

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

**SPECIAL MEETING – May 6, 2013**

**1. CALL TO ORDER**

The City Council met in Special Session at 5:03 p.m., Monday, May 6, 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 Superintendent  
Corey Lakin, Community Services Director  
Steven Mendoza, Community Development Director  
Windmera Quintanar, CMC, City Clerk

**3. SPECIAL ORDERS OF THE DAY**

**A. Interview Applicants for the Cable and Traffic Commission**

This report provided relevant information by which the City Council may appoint members to Commission vacancies.

The City Council interviewed the following applicants:

5:00	Stephen Hammond	5:10	Shelly Hasselbrink
5:20	James Wilhelm	5:30	Norman Wray

Council Member Murphy thanked all the applicants for applying.

Council Member Edgar indicated he followed the Traffic Commission and appreciated the thoughtful comments from incumbents Wilhelm and Wray. He indicated their experience would be helpful with the completion of the General Plan.

Council Member Grose stated the Council had a tough decision and thanked everyone for applying.

Mayor Pro Tem Graham-Mejia stated there were wonderful people serving the City. She indicated she felt there was room for change and thanked everyone for their service.

Mayor Kusumoto indicated applicant Gina Biri was not able to attend due to a scheduling conflict. He requested Council postpone appointments to the Traffic Commission until applicant Biri could be interviewed.

Council Member Grose stated applicant Biri had applied for both commissions and proposed postponing all appointments until the next meeting.

The City Council postponed appointments until May 20, 2013 meeting and instructed Staff to set up an interview with applicant Biri.

Council Member Grose requested Staff research the possibility of Council appointed Commission members beginning with the 2014 General Election.

Mayor Pro Tem Graham-Mejia stated support for the appointment process as is because it allowed everyone a chance to affect their community.

Council Member Murphy stated concern for an individual Council Member directly appointing a Commissioner.

Council Member Edgar stated he was open to the possibility.

Mayor Kusumoto inquired to the practice in other cities and shared Council Member Murphy's concerns.

Interim City Manager Korduner stated he had seen direct appointments in other cities, but they had eventually elected to go with majority appointment.

Council Member Grose felt it would be beneficial to discuss the appointment process. He stated in the past it was difficult to encourage residents to apply for the Commissions. He stated ending the terms in December would coincide with new Council Members coming on board after an election.

Mayor Kusumoto requested Staff provide the Council with additional information.

## **RECESS**

City Council took a brief recess at 5:46 p.m.

## **RECONVENE**

City Council reconvened in Special session at 6:07 p.m.

### **B. Review of Proposed Fiscal Year 2013-14 Operating Budget**

This report provided the City Council with the preliminary Fiscal Year 2013-14 General Fund Proposed Operating Budget.

Interim City Manager Korduner introduced the item and gave a brief background on the process.

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

Council Member Grose inquired if the increase in retirement cost was due to the PERS changes.

Finance Director Brooks indicated PERS had been increasing over the past several years and was included as part of the expenditure projection.

Council Member Grose inquired why there was a \$100,000 increase in the City Manager/City Clerk salaries.

Finance Director Brooks indicated the permanent City Manager position was being budgeted at the top step and the Business License/Receptionist full-time position was included in this category. He pointed out hourly rate expenditure had decreased and the increase in salary for this position was \$12,000.

Council Member Grose inquired to the rationale of going from two part-time receptionists to one full-time receptionist.

Finance Director Brooks stated the Business License function generates half a million dollars in revenue.

Interim City Manager Korduner stated Staff had researched past trends and found when there was no one dedicated to the Business License function there was a decline in revenues. He indicated business license was an important function that generated half a million dollars in revenue and Staff was confident the additional salary expense would be worth the potential decrease in revenue.

Finance Director Brooks added there would be an increase in benefits as well.

Council Member Grose commented on the following: concern for coverage with one full-time receptionist; his understanding that the \$259,000 accounting system upgrade had not fully been implemented; not having business license renewal available online; complaints from businesses regarding the difficulty in renewing their business license; a desire to automate the renewal process; the lack of flexibility to have a full-time person float between departments for additional assistance; concern the process had not been fully vetted; and, the inability to pay fees online.

Interim City Manager Korduner stated Staff had researched the trend and found that revenue was constant when a full-time person was dedicated to the business license function.

Council Member Grose pointed out during that time frame there were also changes in management and felt automating the process would be beneficial.

Council Member Murphy expressed a desire to see the percentage of increase/decreases on all the forms from past fiscal year to present fiscal year.

Council Member Edgar inquired about the Coyote Creek Park and expressed an interest in the construction timeline. He inquired when the maintenance would begin and the associated cost.

Finance Director Brooks stated maintenance would begin in January for the amount of \$3,500.

Council Member Edgar questioned the expense being considered a highlight and stated the Garage Fund had the most significant impact. He inquired the total net increase and if the increase was for Operations and Maintenance or replacement.

Finance Director Brooks stated the increase to Vehicle Replacement Fund was approximately \$122,000 and Operations and Maintenance Fund had stayed relatively flat.

Interim City Manager Korduner stated Coyote Creek Project had been highlighted because it was an exciting accomplishment and not due to the amount of the project.

Council Member Edgar commented on the following: desire for a detailed history of the Garage Fund; concern the revenue projections over estimated by \$300,000; increase in the internal Garage Fund; concern regarding the 2.5% Cost of Living Adjustment (COLA) for part-time employees and precedent it will set for future labor negotiations; upcoming expenses from Obama Care; and, asked what substantive dollar amount was driving the budget.

Finance Director Brooks indicated there was a significant savings from the reorganization in Community Development and the \$150,000 expense for the replacement of the phone system.

Mayor Kusumoto inquired the amount of the 2.5% COLA for part-time employees.

Finance Director Brooks indicated it was approximately \$17,000 a year.

Interim City Manager Korduner indicated Staff had discussed the issue and stated the wages were making it difficult for Police and Recreation and Community Services to recruit and retain qualified individuals. He pointed out the part-time employees had not had an increase in the past six years and the 2.5% could be adjusted.

Mayor Pro Tem Graham-Mejia inquired about the \$12,500 revenue increase in Police services.

Police Chief Mattern stated the fees for red light cameras were set by the courts and stated the projection was based on a significant increase in the number of violations and fines received from the court.

Interim City Manager Korduner attributed a portion of that increase from the 405 freeway construction.

Mayor Pro Tem Graham-Mejia inquired about the cost for School Resource Officer.

Police Chief Mattern stated the salary, vehicle, and supplies, were included in the full cost and disbursed evenly throughout the year for \$190,000 each year.

Mayor Pro Tem Graham-Mejia inquired about the Code Enforcement Officer position.

Interim City Manager Korduner stated he had received the retirement notice from the current Code Enforcement Officer. He added the City was currently contracting with a part-time Code Enforcement Officer and was comfortable continuing this practice.

Council Member Murphy inquired if 50% of the School Resource Officer had been absorbed by the Police Department budget.

Police Chief Mattern answered in the negative.

Interim City Manager Korduner stated the request had been researched and did not appear feasible. He indicated \$300,000 in expenses had already been cut to present the budget.

Council Member Murphy expressed concern for one time revenues being incorporated into the budget for increased spending.

Interim City Manager Korduner stated Staff had the same concern and was budgeting mindfully.

Council Member Edgar expressed concern that the red light camera revenues were over projected and felt it would be more prudent to lower the projections to be similar to the past four years.

Interim City Manager Korduner stated there were placeholders for some expenditures.

Council Member Edgar inquired if overtime was increasing due to involvement in auxiliary duties such as SWAY and the involvement with the County.

Police Chief Mattern clarified on call pay and court pay were previously separate line items and were all included in overtime pay this year.

Council Member Edgar commended on the following: Patrol had the largest portion of the vehicle fund; Council had previously postponed vehicle replacement and inquired to the rotation of vehicle replacement for the 12 cars; concern regarding the Vehicle Replacement Policy; possibility of sharing Public Works vehicles with the City of Cypress; and, support for slowly implementing the policy.

Public Works Superintendent Brandyberry stated the vehicles were rotated every four years and was currently done back to back. He clarified the goal of the new policy would be to purchase two vehicles every other year.

Council Member Edgar inquired if the Technology Fund was represented on page 55.

Support Services Manager Palmer answered in the negative and added this fund was strictly for the Police Department and included maintenance of software, CAD/RMS system, WestComm, communication technology, etc. She pointed out the cost was fixed.

Council Member Edgar reiterated his concern for the Garage Fund expense and inquired the amount of the internal Garage Fund. He stated he estimated \$210,000 and cautioned Staff to only budget what was needed versus the total amount the Policy allowed.

Council Member Grose inquired about the Contract Services on page 39; Special Assignment and Investigation pay; hourly increase; WestComm fees; and, allocation of City Attorney fees.

Police Chief Mattern stated the contract was for a Phlebotomist. He explained the process and stated to offset costs, officers transport arrestees to the County jail more often. He stated the Special Assignment and Investigation pay was due to the Police Officers Association Memorandum of Understanding that took effect halfway through the year.

Support Services Manager Palmer stated the hourly increase was due to the reclassification of a Police Aide Intern who had absorbed additional duties and has since caught the department up and submits reports to the Department of Justice in a timely manner. She stated the figure for WestComm was a place holder as the contract was in negotiations.

Police Chief Mattern stated City Attorney fees related to WestComm were included in the City Attorney's budget.

Finance Director Brooks clarified all City Attorney expenses were budgeted in the same account, not by individual departments.

Council Member Grose stated it would be prudent to track the City Attorney cost for WestComm separately. He then inquired about the 2015 budget for radio frequency; the special pay under Youth Program; questioned the logistics of the School Resource Officer and the replacement of the vehicle; clarification the \$472,000 budgeted for Traffic would be reimbursed with \$100,000 COPS grant for the motorcycle officer; and, inquired to the number of Los Alamitos resident CERT graduates.

Support Services Manager Palmer stated there was no funding mechanism for the radio frequency yet, but determining a funding strategy was a goal for this year. She stated the estimated figures have been reduced since the preliminary figures were released.

Police Chief Mattern stated the special pay under Youth Program was for the School Resource Officer. It was budgeted at 100%, with 50% returning in revenue.

Police Chief Mattern stated the SRO would be a full-time Police Officer and on patrol when not at the High School. The vehicle was scheduled to be replaced every five years.

Support Services Manager Palmer stated there were seven Los Alamitos residents registered in the upcoming CERT class.

Mayor Kusumoto referred to the overtime for Wings, Wheels, and Rotors and requested the amount be removed from the budget. He stated the Chamber of Commerce should be responsible for that cost and he had discussed such with the Chamber Chair.

Council Member Grose agreed, but stated there was no clear policy on what was provided by the City for special events. He felt a policy on the use of City Staff, traffic impacts, police deployment, and reimbursement should be established. He felt everyone should pay their fair share and a policy would ensure equity to all users.

Mayor Kusumoto stated there was a difference between Wings, Wheels, and Rotors as a Chamber sponsored event, and the 4<sup>th</sup> of July, which is a City sponsored event. He stated compensation should be received for non-City Sponsored events.

Council Member Grose stated he did not feel officers were needed during the Wings, Wheels, and Rotors event.

Mayor Kusumoto stated traffic and crowd control was needed at large events. He felt the entity hosting the event should be responsible for the impact to the City.

Council Member Grose agreed and reiterated the importance of having a policy in place, especially in light of the upcoming PONY League World Series event in August.

Mayor Pro Tem Graham-Mejia agreed an outside entity should absorb related costs for its event. She stated she was opposed to charging the PONY League since she did not want to discourage groups from starting similar events. She felt if a group began to make a profit, they should pay their costs.

Council Member Edgar supported a policy discussion. He felt the PONY League should have an exception and supported groups that wanted to make the City better. He stated it was important to provide a safe environment for events, but was uncertain if the City should fund the expense every time. He reiterated support for a policy discussion and requested Staff look at surrounding cities.

Mayor Pro Tem Graham-Mejia expressed disappointment for the lack of Community Outreach funding and requested an increase. She stated support for a Police BBQ where residents could meet the officers. She felt business would be willing to donate to the cause and it would establish good personal relationships.

Police Chief Mattern stated when directed to find a savings within the budget, this was the only item that allowed for a savings.

Council Member Edgar stated the Police budget had increased \$400,000 in the past four years. He stated support for the Police department and pointed out POA negotiations were coming up and the POA had the highest retirement and medical costs.

Mayor Pro Tem Graham-Mejia inquired if any new officers were hired during the time period, budgeting process for the SRO, and repercussions if there was no funding after year one.

Police Chief Mattern stated a substantial portion of the increase was due to the \$200,000 for the SRO and that the SRO budget included the uniform, safety equipment, and vehicle. The cost of the SRO was evenly distributed through three years, with vehicle cost being over five years. He stated the City was currently working on a funding agreement with the City of Seal Beach and the School District.

Council Member Edgar inquired to the total balance of the Public Works Garage Fund; what portion was for Maintenance and Operations and Replacement; and, what the Garage Fund balance was before the increases for the Vehicle Replacement Policy.

Finance Director Brooks indicated the balance for the Public Works Garage Fund was approximately \$121,000 and stated he would research the separation and get back to Council.

Mayor Pro Tem Graham-Mejia referred to Maintenance and Operations on page 65 and asked for a breakdown.

Finance Director Brooks stated that includes approximately \$35,000 for the Coyote Creek Park and \$121,000 for the Garage Fund.

Council Member Grose received clarification the maintenance for the park was only for half the year.

Mayor Pro Tem Graham-Mejia spoke regarding the proposed field fee increases. She stated the user groups she has spoken with were concerned the fields will not be maintained at the level that their contribution would demand. She suggested Staff be specifically trained on care and maintenance of the field.

Public Works Superintendent Brandyberry stated Staff had the expertise and training to maintain the field and explained the issue with maintenance has been funding for supplies.

Mayor Pro Tem Graham-Mejia referred to the field puddles in the rainy season and the desire for higher level of training for Staff. She indicated the park had been incorrectly graded. She believed there would be a greater acceptance by the users if they could be assured a higher level of maintenance on the fields.

Mayor Pro Tem Graham-Mejia referred to the City/School Working group and stated the fee details were still being discussed. She stated the School District's first charter was academics for the students and field renovation funds were fought for through Measure K. She reiterated the importance of field maintenance moving forward and establishing a sinking fund.

Council Member Edgar inquired why the increase in fees was not factored into the budget and how revenue from the fields was allocated and if the policy needed to be addressed.

Recreation and Community Services Director Lakin stated it was difficult to project additional revenue and expenses until the School Board and City Council make a decision regarding the fees. He indicated Staff would know more after the School Board fee workshop. He stated revenue came into the Recreation and Community

Services Department and maintenance expenditures would be reflected in the Public Works Department.

Mayor Pro Tem Graham-Mejia inquired if the sinking fund would be used for Maintenance and Operations of the field.

Recreation and Community Services Director Lakin clarified the sinking fund would not be used for ongoing maintenance but would be used for Capital Improvement Projects (i.e. rehabilitation of the fields, new drainage, grading).

Council Member Grose referred to the overtime for Wings, Wheels, and Rotors on page 71 and inquired if it should be zeroed out to be consistent.

Mayor Kusumoto requested the funding be left in place until Council had the policy discussion.

Council Member Grose inquired about the \$35,000 for contractual services, the cost to maintain a park, if any of that was covered by the \$1.4 million grant, and if low maintenance landscaping was being used.

Finance Director Brooks stated the \$35,000 was a place holder for Coyote Creek Park.

Public Works Superintendent Brandyberry indicated he would provide a cost per acre to maintain a park to the Council at a later date. He indicated the park would need to be manually reseeded for the first three years.

Community Development Director Mendoza clarified the Coyote Creek Park would have its own standard of maintenance manual developed by the architect. He stated the first several years would require more maintenance. He clarified once the contractor released the park to the City all grant funding would be extinguished and Staff would be in charge of maintaining the park.

Council Member Grose referred to the Recreation and Community Services significant accomplishments and pointed out the department is mostly self funded. He stated the department was good for the public and community outreach and had no questions as the expenditures were going down.

Mayor Pro Tem Graham-Mejia referred to Day Camps on page 99. She inquired how the Community Give Back that would fund three years of free camp parks would affect the budget.

Recreation and Community Services Director Lakin stated the cost for each Day Camp was between approximately \$4,500 and \$5,000.

Mayor Pro Tem Graham-Mejia stated she felt these programs were a good use of the City's money. She urged Council to invest more money for this program as it was one of the top four voted for items from the Community Give Back survey.

Council Member Grose asked for clarification regarding the decline in Maintenance and Operations, the increase in supplies, and scholarship program.

Recreation and Community Services Director Lakin stated Day Camps on page 99 were paid for by the residents. The drop in summer programs were included in the budget on page 89. He stated the programs had been decreased to parks with shorter hours. He stated the scholarship account's only funding is through Run Seal Beach there is no mechanism for replenishment once depleted.

Mayor Pro Tem Graham-Mejia inquired what the proposed increase to the Parks Program included. She stated the Staff did a great job with the program and she felt it was a small portion of money for investing in the children. She urged Council to consider increasing the funding.

Recreation Manager Moya stated the program would be extended from seven weeks to 10, hours would be extended by an additional 1.5, and field trips would be included.

Council Member Edgar commented the same request was made in 2008. He stated he would be supportive of addition funding since the desire from the community was expressed in the survey. He did have issues with the Give Back funds in general.

Mayor Kusumoto stated support for additional funding.

Mayor Pro Tem Graham-Mejia referred to the Community Development budget and inquired why NPDES funding was doubling this year.

Council Member Edgar pointed out the report was not included in last year's budget.

Community Development Director Mendoza stated that was correct and Staff budgeted to complete the report this year.

Mayor Pro Tem Graham-Mejia requested Staff double check the Laurel Park rate and ensure the rate is closely monitored for possible savings.

## **RECESS**

City Council took a brief recess at 7:55 p.m.

## **RECONVENE**

City Council reconvened in Special session at 8:10 p.m.

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

Council Member Edgar referred to page 2 of the Staff report and stated the following concerns: increase in property taxes and requested a schedule that justified the increase; increase in Transient Occupancy Tax with only two hotels in town; increase in Franchise Fees; increase in Business License tax; increase in Fines and Forfeitures; not reaching full potential of Investment Earnings since Council revised the policy to allow the City treasurer more flexibility.

Finance Director Brooks clarified Business License is a tax and the increase was attributed to the incoming hospital building and parking structure. He stated the property tax projection was based on the most recent collection trends and there was real strength in the most recent payments.

Council Member Edgar expressed concern the property tax data was based on out of date data points and thought it was risky to project an increase to \$100,000.

Interim City Manager Korduner stated Staff would revisit the issue.

Council Member Edgar inquired if the market rates were adjusting to justify the Transient Occupancy Tax revenue increase.

Finance Director Brooks stated Staff could revisit the issue and projections were based off the quarterly trends and occupancy rate increases in both hotels.

Council Member Edgar inquired to the change in the Telephone Users Tax since the adoption of Measure DD and asked if Staff felt comfortable with the decrease.

Finance Director Brooks stated the information is supplied by different providers and the effects of the change were not available to date.

Council Member Edgar stated Southern California Edison had passed a portion of its rate change to California Public Utilities Commission and rates were to increase; however, Staff reflected a decrease.

Interim City Manager Korduner stated Staff would revisit the issue.

Council Member Murphy inquired about the \$30,000 decrease in Gas Tax revenue.

Finance Director Brooks stated the projection was based off recent trends and the market price was at an all time low.

Council Member Edgar inquired about the Franchise Fees.

Finance Director Brooks stated the projection was based off recent trends and cable was doing very well.

Council Member Edgar inquired about the Fines and Forfeitures for the red light cameras and asked if it was trending toward less moving violations.

Police Chief Mattern stated the amount the City receives from the Courts per citation is not as much. He clarified that enforcement of red light violations was more successful. Previously there were issues in court that made successfully prosecuting cases difficult.

Council Member Edgar stated concern the revenue projections were too high and stated interest in seeing the net impact of revenue and expenses.

Council Member Edgar asked Staff to do an assessment for part-time Staff that would include potential medical coverage and GASBY 45 Unfunded Liability. He expressed concern revenue was over projected by \$300,000.

Finance Director Brooks stated Staff was working diligently on understanding the ramifications of Obama Care.

Council Member Edgar expressed concern regarding the 2.5% COLA for part-time employees and requested the exact increase to the budget. He reiterated concern for upcoming labor negotiations and the impact of Obama Care.

Council Member Grose expressed an interest in discussing the 20% Emergency designation since it had not increased from \$2.3 million. He questioned whether the amount was high enough.

Council Member Edgar inquired what was next in the budgeting process as he did not feel a consensus was reached amongst Council.

Interim City Manager Korduner indicated Staff would have all recommendations available for review and decision at the June 3<sup>rd</sup> Budget Workshop before adoption on June 17<sup>th</sup>.

Mayor Pro Tem Graham-Mejia stated she received a call from a resident requesting dogs be allowed off leash between the hours of 8:30 a.m. and 10:00 at Orville Lewis park.

Council Member Grose stated support for sending the issue to the Parks, Recreation, and Cultural Arts Commission.

Mayor Pro Tem Graham-Mejia stated a preference for Council addressing the issue first and not extending the process through the Commission.

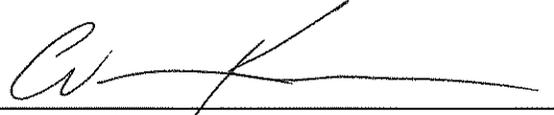
Council Member Murphy referred to the Unassigned Fund Balance and stated when it is offset against the unfunded pension liability it leaves approximately half a million dollars in unassigned reserves. He stated an interest in discussing the emergency designation and expressed concern that two month emergency reserve would not be sufficient. He cautioned unfunded pension liability would use the majority of the \$2.7 million reserve funds.

Council Member Edgar, Council Member Murphy, and Mayor Pro Tem Graham-Mejia stated concern for the unfunded pension liability.

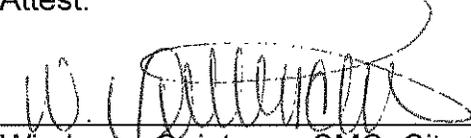
Mayor Kusumoto thanked Staff, the City Manager, and Council for their participation in the process. He directed Staff to schedule a Closed Session on Monday, May 13, at 6:00 p.m. to meet with the new City Attorneys.

**6. ADJOURNMENT**

The City Council adjourned at 8:40 p.m.

  
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Warren Kusumoto, Mayor

Attest:

  
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Windmera Quintanar, CMC, City Clerk