

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

REGULAR MEETING – November 2, 2009

CALL TO ORDER

The City Council met in Regular Session at 7:00 p.m., Monday, November 2, 2009, in the Council Chambers, 3191 Katella Avenue, Mayor Edgar presiding.

ROLL CALL

Present: Council Members: Mejia, Stephens, Zarkos, Poe and Edgar

Absent: Council Members: None

Present: Staff: Jeffrey L. Stewart, City Manager
Sandra Levin, Interim City Attorney
Nita McKay, Assistant City Manager
Steven Mendoza, Community Development Director
Todd Mattern, Police Chief
Angie Avery, Recreation & Community Services Dir.
Cassandra Palmer, Police Support Services Mgr.
Jose Valbuena, OCFA Battalion Chief
C. Darleen Cordova, Interim City Clerk

PLEDGE & INVOCATION – Council Member Zarkos led the Pledge of Allegiance and Mayor Edgar gave the Invocation.

5. 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. Please state if you wish to speak on an item on the Agenda. Remarks are to be limited to not more than five minutes.

Mayor Edgar opened Oral Communications.

Laura Herzog, Joint Forces Training Base, provided an update on the JFTB, including the \$1 million in runway repairs scheduled for this fiscal year, efforts to obtain \$20 million from Homeland Security for a new runway (in 2020) at the Base; Wings, Wheels and Rotors; and upcoming meetings and events (RMAC, Veterans' Day, and the Las Vegas Night fundraiser.)

JM Ivler, resident, discussed the LAMC meeting and the need for "transparency" in local government; the Denny's Restaurant closure; and the need to stop development along the Katella corridor until the City has a long-term plan.

Charles Sylvia, New Dutch Haven resident, stated that three months ago residents spoke about parking problems in the area of the Los Alamitos Medical Center, problems exiting Cherry onto Katella, and the need for Emergency Room expansion and hospital improvements. In order to make improvements, they need to do an EIR.

Mayor Edgar closed Oral Communications.

6. REGISTER OF MAJOR EXPENDITURES

November 2, 2009.

Motion/Second: Zarkos/Mejia

Unanimously carried: The City Council approved the Register of Major Expenditures for November 2, 2009, in the amount of \$168,294.64.

Roll Call Vote

Council Member Mejia	Aye
Council Member Stephens	Aye
Council Member Zarkos	Aye
Mayor Pro Tem Poe	Aye
Mayor Edgar	Aye

7. CONSENT CALENDAR

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

Council Member Mejia pulled Items 7D and 7E.

Council Member Zarkos pulled Item 7A3.

Motion/Second: Poe/Mejia

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

*****CONSENT CALENDAR*****

A. Approval of Minutes

1. Approved minutes of the Regular Meeting – October 5, 2009.
2. Approved minutes of the Special Meeting – October 17, 2009.

B. Warrants

The City Council approved the Warrant Register of November 2, 2009, in the amount of \$75,691.16.

C. Emergency Operations Plan 2009 Update

In compliance with Federal mandates, the City's Emergency Operations Plan has been revised to incorporate the National Incident Management System (NIMS) and to accommodate organizational staffing changes that have occurred in the City of Los Alamitos since the previous revision.

Adopted Resolution No. 2009-16, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, ADOPTING THE CITY OF LOS ALAMITOS EMERGENCY OPERATIONS PLAN AS THE BASIS FOR RESPONSE TO ALL INCIDENT MANAGEMENT IN THE CITY OF LOS ALAMITOS".

*****END OF CONSENT CALENDAR*****

7. A. Approval of Minutes

3. Approve minutes of the Regular Meeting – October 19, 2009.

Council Member Zarkos questioned staff on the discrepancy in the LAIF interest rates quoted on page 6, fourth and fifth paragraphs. The Interim City Clerk explained that both figures had been quoted. Finance Director McKay reported that the correct figure was .75%.

Motion/Second: Zarkos/Mejia

Unanimously carried 4-0, with one abstention (Poe): Approved minutes of the Regular Meeting – October 19, 2009, as amended on page 6, fifth paragraph.

D. Approval of Agreement with Colantuono & Levin, PC for Interim City Attorney Services

The City Council named Sandra Levin from the firm of Colantuono & Levin as the City's Interim City Attorney on October 17, 2009. Approval of the attached agreement would formalize the appointment of Ms. Levin as the Interim City Attorney effective November 3, 2009.

Council Member Mejia indicated she did not want to vote "yes" on this due to some procedural matters with which she was not comfortable. Therefore, she pulled it from the Consent Calendar for a separate vote.

Motion/Second: Poe/Zarkos

Carried 4/1 (Mejia "No"): Authorized the Mayor to execute the attached agreement with Colantuono & Levin for the provision of Interim City Attorney services.

E. Consideration of an Administrative Regulation Pertaining to Requests for Inspection and/or Copying of Public Records

This report requests City Council consideration of the adoption of an Administrative Regulation to provide uniform procedures by which the City will respond to requests for records under the Public Records Act.

Council Member Mejia requested the payment for the DVD be held as a deposit for two days, pending return of the DVD. Previously, the City loaned DVD's, but they weren't always returned. Upon return within two days, the payment will be refunded.

Motion/Second: Edgar/Mejia

Unanimously carried: Adopted the proposed Administrative Regulation 1.9, Pertaining to Requests for Inspection and/or Copying of Public Records, as amended on page 6, second paragraph.

8. PUBLIC HEARINGS

A. **Ordinance No. 09-09 - Amending Chapter 17.10.020, Table 2-04, in the Business and Professional Use Section of the Los Alamitos Municipal Code, Related to Non-Medical Office as a Conditional Use in the Planned Light Industrial (P-M) Zone**

Consideration of a Zoning Ordinance Amendment No. Z0A09-05 to conditionally allow non-medical office uses within the Planned Light Industrial (P-M) Zone.

Community Development Director Mendoza utilized a Power Point Presentation to summarize the staff report, referred to the information contained therein, and answered questions from the City Council. Los Alamitos Business Park is located at the northwest corner of Cerritos and Los Alamitos Blvd., behind the Sizzler. The property was zoned industrial, but is more of a multi-tenant business park. When Bay Harbor bought the property, offices were allowed. In 2005 the City changed the Code, with offices no longer allowed. They would like to amend the Code in order to allow offices (non-medical) as a conditional use; not by right, but through the CUP process. Mr. Mendoza discussed minimum parking requirements: 1 parking space per 250 square feet of office space; 1 parking space per 500 square feet of industrial use.

Mr. Mendoza explained that staff questioned how this change would impact the remainder of the industrial zone and the proliferation of office uses. Staff has incorporated measures to prevent the proliferation of office uses: office uses would be subject to a Conditional Use Permit, a review of parking, and non-medical office use would be capped at 30% of each industrial-zoned parcel in the City.

Mayor Pro Tem Poe questioned if there were any responses to the public notice. The Community Development Director reported "yes", two individuals asked how the proposed action would impact their businesses. There was no opposition from the 187 notices mailed out.

Council Member Stephens questioned Mr. Mendoza on the 30% restriction. Mr. Mendoza indicated that the current parcel has 28% office uses and adequate parking. No shrubbery or trees would be affected.

Council Member Zarkos asked if we were just looking at one specific property. The Community Development Director indicated we were looking at all industrial-zoned property, four or five areas, with multiple parcels within those areas, but that one parcel was bringing this forward.

Council Member Zarkos questioned City Manager Stewart if this action would impact current issues regarding Code violations and was informed it would not. Mr. Stewart indicated staff would continue to proceed in the same vein.

Council Member Mejia indicated support of this item. She referred to the need for an overlay for the whole City to plan for these types of things.

Mayor Edgar questioned the parking requirements. Do we have any noted parking issues? Mr. Mendoza indicated in the negative; staff has been to the park on numerous times and days. Mayor Edgar thought this action should make it easier for the City.

Mayor Edgar opened the Public Hearing.

Tim Strader, Star Point Ventures, was the consultant to Bay Harbor Management Services, the property owner. He briefly thanked staff for all their work on this item. They have been to the Planning Commission twice and gone through the history of the project. Bay Harbor has owned the property since 2003 and everything was in compliance at that time. The Park has been in operation since 1975 with a mix of land uses. Nothing changes tonight, but it will clean up site specific issues.

Mike St. Amant, owner of a two-story building behind the hospital on Bloomfield Street, indicated he purchased his property in 2004 before the zoning change. His building was originally built as an office building, and is approximately 2/3 office space and 1/3 warehouse space. He said it was hard to sell an office building when it cannot be used for an office. It was originally built to City Code as an office building but it was zoned P-M at the time because offices were allowed. Now that that has been changed, he felt he had a "white elephant" on his hands. He felt it should be "grandfathered" to allow the original use amount of office space.

The Community Development Director stated that Mr. Amant was correct, in that the City changed the Code on the industrial parks. It was not applicant-driven in 2005. Somehow there was a blanket ruling to take out office without discussion or detail showing what the intent was at the time.

Council Member Zarkos questioned staff on the genesis of the 2005 amendment. Mr. Mendoza stated that the Zoning Code was completely revamped and there was no individual discussion that showed the intent of why something was changed. In 2005 it was a blanket approval; it went through the Planning Commission several times and then to the City Council. Many rules and regulations were changed in the Zoning Code; however, individual items were not discussed in depth.

Council Member Stephens questioned Mr. Amant on when he took possession of the building (2004). Council Member Stephens asked if the building was designed for 60% office space upstairs and was answered in the affirmative. The building was built in 1972. Mr. Amant indicated there were 18 parking spaces for the 6,000 square foot building (4,000 sq.ft. office and 2,000 sq.ft. industrial).

Mr. Mendoza stated that staff would have to perform an individual analysis of his use. The cap is 30% office, and would not completely solve Mr. Amant's problem, but is moving in the right direction.

Mr. Amant indicated his building is fully occupied.

There being no one else appearing either in favor or opposition, Mayor Edgar closed the public hearing.

Mayor Pro Tem Poe asked how this action would impact the other industrial areas. Mr. Mendoza reported that the other areas were not asked but several test cases on parking were performed on Serpentine and Winner's Circle. They have the exact number of parking for industrial use.

Mayor Pro Tem Poe also asked if tonight's action would have any negative impacts and Mr. Mendoza indicated "No", it actually opens a bigger window for them, if they can meet the parking requirements, to apply for a CUP to allow more varied uses within their industrial areas.

Mayor Pro Tem Poe asked if we know how many other offices in the community were built as offices in an industrial area, prior to the 2005 change. Mr. Mendoza discussed the buildings he checked on Bloomfield. Mayor Pro Tem Poe indicated the 2005 zone change was supposed to be just a clean-up of language and felt it had been misrepresented to staff and Council. She suggested consideration of a grandfather clause, but Mr. Mendoza didn't think it would solve everyone's problems due to individual issues among their specific problems.

Council Member Zarkos clarified with the City Attorney that if Council approved this tonight but wanted to look at a grandfather clause, it would have to go back to the Planning Commission for comment and be re-introduced. A future amendment could be considered.

Council Member Stephens was concerned about the number of buildings constructed prior to 2005 that might have to be included in a grandfather clause. He thought the CUP and ordinance were sufficient and did not support a grandfather clause.

Council Member Mejia was also supportive as is, without the grandfather clause.

Council Member Zarkos thought Council could direct staff to go back and look at the possibility of a grandfather clause. If the recommendation is that it is not needed, that is fine. His recommendation would be to approve this as written, but to direct staff to see if a grandfather clause would be appropriate (as a separate item).

Council Member Mejia felt that staff was comfortable with saying the grandfather clause is not necessary at this time. She thought staff's time could be better utilized and we should move forward.

Mayor Edgar suggested the *ad hoc* committee consider this, with the General Plan Amendment.

Motion/Second: Poe/Edgar
Unanimously carried:

1. Introduced by title only and waived further reading of Ordinance No. 09-09, first reading of an ordinance (Mayor Edgar read the title) entitled: "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, APPROVING ZONING ORDINANCE AMENDMENT Z09-05 AMENDING CHAPTER 17.10.020 TABLE 2-04 IN THE BUSINESS AND PROFESSIONAL USE SECTION OF THE LOS ALAMITOS MUNICIPAL CODE, RELATED TO NON-MEDICAL OFFICES AS A CONDITIONAL USE IN THE PLANNED LIGHT INDUSTRIAL ZONING DISTRICT."; and
2. Set for second reading and adoption at the next meeting.

9. DISCUSSION ITEMS

A. Fourth Quarter Financial Report for Fiscal Year 2008-09 and First Quarter Financial Report for Fiscal Year 2009-10

This report provides the City Council with an assessment of the City's financial performance compared to the amended budget through the end of Fiscal Year 2008-09 and through the end of the first quarter of Fiscal Year 2009-10.

Finance Director McKay summarized the staff report, referred to the information contained therein, and answered questions from the City Council. Ms. McKay placed emphasis on General Fund Revenues and Expenditures. For FY 2008-09, General Fund Revenues were down approximately \$312,000 from the prior year. Property Tax Revenues, Sales and Use Taxes and Utility Users Taxes account for approximately 67% of our General Fund operating budget. Property taxes are stable; sales and use taxes declined approximately \$521,000; and Utility Users taxes were \$54,000 higher than the prior year, mainly due to a wireless telephone service provider beginning to pay taxes in March 2009.

FY 2008-09 General Fund Expenditures decreased by approximately \$1.2 million. In February 2009, significant budget reductions were made of approximately \$560,000. All but one department was within budget. The Recreation and Community Services Department was slightly over budget but this was due to Race on the Base expenditures; but the revenue more than offset that.

For the First Quarter of FY 2009-10, Ms. McKay reported that General Fund Revenues are down approximately \$55,000 from one year ago. Property Tax Revenues are in line at this time; Sales and Use Taxes are projected to decline again this fiscal year by another \$60,000; Utility Users Taxes are slightly lower by \$27,000 from one year ago; Business Licenses look low this fiscal year, but many business license renewals were paid before the end of the last fiscal year.

First Quarter FY 2009-10 General Fund Expenditures decreased \$131,000 from the same time a year ago. Most of the departments are within or under the 25% expended at the end of the first quarter.

The Finance Director discussed Non-Departmental which includes the Workers Compensation and General Liability Programs. This is the beginning of the third year with the Joint Powers Insurance Authority; we pay approximately \$400,000 deposit for four years, and then they will make adjustments, depending on the number of claims we have for Workers' Compensation and General Liability. We pay directly for our tail claims that existed at June 30, 2007 and compared to one year ago, they are down. Ms. McKay explained that the City Attorney's budget looks odd because we paid two months in arrears with our prior contract attorney.

Council Member Mejia questioned Ms. McKay on the tail claims that are lessening each year. She explained that some may have final settlements but a lot of the tail claims on workers' compensation are for future medical.

Council Member Zarkos asked about our experience on renewals versus new business licenses. The Community Development Director reported that we are still collecting and some are 30-60 days late. Staff can compile a report for inclusion in the Weekly Memo that shows how many people have not renewed over the last year. City Manager Stewart asked if Council Member Zarkos was requesting information on new business starts compared to last year. That information will be provided to Council.

Council Member Stephens asked if we changed our collection process for business licenses and was informed that many businesses seemed to pay in a timelier manner. Renewal notices went out in May and June. We did not change anything in our process.

Mayor Pro Tem Poe felt the report reflected how dire the situation is.

Mayor Edgar felt there were two reports: how we ended up last year and where we are today. The big picture was we had a \$215,000 surplus last year, due to financial constraints and the wireless fee.

Upon questioning, Ms. McKay explained that the wireless service provider contacted the City and inquired about our Code on the utility user's tax.

Mayor Edgar stated that from a policy perspective we need to look at lessons learned. For this year, Mayor Edgar focused on the revenue side. If you look at General Fund Revenues, potentially we are looking at a \$100-200,000 problem. Is there anything pre-emptive we can do? We need to be pro-active. From a revenue side, is there anything left on the table from last year?

City Manager Stewart discussed historical trends and did not think we are too far off. However, he thought the way the State will calculate its triple flip, with different assumptions this year from the past three years, will mean some bad news is coming on sales tax. We are hearing now that the State will estimate low which will mean a short-term hit this fiscal year of up to \$170,000, to be adjusted over future fiscal years. As the numbers start coming in, staff will have some hard recommendations by mid-year, if not sooner. Every department is trying to find savings.

Mayor Edgar stated that we have a Police force located right across the street from Rossmoor that potentially could provide a leverage to police service; and we have a Planning desk with a really good cost structure in place. He would like us to try to get more strategic in leveraging the way we do business and perhaps start leveraging some of the costs across different jurisdictions.

Council Member Zarkos remembered we previously had a lot of discussion on revenue sources and he felt we needed to focus on revenue generation, to make up the potential \$200,000 shortfall. We should look at that now rather than coming back at mid-year when it may be too late.

Council Member Mejia indicated she had expressed concern several meetings ago and was pleased we are looking at this ahead of time.

Mayor Pro Tem Poe commented that last February was painful. She felt we needed to be proactive, look at what else we have like the Verizon issue, and focus on ways to increase revenues.

Council Member Stephens agreed with Mayor Edgar on looking into using our Police and Planning services for some of the other communities as a means of generating more revenue. He was also strongly supportive of "point of sale" purchases, both by the City and other businesses within the community. He urged having meetings with larger businesses, such as LAMC and Trend etc. where we can pick up point-of-sale taxes for the City.

Motion/Second: Edgar/Zarkos

Unanimously carried: Received and filed the Fiscal Year 2008-09 Fourth Quarter Financial Report and the Fiscal Year 2009-10 First Quarter Financial Report.

B. Consideration of a Policy and Procedure for Naming Specific Facilities Within City Parks

This report seeks City Council consideration for the adoption of a Policy and Procedure for Naming Specific Facilities within City Parks.

Recreation & Community Services Director Avery summarized the staff report, referred to the information contained therein, and answered questions from the City Council. Ms. Avery explained that staff was recommending that the policy be narrowed to include only specific facilities within City parks; additional facilities such as buildings in the Civic Center would not be included. The individual or group making a nomination would pay for the design, construction, and installation of a memorial, since that is not included in the City budget.

Mayor Edgar opened the meeting to the public.

Alice Jempsa, resident, felt we needed some very specific guidelines. The conference meeting room designated as the Charles E. Sylvia Room was named for a gentleman who served on the Council for 26 years. She felt buildings or parts of our public facilities should also be considered in this policy and how it is going to be handled. She was very pleased in the way Mr. Sylvia was recognized. For a long time his picture was on the wall in the Conference Room and it stated that he had been on the Council for so many years. Suddenly, one individual decided his picture should be taken down. Staff was obligated to take it down and they can't find the picture any more. Mrs. Jempsa did not think we should put up with that type of attitude in the future and felt these things needed to be very specifically designated. Proper designation needs to be given to many things in the City besides the parks.

No one else appearing, the meeting was closed to the public.

Council Member Mejia provided background on why she brought this item up originally. A scorekeeper at one of the parks had lost his battle with cancer and a member of the community was interested in erecting some type of small remembrance of him. This would be nice for the community.

Mayor Pro Tem Poe provided her perspective on this item and distributed pictures of some memorials at Laurel Park, and Cottonwood Park. Mayor Pro Tem Poe provided the following information on former memorials:

Laurel Park: Large tree – plaque states “American Sweet Gum” and this plaque was “Dedicated by LAYAA to the memory of Gordon W. Fisher, 1925 – 1977, in living tribute to his many years of service on behalf of community youth”. LAYAA paid for the tree and the plaque and worked with the City staff to place the memorial there.

Cottonwood Park – Smaller tree, with a wooden post in front - plaque states “In memory, Andrew Michael Hattery, Born to Eternal Life, October 19, 1994”. This was in memory of a stillborn grandchild of a resident on Ticonderoga. Residents contributed the money, called the Director of Parks and Recreation, and found out how to arrange the memorial.

Mayor Pro Tem Poe provided historical information, and commented that all our parks have names of significance:

Laurel Park was named after the original school, with an essay contest of school children.

The ball diamond at Laurel Park was originally named for former Council Member Clyde W. Byous who was elected in 1962. After the original Laurel School was sold for a business center, we had no lighted ball diamond in the community for baseball or softball. The diamond at Laurel Park was nothing more than chicken wire and a ball diamond. Bases were thrown down when a game was held. Mr. Byous spearheaded and was responsible for getting the diamond properly built with a backstop, base pegs and lights. The diamond was dedicated and named for him for his efforts. In later years, when the City entered into its first contract with the LAUSD, the whole park was refurbished, the tennis courts moved to their present site, and a bathroom built. The diamond was also updated. Unfortunately, the plaque with Clyde Byous' name was not replaced and she felt that error should be rectified now that it has been brought to our attention.

Little Cottonwood Park was named, with an essay contest from the community.

Orville R. Lewis Park was named for Orville Lewis who grew up in Rossmoor, attended our local schools, and was a Los Alamitos Police Officer who died of a heart attack at a young age. Community members came to the Council and ultimately worked with the Police Department and the Council in naming in park in the Highlands after him.

Labourdette Park was named for A. J. Labourdette, who dedicated much of his life to this community, particularly the youth program, before the City was even incorporated.

Soroptimist Park was named for the Soroptimist Women's Organization who purchased the playground equipment and worked with staff to plan and implement that park.

Stansbury Park, in College Park North, was named for a young girl who lived in College Park North and was killed crossing Ball Road.

The Park was being built at the time and the neighbors asked that the Park be named in her memory.

Sterns Park was named after Mr. Sterns who owned much of the property in early Los Alamitos.

Roberts Park was named for Cecil Roberts who owned a meat market in Los Alamitos and contributed years of service to our community.

She disagreed with the statement that without a policy, the City has a risk of being over-saturated with memorials. Mayor Pro Tem Poe contacted several cities to determine if they had policies and provided copies of naming policies from Huntington Beach, Seal Beach and Mission Viejo. Cypress and La Palma do not policies.

Mayor Pro Tem Poe did not favor naming or renaming facilities at parks since there are many ways feelings can be hurt, and cause a lot of controversy. She was in favor of recognizing people who have contributed to our community, and provided the names of a few: Eme Otte, Bill Brown, Leo Layton (volunteer Fire Chief), Chuck Long, William Poe, Laurel Labourdette, John Spinel, Marty and Paul Bernal, etc. Mayor Pro Tem Poe favored a bench, tree and plaque policy so people would know the necessary procedures.

Mayor Edgar framed up the two issues: a limited or full-blown policy, and naming.

Council Member Mejia would like the City to put up a plaque so that residents would know the name of the ball diamond at Laurel Park. She would also like to see a memorial, attached to the back of the diamond, that doesn't state the name of the field, but that the plaque is in memory of someone who served at that field. She was not aware that the diamond was already named. Council Member Mejia thought the reason for the policy was so that there was no perception out in the community that the Council is monopolizing who gets to have memorials. A policy takes the personal part out.

The City Council debated the merits of a limited versus a full-blown policy or procedure. Council Member Zarkos favored a more limited policy, and suggested Council direct staff to meet with Mayor Pro Tem Poe to develop a limited policy and bring it back to Council. Council Member Zarkos thought the decision was placed more in the hands of staff, rather than at the Council level. He would like to have the historical society or museum provide input on nominations.

Recreation & Community Services Director Avery explained that the role of staff would be to answer questions from the public and insure that all

the “t’s are crossed and i’s dotted” on the nomination form; it would not be the role of staff to make a recommendation.

Council Member Stephens asked what Government Code Section 34982 was, and Mayor Pro Tem explained that if a City changed the name of a street, the County Board of Supervisors and the United States Post Office must be notified. He agreed with a limited policy (trees, benches etc.). He was upset that someone removed a picture and felt these issues should be brought back to the City Council for ratification.

As to the museum, Council Member Mejia was concerned about having the same small group of people providing input on nominations. She wanted everyone to be considered for this.

Mayor Edgar also favored a limited policy. The museum could facilitate the process of archiving the request and adding information on a historical context regarding the request. Someone needs to make sure that these things are recorded.

Council Member Mejia questioned if the Commission’s meeting minutes are part of the public records. The City Manager indicated in the affirmative. She wanted to make sure that other people are considered for these things throughout the community, not just people who have been here for many, many years and have been on the Council. She would like it to have broader spectrum.

Mayor Pro Tem Poe clarified that she is President of the Los Alamitos Museum, but the Board also includes residents from Rossmoor and Long Beach. They are in the process of restoring pictures to bring them up to the present.

Interim City Attorney Levin provided some revised wording to the proposed Administrative Regulation, to narrow the policy, and to implement what the Council had been discussing:

Amended Page 1, Section 3. Regulation, a. Definitions, i. Specific Facilities: eliminated the words “athletic fields, gymnasiums, meeting rooms, ball diamonds, tennis and basketball courts” and added “benches, trees, plaques”.

Amended Page 3, Section 5. Procedure, to read as follows:

- a. Requests to rename existing Specific Facilities within City Parks shall be made by completing the nomination form provided by the Recreation and Community Services Department. Staff will review the form for completeness and accuracy and forward all requests to the Parks, Recreation and Cultural Arts Commission, but shall not make or recommend a specific

decision. The Commission will review the nomination and make a recommendation to the City Council.

- b. The City Council will have final approval.
- c. The Los Alamitos Museum shall be notified and given the opportunity to provide input to the Parks, Recreation and Cultural Arts Commission and the City Council.

Council Member Zarkos suggested the Museum catalog the information when someone is memorialized with a plaque so future generations understand why the individual was recognized.

Council Member Mejia was not comfortable with this policy the way it is and was discouraged that something that was supposed to be good for the community has taken as long as it has. She thought it would be redundant to bring it back a third time.

Mayor Edgar felt this was an important item and everyone was thankful that Council Member Mejia had brought the issue forward. He felt this was about our history, and a passion to preserve what is special about our City. We are very close to agreement.

Council Member Zarkos was willing to support this policy, as amended by the Interim City Attorney.

Mayor Pro Tem Poe suggested an additional amendment: Page 2, Section 4. Policy, c. Dedicated Memorial Items, vi., 4th line, eliminated the words "or after a period of ten years,".

Motion/Second: Mejia/Stephens

Unanimously carried: City Council adopted the Policy and Procedure for Naming Specific Facilities within City Parks, as amended by the City Attorney and Mayor Pro Tem Poe.

C. Status Report on Correspondence and Action Taken By City Regarding the Composting Project at the Joint Forces Training Base

The Joint Forces Training Base (JFTB) enacted a five-year composting program that created a compost spreading ground on 11.9 acres located on the southeastern quadrant of the facility. Since that time, the City of Los Alamitos and the cities of Cypress, Garden Grove and Seal Beach have met with and corresponded with command staff at the Base, both jointly and separately. Attendees have reported out on the substance of those meetings and correspondence has been forwarded separately. The purpose of this agenda item is to provide a status of the City of Los Alamitos' interactions with the JFTB and provide a public review of the copies of the correspondence sent by the City, including letters sent in concert with surrounding cities.

The City Manager summarized the staff report, referred to the information contained therein, and answered questions from the City Council. He distributed two additional pieces of correspondence that were received after the agenda was published last week.

Mayor Edgar explained that he just wanted to make sure that all the correspondence became part of the public record.

Motion/Second: Edgar/Zarkos

Unanimously carried: Received and filed.

D. Reconsideration of Proposition 1A Securitization Issue

This report summarizes the recent action taken by the California Legislature and signed into law by the Governor suspending Proposition 1A and allowing the State to borrow 8% of the property tax revenue apportioned to cities, counties and special districts. The estimated property tax borrowing from the City of Los Alamitos is \$283,252. SB 67, signed into law October 19, 2009, provides for a bond issue wherein the City is able to "sell" its Proposition 1A receivable to an entity called California Communities, and thus, receive 100% of the amount lost due to the Proposition 1A taking. The City Council considered this item on October 19, 2009. However, the item has been placed on the agenda for reconsideration, in light of additional information received on the State budget situation.

Mayor Edgar reported on how this item came forward and reminded the public that the Council had voted on this item previously. The State of California has taken approximately \$300,000 of City money. Council Member Mejia received information, after we voted on this, that was contrary to our decision. She called Mayor Edgar and indicated she would like to potentially reconsider this item. Mayor Edgar also indicated that when the item was discussed previously, it was not considered with a full Council (Mayor Pro Tem Poe was absent). Now, the Council is stepping back, to re-evaluate the information, and potentially to reconsider and move forward in a different direction, if warranted.

The City manager indicated that at the last meeting there was discussion on how staff came to its recommendation, not to carry forward with the securitization. Basically, it was a comparison of interest rates paid by the State (2%) and LAIF (.75%). It was a mathematical calculation that we would gain an additional \$5600 per annum. Since then, there has been information that perhaps the State will not be in a position to repay by 2013.

The Interim City Attorney reported that the item to proceed is a two-step process: The first step is on whether to reconsider, with a motion, second and a vote to reconsider; and then the Council would do the reconsideration. The maker and second of the motion have to be Council Members who voted in favor of the item when it was last before the Council.

Motion/Second: Mejia/Stephens
Carried 4-0 (Poe abstained): Reconsider this item.

The Mayor explained that this was a \$300,000 “grab” from the State of California, to basically help shore up the State’s problem and it is happening to every agency and City. Do we want to give the State the money and wait for the return and they will pay us 2% over a time period up through 2013? Or, do we want to contribute our money into a JPA, but get our money back at a lower amount, but it’s secured? The City of Los Alamitos first chose to give it to the State and ride it out for a few years, thinking it was 2% interest versus whatever we can get the other way.

Council Member Mejia questioned staff on the difference we would be making from LAIF as opposed from the State. Finance Director McKay reported that the 2% interest would be \$5,665 annually versus the current LAIF rate (today’s rate would equal \$2,124 annually).

Council Member Mejia explained why she brought this item forward. She was in Sacramento and received some information that was disturbing. The difference (\$3,500) of what we would receive annually is minimal but with the information saying that possibly the money would not be there in three years, Council Member Mejia brought this up with the Mayor.

Council Member Zarkos questioned staff if the \$280,000-\$300,000 was coming out of Reserves. Finance Director McKay stated the money was coming from the General Fund Undesignated Fund Balance which we consider Reserves. It is not currently budgeted.

Council Member Zarkos questioned when the LAIF payments begin. The Finance Director responded that the LAIF payments are paid on a quarterly basis. Our Investment Policy allows the City Treasurer to invest currently in the Local Agency Investment Fund, which is run by the State of California. The quarterly interest rate is currently .75%. Basically, what we are comparing is whether to let the State take the money, and pay us back in three and one-half years with 2% interest; or whatever the LAIF rate will be (currently at .75%), and receive our money in two equal installments in January 2010 and May 2010.

Council Member Zarkos questioned staff on net present value, compared to LAIF. Ms. McKay indicated that compared to LAIF, it is still beneficial to let the State take it and pay us back at 2%, but we do not know what LAIF will be earning over the next three and one-half years, so staff used .9%. The Finance Director indicated that simple interest was used for calculations, not compound interest.

Council Member Zarkos believed at some point the State will pay us back with interest.

City Manager Stewart felt the real calculation is not the difference between 2% and the LAIF rate, but whether we believe the State will be able to repay and will repay in 2013. If we believe the economy will recover and the State will be able to pay, then staff would recommend that we hold off and take the 2% since we don't believe LAIF interest will go up much.

Mayor Edgar felt it was an issue of do we believe we will be paid back or not. How risk averse are we?

Council Member Stephens went on staff's recommendation a few weeks ago. We used good math and it sounded like a good investment. Like Council Member Mejia found out in Sacramento, good math doesn't always make the deal correct. Sacramento is not completely secure on where the State is going to go. He was concerned that our California State bonds are not being purchased; and that money that would help pay us back. We will get the money back, but it might not be in a prompt manner.

City Manager Stewart stated that there was no indication of what will happen. The securitization is based on a State payback. He explained that the California Communities would sell bonds, premised on a payback from the State. It is not 100% clear what happens if the State defaults on its payback to California Communities. He also thought 2013 was optimistic.

Mayor Pro Tem Poe reported that she had talked to Assembly Member Jim Silva about two months ago. He made it very clear that he did not feel comfortable that there was any way the State would be able to pay this money back. She questioned if we went with securitization, could we put the money in some other vehicle than LAIF. The City Manager responded in the negative, under our current Investment Policy. Mayor Pro Tem Poe preferred securitization.

Mayor Edgar talked to other cities at the League Breakfast with Council Member Stephens about this issue. Council Member Stephens said he came away "scared to death". Council Member Mejia is correct in stating that the interest will not continue after 2013 but will be renegotiated.

Mayor Edgar reported that the Sanitation District voted on this, in favor of securitization. The Orange County Fire Authority and other cities are reconsidering their earlier actions.

Council Member Mejia asked if there was a potential to readdress the Investment Policy to look at placing these funds in another vehicle that might produce more interest. Mayor Edgar suggested this be discussed with the mid-year budget.

Council Member Zarkos explained that initially he was opposed to securitization, but in light of tonight's discussion, he thought it was the proper thing to vote in favor of securitization.

Motion/Second: Mejia/Poe

Unanimously carried: Adopted Resolution No. 2009-20 entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE SELLER'S PROPOSITION 1A RECEIVABLE FROM THE STATE; AND DIRECTING AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH."

10. **MAYOR AND COUNCIL INITIATED BUSINESS**

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 Mejia reported on her attendance at various meetings and events, including Wings, Wheels and Rotors, the grand opening of Preveza, and her MWDOC trip to Sacramento for an informative water tour. She requested the gentleman who provided the information on the tour be asked to attend a Council meeting to report on water issues.

Council Member Mejia commented that the Council readdressed some issues tonight on changing the ability to have office space in an area where it wasn't as available to the owners, but was concerned that if you give people an inch they take a mile. She asked staff to reinforce violations to the temporary sign change. She also requested a joint workshop with the Planning Commission before the next meeting.

Council Member Mejia expressed sympathy to the family of a soldier (Flores, Jr.), killed while serving in Afghanistan, and commented on a number of other items in the City Manager's Weekly Memo. She asked if remaining funds from the Lexington Project could be used in the Highlands and Carrier Row for handicapped accessible ramps. City Manager Stewart stated that staff will check the funding sources to see if they can be incorporated into the project. She congratulated staff on meeting the requirements for Caltrans funding.

Mayor Pro Tem Poe also commented on items in the Weekly Memo and that she was sorry she couldn't go to the ribbon cutting for Preveza. Mayor Pro Tem Poe encouraged patronage of local restaurants, including the Flame Broiler which will be opening shortly. She announced that the SCAG Compass Blueprint contract had been awarded and will commence in mid-November.

Mayor Pro Tem Poe reported on her attendance at various meetings and events, including working the booth for St. Isidore Plaza at Wings, Wheels and Rotors. She discussed upcoming changes in bus schedules and routes and asked that the City provide information to the public at the front counter and encouraged public input to OCTA prior to November 23.

Mayor Pro Tem Poe stressed the need for handicapped accessible ramps in the Highlands and Carrier Row; she also discussed the good job staff has done with Measure M funds.

Council Member Zarkos commented that there are now a lot of happy people due to the Stop signs at Chestnut and Florista. He also discussed the issue of the trees in the Highlands and questioned staff if replacements had been planted. The City Manager reported that were due to be planted last week.

Council Member Zarkos commended staff, particularly Steven Mendoza, on last week's public forum on the proposed water conservation and water efficiency landscape ordinances. Although the turn-out was moderate, it was an important turn-out and the presentation was excellent. The Community Development Director indicated he would be making the same presentation at the next Council meeting.

Council Member Stephens reported on his attendance at various meetings and events, including the Wings, Wheels and Rotors, the water public forum, League of California Cities breakfast meeting with Assembly Member Jim Silva, and the Seal Beach Council Meeting. Water is going to be an important issue; State projects over the next 10 years will cost \$8 billion. Council Member Stephens requested that the same presentation made at Seal Beach on the deionization plant being constructed in Huntington Beach be given at a future Council meeting.

Mayor Edgar reported on his attendance at various meetings and events, including the Mayors' (Cypress, Garden Grove, Los Alamitos, and Seal Beach) meeting, the Orange Mayor's Prayer Breakfast, Orange County Sanitation District's five-year strategic planning and District Board meetings and Wings, Wheels and Rotors. Mayor Edgar thanked the Chamber and the Base for the excellent event and the Base for the great service it provides to the community.

Mayor Edgar encouraged the Council to attend next Thursday's League meeting in Costa Mesa and to provide input to Mayor Pro Tem Poe who would be voting in his absence. The City Selection Committee appointments will be voted on for OCTA District 2; Kathy Green would be a good appointee. David Sloan is applying for the Coastal Commission position.

Mayor Edgar announced he would be the speaker on Friday at the Chamber's monthly Wake-Up Breakfast.

Mayor Edgar thanked Council Member Zarkos for hosting the Water public forum. The Mayor noted that after the Council adopts the ordinance, people can

get tickets for hosing down their driveways. Every member of the Council is focused on water right now.

Mayor Edgar commented on the CVS construction that is underway and requested an update on the Melting Pot in the Weekly Memo.

11. ITEMS FROM THE CITY MANAGER

None.

City Attorney Levin announced that a Closed Session would be conducted for the following:

12. CLOSED SESSION

A. Public Employee Performance Evaluation

Title: City Manager

Authority: Government Code Section 54957

RECESSED TO CLOSED SESSION at 10:15 p.m.

RETURNED TO OPEN SESSION at 11:43 p.m.

Mayor Edgar announced a Closed Session had been conducted on the aforementioned item. There was no reportable action.

13. ADJOURNMENT

The meeting was adjourned at 11:45 p.m. The next meeting of the City Council is scheduled for Monday, November 16, 2009, in the City Council Chambers.

Troy D. Edgar, Mayor

ATTEST:

Jeffrey L. Stewart, City Clerk