

**PLACENTIA CITY COUNCIL  
PLACENTIA CITY COUNCIL AS SUCCESSOR TO THE  
PLACENTIA REDEVELOPMENT AGENCY  
PLACENTIA INDUSTRIAL COMMERCIAL DEVELOPMENT AUTHORITY  
REGULAR MEETING MINUTES – EXECUTIVE SESSION  
May 28, 2013  
5:30 p.m. – City Council Chambers  
401 E. Chapman Avenue, Placentia, CA**

**CALL TO ORDER:** Mayor/Board Chair Mayor Nelson called the meeting to order at 6:15 p.m.

**ROLL CALL:**

**PRESENT:** Council/Agency Members Underhill, Wanke, Yamaguchi, Aguirre, Nelson  
**ABSENT:** None

**STAFF PRESENT:** City Administrator/Executive Director, Troy L. Butzlaff; City Attorney/Authority Counsel, Andrew V. Arczynski; Assistant City Administrator, Ken Domer; Director of Administrative and Community Services, Steve Pischel; Director of Finance, Karen Ogawa; Director of Public Works, Steve Drinovsky; Police Chief, Rick Hicks; Deputy Chief of Police, Ward Smith; Deputy Director of Community Services, Jon Nicks; Senior Management Analyst, Michael McConaha; Finance Services Manager, Michael Nguyen; Management Analyst, Maggie Le; Management Analyst, Eduardo De La Torre; Accountant, Eric Hendrickson; City Clerk, Patrick Melia; Deputy City Clerk, Tania Moreno

**INVOCATION:** Chief of Police Hicks

**PLEDGE OF ALLEGIANCE:** Mayor Nelson

**ORAL COMMUNICATIONS:**

Craig Green, resident, inquired about the balance owed to the City by Chris Becker, the status on the settlement with Woodruff, Spradlin & Smart, and one-time revenues. He inquired about the potential indoor skate park project, liability associated with skate parks, and the use of the property for the Metrolink Station parking structure.

**SS 1. Presentation of Preliminary Operating and Capital Improvement Program Budgets for Fiscal Year 2013-14**

City Administrator Butzlaff provided an introduction of the Preliminary Operating and the Capital Improvement Program Budgets for Fiscal Year 2013-14. He introduced Director of Finance Ogawa. He noted that Staff would present the final budget for adoption on June 11, 2013.

Director of Finance Ogawa provided a PowerPoint presentation, the slides included: Preliminary Budget, Executive Summary, General Fund Financial Position, Significant Changes, Proposed Deficit Reduction Solution, Preliminary Fiscal Year 2013-14 Operating Budget, Budget Assumptions, and Ongoing Fiscal Challenges.

Discussion ensued between Council and Staff. They discussed PERS projected increases in employer contribution cost, the impacts of the Affordable Care Act, and part-time employees and exemptions.

Director of Finance Ogawa continued with the PowerPoint presentation, the slides included: General Fund Expenditure Summary, Legislative, and Administration.

Discussion ensued between Council and Staff. They discussed City Council Division proposed budget increases, budgeting for the Commissions and Committee mixer event, and a budget reduction due to a non-election year.

Director of Finance Ogawa continued with the PowerPoint presentation, the slides included: Finance and Development Services.

Assistant City Administrator Domer noted that an economic development strategy project has been budgeted under Development Services. He noted that the HCD Grant would be moved to the Neighborhood Services budget.

Director of Finance Ogawa continued with the PowerPoint presentation, the slides included: Police.

Discussion ensued between Council and Staff. They discussed Police Department cost savings and reductions strategies.

Director of Finance Ogawa continued with the PowerPoint presentation, the slides included: Fire and Animal Control, and Public Works.

Director of Public Works Drinovsky noted that contract services reductions would affect curb and gutter, tree trimming, asphalt work, and park maintenance.

Director of Finance Ogawa continued with the PowerPoint presentation, the slides included: Community Services, Debt Service, Internal Service Funds, General Fund Activity, Proposed Deficit Reduction Solutions, General Fund Activity, and Next Steps.

Discussion ensued between Council and Staff. They discussed the savings generated by the Tri-City Park transition and the refinancing of the debt service bond.

Director of Finance Ogawa continued with the PowerPoint presentation, the slides included: Internal Service Funds and General Fund Activity.

City Administrator Butzlaff continued with the PowerPoint presentation, the slides included: Proposed Deficit Reduction Solutions. He introduced Chief of Police Hicks to provide an overview of the impacts the proposed 2.5 percent departmental reductions would have.

Chief of Police Hicks noted that the department continues to work on reduction solutions such as alternative training opportunities, creative staffing solutions, and decrease in overtime. He noted that the proposed 2.5 percent reduction would have a severe impact on the service levels provided to the community. He noted that the reduction would decrease staff training and decrease the hours the department is open to the public.

Councilmember Wanke inquired about sharing jail services with other agencies.

Chief of Police Hicks responded that the City is currently examining the possibility of sharing jailing services. He noted that the City would not save money by dropping out of North County SWAT.

Director of Public Works Drinovsky provided an overview of the impacts the proposed 2.5 percent departmental reductions would have on the Public Works Department. He noted that it would impose a reduction on engineering services, park maintenance, and facilities maintenance.

Discussion ensued between Council and Staff. They discussed the past personnel reductions and the effects it has on services.

Director of Administrative Services and Community Services Pischel provided an overview of the impacts the proposed 2.5 percent departmental reductions would have on the Community Services Department. He noted that the City continues to work on collaborations and partnerships to carry on community programs and events. He noted that the proposed departmental reductions would impose a reduction on staffing levels in the Cathy Torrez Center, a reduction in the number days at Koch Park, and a decrease in swimming program days, and reduction of summer concert days.

Director of Finance Ogawa noted that Bank of America recently notified the City that Republic Services has enrolled in the E-payable program. She continued with the PowerPoint presentation, the slides included: General Fund Activity Proposed Scenario A, Proposed Scenario B, Proposed Scenario C, and Next Steps.

Mayor Nelson noted that scenario C is not applicable at this moment.

City Administrator Butzlaff noted that a balanced budget is a requirement to refinance the Capital Improvement Bonds. He noted that scenario C would allow a balanced budget for ten years. He provided a review of the formation of a Public Safety Assessment District. He asked Council to provide direction on the preliminary budget.

Mayor Nelson noted that he needs additional time to review the preliminary budget.

Councilmember Wanke noted that he would like to have an additional discussion session. He noted that he needs additional time to review the preliminary budget.

Councilmember Yamaguchi noted that he does not support an assessment district. He noted that he would like to analyze the different options.

City Administrator Butzlaff noted that Staff needs direction from Council to achieve a balanced budget.

Councilmember Yamaguchi noted that he supports components of Scenario A with some modifications.

Mayor Pro Tem Aguirre requested additional time to review the preliminary budget. He inquired about the formation of an assessment district.

City Administrator Butzlaff noted that Scenario C gives better chances of achieving the refinancing of the bonds.

Mayor Pro Tem Aguirre noted that he does not believe the public would support the adoption of a Public Safety Assessment District.

City Administrator Butzlaff noted that the assessment district would be able to pay for public safety services.

Mayor Nelson inquired if other cities use this type of assessment district.

City Administrator Butzlaff responded that other cities have similar districts.

Mayor Nelson gave Staff direction to have a Study Session on June 11, 2013 and the Public Hearing to adopt the Operating and Capital Budgets on June 18, 2013.

A 10-minute break was taken.

City Administrator Butzlaff introduced Senior Management Analyst McConaha to present the Capital Improvement Program 2013-20.

Senior Management Analyst McConaha provided a PowerPoint presentation, the slides included: Capital Improvement Program 2013-20, Capital Improvement Program Summary, Proposed Fiscal Year 2013-20 CIP, and Streets and Streetscapes.

City Administrator Butzlaff noted that unreserved capital is money unassigned to a specific project.

Senior Management Analyst McConaha continued with the PowerPoint presentation, the slides included: Traffic Operations, Transportation and Parking Facilities, Sewer, Storm Drain, Municipal Buildings and Facilities, Parks, Technology, Vehicles and Equipment, Major Studies, and Questions.

Councilmember Wanke requested additional time to review the Capital Improvement Program budget.

Mayor Pro Tem Aguirre inquired about Orange County Fire Authority vehicle equipment replacement.

City Administrator Butzlaff responded that the item is for payment toward a fire vehicle previously purchased.

Councilmember Yamaguchi inquired about unreserved capital funds.

City Administrator Butzlaff noted that Staff is recommending using the unreserved capital funds for the Metrolink parking structure. He noted that the Recreation and Parks Commission recommended moving forward with the skate park project. He noted that Staff would address Mr. Green's concerns.

**CITY COUNCIL/BOARD MEMBERS REQUESTS:**

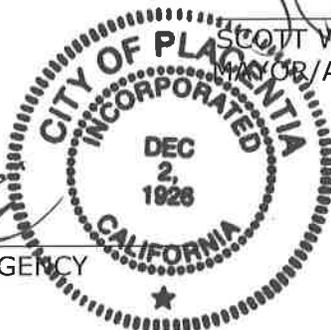
Councilmember Yamaguchi announced the 5<sup>th</sup> Annual Cowabunga Crabfest June 1, 2013 at Kraemer Memorial Park.

**ADJOURNMENT:**

The City Council/Successor Agency/ICDA Agency Board of Directors adjourned to the next regular meeting on June 4, 2013 at 5:30 p.m.

ATTEST:

  
PATRICK J. MELIA, CITY CLERK/AGENCY  
SECRETARY



SCOTT W. NELSON  
MAYOR/AGENCY CHAIR