

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

A regular meeting of the Cypress City Council was called to order at 5:30 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
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 Cameron Harding
Interim Director of Recreation and Community Services Janeen Laudenback
Assistant Director of Finance and Administrative Services Donna Mullally
Police Commander Jim Olson
Police Commander Steve Ramsey
Recreation Supervisor Jeff Draper
Recreation Supervisor Shelly Myers
Recreation Supervisor Jenni Worsham
Senior Management Analyst Jason Machado
Management Analyst Kirsten Graham
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.

WORKSHOP SESSION

The City Manager introduced newly hired staff. He stated the City Council would hold a workshop to discuss establishing cost recovery goals.

The Director of Finance and Administrative Services provided an update of the cost recovery process and indicated that there are flat fees and full cost recovery fees. He stated the cost allocation study assists in determining service costs and cost recovery. He indicated property taxes are 80 percent of the Cypress Recreation and Park District budget and user fees are 20 percent. He stated the goal is to develop and implement a cost recovery consistent with City Council goals.

Council Member Johnson asked about the Recreation Park Development fees.

The Director of Finance and Administrative Services responded that Park Development fees are not user fees but the same principle would be used when considering adjustments.

The Director of Finance and Administrative Services reviewed the process timeline, and spoke regarding the work done by each department and thanked them for their efforts.

The Director of Finance and Administrative Services stated a policy would be established to determine the subsidy for each type of fee. He indicated non-fee areas have been identified and mechanisms need to be established to keep fees up to date.

Council Member Yarc asked if other city comparisons have been done.

The Director of Finance and Administrative Services responded in the affirmative, and clarified that it would be discussed later in the workshop when criteria and considerations are addressed. He stated the Administration and Police Departments include flat fees and cost recovery has decreased over the years.

Council Member Morales asked about the 35 fees.

The Director of Finance and Administrative Services responded 35 fees represent 35 individual fees.

The Director of Finance and Administrative Services stated the industry standard is typically full cost recovery.

Mayor Peat asked if the industry standard represents cities.

The Director of Finance and Administrative Services responded in the affirmative, and clarified that the industry standard would be a comparison to other agencies who provide the same type of services.

The Director of Finance and Administrative Services stated Community Development annual revenues are approximately \$1 million with a goal of full cost recovery established in 2006. He indicated there are approximately 70 various fees including Engineering, Planning, and Building, and the current recovery range is 20 to 80 percent with 80 to 90 percent total costs collected across the board.

The Director of Finance and Administrative Services indicated Recreation and Community Services annual revenues are approximately \$5 million with current fees approximately \$1 million. He stated fees were adjusted in 2008 with approximately 75 fees adjusted to be in-line with other cities, and that over time the average cost recovery has dropped to approximately 40 percent.

The Director of Finance and Administrative Services reviewed nine cost recovery considerations and stated all need to be considered in fee development. He spoke regarding resident and non-resident fees and service supply versus demand.

Council Member Morales asked if the Fourth of July Celebration is included in resident cost recovery.

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

Mayor Peat asked about public safety legal requirements such as building inspections.

The Director of Finance and Administrative Services responded that subsidization would be considered.

The City Manager clarified that the Fats, Oils, and Grease (FOG) program is state mandated and factored into costs. He stated that the City is prohibited from charging more than the cost of service for regulatory fees, and that optional costs could be recovered based on City Council direction.

The Director of Finance and Administrative Services reviewed a summary of fee setting criteria and stated development fees are typically 100 percent recovered.

The Director of Finance and Administrative Services provided three hypothetical fee situations with the theory to develop fee recovery criteria and recommendations.

Council Member Morales asked about charging more than the service cost.

The Director of Finance and Administrative Services responded that reasonable fluctuation is acceptable and legally defensible.

The City Manager stated that fees comprised of both fixed and variable costs are difficult to determine.

Council Member Johnson asked if any department fees reflect a blatant need for cost recovery.

The Director of Finance and Administrative Services responded in the affirmative, and stated the cost allocation plan was the primary motivation for the fee study. He indicated that some fees would be affected by new rules and laws.

Council Member Yarc asked about fees for staff time versus actual costs, and commented that staff salaries are already paid by resident taxes.

The Director of Finance and Administrative Services stated that staff salaries and contract costs increase.

Council Member Yarc expressed concern with explaining increased costs to residents.

The Director of Finance and Administrative Services clarified that user fees are by choice.

The City Manager stated that user fees did not exist before Proposition 13 and most recreational fees are choice based activities.

Mayor Peat commented that only 40 percent of the City budget is funded by property taxes, hotel taxes, and sales taxes and user fees are necessary.

The City Manager indicated one-third of the City budget is property tax.

Mayor Pro Tem Berry asked about fee increases over time.

The Director of Finance and Administrative Services replied that the Consumer Price Index (CPI) factor would be considered in order to keep cost recovery levels current and fees would be adjusted accordingly. He stated a policy would be included with the Master Fee Schedule in order to keep fees current.

Mayor Peat asked about the staff direction of the City Council.

The City Manager stated the City Council has the opportunity to add criteria to reflect its philosophy.

Council Member Johnson commented on direct, in-direct, and underlying fees.

The City Manager commented that some special events that benefit the community warrant extra staff costs, and that cost recovery would be reviewed on a regular basis.

Council Member Yarc asked if the amount of money generated would be determined at the conclusion of the analysis.

The City Manager responded in the affirmative, and clarified that a fee by fee and revenue analysis would be done.

Council Member Yarc asked about the effects of increased fees on bringing new businesses into the city.

The City Manager clarified that economic development would be a determining factor for full cost recovery.

Mayor Peat asked the City Council to provide guidance on resident and non-resident criteria and fees.

Council Member Yarc asked about resident discounts.

The City Manager asked if a higher fee for non-residents would be defined as 100 percent of cost or some subsidy.

Mayor Peat commented that the customer and relativity to the market would have to be considered.

The City Manager cited the Senior Center as an example of no fee for attendance and participants from surrounding cities. He stated the City Council would have the opportunity to discuss cost recovery and subsidizing costs for non-residents.

Mayor Peat asked about means testing similar to the Boys and Girls Club of Cypress to determine fee structures.

The City Manager responded no, and clarified the city preschool is more closely relatable to the Boys and Girls Club of Cypress and that means testing could be discussed.

Mayor Peat commented that market rate comparisons and resident/non-resident fees are most important to him.

The City Manager commented that there should be customer consideration.

CLOSED SESSION

The City Manager reported that the City Council would be meeting in Closed Session regarding Conference with Real Property Negotiators, pursuant to Government Code Section 54956.8, Real Property Identified by APN Numbers 241-091-22 through 26, Inclusive, 13.329 Acres Located at the Northwest Corner of Katella Avenue and Winners Circle, Negotiating Party: City Manager, Parties Negotiating with:

- Lewis Land Developers, LLC and Province Group, LLC

At 6:34 p.m., the Mayor recessed the meeting.

RECONVENE

The 7:00 p.m. session of the City Council meeting was called to order at 7:06 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 Bill Wynder
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 Cameron Harding
Interim Director of Recreation and Community Services Janeen Laudenback
City Planner Doug Hawkins
City Engineer Kamran Dadbeh
Maintenance Superintendent Kirk Streets
Human Resources Administrator Regina Nguyen
Recreation Supervisor Jeff Draper
Recreation Supervisor Shelly Myers

Recreation Supervisor Jenni Worsham
Senior Management Analyst Alisha Farnell
City Clerk Denise Basham

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

INVOCATION The invocation was given by Pastor Brian Kammer, West Cypress 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 Manager reported that the City Council met in Workshop Session regarding establishing cost recovery goals.

The City Manager reported that the City Council met in Closed Session regarding Conference with Real Property Negotiators, pursuant to Government Code Section 54956.8, Real Property Identified by APN Numbers 241-091-22 through 26, Inclusive, 13.329 Acres Located at the Northwest Corner of Katella Avenue and Winners Circle, Negotiating Party: City Manager, Parties Negotiating with: Lewis Land Developers, LLC and Province Group, LLC. He stated that no reportable action was taken.

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

PRESENTATIONS

The City Manager introduced Recreation and Community Services Director Cameron Harding.

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.

Gail Taylor, Cypress College, spoke regarding the Americana Awards and introduced Cypress resident Charles Williams.

Tranece Harris, City Net, spoke regarding Orange County 2019 Point In Time.

Shelley Henderson, O.C. Breeze, spoke regarding the upcoming edition of Dining, Arts and Entertainment.

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 11.

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 November 13, 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: Excuse Absence of Senior Citizens Commissioner Frann Shermet

Recommendation: Excuse the absence of Senior Citizens Commissioner Frann Shermet.

Item No. 4: Approve Final Parcel Map No. 2017-132 for 8751-8757 Moody Street

Recommendation: Approve Final Parcel Map No. 2017-132 and authorize the City Clerk to sign the record map.

Item No. 5: Approve Plans and Specifications and Award Contract for the Sewer System Evaluations, Project 220

Recommendation:

1. Approve Plans and Specifications for the Sewer System Evaluations, Project 220; and
2. Award a contract to National Plant Services, Inc., for \$124,461, and authorize a contingency of \$18,700.

Item No. 6: Approve a Cooperative Agreement with Orange County Transportation Authority for the Administration of the Orange County Taxi Administration Program

Recommendation:

1. Authorize the City Manager to execute Cooperative Agreement No. C-8-2015 with Orange County Transportation Authority for the administration of the Orange County Taxi Administration Program, effective January 1, 2019 through December 31, 2020; and
2. Authorize an appropriation increase of \$1,466 in the City's General Fund for program administration costs from January 1, 2019 through June 30, 2019.

Item No. 7: Approve a Professional Services Agreement for Economic Development – Business Affairs

Recommendation: Approve an agreement with Jenelle Bader for business affairs engagement services as part of the City's economic development program.

Item No. 8: Approve Class Specifications and Amend Pay Ranges for Temporary Part-Time Employees

Recommendation:

1. Adopt a Resolution revising the Class Specification for City Clerk and establishing the Class Specification for Customer Service Specialist; and
2. Adopt a Resolution amending Resolution No. 6699 establishing pay ranges for Temporary Part-Time employees.

Resolution No. 6715

A Resolution of the City Council of the City of Cypress, and Acting as Ex-Officio Board of Directors of the Cypress Recreation and Park District, Revising the Class Specification of City Clerk and Establishing the Part-Time Classification Specification for Customer Service Specialist

Resolution No. 6716

A Resolution of the City Council of the City of Cypress, and Acting as Ex-Officio Board of Directors of the Cypress Recreation and Park District, Amending Resolution No. 6699 Establishing Hourly Pay Ranges for Temporary Part-Time and Seasonal Positions

Item No. 9: Approve Formation of a Nonprofit Foundation to Support the Recreation and Park District

Recommendation:

1. Adopt a Resolution authorizing the City Manager to establish a nonprofit foundation to support the Recreation and Park District; and
2. Approve the Bylaws of the Cypress Recreation and Community Services Foundation, a nonprofit public benefit corporation.

Resolution No. 6717

A Resolution of the City Council of the City of Cypress, Ex Officio Board of Directors of the Cypress Recreation and Park District, Concerning the Formation of a Non-Profit Foundation to Support the Recreation and Parks District and the City of Cypress

Item No. 10: Receive and File the Investment Report for the Month Ended October 31, 2018

Recommendation: Receive and file the attached investment report.

Item No. 11: Approve Register of Warrants, Transfers, and Wires Issued for the Period of October 27, 2018 through November 9, 2018

Recommendation: Approve the attached payment register summarized below for the period of October 27, 2018 through November 9, 2018:

- Electronic Funds Transfers 4992 through 5117
- Warrants 48355 through 48490
- Payroll Transfer W1376

NEW BUSINESS

Item No. 12: Provide Direction Regarding the 2019 Fourth of July Celebration

The Interim Director of Recreation and Community Services provided background information on this item.

Council Member Yarc asked about the willingness of Cypress College and Cypress High School to host the event.

The Interim Director of Recreation and Community Services indicated that both entities are willing to discuss the possibility of hosting the event and have expressed interest. She stated that further direction from the City Council is needed.

Council Member Yarc asked about impacts to the Cypress Community Festival.

The Interim Director of Recreation and Community Services responded that the festival would be held three weeks after the fireworks celebration.

Council Member Johnson spoke regarding the event cost increase, in support of Cypress College hosting the event, and the low number of residents who attend the Joint Forces Training Base (JFTB) event.

Council Member Morales expressed concern regarding parking and pedestrian traffic at Cypress High School. He stated that his preference would be Cypress College, and asked if the event would be stand-alone or include other cities.

The Interim Director of Recreation and Community Services responded that the event would be stand-alone and sufficient funds are budgeted for the fireworks display.

Mayor Pro Tem Berry asked for clarification of the requested City Council direction.

The Interim Director of Recreation and Community Services stated that City Council direction to staff would include the pursuit of discussions with the governing boards of Cypress College and Cypress High School.

Mayor Pro Tem Berry asked if the cities of Seal Beach, Los Alamitos, and the Rossmoor Community Services District would host a fireworks event at the JFTB in 2019.

The Interim Director of Recreation and Community Services responded that 2019 event participation has not yet been determined.

Mayor Peat spoke in favor of hosting the event at Oak Knoll Park and Cypress High School.

The City Manager stated that the City Council should express a site preference, make a motion to be removed from the JFTB event, and advise the cities of Seal Beach, Los Alamitos, and the Rossmoor Community Services District of the City's withdrawal from event participation.

It was moved by Mayor Pro Tem Berry and seconded by Council Member Morales, to move the Fourth of July Celebration from the Joint Forces Training Base.

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

It was moved by Council Member Johnson and seconded by Council Member Morales, to direct staff to proceed with negotiations for Cypress College to host the 2019 Fourth of July Celebration.

The motion was carried by the following roll call vote:

AYES: 3 COUNCIL MEMBERS: Johnson, Morales, and Yarc
 NOES: 2 COUNCIL MEMBERS: Berry and Peat
 ABSENT: 0 COUNCIL MEMBERS: None

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

Shelley Henderson, Cypress, spoke regarding Giving Tuesday.

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 Board meeting and Annual Tea meeting.

Council Member Morales:

Participated in the Alzheimer's O.C. Walk at Anaheim Stadium. Attended the Buena Park Mayor's Prayer breakfast. Attended an Orange County Council Frontier District meeting. Attended an Oxford Drive community meeting regarding parking issues.

Council Member Johnson:

Spoke regarding fire safety. Asked the Chief of Police to discuss ways to minimize holiday package thefts.

The Chief of Police provided suggestions to decrease holiday package thefts.

Asked to agendize discussion regarding bicycle safety to include riding on the sidewalk, helmet use and lights.

The City Manager stated that the Traffic Safety Campaign in the Strategic Plan could incorporate bicycle safety.

Mayor Pro Tem Berry:

Attended a Woman’s Club of Cypress Board meeting. Attended the Buena Park Mayor’s Prayer breakfast. Attended a Santa Ana River Flood Protection Executive Committee meeting. Attended an Oxford Drive community meeting regarding traffic issues.

Mayor Peat:

Attended the Buena Park Mayor’s Prayer breakfast. Participated in a Boys and Girls Club of Cypress telephone call with Kaboom for a Cedar Glen Park amenities grant.

CITY MANAGER REMARKS

None.

ADJOURNMENT

Mayor Peat adjourned the meeting at 7:53 p.m. to an adjourned Regular Meeting, to be held on Monday, December 10, 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