



Minutes

Lakewood City Council

Regular Meeting held
June 12, 2018

MEETING WAS CALLED TO ORDER at 7:30 p.m. by Mayor Croft 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 Girl Scout Troop 2993 and Cub Scout Pack 247

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

ANNOUNCEMENTS AND PRESENTATIONS:

Mayor Croft announced that the meeting would be adjourned in memory of former City Council Member Paul Zeltner, who had served from 1977 to 1986, including two terms as Mayor and was later elected to the California State Assembly. Mr. Zeltner was a World War II Navy veteran, and prior to holding elective office, had served in the Los Angeles County Sheriff's Department, including serving as the commander of the Lakewood Sheriff's Station. The Mayor stated that the meeting would also be adjourned in memory of Mona Overby, who was a Crossing Guard for 17 years and had received a Mayor's Award at the 2006 Award of Valor luncheon.

Mayor Croft announced that Opening Day of Lakewood Youth Sports and the Public Safety Expo would be held on Saturday, June 16th at Mayfair Park. He also stated that the Bow Wow and Meow Day event would be held on Monday, June 18th in the area behind The Centre.

ROUTINE ITEMS:

Mayor Croft stated that Routine Item 6 would be considered separately.

VICE MAYOR ROGERS MOVED AND COUNCIL MEMBER WOOD SECONDED TO APPROVE ROUTINE ITEMS 1 THROUGH 5 AND 7 THROUGH 10.

RI-1 Approval of Personnel Transactions

RI-2 Approval of Registers of Demands

RI-3 Report of City Council Committees' Activities

ROUTINE ITEMS: - Continued

RI-4 Directing Biennial Review of Conflict of Interest Codes

RI-5 Approval of Permits for Street Closures for July 4th Block Parties

RI-7 Acceptance of Notice of Completion for Public Works Project No. 2013-4, Plant 13 Booster Rehab & Well 22 Upgrade, Pascal & Ludwig Contractors, Incorporated

RI-8 RESOLUTION NO. 2018-23; A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEWOOD ESTABLISHING DISABLED PERSON DESIGNATED PARKING ON THE EAST SIDE OF SUNFIELD AVENUE WITHIN THE CITY OF LAKEWOOD

RI-9 RESOLUTION NO. 2018-24; A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEWOOD RESCINDING A RESOLUTION ESTABLISHING A PHYSICALLY HANDICAPPED PERSONS DESIGNATED PARKING SPACE WITHIN THE CITY OF LAKEWOOD

RI-10 RESOLUTION NO. 2018-25; A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEWOOD ESTABLISHING A "3 MINUTE PASSENGER LOADING AND UNLOADING ONLY, MONDAY TO FRIDAY, 7:00 A.M. TO 4:00 P.M." ZONE ON THE SOUTH SIDE OF DEERFORD STREET WITHIN THE CITY OF LAKEWOOD

RESOLUTION NO. 2018-26; A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEWOOD ESTABLISHING "SCHOOL BUS ONLY, MONDAY TO FRIDAY, 7:00 A.M. TO 4:00 P.M." ZONE ON THE SOUTH SIDE OF DEERFORD STREET WITHIN THE CITY OF LAKEWOOD, AND RESCINDING RESOLUTION NO. 86-91

UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

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

NAYS: COUNCIL MEMBERS: None

RI-6 Approval of Reappointment to the Southeast Los Angeles County Workforce Development Board

Council Member Wood acknowledged Allison Castellanos, who was in attendance, for her service to the Board and thanked her for stepping up to serve as the Chair.

COUNCIL MEMBER WOOD MOVED AND COUNCIL MEMBER PIAZZA SECONDED TO APPROVE THE REAPPOINTMENT OF ALLISON CASTELLANOS TO THE SOUTHEAST LOS ANGELES COUNTY WORKFORCE DEVELOPMENT BOARD. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

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

NAYS: COUNCIL MEMBERS: None

1.1 • CONSIDERATION OF THE BUDGET FOR FISCAL YEARS 2018-2019 AND 2019-2020

City Manager Thaddeus McCormack displayed slides and made a presentation based on the memo in the agenda. He reported that the proposed budget for fiscal years 2018-19 and 2019-20 had been a result of the culmination of hours of hard work by the City Council and staff which included its development at study sessions in April and two in June. He stated that Lakewood had a history of prudent fiscal management and that because of external factors, such as sluggish sales tax growth and the rising cost of doing business, the City faced the challenge of a structural deficit. He added that a balanced budget would be presented but that authority to move forward over the next fiscal year with developing a plan to eliminate the structural deficit would be requested. Mr. McCormack identified the budget strategies that had been successfully utilized in the past and would be used during the current year and into the future, which included providing municipal services at a level consistent with available resources; saving for unplanned events and emergencies; maintaining public infrastructure; utilizing private companies and other public agencies to provide greater flexibility and cost effectiveness in the delivery of services; supporting and encouraging a strong, viable business community; and promoting citizen volunteerism. He continued by requesting that additional specific strategies be considered by the City Council such as working towards building up General Fund reserves, so as to buffer against the inevitable budget challenges that would occur when the economy went into recession; developing long term strategies to reduce unfunded liabilities, such as future retirement costs; recognizing the dramatic increases to PERS costs now and into the future, and endeavoring to control labor costs through prudent management of employee benefits and careful consideration of actions that might add to the City's future PERS obligations; and allocating one time revenue for one time expenditures. He added that there had been a modest surplus for the current fiscal year in the amount of \$25,000. He pointed out that all cities were experiencing similar issues of external factors affecting the sales tax and costs of doing business and that in dealing with the matter of the structural deficit, it would better position the City to handle it while the economy was by and large robust. He explained that a structural deficit was different from year-to-year shortfall and involved ongoing expenditures outpacing ongoing revenue. He highlighted some of the contributing factors such as elimination of the redevelopment agency; shrinking revenue with online sales depleting situs-based sales tax revenue and the evolution of malls; the need to fund capital improvements; and increased PERS costs. He expressed the need to develop long term, sustainable Structural Deficit Elimination Plan with a focus on essential services and strategies for keeping costs down; looking at organizational structure for opportunities to consolidate and gain efficiencies; a comprehensive Fee and Cost Recovery Study; and identifying possible areas for new revenue. He emphasized the importance of good budgeting noting that Lakewood had remained focused on the core functions of operating a city which resulted in a healthy community for residents and businesses. He described the principles of priority based budgeting which included prioritizing services; doing the important things well; questioning past patterns of spending; spending within the organization's means; knowing the true cost of doing business; providing transparency of community priorities; providing transparency of service impact; and demanding accountability for results.

1.1 • CONSIDERATION OF BUDGET FOR FY 2018-19 AND 2019-20 - Continued

Jose Gomez, Director of Administrative Services, displayed slides and detailed the City's operational budget highlighting the General Fund Budget; General Fund Reserves; Water Utility Fund Budget; General Fund Revenue History; Sales Tax Revenue History; and Utility Users Tax Revenue. He stated that some of the significant budget items included CalPERS at \$405,300 in FY 2019 & \$335,700 in FY 2020; Overtime Budget at \$250,000; Los Angeles County Sheriff's Contract at \$215,400; Disposal Services Contract at \$203,500 (offset with revenues); Worker's Compensation Insurance at \$123,300; and Municipal Election at \$133,500. He identified significant budget cuts/shifts/postponements such as Freezing Positions: \$320,000; General Plan amendment: \$400,000; CSO Positions: \$250,000; Sky Knight Extraordinary Maintenance: \$203,000; Replace all City PCs: \$185,000; Part time labor savings: \$125,000; Eliminate Contingency Fund: \$100,000; Citywide hardscape repairs: \$200,000; Street Maintenance: \$80,000; and Citywide signage, striping, markings: \$40,000.

Mr. McCormack clarified that what had been proposed was to use restricted funds to continue to fund those important activities.

Mr. Gomez reaffirmed that the post budget adoption actions would include developing a long term, sustainable plan; looking to Priority Based Budgeting Principles; focusing on essential services and strategies for keeping costs down; looking at organizational structure for opportunities to consolidate and gain efficiencies; a Comprehensive Fee and Cost Recovery Study, and identifying possible areas for new revenue.

In response to a request from Vice Mayor Rogers regarding surpluses in the water fund, Mr. Gomez stated that part of a comprehensive study that had been presented last year called for significant set asides inclusive of surpluses to reinvest into the infrastructure and, in so doing, would help maintain the rates in the long term. He further explained that from an accounting perspective, it appeared as a surplus, but that it would be added to the City's reserves or the water utility reserves, specifically, which would then be the basis for allocation and the resources for capital improvement projects.

Mayor Croft added that when the water study had been conducted, the capital needs were on the average of about \$2.5 million annually.

Steve Skolnik, Office of the City Attorney, reported that the agenda packet included proposed budget resolutions, one of which contained a calculation required to be done annually of the Gann limitation. He advised the remaining items included various resolutions as well as individual contractual items requiring action as part of the budget process, and that following a public hearing for any public comments, the City Council could elect to approve all of the items under Section e with a single motion and vote.

c. RESOLUTION NO. 2018-27; A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEWOOD ADOPTING THE BUDGET FOR FISCAL YEAR 2017-2018, AND AUTHORIZING THE APPROPRIATION OF RESERVE FUNDS INTO APPROPRIATE FUNDS AS OF JUNE 30, 2018

1.1 • CONSIDERATION OF BUDGET FOR FY 2018-19 AND 2019-20 - Continued

d. RESOLUTION NO. 2018-28; A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEWOOD DETERMINING THE TOTAL ANNUAL APPROPRIATION SUBJECT TO LIMITATION OF THE CITY OF LAKEWOOD FOR THE FISCAL YEAR 2018-2019

e. RESOLUTION NO. 2018-29; A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEWOOD ADOPTING THE BIENNIAL BUDGET AND APPROPRIATING REVENUE FOR FISCAL YEAR 2018-2019 AND FISCAL YEAR 2019-2020

1) RESOLUTION NO. 2018-30; A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEWOOD AUTHORIZING THE DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES TO CERTIFY TO CITY LIGHT AND POWER LAKEWOOD, INC., THAT BASIC FEE PAYMENTS HAVE BEEN INCLUDED IN THE BUDGET

RESOLUTION NO. 2018-31; A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEWOOD AUTHORIZING THE DIRECTOR OF ADMINISTRATIVE SERVICES TO CERTIFY TO CITY LIGHT AND POWER LAKEWOOD, INC., THAT BASIC FEE PAYMENTS HAVE BEEN INCLUDED IN THE BUDGET

2) RESOLUTION NO. 2018-32; A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEWOOD AMENDING AND RENEWING A COMMUNITY RECREATION PROGRAM AGREEMENT WITH THE ABC UNIFIED SCHOOL DISTRICT

3) RESOLUTION NO. 2018-33; A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEWOOD RENEWING AN AGREEMENT BETWEEN THE CITY OF LAKEWOOD AND COMMUNITY FAMILY GUIDANCE CENTER PROVIDING COUNSELING SERVICES FOR FAMILIES AND JUVENILE RESIDENTS OF THE CITY OF LAKEWOOD FOR THE FISCAL YEAR 2018-2019

4) RESOLUTION NO. 2018-34; A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEWOOD RENEWING THE AGREEMENT BETWEEN THE CITY OF LAKEWOOD AND THE HUMAN SERVICES ASSOCIATION (HSA) TO PROVIDE SERVICES FOR SENIOR ADULT RESIDENTS OF THE CITY OF LAKEWOOD FOR THE FISCAL YEAR 2018-2019

5) RESOLUTION NO. 2018-35; A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEWOOD RENEWING AN AGREEMENT BETWEEN THE CITY OF LAKEWOOD AND LAKEWOOD MEALS ON WHEELS FOR THE FISCAL YEAR 2018-2019

6) RESOLUTION NO. 2018-36; A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEWOOD RENEWING AN AGREEMENT BETWEEN THE CITY OF LAKEWOOD AND PATHWAYS VOLUNTEER HOSPICE, INC. PROVIDING SERVICES FOR TERMINALLY ILL RESIDENTS OF THE CITY OF LAKEWOOD FOR THE FISCAL YEAR 2018-2019

1.1 • CONSIDERATION OF BUDGET FOR FY 2018-19 AND 2019-20 - Continued

- 7) Approval of Agreements for Median Landscape Maintenance and Mowing Services with LandCare
- 8) Renewal of Rental Agreement with Mothers At Work for Child Care Facility at Burns Community Center
- 9) Approval of Agreement for Memorandum of Understanding with Nestle Waters
- 10) Approval of Agreement for Charter Bus Services with Pacific Coachways
- 11) Approval of Amendment to the Agreement for the Lakewood Equestrian Center with Sandie Mercer Ranch
- 12) Approval of Agreement for Catalog Publications with Trend Offset Printing
- 13) Approval of Professional Services Agreement with Dive/Corr, Inc. for Water Storage Facility Inspection
- 14) Approval of Agreement for On-call Emergency Utility Repairs with Doty Bros. Construction Company
- 15) Approval of Agreement with HTS Environmental Services for Hazardous Material Disposal
- 16) Approval of Agreement with Water Well Supply for Maintenance of Water Production Facilities
- 17) Approval of Agreement for Telecommunications Services with Abilita LA
- 18) Approval of Agreement for HVAC and Refrigeration Maintenance and Repair Services with Aire Rite A/C and Refrigeration Inc.
- 19) Approval of Amendment to Agreement for Engineering Services with Associated Soils Engineering, Inc.
- 20) Approval of Extension of Agreement for Hardscape Maintenance with CJ Construction
- 21) Approval of Agreement for On-Call Electrical Engineering Services with FBA Engineering
- 22) Approval of Extension of Agreement for Electrical Support Services with Finline Electric
- 23) Approval of Amendment to Agreement for Storm Water Services with John L. Hunter & Associates

1.1 • CONSIDERATION OF BUDGET FOR FY 2018-19 AND 2019-20 - Continued

24) Approval of Amendment to Agreement for Elevator Preventative Maintenance and Repair Services with Liftech Elevator Services, Inc.

25) Approval of Amendment to Agreement for Transportation Planning and Engineering Services Agreement with LSA Associates, Inc.

26) Approval of Extension of Agreement for Engineering and Traffic Survey Services with Newport Traffic Studies

27) Approval of Amendment to Agreement for Environmental Consulting Services with Nicholls Consulting

28) Approval of Renewal of Agreement for On-Call Hazardous Waste Removal Services with Ocean Blue Environmental Services, Inc.

29) Approval of Agreement for Traffic Striping Maintenance Services with PCI Striping

30) Approval of Agreement for On-Call Mechanical and Plumbing Engineering Services with Pocock Design Solutions Inc.

31) Approval of Agreement for Landscape Architectural Support Services with Richard Fisher Associates

32) Approval of Agreement for On-Call Structural Engineering Services with Robert F. Daniels Structural Engineer

33) Approval of Extension of Agreement for Environmental Services with S.C.S. Consultants

34) Approval of Amendment to Agreement for Animal Control Services with SEAACA

35) Approval of Renewal of Agreement for Street Banner Marketing Program with Sierra Installations, Inc.

36) Approval of Amendment to Agreement for Engineering Services with Willdan

37) Approval of Agreement for Document Imaging System Maintenance and Support

38) Approval of Agreement with Macerich Lakewood LP for Law Enforcement Services at Lakewood Center Mall

39) Approval of Agreement for Helicopter Maintenance with STEAM Aircraft

40) Approval of Legal Services Agreement with Telecom Law Firm, PC

41) Approval of Consultant Services Agreement with Telecom Law Firm, PC

1.1 • CONSIDERATION OF BUDGET FOR FY 2018-19 AND 2019-20 - Continued

42) Approval of Agreement with Western Printing and Graphics for Preparation of City Informational Periodicals

43) Approval of Renewal of Agreement with Fair Housing Consulting Services

44) Approval of Extension of Reimbursement Agreement for Long Beach Transit Fixed Route and Dial-A-Lift Services

45) Approval of Renewal of Agreement for Information Technology Support with Brea IT

Mayor Croft opened the public hearing at 8:20 p.m. and called for anyone in the audience wishing to address the City Council on this matter.

Vice Mayor Rogers thanked the City Manager and the Administrative Services Director for the comprehensive reports and the efforts of staff on the budget as presented. He added that at previous study sessions, it had been noted that Lakewood's core values included a consistently balanced budget and being conservative in terms of managing the community's resources. He cited that there would be some difficulties both internally and in the community while efforts were made to find long term solutions for dealing with the structural deficit, the culpability of which could be placed on the State's having taken twenty five percent of general fund reserves and over \$2 million a year. He stated the importance of balancing the budget, being prudent with City resources and being good fiscal stewards for the community.

Council Member Piazza encouraged residents to weigh in on the different options when the difficult decisions relating to cuts to programs would have to be considered.

Council Member DuBois expressed gratitude to staff in providing a budget that could be approved and noted the future difficulties to be faced together.

Council Member Wood congratulated the City Manager and the Director of Administrative Services on their first budget and expressed appreciation for their efforts to listen to the City Council's concerns and always putting the residents first.

COUNCIL MEMBER PIAZZA MOVED AND COUNCIL MEMBER DUBOIS SECONDED TO ADOPT RESOLUTIONS NO. 2018-27, NO. 2018-28, AND NO. 2018-29 AND ITEMS 1.1.E.1-45. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

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

NAYS: COUNCIL MEMBERS: None

3.1 • PREVIEW OF 2018 SUMMER RECREATION PROGRAMS

Valarie Frost, Director of Recreation and Community Services, displayed slides and made a presentation based on the memo in the agenda. She stated that the Summer Recreation Catalog had been mailed out to Lakewood residents and offered hundreds of programs and events. She briefly reviewed some of the offerings such as contract classes for adults and youth; Civic Center Block Party; Summer Concerts in the Park; Summer Fest; Finally It's Friday family programs; Lakewood Youth Sports; and the aquatics programs at both Mayfair and McCormick Pools along with wading pools at each local park. She noted that staff training was a vital part of planning for the summer season and invited participation in the programs.

MAYOR CROFT STATED THAT THERE BEING NO OBJECTION, THE ITEM WAS ORDERED RECEIVED AND FILED.

SUCCESSOR HOUSING ACTIONS

1. Approval of Register of Demands

VICE MAYOR ROGERS MOVED AND COUNCIL MEMBER DUBOIS SECONDED TO APPROVE THE REGISTER OF DEMANDS. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

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

NAYS: COUNCIL MEMBERS: None

ORAL COMMUNICATIONS:

E. Zimmer, Lakewood, addressed the City Council regarding water rate increases.

ADJOURNMENT

There being no further business to be brought before the City Council, Mayor Croft adjourned the meeting at 8:39 p.m. to Tuesday, June 26, 2018, at 6:30 p.m. in the Executive Board Room. A moment of silence was observed in memory of Mona Overby and Paul Zeltner.

Respectfully submitted,

Jo Mayberry, CMC
City Clerk