

REGULAR MEETING
CYPRESS CITY COUNCIL
January 9, 2017
7:00 P.M.

A regular meeting of the Cypress City Council was called to order at 7:01 p.m. by Mayor Morales in the Council Chambers, 5275 Orange Avenue, Cypress, California.

ROLL CALL

Cypress City Council, also acting as the Ex-Officio Governing Board of Directors of the Cypress Recreation and Park District and Successor Agency Board

Mayor Paulo Morales
Mayor Pro Tem Jon Peat
Council Member Stacy Berry
Council Member Rob Johnson
Council Member Mariellen Yarc

STAFF PRESENT

City Manager Peter Grant
City Attorney Anthony Taylor
Director of Finance and Administrative Services Matt Burton
Chief of Police Rodney Cox
Director of Community Development Doug Dancs
Director of Recreation and Community Services June Liu
Assistant Director of Finance and Administrative Services Donna Mullally
City Engineer Kamran Dadbeh
Public Works Superintendent Kirk Streets
Associate Planner Kori Sanders
Assistant Planner Judy Aquino
Senior Management Analyst Alisha Farnell
City Clerk Denise Basham

PLEDGE OF ALLEGIANCE The Pledge of Allegiance was led by Mayor Pro Tem Peat.

INVOCATION The invocation was given by Pastor Mike McKay, Cypress Church.

PRESENTATIONS:

Michelle Steel, Orange County Supervisor, recognized Council Member Yarc for her service as Mayor last year.

Karen Cant, Vice President Administrative Services, Cypress College, provided a Measure J Bond Program construction update.

ORAL COMMUNICATIONS (Limited to 30 minutes – three minutes per speaker, unless extended by the City Council)

Mayor Morales asked anyone who wished to speak on any topic not included on the meeting Agenda to come forward.

Christopher Aguilera, Assemblywoman Sharon Quirk-Silva's Office, introduced himself.

PUBLIC HEARINGS

Public comments – five minutes per speaker, unless extended by the City Council.

Council Members should disclose communications with anyone relevant to a Public Hearing

Item No. 1: Approve an Amendment to Conditional Use Permit No. 88-8 for the Renovation of McDonald's Fast-Food Restaurant at 10115 Valley View Street

The Associate Planner provided background information on this item.

Council Member Berry asked about the projected timeline.

Damian Catalan, representing McDonald's, indicated that the project would take approximately two to three months with the restaurant interior closed for a portion of the time.

Council Member Berry asked if the drive-thru would be in operation during the interior closure.

Mr. Catalan responded in the affirmative.

Mayor Morales asked about traffic concerns.

Mr. Catalan stated that additional traffic is not expected and that the restaurant would remain open during the renovation. He stated that McDonald's is in agreement with all of the conditions of approval. He thanked the City Council and City staff for their assistance with the project.

The public hearing was opened.

The public hearing was closed.

Council Member Berry commented on the heavy traffic in the drive-thru line and the improvement that the renovation would make.

Council Member Yarc asked if the additional drive-thru lane is possible within the existing property.

The Associate Planner responded in the affirmative and clarified that there is an existing pass-thru lane that would be made into the additional drive-thru lane.

It was moved by Council Member Johnson and seconded by Mayor Pro Tem Peat, to approve the Amendment to Conditional Use Permit No. 88-8, subject to conditions.

The motion was unanimously carried by the following roll call vote:

AYES:	5	COUNCIL MEMBERS:	Berry, Johnson, Yarc, Peat and Morales
NOES:	0	COUNCIL MEMBERS:	None
ABSENT:	0	COUNCIL MEMBERS:	None

Resolution No. 6601

A Resolution of the City Council of the City of Cypress Approving Amendment to Conditional Use Permit No. 88-8 - With Conditions

Item No. 2: Approve a Four-Unit Condominium Development at 4771 Merten Avenue – Conditional Use Permit No. 3079 and Tentative Parcel Map No. 2015-191

The Assistant Planner provided background information on this item.

Council Member Johnson asked about allowable parking and how the property would be managed.

The Assistant Planner responded that a homeowner's association would manage the property and that guest parking is based on the number of bedrooms for each unit.

Council Member Johnson asked about restrictions of overflow on-street parking.

The Assistant Planner stated that there are no painted red curbs on the street.

Mayor Morales asked about the additional parking spaces.

The Assistant Planner replied that the two additional parking spaces are for the larger units and the parking space in the front is for the smaller units.

The City Manager stated the parking spaces are not unit specific.

The Assistant Planner responded that the parking spaces are unassigned.

The City Manager clarified that there would be three outdoor guest parking spaces for the four units and each unit then has two garage parking spaces.

The Assistant Planner responded in the affirmative and clarified that each unit has an attached two-car garage.

The applicant, David Nguyen, stated that he agrees with the conditions of approval, and that the project is similar to the current development on Belmont Street.

The public hearing was opened.

The following spoke regarding the project:

Rosemary Sturgeon, Cypress
George Sturgeon, Cypress
Elizabeth Sturgeon, Cypress
Christine Prince, Cypress
Suzanne Piasco, Cypress
Sandy Banks, Cypress

The public hearing was closed.

Council Member Berry stated that she drove by the project and that the project would be an improvement to the neighborhood, and that there should be a follow-up with regard to traffic concerns in the area.

Mayor Morales requested that the Cypress Traffic Commission work with the Chief of Police and review traffic concerns in that neighborhood.

Council Member Yarc asked about conditions regarding residential privacy issues.

The Assistant Planner responded that Condition No. 3.7 addresses privacy issues.

Council Member Yarc asked if the applicant would work with surrounding residents with regard to privacy issues.

Mr. Nguyen responded in the affirmative.

Council Member Yarc asked if Mr. Nguyen has spoken to Ms. Piasco regarding her privacy concerns.

Mr. Nguyen indicated that he would meet with Ms. Piasco following the meeting.

Council Member Yarc encouraged Ms. Piasco to inform the City should there not be a resolution to her concerns. She asked the Chief of Police about vehicle accident protocol and resolution.

The Chief of Police stated that the Cypress Traffic Commission could evaluate traffic conditions in the area. He indicated that he would speak to the neighborhood residents following the meeting in order to provide them with a phone number for the Watch Commander in order to report traffic concerns and increase traffic enforcement.

Mr. Nguyen stated that the project is zoned RM-20 which is allowable within the current zoning and that they are not rental properties.

It was moved by Mayor Pro Tem Peat and seconded by Council Member Berry, to approve Conditional Use Permit No. 3079 and Tentative Parcel Map No. 2015-191, subject to conditions.

The motion was unanimously carried by the following roll call vote:

AYES: 5 COUNCIL MEMBERS: Berry, Johnson, Yarc, Peat and Morales
NOES: 0 COUNCIL MEMBERS: None
ABSENT: 0 COUNCIL MEMBERS: None

Resolution No. 6602

A Resolution of the City Council of the City of Cypress Approving Conditional Use Permit No. 3079 - With Conditions

Resolution No. 6603

A Resolution of the City Council of the City of Cypress Approving Tentative Parcel Map No. 2015-191 - With Conditions

CONSENT CALENDAR

All matters listed on the Consent Calendar are to be approved with one motion unless a Council Member requests separate action on a specific item.

Mayor Morales stated that Agenda Item No. 17, the Warrant Register, includes warrant no. 40768 for \$441.53 and warrant no. 41051 for \$547.98 for reimbursements he receives as a retired employee of the City of Cypress. He indicated that in voting for any motion to approve the Warrant Register, he would not be voting on warrant no. 40768 and warrant no. 41051 for the reason disclosed.

Council Member Berry requested Agenda Item No. 14 be pulled from the Consent Calendar.

Council Member Yarc and Council Member Berry both stated they were voting "no" on Agenda Item No. 5.

It was moved by Council Member Johnson and seconded by Mayor Pro Tem Peat, to approve Consent Calendar Items No. 3 through 13 and 15 through 17.

The motion was unanimously carried by the following roll call vote:

AYES: 5 COUNCIL MEMBERS: Berry, Johnson, Yarc, Peat and Morales
NOES: 0 COUNCIL MEMBERS: None
ABSENT: 0 COUNCIL MEMBERS: None

Item No. 3: Approve Minutes – Meetings of November 28 and December 12, 2016

Recommendation: Approve as submitted.

Item No. 4: Introduce and/or Adopt All Ordinances and Resolutions Presented for Consideration by Title Only and to Waive Further Reading

Item No. 5: Approve Final Tract Map No. 18035 for 9071 and 9091 Walker Street

Recommendation: Approve Final Tract Map No. 18035 and authorize the City Clerk to sign the record map.

Item No. 6: Approve Final Tract Map No. 18092 for Residential Portion of Barton Place (Northeast Corner of Katella Avenue and Enterprise Drive)

Recommendation: Approve Final Tract Map No. 18092 and authorize the City Clerk to sign the record map.

Item No. 7: Approve Sign Program for an Office Building at 6261 Katella Avenue

Recommendation: Approve Design Review Committee Permit No. 3075, subject to conditions.

Resolution No. 6604

A Resolution of the City Council of the City of Cypress Approving Design Review Committee Permit No. 3075 - With Conditions

Item No. 8: Receive and File a Request For Proposals for Street Sweeping Services

Recommendation: Direct staff to initiate a competitive process for selecting a contract street sweeping service.

Item No. 9: Receive and File the Audit Letter to the City Council for the Fiscal Year Ended June 30, 2016

Recommendation: Receive and file the Audit Letter from White Nelson Diehl Evans LLP to the City Council for the Fiscal Year ended June 30, 2016.

Item No. 10: Receive and File the Independent Accountants' Report on Agreed-Upon Procedures Applied to the Appropriations Limit Worksheet for the Fiscal Year Ended June 30, 2016

Recommendation: Receive and file the attached Independent Accountants' Report on Agreed-Upon Procedures Applied to the Appropriations Limit Worksheet for the Fiscal Year ended June 30, 2016.

Item No. 11: Receive and File the Cypress Recreation and Park District's Component Unit Financial Report for the Fiscal Year Ended June 30, 2016

Recommendation: Receive and file the Component Unit Financial Report for the Fiscal Year Ended June 30, 2016.

Item No. 12: Receive and File the Independent Accountants' Report on the Cypress Recreation and Park District's Appropriations Limit for the Fiscal Year Ended June 30, 2016

Recommendation: Receive and file the attached Independent Accountants' Report on Agreed-Upon Procedures Applied to the Appropriations Limit Worksheet for the Fiscal Year ended June 30, 2016.

Item No. 13: Adopt Administrative Budget for the Cypress Successor Agency for the Six-Month Period of July 1, 2017 through December 31, 2017

Recommendation: Adopt the administrative budget for the Successor Agency for the six-month period of July 1, 2017 through December 31, 2017, per the attached Exhibit A.

Item No. 15: The Successor Agency Board Approve a Settlement Agreement with the State of California Securing Ownership of 13.329 Acres of Land at Katella Avenue and Winners Circle and the Repayment of Remaining Loan Balance Owed to the City

Recommendation: The Board of Directors of the Successor Agency to the Dissolved Cypress Redevelopment Agency adopt a resolution approving a Settlement Agreement resolving pending litigation by the City of Cypress and the Successor Agency to the Dissolved Cypress Redevelopment Agency against defendants California Department of Finance, and Michael Cohen in his official capacity as the Director of the California Department of Finance, and the State Controller's Office, and John Chiang in his official capacity as Controller for the State of California.

Successor Agency Resolution No. SA-6

A Resolution of the Successor Agency to the Dissolved Cypress Redevelopment Agency Approving a Settlement Agreement Among the City of Cypress, the Successor Agency to the Dissolved Cypress Redevelopment Agency, Defendants California Department of Finance, and Michael Cohen in his Official Capacity as the Director of the California Department of Finance, the State Controller's Office, and John Chiang in his Official Capacity as Controller for the State of California

Item No. 16: Receive and File the Investment Report for the Month Ended November 30, 2016

Recommendation: Receive and file the attached investment report.

Item No. 17: Approve Register of Warrants, Electronic Funds Transfers and Wires Issued for the Period of November 14, 2016 through December 23, 2016

Recommendation: Approve the attached payment register summarized below for the period of November 14, 2016 through December 23, 2016:

- Warrants 40678 through 41162
- Electronic Funds Transfers 2260 through 2397
- Payroll Wires W1320 through W1323

Regarding Item No. 14: The City Council Approve a Settlement Agreement with the State of California Securing Ownership of 13.329 Acres of Land at Katella Avenue and Winners Circle and the Repayment of Remaining Loan Balance Owed to the City, Council Member Berry thanked City staff for their work on this item and asked if the City would have clear title to the property when the Settlement Agreement is signed and approved by the State.

The Director of Finance and Administrative Services responded in the affirmative.

Council Member Berry asked about the current zoning.

The Planning Manager stated that the property is currently Specific Plan zoned, governed by the Cypress Business and Professional Center Amended Specific Plan.

Council Member Berry asked if the public would have the opportunity to voice their concerns for future developments of the land.

The Planning Manager responded in the affirmative.

Council Member Yarc asked if this action is to clear the City's title on the property.

The City Manager responded in the affirmative.

It was moved by Council Member Berry and seconded by Council Member Johnson, that the City Council adopt a resolution approving a Settlement Agreement resolving pending litigation by the City of Cypress and the Successor Agency to the Dissolved Cypress Redevelopment Agency against defendants California Department of Finance, and Michael Cohen in his official capacity as the Director of the California Department of Finance, and the State Controller's Office, and John Chiang in his official capacity as Controller for the State of California.

The motion was unanimously carried by the following roll call vote:

AYES:	5	COUNCIL MEMBERS:	Berry, Johnson, Yarc, Peat and Morales
NOES:	0	COUNCIL MEMBERS:	None
ABSENT:	0	COUNCIL MEMBERS:	None

Resolution No. 6605

A Resolution of the City Council of the City of Cypress Approving a Settlement Agreement Among the City of Cypress, the Successor Agency to the Dissolved Cypress Redevelopment Agency, Defendants California Department of Finance, and Michael Cohen in his Official Capacity as the Director of the California Department of Finance, the State Controller's Office, and John Chiang in his Official Capacity as Controller for the State of California

NEW BUSINESS**Item No. 18: Receive and File the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2016**

The Director of Finance and Administrative Services provided background information on this item.

Council Member Johnson asked if the same audit firm is used each year.

The Director of Finance and Administrative Services responded that the current audit firm contract is for an initial three-year period with two one-year extensions, and that a Request For Qualifications would be done in Spring 2017, with award of contract before the end of the fiscal year. He clarified that there is not a formal policy that mandates a change of audit firms.

Council Member Johnson asked about the CalPERS guaranteed interest downgrade.

The Director of Finance and Administrative Services stated that the decreased amount is an enormous impact to the City's liability, as well as to the City's yearly required cash contributions to CalPERS.

Council Member Johnson commented on pension liability and its steady increases. He asked if staff would be meeting with the City Council to further discuss.

The Director of Finance and Administrative Services responded in the affirmative, and stated that this matter is included in the Strategic Plan.

Council Member Johnson asked if additional monies for CalPERS liability would need to be set aside.

The Director of Finance and Administrative Services responded in the affirmative and stated that Other Post Employment Benefits (OPEB) would also increase.

Council Member Yarc asked if the net worth included the \$30 million pension liability debt.

The Director of Finance and Administrative Services responded in the affirmative.

The City Manager clarified that accounting rules changed that required the City to record pension liability.

Council Member Yarc asked if citizen input regarding pension liability would be helpful.

The City Manager spoke regarding the serious problem of pension liability for California governments and suggested that residents lobby their legislators.

Council Member Berry asked about other areas of concern.

The Director of Finance and Administrative Services stated that there were no other areas of concern other than the economy.

Mayor Pro Tem Peat stated that it is incumbent upon the City to continue to fund future Capital Projects and that options for revenue growth should be considered.

Mayor Morales asked about audit measures to avoid accounting errors.

Mr. Nitin Patel, White Nelson Diehl Evans LLP, stated that the auditors test internal controls over financial reporting and issue an opinion giving reasonable assurance. He assured that the margin of error would be minimal.

It was moved by Council Member Johnson and seconded by Mayor Pro Tem Peat, to receive and file the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2016.

The motion was unanimously carried by the following roll call vote:

AYES: 5 COUNCIL MEMBERS: Berry, Johnson, Yarc, Peat and Morales
 NOES: 0 COUNCIL MEMBERS: None
 ABSENT: 0 COUNCIL MEMBERS: None

Item No. 19: Strategic Plan Six-Month Objectives Update

The City Manager provided background information on this item.

It was moved by Council Member Johnson and seconded by Council Member Berry, to receive and file the Strategic Plan Six-Month Objectives update.

The motion was unanimously carried by the following roll call vote:

AYES: 5 COUNCIL MEMBERS: Berry, Johnson, Yarc, Peat and Morales
 NOES: 0 COUNCIL MEMBERS: None
 ABSENT: 0 COUNCIL MEMBERS: None

ORAL COMMUNICATIONS (Five minutes per speaker, unless extended by the City Council)

None.

COUNCIL MEMBER REPORTS AND REMARKS

Mayor Morales requested reports from the Council Members on their respective committee assignments.

Council Member Johnson:

Congratulated Cypress Volunteers In Policing (VIP) Ed Bowers on his retirement.

Council Member Berry:

Attended a ride along with Cypress Police Officer Mermer. Attended a SCAG Community Economic and Human Development meeting. Attended a SCAG special joint meeting. Attended the funeral services for Cypress resident and Woman's Club of Cypress member Alice Leasher.

Mayor Pro Tem Peat:

Complimented the O.C. Fire Authority on their response to a recent house fire on Wellington Court.

Mayor Morales:

Attended the swearing-in ceremony for Assemblywoman Sharon Quirk-Silva.

CITY MANAGER REMARKS

The City Manager stated that the State of the City luncheon will be held on Wednesday, January 18, 2017 at the Cypress Community Center.

ADJOURNMENT

Mayor Morales adjourned the meeting at 8:38 p.m. in memory of Cypress resident Jacqueline Gail Henderson Wiedel, to an adjourned Regular Meeting, to be held on Monday, January 23, 2017, beginning at 5:30 p.m. in the Executive Board Room.



MAYOR OF THE CITY OF CYPRESS

ATTEST:



CITY CLERK OF THE CITY OF CYPRESS