

REGULAR MEETING
CYPRESS CITY COUNCIL
February 11, 2019
4:30 P.M.

A regular meeting of the Cypress City Council was called to order at 4:30 p.m. by Mayor Berry 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 Stacy Berry
Mayor Pro Tem Rob Johnson
Council Member Paulo Morales
Council Member Jon Peat
Council Member Mariellen Yarc

STAFF PRESENT

City Manager Peter Grant
City Attorney Anthony Taylor
Director of Finance and Administrative Services Matt Burton
Human Resources Administrator Regina Nguyen

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 Appointment, pursuant to Government Code Section 54957, Title: City Clerk.

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 Police Officers' Association.

At 4:31 p.m., the Mayor recessed the meeting.

At 6:18 p.m., the Mayor reconvened the meeting.

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 Cameron Harding
Assistant Director of Finance and Administrative Services Donna Mullally
City Planner Doug Hawkins
City Engineer Kamran Dadbeh
Building Official Bob Decker
Senior Management Analyst Jason Machado
Management Analyst Kirsten Graham
Senior Management Analyst Alisha Farnell
City Clerk Denise Basham

WORKSHOP SESSION

The City Manager stated a workshop would be held to discuss the Community Development and Building fee analysis, and City Council direction is requested.

The Director of Finance and Administrative Services stated the fee process for development fees is consistent with what was presented at the last workshop for Administration and Police fees, recreation fees will be discussed on March 11, and consideration of the revised Master Fee Schedule will occur this spring.

The Director of Finance and Administrative Services reviewed the methodology for development services that includes planning, environmental, and engineering.

The Director of Community Development stated building division fees include permits, flat fees, and plan checks. He reviewed current cost recovery fees for planning, environmental, and engineering, and stated most are full cost recovery. He stated the goal is to have no subsidy in the fees. He spoke regarding cost recovery for a Conditional Use Permit (CUP) and stated the suggested rate be increased from \$700 to \$3,278 which would be consistent with surrounding cities.

Council Member Morales asked if the fee increase would affect restaurant expansions.

The Director of Community Development responded in the affirmative, and clarified it could include extension of hours.

Council Member Yarc asked if fee adjustments would dampen business growth.

The Director of Community Development responded no, and commented the fees are similar to surrounding cities.

Council Member Peat asked about youth sports fees for FOG (fats, oils, grease) compliance.

The Director of Community Development responded no, and clarified the usage is at a City facility.

The Director of Community Development stated a new fee is recommended for Crime Prevention Through Environmental Design (CPTED) for commercial development plan review to enhance public safety. He indicated that it would be contracted out with a minimum \$800 deposit based on actual cost.

Mayor Berry asked if the CPTED fee is similar with other cities.

The Director of Community Development responded other cities have the fee incorporated into CUP fees.

The Director of Community Development spoke regarding the annual National Pollutant Discharge Elimination System (NPDES) inspections, as required by the State. He stated it would be contracted out, and a new fee of \$202 is recommended for high-priority inspections and \$96 for low-priority inspections.

Council Member Yarc asked if the NPDES is only for businesses.

The Director of Community Development responded in the affirmative.

Council Member Yarc asked about high-priority inspections.

The Director of Community Development responded a high-priority inspection could include Hyatt Die Cast, Los Alamitos Race Course, and Costco.

Council Member Yarc asked if it would be billed separately.

The Director of Community Development indicated fees would be collected during the permit renewal process and re-inspections would be invoiced separately.

Mayor Berry asked if the inspections are currently contracted out free of charge.

The Director of Community Development responded in the affirmative.

The Director of Community Development provided an overview of building fees and stated permits provide property owners benefits to ensure public safety. He stated no new fees are recommended and subsidy elimination would be recommended in future years. He reviewed the building fee analysis and indicated the goal of the revised fees is to make sure any net revenues in a normal year of activity are sufficient to cover net shortfalls in years of low activity. He indicated the fees are low compared to other cities in the county. He provided a recommended adjustment example.

The Director of Finance and Administrative Services stated a consensus of the City Council is required to proceed with the recommended fee adjustments.

Mayor Pro Tem Johnson asked when the last fee study was done.

The Director of Community Development responded an informal fee study was done in 2008.

Council Member Yarc asked about the percentage of Cypress homeowners affected by the building fees.

The Director of Community Development responded the percentage may be 70 percent, however those figures are not readily available.

Council Member Yarc asked about tax impacts to Cypress homeowners.

The Director of Community Development responded that during good years, costs are covered and during average years, costs would not be covered.

Council Member Yarc asked what portion is paid through taxes.

The City Manager responded nothing, and stated residents do not pay permit fees until a project is determined.

Mayor Pro Tem Johnson asked about the implementation of the fee increases.

The City Manager responded fee increases would not be implemented until Fiscal Year 2019-20.

Mayor Pro Tem Johnson asked about residential notification.

The City Manager stated City Council would hold a public hearing and possible phasing in of the fee increases.

Council Member Peat asked if grading permits were eliminated.

The Director of Community Development responded no, and clarified there would be full cost recovery on an hourly basis.

Council Member Peat asked about fee impacts to the future development of the Los Alamitos Race Track.

The City Manager responded that developers commonly negotiate a project-specific fee schedule.

Council Member Peat asked if the fees go into the General Fund.

The City Manager responded in the affirmative.

Council Member Peat commented that the funds could be used for other services.

The Director of Finance and Administrative Services stated net revenues in a given year could be used to cover City deficit building fees in a year with low activity volume.

The City Manager spoke regarding recession concerns and the need for technology and digitization improvements in building and community development, and net revenues could be a reinvestment for these purposes.

Mayor Berry spoke regarding the need for a fee increase balance.

The City Manager commented building fees are not market-based.

Council Member Yarc asked about staff reduction should the City become built-out.

The Director of Community Development stated contract services would adjust accordingly, and informed of upcoming staffing changes that may require additional building and safety contract services.

It was the consensus of the City Council to proceed with staff recommendation and the City Council requested additional data to be provided on the breakdown of commercial and residential building fees.

RECONVENE

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

ROLL CALL

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

Mayor Stacy Berry
 Mayor Pro Tem Rob Johnson
 Council Member Paulo Morales
 Council Member Jon Peat
 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 Cameron Harding
 Assistant Director of Finance and Administrative Services Donna Mullally
 City Planner Doug Hawkins
 City Engineer Kamran Dadbeh
 Information Technology Manager Adrian Smith
 Maintenance Superintendent Kirk Streets
 Senior Management Analyst Alisha Farnell
 City Clerk Denise Basham

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

INVOCATION The Mayor asked for a moment of silence.

REPORT OF WORKSHOP AGENDA/CLOSED SESSION

Mayor Berry 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 Appointment, pursuant to Government Code Section 54957, Title: City Clerk. 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: City Manager and Director of Finance and Administrative Services, Employee Groups: Cypress Police Officers' Association. He stated that no reportable action was taken.

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

Mayor Berry asked for the report of the Workshop Session held earlier in the evening.

The City Attorney stated that the City Council met in a Workshop Session to discuss the Community Development fee analysis and recommendations.

PRESENTATIONS

Mayor Berry and the City Council recognized Cypress Veteran Thomas Barrera.

Don and Teagan Hunt, K9InVest, presented a canine ballistic vest.

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

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

None.

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.

Council Member Morales stated that Agenda Item No.8, the Warrant Register, includes warrant no. 49129 for \$533.75 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. 49129 for the reason disclosed.

It was moved by Mayor Pro Tem Johnson and seconded by Council Member Peat, to approve Consent Calendar Items No. 1 through 8.

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

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

Item No. 1: Approve Minutes – Meeting of January 28, 2019

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: Receive and File an Exclusive Negotiating Agreement for the City-owned 13-Acre Parcel at Katella Avenue and Winners Circle

Recommendation: Receive and file an Exclusive Negotiating Agreement for the City-owned 13-Acre Parcel at Katella Avenue and Winners Circle.

Item No. 4: Accept Canine Ballistic Vest Donation

Recommendation: Accept a ballistic vest donation valued at \$1,500 from K9InVest.

Item No. 5: Accept Annual Slurry Seal, Project 214

Recommendation: Accept the Annual Slurry Seal, Project 214, in the amount of \$634,372.14 and approve the final payment of \$31,718.61 to American Asphalt South Inc.

Item No. 6: Accept Community Center Parking Lot Seal Coat, Project 223

Recommendation: Accept the Community Center Parking Lot Seal Coat, Project 223, in the amount of \$79,230.63 and approve the final payment of \$3,961.53 to Hardy and Harper, Inc.

Item No. 7: Receive and File the Request for Proposals for a Police Services and Staffing Study

Recommendation: Receive and file the Request for Proposals for a Police Services and Staffing Study.

Item No. 8: Approve Register of Warrants, Transfers, and Wires Issued for the Period of January 19, 2019 through February 1, 2019

Recommendation: Approve the attached payment register summarized below for the period of January 19, 2019 through February 1, 2019:

- Electronic Funds Transfers 5443 through 5470
- Warrants 49046 through 49190
- Payroll Transfer W1383

NEW BUSINESS**Item No. 9: Approve the Development of the Cypress Mobile App**

The Information Technology Manager provided background information on this item.

Council Member Peat requested a coyote sightings feature.

Council Member Morales asked about service response times.

The Information Technology Manager responded that service requests would be sent immediately and staff response time would vary.

Council Member Yarc asked if the service would include updates or if it would be managed by the City.

The Information Technology Manager replied that the City would partner with a developer with initial and on-going costs for updates and maintenance.

Council Member Yarc asked about the ability for staff to update information.

The Information Technology Manager stated feature updates would be done by the developer and content updates would be done by staff.

Mayor Berry spoke in support of the Cypress Mobile App.

It was moved by Mayor Pro Tem Johnson and seconded by Council Member Morales, to approve the development of the Cypress Mobile App and conceptual scope of work.

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

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

Item No. 10: Receive and File the Fiscal Year 2018-19 Mid-Year Budget Report and Approve Budget Adjustments

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

Council Member Peat asked if transferred funds would be used towards LARC Park.

The Director of Finance and Administrative Services responded no, and stated the LARC Park funding is not part of the transferred \$10 million funds.

Council Member Peat asked about development funding for LARC Park.

The Director of Finance and Administrative Services stated loans from the City infrastructure fund would be used to pay for costs and development fees reimbursed to the City once they are made available.

Mayor Berry asked if the stabilization fund would remain unrestricted and require City Council approval for expenditures.

The Director of Finance and Administrative Services responded in the affirmative, and stated there is no intention of using the funds.

Council Member Yarc asked about pension trust fund accessibility.

The Director of Finance and Administrative Services responded \$5 million to \$8 million could be withdrawn from the trust account with \$10 million currently invested.

Council Member Yarc asked if the trust is for current or unfunded pension liabilities.

The Director of Finance and Administrative Services replied the withdrawal is for current and unfunded liabilities.

Council Member Yarc asked if the payments are mandatory.

The Director of Finance and Administrative Services responded no.

Council Member Yarc asked who approves the payments.

The Director of Finance and Administrative Services indicated that the City Council would approve additional payments.

Council Member Yarc asked if pension trust funds could be used for other purposes.

The Director of Finance and Administrative Services responded no, and clarified that the amount of funds withdrawn must be the same as the amount of funds expended in the same year, and the funds could be used for anything.

Council Member Yarc asked if the funds could be used for a different purpose if approved by the City Council.

The Director of Finance and Administrative Services responded no, however the funds could be used in lieu of general funds.

Council Member Yarc asked about interest earnings on the pension trust.

The Director of Finance and Administrative Services stated the pension trust is set up to show a commitment to restricting monies for defined liability.

It was moved by Council Member Peat and seconded by Mayor Pro Tem Johnson, to: 1) Receive and file the FY 2018-19 Mid-Year Budget Report; and 2) Approve mid-year budget adjustments:

City

- a. Increase estimated revenues and appropriations in the General Fund by \$7,500
- b. Increase appropriations in the Central Services Internal Services Fund by \$16,100
- c. \$1.5 million transfer from the General Fund to the Infrastructure Fund
- d. \$1.05 million transfer from the General Fund to the Employee Benefits Fund for Pension Trust Investment
- e. Establish a \$2 million budget stabilization fund balance reserve in the General Fund

Parks and Recreation District

- f. Increase appropriations in the General Fund by \$6,800

The motion carried by the following roll call vote:

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

Item No. 11: Receive and File the Strategic Plan Six-Month Objectives Update

The City Manager provided background information on this item.

It was moved by Council Member Peat and seconded by Council Member Yarc, 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: Morales, Peat, Yarc, Johnson and Berry
 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 Berry requested reports from the Council Members on their respective committee assignments.

Council Member Peat:

Attended the Buena Park State of the City luncheon. Attended an Economic Development Subcommittee meeting. Attended the Cypress College SEM building groundbreaking.

Council Member Morales:

Attended a Local Government Leaders reception. Attended an Annual Recognition dinner for scouting. Attended the Walk of Solidarity at St. Irenaeus Catholic Church.

Council Member Yarc:

Attended the Sweet Tea Treats grand opening. Attended a Cypress Chamber of Commerce Board meeting. Attended the Woman's Club of Cypress General Membership and Tea Planning meetings. Attended an Economic Development Subcommittee meeting.

Mayor Pro Tem Johnson:

Hosted a St. Irenaeus Catholic School tour of City Hall. Attended the Sweet Tea Treats grand opening. Attended an O.C. Fire Authority Human Resources Committee meeting. Attended a Youth Leadership America Community Impact event.

Mayor Berry:

Visited with Fisher House at the Long Beach Veterans Administration Hospital. Attended the Sweet Tea Treats grand opening. Participated in bingo at the Long Beach Veterans Administration Hospital. Met with a Rancho Santiago College student. Attended a Woman's Club of Cypress General Membership meeting. Attended the Buena Park State of the City luncheon. Attended a Youth Leadership America Community Impact project presentations. Attended SCAG meetings. Attended the Cypress College SEM building groundbreaking. Attended the Walk of Solidarity at St. Irenaeus Catholic Church. Commended the Public Works Department for their work during the recent rainstorms.

CITY MANAGER REMARKS

The City Manager stated that a LARC Park design meeting was held on February 6. He announced that City offices would be closed on Monday, February 18 in observance of Presidents' Day.

ADJOURNMENT

Mayor Berry adjourned the meeting in Memory of Garden Grove Fire Chief Tom Schultz at 7:55 p.m. to an adjourned Regular Meeting, to be held on Monday, February 25, 2019, 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