

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

**REGULAR MEETING – June 17, 2013**

**1. CALL TO ORDER**

The City Council met in Regular Session at 6:00 p.m., Monday, June 17, 2013, in the Council Chamber, 3191 Katella Avenue, Mayor Kusumoto presiding.

**2. ROLL CALL**

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

**Absent:** Council Members: None

**Present:** Staff: Gregory D. Korduner, Interim City Manager  
Tony Brandyberry, Public Works Supt.  
Joshua A. Brooks, Finance Director  
Dave Hunt, City Engineer  
Corey Lakin, Community Services Director  
Todd Mattern, Police Chief  
Steven Mendoza, Community Development Director  
Emeline Moya, Recreation Manager  
Ron Noda, Recreation Manager  
Cassandra Palmer, Support Services Manager  
Windmera Quintanar, CMC, City Clerk

**3. PLEDGE OF ALLEGIANCE**

Council Member Edgar led the Pledge of Allegiance.

**4. INVOCATION**

Mayor Pro Tem Graham-Mejia gave the Invocation.

**5. PRESENTATIONS**

**A. Presentation of a Commendation to Coach Barnes for Being Inducted into the California High School Coaches Association Hall of Fame**

The Mayor and City Council presented a Commendation to Coach Barnes. Dianna Hill, School Board Member, gave a brief overview of Coach Barnes' career. Coach Barnes spoke briefly and thanked the Council.

**6. ORAL COMMUNICATIONS**

Mayor Kusumoto opened Oral Communications.

Jenelle Godges, Southern California Edison representative, gave a brief update on the Summer Readiness program and closure of the San Onofore site. Council Member Edgar requested an update regarding the Chino Hills Project. Ms. Godges gave a brief overview.

Shelly Henderson, Chair of Cypress Festival, spoke regarding the Cypress Festival on July 27, at Oak Knoll Park.

Larry Strawther and Shelly Hasselbrink spoke regarding the Sugarbeet Festival on July 13, at "Historic Downtown Los Alamitos".

Richard Vardeman and Richard Rose, residents, spoke in opposition to the Los Alamitos Unified School District's proposed project to install light poles on the fields.

Craig Sabo, resident, requested Council discuss the proposed rate increase for Consolidated Disposal.

Mayor Pro Tem Graham-Mejia stated it would be pulled from Consent Calendar for discussion.

George Briggeman, Chairman of Los Alamitos Aquatics Foundation, and Mark Wagner, Treasurer, spoke regarding the pool at the Joint Forces Training Base and presented the City Council with a check for \$40,000 for pool repairs.

Richard Rose, resident, spoke in opposition to the Los Alamitos Unified School District's proposed project.

Council Member Edgar stated this project was not a Council project and stated concerned residents could contact City Hall for information to get in contact with Sherry Kropp, Superintendent, or Patti Meyers.

Dianna Hill, School Board Member, stated no decision had been made and encouraged residents to attend the July 16 workshop where the item would be considered.

JM Ivler, resident, spoke in opposition to the proposed rate increase for Consolidated Disposal.

Lois Waddle, resident spoke in opposition to billing methods for Consolidated Disposal.

Dawn Hussler, resident, spoke in opposition to the proposed rate increase for Consolidated Disposal and described her poor customer service experiences.

Mayor Kusumoto closed Oral Communications.

## 7. REGISTER OF MAJOR EXPENDITURES

Council Member Grose referred to the expense on page 4 for Douglas Wood, and expressed a concern for the process. He stated Staff had clarified the contractor had not billed the City since January 2012 and the check had already been cut and given to the contractor. He moved approval, but stated concern for the upcoming agenda item regarding the contractor.

Council Member Edgar inquired if it was procedure to release a check before the warrants were approved.

Finance Director Brooks answered in the affirmative and clarified checks are issued to ensure payment in a timely manner.

Interim City Manager Korduner stated this situation was out of the ordinary and stated the contractor had performed the work, but had not billed the City. He indicated the payment was due and available in the budget.

Council Member Edgar inquired how the funding would be reflected since it was over two different fiscal years and if it was included in the actuals.

Finance Director Brooks stated it was not included in the actuals and he would verify a surplus had grown since the City was not billed accordingly.

Council Member Edgar inquired to the legality of releasing payments before Council approval and the process should the Council choose not to approve an issued payment.

City Attorney Reisman clarified the Council ratifies processed payments and stated it would be out of the ordinary to deny payment that was contractually obligated. He added if an adjustment was needed it could be addressed under the existing contract.

Council Member Edgar clarified his opposition was to the procedure followed and not to the contractor.

Mayor Pro Tem Graham-Mejia stated support for the expense and opposition to compelling the contractor to return the payment.

Motion/Second: Grose/Murphy

Unanimously Carried: The City Council approved the Register of Major Expenditures, with the exception of the \$30,675.00 warrant payable to Douglas Wood, for June 17, 2013, in the amount of \$49,998.47, ratified the Register of Major Expenditures for May 21, 2013, to June 16, 2013 in the amount of \$731,399.00 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 June 18, 2013, to July 14, 2013.

**Roll Call Vote**

Council Member Edgar	Aye
Council Member Grose	Aye
Council Member Murphy	Aye
Mayor Pro Tem Graham-Mejia	Aye
Mayor Kusumoto	Aye

Motion/Second: Graham-Mejia/Murphy

Carried 3/2: The City Council approved the \$30,675.00 warrant payable to Douglas Wood, and directed Staff to ensure polices were in place to guarantee timely billing and payment for services.

**Roll Call Vote**

Council Member Edgar	No
Council Member Grose	No
Council Member Murphy	Aye
Mayor Pro Tem Graham-Mejia	Aye
Mayor Kusumoto	Aye

Council Member Grose stated his opposition was to the procedure followed and not to the contractor.

**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.

Mayor Pro Tem Graham-Mejia pulled items 8D and 8G.

Council Member Grose pulled item 8E.

Council Member Edgar pulled item 8F.

Motion/Second: Graham-Mejia/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 6, 2013.
2. Approved the Minutes of the Special Meeting of May 13, 2013.
3. Approved the Minutes of the Special Meeting of May 20, 2013.
4. Approved the Minutes of the Regular Meeting of May 20, 2013.

**B. Warrants (Finance)**

Approved the Warrants for June 17, 2013, in the amount of \$33,678.95, and ratified the Warrants for the time period for May 21, 2013 to June 16, 2013, in the amount of \$95,947.39, 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 18, 2013, to July 14, 2013.

- C. Amendment No. 1 to Professional Services Agreement with Scientia Consulting Group for Information Technology Support Services (PD)**  
The purpose of this report was to amend the Professional Services Agreement with Scientia Consulting Group, extending the term to June 30, 2014, for information technology support services.

The City Council authorized the Mayor to execute Amendment No. 1 to the Professional Services Agreement with Scientia Consulting Group.

- H. Approval of Final Tract Map 17482 (3271 Sausalito Street) (Com. Dev.)**  
The Final Tract Map 17482 for the subdivision of airspace of a single parcel for condominium purposes, located at 3271 Sausalito Street, was ready for submission to the County Recorder's Office for final review.

The City Council:

1. Adopted Resolution No. 2013-12 entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, APPROVING TRACT MAP NO. 17482 FOR THE PROPERTY LOCATED AT 3271 SAUSALITO STREET"; and,
2. Directed the City Clerk to endorse on the title sheet of Tract Map 17482, the certificate which embodies the approval of said maps, and submit maps to the County of Orange Recorder's Office.

- I. Adoption of the City of Los Alamitos Fiscal Year 2013-14 Annual Appropriations Limit (Finance)**  
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. 2013-11 entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, APPROVING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2013-14."

#### **End of Consent Calendar**

#### **Items Pulled from Consent Calendar**

- D. 2013 Rate Adjustment for Solid Waste Services (Com. Dev.)**  
Consolidated Disposal Services (CDS) requested its first rate adjustment permissible under the terms of their Solid Waste Services Franchise Agreement. The requested adjustment amounted to an increase of 2.57%

for residential services and 2.46% increase for commercial services (including multi-family residential units).

Community Development Director Mendoza summarized the Staff report, referring to the information contained therein, and answered questions from the City Council. He indicated Sam Hall, Consolidated Disposal Services (CDS) representative, was present to answer questions.

Mayor Pro Tem Graham-Mejia inquired if there was an increase immediately after the contract was originally approved.

Mr. Hall stated he did not have that historical background.

Mayor Pro Tem Graham-Mejia stated the contract had almost immediately increased after approval and that CDS was not the lowest responsible bidder. She indicated she had cautioned against these hidden fees and questioned CDS's claim to owning its own landfill which would allow for inexpensive cost.

Mr. Hall stated CDS did own its own landfill; however, the City had a contract with the County of Orange to dispose in the Orange County Landfill System.

Mayor Pro Tem Graham-Mejia stated that information was misleading as the ownership of the landfill was supposed to make the contract more cost effective and a better company to go with.

Council Member Grose stated opposition to revisiting the history of the contract and stated concern that the request was submitted on April 22, 2013, the latest allowable day. He stated residents wanted an opportunity to provide input and discuss the fees and nothing was presented to the Chamber of Commerce. He stated support for additional discussion of the proposed increase and inquired if there was indeed a fee increase after the original approval of the contract.

Community Development Director Mendoza recalled an optional service that was added for Household Hazardous Waste of approximately 40 cents.

Council Member Grose stated the contract allowed for the rate increase request, but felt the amount was based on a formula versus actual cost. He stated support for a Public Hearing that would allow residents and businesses to voice their concerns and better justification to support the increase. He expressed his intent to honor the agreement in a manner that was equitable to the City and the provider.

Mayor Pro Tem Graham-Mejia inquired on what grounds the City Council could refuse the increase.

City Attorney Reisman stated the contract with CDS permitted an increase if the figures could be justified.

Mr. Hall clarified Republic Services acquired CDS several years ago and had slowly transitioned to the Republic Services name. He gave an overview of the services provided and sponsored community events. He stated the rate adjustment was part of the agreement and was in line with the CPI and rising third party costs, such as disposing at the OC Landfill. He pointed out Republic had absorbed some of the increases and this was the first requested adjustment with the City in three years.

Mayor Kusumoto inquired what powered the vehicles.

Mr. Hall stated the majority of vehicles were natural gas, with some diesel vehicles.

Mayor Kusumoto speculated there had been a price reduction in the cost of natural gas and agreed with Council Member Grose that additional justification for the adjustment was needed. He stated support for postponing the item.

Council Member Grose clarified that he was supportive of everything Republic has done for the community and believes that it was the best agreement for the citizens. He pointed out Los Alamitos had the lowest residential rates, except for Irvine. He reiterated his belief the contract allowed for a rate request but did not mandate Council accept it. He stated concern the request was made on April 22<sup>nd</sup> and would be implemented in 13 days without any input from the community. He stated support for allowing the community to be involved.

Mayor Kusumoto opened the item for public comment.

Carmen Delion, resident, stated opposition to the rate increase.

Mayor Kusumoto closed the item for public comment.

Motion/Second: Grose/Graham-Mejia

Motion: Reschedule the discussion to July 15<sup>th</sup> as a Public Hearing to allow more input from the contractor, residents, and businesses.

Council Member Edgar did not think continuing the item would be helpful. He stated he understood Republic had the right to request an increase and he was appreciative of everything the company has done. He stated

surprise that the increase was being requested. He reiterated the City had the second lowest residential rate in Orange County. He thanked Mr. Hall for his support of Council. He stated concern customer status reports were not provided by Republic on a regular basis and requested regular quarterly or bi-annual updates. He was also concerned the request was received on April 22<sup>nd</sup> and had just now come to Council. He felt better communication was needed, especially in regards to customer service statistics, so a balanced conclusion could be made. He advised Republic should finish its five year contract as is and stated the people who appreciate the contract are not coming forward. He stated opposition to the motion on the floor and stated support for voting no tonight.

Mayor Pro Tem Graham-Mejia clarified Consolidated was \$6.5 million more than the lowest responsible bidder and stated her belief that Council was responsible for obtaining the lowest price. She felt the lowest responsible bidder would have provided the same service and would have been less even if increases were implemented after. She stated Superior Court Judge Banks had found the City guilty for not awarding to the waste hauling contract to the lowest responsible bidder. She believed the request was a hidden tax and further stated the contractor's involvement was built into the contract. She stated it was her responsibility to present both sides and believed the City could be paying less. She advised the residents to be involved, stay informed, and provide feedback.

City Attorney Reisman accepted responsibility in the delay bringing the item forward after the request was received on April 22. He indicated research was necessary for the proper noticing requirements, which Republic paid for.

Council Member Grose clarified the proposed increase was minimal and his concern was regarding the specifics of the process and allowing sufficient public input.

Mayor Kusumoto stated the process should be fair to the residents, businesses, and contractor. He felt questions needed to be properly addressed and input provided.

Mayor Pro Tem Graham-Mejia rescinded her second and stated she would prefer to vote no for the proposed increase.

Council Member Murphy asked for clarification regarding the Council's contractual obligation to approve the rate increase.

City Attorney Reisman stated contractually Republic is entitled to request an increase and the franchise agreement does not specifically state the Council is required to grant the increase.

Motion/Second: Graham- Mejia/Kusumoto

Carried 4/1 (Grose cast the dissenting vote): The City Council did not approve the 2013 rate adjustment of 2.57% for residential services and 2.46% for commercial services effective July 1, 2013.

**E. Amendment No. 1 to Professional Services Agreement with Douglas L. Wood for the Provision of Services Related to the Administration of LATV (City Manager)**

This item was to consider continuing services with Douglas L. Wood.

Interim City Manager Korduner summarized the Staff report, referring to the information contained therein and answered questions from the City Council.

Council Member Grose expressed the following concerns regarding the process: timeliness of billing; supervision of contractor; funding from LATV PEG fund and General Fund; services billed per hour, but invoices do not include details; proper oversight and reporting process; and, Policies and Procedures for LATV last approved on November 16, 2009. He stated the previous City Manager had been responsible for oversight of the Cable Commission and now Finance Director Brooks was responsible. He expressed concern Finance Director Brooks did not have experience or expertise in TV production. He inquired if a policy needed to be set or if Council should rely on Staff to oversee the billing. He reiterated his concern was for the process and not the contractor.

Council Member Murphy stated support for the contract, but agreed the billing could be reviewed in a better manner. He stated support for further discussion regarding LATV at a later date.

Mayor Pro Tem Graham-Mejia stated the contractor had done a great job for the City. She asked Staff to provide Council with better tracking of the hours worked and services performed and stated support for implementing a policy.

Council Member Edgar agreed the contractor had done a good job. He stated support for approving the contract and having the Cable Commission review the policy and provide a recommendation to Council.

Mayor Kusumoto stated Staff should be able to verify the services rendered by utilizing the time stamp. He agreed a policy validating and verifying the services provided should go before the Commission and stated he did not have an issue with the contract.

Motion/Second: Murphy/Graham-Mejia

Unanimously Carried: The City Council authorized the Mayor to execute Amendment 1 to the Professional Services Agreement with Douglas L. Wood for the provision of services related to LATV.

**F. Approval of Notice of Completion for Old Town East and West Street Improvement Project (CIP No. 12/13-02) (Public Works)**

The Old Town East and West Improvement project was completed and in compliance with the plans and specifications. Staff recommended City Council accept the work as complete, direct filing of the Notice of Completion, and authorize retention release as prescribed by the Public Contracts Codes.

City Engineer Hunt summarized the Staff report, referring to the information contained therein, and answered questions from the City Council.

Council Member Edgar stated concern regarding the amounts of the change orders. He pointed out generally there is a 10% contingency; however, this project had a 20% contingency that was completely used. He stated the project was good and was interested in feedback from the community. He expressed concern regarding the accuracy of the bids; but stated support for the item. He stated the contingency of future projects would be examined carefully.

Council Member Grose stated the original project had been approved more than 10 years ago and required relocation of contaminated soil. He felt Staff had gone above and beyond. His main concern was the drainage which Staff corrected. He indicated there had been no rain, but was satisfied with the project.

Mayor Pro Tem Graham-Mejia extended congratulations to City Engineer Hunt and Public Works Superintendent Brandyberry. She indicated she had received compliments and the residents were appreciative of the great work; however, there was a concern regarding the greenbelt.

City Engineer Hunt indicated the contractor reseeded the greenbelt and Staff had readdressed the customers who had remaining concerns.

Motion/Second: Edgar/Murphy

Unanimously Carried: The City Council:

1. Accepted as complete the construction contract by Sequel Contractors for the Old Town East and West Improvement project; and,

2. Directed the City Clerk to record the Notice of Completion/Final Report with the County Recorder's office; and,
3. Authorized Staff to Release the 5% retention to the contractor, in the amount of \$20,092.99, thirty-five (35) days after recordation of the Notice of Completion.

**G. Amendment No. 1 to Professional Services Agreement for Traffic Signal Maintenance Services (Public Works)**

This item is to consider continuing services with Computer Service Company to provide traffic signal maintenance services. The current Professional Services Agreement (PSA) expired on January 31, 2013, but can be extended by mutual agreement.

City Engineer Hunt summarized the Staff report, referring to the information contained therein, and answered questions from the City Council.

Mayor Pro Tem Graham-Mejia stated her understanding that all the signal lights were LED except for the yellow lights and this was done because they last longer and save on Staff time.

City Engineer Hunt clarified the yellow lights are being replaced with LED's when they burn out and the main benefit was the energy cost savings.

Mayor Pro Tem Graham-Mejia stated some signals were in need of maintenance and repair and requested they be brought up to standards.

Public Works Superintendent Brandyberry indicated the process began six months ago and would take approximately six months to complete each intersection.

Motion/Second: Graham-Mejia/Edgar

Unanimously Carried: The City Council authorized the Mayor to execute Amendment No. 1 of the PSA with Computer Service Company for traffic signal maintenance services.

**RECESS**

City Council took a brief recess at 8:10 p.m.

**RECONVENE**

City Council reconvened in Regular session at 8:27 p.m.

9. PUBLIC HEARING

A. **Zoning Ordinance Amendment (ZOA) 13-01 – Ordinance to Amend the Zoning Code Concerning “Convenience Store/Mini-Marts”**

**(Community Development)**

As a result of Council direction, the Planning Commission is forwarding its recommendation for changes in the Code to allow “Convenience Store/Mini-Marts” in all Commercial and Industrial Zones with a Conditional Use Permit.

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

Mayor Kusumoto opened the Public Hearing. There being no one present wishing to speak, Mayor Kusumoto closed the Public Hearing.

Council Member Grose inquired if the item would require a second reading. City Attorney Resiman and City Clerk Quintanar answered in the affirmative.

Motion/Second: Edgar/Grose

Unanimously Carried: The City Council:

1. Opened the Public Hearing; and,
2. Waived reading in full and authorized reading by title only of Ordinance No. 13-02, and set for second reading; and,
3. City Clerk Quintanar read the title of Ordinance No. 13-02, entitled, “AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, APPROVING ZONING ORDINANCE AMENDMENT (ZOA) 13-01 TO AMEND THE LOS ALAMITOS MUNICIPAL CODE SECTIONS 17.10.020, AND 17.76.020, REGARDING CONVENIENCE STORE/MINI-MART REGULATIONS (CITYWIDE).”

B. **Consideration of Modifying the Schedule of Fees Pertaining to the Use of Facilities and Approving the New Facility Use Policy and Procedures - Rules and Guidelines**

**(Recreation)**

This agenda item presented the Facility User Policy and Procedures - Rules and Guidelines which includes a new field and gymnasium fee schedule and policies and procedures for field and gymnasium use. The Los Alamitos Unified School District Board of Education unanimously approved the Policy and Fees at the May 21 Board Meeting. The Parks, Recreation and Cultural Arts Commission unanimously recommended the

City Council approve the Policy and Fees at the June 5 Commission Meeting.

Interim City Manager Korduner gave a brief introduction and introduced School Board Member, Diana Hill, in the audience. He then turned the presentation over to Recreation and Community Services Director Lakin.

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

Mayor Kusumoto opened the Public Hearing. There being no one present wishing to speak, Mayor Kusumoto closed the Public Hearing.

Motion/Second: Graham-Mejia/Edgar  
Unanimously Carried: The City Council:

1. Opened the Public Hearing; and,
2. Adopted Resolution No. 2013-10 entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, AMENDING RESOLUTION 1895, 2008-12 AND 2008-20 FOR CERTAIN USER FEES."

Council Member Murphy stated this item was a great example of the community working together and thanked everyone for their participation.

- C. Adoption of the City of Los Alamitos Fiscal Year 2013-14 Annual Operating and Capital Improvement Program (CIP) Budget (Finance)**  
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.

Finance Director Brooks summarized the Staff report, referring to the information contained therein, and answered questions from the City Council.

Mayor Kusumoto asked for clarification regarding the billing for Doug Wood and inquired if the surplus was carried forward.

Finance Director Brooks stated the fund balance was growing at a faster rate since the contractor had not billed the City. He clarified although the fund balance was increasing; the City had not been earning revenue as the expenditures had not been recorded.

Mayor Kusumoto opened the Public Hearing.

JM Ivler, resident, spoke regarding the 4<sup>th</sup> of July budget and requested Council ensure the continuation of the event.

Mayor Kusumoto closed the Public Hearing.

Council Member Murphy stated he had an informative meeting with Interim City Manager Korduner and Finance Director Brooks. He indicated the City was spending \$401,091 more than it was taking in and did not believe the budget was positively balanced. He stated fund accounting gave the appearance of a balanced budget, but the difficult decisions to balance the budget had not been made.

Council Member Edgar agreed with Council Member Murphy. He stated the Vehicle Replacement Policy had been approved without knowing the impacts to the budget and added the budget forecasted a \$126,000 impact to the departments. He expressed concern with the policy being implemented even if it was not feasible. He stated concern regarding the revenue projections and felt constraining the revenue line would ensure a balanced budget. He reiterated the revenue projections had remained the same although they were challenged at all the budget meetings since May 6<sup>th</sup> and listed the following points: increase of \$100,000 to the Redflex revenue; increase in Utility Users Tax (UUT) revenue although a 1% decrease was approved by the voters for the Telephone Utility Tax (TUT); overstated Transient Occupancy Tax (TOT); and, forecasted \$100,000 increase in property tax. He reiterated his belief the revenue projections were overstated by \$300,000 and his opposition to a policy that increases expenditures by \$126,000. He stated opposition to the proposed budget.

Council Member Grose agreed that spending more than the City was receiving was a poor practice. He stated while the reserves are sufficient to cover the expenses, reserves are intended for items that are exceptional and beyond expectation. He indicated prior Councils were prudent with the reserve fund and a portion had been set aside for emergency purposes. He stated concern not all efforts had been made to structurally budget the reserves and expenses. He referred to the School Resource Officer (SRO) and stated there had been a successful partnership with the School District and the City of Seal Beach, but the funding was still structurally off. He recognized the time constraints and indicated the State had not passed the budget in a timely manner. He indicated the State Controller presented a positive outlook on June 10<sup>th</sup> by postponing addressing the deficit. He stated he was not comfortable with the budget as presented and the City would be looking at future reductions as opposed to mid-year adjustments.

Mayor Pro Tem Graham-Mejia requested a list of items to be funded from the reserves.

Finance Director Brooks listed the following: Business and Residential Improvement Program – \$10,000; Community Give Back – \$14,000; General Plan Update – \$129,487; Los Alamitos Blvd. Rehabilitation – \$100,000; Pool Improvements – \$40,000; School Resource Officer – \$95,000.

Mayor Pro Tem Graham-Mejia stated to her recollection the SRO was always intended to be funded from the reserves. She indicated the health and welfare of the children was necessary for peace of mind and safety of the schools. She inquired if the Redflex amount of \$125,000 was projected over multiple years.

Finance Director Brooks clarified the projections for FY 2012/13 were only being projected for three months and included actuals received up to May 31<sup>st</sup>. He stated support for the \$400,000 projection for FY 2013/14 and pointed out the projection included a 12% decrease.

Mayor Pro Tem Graham-Mejia reiterated a decrease had been incorporated for future years. She asked for clarification the increase was due to the freeway construction.

Finance Director Brooks stated Staff believed that was a primary reason for the increase.

Mayor Pro Tem Graham-Mejia referred to the Los Alamitos Blvd. Rehabilitation project and stated \$200,000 was budgeted. She clarified \$100,000 proposed for spending this year was for conceptual drawings and outreach.

Community Development Director Mendoza answered in the affirmative. Mayor Pro Tem Graham-Mejia asked how much was spent from the \$100,000 from Compass Blueprint.

City Engineer Hunt stated the City had received \$90,000 and spent in the low \$50,000. He clarified the conceptual design and traffic study was complete and the project had halted at public outreach.

Mayor Pro Tem Graham-Mejia stated support for using the \$200,000 for alley improvements or other Capital Improvement Projects (CIP). She stated opposition to the Revitalization project as the City would need to obtain a great number of grants to fund the project which was estimated to cost between \$2.3 and \$4 million. She stated optional desires should not

have priority over necessary CIP's. She inquired if the \$200,000 could be used on other redevelopment, alleys, signage, or the SRO.

Finance Director Brooks answered in the affirmative.

Mayor Pro Tem Graham-Mejia stated support for allocating the funds for the essential SRO position and indicated it would bring down the \$400,000 excess spending.

Mayor Kusumoto asked what the total amount to come from reserves was.

Finance Director Brooks indicated \$387,000.

Mayor Kusumoto stated the General Plan was in its third year and had always been intended to be funded by the reserves. He stated it was the people's money and stated support to using it for the people. He clarified a future discussion regarding unfunded liability would take place and called for the motion.

Motion/Second: Graham-Mejia/Kusumoto

Motion: Approve Staff recommendation, with the exception of removing the \$200,000 from the Los Alamitos Blvd. Revitalization to be used for the SRO and potentially other minimal items addressed as over spending.

Council Member Grose pointed out there would still be a spending of \$200,000 from reserves.

Mayor Pro Tem Graham-Mejia stated the importance of necessity versus desire.

Council Member Murphy questioned removing \$200,000 when only \$100,000 is being proposed.

Mayor Kusumoto stated the project would be removed from the budget completely.

Council Member Murphy reiterated only \$100,000 was earmarked from reserves for this project and the proposed budget would spend \$400,000 from reserves.

Mayor Kusumoto stated the amount from reserves was proposed at \$378,000. He stated the \$200,000 for the Rehabilitation project would be used elsewhere in the budget to offset costs.

Mayor Pro Tem Graham-Mejia stated Council had the option to use the \$200,000 as they desired and \$100,000 was proposed for this year. She

stated if the project did not move forward, the funds would still be available.

Council Member Edgar stated the motion would spend \$500,000 from reserves.

Council Member Murphy agreed and reiterated the projected fund balance spending as of June 11 was \$100,000 from reserves for the Los Alamitos Blvd. Revitalization. He questioned removing \$200,000 from the budget when only \$100,000 was budgeted.

Mayor Kusumoto stated the \$100,000 would zero out and bring the reserve spending down to \$278,000.

Finance Director Brooks clarified the actual reserve spending should be \$361,090. He added that figure takes into account all proposed fund balances.

Council Member Edgar stated concern for how the garage fund was spent (i.e. generators, Administration building) and felt the fund should be constrained. He stated he was unclear on the garage fund process and felt the funds should be properly allocated. He stated he did not support the budget as is. He suggested removing the \$100,000 for the Revitalization project, decreasing revenue projections by \$300,000 and implementing a policy, remove the \$126,000 garage fund expenditure from the budget; and, use the \$145,000 allocated for the phone system to purchase either the generator or the phone system.

Mayor Kusumoto asked for clarification of the \$361,000 proposed reserve spending.

Finance Director Brooks provided the following detail: current surplus - \$27,397; less \$129,000 for the General Plan; less \$100,000 for Los Alamitos Blvd. Revitalization; less \$10,000 for Business and Residential Rebate Program; less \$14,000 for Community Giveback; less \$40,000 for pool repairs; less \$95,000 for the SRO.

Council Member Murphy asked about the \$100,000 for the generator.

Interim City Manager Korduner clarified the City had received a \$71,000 rebate from the County and Staff had proposed using the Garage fund for the remainder. He stated the Police Department and Staff felt it was a much needed piece of equipment. He added that Staff had reviewed the revenue projections after every Council meeting; accordingly the Cable TV revenue was reduced and Redflex revenue was conservatively estimated. He reiterated that although the TUT was reduced, the theory was the base would be expanded; it was doubtful that hotel rates were reduced so the

TOT remained as is; and, property taxes were estimated to increase by 25%. He gave the example of the City of Santa Ana. He added the City had been fortunate in most years to have a surplus and the former City Manager had stated the SRO would be funded from reserves, Community Giveback, or surplus revenues. He encouraged the Council to allow Finance Director Brooks to move forward with the proposed budget and stated there were safeguards in place. He added the General Plan was in its third year and funding had been contemplated and the SRO was a very worthy cause. He stated Staff was confident in its recommendation and would do as Council desired.

Mayor Kusumoto stated removing the \$100,000 Revitalization project from the budget would bring the reserve spending from \$361,000 to \$261,000. He indicated the \$200,000 earmarked for the project was not going to be spent, which would bring the reserve spending down to \$61,000.

Mayor Pro Tem Graham-Mejia stated it was generally understood several projects would be funded from the Reserve. She pointed out Council had voted to implement the Business and Residential Improvement project and only \$14,000 of the Community Giveback was being spent. She stated the pool was not budgeted; however, the General Plan was to come from reserves. She stated Council had given Staff direction to implement these programs and was now criticizing them for doing so.

Motion/Second: Graham-Mejia/Kusumoto

Motion Failed 2/3: Approve Staff recommendation, with the exception of removing the \$100,000 from the Los Alamitos Blvd. Revitalization to bring the deficit spending to \$261,000.

**Roll Call Vote**

Council Member Edgar	No
Council Member Grose	No
Council Member Murphy	No
Mayor Pro Tem Graham-Mejia	Aye
Mayor Kusumoto	Aye

Motion/Second: Edgar/Grose

Motion: Approve Staff recommendation with the following changes: remove \$100,000 for Los Alamitos Blvd. Revitalization Project for this year and move into the future; reduce the Garage Fund by \$126,000; remove the generator for \$100,000; use \$71,000 County rebate to fund SRO; and, directed Staff to finalize the details based on Council's direction.

Mayor Pro Tem Graham-Mejia requested a time line for the generator's necessity.

Public Works Superintendent Brandyberry stated the generator was from 1970 and consisted of an engine and an electrical generator. He stated the engine has remained running for the past four years with regular maintenance; however, the generator portion has failed. He indicated it was uncertain if the generator would be functional in an emergency.

Mayor Pro Tem Graham-Mejia stated she was supportive of removing the \$126,000 from the Garage Fund. She conveyed the importance of having a generator for public safety if a situation arose.

Council Member Edgar reiterated his motion to reduce the buying of equipment from the Garage Fund for \$126,000, removing the \$100,000 for the Los Alamitos Blvd. Revitalization project, removing the generator for \$100,000; and, using the County rebate towards the SRO.

Mayor Pro Tem Graham-Mejia was in support of a compromise that would allow the purchase of a generator and funding of the SRO.

Finance Director Brooks, Mayor Pro Tem Graham-Mejia, and Council Member Edgar computed the reserve spending: \$361,000, less \$100,000 for Los Alamitos Blvd. Revitalization; less \$126,000 for Garage fund; less \$100,000 for the generator; and, include the \$71,000 credit from the County towards the SRO.

Finance Director Brooks stated with Council recommendations there would be \$35,000 surplus.

Mayor Pro Tem Graham-Mejia stated a preference for funding a generator for safety purposes and asked Staff to investigate purchasing a less expensive item.

Council Member Edgar referred to the operation budget and stated support for giving Staff discretion to purchase a phone system or a generator from the budgeted \$146,000.

Mayor Pro Tem Graham-Mejia inquired which item had a more immediate necessity.

Support Services Manager Palmer stated both items were important. She stated the phone system was past its life cycle; however, the service company indicated in an emergency situation they could have the system running within 24 hours. She indicated the item has been budgeted before. She stated the system still functions, although it was questionable how well. She referred to the generator and stated it was important to the overall operation of City services at the civic center. She indicated it would

not have an impact on the officers in the field as they were dispatched from an offsite location.

Mayor Pro Tem Graham-Mejia stated her belief the generator was more a necessity this year.

Support Services Manager Palmer stated both systems were antiquated.

Council Member Edgar stated a Reserve policy for assigned/unassigned funds and how they are spent would be beneficial. He stated support for creating a list that systematically tracked what was most important and the cost.

Council Member Murphy reviewed the proposed items as follows: General Plan – committed; Los Alamitos Blvd. Revitalization project – optional; Residential and Business Improvement Project – committed; Community Giveback – optional; pool repairs – optional; and, SRO – optional, but supported by Council. He stated opposition to how the budget was being handled; but, indicated if the optional items were removed it would bring the deficit spending down to \$68,000. He expressed concern that the City could not find \$95,000 within the Police budget to fund the SRO and that a \$71,000 refund was being used to offset the budget. He stated support for establishing an acceptable deficit amount and providing Staff with an acceptable amount to work into the budget. He supported the generator versus the phone system.

Council Member Grose stated support for removing the \$100,000 for the Los Alamitos Blvd. Revitalization project; removing \$100,000 for the generator; and, removing \$126,000 for the Garage Fund. He stated that amounted to \$326,000 to be cut from the budget and Staff could be directed to allocate from that point. He referred to the generator and inquired if other less expensive options had been explored, or if the project could come back at mid-year when a clearer picture of the numbers was available. He stated the following items could be addressed at mid-year: \$300,000 revenue over projection; generator; and, phone system. He reiterated support for providing Staff with direction to reduce the budget by \$326,000.

Council Member Edgar made a motion to zero out the Garage Fund for \$126,000, move the Los Alamitos Blvd. Revitalization project for \$100,000 back into reserves; remove the \$100,000 for the generator; directed Staff to prioritize the \$146,000 in the Operating budget for either the generator or the phone system; and, directed Staff to prepare a long term reserve policy that would include unfunded liability for medical.

Mayor Pro Tem Graham-Mejia referred to the unfunded liability and asked at what point will the City have funded the \$250,000.

Finance Director Brooks indicated the liability was for future costs and money was set aside for those costs. He indicated he would bring a report back to Council.

Motion/Second: Edgar/Grose

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

1. Opened the Public Hearing on the Proposed Annual Operating and Capital Improvement Program Budget; and,
2. Adopted Resolution No. 2013-14, 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 2013-14" with the following changes: reduce the Garage Fund by \$126,000, remove the Los Alamitos Blvd. Revitalization Project for \$100,000; remove the \$100,000 for purchase of a generator; directed Staff to prioritize the \$146,000 in the Operating budget for either the generator or the phone system; apply the \$71,000 County rebate towards the SRO amount of \$95,000, and fund the remaining amount for the SRO from reserves.

**Roll Call Vote**

Council Member Edgar	Aye
Council Member Grose	Aye
Council Member Murphy	No
Mayor Pro Tem Graham-Mejia	Aye
Mayor Kusumoto	Aye

Mayor Kusumoto requested clarification for the bottom line deficit.

Finance Director Brooks indicated there would be a surplus of approximately \$50,000.

Council Member Edgar suggested balancing the budget by reducing the projections by that amount and stated a preference for reducing the UUT.

Interim City Manager Korduner indicated Staff would address such.

Finance Director Brooks clarified any surplus would be reduced from the UUT revenue projection.

## 10. DISCUSSION ITEMS

### A. **Consideration of the Legislative Platform for 2013** (City Manager)

The Legislative Action Report identifies the City's Legislative Platform for 2013 and provides program procedures for the City to effectively participate in the legislative process. This item was continued from the May 20, 2013, Council meeting.

Mayor Kusumoto continued item 10A to the next Council meeting.

### B. **Establishing Council Meeting Time Limits** (City Clerk)

On April 15, 2013, Council Member Grose, with the support of Mayor Kusumoto, requested Staff research the possibility of not starting any new business after 10:00 p.m. This item discusses establishing Council meeting time limits and was continued from the May 20, 2013, Council meeting.

Interim City Manager Korduner summarized the Staff report, referring to the information contained therein, and answered questions from the City Council.

Council Member Grose suggested changing the final adjournment hour to 10:59 p.m. He believed this would encourage Council to limit its discussion and pointed out Council could vote to waive the time limits if appropriate. He stated it would be worth a trial and encouraged the Council to approve.

Mayor Pro Tem Graham-Mejia stated City Clerk Quintanar had stated to her knowledge, Los Alamitos was the only Orange County city that had one meeting per month. She felt limiting the amount of time to do the business of the City was not fair to the people and pointed out recent meetings had ended quickly. She indicated she could not support this item unless Council returned to twice a month meetings; however, the cost savings would then be lost. She stated support for remaining with once a month meetings and doing the same amount of business.

Mayor Kusumoto stated Council could regulate themselves and run an efficient meeting. He stated the policy allowed for Council to extend the time limits and was not a bad policy as long as Council was efficient in conducting its business. He stated it was important to complete the people's business.

Mayor Pro Tem Graham-Mejia stated opposition to the majority having the ability to waive the time limits and not the Chair.

Mayor Kusumoto opened the item for public comment.

JM Ivler, resident, spoke in opposition to the item.

Mayor Kusumoto closed the item for public comment.

Council Member Grose stated the policy gave Council a functional structure and allowed the group to continue the discussion if needed.

Council Member Grose made a motion to approve, with the revision to Section 2, Final Adjournment hour 10:59 p.m. with no discussion after 9:45 p.m. unless majority of Council wishes to do so.

Council Member Murphy requested the motion include a four month review for efficiency.

Council Member Grose agreed.

Mayor Pro Tem Graham-Mejia stated she would rather see the Council limit their responses to 5-9 minutes in total. She believed 2-3 minutes for questions and then 2 minutes for comments should be sufficient and allow Council to do the business of the City quicker. She stated the meetings had been reduced already and did not feel it was honoring the people to reduce the time further.

Council Member Edgar thanked Council Member Grose for bringing the item forward and supported the four month review.

Mayor Kusumoto believed an efficient meeting could be run. He stated opposition to a majority vote and felt two Council Members should be able to continue the discussion to provide a check and balance.

Motion/Second: Grose/Edgar

Carried 3/2 (Graham-Mejia and Kusumoto cast the dissenting vote): The City Council adopted Resolution 2013-09, entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, ESTABLISHING COUNCIL MEETING TIME LIMITS" and directed Staff to bring back to Council for review in four months.

Mayor Kusumoto moved Items from the City Manager forward.

## **12. ITEMS FROM THE CITY MANAGER**

Mayor Kusumoto asked for a report on the 4<sup>th</sup> of July.

Interim City Manager Korduner stated the 26<sup>th</sup> Annual 4<sup>th</sup> of July Spectacular would be on the airfield this year. He advised live entertainment would be present, carpooling was encouraged, there would be a \$5 vehicle fee, and residents were encouraged to bring their lawn chairs.

Mayor Pro Tem Graham-Mejia inquired if last year's height concerns regarding the fireworks had been addressed.

Recreation and Community Services Director Lakin answered in the affirmative.

## 11. MAYOR AND COUNCIL INITIATED BUSINESS

### Council Announcements

**Mayor Pro Tem Graham-Mejia** requested Staff draft a letter to the CPUC regarding Ms. Hodges' request from Southern California Edison. She stated the residents had a negative experience with Republic and requested Staff reach out to help improve the relationship with the community and provider.

**Council Member Edgar** stated he had received a letter from Orange County Fire Authority (OCFA) regarding unfunded liability and requested OCFA Board Member Kusumoto provide an update.

**Mayor Kusumoto** stated on April 25<sup>th</sup>, OCFA had discussed the COERS Actuarial Funding Policy. He indicated the Board had voted to change the funding policy from 30 years to 25 years and there was no individual obligation to each city. He stated he would review the policy with anyone that was interested. He added the policy change would be harder on cash cities.

**Council Member Edgar** stated he had attended the Wine Tasting/Artist Discussion at St. Isidore and encouraged residents to continue supporting the effort to save St. Isidore. He congratulated the Los Alamitos High School Graduating Class of 2013 and thanked the Board of Education for their efforts. He encouraged interested residents to contact the City to get in touch with the School District regarding the lights at the field. He advised the Orange County Sanitation District was providing tours of the Groundwater Replenishment System and the City Manager could provide information to interested parties. He encouraged Staff to continue sending out legislative position letters as needed and thanked Mayor Kusumoto for being accommodating.

**Council Member Murphy** thanked the community for their feedback regarding the dog park and wished a Happy Birthday to Jack Hunter.

**Council Member Grose** reported the events he attended are listed on [www.losal.net](http://www.losal.net). He encouraged residents to contact Council with questions and stated his belief that resident involvement was part of the process of local government. He reported attendance at the all night Grad Party.

**Mayor Kusumoto** reported attendance at the Girl Scout ceremony and the Army Ball. He stated a follow up meeting was going to be scheduled with Congressman Lowenthal and stated his preference for having two Council Members who had not previously attended, attend.

Interim City Manager Korduner indicated Congressman Lowenthal's Office had requested topics to be discussed and encouraged Council to e-mail suggestions.

Mayor Kusumoto reported attendance at the Mayor's Korean Festival in May.

Mayor Pro Tem Graham-Mejia clarified her involvement with the request for a dog park at Orville Lewis Park. She indicated she was not vested in a dog park and she was merely supporting the process. She stated her job as a Council Member was to be the voice of the people. She thanked the residents who had reached out to her. She clarified she had spoken with the individual who had sent out the flyer misrepresenting her involvement and the individual had apologized.

**13. CLOSED SESSION**

City Attorney Reisman read item 13 aloud.

**A. PUBLIC EMPLOYEE APPOINTMENT**

Title: City Manager

Authority: Government Code Section 54957

**B. CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION**

Authority: Government Code Section 54956.9 (d)(4)

Potential Cases: One (Proposed Prologis Development, City of Cypress)

**RECESS**

City Council recessed into Closed Session at 10:25 p.m.

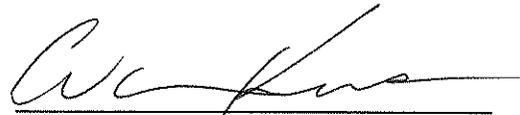
**RECONVENE**

City Council reconvened in Regular Session at 11:55 p.m.

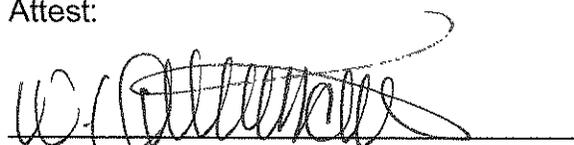
There was no reportable action.

**14. ADJOURNMENT**

The City Council adjourned at 11:55 p.m.

  
Warren Kusumoto, Mayor

Attest:

  
Windmer Quintanar, CMC, City Clerk