



Minutes

Lakewood City Council

Regular Meeting held
December 12, 2017

MEETING WAS CALLED TO ORDER at 7:54 p.m. by Mayor DuBois in the Council Chambers at the Civic Center, 5000 Clark Avenue, Lakewood, California.

INVOCATION was offered by Pastor Tim Buzbee, Life Center Church

PLEDGE OF ALLEGIANCE was led by Daisy Troop 2683

ROLL CALL: PRESENT: Mayor Diane DuBois
Vice Mayor Steve Croft
Council Member Ron Piazza
Council Member Todd Rogers
Council Member Jeff Wood

ANNOUNCEMENTS AND PRESENTATIONS:

Mayor DuBois announced that residents of all ages had participated in the tree lighting event held at the Civic Center on November 30th and expressed gratitude to City staff and the many organizations and businesses for their efforts in making the night a success. She stated that the lighted tree with holiday music playing every evening could be enjoyed through the end of December.

ROUTINE ITEMS:

COUNCIL MEMBER PIAZZA MOVED AND COUNCIL MEMBER WOOD SECONDED TO APPROVE ROUTINE ITEMS 1 THROUGH 8.

RI-1 Approval of Minutes of the Meetings held November 14, and November 28, 2017

RI-2 Approval of Personnel Transactions

RI-3 Approval of Registers of Demands

RI-4 Approval of Monthly Report of Investment Transactions

RI-5 RESOLUTION NO. 2017-63; A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEWOOD ESTABLISHING DISABLED PERSON DESIGNATED PARKING ON THE SOUTH SIDE OF ADENMOOR AVENUE WITHIN THE CITY OF LAKEWOOD

ROUTINE ITEMS: - Continued

RI-6 RESOLUTION NO. 2017-64; A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEWOOD RESCINDING RESOLUTIONS ESTABLISHING PHYSICALLY HANDICAPPED PERSONS DESIGNATED PARKING SPACES WITHIN THE CITY OF LAKEWOOD

RI-7 Approval of the Energy Action Plan

RI-8 Acceptance of Notice of Completion for Public Works Project No. 2017-3, Asbestos Abatement of Burns Community Center, Harbor Environmental Group, Inc.

UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Wood, Piazza, Croft, Rogers and DuBois

NAYS: COUNCIL MEMBERS: None

3.1 • REVIEW OF COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR YEAR ENDED JUNE 30, 2017, AND FORMATION OF AN AUDIT COMMITTEE

Administrative Services Director Diane Perkin presented a report based on the memo in the agenda and stated the Comprehensive Annual Financial Report (CAFR) was a set of financial statements which complied with the Generally Accepted Accounting Principles promulgated by the Governmental Accounting Standards Board (GASB). The City of Lakewood's CAFR was compiled by the Administrative Services Department staff and audited by the independent public accounting firm Pun Group LLP, Certified Public Accountants. She reported that the City remained in sound fiscal condition and was well situated to address the challenges of the past recession and the slow recovery in an efficient and effective way. She concluded by stating that staff was recommending the formation of an audit committee to maintain the strong foundation of fiscal accountability and governance and whose primary purpose was to provide oversight of the financial reporting process, the audit process, the system of internal controls and compliance with laws and regulations.

Ken Pun, managing partner of the Pun Group, displayed slides and made a presentation highlighting the elements of the annual financial report which included scope of work; audit responsibilities; approach to the audit; overview of financial statements; financial indicators and key pension information; audit results and new GASB pronouncements.

Vice Mayor Croft stated that the numbers sometimes appeared misleading because of the timing of expenditures and receipt of funding. He indicated that it was a good sign that the City Council continued to be conservative in its financial management.

Council Member Rogers concurred with the encouraging statements and expressed gratitude to Mr. Pun for the comprehensive report noting the reasoning for such audits demonstrated the efforts toward transparency and determining any necessary actions for the future.

3.1 • REVIEW OF CAFR FOR YEAR ENDED JUNE 30, 2017, AND FORMATION OF AN AUDIT COMMITTEE - Continued

COUNCIL MEMBER PIAZZA MOVED AND COUNCIL MEMBER ROGERS SECONDED TO RECEIVE AND FILE THE CITY OF LAKEWOOD COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2017. UPON ROLL CALL VOTE THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Wood, Piazza, Croft, Rogers and DuBois

NAYS: COUNCIL MEMBERS: None

Mayor DuBois stated that she would defer any recommendations for appointment to the audit committee until the next meeting.

In response to Council Member Wood's request for guidelines on the committee, City Manager Thaddeus McCormack explained that along with interfacing with the auditors throughout the audit process, the committee would also look at fiscal matters that arose throughout the year.

Ms. Perkin stated that the primary purpose of an audit committee was to provide oversight of the financial reporting process, the audit process, the system of internal controls and compliance with laws and regulations. She added that staff would be providing a description of some of the responsibilities along with some guidance on discussion topics.

COUNCIL MEMBER ROGERS MOVED AND COUNCIL MEMBER PIAZZA SECONDED TO CONCUR WITH STAFF'S RECOMMENDATION TO ESTABLISH AN AUDIT COMMITTEE. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Wood, Piazza, Croft, Rogers and DuBois

NAYS: COUNCIL MEMBERS: None

Vice Mayor Croft, noting her impending retirement, congratulated Ms. Perkin on her final CAFR presentation and expressed gratitude for her years of service and for providing outstanding financial management to the City.

Ms. Perkin stated that it had been a pleasure and an honor to work for the City.

Council Member Wood observed that apart from the financial role associated with her position, Ms. Perkin also served as the City's risk manager whose focus was to protect the organization against liabilities.

3.2 • UPDATE ON IMPROVEMENTS TO THE EXISTING BURNS COMMUNITY CENTER

Lisa Rapp, Director of Public Works, displayed slides and made a presentation based on the memo in the agenda. She reported that De La Riva Construction had begun work on the Burns Community Center project last September and that the scope of work included extensive improvements to the first floor; construction of a new elevator and shaft; stucco exterior of the second floor; renovation of the first floor bathrooms; ADA improvements and hardscape repairs; and replacement of the HVAC system. In awarding the contract, staff recommended and Council authorized the Director of Public Works to approve a cumulative total of change orders, as necessary not to exceed \$185,000. This contingency was only seven percent of the construction contract amount and was actually insufficient, considering that the project was a remodel of an old building with the potential for unforeseen conditions. The contingency for change orders probably should have been in the range of twelve to fifteen percent. She explained that construction had uncovered such conditions as water damage on the second floor exterior; the age of the fire alarm system wiring and equipment; and ADA sidewalk improvements. She identified other changes in the process which included interior restoration affected by additional abatement work; irrigation sleeves for tree wells in the plaza; partial electrical infrastructure restoration; waterproofing of second floor bathroom floors; and restoration of irrigation and landscaping. She stated that staff would work with the consultants and the contractor to finalize changes and costs; known change orders would be issued; the contract deadline would be extended to July and would likely be extended for additional change orders; and that every effort would be made to keep extra costs as low as possible. She concluded by stating it was staff's recommendation that the City Council authorize staff to approve change orders in an amount not to exceed \$395,000 to Public Works Contract 16-01R and appropriate \$210,000 from the General Fund assigned fund balance - Capital Replacement and Repair.

Council Member Rogers thanked staff for the report and for providing a tour of the facility which was beneficial to see firsthand. He stated that the City Council took pride in being good stewards of the City's finances but noted that there was a need to be more realistic in terms of identifying the potential costs for any unforeseen issues associated with such projects. He noted that despite the difficulties resulting from the project, when all was said and done, the City would have a building that would last another fifty years.

Responding to Vice Mayor Croft's questions regarding whether the waterproofing on the second floor had been performed according to code at the time the building was built, Ms. Rapp stated that it appeared so but that not much could be done at this point since any statute of limitations would have run out. Ms. Rapp also confirmed for Vice Mayor Croft that the inspector from Willdan had been documenting the progress of the project with a collection of photographs and expressed confidence in the quality of work being done as a result of the inspector's exacting standards.

Council Member Piazza noted that the Burns Community Center building provided crucial services to the community and that revenue was derived from use of the building.

3.2 • UPDATE ON IMPROVEMENTS TO THE EXISTING BURNS COMMUNITY CENTER - Continued

Council Member Wood inquired whether programming at Burns would be impacted by the contingencies and delays. Ms. Rapp stated that with the temporary relocation of the Meals on Wheels program to the Mayfair Park snack bar, their operations would continue as necessary. She added that the day care facility and Nifty After Fifty programs had continued in full operation but that the coordination of the elevator construction would be crucial to avoid impacts to the organizations.

In response to an inquiry from Mayor DuBois, Ms. Rapp explained that the timing of the bidding process seemed to influence the resulting bids from the contractors as during that time period, construction costs had escalated due to increases in the number of available projects.

COUNCIL MEMBER ROGERS MOVED AND VICE MAYOR CROFT SECONDED TO AUTHORIZE STAFF TO APPROVE CONTRACT CHANGE ORDERS IN THE AMOUNTS NOT TO EXCEED \$395,000 AND APPROPRIATE \$210,000 FROM THE GENERAL FUND ASSIGNED FUND BALANCE - CAPITAL REPLACEMENT AND REPAIR. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Wood, Piazza, Croft, Rogers and DuBois

NAYS: COUNCIL MEMBERS: None

3.3 • APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH AQUATIC DESIGNS, INC. – POOL EVALUATION AND EQUIPMENT REPLACEMENT DESIGN

The Public Works Director made a presentation based on the memo in the agenda reporting that the City owned and operated two public swimming pools at Mayfair and Bolivar parks. Both pools were built in the 1950s and each of the pools had extensive mechanical and disinfection systems to meet Los Angeles County Health Department requirements for public pools. At McCormick Pool, replacement of the sand filters was necessary due to cracks and leaking. A new control unit for the variable speed pump motor was also required to enable the motor to operate with more energy efficiency. At Mayfair pool, it was recommended that the existing vertical pump and motor be replaced with a horizontal configuration variable speed drive for energy efficiency and reliability. In addition, a bid alternative would be prepared to allow for a matching backup pump system which would allow the pool to remain in service should the main pump fail. There was sufficient time to design, bid and replace this equipment before the start of the new pool season in May and June but only if work began immediately on the design. Also included in this professional services agreement was a full evaluation of all the components of McCormick Pool to be detailed in a report of future needs with a cost estimate. This report would be included with the planned Facilities Condition Assessment that would help the City decide on future Capital Improvement priorities.

3.3 • APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH AQUATIC DESIGNS, INC. – POOL EVALUATION AND EQUIPMENT REPLACEMENT DESIGN - Continued

Having completed several previous projects on both Mayfair and McCormick pools, Aquatic Design Group specialized in pool design and their mechanical systems and staff believed they were fully qualified to design the necessary systems and provide consultant services during the construction phase. She stated that staff recommended that the City Council approve a professional services agreement with Aquatic Design Group for swimming pool design services for the McCormick and Mayfair Pool Equipment Upgrade project in an amount not to exceed \$34,500, and authorize the Mayor and City Clerk to sign the agreement in a form approved by the City Attorney and appropriate \$34,500 from the General Fund to fund the full scope of work of the contract.

Ms. Rapp confirmed for Council Member Wood the consultant's evaluation and design work at McCormick pool would be performed during construction of the water capture project at Bolivar Park.

Responding to Council Member Piazza's question pertaining to the potential needs identified by the study, Mr. McCormack stated that during the upcoming budget process, an analysis of other cities' charges related to pool use could be evaluated among other potential fees.

VICE MAYOR CROFT MOVED AND COUNCIL MEMBER WOOD SECONDED TO ADOPT STAFF'S RECOMMENDATIONS. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Wood, Piazza, Croft, Rogers and DuBois

NAYS: COUNCIL MEMBERS: None

3.4 • PROFESSIONAL SERVICES AGREEMENT WITH MACRO AUTOMATICS CORPORATION FOR SCADA SYSTEM UPGRADES

The City Manager noted a change to the agenda report relating to an adjustment to the contingency for the project to twelve percent bringing the project total to \$98,336.

Jason Wen, Director of Water Resources, made a presentation based on the memo in the agenda and explained that the City's Supervisory Control And Data Acquisition (SCADA) system allowed water operation staff to monitor and control the water supply system. Continuous upgrades and improvements were needed in the form of computer programming and system modifications to adapt to changing operational needs, ensure continued reliability, and provide additional functionality to the water system operations. Last June, the City Council had approved a contract with Macro Automatics Corporation for \$67,200 for SCADA upgrade. Following approval, staff learned of available assistance from Southern California Edison (SCE) to provide both technical and potential financing incentives for the SCADA system upgrades.

3.4 • PROFESSIONAL SERVICES AGREEMENT WITH MACRO AUTOMATICS CORPORATION FOR SCADA SYSTEM UPGRADES - Continued

He stated that in July, the City Council rescinded the professional services agreement with Macro Automatics Corporation pending a revised budget that would incorporate SCE recommended electrical-saving enhancements. In November, SCE finished their evaluation and delivered an Energy Efficiency Project Feasibility Study. Based on the evaluation, enhancements including both hardware and software had been made to the City's initial SCADA system upgrades by increasing the budget to improve efficiency in energy saving operations. These upgrades to pumping facilities, electrical control sensors, and communication system would enhance the City's ability to participate in future SCE energy savings incentives. He concluded by stating that staff recommended awarding a sole source purchase order to Macro Automatics for \$98,336 to perform project management, sub-consultant oversight, and hardware/material purchases.

Mr. Wen responded to Vice Mayor Croft's questions pertaining to the pump optimizations and electrical upgrades by explaining that the inclusion of more sensors and booster pumps enabled the City's eligibility for the higher incentive program. He further stated that because calculations were based on actual electricity savings, the timeframe for payback of the additional \$31,000 was difficult to predict. Mr. Wen also explained that the Fathom upgrades were not directly compatible in this regard as this related to the supply system rather than the distribution system.

COUNCIL MEMBER ROGERS MOVED AND VICE MAYOR CROFT SECONDED TO APPROVE THE PROFESSIONAL SERVICES AGREEMENT WITH MACRO AUTOMATICS IN AN AMOUNT NOT TO EXCEED \$98,336 FOR SCADA SYSTEM UPGRADES. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Wood, Piazza, Croft, Rogers and DuBois

NAYS: COUNCIL MEMBERS: None

SUCCESSOR AGENCY ACTIONS

1. Approval of Registers of Demands

COUNCIL MEMBER ROGERS MOVED AND COUNCIL MEMBER WOOD SECONDED TO APPROVE THE REGISTERS OF DEMANDS. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Wood, Piazza, Croft, Rogers and DuBois

NAYS: COUNCIL MEMBERS: None

SUCCESSOR HOUSING ACTIONS

1. Approval of Registers of Demands

COUNCIL MEMBER WOOD MOVED AND COUNCIL MEMBER PIAZZA SECONDED TO APPROVE THE REGISTERS OF DEMANDS. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Wood, Piazza, Croft, Rogers and DuBois

NAYS: COUNCIL MEMBERS: None

ORAL COMMUNICATIONS:

Arthur Pinette, 4323 Quigley Avenue, Lakewood, addressed the City Council regarding traffic concerns on Carson Street adjacent to the 605 freeway.

CLOSED SESSION:

At 9:15 p.m., Mayor DuBois announced that the City Council would recess to a closed session.

CONFERENCE WITH REAL PROPERTY NEGOTIATORS:

Pursuant to Government Code §54956.8

Property: Sewer Easement on Southern California Edison Property within Rynerson Park

Agency Negotiator: City Manager, Director of Public Works, Legal Counsel

Negotiating Parties: Southern California Edison Representatives

Under Negotiation: Price

The City Council reconvened at 9:39 p.m. Steve Skolnik, legal counsel, reported that the City Council authorized and directed staff to negotiate an easement agreement with Southern California Edison, with the acquisition price to be approved by the Park Development Committee, and authorized the Mayor to sign the agreement in a form to be approved by the City Attorney.

ADJOURNMENT

There being no further business to be brought before the City Council, Mayor DuBois adjourned the meeting at 9:40 p.m.

Respectfully submitted,

Jo Mayberry, CMC
City Clerk