

REGULAR MEETING
CYPRESS CITY COUNCIL
March 26, 2018
5:30 P.M.

A regular meeting of the Cypress City Council was called to order at 5:31 p.m. by Mayor Peat in the Executive Board Room, 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 Jon Peat
Mayor Pro Tem Stacy Berry
Council Member Rob Johnson
Council Member Paulo Morales
Council Member Mariellen Yarc

STAFF PRESENT

City Manager Peter Grant
City Attorney Anthony Taylor
Director of Finance and Administrative Services Matt Burton

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

None.

CLOSED SESSION

The City Attorney reported that the City Council would be meeting in Closed Session regarding Public Employee Discipline/Dismissal/Release, pursuant to Government Code Section 54957.

The City Attorney did not participate in the Public Employee Discipline/Dismissal/Release Closed Session matter. This item was presented by Jeff Friedman, Liebert Cassidy and Whitmore.

The City Attorney reported that the City Council would be meeting in Closed Session regarding Conference with Labor Negotiator, pursuant to Government Code Section 54957.6, Agency Negotiators: Peter Grant and Matt Burton, Employee Groups:

- Cypress Employees' Association
- Cypress Maintenance Employees' Association

At 5:33 p.m., the Mayor recessed the meeting.

RECONVENE

At 6:40 p.m., the Mayor reconvened the meeting.

WORKSHOP SESSION

The Director of Finance and Administrative Services stated that total cash and investments as of February 28, 2018, were \$140 million with \$100 million of that total being unrestricted monies originating from the General Fund that we have discretionary control over. He stated that restricted monies include the Recreation and Park District, Gas Tax, and Asset Seizure monies from the Police Department that must be spent in accordance with legal requirements. He indicated that monies associated with the unavailable funds include West-Comm and the Successor Agency.

Mayor Pro Tem Berry asked about the fund balance last year.

The Director of Finance and Administrative Services responded that the fund balance discussed last year at the workshop was approximately \$136 million.

The Director of Finance and Administrative Services indicated that a recent news article from Senator John Moorlach stated that Cypress has the highest per capita net position of any city in Orange County. He stated that the City has done prudent planning and maintained a regimented spending plan and that the per capita amount does not account for investments in infrastructure.

Council Member Johnson asked if Redevelopment funds (13 acres) are restricted.

The Director of Finance and Administrative Services responded no, and clarified that if that land was sold it would be an infusion to unrestricted reserves.

Mayor Peat asked if the Redevelopment loan payments back to the City are unrestricted.

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

Mayor Pro Tem Berry asked if the restricted funds include the \$10 million pension trust.

The Director of Finance and Administrative Services stated that the pension trust had not been funded as of February 28.

The Director of Finance and Administrative Services stated that the unrestricted cash and investments includes \$11 million in the General Fund, \$51.6 million in Capital Projects, and \$36.7 million in Internal Service Funds. He indicated that there is a 25 percent contingency in the General Fund that could be used only for specific circumstances. He stated that there is funding for future capital projects and \$800,000 for potential budget overages in the General Fund.

The Director of Finance and Administrative Services indicated that there is \$51 million in capital projects with \$8.4 million set aside for an emergency and \$40 million for future year projects. He stated there are \$12.5 million in equipment replacement funds. He indicated that there is \$14.3 million in employee benefits which includes \$10 million for the pension trust.

The Director of Finance and Administrative Services provided an overview of infrastructure reserves as of February 28, 2018. He stated that there is expected to be more monies at the end of the Seven-Year CIP than at this time and that there would likely be no annual funding for future CIP after June 30, 2018. He indicated that the fiscal strategies called for a minimum 115 percent of the Seven-Year CIP which would be equal to \$25 million, which is less than what is currently projected.

The Director of Finance and Administrative Services stated that new Gas Tax revenues could provide \$825,000 or more annually for streets. He indicated that Maintenance of Effort (MOE) requirements were approved at \$3.4 million which was an adjustment from \$8.1 million which gives the City increased flexibility. He stated that as of June 30, 2018, the \$10.5 million Cypress Recreation and Park District Reserves includes a \$2.2 million City General Fund contribution. He stated that the Cypress Recreation and Park District generates approximately \$1 million per year for capital projects.

Council Member Johnson asked if the Mackay Park project has been paid off.

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

The Director of Finance and Administrative Services indicated that pension liabilities are approximately \$40 million. He stated that \$10 million has been committed to the pension liabilities through the pension trust, and that excess monies at the end of the year could be used towards the pension liabilities. He stated that the available internal service funds include \$10 million for pensions and \$3 million for compensated absences. He indicated that the internal service funds would be incorporated into the City budget and the Capital Improvement Project (CIP) guided by the fiscal health strategies. He stated that the pension issues would continue to be monitored and that

staff would pursue a liability funding agreement with Orange County Employees' Retirement System (OCERS).

Mayor Peat asked if the OCERS amount owed is \$635,000.

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

RECONVENE

The 7:00 p.m. session of the City Council meeting was called to order at 7:08 p.m. by Mayor Peat.

ROLL CALL

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

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

STAFF PRESENT

City Manager Peter Grant
City Attorney Anthony Taylor
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
Public Works Superintendent Kirk Streets
Senior Management Analyst Alisha Farnell
City Clerk Denise Basham

PLEDGE OF ALLEGIANCE The Pledge of Allegiance was led by Camp Fire USA.

INVOCATION The invocation was given by Bill Garcia, Church of Jesus Christ of Latter-Day Saints.

REPORT OF WORKSHOP AGENDA/CLOSED SESSION

The Mayor asked for the report of the Closed Session Agenda items discussed earlier in the evening.

The City Attorney reported that the City Council met in Closed Session regarding Public Employee Discipline/Dismissal/Release, pursuant to Government Code Section 54957. He stated that no reportable action was taken.

The City Attorney reported that the City Council met in Closed Session regarding Conference with Labor Negotiator, pursuant to Government Code Section 54957.6, Agency Negotiators: Peter Grant and Matt Burton, Employee Groups: Cypress Employees' Association, Cypress Maintenance Employees' Association. He stated that no reportable action was taken.

No other action was taken in Closed Session, nor was any solicited.

The City Attorney reported that the City Council met in a Workshop Session regarding reserves and unfunded pension liabilities.

PRESENTATIONS

Dr. Jodie Wales, Cypress High School, made a presentation on the Cypress High School Renovation Project.

Mayor Peat presented a Proclamation to West-Comm staff in recognition of “National Public Safety Telecommunicators Week.”

Mayor Peat introduced O.C. Fire Authority Division Chief Bill Lockhart.

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

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

Shelley Henderson, O.C. Breeze, spoke regarding the Dining, Arts and Entertainment Guide.

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.

It was moved by Council Member Johnson and seconded by Council Member Morales, to approve Consent Calendar Items No. 1 through 9.

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

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

Item No. 1: Approve Minutes – Meeting of March 12, 2018

Recommendation: Approve as submitted.

Item No. 2: Introduce and/or Adopt All Ordinances and Resolutions Presented for Consideration by Title Only and to Waive Further Reading

Item No. 3: Proclaim the Week of April 8 – 14, 2018 as “National Public Safety Telecommunicators Week”

Recommendation: Proclaim the week of April 8 – 14, 2018 as “National Public Safety Telecommunicators Week.”

Item No. 4: Approve Design Review Committee Permit No. 3115 – Sign Program for Simply Self Storage

Recommendation: Approve Design Review Committee Permit No. 3115, subject to the attached conditions.

Resolution No. 6666

A Resolution of the City Council of the City of Cypress Approving Design Review Committee Permit No. 3115 - With Conditions

Item No. 5: Award Contract for Rubberized Play Surface at Veterans Park and Willow Park, Project 202

Recommendation: Award a contract to Robertson Industries, Inc. for \$135,450, and authorize a contingency of \$21,000.

Item No. 6: Approve 5K/10K Run and Walk Fees

Recommendation: Approve 5K/10K Run and Walk fees.

Item No. 7: Approve Quarterly Activity Brochure and City News Design/Layout and Printing ContractsRecommendation:

1. Approve a three-year agreement, with two one-year renewal options, with Weidenhoefer Design Studio for design and layout of the quarterly Cypress Activity Brochure and City News; and
2. Approve a three-year agreement, with two one-year renewal options, with Westminster Press for printing of the quarterly Cypress Activity Brochure and City News.

Item No. 8: Receive and File the Investment Report for the Month Ended February 28, 2018

Recommendation: Receive and file the attached investment report.

Item No. 9: Approve Register of Warrants, Electronic Funds Transfers and Wires Issued for the Period of February 26, 2018 through March 9, 2018

Recommendation: Approve the attached payment register summarized below for the period of February 26, 2018 through March 9, 2018:

- Warrants 45755 through 45891
- Electronic Funds Transfers 3905 through 3909
- Payroll Transfers W1356

NEW BUSINESS**Item No. 10: Adopt the Strategic Plan Update and Six-Month Objectives**

The City Manager provided background information on this item.

Mayor Peat spoke in support of the Strategic Plan.

It was moved by Council Member Johnson and seconded by Council Member Yarc, to adopt the updated Strategic Plan and Six-Month Objectives.

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

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

ITEMS FROM CITY COUNCIL MEMBERS**Item No. 11: Sponsorship of American Red Cross 2018 Orange County Heroes Luncheon**

Mayor Peat provided background information on this item.

It was moved by Council Member Morales and seconded by Council Member Johnson, to approve an appropriation of \$2,500 for sponsorship of the American Red Cross 2018 Orange County Heroes Luncheon.

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

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

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

Jon Dumitru, O.C. Fire Authority Dispatch, spoke regarding proposed staffing reductions in dispatch services.

COUNCIL MEMBER REPORTS AND REMARKS

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

Council Member Yarc:

Attended the Woman's Club of Cypress Annual Tea. Attended a Cypress College Foundation Board meeting. Attended a Cypress College Americana Awards Wrap-Up meeting.

Council Member Morales:

Attended a 4th of July Ad Hoc Subcommittee meeting. Attended a Police Academy graduation. Met with Police Commander Revere on the homeless project update. Attended a court hearing in Santa Ana on the Orange County homeless relocation and future efforts. Attended the Woman's Club of Cypress Annual Tea. Attended a Public Utilities Commission Hearing in Long Beach. Attended the Well Conference in Sacramento regarding water issues. Attended a Boys and Girls Club of Cypress fundraiser. Attended a Children's Miracle Network fundraiser.

Council Member Johnson:

Attended a 4th of July Ad Hoc Subcommittee meeting. Attended an O.C. Fire Authority Board meeting. Attended the Woman's Club of Cypress Annual Tea. Attended the Los Alamitos State of the City Luncheon. Attended the retirement luncheon for O.C. Fire Authority Division Chief Dave Steffen. Attended an O.C. Fire Authority Board meeting. Attended a Los Alamitos Race Course Ad Hoc Subcommittee meeting.

Mayor Pro Tem Berry:

Volunteered at the Cypress Senior Citizens Center St. Patrick's Day celebration. Attended a candidates forum for Attorney General, Assembly, and Congress. Attended the Woman's Club of Cypress Annual Tea. Attended a Woman's Club Board meeting. Attended the Los Alamitos State of the City Luncheon. Attended an OCCOG General Assembly meeting. Attended the retirement luncheon for O.C. Fire Authority Division Chief Dave Steffen. Attended a Santa Ana River Flood Protection Agency Executive Committee meeting. Attended a League of California Cities General Membership meeting. Attended the Farmers Market. Attended the Teen Fashion Scene at the Cypress Community Center. Attended a Los Alamitos Race Course Ad-Hoc Subcommittee meeting. Commended the Cypress Police Department and the O.C. Fire Authority on their response to the mobile home park fire.

Mayor Peat:

Attended the Grace Christian Elementary School jog-a-thon. Attended a Police Academy graduation. Attended the Woman's Club of Cypress Annual Tea. Interviewed with the Red Cross for the Heroes award. Attended a City/Cypress School District Ad Hoc Committee meeting. Attended a Rotary Club of Cypress luncheon. Attended a West-Comm special meeting. Attended the Los Alamitos State of the City Luncheon. Attended the retirement luncheon for O.C. Fire Authority Division Chief Dave Steffen. Attended a Boys and Girls Club of Cypress fundraiser.

CITY MANAGER REMARKS

The City Manager announced the Spring Egg Hunt on Saturday, March 31, 2018, at Oak Knoll Park.

ADJOURNMENT

Mayor Peat adjourned the meeting at 7:53 p.m. to an adjourned Regular Meeting, to be held on Monday, April 9, 2018, 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