

REGULAR MEETING
CYPRESS CITY COUNCIL
August 28, 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

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
City Planner Doug Hawkins
City Engineer Kamran Dadbeh
Water Quality Manager Gonzalo Vazquez
Public Works Superintendent Kirk Streets
Recreation Supervisor Jeff Draper
Recreation Supervisor Shelly Myers
Recreation Coordinator Adrianna Hyta
Management Analyst Anna Sanchez
Senior Management Analyst Alisha Farnell
City Clerk Denise Basham

PLEDGE OF ALLEGIANCE The Pledge of Allegiance was led by Mayor Morales.

INVOCATION The invocation was given by Pastor Brian Kammer, West Cypress Church.

PRESENTATIONS

Mayor Morales presented Certificates of Special Recognition to Coach Alex Griffiths and the Cypress High School Boys Volleyball team.

Mayor Morales recognized Brian Sunley, Friends of Cypress Recreation and Parks, and Mark Kerslake, C33, LCC for their donation to the Cypress Senior Citizens Center.

Mayor Morales recognized the Cypress Community Festival Association.

Mayor Morales presented Gincy Heins, Alzheimer's Orange County, with a "World Alzheimer's Awareness Month" Proclamation.

Superintendent Michael Matsuda, Anaheim Union High School District, provided an update on the Anaheim Innovative Mentoring Experience and Measure H bond improvements.

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.

Wayne Comeau, Cypress, spoke regarding Agenda Item No. 16.

John Roper, Cypress, spoke regarding Agenda Item No. 16.

Charles Milam, Cypress, spoke regarding Agenda Item No. 16.

Don Wood, Cypress, spoke regarding Agenda Item No. 16.

Christopher Aguilera, Assemblywoman Sharon Quirk-Silva's office, invited the City Council and public to an open house on August 31, 2017.

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 a Self-Storage Facility at 9141 Valley View Street – General Plan Amendment No. 3103 and Conditional Use Permit No. 3091

The City Planner provided background information on this item.

Council Members Berry and Yarc stated that they spoke with the project manager.

Council Member Berry asked if vehicles traveling north on Valley View Street would be permitted to turn left into the project.

The City Planner responded in the affirmative, and clarified that there would be a left turn pocket to allow vehicles into the northern driveway.

Council Member Berry asked if only the front of the building would be 43 feet high and the remainder of the building lower.

The City Planner responded in the affirmative, and clarified that the remainder of the building would be 36 feet high.

Council Member Berry asked if the maximum allowable height is 50 feet.

The City Planner responded in the affirmative.

Council Member Johnson asked if the project exceeds the Floor Area Ratio.

The City Planner responded in the affirmative.

Council Member Johnson asked if the Floor Area Ratio would triple from .50:1 to 1.8:1.

The City Planner responded in the affirmative.

Council Member Johnson asked if the Floor Area Ratio increase would be vertically or wide.

The City Planner responded that the increase would be of the overall floor area ratio and that the property would be larger.

Council Member Johnson asked about existing self-storage facilities in the City.

The City Planner responded that there are four self-storage facilities in the City.

Council Member Johnson asked if the existing self-storage facilities are single or two story.

The City Planner responded that most of the existing self-storage facilities are two-story with one that is both single and two-story.

Council Member Johnson commented that the applicant requested a three-story facility.

The City Planner responded in the affirmative.

Council Member Johnson asked about City building height limits and asked if there are taller buildings in the vicinity of this property.

The City Planner replied that the Home Depot building on Lincoln Avenue is approximately 36 feet high.

Council Member Johnson asked about the building enclosure and security concerns.

The City Planner indicated that the property would include a security system and the only entrance is at the front of the building.

Mayor Pro Tem Peat asked about the number of parking spaces and if there would be adequate parking based on City standards.

The City Planner indicated that the City standard is four parking spaces and that this property would provide 19 parking spaces, as well as a large loading and unloading area in the front of the building.

Mayor Morales asked if the existing self-storage facilities have more allowable Floor Area Ratio based on the business type.

The City Planner stated responded in the affirmative.

The applicant, Brandon Dickens, discussed the project and stated that he agreed with the conditions of approval.

Mayor Morales asked if there had been other inquiries of the property.

The City Planner responded no.

Council Member Berry asked about the elevators.

Mr. Dickens stated that there would be specialty large 5,000 pound elevators.

Council Member Berry asked if the front loading area could accommodate more than one truck.

Mr. Dickens responded in the affirmative, and clarified that the area would accommodate up to seven stalls for loading with more than enough parking.

Council Member Berry asked if the renters would have electronic keypad access.

Mr. Dickens responded in the affirmative, and clarified that the keypad access would close at 10:00 p.m.

Council Member Johnson asked if a two-story building had been considered.

Mr. Dickens responded no, and clarified that the cost could not be justified for a two-story property.

Council Member Johnson asked if there would be an on-site manager.

Mr. Dickens responded in the affirmative, and clarified that there would be an office staffed on a full-time basis.

The public hearing was opened.

David Rose, Cypress, asked about the Floor Area Ratio on other storage facilities in the City.

Ingrid Marino, Cypress, spoke against the project.

The public hearing was closed.

Mr. Dickens spoke regarding traffic concerns.

Council Member Yarc left the Council Chambers.

It was moved by Mayor Pro Tem Peat and seconded by Council Member Berry, to adopt the Mitigated Negative Declaration and Mitigation Monitoring Compliance Agreement, and approve General Plan Amendment No. 3103 and Conditional Use Permit No. 3091, subject to the attached conditions.

The motion was carried by the following roll call vote:

AYES: 4 COUNCIL MEMBERS: Berry, Johnson, Peat and Morales
NOES: 0 COUNCIL MEMBERS: None
ABSENT: 1 COUNCIL MEMBERS: Yarc

Resolution No. 6639

A Resolution of the City Council of the City of Cypress, California, Adopting General Plan Amendment No. 3103, Allowing the City Council to Approve an Increase in the Floor Area Ratio for Properties in the General and Neighborhood Commercial Land Use Categories

Resolution No. 6640

A Resolution of the City Council of the City of Cypress, California, Approving Conditional Use Permit No. 3091 Subject to 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. 12, the Warrant Register, includes warrant no. 43164 for \$569.51 and warrant no. 43475 for \$791.87 for a reimbursement 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. 43164 and warrant no. 43475 for the reason disclosed.

It was moved by Council Member Johnson and seconded by Mayor Pro Tem Peat, to approve Consent Calendar Items No. 2 through 15.

The motion was carried by the following roll call vote:

AYES: 4 COUNCIL MEMBERS: Berry, Johnson, Peat and Morales
NOES: 0 COUNCIL MEMBERS: None
ABSENT: 1 COUNCIL MEMBERS: Yarc

Item No. 2: Approve Minutes – Meetings of July 10 and July 24, 2017

Recommendation: Approve as submitted.

Item No. 3: Introduce and/or Adopt All Ordinances and Resolutions Presented for Consideration by Title Only and to Waive Further Reading

Item No. 4: Proclaim the Month of September 2017 as “World Alzheimer’s Awareness Month”

Recommendation: Proclaim the month of September 2017 as “World Alzheimer’s Awareness Month.”

Item No. 5: Accept \$100,000 Donation for Senior Center EnhancementsRecommendation:

1. Accept a \$100,000 donation for enhancements at the Senior Center from Friends of Cypress Recreation and Parks; and
2. Increase Recreation and Park District's General Fund donation revenue by \$100,000.

Item No. 6: Approve the Dedication Plaque for Mackay Park

Recommendation: Approve the contents and location of the dedication plaque for Mackay Park.

Item No. 7: Accept Concrete Rehabilitation, Project 176

Recommendation: Accept the Annual Concrete Rehabilitation, Project 176, in the final amount of \$213,541 and approve the final payment of \$10,677 to Ruiz Concrete & Paving Inc.

Item No. 8: Accept Myra Avenue Storm Drain No. 3, Project 143

Recommendation: Accept the Myra Avenue Storm Drain No. 3, Project 143 for \$10,002,448.50, and approve the final retention payment of \$500,122.43 to Sully-Miller Contracting Company.

Item No. 9: Request for Proposals for Audiovisual Technology Enhancements for the Council Chamber

Recommendation: Receive and file the Request for Proposals for the audiovisual technology enhancement project for the Council Chamber.

Item No. 10: Adopt Resolutions Establishing Salary and Benefits for Executive Management and Mid-Management PositionsRecommendation:

1. Adopt a Resolution establishing salary ranges for Executive Management positions; and
2. Adopt a Resolution establishing salary ranges for Mid-Management position; and
3. Adopt a Resolution amending the Schedule of Benefits for Management employees.

Resolution No. 6641

A Resolution of the City Council of the City of Cypress, and Acting as Ex-Officio Governing Board of Directors of the Cypress Recreation and Park District, Amending Resolution No. 6588 Establishing Salary Ranges for Executive Management Positions

Resolution No. 6642

A Resolution of the City Council of the City of Cypress, and Acting as Ex-Officio Governing Board of Directors of the Cypress Recreation and Park District, Amending Resolution No. 6621 Establishing Salary Ranges for Mid-Management Positions

Resolution No. 6643

A Resolution of the City Council of the City of Cypress, and Acting as Ex-Officio Governing Board of Directors of the Cypress Recreation and Park District, a Subsidiary District of the City of Cypress, Amending Resolution No. 6591 Establishing Benefits for Management Employees

Item No. 11: Receive and File the Investment Reports for the Months Ended June 30, 2017 and July 31, 2017

Recommendation: Receive and file the attached investment reports.

Item No. 12: Approve Register of Warrants, Electronic Funds Transfers and Wires Issued for the Period of June 26, 2017 through August 11, 2017

Recommendation: Approve the attached payment register summarized below for the period of June 26, 2017 through August 11, 2017:

- Warrants 43055 through 43728
- Electronic Funds Transfers 3026 through 3210
- Payroll Transfers W1388 through W1340

Item No. 13: Amend Chapter 12 of the Municipal Code Authorizing the Removal of Unauthorized Solid Waste Containers

Recommendation: Introduce for first reading an Ordinance, by title only, amending Chapter 12 of the Municipal Code authorizing the removal of unauthorized solid waste containers.

Ordinance No.

An Ordinance of the City Council of the City of Cypress, California, Adding Section 12-12.1, "Placement of Unauthorized Containers Prohibited" to Article III, "Prohibited Acts," of Chapter 12, "Solid Waste Management," of the Cypress Municipal Code, to Establish a Container Impound Procedure for Unauthorized Placement of Containers in the City of Cypress Without a Franchise, Contract, Permit, or Other City Authorization

Item No. 14: Amend Chapter 12 Article VIII of the Cypress Municipal Code Relating to Materials Questionnaire for Certain Construction and Demolition Projects within the City of Cypress

Recommendation: Introduce for first reading an Ordinance, by title only, amending Chapter 12 Article VIII of the Cypress Municipal Code.

Ordinance No.

An Ordinance of the City Council of the City of Cypress, California, Amending Article VIII to Chapter 12 of the Cypress Municipal Code Relating to Requirements for the Submission and Compliance with a Materials Questionnaire for Certain Construction and Demolition Projects

Item No. 15: Receive and File the Annual Solid Waste Service Consumer Price Index Rate Adjustment and Amend the Franchise Agreement for the Notice Period

Recommendation:

1. Receive and file the Consumer Price Index rate adjustment for solid waste rates for residential and commercial customers; and
2. Amend the Franchise Agreement to reduce the notification period for the 2017 Consumer Price Index rate adjustment from 60 days to 30 days.

ITEMS FROM CITY COUNCIL MEMBERS**Item No. 16: Solid Waste Ad-Hoc Subcommittee Report**

The following spoke regarding the item:

Clyde Schechter, Cypress
David Rose, Cypress
George Pardon, Cypress
Sandra Montez, Cypress
Roberta O'Toole, Cypress

The City Manager provided background information on this item.

Mayor Pro Tem Peat thanked his colleagues and staff for their assistance. He asked the City Attorney the conditions of how the contract could be terminated.

The City Attorney stated that specific provisions required for termination include a bankruptcy or receivership or if a situation occurred where Valley Vista Services had a prolonged absence of picking up trash or were in default on their insurance or their bonds. He stated that based on his inquiry with staff, none of those matters exist in this case.

Mayor Pro Tem Peat asked about mandating an assignment of the contract.

The City Attorney stated that both parties to the contract would have to work together and that the City could not force Valley Vista Services to assign the contract.

Mayor Pro Tem Peat stated that his three objectives through this process have been: 1) to provide the best set of services possible at the lowest possible cost to the City; 2) to avoid service disruptions to the community; and 3) to minimize the financial impact of any recommended changes to the residents of the business. He stated that in reaching his recommendation, he reviewed and gave thoughtful consideration to all of the following information, including the original Request for Proposals (RFP), the bidding process, the consult Sloan Vazquez bid evaluation, Valley Vista Services' franchise agreement, the Valley Vista Services extraordinary rate increase request, the R3 extraordinary rate increase evaluation, the Letter of Interest from CR&R, the process for requesting assignment of the contract to another vendor, the residential trash rates for surrounding communities, and the requirements for implementing a Proposition 218 rate adjustment request. He stated that after evaluating all of this information against his objective, he reached the conclusion that the best course of action to remedy the situation would be to work with Valley Vista Services to modify and strengthen the existing franchise agreement by adjusting specific service levels, adjusting some of the City fees paid by Valley Vista Services, and adjusting the monthly commercial and residential billing rates. He stated that the benefit of the changes would include insuring a high-quality level of trash collection and excellent customer service, guaranteeing continuity of service, maintaining lower rates than what was paid by residents in 2014 and 2015 under Republic Services, maintaining residential rates below those paid by residents in any of the surrounding communities and maintaining Cypress residential rates in the lowest third in Orange County.

Mayor Pro Tem Peat reviewed his franchise amendment recommendations, as outlined in the Agenda Report, that include graffiti removal services, bulky item collection, City fees, extending the franchise term to June 30, 2027, and simplifying industrial bin service fee. He stated that he proposes reducing or eliminating Valley Vista Services from the Annual Roadway Maintenance Cost Recovery Charge, the Annual Water Pollution Prevention Cost Recovery, Shared Sales of Recyclable Materials, and Sales Tax Revenue with a reduction of the Valley Vista Services cost to the City of \$223,000 annually. He stated that he would propose a Franchise term extension to June 30, 2027, in an effort to strengthen the period of performance so that Valley Vista Services has a greater support from their financial institutions. He indicated that he would propose to simplify the industrial bin service fee with consolidation of the billing rate.

Mayor Pro Tem Peat displayed a proposed Franchise Stabilization Rate Adjustment chart that included residential, commercial, and industrial rates for 2017 Rate with Consumer Price Index (CPI) Adjustment, Recommended Adjustment, and Recommended Rate. He stated that the recommended rate would be lower than those in surrounding communities and that it would be in the best interest of the community to continue to maintain continuity of service with a vendor who is doing an excellent job. He asked if a Letter of Interest would be a binding agreement.

The City Attorney responded that a Letter of Interest is not a binding contract.

Mayor Pro Tem Peat stated that his recommendation is to: 1) Approve the attached Franchise Amendments; 2) Approve the Proposition 218 Notice and Schedule; 3) Set a Public Hearing for the Franchise Stabilization Rate Adjustment; and 4) Amend the FY 2017-18 Budget to: a) Decrease General Fund Expenditure Reimbursement Fee revenue by \$167,250; b) Increase General Fund appropriations for Contract Graffiti Removal Services by \$75,000; and c) Increase General Fund estimated revenues and expenditures by \$10,000 for Proposition 218 costs to be reimbursed by Valley Vista Services.

Council Member Berry asked the City Attorney to clarify the assignment clause in the Valley Vista Services contract.

The City Attorney responded that the assignment clause states that the City is not required to accept an assignment that is proposed by Valley Vista Services, and if there is an assignment that is mutually agreeable to both parties, there are provisions of the contract that allow it to be amended.

Council Member Berry stated that her recommendation is for the City Council to direct a new Solid Waste Ad-Hoc Subcommittee to work with Valley Vista Services to negotiate and assign the Franchise to another waste hauler and return to the City Council with an assignment agreement for consideration no later than December 11, 2017. She commented that maintaining low residential and commercial rates and preserving City revenues is vital at a time when every dollar can and will make a difference in our City's future. She stated that Valley Vista Services agreed to the terms set forth in the Franchise agreement when they signed the contract in 2014, and they were under no obligation to sign nor to add the extra enhancement to the Franchise agreement.

Council Member Berry stated that the City's best option moving forward is assignment to another hauler and discussed a Letter of Interest received from CR&R. She stated that R3 Consulting Group was hired by the City to review Valley Vista Services' request and they concluded the criteria for an extraordinary adjustment had not been met for the Franchise agreement. She stated that the totality of the changes recommended by Mayor Pro Tem Peat add up to major revenue increases to Valley Vista Services and significant impact to the City and taxpayers. She commented that if the recommendations proposed by her colleague are approved, not only will rate payers see higher rates, but the City will be reducing its revenue by \$223,000 this fiscal year which has been included in the current budget. She indicated that the \$223,000 over 10 years adds up to over \$2.2 million in lost revenues to the City.

Council Member Berry commented on the need to make sure the City Council is doing the right thing for the community prior to pledging monies to assist Valley Vista Services stay afloat and/or grow their business. She stated that the focus should be on keeping our City financially stable; that should be first and foremost always. She indicated that a Letter of Interest has been received from a reputable hauler. She indicated that she stands strongly opposed to granting Valley Vista Services these concessions, and her recommended action to the City Council tonight is to: 1) Approve a Resolution, creating a new Solid Waste Ad-Hoc Subcommittee to work with Valley Vista Services to assign the Franchise to another waste hauler; and 2) Present an assignment agreement or report for City Council consideration no later than December 11, 2017.

Mayor Morales stated that Council Member Yarc was ill and would not be returning to the meeting.

Council Member Johnson discussed the numerous emails he has received on the matter. He thanked Mayor Pro Tem Peat and Council Member Berry for their work on the Ad-Hoc Subcommittee. He spoke regarding Valley Vista Services, and asked about complaints and their response time.

The Director of Community Development stated that there have not been any significant complaints regarding trash service and Valley Vista Services is responsive.

Mayor Pro Tem Peat spoke regarding the CR&R Letter of Interest and indicated that it is not a legally binding document. He indicated that all of the points stated in the Letter of Interest would be done with Valley Vista Services.

Council Member Berry stated that a new Ad-Hoc Solid Waste Committee should be established to work with Valley Vista Services to reassign the contract. She commented that the proposal from Mayor Pro Tem Peat includes \$223,000 in reduction in revenues to the City, which was not part of the Letter of Interest.

Mayor Morales spoke regarding misinformation in the community, and the high-quality of service given by Valley Vista Services. He spoke of his availability to the community and encouraged residents to contact the City Council and staff with questions. He stated that the goal is to have the best continued service at the fairest price for everyone involved.

It was moved by Council Member Berry to: 1) Approve the Resolution, creating a new Solid Waste Ad-Hoc Subcommittee to work with Valley Vista Services to assign the Franchise to another waste hauler; and 2) Direct the Subcommittee to present an assignment agreement, or report, for City Council consideration no later than December 11, 2017.

The motion failed due to lack of a second.

It was moved by Mayor Pro Tem Peat and seconded by Council Member Johnson, to: 1) Approve the attached Franchise Amendments; 2) Approve the Proposition 218 Notice and Schedule; 3) Set a Public Hearing for the Franchise Stabilization Rate Adjustment; and 4) Amend the FY 2017-18 Budget to: a) Decrease General Fund Expenditure Reimbursement Fee revenue by \$167,250; and b) Increase General Fund appropriations for Contract Graffiti Removal Services by \$75,000; and c) Increase General Fund estimated revenues and expenditures by \$10,000 for Proposition 218 costs to be reimbursed by Valley Vista Services.

The motion was carried by the following roll call vote:

AYES: 3 COUNCIL MEMBERS: Johnson, Peat and Morales
 NOES: 1 COUNCIL MEMBERS: Berry
 ABSENT: 1 COUNCIL MEMBERS: Yarc

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

Don Wood, Cypress, spoke regarding Agenda Item No. 16.

Wayne Comeau, Cypress, spoke regarding Agenda Item No. 16.

COUNCIL MEMBER REPORTS AND REMARKS

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

Council Member Johnson:

Attended an O.C. Fire Authority Board meeting.

Mayor Pro Tem Peat:

Met with Assemblywoman Sharon Quirk-Silva. Attended a Legislative Mixer at the Cypress Senior Citizens Center.

Mayor Morales:

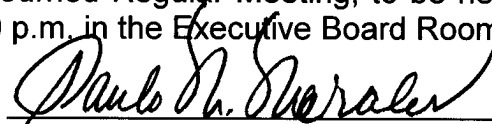
Attended an O.C. Fair Government dinner. Attended an AltaMed event. Attended National Night Out. Attended the Concerts-on-the-Green. Spoke regarding the upcoming Movie on the Green.

CITY MANAGER REMARKS

The City Manager spoke regarding donating opportunities for the victims of Hurricane Harvey. He announced the West O.C. Women’s Conference on September 27. He reminded of the Farmers Market on Saturdays from 10:00 a.m. – 2:00 p.m. He stated that Hobby Lobby signed a lease for the vacant Kohl’s location.

ADJOURNMENT

Mayor Morales adjourned the meeting in memory of Brad McKinzie, Carrie Campbell, and Dr. Harry Strohmeyer at 9:26 p.m. to an adjourned Regular Meeting, to be held on Monday, September 11, 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