

REGULAR MEETING
CYPRESS CITY COUNCIL
April 23, 2018
5:30 P.M.

A regular meeting of the Cypress City Council was called to order at 5:33 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
Director of Community Development Doug Dancs
Director of Recreation and Community Services June Liu
Assistant Director of Finance and Administrative Services Donna Mullally
Human Resources Administrator Regina Nguyen
Management Analyst Anna Sanchez
Senior Management Analyst Alisha Farnell
City Clerk Denise Basham

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 Conference with Labor Negotiator, pursuant to Government Code Section 54957.6, Agency Negotiators: City Manager and Director of Finance and Administrative Services, Employee Groups:

- Cypress Employees' Association
- Cypress Maintenance Employees' Association

The City Attorney reported that the City Council would be meeting in Closed Session regarding Conference with Legal Counsel – Existing Litigation, pursuant to Government Code Section 54956.9(a), Breckenridge-Baldwin v. City of Cypress, WCAB No. ADJ10584578, Claim No. 16-127129.

At 5:34 p.m., the Mayor recessed the meeting.

The meeting reconvened at 6:01 p.m.

WORKSHOP SESSION

The Director of Finance and Administrative Services stated that the City Council workshop regarding Cost Allocation Study Update would be presented by Mark Carpenter and Erin Payton, MGT Consulting Group.

Mr. Carpenter stated that Cypress' user fees have not been updated in more than 10 years and that services are subsidized if the cost of services increases and fees do not go up. He indicated the process includes a cost allocation plan and a user fee study in order to review the direct and indirect cost of services. He stated that areas of subsidy would be identified in order for the City to set policy to determine the amount of any subsidy.

Mr. Carpenter indicated that the cost allocation plan includes the indirect cost component and has been completed. He stated that the user fee study is in progress and is more complex. He stated that the cost allocation plan would review and calculate administrative costs in order to develop a full cost analysis for the user fee study.

Ms. Payton stated that a cost allocation plan would recognize ancillary costs to the labor pool and that actual costs would be compared to overhead costs.

Mr. Carpenter indicated that California allows user fees to be set up to, but not in excess of, the full costs and there should be documentation depicting the fee methodology. He provided an overview of the overall process and the administrative service provided, and stated that consideration would be given to the administrative service costs, service users, and burden factors.

Mr. Carpenter provided an overview of the summary schedule that includes costs associated with administrative and receiving departments.

Ms. Payton indicated that the dollar amounts represent annual overhead costs from each service provider being allocated to each receiver.

Mr. Carpenter stated that the costs would be used to determine direct costs for identifying the cost analysis.

Mayor Peat asked if there is a burdened hourly rate for each department.

Mr. Carpenter responded in the affirmative.

Mr. Carpenter stated the user fee study would include a detailed cost analysis for fee and non-fee related activities. He indicated the purpose is to determine a defensible basis to prove reasonable costs for providing various services. He stated there would be an inventory of fees, a cost analysis, and that current cost recovery and subsidy levels would be determined. He indicated a cost recovery policy would be developed to include proposed fee adjustments and projected revenue impacts with a comparison to other cities. He provided examples of fully burdened hourly rates and a user fee cost analysis.

Ms. Payton clarified that each department would have its own layer of burdened costs.

Mr. Carpenter indicated the next steps would be to finalize the cost of the service analysis, hold a workshop on cost recovery goals, develop a policy, and recommend updates.

The Director of Finance and Administrative Services stated the first follow-up workshop would be held in November 2018.

Mayor Peat asked about the three fee types.

The Director of Finance and Administrative Services indicated that the three fee types include General City-Wide, Development, and Recreation.

Ms. Payton stated that development fees offer the potential largest fee adjustments and tend to have the most scrutiny.

Council Member Yarc spoke regarding user fee terminology.

The City Manager stated that the fees did not exist prior to Proposition 13 and that they were created for cost recovery.

The Director of Finance and Administrative Services stated staff's desire is to incorporate the new fees into the Fiscal Year 2019-2020 budget.

Ms. Payton commented that splitting up the fees into three separate workshops would be beneficial and that some fees require more dissection for cost recovery.

Council Member Yarc spoke in support of higher non-resident fees, and asked if past fee increases were based on the cost of living increases.

The Director of Finance and Administrative Services indicated that fees have not been increased in more than 10 years and that prior fee studies have not been this detailed.

Ms. Payton suggested that a cost of living increase be applied each year instead of waiting 10 years.

The City Attorney concurred with the detailed study and the analysis as back-up.

Mayor Peat spoke in support of the appropriate foundation of data.

The meeting recessed at 6:40 p.m.

RECONVENE

The 7:00 p.m. session of the City Council meeting was called to order at 7:01 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
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
Public Works Superintendent Kirk Streets
Management Analyst Anna Sanchez
Senior Management Analyst Alisha Farnell
City Clerk Denise Basham

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

INVOCATION The invocation was given by Father William Goldin, St. Irenaeus Catholic Church.

REPORT OF WORKSHOP AGENDA/CLOSED SESSION

Mayor Peat 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 Conference with Labor Negotiator, pursuant to Government Code Section 54957.6, Agency Negotiators: City Manager and Director of Finance and Administrative Services, Employee Groups: Cypress Employees' Association, Cypress Maintenance Employees' Association. He stated that no reportable action was taken.

The City Attorney reported that the City Council met in Closed Session regarding Conference with Legal Counsel – Existing Litigation, pursuant to Government Code Section 54956.9(a), Breckenridge-Baldwin v. City of Cypress, WCAB No. ADJ10584578, Claim No. 16-127129. He stated that no reportable action was taken.

The City Attorney reported that the City Council met in Workshop Session regarding Cost Allocation Study Update. He stated that no reportable action was taken.

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

PRESENTATIONS

John Seiler, Senator Moorlach's Office, made a presentation regarding Cypress being rated the Top Orange County City in the State of California CAFR Ranking.

Mayor Peat and the City Council recognized Cypress Veteran Jack Rector.

Mayor Peat and the City Council recognized Brent Dillard and the Cypress High School baseball team.

Mayor Peat presented a Proclamation to the Cypress Police Department proclaiming the week of May 13 - 19, 2018 as "National Police Week."

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.

Carrie Carter, Cypress, spoke regarding massage parlors.

Aarin Tang, HWPL, spoke regarding the organization and a peace awareness week campaign.

Don Seward, Cypress, spoke regarding dividing the state.

Tim McClellan, Cypress School District, spoke regarding Agenda Item No. 8.

Shelley Henderson, Cypress, spoke regarding the Cypress Police Appreciation luncheon to be held on Tuesday, May 15, 2018 at the Cypress Community Center.

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 Yarc, to approve Consent Calendar Items No. 1 through 17.

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 April 9, 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 May 13 – 19, 2018 as “National Police Week”

Recommendation: Proclaim the week of May 13 – 19, 2018 as “National Police Week.”

Item No. 4: Proclaim the Week of May 6 – 12, 2018 as “Safety Seat Checkup Week”

Recommendation: Proclaim the week of May 6 – 12, 2018 as “Safety Seat Checkup Week.”

Item No. 5: Proclamation Recognizing Yamaha Motor Corporation for Receiving the American Red Cross 2018 Corporate Hero Award

Recommendation: Recognize Yamaha Motor Corporation for receiving the American Red Cross 2018 Corporate Hero Award.

Item No. 6: Approve Senate Bill 1 Road Maintenance and Rehabilitation Account Funding and Project List

Recommendation: Adopt a resolution approving the FY 2018-19 project list for SB1 Road Maintenance and Rehabilitation Account (RMRA) funding.

Resolution No. 6668

A Resolution of the City Council of the City of Cypress Adopting a List of Projects for Fiscal Year 2018-19 Funded By SB 1: The Road Repair and Accountability Act of 2017

Item No. 7: Approve Plans and Specifications for the Valley View Median Restoration, Project 179

Recommendation: Approve Plans and Specifications for the Valley View Median Restoration, Project 179.

Item No. 8: Approve Facilities Use Agreement with Cypress School District

Recommendation: Approve a Facilities Use Agreement with the Cypress School District.

Item No. 9: Approve Police Phlebotomy Services Contract

Recommendation: Award a five year contract for phlebotomy services (blood draws) to California Forensic Phlebotomy (CFP) for the period July 1, 2018 through June 30, 2023.

Item No. 10: Approve the Purchase of Handguns with ProForce Law Enforcement

Recommendation:

1. Approve a purchase with ProForce Law Enforcement in the amount of \$39,880 for 66 handguns, duty equipment, weapon mounted light systems, and handgun magazines; and
2. Authorize an agreement with ProForce Law Enforcement to buyback the City's 66 handguns for a credit of \$39,900; and

3. Authorize the appropriation of \$39,880 in the Equipment Replacement Fund for the replacement of 66 handguns and associated equipment; and
4. Authorize an increase to estimated revenues of \$39,900 for the sale of 66 handguns by the City to ProForce Equipment.

Item No. 11: Approve an Agreement to Update the Police Department's Strategic Plan

Recommendation: Approve an agreement for an amount not to exceed \$10,900 with Management Partners to update the Police Department's Strategic Plan.

Item No. 12: Receive and File the Annual Solid Waste Franchise Consumer Price Index Rate Adjustment

Recommendation: Receive and file the Annual Solid Waste Franchise Consumer Price Index Rate Adjustment.

Item No. 13: Receive and File the Single Audit Report for the Fiscal Year Ended June 30, 2017

Recommendation: Receive and file the Single Audit Report for the Fiscal Year Ended June 30, 2017.

Item No. 14: Receive and File a Contract for Community Outreach for a Potential Nine-Acre Park

Recommendation: Receive and file a contract for RJM Design Group to conduct community outreach for a potential nine-acre park.

Item No. 15: Receive and File a Report from the Ad Hoc Subcommittee on the Los Alamitos Race Course

Recommendation: Receive and file an evaluation of the Los Alamitos Race Course's Rezoning Initiative's (Measure A) alignment with the City Council's Strategic Plan.

Item No. 16 Receive and File the Investment Report for the Month Ended March 31, 2018

Recommendation: Receive and file the attached investment report.

Item No. 17: Approve Register of Warrants, Transfers and Wires Issued for the Period of March 26, 2018 through April 6, 2018

Recommendation: Approve the attached payment register summarized below for the period of March 26, 2018 through April 6, 2018:

- Warrants 46040 through 46192
- Electronic Funds Transfers 4042 through 4150
- Payroll Transfer W1358

NEW BUSINESS

Item No. 18: Receive and File the Strategic Plan Six-Month Objectives Update

The City Manager provided background information on this item.

It was moved by Mayor Pro Tem Berry and seconded by Council Member Johnson, 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: Johnson, Morales, Yarc, Berry and Peat
 NOES: 0 COUNCIL MEMBERS: None
 ABSENT: 0 COUNCIL MEMBERS: None

ITEMS FROM CITY COUNCIL MEMBERS

Item No. 19: Consider Options for Future 4th of July Celebrations

Council Member Morales provided background information on this item.

The Director of Recreation and Community Services spoke regarding the challenges faced over the past several years.

Council Member Yarc asked about alternative options discussed a few years ago and spoke regarding the lack of adequate open space to host the event.

The Director of Recreation and Community Services stated that the subcommittee spoke with the fireworks vendor to assist in identifying potential event sites and that the pyrotechnic shell size would be smaller. She indicated that the potential sites are not owned by the City.

Mayor Pro Tem Berry asked if the Memorandum of Understanding (MOU) is in place for this year's event.

The Director of Recreation and Community Services responded that the MOU for this year's event would be finalized soon.

Mayor Pro Tem Berry asked if communication has been made with the cities of Seal Beach and Los Alamitos and the Rossmoor Community Services District.

The Director of Recreation and Community Services indicated that the joint agencies were informed of the ad-hoc subcommittee and spoke regarding financial commitments should the City host an event independently. She stated that the joint agencies would be offered a partnership of the event.

Mayor Pro Tem Berry asked if there would be sufficient time to find an alternate venue for 2019 if the subcommittee meets in January 2019.

The Director of Recreation and Community Services stated that the same fireworks vendor would be under contract for 2019 and that bringing the matter back to the City Council in January 2019 would allow sufficient time to plan for an alternate location.

It was moved by Council Member Johnson and seconded by Mayor Pro Tem Berry, to receive and file the report.

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)

None.

COUNCIL MEMBER REPORTS AND REMARKS

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

Council Member Johnson:

Attended Youth in Government Day. Attended the Stanton Mayor's Prayer breakfast. Attended a Cypress High School Grad Nite fundraiser. Attended Oxford Academy's 20th anniversary. Attended PACE graduations at Arnold Elementary School and St. Irenaeus Catholic School. Attended the Cypress Senior Citizens Center Senior Volunteer Recognition. Attended an Earth Day Environmental Open house and Fair at a landfill in San Juan Capistrano.

Mayor Pro Tem Berry:

Visited the Criminal Justice Training Center at Golden West College. Attended Youth in Government Day. Attended a Soroptimist business meeting. Attended an O.C. Sanitation District Special Budget Workshop meeting. Attended the Stanton Mayor's Prayer breakfast. Attended an O.C. Forum on Aging. Attended the La Palma State of the City. Attended a League of California Cities Community Services Policy meeting. Attended a Cypress High School Grad Nite fundraiser. Attended the Farmers Market. Attended Oxford Academy's 20th anniversary. Attended the ABC Unified School District Outstanding Student Presentation awards. Attended the Recreation and Community Services Commission Volunteer Service awards. Attended the Holocaust Day of Remembrance at Cypress College. Attended the Grace Christian School Survivor Tree dedication ceremony. Attended the Cypress Senior Citizens Center Volunteer Recognition. Attended the Cut Above ribbon cutting. Attended the Boys and Girls Club of Cypress e-waste and recycling event. Attended the Cypress Art League Awards ceremony.

Council Member Morales:

Attended the Golden West College Criminal Justice Center ribbon cutting. Attended the Every 15 Minutes program for Cypress High School. Attended a Cypress High School Grad Nite fundraiser. Attended Oxford Academy's 20th anniversary. Attended an awards ceremony honoring Sri Sri Ravi Shankar. Attended the Recreation and Community Services Commission Volunteer Service awards. Attended a Senior Center Anniversary Ad Hoc Subcommittee meeting. Attended an O.C. Mosquito and Vector Control District Committee meeting. Attended the Cypress Senior Citizens Center Volunteer Recognition. Attended the Cut Above ribbon cutting.

Council Member Yarc:

Attended Youth in Government Day. Attended a Veterans Administration Hospital Los Angeles and O.C. Joint Advisory Committee meeting. Attended a Cypress College Capitol Campaign meeting. Attended Oxford Academy's 20th anniversary. Attended a Woman's Club convention.

Mayor Peat:

Attended the Police Training Center Grand Opening. Attended Youth in Government Day. Attended the Stanton Mayor's Prayer breakfast. Attended the Every 15 Minutes program for Cypress High School. Attended a Cypress High School Grad Nite fundraiser. Attended Oxford Academy's 20th anniversary. Attended the Cypress Senior Citizens Center Volunteer Recognition. Attended the Grace Christian School Survivor Tree dedication ceremony. Attended the Cut Above ribbon cutting.

The City Attorney provided a status update on SB 827.

CITY MANAGER REMARKS

The City Manager stated that Community Cleanup Day would be held on Saturday, April 28, 2018. Spoke regarding Youth in Government Day held on April 11, 2018.

ADJOURNMENT

Mayor Peat adjourned the meeting at 8:14 p.m. to an adjourned Regular Meeting, to be held on Monday, May 14, 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