MINUTES OF THE CITY COUNCIL
OF THE CITY OF LOS ALAMITOS

REGULAR MEETING – June 17, 2019

1. CALL TO ORDER
The City Council met in Regular Session at 6:00 p.m. Monday, June 17, 2019 in the Council Chamber, 3191 Katella Avenue, Mayor Kusumoto presiding.

2. ROLL CALL
Present: Council Members: Chirco, Grose, Hasselbrink,
Mayor Pro Tem Murphy, Mayor Kusumoto
Absent: Council Members: None
Present: Staff: Bret Plumlee, City Manager
David Cain, Fiscal Sustainability Manager
Michael Daudt, City Attorney
Eric Hendrickson, Finance Director
Dave Hunt, City Engineer
Les Johnson, Development Services Director
Chris Karrer, Police Captain
Emeline Noda, Recreation Manager
Ron Noda, Recreation Manager
Eric Nunez, Police Chief
Ron Roberts, Orange County Fire Authority Battalion Chief
Windmera Quintanar, MMC, City Clerk

3. PLEDGE OF ALLEGIANCE
Colonel Duchich, Joint Forces Training Base Commander, led the Pledge of Allegiance.

4. INVOCATION
Council Member Chirco gave the Invocation.

5. PRESENTATIONS
City Council made presentations to the listed individuals. Recipients spoke briefly.

A. Introduction of new Commander of the Joint Force Training Base, Colonel Nick Duchich

B. Introduction of Newly Appointed Police Officer David Rael-Brook, Police Aide Riley Hill, and Public Safety Officer Mark Gutierrez

C. Presentation of a Commendation to the Police Department’s Employee of the Year, Catherine Howard
D. Presentation of a Commendation to the Police Department’s Officer of the Year, Delana Lopez

E. Presentation of a Proclamation to the Parks, Recreation, and Cultural Arts Commissioners Alex Duran, Steven Olveda, Tanya Doby and Trisha Murphy for “Parks Make Life Better” Month

F. Presentation by Joseph A. Contreras, U.S. Census Bureau, Regarding the United States Census 2020
Mr. Contreras gave a PowerPoint presentation and answered questions from the City Council.

6. ORAL COMMUNICATIONS
At this time, any individual in the audience may come forward to speak on any item within the subject matter jurisdiction of the City Council. Remarks are to be limited to not more than five minutes per speaker.

Mayor Kusumoto opened Oral Communications.

Richard Vardeman, resident, read a letter submitted by his neighbor in support of a new pump for Fenly station.

Bob Villegas, resident, spoke in support of a new pump for Fenley station.

George Burlocker, resident, requested an update on the pending lawsuit regarding sanctuary city and stated opposition.

Mayor Kusumoto closed Oral Communications.

7. COUNCIL ANNOUNCEMENTS
At this time, Council Members may also report on items not specifically described on the Agenda that are of interest to the community, provided no action or discussion is taken except to provide Staff direction to report back or to place the item on a future Agenda.

Council Member Chirco spoke regarding attendance at the Fiscal Sustainability overview with Staff, Chamber of Commerce Breakfast, Orange County Mosquito and Vector Control District Board Meeting. He thanked the Police Department for its involvement with last week’s police chase, spoke regarding upcoming Serve Los Al Community Volunteer Day, 40th Infantry Change of Command at the Joint Forces Training Base, and 4th of July Spectacular.

Council Member Grose advised he provided the City Clerk with a list of events attended and read them aloud.

Council Member Hasselbrink spoke regarding attendance at the Rossmoor Girl Scouts Bridging Ceremony, Eagle Scout Court of Honor, Los Alamitos High School Graduation, Orange County Fire Authority Academy 47 Graduation, upcoming
Orange County Fire Authority Girls Empowerment Camp, Chamber of Commerce Breakfast, Association of Defense Conference, and requested an agenda item to discuss becoming a sister city with Pocheon, South Korea.

Mayor Pro Tem Murphy spoke regarding attendance at Supervisor Steele’s Second District Breakfast with Mayor Kusumoto, Chamber of Commerce Breakfast, Business Outreach meeting with Ganhal Lumber, Ribbon Cutting at iLoveKickboxing, thanked Marilynn Poe for her life of public service, and thanked Mayor Kusumoto and Colonel Ducich for executing the Memorandum of Understanding for the 4th of July.

Mayor Kusumoto spoke regarding attendance at Supervisor Steele’s Second District Breakfast, Ad Hoc Committee meeting regarding the Golden State Water project, and Sunburst Youth Academy graduation. He requested an agenda item to discuss the California All Defense Summit in August.

8. ITEMS FROM THE CITY MANAGER

City Manager Plumlee thanked the Police Department for including him in the All Hands meeting and congratulated the Department for all its great work. He requested and received an update on Serve Los Al and Health Fair Expo from Recreation Manager Emeline Noda and 4th of July Spectacular from Recreation Manager Ron Noda.

9. WARRANTS

Motion/Second: Murphy/Hasselbrink
Unanimously Carried: The City Council approved the Warrants for June 17, 2019, in the amount of $30,943.08 ratified the Warrants for May 21, 2019 to June 16, 2019 in the amount of $1,235,368.36 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, 2019 to July 14, 2019.

ROLL CALL
Mayor Kusumoto Aye
Mayor Pro Tem Murphy Aye
Council Member Chirco Aye
Council Member Grose Aye
Council Member Hasselbrink Aye

10. 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 Kusumoto pulled items 10D and 10F.
Mayor Pro Tem Murphy pulled item 10L.
Council Member Grose pulled item 10B.
Motion/Second: Hasselbrink/Chirco
Unanimously Carried: The City Council approved the following Consent Calendar Items:

A. Approval of Minutes (City Clerk)
   Approve the Regular City Council minutes of April 15, 2019 and the Special and Regular City Council minutes of May 20, 2019.

C. Amendment 1 of Professional Services Agreement for Crossing Guard Services with All City Management Services (ACMS) (Police)
The City of Los Alamitos entered into an agreement to outsource crossing guard services to All City Management Services which expires on June 30, 2019. The agreement allows for up to three, two-year extensions. Staff is supportive of continuing this relationship by exercising the first two-year extension and has secured an agreement with All Cities Management Services to continue crossing guard services during fiscal years 2019-2020 and 2020-2021.

The City Council authorized the Mayor to enter into Amendment 1 of the Professional Services Agreement for Crossing Guard Services between All City Management Services and the City of Los Alamitos for up to $94,009 for the term of July 1, 2019 through June 30, 2020, and up to $99,890 for the term of July 1, 2020 through June 30, 2021.

E. Adopt Resolution No. 2019-19 - Findings to Hire a Public Employees Retirement System (“PERS”) Annuitant as a Temporary Interim Police Sergeant (Police)
   This report sought adoption of a resolution of findings to hire a PERS annuitant as required by State retirement law.


G. Extension of Professional Services Amendment with West Coast Arborists, Inc. (WCA) for Tree Maintenance Services (Development Services)
   This item provided a basis for continuing services with West Coast Arborists, Inc. (WCA) to provide Tree Maintenance Services for one additional year. The current Professional Services Agreement (PSA) expires August 15, 2019, but can be extended one year by mutual agreement.

   The City Council authorized the Mayor to execute Amendment No. 1 of the Professional Services Agreement with West Coast Arborists, Inc.
H. Measure M2 Seven Year Capital Improvement Program

(Development Services)

Annual submittal of Measure M2 eligibility documentation to the Orange County Transportation Authority (OCTA) is required in order to remain eligible to receive Measure M2 sales tax revenue funds. The submittal documentation this year requires City Council approval of an updated Measure M2 Seven Year Capital Improvement Program and adoption of a resolution (Attachment 1) attesting to the County’s Master Plan of Arterial Highways Circulation Element and Mitigation Fee Program and adoption of a resolution (Attachment 2) attesting to the Pavement Management Plan.

The City Council:

1. Approved and authorized Staff to submit to the Orange County Transportation Authority the Measure M2 Seven-Year Capital Improvement Program for Fiscal Years 2019/20 through 2025/26, to comply with Measure M2 eligibility criteria; and,


I. Reject all Bids for Greenbrook Neighborhood and Little Cottonwood Park Pavement Rehabilitation Improvement Project (CIP No. 18/19-07)

(Development Services)

On April 30, 2019 construction bids were publicly opened for the Greenbrook Neighborhood and Little Cottonwood Park Pavement Rehabilitation Improvement Project (CIP No. 18/19-07). A total of four bids were received. The lowest bidder for this project was All American Asphalt, with the total bid amount of $524,552. However, the bid significantly exceeds the appropriated construction budget of $464,211; therefore, staff recommends that the City Council reject all bids and re-bid this project at a later date with the Farquhar Street Improvement Project in the 2019/2020 CIP.

The City Council:

1. Rejected all bids received for Greenbrook Neighborhood and Little Cottonwood Park Pavement Rehabilitation Improvement Project (CIP No. 18/19-07); and,
2. Authorized the City Engineer to bid with the Farquhar Street Improvement Project in 2019/2020 CIP to get lower unit prices.

J. Resolution No. 2019-22 – Committing to Partner with the U.S. Census Bureau for the 2020 Census

The City Council considered adoption of Resolution No. 2019-22, committing to partner with the U.S. Census Bureau for the 2020 Census.


K. Annual Appropriations Limit

The purpose of this report was to amend the Professional Services Agreement with OUR Los Al for Cable Operations Manager Services, extending the term to June 30, 2021, for cable operations manager services.


M. Approval of Plans and Specifications and Authorization to Bid for Community Center and Youth Center Re-Roof Project (CIP No. 18/19-08)

This report recommended actions to begin facilitating the construction of a new roof for the Community Center and Youth Center buildings.

The City Council:

1. Approved the plans and specifications for the construction of the Community Center and Teen Center Re-Roof Project (CIP No. 18/19-08); and,

2. Authorized Staff to advertise and solicit bid proposals.

End of Consent Calendar

Items Pulled from Consent Calendar

B. Amendment to Professional Services Agreement with OUR Los Al for Cable Operations Manager Services

The purpose of this report was to amend the Professional Services Agreement with OUR Los Al, extending the term to June 30, 2021, for cable operations manager services.
Council Member Grose expressed concern that this function did not have any oversight by staff and questioned the quality of the productions.

Motion/Second: Hasselbrink/Murphy
Carried 4/1 (Grose voted no): The City Council authorized the Mayor to execute Amendment No. 4 to the Professional Services Agreement with OUR Los Al, extending the contract term to June 30, 2021 and increasing the fee schedule.

D. Los Alamitos Museum Association: Proposed Schedule, Activity Plan, and Budget (Recreation)
The Los Alamitos Museum Association's proposed schedule, activity plan, balance sheet, and budget for the 2019-2020 fiscal year are being provided to the City Council for approval.

Mayor Kusumoto requested an update from Marilynn Poe, Museum Board Member. Mrs. Poe gave an overview of the museums activities and advised of the need for volunteer docents.

Motion/Second: Grose/Murphy
Unanimously Carried: The City Council approved the Los Alamitos Museum Association's proposed schedule, activity plan, and budget for Fiscal Year 2019-2020. Authorize the City Manager and/or his designee to approve any change to the schedule, activity plan, and budget.

F. Street Curb Address Painting Contract for 2019 (Development Services)
At its meeting of November 24, 2003, the City Council adopted Resolution No. 1939, authorizing non-profit organizations, to apply for consideration to perform street address painting within the City.

Mayor Kusumoto stated support for Canning Hunger and encouraged residents to support the worthy cause.

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

1. Authorized street curb address painting services for 2019 on a strictly donation basis, with Canning Hunger; and,

2. Authorized the City Manager to issue a no fee solicitor's permit, no fee encroachment permit and a business license.

L. Resolution No. 2019-24 – Authorizing participation in the Public Agencies Post-Employment Benefits Section 115 Trust administered by Public Agency Retirement Systems (PARS) to Pre-Fund Pension and OPEB Obligations (Finance)
As part of the City’s Fiscal Sustainability Plan the City Council has
designated 'assigned' reserves for funding both the CalPERS and OPEB unfunded funding requirements. A portion of these funds were to be committed to prefunding future pension and OPEB obligations. Those funds are currently invested in the City authorized investment pool. The attached resolution will allow for the establishment of a 115 trust for both the City’s CalPERS pension and OPEB funding. This 115 Trust investment policy will allow the City to take these designated reserves and diversify them into longer term investment vehicles unlike assets held within the General Fund which must be 5 years or less as required by California Government Code.

Mayor Pro Tem Murphy pointed out the heart of the budget problems was a result of decision made in Sacramento.

Motion/Second: Murphy/Hasselbrink 
Motion: Approve Staff recommendation.

Council Member Grose stated concern regarding future of the PERS Retirement system, lack of information presented to Council, and the negative effects were not explained.

Substitute Motion/Second: Grose/Murphy 
Substitute Motion: Postpone approval until Council could have a discussion regarding the pros and cons of the Section 115 Trust.

Fiscal Sustainability Manager Cain summarized the staff report and answered questions from the City Council.

City Council and Staff discussed the following:

- Various investment types and rates
- CalPERS investment strategy
- Expected Rate of Return (ROR)
- Access to funds in 115 trust for PERS payments
- Restriction on funds when paid to PERS
- Liquidity of funds in case of an emergency
- Obligation to pay pensions

Mayor Kusumoto called the question for the substitute motion.

Substitute Motion/Second: Grose/Murphy 
Motion Failed 2/3 (Chirco, Hasselbrink, and Kusumoto voted no): Postpone approval until Council could have a discussion regarding the pros and cons of the Section 115 Trust.

Motion/Second: Murphy/Hasselbrink 
Carried 3/2 (Grose voted no, Murphy abstained): The City Council:
1. Adopted Resolution No. 2019-24, entitled, "RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, APPROVING THE ADOPTION OF THE PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES (PARS); and,

2. Authorized the City Manager or his/her designee as the City’s Plan Administrator for the Trust Program; and,

3. Approved and authorized City Manager to execute an “Agreement for Administrative Services” between PARS and the City of Los Alamitos to administer the Trust.

RECESS
The City Council took a brief recess at 7:42 p.m.

RECONVENE
The City Council reconvened in Regular session at 7:57 p.m.

11. PUBLIC HEARING

A. Adoption of the Fiscal Year 2019-20 Annual Operating and Capital Improvement Program 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 Hendrickson summarized the Staff report and answered questions from the City Council.

Mayor Kusumoto opened the Public Hearing for comments.

Shelley Henderson, OC Breeze and Los Al Chamber member, spoke in favor of the City’s presentation at the Chamber of Commerce Breakfast regarding fiscal sustainability.

Mayor Kusumoto closed the Public Hearing for comments.

Council thanked Staff and the Budget Standing Committee for its hard work and dedication to bringing forward a balanced budget during these fiscally challenging time. It was noted moving forward fiscal sustainability would not be sustainable.

Motion/Second: Grose/Hasselbrink
Unanimously Carried by a Roll Call Vote: The City Council:
1. Conducted a public hearing on the Proposed Annual Operating and Capital Improvement Program Budget, and,


ROLL CALL
Mayor Kusumoto Aye
Mayor Pro Tem Murphy Aye
Council Member Chirco Aye
Council Member Grose Aye
Council Member Hasselbrink Aye

Motion/Second: Chirco/Hasselbrink
Unanimously Carried: The City Council voted to reconsider item 10L.

10L. Resolution No. 2019-24 – Authorizing participation in the Public Agencies Post-Employment Benefits Section 115 Trust administered by Public Agency Retirement Systems (PARS) to Pre-Fund Pension and OPEB Obligations
As part of the City's Fiscal Sustainability Plan the City Council has designated 'assigned' reserves for funding both the CalPERS and OPEB unfunded funding requirements. A portion of these funds were to be committed to prefunding future pension and OPEB obligations. Those funds are currently invested in the City authorized investment pool. The attached resolution will allow for the establishment of a 115 trust for both the City's CalPERS pension and OPEB funding. This 115 Trust investment policy will allow the City to take these designated reserves and diversify them into longer term investment vehicles unlike assets held within the General Fund which must be 5 years or less as required by California Government Code.

City Council and Staff discussed the following:

- Authorization was for opening a 115 Trust and does not require funding at this point and there are no management fees to do so
- Current assets are in investments with maturity dates and once available funding options would come before Council
- Risk in paying off PERS is the obligation is based off their assumed return on investment (ROI) and 20-30 year life
- 115 Trust allows control of the funds to stay with the City
- Concern options were only presented to the Budget Standing Committee (BSC) and the information was not provided to Council
- Concern information, pros, and cons of all options are lacking in the Staff report
Mayor Kusumoto summarized the action tonight was only to open the 115 Trust and additional information on investing and funding options would come back at the appropriate time.

Motion/Second: Hasselbrink/Chirco  
Carried 4/1 (Grose voted no): The City Council:


2. Authorized the City Manager or his/her designee as the City’s Plan Administrator for the Trust Program; and,

3. Approved and authorized City Manager to execute an “Agreement for Administrative Services” between PARS and the City of Los Alamitos to administer the Trust.

12. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9: 1 potential case.

B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) and paragraph (1) of subdivision (e) of Government Code Section 54956.9: 1 potential case.

C. CONFERENCE WITH LABOR NEGOTIATOR  
City Negotiator: Bret M. Plumlee, City Manager  
Employee Organization: Teamsters Local 911  
Authority: Government Code Section 54957.6

D. CONFERENCE WITH LABOR NEGOTIATOR  
City Negotiator: Bret M. Plumlee, City Manager  
Unrepresented Employees: Executive Management, Middle Management and Non-Management Employees  
Authority: Government Code Section 54957.6

E. PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Title: City Manager  
Authority: Government Code Section 54957

City Attorney Daudt read the items aloud.
RECESS
The City Council recessed into Closed Session at 8:24 p.m.

RECONVENE
The City Council reconvened in Regular Session at 10:30 p.m.

City Attorney Daudt stated there was no reportable action.

5. ADJOURNMENT
The City Council adjourned at 10:30 p.m.

Attest:

Warren Kusumoto, Mayor

Windmera Quintanar, MMC, City Clerk