

**PLACENTIA CITY COUNCIL  
PLACENTIA REDEVELOPMENT AGENCY  
PLACENTIA INDUSTRIAL COMMERCIAL DEVELOPMENT AUTHORITY  
STUDY SESSION MEETING MINUTES  
May 27, 2014  
6:00 P.M. – City Council Chambers  
401 E. Chapman Avenue, Placentia, CA**

**CALL TO ORDER:** Mayor/Board Chair Nelson called the meeting to order at 6:12 p.m.

**ROLL CALL:**

**PRESENT:** Councilmember/Board Member Underhill, Wanke, Yamaguchi, Aguirre, Nelson

**ABSENT:** None

**STAFF PRESENT:** City Clerk, Patrick J. Melia; City Administrator/Executive Director, Troy Butzlaff; City Attorney/Authority Counsel, Andrew V. Arczynski; Assistant City Administrator, Damien R. Arrula; Director of Administration and Community Services, Steve Pischel; Chief Financial Officer, Linda Magnuson; Chief of Police, Rick Hicks; Deputy Chief of Police, Ward Smith; Public Works Manager, Michael McConaha; Deputy Director of Community Services, Jon Nicks; Finance Manager, Michael Nguyen; Management Analyst, Maggie Le; Deputy City Clerk, Tania Moreno; Neighborhood Services Coordinator, Jeanette Ortega; City Clerk Specialist, Candice Martinez

**INVOCATION:** Chief of Police Hicks

**PLEDGE OF ALLEGIANCE:** Councilmember Wanke

**ORAL COMMUNICATIONS:**

Edward Walcek, resident, noted he received a street sweeping violation and contested the violation due to the lack of signage surrounding the neighborhood. He noted that he submitted a Public Records Request to the City Clerk's Office. He noted he had corresponded with the City Traffic Engineer on the placements on the sign. He requested for Council to repeal the ticket.

Craig Green, City Treasurer, noted he was in favor of the following potential revenue generating items including: electronic billboard project, Hotel/Motel Room Tax increase by five percent (5%), and the Lighting and Maintenance District (LMD). He also proposed one-time revenue generating items including: buying and selling the Boys and Girls Club, eliminate SWAT forces from the Police Department, eliminate the Deputy Chief position, eliminate monthly stipends, and selling property located at 429 Alta Street. He inquired about previous City Council executive session meetings regarding the item City Administrator evaluation. He also recommended freezing all Staff salaries, and for the City to use more interns. He noted he agreed with Council decision not to outsource Police Services.

Dan Shields, City of Cypress resident, noted that he had revenue generating ideas for the City but requested to speak to Council off record.

Mayor Nelson directed City Administrator Butzlaff to respond to Mr. Walcek concerns.

City Administrator Butzlaff introduced Assistant City Administrator Arrula.

Assistant City Administrator Arrula noted he had spoken with Mr. Walcek regarding his concerns. He noted that he will be following up with the City Clerk's office regarding the public records request and will contact Mr. Walcek to schedule a meeting with him.

Mr. Walcek noted that he was sent to the Fullerton Courthouse to appeal the case and noted that the Fullerton Courthouse no longer conducts civil appeals. He requested for Staff to review the street sweeping schedule posted on City's website.

Councilmember Wanke noted that there are portions of the City that belong to the County, also known as County Island.

### **SS 1. Presentation and Discussion of Preliminary Operating and Capital Improvement Program Budgets for Fiscal Year 2014-15**

Recommended Action: It is recommended that the City Council:

- 1) Provide appropriate direction to Staff on the Preliminary Operating and Capital Improvement Program Budgets for Fiscal Year 2014-15

City Administrator Butzlaff noted that there would be several City Staff presenting the draft Preliminary Operating and Capital Improvement Program Budgets for Fiscal Year 2014-15. He introduced Chief Financial Officer Magnuson.

Chief Financial Officer Magnuson provided a brief overview on the City's Preliminary Budget for Fiscal Year 2014-15. She provided a PowerPoint presentation with slides including: General Fund Budget Presentation Outline; FY 2013-14 General Fund Financial Position.

Mayor Nelson inquired if there was a timeframe when certain funds, i.e. Supplemental Law Enforcement Funds, would need to be paid back.

Chief Financial Officer Magnuson noted that it would depend on the timing of the funding.

City Administrator Butzlaff noted that certain funds (i.e. Supplemental Law Enforcement Funds), were not budgeted for the current fiscal year due to the uncertainty of the federal government providing the funds to the City.

Councilmember Wanke requested clarification on Unassigned Fund Balance reserved.

Chief Financial Officer Magnuson noted that Unassigned Fund Balance reserved is extra funds that can be used for any purpose deemed necessary by the General Fund.

Chief Financial Officer Magnuson continued the presentation with slides including: Budget Summary; FY 2014-15 General Fund Revenues; FY 2014-15 General Fund Expenditures; Department Expenditure Summary; Held or Converted/Unfunded Positions; General Fund Preliminary Operating Budget Summary FY 2014-15.

Mayor Nelson inquired if all transfers out from the Preliminary Operating Budget Summary for FY 2014-15 were mandatory and how many funds were transferred out.

Chief Financial Officer Magnuson noted that the transfers out primarily deals with transfers for workers' compensation, general liability, and bond payments. She noted that all were mandatory.

City Administrator Butzlaff noted that they are currently proposing workers compensation as a potential solution as part of the budget reduction. He noted that the City is continuously looking at reducing the General Liability costs.

Chief Financial Officer Magnuson noted that there are 3-4 transfers out from the General Fund which include: General Liability, Workers' Compensation and Internal services funds.

City Administrator Butzlaff continued the PowerPoint presentation with slides including: Deficit Reductions Solutions Fiscal Year 2014-15.

Director of Administration and Community Services Pischel provided a brief overview on the request to eliminate the Teen Hoops Program. He recommended for Council to eliminate the Teen Hoops Program due to low participation.

Chief Hicks provided an overview on the proposed reduction of school crossing guard program. He noted that there are currently sixteen (16) staffed crossing guards in the City. He noted that they do not receive assistance in funding from the School District. He recommended for a total of five (5) of the intersections to be staffed by Crossing Guard services and recommended the other eleven (11) intersections to be staffed by volunteers, to serve in the capacity of crossing guards.

Councilmember Wanke inquired if any surrounding school districts fund crossing guard services and the possibility of sharing the costs for crossing guard services with the school district.

Chief Hicks noted that there are approximately 3 to 4 surrounding cities that partner with their School District to help fund crossing guards.

Chief Hicks noted the potential savings with delaying employment of positions in the Police Department. He noted that he will continue to advertise and hire positions that are funded.

Mayor Nelson inquired about employees shared costs in retirement.

City Administrator Butzlaff noted that each union (safety and non-safety) pays a different amount towards their retirement. He noted that there are potential additional savings of approximately \$144,000 if each union paid their shared costs for retirement.

Mayor Nelson inquired about the timeframe the City had been paying for Workers Compensation claims activity.

City Administrator Butzlaff noted that the City has been paying for claims activity prior to his employment. He recommended reducing Workers' Compensation Claims by ten percent (10%).

Mayor Nelson noted that he was in support of reducing Workers' Compensation claims funds.

Councilmember Wanke noted that he was in favor of a twenty percent (20%) reduction in Workers' Compensation claims funds.

City Administrator Butzlaff noted that the reduction would provide additional funds in the General Fund.

Mayor Nelson requested for City Administrator Butzlaff to clarify the Landscape Maintenance District LMD 92-1 (LMD 92-1).

City Administrator Butzlaff noted that the proposed Landscape Maintenance District 92-1 assessment is requesting a rate increase that would be put to the vote of the property owners at a protest hearing at a later date this year. He noted that the General Fund currently subsidizes the LMD 92-1. He is also recommending for Council to direct Staff to cut back on landscape maintenance services within the City from four times a month to twice a month for savings in the General Fund.

Mayor Pro Tem Aguirre inquired if Council decided to implement reducing the Workers' compensation fund by a twenty percent (20%) reduction, would they also continue to look at other cost saving measures.

City Administrator Butzlaff recommended for Council to consider service reductions in the Landscape Maintenance Districts. He noted that implementing additional cost saving measures listed are up to the discretion of the Council.

Mayor Nelson noted that he is in favor of keeping tuition reimbursement and staff training.

Councilmember Underhill inquired about tuition reimbursement. She also inquired about the reduced Workers' Compensation Fund.

City Administrator Butzlaff noted that the City currently pays 75% percent towards their tuition (based on Cal State Fullerton rate) and the City employee, once they receive their degree, can become eligible for a special pay provision that can increase their salary up to five percent (5%). He noted that some of the unions do not receive tuition reimbursement.

City Administrator Butzlaff continued the PowerPoint presentation with slides including: PERS Rate Projections.

Councilmember Wanke inquired about the incremental rate increase.

City Administrator Butzlaff noted that the incremental rate increase percentages that were presented were increments per year.

City Administrator Butzlaff continued the PowerPoint presentation with slides including: Five Year Forecast.

Director of Administrative Services and Community Services Pischel provided a brief overview of CalPERS. He noted the steps that are needed to take for leaving the PERS System.

City Administrator Butzlaff noted they would have to negotiate with the labor groups to make changes in the medical system.

Mayor Nelson noted that there is nothing in the Charter that states they need to provide CalPERS medical system to the Employees. He noted that they do not need an agreement from City Employees to change their plan.

Mayor Nelson noted that he would like to look into additional health savings options.

City Administrator Butzlaff continued the PowerPoint presentation with slides including: Future Threats.

Chief Financial Officer Magnuson continued the PowerPoint presentation with slides including: Next Budgetary Steps; and Questions and Answers.

Councilmember Yamaguchi inquired about the Operating Budget details being available to the public.

Chief Financial Officer Magnuson noted that it would be posted to the City's website by June 5, 2014.

Mayor Nelson requested for an additional Study Session on June 10<sup>th</sup>, 2014 at 6:00pm. He noted that interviews for Commissions and Committee vacancies will also be conducted the same day beginning at 5:00 p.m in the Administrative Conference room.

City Administrator Butzlaff provided a brief overview on the upcoming Capital Improvement Program (CIP) 2014-2021. He introduced Public Works Manager McConaha.

Public Works Manager McConaha provided a brief overview on the Capital Improvement Program (CIP) 2014-2021. He provided a PowerPoint presentation with slides including: Capital Improvement Program Summary; Proposed FY 2014-2021 CIP Totals by Category; Streets and Streetscapes; Traffic Operations; and Transportation and Parking Facilities.

Councilmember Yamaguchi inquired about the funding for the parking lot for the Metrolink station.

City Administrator Butzlaff noted the funding for the parking lot may have to be the responsibility of the City due to the Federal Transit Administration issue over the packing house site.

Public Works Manager McConaha continued the PowerPoint presentation with slides including: Sewer; Storm Drain; and Municipal Building and Facilities.

Councilmember Wanke inquired about the windows at Tynes Gym.

Director of Administrative Services and Community Services Pischel noted that the windows at Tynes Gym have never been replaced and they are in poor condition.

Public Works Manager McConaha continued the PowerPoint presentation with slides including: Parks; Technology; Vehicles; and Equipment.

Councilmember Wanke inquired about digital audio recorders for Police Officers and costs associated with it. He also inquired about emergency call out vehicle (sewer spill response).

Chief Hicks noted that they prioritize items by what the Police Department can currently afford.

Public Works Manager McConaha noted that the emergency call out vehicle (sewer spills response) is on an as-needed basis in the case of an emergency.

Councilmember Wanke inquired about the funds needed for the emergency call out vehicle.

Public Works Manager McConaha noted that this vehicle can assist in other projects other than emergency situations.

Mayor Nelson noted that the funds allocated for the vehicle is to be only used for sewer related expenses.

Councilmember Yamaguchi inquired if they have done research on what other agencies are currently using.

Public Works Manager McConaha noted that they looked into what the County was currently providing.

Mayor Nelson suggested that the vehicle should be available to other agencies through a Memorandum of Understanding (MOU) and to charge agencies for the use of the vehicle.

Councilmember Wanke inquired about the Total Station Crime Mapping equipment.

Deputy Chief of Police Smith noted that the Total Station Crime Mapping Equipment is a digital piece of equipment that is to be used on major crime scenes and the traffic arena.

Public Works Manager McConaha continued the PowerPoint presentation with slides including: Major Studies; and Questions and Answers.

Assistant City Administrator Arrula provided a brief overview on the Downtown Vision Plan. He noted this will be a comprehensive report that will help provide guidelines to the City to help improve the downtown area by creating downtown development. He noted that he will continue to help the City in working with private vendors to improve the downtown area.

Councilmember Wanke inquired about how is the master plan different from vision plan.

Assistant City Administrator Arrula noted that the vision plan is geared more toward the private vendors while the master plan pertains to the public. He noted it will provide infrastructures improvements for the next 10 to 20 years.

City Administrator Butzlaff noted that they can use the vision plan to apply for grant funds for infrastructures improvements in specific areas that will create economic development.

Assistant City Administrator Arrula noted they are currently looking into applying for the TIGER (Transportation Investment Generating Economic Recovery) II Discretionary Grant. He noted that this grant ties with the Federal Transit Administration (FTA) and grant funding is awarded for funding projects related to Transit Oriented Development (TOD).

Councilmember Yamaguchi commented that he hopes the vision plan would help assist the Placentia downtown with development and traffic flow.

Councilmember Underhill noted that she will be looking at the CIP carefully with all the potential projects being presented.

Public Works Manager McConaha noted that not all projects listed in the current year CIP will be started and/or completed within the next Fiscal year. He noted that the proposed CIP timeframe covers a seven (7) year time span and will be reevaluated every year.

Councilmember Yamaguchi inquired about the Fleet Maintenance Services in the City.

City Administrator Butzlaff noted that the City currently has two (2) contract employees for fleet maintenance services and outsources vehicle maintenance using a 3rd party vendor.

He noted that they are recommending to Council outsourcing to a mobile fleet maintenance service for repairs and services to City vehicles. He noted that there are potential savings with outsourcing services.

Councilmember Yamaguchi inquired about the need to outsource fleet maintenance services, and the option to partner up fleet services with outside agencies.

City Administrator Butzlaff noted that the City's current fleet staff service one (1) car per day due to the number of hours allocated for Staff. He noted that they have exhausted their option of partner up with outside agencies for fleet services.

Councilmember Yamaguchi inquired about costs per year for take home vehicles and if the current policy can be negotiated.

City Administrator Butzlaff noted that he can include the costs for take home vehicles in the proposed budget for discussion. He noted that the take home vehicle is currently on the City policy is for management employees for work related purposes and that it is up to the discretion of the City Administrator to be determined as a City use. He noted he will provide a copy of the policy to Council.

Councilmember Yamaguchi requested more information on the long term forecast in regards to new revenues.

City Administrator Butzlaff noted they can provide more detailed explanations to Council at the next study session.

**CITY COUNCIL/BOARD MEMBERS REQUESTS:**

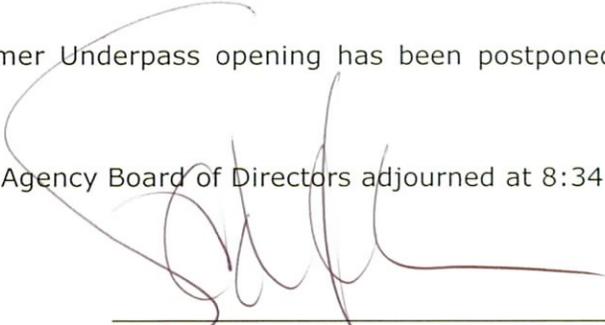
City Administrator Butzlaff announced the resignation of Deputy City Clerk Tania Moreno. He noted she will be employed as the City Clerk for City of La Canada Flintridge.

Councilmember Yamaguchi noted that the City's website posts three (3) separate maps for street sweeping. He announced the Placentia Community Foundation Summit event on June 4th, 2014. He announced the Ribbon Cutting Event for the Grand Re-Opening of McDonald's on May 31, 2014.

Mayor Nelson announced that the Kraemer Underpass opening has been postponed to a future date in July 2014.

**ADJOURNMENT:**

The City Council/Successor Agency/ICDA Agency Board of Directors adjourned at 8:34 p.m. to June 3, 2014 at 5:30 p.m.



SCOTT W. NELSON  
MAYOR/AGENCY CHAIR

ATTEST:



PATRICK J. MELIA, CITY CLERK/AGENCY SECRETARY

