutes of the Regular meeting of May 18, 2015.

C. Award of Contracts – Building and Safety Services/NPDES Inspection Services, City Engineer/Traffic Engineer Services, and Signal Maintenance Services (Community Development)

The report provided an analysis of vendor proposals, including comparative ratings, comparative rates, negotiated rates and the impacts of those rates when compared to hours billed during the 2013/2014 fiscal year.

The City Council:

1. Authorized the City Manager to execute the standard Professional Services Agreement (PSA) with Charles Abbott Associates (CAA) for Building & Safety and NPDES Business Inspection Services at the negotiated rates represented in Table 8; for two years with two two-year extensions (6 max); and,
2. Authorized the City Manager to execute the standard PSA with Willdan Engineering City Engineering Services and Traffic Engineering Services at the negotiated rates represented in Table 10 and Table 12 for two years with two two-year extensions (6 max); and,
3. Authorized the City Manager to execute the standard PSA with Computer Service Company (CSC) for Traffic Signal Maintenance at the negotiated rates represented in Table 14 of this report for two years with two two-year extensions (6 max).

D. Annual Appropriations Limit (Administrative Services)
Article XIII B of the California Constitution specifies the amount of allowable revenue the City of Los Alamitos can appropriate from the proceeds of taxes.

The City Council adopted Resolution No. 2015-15, entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS APPROVING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2015-16."

E. Emergency Operations Plan Update (Support Services)
The City's Emergency Operations Plan (EOP) has been revised to incorporate some reorganization of the City's Staff as well as changes in the National Incident Management System (NIMS) which have occurred since the plan's last revision. Changes to the plan include a more comprehensive hazards analysis, revised and simplified position checklists, and updated critical facilities information.

The City Council adopted Resolution 2015-09, entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, ADOPTING THE CITY OF LOS ALAMITOS EMERGENCY OPERATIONS PLAN - 2015 AS THE BASIS FOR RESPONSE TO ALL INCIDENT MANAGEMENT IN THE CITY OF LOS ALAMITOS."

G. Southern California Association of Governments (SCAG) 2015 Regional Conference and General Assembly
The Southern California Association of Governments (SCAG) Regional Conference and General Assembly was held May 7-8, 2015, at the JW Marriott Desert Springs Resort and Spa in Palm Desert, California. The

City Council appointed Council Member Kusumoto as the City's voting delegate for the conference.

The City Council received and filed the report.

H. Renewed Measure M Annual Eligibility Submittal and Approval to Adopt Resolution 2015-17 Concerning the Status of the Circulation Element and Re-affirmation of the Existing Mitigation Fee Program for the Measure M Capital Improvement Program (CIP) for FY 2015-16 through FY 2021-22 for the City of Los Alamitos (City Engineer)

In order to remain eligible to receive Measure M Fair Share funds and participate in competitive grant programs, the Orange County Transportation Authority (OCTA) requires that all local jurisdictions comply with a variety of requirements, including adoption of a Resolution concerning the status of the Circulation Element for the City of Los Alamitos and confirmation of a Mitigation Fee Program. In addition, adoption of a Capital Improvement Program (CIP) for FY 2015-16 through FY 2021-22 for the City of Los Alamitos and submittal of certain documentation is required. Staff has prepared a Capital Improvement Program covering the Fiscal Years FY 2015-16 through FY 2021-22 that the City Council approved on June 15, 2015, and is prepared to submit this and other required documentation to OCTA upon approval by the City Council.

The City Council:

1. Adopted Resolution No. 2015-17, entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, CONCERNING THE STATUS OF THE CIRCULATION ELEMENT AND MITIGATION FEE PROGRAM" and,
2. Re-affirmed the existing Mitigation Fee Program; and
3. Directed the City Engineer to file the Resolution and the approved Seven-Year Capital Improvement Program for Fiscal Years FY 2015-16 through FY 2021-22, and submit required Measure M eligibility documents to the Orange County Transportation Authority.

End of Consent Calendar

Items pulled from Consent Calendar

B. Approval of Agreement for Financial Statement Audit Services (Administrative Services)

This report sought City Council approval of an agreement with Lance, Soll & Lunghard (LSL) to perform auditing services for three years, beginning with the audit of fiscal year ending June 30, 2015, with the option of providing the same services for the two subsequent fiscal years.

Mayor Pro Tem Edgar briefly discussed the bidding process. He stated when requested to lower their fees, LSL added additional years. He questioned if the other bidders were given that opportunity.

Administrative Services Director Al-Imam stated the Request for Proposals did outline a three year term with 2 year options. All proposers were given the same opportunity to bid and all firms had submitted proposals for 3 or 5 years.

Mayor Pro Tem Edgar questioned if the comparison for lowest bidder in the preliminary Staff report was based on 3 years or the combined 5.

Administrative Services Director Al-Imam indicated it was reflective of 3 years.

Mayor Pro Tem Edgar stated concern LSL was still the highest bidder and he did not feel Staff had met Council's expectations. He stated the process was to pick the lowest bidder based on quality and it did not appear this requirement was met. He indicated he could not support the item at this time.

City Manager Plumlee stated one factor is price. He stated per Council Member Hasselbrink's suggestion, LSL had agreed to cap years 3-5, for a savings of just over \$5,100.

Mayor Pro Tem Edgar expressed concern with the negotiation strategy.

Mayor Murphy clarified the contract had not been extended to five years.

City Manager Plumlee stated years 4 and 5 were optional.

Motion/Second: Murphy/Grose

Carried 4/1 (Edgar cast the dissenting vote): The City Council:

1. Approved the Professional Services Agreement with Lance, Soll & Lunghard, LLP to perform auditing services for three years, beginning with the audit of fiscal year ending June 30, 2015, with

the option of providing the same services for the two subsequent fiscal years; and,

2. Reviewed and approved the Scope of Services for financial audit services as set forth in Lance, Soll & Lunghard's March 20, 2015 proposal (Attachment 2 – Exhibit A).

**F. Personnel Changes Related to the Fiscal Year 2015/16 Budget
(Administrative Services)**

This report outlined the various personnel related items that have been incorporated into the Proposed Budget for Fiscal Year 2015/16.

Council Member Hasselbrink recused herself from discussion of item 1 as her son worked part-time for the City. She left the dais.

Mayor Pro Tem Edgar stated concern for the compaction issue and questioned the calculation process.

Administrative Services Director Al-Imam stated minimum wage would increase to \$10 an hour and there were four positions that were below that standard. He discussed the Recreation Leader I and II positions and how Staff had tried to include moderate increases for those positions as they moved up in responsibility.

Mayor Pro Tem Edgar questioned the minimal increase and maintaining incentives to motivate employees to move up. He understood the desire to maintain a low cost increase, but questioned what a fair amount would be to maintain a competitive employee base.

Community Services Director Lakin summarized the differences between Recreation Leader and Recreation Specialist. He stated support for increasing all wages, but understood the financial implications. Staff had tried to present a fair and equitable increase to allow new hires to start at minimum wage and those with a little more experience to start a level higher.

Mayor Pro Tem Edgar questioned how minimum wage increase was applied for steps 1-5.

Administrative Services Director Al-Imam indicated they were increased by the same amount.

Mayor Murphy understood minimum wage and the compaction issues. He stated concern for the inequity of the wage increases and pointed out two positions that did not receive such an increase.

Motion/Second: Murphy/Edgar

Carried 4-0 (Hasselbrink recused): The City Council adopted Resolution No. 2015-12, entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, AMENDING THE HOURLY RATE SCHEDULE EFFECTIVE JULY 1, 2015 AND AMENDING RESOLUTION NO. 2014-16."

Council Member Hasselbrink took her seat at the dais.

Motion/Second: Edgar/Kusumoto

Unanimously Carried: The City Council:

2. Adopted Resolution No. 2015-13, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, AMENDING THE SALARY SCHEDULE FOR EXECUTIVE MANAGEMENT AND NON-REPRESENTED EMPLOYEES EFFECTIVE JULY 1, 2015 AND AMENDING RESOLUTION NO. 2014-22," and,
3. Approved the Job Descriptions for Department Secretary, Recreation Coordinator, Special Projects Coordinator and Development Services Director.

9. DISCUSSION ITEMS

A. Refinancing of 2006 Certificates of Participation

(Administrative Services)

This item discussed the bond financing timeline, determined whether the City Council desires to borrow additional money to be used on capital projects and approve the professional services agreement with Best, Best & Krieger to serve as Bond Counsel and Disclosure Counsel.

Mayor Murphy opened the item for public comment. There being no one present wishing to speak, Mayor Murphy closed the item for public comment.

Administrative Services Director Al-Imam summarized the Staff report, referring to the information contained therein, and answered questions from the City Council.

Council Member Kusumoto recalled prior Council's interest in paying off the debt. He was informed the current balance was \$2.9 million and the original balance had been approximate \$4 million. He stated he was not in favor of pulling out equity unless it was for a specific purpose. He stated support for refinancing the current debt at a lower rate.

Mayor Murphy clarified this would save \$25,000 a year and consultants would not be paid unless the bond successfully closed.

Administrative Services Director Al-Imam confirmed.

Mayor Pro Tem Edgar spoke briefly of the Council's fiscal prudence over the past five years and the Ad Hoc's desire to bring this item before Council to consider taking advantage of the City's credit rating and refinancing options. He questioned if Council should take advantage of the equity opportunity or continue to try and pay down the current balance. He understood the timing issues and was appreciative of Staff's outlined options. He stated the decision would be between the \$25,000 reduction and taking equity out to expedite projects. He stated support for the Los Alamitos Blvd. project and the opportunity it would provide to motivate businesses.

Council Member Grose indicated he was leaning towards using the equity to fund projects. He stated support for the relocation of the Civic Center and questioned if the projects needed to be finished in three years.

Kim Byron's, Best, Best, and Krieger (BBK), stated this would be a tax exempt municipal bond to be used for capital facilities and provided examples of what the funds could be used for. She explained the City would need to reasonably expect to spend the funds within three years from the day the bonds are issued and would be required to identify a fairly refined list of projects. The projects would not have to be completed in three years, but the funds would need to be spent.

Council Member Grose stated there were items the funds could be utilized for in regards to the Los Alamitos Blvd. project, but was not supportive of rehabilitating existing facilities. He was unsure if the downtown project or Civic Center relocation projects would be ready in three years. He stated a preference for maximizing the use of existing assets to create additional funding for potential improvements, especially in the downtown area as it had a better chance than the Civic Center relocation. He asked if the City would be penalized if the money was not spent in the timeframe on the identified projects.

Ms. Byrons stated the risk was with Internal Revenue Service (IRS). She gave a brief outline of the IRS' active policy to audit municipal bonds and the possibility of the bonds becoming taxable. She advised it was a good idea to have a plan and suggested using projects in the CIP and saving the CIP budget for later years.

Mayor Pro Tem Edgar questioned the types of bonds and any associated fees.

Ms. Byrons briefly explained the process and stated the interest rate the City would pay would be set on the day the bonds were priced and do not change.

Administrative Services Director Al-Imam asked for explanations of competitive sale and negotiated sales.

Ms. Byrons briefly explained the two types of sales. Competitive sales were advertised and bonds were bought at a specific price. Negotiated sales had variable rates, but the prices were set by the City.

Mayor Pro Tem Edgar appreciated the explanation and questioned if it was possible for the City to receive a worse interest rate.

Ms. Byrons explained the interest rate risk is based on overall general fund rating and what the City's debt service is. If debt service is extraordinary high, it will impact the rating.

Mayor Murphy asked how many bonds become taxable for the people that fail to spend the funds in the designated time frame.

Ms. Byrons stated generally a payment is made to the IRS and the bonds remain untaxed.

Council Member Hasselbrink stated support for refinancing at a lower interest rate. She indicated she would be comfortable borrowing additional funds that were specific to projects and suggested the unfunded Capital Improvement Projects (CIP).

Council Member Kusumoto agreed the CIP would be a good place to begin. He pointed out there were many projects in the works (i.e. Los Alamitos Blvd., relocation of Civic Center) and he was concerned there would not be a cohesive plan to spend the additional funds. He stated he could not support the additional funds at this point because there needed to be a strategy.

Council Member Grose spoke regarding the risk of refinancing now or at a later date. He believed Council would be more prudent to look at the opportunity to have assets available to do things in a faster time frame. He stated the Los Alamitos Blvd. project and Civic Center relocation projects were not ready. He stated concern for interfering with grant funding on certain projects. He indicated support for only refinancing and extending the term 30 years.

Mayor Pro Tem Edgar was cautious of sending the wrong message to the community regarding spending extra money. He asked the financial advisor if Council could withdraw and go with the initial amount.

Tom Johnson, Fieldman Rolapp, briefly explained the process and indicated Council should have a firm amount by July 10. He added an increase or decrease in debt service would not make a difference in the credit rating and advised the firm wanted what was best for the City.

Mayor Pro Tem Edgar stated his understanding that at this point in time, Staff needed direction regarding the refinancing only.

Mayor Murphy stated there was support for Staff recommendations 1, 3, and 4. Additional direction was needed for recommendation 2.

Council Member Kusumoto stated support for item 2 clarifying Council would need an additional discussion to allocate the funds prior to the issuance of the bonds.

City Manager Plumlee clarified if all 4 items were approved, the only determination left would be to approve a specific list of projects by the second week of July.

Administrative Services Director Al-Imam advised the projects could be discussed in July before the final approval of the documents by August 10.

Council Member Kusumoto stated support for moving forward.

Staff and Mr. Johnson briefly discussed the timeline.

Motion/Second: Hasselbrink/Grose

Carried 4/0 (Kusumoto abstained): The City Council:

1. Discussed the bond financing timeline; and,
2. Determined the City Council desired to extend the amortization period from 21 years to 30 years, which would provide for approximately \$915,000 of new money to be used on capital projects while keeping debt service at levels just below current payments; and,
3. Approved the Professional Services Agreement with Best, Best & Krieger LLP for Bond and Disclosure Counsel Services; and,

4. Reviewed and approved the Scope of Services for Bond and Disclosure Counsel Services as set forth in Best, Best & Krieger's May 18, 2015 proposal.

B. Joint Forces Training Base Pool Lease Update (Community Services)
Since the March 23rd Special Meeting the City Council had regarding the proposed lease agreement from the Joint Forces Training Base (JFTB), City Staff has not received an updated proposed lease agreement. Rather, the JFTB staff has informed the City about the likelihood that the JFTB will be "submitting a Report of Availability (ROA) for the Pool, which is one of the first steps in opening the bid seeking process." The City Council has several options in how to proceed with seeking a new pool lease agreement or terminating use of the pool.

Mayor Murphy opened the item for public comment.

Diane Wood, resident, stated concern for alarms going off in the Highland neighborhood and requested the Police Department provide education for turning alarms on and off.

Mayor Murphy closed the item for public comment.

Recreation and Community Services Director Lakin summarized the Staff report, referring to the information contained therein, and answered questions from the City Council.

Council Member Grose provided background on the Base and the change in command over the years. He spoke regarding his conversations with Brigadier General Reddicks regarding the pool lease and the process involving the Army Corps of Engineers. He stated a preference for a 20 year lease versus a five year lease so decisions regarding needed improvements could be made. He advised he was prepared to make recommendations based off Staff's suggestions, but would like to hear from his colleagues and answer any additional questions. He indicated Brigadier General Reddicks and his staff were invited but were unavailable due to being at Camp Roberts.

RECESS

The City Council took a brief recess at 7:38 p.m.

RECONVENE

The City Council reconvened in Regular session at 7:55 p.m.

Council Member Hasselbrink pointed out at this point the Base was not willing to negotiate and questioned if there were no additional bidders for operations and maintenance of the pool, if the Base would negotiate then.

She believed at this point Council's option was to wait for the bid and respond accordingly.

Council Member Grose advised he was not speaking for the Base, but believed the Base was waiting for the Army Corps of Engineers to provide a scope. Brigadier General Reddicks did not believe it would be produced in a timely manner and, at that time, he could go to General Baldwin to discuss the City remaining the tenant.

Council Member Hasselbrink questioned if the lease could be negotiated down at that point and questioned how tenant improvements could be required in the lease.

Council Member Grose advised Brigadier General Reddicks' comments stated the costs to operate the pool and decommission the pool were known. He was not assured Brigadier General Reddicks had a strong feeling either way; however, he believed General Baldwin had a strong commitment to continuing the relationship with the City. He stated nothing could be done until the agreement was ready and stated support for moving forward.

Mayor Murphy indicated in his meeting with Brigadier General Reddicks, he believed there was an overall commitment to work with the City. The issue was timing. He suggested Staff work on an extension so current user groups had some certainty and send a letter to General Baldwin introducing the problem and the short timeframe. He personally believed Brigadier General Reddicks would like the City to occupy the pool, but realized personnel changes were occurring on the Base. He stated concerns the estimate to repair the pool was \$1.3 million.

Staff and Council discussed the possible costs for repairs to the pool.

Mayor Murphy stated support for beginning discussions with elected officials for possible funding. Should the City be able to afford the lease, the possible costs in repairs may not be feasible. He stated the City had a good case with over a quarter million users and thought the youth groups should be active in writing letters as well. He was supportive of developing a strategy while keeping Brigadier General Reddicks informed.

Mayor Pro Tem Edgar indicated the City had a role as an operator and as User Group. He requested Staff investigate how much was spent at the pool since the City took over in 1995 and pointed out the Base had not invested any funds. He supported the pool and gave a brief history of the pool funding. He stated concern the negotiations had not started over two years ago when Council had decided to stop funding improvements at the pool due to the uncertain future. He spoke briefly regarding the community

relationship with the Base and changing times. He pointed out there still was not an agreement for the 4th of July event and spoke briefly regarding his concerns on maintaining a partnership. He stated a preference for shutting the pool down now versus continuing operations and repairs of the pool until the Base could bid the project. He stated concern that Legislators would not be able to assist with funds as appropriations were already made and reiterated frustration this process had not started two years ago. He spoke briefly pointing out the following topics: home to the USA Water Polo Team, benefits of having the City as a tenant to the Base, possibility of User Groups having to invest more should the City leave, and possible opportunity to request reimbursement for the \$2.5 million invested in the pool. He understood at this point negotiations were over and the City was waiting of the US Army Corps of Engineers to finish its process.

City Manager Plumlee stated that was accurate and indicated the City was currently waiting for the Base to release the bid.

Mayor Pro Tem Edgar stated the City had done its due diligence in negotiations. He questioned how proactive the City wanted to be now that negotiations were clearly over and questioned if the City should maintain operations for the next 8 to 9 months.

Council Member Kusumoto recognized the City was being affected by the change of command and polices at the Base. He believed the concern was planning a graceful exit versus shutting the pool down completely. He believed the City had limited options at this point and asked for Council Member Grose's recommendations.

Council Member Grose respectfully disagreed with Mayor Pro Tem Edgar. He believed the City should take a firm stance stating that the City was not going to wait around.

Motion/Second: Grose/Murphy

1. Research alternative locations for aquatic programs and events; and,
2. Develop a plan to vacate the pool by February 29, 2016; and,
3. Seek and review additional information for the pool bid; and,
4. Engage Congressman Lowenthal.

Mayor Murphy requested Staff recommendation 2 be added stating the City should be involved in the bidding process. He reiterated the cost of repairs and the new lease may end up excluding the City.

Council Member Grose advised the \$1.3 million for repairs of the pool was not a specific figure, hence the need for a report from the Army Corps of Engineers. He believed it would be a slim chance the City would get back any funds from investments in the pool.

City Manager Plumlee advised the City had hoped to develop a list of completed improvements to help offset future lease costs.

Council Member Grose agreed a firm stance needed to be made, but disagreed negotiations were over. He reiterated support for looking at other options.

Mayor Pro Tem Edgar agreed a firm stance was needed and a discussion should be initiated with the User Groups. He believed at this point leverage needed to be created to reset the discussion and allow the City an equal seat at negotiations.

Council Member Grose believed the Base had been working with the City through several discussions. He stated he would contact Brigadier General Reddicks to discuss his concern that several deadlines were missed. He would inform Brigadier General Reddicks of the City's plan to vacate the pool if the timeline could not be met and, if that was not acceptable to the Base, they would move the project forward.

Mayor Pro Tem Edgar stated support for informing the User Groups the lease would be ending and they should look for alternatives. He questioned the changing relationship at the Base and felt Council was not being aggressive enough. He stated support for Staff recommendation #4 and stated opposition for participating in the bidding process.

Council Member Grose believed the message to send was the City planned to move forward, exit the pool, and look for alternatives. He stated the City was being open and transparent and felt the Base was not ready to deal with the public aspect. He spoke about the important influence the community could have on Base projects, stated support for User Groups sending letters to the Base and having the media involved in the campaign. He spoke regarding the inconvenience to the Race on the Base by the change in leadership.

Mayor Pro Tem Edgar believed if the Council were to take an aggressive stance, it should be all in and felt the USA Water Polo Team having to relocate would be a news worthy event.

Council Member Grose expressed frustration that Brigadier General Reddicks had not provided the information in the promised time frame. He stated it was time the Base understood the City's position and inability to operate in this fashion.

Mayor Murphy asked if Staff believed the Base understood the rules the City was operating under with the new leadership.

City Manager Plumlee agreed there was new leadership operating under Federal guidelines. He believed the City was a unique tenant.

Mayor Murphy suggested requesting a one year extension and using the USA Water Polo Team as justification.

Mayor Pro Tem Edgar questioned if that would take away the City's leverage.

Mayor Murphy stated concern the Base would not be any closer in December as they had already missed numerous deadlines and changed contracts for the Race on the Base and 4th of July.

City Manager Plumlee referred to the letter sent to General Baldwin over four months ago and indicated a lease extension had been mentioned with no response. The same had occurred at the community workshop.

Council Member Kusumoto pointed out the Federal government often rented facilities for \$1 a year and questioned the policy change. He requested to see the Base's regulations and policy they are trying to adhere to so the City could have a better understanding of the costs. He stated support for asking the decision makers what they are trying to do and what policy they are adhering too.

Council Member Hasselbrink stated support for creating a sense of urgency and sending an official notice to the User Groups that the lease is ending.

Amended Motion/Second: Hasselbrink/Edgar

Unanimously Carried: The City Council directed Staff to:

2. Seek additional information on the bidding process and leave the option open to bid on the future pool lease once the process begins; and,
3. Work with the Pool User Groups to contact elected and appointed officials from the County, State and Federal government who serve

Los Alamitos and the surrounding jurisdictions to gain support for the City to retain a favorable lease agreement for continued use of the JFTB pool; and,

4. Research alternative locations for aquatic activities and develop a plan to vacate the JFTB pool on February 29, 2016; and,
5. Discuss additional alternatives to seeking a new pool lease agreement for use of the JFTB pool and/or an exit strategy while trying to continue offering water safe programming; and,
6. Officially notify User Groups the City will no longer be able to operate the pool.

Community Services Director Lakin clarified the City would contact elected officials as the City and as a User Group.

Council Member Hasselbrink confirmed.

Mayor Pro Tem Edgar stated a copy of the letter should go to Governor Brown as well so he is aware of the sense of urgency.

Council and Staff discussed only key Base personnel involved in the initial workshop would receive the letter.

Council Member Grose suggested postponing letters to elected officials until the Base personnel had a chance to respond.

Council Member Hasselbrink disagreed.

Mayor Pro Tem Edgar requested Brigadier General Mark Toy, US Army Corps of Engineers, be added to the list.

Community Services Director Lakin summarized the letter would notify User Groups that due to current conditions and lack of response from the Base, the City's lease agreement will end on February 29, 2016 and the City will begin plans to vacate and no longer operate the pool. A similar letter would be sent to elected officials.

Council Member Grose requested the following information be included: impact to the User Groups and the significant impact it would have on the community's quality of life, amount of money invested in the pool over the past 20 years, City's attempts to negotiate with the Base over the past year and half; and, USA Water Polo Team losing a place to train.

City Manager Plumlee clarified there would be a variation of three letters to the User Groups, to the Base personnel, and to the legislators.

Mayor Murphy stated the importance of conveying the City had concerns leaving the Base and was being forced out due to the expired lease.

City Manager Plumlee understood and liked the suggestion of a User Group Workshop to discuss other options.

10. PUBLIC HEARING

A. **Introduce Ordinance 2015-04 - Zoning Ordinance Amendment (ZOA) 15-01 to Amend the Zoning Map of the City to Rezone Certain Parcels in the City to Comply with the 2035 General Plan (City initiated)** **(Community Development)**

Consideration of a Zoning Map Amendment to rezone certain parcels in the City to conform to the requirements of the 2015-2035 General Plan (Citywide) (City initiated) as recommended by the Los Alamitos Planning Commission Resolution No. PC 15-03 approved May 27, 2015.

Mayor Murphy opened the Public Hearing.

Beth Piburn spoke in opposition to rezoning the Youth Center and Community Center. She stated it would be difficult to find a similar location in the City and many kids participated in the programs.

Community Development and Public Works Director Mendoza summarized the Staff report, referring to the information contained therein, and answered questions from the City Council.

Mayor Murphy questioned if the City's properties would now be non-conforming. Director Mendoza confirmed.

Assistant City Attorney Kranitz clarified the Community Facilities was no longer a land use designation in the General Plan.

Mayor Murphy stated there would be no issues as long as the properties were retained. Assistant City Attorney Kranitz confirmed.

Council Member Hasselbrink asked what would happen if the City did tenant improvements. Assistant City Attorney Kranitz stated ordinances did not apply to the City.

Council Member Hasselbrink stated it would only come into effect if the City sold the properties. The City could still make improvements.

Motion/Second: Grose/Kusumoto
Unanimously Carried: The City Council:

1. Opened the Public Hearing; and,
2. Determined that the proposed project has met the requirement of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines and has been reviewed in compliance with the provisions of the California Environmental Quality Act (CEQA). The City Council of the City of Los Alamitos, California, certified the Final Environmental Impact Report on March 23, 2015 for the Los Alamitos General Plan to include land use changes for various parcels and adopting environmental findings, a statement of overriding considerations and a mitigation monitoring and reporting plan pursuant to the California Environmental Quality Act. As zoning is required to be consistent with the General Plan, the impacts relating to the zone changes are identical to the impacts that were covered in the Program EIR and there are no new impacts which would occur from such changes. As such, the zone changes are within the scope of the Program EIR #2013121055.
3. Introduced, waived reading in full and authorized reading by title only of Ordinance No. 2015-04, and set for second reading; and,
4. City Clerk Quintanar read the title of Ordinance No. 2015-04, entitled, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, APPROVING ZONING ORDINANCE AMENDMENT (ZOA) 15-01 TO rezone various parcels in the City to conform to the 2035 General Plan (City initiated).

**B. Adoption of the City of Los Alamitos Fiscal Year 2015-16 Annual Operating and Capital Improvement Program (CIP) Budget
(Administrative Services)**

City Charter Sections 1201-1205 govern the development and adoption of the City's Annual Budget. Section 1203 requires a public hearing for public input on the proposed budget. Thereafter, the City Council shall adopt the budget with revisions, if any; establish estimated revenues, expenditure appropriations, and transfers of funds of the City.

Administrative Services Director Al-Imam summarized the Staff report, referring to the information contained therein, and answered questions from the City Council.

Mayor Murphy opened the Public Hearing.

Council Member Grose stated he was not satisfied Council had done all that it could, but in the interest of moving forward, he would support the item. He questioned if there was sufficient budgeted funds to handle the refinancing without any additional fees.

Administrative Services Director Al-Imam stated there was sufficient funding and gave a brief explanation.

Council Member Grose referred to the presentation by the League of California Cities where police funds were being eliminated and questioned if the Supplemental Law Enforcement fund would be impacted.

Police Chief Mattern did not believe it would be, but would look into it.

Council Member Grose referred to the City Attorney's budget and stated support for reducing the legal services budget to \$120,000. He stated opposition to current budgeting practices that allowed the City Attorney to go over their retainer, but still remain under budget.

Motion: Grose
Approve Staff recommendation.

Mayor Murphy suggested creating a separate legal defense fund.

Council Member Grose stated support for setting the retainer at \$100,000 to constrain the fees and have the City Attorney request more if needed for specific events. A separate account of \$51,000 could be used for litigation and separate account projects.

City Manager Plumlee clarified \$150,000 was budgeted for legal services and \$5,000 for litigation, which was low. He recommended leaving the budget as is and Staff would continue to monitor and work with the City Attorney's Office to keep within the retainer as much as possible.

Mayor Pro Tem Edgar stated support for setting the budget at \$98,000, and recognizing any dollar over as an overrun.

Council Member Grose questioned why the anticipated year end was \$150,000 when he believed that was not the case.

Administrative Services Director Al-Imam advised the year end has not closed yet and the amount would be revised once the year end closed.

City Manager Plumlee questioned if Council wanted to have a separate line item of \$50,000.

Council Member Grose reiterated the importance of keeping legal fees within the retainer and expressed concerns Council could not receive copies of the City Attorney's billing.

Mayor Pro Tem Edgar asked for clarification on the bifurcation of the fund.

Council Member Grose stated he would like to see \$100,000 for legal services and \$50,000 in a separate fund if needed.

Council Member Hasselbrink asked if procedurally \$100,000 could be budgeted for City Attorney and have the remaining \$51,000 added to litigation.

City Council and Staff continued discussion regarding the City Attorney's budget and approval for transfers of money. Consensus was reached to bifurcate the fund \$100,000 for legal services and \$56,000 for litigation.

Mayor Murphy stated he did not feel this would be an issue and stated support for having two line items that would allow the Council to see if retainer fees were being exceeded.

Motion/Second: Grose/Murphy
Unanimously Carried: The City Council:

1. Conducted a Public Hearing on the Proposed Annual Operating and Capital Improvement Program Budget; and,
2. Adopted Resolution No. 2015-16, entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, ADOPTING THE ANNUAL OPERATING AND CAPITAL IMPROVEMENT PROGRAM BUDGET FOR FISCAL YEAR 2015-16", with the following budget amounts: 5261 - \$100,000, and 5264 - \$51,000.

Mayor Murphy thanked his colleagues and Staff for all their hard work. He thanked Administrative Services Al-Imam for his work and stated confidence in the good stewardship of money.

11. ORDINANCE

- A. **Introduce Ordinance 2015-03 – Changing the Cable Television Commission from a 5 to 7 Member Commission (City Manager)**
This item was to consider amending the Los Alamitos Municipal Code to increase the members of the Cable Television Commissioners from 5 to 7.

Mayor Murphy requested the item be delayed one month till after the consultant's recommendations were presented.

Council Member Grose stated there were two good candidates from the last interview process and this change would not happen tonight as it required a second reading and an additional 30 days to become effective.

Council Member Hasselbrink suggested having one of the seven positions be designated for a local business owner.

Council Member Grose stated support.

City Clerk Quintanar advised the Charter required Commissioners be registered voters of the City.

Council Member Hasselbrink asked if preference could be given to a local business owner.

Assistant City Attorney Kranitz suggested bringing the item back to the next Council meeting to allow Staff to properly make the changes to the ordinance.

Council consensus was received to postpone the item to the next regular meeting to allow the ordinance to include preference for a local business owner.

12. MAYOR AND COUNCIL INITIATED BUSINESS

A. Council Announcements

Council Member Hasselbrink spoke regarding attendance at the following events: Forest Lawn Memorial Day event; Girl Scout Bridging Ceremony; Chamber Breakfast and Golf Tournament Dinner; Sunburst Youth Academy Graduation; and, League of California Cities (LOCC) Community Service Policy Committee meeting in Sacramento. She spoke briefly regarding Service 211 ran by the County of Orange that provides community services.

Council Member Kusumoto spoke regarding the following topics: attendance at the Orange County Fire Authority (OCFA) Human Relations Subcommittee and Board meeting; update on AB 1217; potential impacts to OCFA Joint Powers Authority; and, requested a Staff report outlining options for fire safety services.

Council Member Grose and Mayor Pro Tem Edgar stated support for discussion at a future meeting.

Mayor Pro Tem Edgar spoke regarding the following topics: attendance at Forest Lawn Memorial Day event; appreciation for Council Member Hasselbrink's involvement in community events; attendance at Sunburst Youth Academy graduation; concern regarding the relationship with the Base; clarified his position to equally support the pool or plan for a graceful exit, support for continuing the relationship with the Base, while preserving the quality of life; update on SB 355; and, congratulated and wished good luck to his son Ethan who graduated high school.

Mayor Murphy spoke regarding the following topics: attendance at the Sunburst Youth Academy graduation; attendance at Girl Scout Bridging Ceremony; and, frustration and concern regarding AB 1217.

City Manager Plumlee advised California Joint Powers Insurance Authority and Council Member Grose as the West-Comm Chair also sent a letters of opposition for AB 1217. He had been advised the State Association for JPAs would also be sending a letter of opposition. He stated Staff would bring back an analysis as there are concerns regarding the fiscal impact.

13. ITEMS FROM THE CITY MANAGER

City Manager Plumlee advised the 4th of July event on the Base was coming up and there would be a Grand Opening Ceremony for Coyote Creek Park on July 21st at 4:30 p.m.

Council Member Grose spoke regarding the following events: list of events he attended could be found on www.losal.net; congratulated Mayor Murphy on his speech at the Sunburst Youth Academy graduation; encouraged residents to watch the Public Service Announcement on LATV-3 regarding the water issues; and, requested an agenda item to discuss the role of the Budget Standing Committee.

3. CLOSED SESSION – Continued

A. CONFERENCE WITH LABOR NEGOTIATOR

Agency Negotiators: Lisa Kranitz, Assistant City Attorney
Unrepresented Employee: City Manager
Authority: Government Code Section 54957.6

RECESS

The City Council recessed into Closed Session at 9:59 p.m.

RECONVENE

The City Council reconvened in Regular Session at 11:10 p.m.

Assistant City Attorney Kranitz stated there was no reportable action.

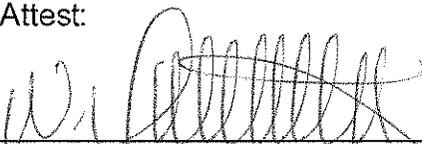
14. **ADJOURNMENT**

The City Council adjourned at 11:10 p.m. to Tuesday, July 21, 2015, for the purpose of holding a Regular meeting. Prayers were requested for City Manager Plumlee's father, Kirby, who was ill.



Richard D. Murphy, Mayor

Attest:



Windmera Quintanar, CMC, City Clerk