

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

SPECIAL MEETING – May 2, 2011

1. CALL TO ORDER

The City Council met in Special Session at 5:07 p.m., Monday, May 2, 2011 in the Council Chambers, 3191 Katella Avenue, Mayor Stephens presiding.

2. ROLL CALL

Present: Council Members: Graham-Mejia, Kusumoto, Poe
Mayor Pro Tem Edgar, Mayor Stephens

Absent: Council Members: None

Present: Staff: Jeffrey L. Stewart, City Manager
Anita Agramonte, Finance Manager
Angie Avery, Community Services Director
Tony Brandyberry, Public Works Supt.
Dave Hunt, City Engineer
Adria M. Jimenez, City Clerk
Todd Mattern, Police Chief
Steven Mendoza, Community Development Dir.
Cassandra Palmer, Support Services Manager

3. ORAL COMMUNICATIONS

Richard Murphy, resident, requested information on the unfunded pension plan, and asked if the City could figure out what the amount is, where it comes from and how does the City avoid it in the future.

Anita Agramonte, Finance Manager, advised the unfunded pension is part of the new GASB 45 reporting requirements and constitutes medical payments for retirees. She advised that this last year was the first year the City was required to report on that; it is not a new liability.

Jeffrey L. Stewart, City Manager, noted that the City Council set aside \$250,000 from the trash contract to fund the future liabilities.

4. SPECIAL ORDERS OF THE DAY

Review of the Fiscal Year 2011-12 Special Revenue, Debt Service, Capital Improvement Program, and Internal Service Funds Proposed Budgets
This report provides the City Council with the preliminary 2011-12 Proposed Operating and Capital Improvement Budget.

Mr. Stewart advised the City Council that this year they will be presented with the special revenue, debt service and public improvement project funds first and the general fund will be discussed at the final budget meeting. He stated Mr. Hunt is

available to discuss the timing of any public improvement projects. He further advised the City is going to present a balanced budget this year. Mr. Stewart handed the floor to Ms. Agramonte to provide the presentation on the budget.

Ms. Agramonte advised the City Council that staff is presenting a balanced budget without additional cuts. She stated the City is projecting slight increases in general fund revenues (sales tax, property tax) and on the department side of the budget there are no additional cuts or reduction of services to the public. She reviewed the calendar of budget study sessions and noted tonight staff will discuss special revenue funds, debt service funds, and capital project funds; May 16 will cover General Fund revenues and expenditures; and, June 6 will cover any follow-up items and answer any remaining questions. Budget adoption is scheduled for the second meeting in June, with the public hearing.

Ms. Agramonte advised GASB 54 has redefined the way Cities accounts for items; they have established new definitions for Special Revenue Funds, Capital Project Funds, and so forth. She addressed what the new definitions are to make sure the City's classifications fall within the proper definition. She advised that according to GASB 54, Special Revenue Funds are defined as established to account for proceeds of specific revenue sources that are restricted or committed for specific purposes. Special Revenue Funds have to be committed by an outside source.

City Council agreed to ask questions as the budget items are discussed.

Mayor Pro Tem Edgar stated while reviewing the budget he was hoping to simplify financials for future Councils. As he was reviewing the funds he was looking at what type of flow was going in to the fund and how many of the funds have been dormant. Mayor Pro Tem Edgar asked Ms. Agramonte to consider whether or not we still need the fund, is it required, or can the City close the account. He would like to consolidate as many special funds as possible and move them back to the General Fund to maintain it and where it is easier to watch. Mayor Pro Tem Edgar further stated in the staff report there are some recommendations on consolidating some of the special funds; however, he does not believe the recommendation went far enough so when the Council comes to that part of the budget, he would like to further talk about it.

Ms. Agramonte continued her presentation and advised that the City currently has 10 Special Revenue Sources and reviewed the following:

Community Development Block Grant (CDBG) Fund 19

Funds are received through the US Department of Housing and Urban Development CDBG through Orange County. This current fiscal year the City was awarded \$200,000 for alley improvements; and, in this upcoming fiscal year the City was awarded \$89,888 for the installation of ADA curb access ramps. Ms. Agramonte noted that CDBG funds is federal funding the City receives and one of the requirements upon receiving this funding is that the City account for it in a separate fund. She noted that it is active and the City is expecting to receive monies within the next fiscal year.

Gas Tax Fund 20

This money is required to be accounted for separately and this is gas tax revenues received on a per capita basis. This fund also accounts for the Traffic Congestion Relief funding. Projected for next Fiscal Year is \$199,000 in Gas Tax revenue and \$136,000 in Traffic Congestion Relief funding. This funding is used for street related capital projects, and a portion is transferred to the General Fund for the operation of the street division to cover the costs of street lighting and other items.

Mayor Pro Tem Edgar stated that whatever happens with Rossmoor, it should be noted that per capita funds are population driven funds that the City receives depending on the size of the City.

Public Safety Augmentation Fund 21

Ms. Agramonte advised this fund is the ½ cent sales tax received. Some cities have it in a separate fund and some cities have it in the General Fund. From an accounting standpoint, it's easier to track and report if it is in a separate fund, but it is at the Council's discretion. If Council would like staff to consolidate this fund, it can be done. Ms. Agramonte advised the City receives approximately \$69,000 a year and typically the funding is transferred to the General Fund to off-set Police Services.

Council Member Graham-Mejia asked what exactly can these funds be used for. She inquired if this fund can be used for the School Resource Officer (SRO).

Ms. Agramonte advised these funds can be used for any police related services.

Mr. Stewart added that this funding can be used for the SRO and this has been discussed internally, but the SLESF Fund will be reduced to zero next fiscal year and funding may or may not be re-established depending on whether or not there is a state-wide election. With the reduction of the SLESF Funds, staff is applying the reserve of this fund and will continue the current level of funding.

Mayor Pro Tem Edgar asked about the SLESF Funds and the payment of the motor officer. Mayor Pro Tem Edgar stated he believed the augmentation was more than \$69,000.

Ms. Agramonte stated that was correct, but the fund is sales tax driven, so as sales tax declines that fund has declined as well.

Mr. Stewart explained that this fund has reduced, but the City had a reserve that was unaccounted for.

Supplemental Law Enforcement Service (SLESF) Fund 22

This fund off-sets the costs of the Motor Officer position. This funding source was an additional tax on VLF which sunsets this year. She advised there are different bills at the State level trying to continue this funding; however, the outcome is unknown.

Council Member Graham-Mejia stated in her first year of the budget vehicle purchases through the Garage Fund were deferred as an attempt to balance the budget. She stated she does not want to prevent City staff from using the processes they are comfortable with and feels there is clarity where things are being spent and it is easy to follow. She asked Tony Brandyberry if he felt what Mayor Pro Tem Edgar is requesting would strap the hands of the people in Public Works.

Tony Brandyberry, Public Services Superintendent, stated either way would be fine; how it is accounted for is the Council's decision.

Council Member Kusumoto asked Mr. Brandyberry how vehicles are purchased and allocated to the different departments.

Mr. Brandyberry stated he contacts the departments and discusses their current vehicles and future needs.

Council Member Kusumoto asked if a department purchases a non-standard vehicle is there a problem in terms of maintenance of that vehicle, and is there a need to require special training to maintain the vehicle.

Mr. Brandyberry stated all City vehicles are purchased through Public Works and recommends which type of vehicles should be purchased.

Mr. Stewart stated what would change is that there would be an annual evaluation of the depreciation schedule along with recommendations made by the departments. What is being suggested is changing the way it is funded and approved by the Council.

Council Member Kusumoto confirmed each department would comprise their capital requests and vet it through the system. If the department wanted to be aggressive they would say it would depreciate faster; if they want to they can also depreciate it slower.

Mayor Pro Tem Edgar stated he recommends Public Works have one account set-up for operations and that would be budgeted and planned based on Mr. Brandyberry's recommendation. The other would be a consolidated master list of capital expenditures or procurement list with every piece of equipment. Prioritization would happen between Mr. Brandyberry and the departments, but City Council would receive one list for all of the expenditures for the City. The City Council would approve a one-page request and the purchasing process would stay with Mr. Brandyberry.

Mr. Stewart confirmed with Mayor Pro Tem Edgar that he is requesting the same for the purchase of equipment as well as vehicles, including the computer replacement fund. Mr. Stewart cautioned that this will show variations in department budgets from year-to-year.

Mr. Stewart advised that staff will bring back a mechanism for Mayor Pro Tem Edgar's request, as well as clear options to either maintain the Garage Fund as an Internal Service Fund or stop and go in a different direction.

Mayor Pro Tem Edgar referred to the Technology Replacement Fund balance of \$146,000, and noted it has significant operational costs built in such as Brea IT for \$89,000. He asked if that has now increased to \$146,000 and stated he hopes there is capital purchases of computers included in that amount.

Ms. Agramonte referred to Attachment I in the agenda packet and reviewed the detail of what consist of the \$158,000 proposed expenditure budget within that fund. She advised contract services for Brea IT will be expiring and staff has proposed \$100,000 in that category not knowing where proposals will come in.

Ms. Agramonte reviewed the proposed equipment list, Attachment D, noting the funding for equipment comes from different sources.

Mayor Pro Tem Edgar inquired about the AQMD Fund and the possibility of using those funds to remove the gas tank from the lot.

Ms. Agramonte stated staff reviewed the requirements to use those funds for the project; however, the project does not qualify.

Mayor Pro Tem Edgar requested additional information on purchasing hybrid vehicles and the need to purchase the vehicles, specifically the Sergeants' Mobile Command SUV replacement.

Mr. Brandyberry stated by using the AQMD funds to purchase vehicles the City is able to decrease the amount of funds used from the Garage Fund. Mr. Brandyberry reviewed the status of the City's current vehicles and the proposal for vehicle replacement.

Council Member Graham-Mejia asked if there is any potential for a savings on gas usage for the hybrid vehicles. She inquired if the hybrid vehicles are also electric vehicles.

Mr. Brandyberry stated on an average the City can save 25%-45% on fuel costs. He confirmed that the hybrid vehicles are half-battery/half-gas.

Council Member Poe asked if there are any AQMD available rebate programs for purchasing hybrid vehicles.

Mr. Brandyberry stated when the funds were first available there were different funds for electric vehicles and compressed natural gas vehicles. They have combined those into the AB2766 Fund and now they are allowing Cities to purchase CNG, propane, hybrid, and electric vehicles through the one fund.

CAPITAL PROJECTS FUNDS

Ms. Agramonte advised that the new definition of this fund under GASB 54 are to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities or other capital assets. She noted under that description, the City has five funds that qualify:

Residential Streets Fund 24

Ms. Agramonte stated this fund was previously categorized as a special revenue fund; however, with the new definition it no longer qualifies as it receives its sole source of funding from the General Fund and interest. At this time, staff is recommending this fund be reclassified as a Capital Improvement Fund and rename it to the Street Improvement Fund, so it is not limited to using it on residential streets only, but any street within the City for improvements. She stated the fund has a beginning fund balance of \$108,000 and staff is proposing to spend approximately \$50,000 towards the design of the Alley Improvement Project.

Council Member Graham-Mejia expressed concern about changing the name. She stated she was not on the City Council at the time, but wondered if Council specifically gave the fund that name so it would provide for the residents. She asked before Council moves forward with changing the fund name, she would like a commitment from the Council that it will not become a fund merely for businesses. She stated she is not sure she is comfortable with the recommendation.

Council Member Poe provided history on this fund. She stated she is concerned about not having a Residential Street Fund, and asked for an update of where the City is on the plan and what residential streets have been repaved.

Mr. Hunt advised there is a 7-year residential street plan and in this upcoming year staff will be finishing that plan. Mr. Hunt advised that the following residential areas need to be looked at: Old Dutch Haven, Suburbia, Old Town East, and Old Town West. He further stated staff has reviewed alleys in the City that have not been repaved. Staff would like to have those alleys designed and shelf-ready so funding can be located and the alleys ready to be repaired.

Council Member Poe stated she is concerned that if the name was changed to Street Improvement Fund that the residential areas would be neglected.

Council Member Kusumoto agreed with Council Member Poe and Council Member Graham-Mejia and stated he understands the accounting simplification would be to consolidate, but stated he does not think the City needs to have that separately earmarked for these other purposes.

Mayor Pro Tem Edgar stated he would agree with the Council if the City is going to repave residential streets, ask the City Engineer to estimate an amount for a plan on everything the City needs to do, and Council would earmark the entire estimated amount for the project over the next six to seven years. He stated that

this is not how this fund has worked. He stated it is a fund that does not have any source of revenue; it is not capturing the essence and spirit of what he thinks he hears what Council Members want it to be. He further stated that it does not serve a business purpose from his perspective and believes it is a color of money issue. He stated that he appreciates what the Council Members are saying and asked them to think about it from that perspective.

Council Member Poe stated she believed that when this fund was initially created it was funded a specific amount every year. She stated when she was off the Council for two years, there seemed to be a challenge with the Council agreeing to spend savings and invest money in a Residential Street Program. She stated the one thing Council could agree on is that it was not going to be funded out of savings and the compromise seemed to be that a fund was established and a lot of money was placed into that fund where Council would use it. She stated the Council should test themselves and fund it; place real money into the fund for the next six years for the residents.

Mayor Stephens inquired if there is any way of projecting the value of this fund starting next year if it was residential only.

Mr. Hunt stated he would be able to once the PMP is in place. He stated he will actually be able to generate dollar figures for streets and staff would be able to set up a priority system and spread out the costs over a reasonable time period. We would have a total current value of all the information necessary.

Mayor Stephens stated the fund should be left as a Residential Street Program and as far as any other street projects in the City Measure M Funds have been heavily relied upon over the years.

Ms. Agramonte confirmed that the City will not rename the Residential Street Program; however, can move forward in re-categorizing the fund as a Capital Improvement Fund.

Mayor Stephens responded in the affirmative.

Building Improvement Fund 25

Ms. Agramonte stated this was previously categorized as a Special Revenue Fund; however, it does not meet the new definition as it only receives funding from the General Fund and is currently only receiving interest. Proposed expenditures total \$132,000.

Park Development Fund 40

Ms. Agramonte stated that the Park Development Fund is a Capital Projects Fund that is utilized for improvements in City parks and accounts for park development fees; however, the City has not collected much in park development fees over the last few years and the only projected revenue is interest. The \$155,000 in proposed expenditures is the Laurel Park Improvement Project that is budgeted in the current fiscal year.

Council Member Poe asked for an explanation of what are Park Development Fees.

Ms. Agramonte stated that when there is new development in the City developers are asked to fund the development of parks within the City that residents benefit from. Since the City is mostly built-out, there is not much new development, so we have not seen much in the fees.

Mayor Pro Tem Edgar stated that he would like to close out the Building Improvement Fund and the Park Development Fund and move anything that is left after the expenditures and put whatever is left in the General Fund.

Council Member Graham-Mejia stated she likes that the City has separate funds so the Council can clearly differentiate where money is being spent. She stated that was one of the big issues when she first was on the Council. She stated that it is a simple way for us to track what we are doing, keep it categorized and for me organizationally that makes perfect sense. She stated she would like to ask that the Council keeps it this way.

Ms. Agramonte suggested that the City create one Capital Improvement Fund and within that fund have different categories such as street improvement, residential, parks, buildings and so forth.

Mr. Stewart asked how the City would account for money if it starts coming in.

Ms. Agramonte stated the City would set up separate line items for each of the different projects within the same fund, similar to the different reserves within the General Fund. Staff can establish reserves if the Council agrees for residential projects for parks or other categories.

Council Member Graham-Mejia stated she would hate for the Council not to address these items because all of these items are important to the community. She stated these are placeholders until the economy improves. She stated according to Ms. Agramonte's projections it is going to get better slowly. She stated that a CIP containing a separate line-item is fine with her.

Mayor Pro Tem Edgar stated he understands what Council Member Graham-Mejia is stating; for him how he keeps track of the parks, facilities, streets & draining, is by referring to the lists. He stated he uses Attachment F and the CAFR.

Council Member Graham-Mejia stated for newer people or people with less-experience this is a good way of re-enforcing where the City is obtaining the money from and what it is being used for. She stated it is a tool she uses to make it easier for her to reinforce the information learned.

Ms. Agramonte stated to be able to further consolidate and if a separate fund for capital projects is created staff can then go ahead and transfer the money from Gas Tax and Measure M and account for the projects in one place; in the new Capital Improvement Fund to keep it simple.

Mayor Stephens stated it makes sense to consolidate it into one fund. This is something staff is going to have to bring back to the Council and see if there is an interest.

Council Member Poe referred to Attachment F and asked if staff would add to the list the Building Improvement Fund and the Park Development Fund.

Ms. Agramonte advised those are already in the funding source as the funding applies to each of the different sources. What it would do is replace this with the Capital Projects Fund. Referring to the attachment, Ms. Agramonte stated it would be far simpler and it would not have gas tax, traffic improvement, etc. It would have Capital Projects Fund. Council would be able to see each project with their associated costs.

Council Member Kusumoto clarified "associated costs" as associated budget amount and asked if it would be staff's responsibility to match capital money with where it is spent, because of restrictions.

Mayor Pro Tem Edgar stated this is a General Fund that would not have a lot of restrictions. He stated there is a steady source of income in some of these funds. He is recommending removing them because they are only funded by the City essentially funding ourselves.

Council Member Kusumoto confirmed Measure M funding would go to this capital budget and that would be allocated to the project.

Mr. Stewart explained that Ms. Agramonte is talking about gathering the funding under one line item. What Mayor Pro Tem Edgar is stating is that there are going to be two of these lines that are close to zero by year's end and should the City carry over a zero line item.

Ms. Agramonte stated she believes at some point the City decided to take a large amount of money from the General Fund and place it in this special fund, and at that point the City was allowed to restrict a fund within ourselves. She stated that restriction is no longer allowed.

Mayor Pro Tem Edgar stated he sees this as a maneuver five to ten years ago with cities where they review financials and create special funds to tuck money away for certain needs and it was never cleaned-up. He spoke about the Residential Street Fund as an example. Mayor Pro Tem Edgar stated Measure M is different because it is required by law. He stated what the Council is talking about is discretionary funds that may not have a purpose now but it makes the City feel good to have them there.

Mr. Stewart stated the City puts money away for emergency building repairs so an allocation at a later time is not necessary. He stated he was in favor of eliminating additional line items and stated the City has an obligation to look at small number line items and if the City is not going to fund them, they should be eliminated.

Council Member Poe stated she believes the Building Improvement Fund was created when the City had development where there was money going into the fund, but if there is not any funding coming to the City, there is no point in having the fund.

Council Member Graham-Mejia asked if the City can project that there will not be any money or new revenues coming in from development. She stated if money comes in it will be placed into the General Fund and then it is never used towards the parks. That is why retaining this is important.

Mr. Stewart stated he would like to keep the fund just for the sense of being optimistic that the economy will come back and the City will have projects. In regards to the Building Fund, he stated the City controls that fund completely and it is not one that he would fight to maintain.

Rivers and Mountains Conservancy (RMC) Fund 41

Ms. Agramonte advised this is the \$1.1 million grant the City was awarded for Coyote Creek improvements and is projected to start this fiscal year.

Mr. Stewart advised that Valorie Shatynski, Acting Executive Director, of RMC is motivated to give the City distinct answers about the project. He asked Mr. Hunt to provide a status on funding.

Mr. Hunt advised City Council he has been working with RMC to obtain a revised agreement for the City to include project management, a new time frame, and the construction costs of the revised plans. Ms. Shatynski committed to go to the Board of Directors in May with the City's revised agreement, the new time frame and construction costs, plus Ms. Shatynski is going to give the City another \$100,000 of funds to pay for construction costs for improvements to the park. Mr. Hunt advised staff has been working with LA County Flood Control, Orange County Flood Control, and So. Cal. Edison in obtaining the agreements. He stated most likely the design will be finished this summer and will go out to bid in the fall. The money will be spent during next fiscal year and will be taken down to zero.

Mayor Pro Tem Edgar updated City Council on the RMC. He stated former Council Member Parker did a good job securing funds, but there have been challenges dealing with Edison in trying to get the land use and design of the park approved. He expressed his concern about the additional \$100,000 from RMC and stated he was considering bringing this issue back to City Council on whether or not the Council would like to continue to pursue this project. He stated he believes this is good for the City, but philosophically he is not sure as a tax payer for the State of California that it is the best use of funds. He stated he will

do whatever the Council would like him to do on the Board. He stated he is not convinced that the project is going to add the amount of value that it seems to be costing us, and stated he believes it is appropriate to have this discussion now because it is something the City has to plan for in the budget.

Council Member Poe confirmed that originally the grant was \$600,000 then the project grew and it has been approximately 6 years. She asked if the City is going to be required to maintain the park and what is the yearly cost to the budget for residents to maintain the project.

Mr. Stewart advised the design includes native plants and disaggregated granite and other items that are low maintenance. The City is looking at a fairly low maintenance park.

Mr. Brandyberry advised he is anticipating it will take one crew member to maintain the park.

Mayor Pro Tem Edgar stated he believes he has seen an estimate of approximately \$114,000.

Council Member Poe asked what the community is going to get from this project. She asked if this is something a lot of the community is going to avail themselves to.

Mayor Pro Tem Edgar stated the project is a beautification project located behind Oak Middle School, with the only access point to the park through the Oak parking lot behind the tennis courts.

Mr. Stewart stated staff has planned for the need of this project; Mr. Brandyberry received an extra half-time maintenance worker with the street sweeping being picked up as part of the trash contract. Mr. Stewart stated when Mr. Brandyberry talks about an additional maintenance worker, which is already built into the staffing. He further stated that the City is not looking at an addition costs or large costs for maintenance, and it should not eliminate this project. He stated that what has kept this project going is the RMC has philosophically believed it is a beautification project and they have an interest in restoring the rights-of-way adjacent to the flood control channel.

Mr. Hunt advised it will move in a much more rapid fashion after May when the City receives a commitment of funds. The City currently has a verbal commitment the money is available, but once they actually give the City the agreement, the project will proceed rapidly through the summer.

Council Member Poe stated if the project goes forward at the next meeting then the City should move forward. But if there is another "snag" and there are more hold-ups, then maybe the Council should reevaluate the project.

Council Member Graham-Mejia stated the City has put so much time into this project that she would hate to think that staff's and Council's time was wasted.

She stated that it is another park, a passive park, a place where some of the more elderly people can go where they will not have kids playing ball; it is a little bit more private. She stated for those who bike, there is something called the Emerald Necklace which is the connection for bikers or possibly runners. She stated people may stop to rest and may come in to town and use the businesses for something and it is something that adds to the beauty of this community. She stated she appreciates Mayor Pro Tem Edgar doing all the work and asked that the City Council stay the course.

Mayor Stephens stated he has been thinking about that area and talking to quit a few people over the year. The Boys and Girl Scouts were interested in the area. He stated he thinks it is something that the Council should start approaching them on a little more, and part of the project could be to assist with the beautification.

Mayor Stephens asked about utilities at the project site. He stated he agrees with Council Member Graham-Mejia and asked the City Council stay the course.

Mr. Stewart advised that there are no utilities; it is a completely passive.

Council Member Graham-Mejia asked if there was any discussion of placing an opening from Royal Oak directly to the park.

Mayor Pro Tem Edgar stated there has not been any discussion, but can inquire.

Mr. Stewart asked if there is access from the LA/OC Flood Control Districts into the property itself or are the gates locked.

Mayor Pro Tem Edgar stated they are open during the day for access.

Mr. Hunt stated the gates will stay open for bicycles and pedestrians only, not vehicles.

Mr. Stewart confirmed there will be connections to the greater trails.

Traffic Improvement Fund 44

Ms. Agramonte stated this fund receives funding from Traffic Mitigation Fees, and Development fees. She stated a few years ago the City was awarded a Federal Grant from the Federal Highway Safety Improvement Grant for the Katella medians at Chestnut Street, and that project is scheduled to start soon and projected to be completed next fiscal year.

Mr. Hunt provided an update on the Katella medians at Chestnut Street project and stated it will be constructed in October.

Ms. Agramonte reviewed the Capital Project carry-over list and noted these are projects which were budgeted in FY 2010-11 and are just now getting started. She stated staff is considering these will be complete in next FY 2011-12.

Mr. Hunt reviewed the Capital Project list and advised the following: in June the Laurel Park Field Construction project will commence; in July the Concrete Repairs and Residential Street Improvements in the Corporate Center Drive, and the Calle Lee Reconstruction is going out to bid as one project. The residential street project includes Chestnut, Walnut, Cerritos, and Humbolt, and Carrier Row access ramps. He stated miscellaneous sidewalk projects throughout the City will be taking place in July. Mr. Hunt noted he purposely delayed projects to have good weather.

Mr. Hunt stated the City is fixing the roof on the Community Center/Youth Center in approximately a month and a half, which is the first phase. Mr. Hunt advised there is a request for additional funds for roof repairs later in the budget process.

Ms. Agramonte reviewed the proposed street and alley projects for FY 2011-12; including the arterial and residential tree program for \$20,000; street marking and striping for \$10,000; street signs and replacement for \$25,000; alley speed limit signs \$10,000; and, concrete repairs for \$30,000.

Council Member Graham-Mejia commented on the street signs in the alleys and stated it has not slowed down traffic; however, people are more aware that it is only 15 mph instead of 20 mph. She asked the Council to consider speed humps in an alley as a way to slow down traffic.

Mayor Stephens stated he agreed with Council Member Graham-Mejia. He stated this is something that needs to be brought back and researched. He also stated that he believes the speed limit signs did little good.

Mr. Stewart confirmed with City Council that they would like to choose an alley to conduct a trial program with speed humps.

Council Member Graham-Mejia asked that the trial be done on one of the alleys closest to Katella.

Mayor Stephens requested that the City Council leave the decision of which alley to the Traffic Commission and they can determine which alley is getting the most use and what will be the most beneficial.

Council Member Graham-Mejia suggested that the Traffic Commission might want to consider an alley that has already been refinished/repaved so the City does not put it over an alley that is not repaved and have it removed and placed back down.

Ms. Agramonte discussed additional street and alley projects to be considered: the Residential Street Improvement ADA Access Ramps, Business Area Improvements, Highland Neighborhood Signals, and the design phase of the Alley Improvement project.

Council Member Graham-Mejia requested additional information on the street light on Bloomfield, by the elementary school. She stated she does not support that and believes the \$40,000 expenditure is unnecessary.

Mr. Hunt stated this was a carryover item from the previous seven year CIP as part of a project and does not have any history on the project.

Council Member Poe stated she had several questions on the CIP project list. She asked for additional information regarding the Katella Avenue Bus Turn-Outs, she stated she understands the City has plans for the future, but if it is needed now and the City can do it why wait till 2016-2017. In regards to the Cerritos and Lexington Intersection Improvements, she stated she believed the City Council discussed this item and sent it to the Traffic Commission. She also asked why are the lights at the intersection of Bloomfield/Los Alamitos Elementary needed.

Council Member Graham-Mejia asked for additional information on the City Hall Complex Roof Repairs project and the allocated amount of \$50,000 for three consecutive years to fix the repairs; she stated she believes it is excessive. She requested money left over from this project be spent on unfunded projects for the parks, more specifically for fixing the fence at Orville Lewis Park.

Mr. Stewart stated the City is looking for money for Orville Lewis Park for this fiscal year. He stated the project is slated for a block wall replacement, but if we are not going to do that in the near future, the City will look at fixing the existing chain link fence.

Council Member Graham-Mejia stated if the City is talking about doing a brick wall there sometime in the near future, why can't the City find funding now; why spend money now for a chain link fence.

Additional discussion ensued regarding the fence at Orville Lewis Park.

Council Member Graham-Mejia requested her question be answered regarding the \$50,000 for three years in a row for re-roofing the City Hall Complex.

Mayor Pro Tem Edgar commented on this item and stated it seems to be the exact amount available in the Building Fund. Since there is no project for it, it is shoehorned into the budget. If this was done right, this would be placed back into the General Fund for use somewhere else.

Mr. Hunt advised last year staff was going to fix one small section of the Community Center roof. At that time, approximately 10 other leaks throughout the entire complex were discovered. He stated the price of fixing a roof correctly is expensive, so staff researched how much will it be to fix the entire complex. Unfortunately, it cannot be done all at once. Mr. Hunt asked the Council to allow staff to prioritize the leaks and try to get them fixed. It is an estimate; it is what staff believes is necessary to correct all the leaks.

Council Member Graham-Mejia asked for specifics for the roof repairs.

Mr. Hunt provided specific information on repairing the roofs.

Additional Council discussion ensued.

Mayor Pro Tem Edgar commented on the following CIP Projects:

- Orville Lewis Park Re-fencing Modification
- Arterial Tree Program - He asked the Council to consider doubling up on this amount to hire an arborist to examine the trees.

Mayor Pro Tem Edgar commented on the CIP list and asked the outer years be reviewed carefully. He questioned the validity of the projects. He asked if Recovery Act Funds are available for the repair of the Chestnut Street intersection at Katella Avenue.

Mr. Hunt stated that the Chestnut Street/Katella Avenue intersection is 100% covered under the Highway Safety Program; and, funds are available.

Mayor Pro Tem Edgar referred to the carry-over projects, noting the City has carried over \$1.7 million dollars worth of projects. He asked for additional information on the Corporate Center Drive project budgeted at \$200,000.

Mr. Hunt advised the Corporate Center Drive project is combined with the residential street and concrete repairs project, going out to bid the first of June.

Council Member Graham-Mejia referred to Attachment H: Removal of the Gas Tank in the Yard; \$40,000. She asked when the City has the gas facility do we receive a lesser rate on gas because we have our own pump.

Mr. Brandyberry advised the City does receive a small discount, not what is expected, but the discount is also made up in the regulatory fees the City has to pay per year. In the end, it is more of a convenience than a costs savings.

Mayor Stephens confirmed the Council has requested staff to bring back the Garage Fund and the Laurel Park Debt Service Fund for additional discussion.

Ms. Agramonte advised the next Budget Special Meeting is scheduled for May 16, 2011, to review the General Fund; June 6th will address the follow-up items, with the Public Hearing and adoption scheduled for June 20th.

Ms. Agramonte noted that GASB 45 information will be reviewed at the next budget special meeting.

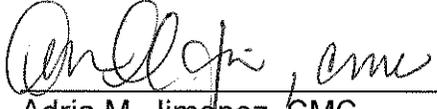
5. **ADJOURNMENT**

Mayor Stephens adjourned the Special Meeting at 7:04 p.m.



Kenneth Stephens, Mayor

ATTEST:



Adria M. Jimenez, CMC
City Clerk