
**CITY OF LAGUNA HILLS, CALIFORNIA
CITY COUNCIL REGULAR MEETING
MINUTES
JANUARY 25, 2011**

CALL TO ORDER

Mayor Songstad called the Regular Meeting of the City Council of the City of Laguna Hills, California, to order at 7:00 p.m. in the Laguna Hills City Council Chamber, 24035 El Toro Road, Laguna Hills.

PLEDGE OF ALLEGIANCE

Council Member Lautenschleger led the Pledge of Allegiance.

ROLL CALL

Present: L. Allan Songstad, Jr., Mayor
 Melody Carruth, Mayor Pro Tempore
 Randal Bressette, Council Member
 Barbara Kogerman, Council Member
 Joel Lautenschleger, Council Member

STAFF PRESENT: Bruce Channing, City Manager; Donald White, Assistant City Manager; Peggy Johns, City Clerk; Greg Simonian, City Attorney; Ken Rosenfield, Public Services Director/City Engineer; Vern Jones, Community Development Director; Steve Doan, Chief of Police Services; David Reynolds, Deputy City Manager; Jeff Genoway, Battalion Chief, Orange County Fire Authority; Melissa Au -Yeung, Senior Management Analyst; and Sandi Mogan, Deputy City Clerk.

1. PRESENTATIONS AND PROCLAMATIONS

1.1 RECOGNITION OF PARKS AND RECREATION COMMISSIONER LARRY BERTINO AND TRAFFIC COMMISSIONER BOB ASHE-EVEREST (0120-20)(0120-30)

Mayor Songstad presented a City Tile Plaque to Bob Ashe-Everest, Traffic Commissioner, recognizing his service to the City. Larry Bertino was unable to attend the meeting.

1.2 OATHS OF OFFICE FOR PARKS AND RECREATION AND TRAFFIC COMMISSIONERS AND TRAFFIC COMMISSIONERS (0120-20/120-30)

The City Clerk issued the Oaths of Office and Mayor Songstad presented Certificates of Appointment to Parks and Recreation Commissioners Dan Cooper, Jeffrey McConnell, and Jack Noenickx, and Traffic Commissioners Donald Froelich and Stephen (Ed) Rowe.

1.3 CERTIFICATE OF RECOGNITION, MIKE SPAIN, LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON FOR THE FALL 2010 SEMESTER (0410-65)

Mayor Songstad presented a Certificate to Mike Spain recognizing his service as the Laguna Hills High School Student Liaison.

1.4 APPOINTMENT OF LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON LYNDSEY KAN AND STUDENT LIAISON ALTERNATE KYLIE WEST FOR THE SPRING 2011 SEMESTER (0930-40)

The City Clerk issued the Oaths of Office to Laguna Hills High School Student Liaison Lyndsey Kaan and Student Liaison Alternate Kylie West and Mayor Songstad presented Certificates of Appointment.

2. PUBLIC COMMENTS

2.1 INSTALLATION OF SAN DIEGO GAS & ELECTRIC (SDG&E) SMART METERS (0150-40)

Duane Cave, External Affairs Manager for SDG&E, stated that he had appeared before the City Council last October and presented a briefing on the electric Smart Meter installation program. Mr. Cave indicated that the mass installation would start in approximately three weeks, there would be 120,000 services to complete within three months, and they would be changing 5,000 to 7,000 meters per day once the project began. Mr. Cave reported that South Orange County would be the final district for installation for the territory and at that time SDG&E would be the first major utility in the U.S. that had Smart Meters totally installed throughout their system. Mr. Cave indicated that the project thus far had run very smoothly and should be completed in Laguna Hills by the end of April. Mr. Cave anticipated a smooth installation for Laguna Hills.

2.2 LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON (0930-40)

The City Council received an oral report from Laguna Hills High School Student Liaison Lyndsey Kaan.

3. MINUTES

3.1 REGULAR MEETING, JANUARY 11, 2011 (0410-50)

IT WAS MOVED BY MAYOR PRO TEMPORE CARRUTH, SECONDED BY COUNCIL MEMBER BRESSETTE, TO APPROVE THE MINUTES OF THE JANUARY 11, 2011, REGULAR MEETING, AS PRESENTED.

The motion carried by the following vote:

AYES: Council Members Bressette, Kogerman, Lautenschleger,
Mayor Pro Tempore Carruth, and Mayor Songstad
NOES: None
ABSENT: None

3.2 ADJOURNED REGULAR MEETING, JANUARY 12, 2011 (0410-50)

IT WAS MOVED BY COUNCIL MEMBER LAUTENSCHLEGER, SECONDED BY MAYOR PRO TEMPORE CARRUTH, TO APPROVE THE MINUTES OF THE JANUARY 12, 2011, ADJOURNED REGULAR MEETING, AS PRESENTED.

The motion carried by the following vote:

AYES: Council Members Bressette, Kogerman, Lautenschleger,
Mayor Pro Tempore Carruth, and Mayor Songstad
NOES: None
ABSENT: None

4. CONSENT CALENDAR

Council Member Bressette removed Item No. 4.2 from the Consent Calendar.

IT WAS MOVED BY MAYOR PRO TEMPORE CARRUTH, SECONDED BY COUNCIL MEMBER BRESSETTE, THAT THE RECOMMENDATIONS BE ACCEPTED FOR THE FOLLOWING ITEMS LISTED ON THE CONSENT CALENDAR, WITH THE EXCEPTION OF ITEM 4.2.

The motion carried by the following vote:

AYES: Council Members Bressette, Kogerman, Lautenschleger,
Mayor Pro Tempore Carruth, and Mayor Songstad
NOES: None
ABSENT: None

4.1 MOTION TO APPROVE THE READING BY TITLE OF ALL ORDINANCES AND RESOLUTIONS, SAID TITLES, WHICH APPEAR ON THE PUBLIC AGENDA, SHALL BE DETERMINED TO HAVE BEEN READ BY TITLE AND FURTHER READING WAIVED

WAIVED READING OF ORDINANCES AND RESOLUTIONS.

4.3 PROGRESS PAYMENT NO. 1 FOR CITYWIDE PAVEMENT REHABILITATION PROJECT, CIP NO. 101-G (0400-10)

Written report from the Public Services Department indicated that work on the Citywide Pavement Rehabilitation Project, CIP No. 101-G, began on December 6, 2010, and was being performed by Excel Paving Company. Work performed in December included clearing and grubbing, cold planing, sidewalk replacement, driveway replacement, cross-gutter replacement, curb and gutter replacement, access ramps, and a storm water pollution prevention plan. The contractor had submitted the first progress payment request for approval. The progress payment was within the Capital Improvement Program Budget for the Citywide Pavement Rehabilitation Project, CIP No. 101-G.

APPROVED PROGRESS PAYMENT NO. 1, IN THE NET AMOUNT OF \$166,620.06, TO EXCEL PAVING COMPANY, FOR CITYWIDE PAVEMENT REHABILITATION PROJECT, CIP NO. 101-G.

4.4 AWARD OF CONTRACT FOR COMMUNITY CENTER & SPORTS COMPLEX PLAYGROUND RENOVATIONS AND LIGHT REFURBISHMENT, CIP NO. 514, AND COSTEAU PARK PLAYGROUND RENOVATIONS, CIP NO. 239 (0400-10)

Written report from the Public Services Department indicated that in accordance with City Council authorization, five bids for the subject project were received on January 11, 2011. The apparent low bidder, Signature Contractors, met the contract requirements, was currently licensed, and provided satisfactory references. The projects were included in the Fiscal Year 2010-2011 Capital Improvement Program and were within budget.

WAIVED THE MINOR BID IRREGULARITIES AND AWARDED THE CONTRACT FOR THE COMMUNITY CENTER & SPORTS COMPLEX PLAYGROUND RENOVATIONS AND LIGHT REFURBISHMENT, CIP NO. 514, AND COSTEAU PARK PLAYGROUND RENOVATIONS, CIP NO. 239, TO THE APPARENT LOW BIDDER, SIGNATURE CONTRACTORS, IN THE LOW BID AMOUNT OF \$218,845.00, AND AUTHORIZED THE MAYOR TO SIGN AND THE CITY CLERK TO ATTEST TO THE CONTRACT DOCUMENTS.

4.5 PROJECT APPLICATIONS FOR RENEWED MEASURE M (0820-25)

Written report from the Public Services Department indicated that the Orange County Transportation Authority (OCTA) had issued the first call for projects for the Renewed Measure M Program which would begin April 1, 2011. Staff had prepared project applications for two arterial highway widening projects for lane additions on Paseo de Valencia and on La Paz Road. It was staff's intent to only request funding for environmental clearance, design, and right-of-way acquisition anticipating scheduling the construction of these projects in the future. The Renewed Measure M Comprehensive Transportation Funding Program required a twenty-five percent City match if the projects were selected for funding through the competitive funding program. The Paseo de Valencia Project had an environmental clearance, design, and right-of-way acquisition cost estimated of approximately \$500,000 requiring a match of \$125,000. The La Paz Road Widening Project had an estimated cost for environmental clearance, design, and right-of-way acquisition of approximately \$750,000 requiring a match of \$162,500. Potential matching funds for these projects could be provided by the CARITS road-fee program, Measure M "turnback" funds, or general funds and would be the subject of discussion during the upcoming six-year Capital Improvement Program Budget discussions.

ADOPTED RESOLUTION NO. 2011-01-25-1, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING THE SUBMISSION OF COMPREHENSIVE TRANSPORTATION PROGRAM PROJECTS FOR RENEWED MEASURE M.

ITEMS REMOVED FROM THE CONSENT CALENDAR

4.2 APPROVAL OF WARRANT REGISTER FOR PERIOD ENDED JANUARY 25, 2011 (0300-30)

Council Member Bressette removed this item from the Consent Calendar to direct the City Council's attention to the payment to Moulton Niguel Water District of \$9,166. Council Member Bressette reported he had received a mailing from Moulton Niguel Water District regarding his personal rate increase and also received a letter from resident William S. Hulsey. Council Member Bressette indicated Mr. Hulsey's letter caused him to think about the amount of money that the City spent on water for its parks, greenbelts, and other areas and activities. Mr. Hulsey was concerned about the increase in water revenues and the impacts to larger homes/properties in Laguna Hills, and the consequence of exceeding the proposed tiered rates. Council Member Bressette asked staff whether or not this proposed increase would

impact the City's current budget, and looked forward to the next budget, and inquired if there were any impacts to the water rates being proposed.

Public Services Director Rosenfield indicated the City had been monitoring the rates of both the Moulton Niguel and El Toro Water Districts during the past year when both agencies implemented tiered rates as a water conservation effort. The City monitored its irrigation practices every week, adjusted irrigation timing to reduce consumption, and used recycled water as much as possible that had a lower rate schedule. This had a budget impact, albeit small, relative to ongoing operations, and staff would be prepared to discuss this issue at the upcoming budget process.

Written report from the Administrative Services Department indicated that, in accordance with Government Code Section 37202, the Assistant City Manager certified to the accuracy of the Warrant Register and to the availability of funds for payment thereof.

IT WAS MOVED BY COUNCIL MEMBER BRESSETTE,
SECONDED BY MAYOR PRO TEMPORE CARRUTH, TO
APPROVE THE WARRANT REGISTER IN THE AMOUNT OF
\$1,075,706.93.

The motion carried by the following vote:

AYES:	Council Members Bressette, Kogerman, Lautenschleger, Mayor Pro Tempore Carruth, and Mayor Songstad
NOES:	None
ABSENT:	None

PLANNING AGENCY

Mayor Songstad recessed the City Council meeting to the Planning Agency meeting at 7:16 p.m. and reconvened the City Council meeting at 7:17 p.m. All Council Members were present.

6. ADMINISTRATIVE REPORTS

6.1 City Manager

The City Manager made no reports.

6.2 Community Development Director

A. URBAN LAND INSTITUTE'S TECHNICAL ASSISTANCE PANEL REPORT ON LAGUNA HILLS URBAN VILLAGE (0630-50)

Community Development Director Jones indicated that the Urban Land Institute of Orange County and the Inland Empire annually assembled a Technical Assistance Panel to study specific areas that the Urban Land Institute believed had significant untapped land use potential, especially if they were located in close proximity to transit facilities. Mr. Jones stated that the panel consisted of seasoned professionals with expertise in the areas of real estate, planning, finance, marketing, and development in general, who collectively study a given project area within a community and offered their expert advice relative to the needs to the community and best practices of their respective industries. Mr. Jones indicated this past year the Urban Land Institute identified the Urban Village Specific Plan Area in Laguna Hills as a promising project area, based in part on the proximity to the bus transit center. Mr. Jones indicated that the panel studied the area in September 2010, and presented their findings in a workshop to the City Council on October 5, 2010. The panel had documented all of their work including specific recommendations to the City of Laguna Hills, in a study called the Laguna Hills TAP Report. Mr. Jones stated that the Report made numerous recommendations regarding actions that the City should take to move development forward within the Urban Village area. Mr. Jones highlighted a few of the more interesting suggestions from the Report. The Report concluded with a number of recommendations including the next steps the City should take including establishing a collaborative working group that included stakeholders, such as land owners, retailers, and community members, and to identify a catalyst project location. Mr. Jones concluded by indicating that staff was pleased with the conclusions and recommendations and that the Report validated the City's Urban Village Specific Plan. Mr. Jones indicated that the next steps would be discussed and incorporated in the major plans at the upcoming budget meetings. Mr. Jones noted that the City had several encouraging meetings with the Simon Group and Fritz Duda in terms of ideas and plans that they would like to move forward with.

IT WAS MOVED BY COUNCIL MEMBER BRESSETTE,
SECONDED BY COUNCIL MEMBER LAUTENSCHLEGER, TO
RECEIVE AND FILE THE REPORT.

The motion carried by the following vote:

AYES: Council Members Bressette, Kogerman, Lautenschleger,
Mayor Pro Tempore Carruth, and Mayor Songstad
NOES: None
ABSENT: None

7. OTHER BUSINESS

7.1 CITY COUNCIL FINANCIAL POLICY REGARDING EMPLOYEE COMPENSATION (0520-10)

Council Member Kogerman indicated that the City had a wonderful staff that did their work well and enjoyed working for the City. Council Member Kogerman indicated that the policy being proposed was not suggesting that the quality of work provided by the staff was nothing but stellar, instead the policy change was required to meet the needs of the current political and economic realities. Council Member Kogerman stated that the economy had taken a severe toll on employment and compensation with many in the community, both in the public and private sector alike. She indicated many had suffered job losses, furlough days, and other cut backs in salary and benefits, and yet the City's employees had remained relatively unscathed. Council Member Kogerman indicated that it was doubtful that the generous salaries and benefits were sustainable. Council Member Kogerman felt it was time to address these issues and proposed that the City Council adopt her recommendation to revise the City's current Financial Policy to reflect the expressed wishes of the citizens and current economic conditions. Council Member Kogerman reviewed the specific points of her report in greater detail.

Bill Enholm, Laguna Hills, indicated he supported the Laguna Hills employees, and believed that the City Manager needed the tools to hire and retain superior employees. He was also sure everyone would agree that Laguna Hills' salaries needed to be competitive, employees needed to be fairly compensated, and if they weren't paid enough the City would lose the good ones. Mr. Enholm indicated that he remembered when public employees were paid a little bit less than the private sector, but in return had more job security and much better retirement benefits, but now government employees were paid slightly more, had better job security, and unbelievable retirement benefits. Mr. Enholm was against the payment of employee contributions paid for by the employer and all the perks that went well beyond what was compensated for in the private sector. Mr. Enholm urged the City Council to approve Item No. 7.1.

City Manager Channing stated that he was extremely proud of the employees that worked for the City, and considered it a great privilege to work alongside each of them every day of the week as the City delivered the vital services required and expected of it from the community. City Manager Channing also stated that in his 34 years of public service working for five different cities, he had not witnessed any group of employees that were more professional, more dedicated, more committed to the City's mission as an organization to deliver high quality services in a cost-effective, non-bureaucratic customer-friendly manner. Mr. Channing indicated that when he was hired by the City Council his directive was to create an organization that maximized the use of contract services and minimized dependence on in-house full time staff in order to restrain the natural pattern of organizations to grow and become more focused on bureaucratic self-interest than on operational efficiency and service quality. He had told the City Council at that time and believed it still to be true today that in order to accomplish that vision, a City such as Laguna Hills would need to attract and retain top quality staff provided that the City maintained employment practices that were competitive in the marketplace. City Manager Channing stated that he did not believe it was hard to retain high performing employees if the conditions were right and they were recognized appropriately for their service. In Laguna Hills' case, that meant providing the same type of benefits that were afforded other public employees in Orange County and setting salary schedules at the level just slightly above the average for comparable positions. City Manager Channing stated that Laguna Hills did not have employee unions at the present time, was not constrained by the requirements of a collective bargaining process for setting employee salaries and benefits, or dealing with employee grievances or other labor versus management issues. As a result, Laguna Hills did not require a personnel director or other staff member whose sole responsibility was to handle personnel matters.

City Manager Channing stated that in his judgment the City had succeeded in accomplishing its original objective of keeping a small but highly productive staff; however, it was certainly reasonable to take a step back to revisit the City's policies and practices to determine if they were still desirable and still aligned with the City Council's collective views on how best to organize and deliver the services that were expected and supported by the City Council's constituents. City Manager Channing indicated this was why he recommended hiring a consultant at the last City Council meeting to perform an analysis of the City's salary and benefits to see how Laguna Hills compared to the labor market. Mr. Channing believed that solid empirical data was necessary before the City Council made any decisions related to changing the current employment practices, and he believed it was prudent to contemplate these matters in the context of the forthcoming goal setting process and the budget deliberations. Mr. Channing indicated that it was important for the City Council to see the entire picture and understand all the

potential consequences before making any changes of the magnitude proposed tonight.

IT WAS MOVED BY COUNCIL MEMBER LAUTENSCHLEGER, SECONDED BY COUNCIL MEMBER CARRUTH, TO DEFER THE DISCUSSION OF EMPLOYEE COMPENSATION UNTIL AFTER THE CITY COUNCIL RECEIVED THE COMPENSATION ANALYSIS FROM THE CONSULTANT AND CONSIDER THESE ITEMS IN THE CONTEXT OF THIS YEAR'S BUDGET DISCUSSIONS.

The motion carried by the following vote:

AYES: Council Member Lautenschleger, Mayor Pro Tempore Carruth, and Mayor Songstad
NOES: Council Members Bressette and Kogerman
ABSENT: None

8. MATTERS PRESENTED BY MAYOR AND COUNCIL MEMBERS

8.1 Council Member Lautenschleger

A. TRANSPORTATION, COMMUNICATIONS & PUBLIC WORKS POLICY COMMITTEE (0140-10)

Council Member Lautenschleger indicated on January 21, 2011, he had attended the Transportation, Communications and Public Works Policy Committee meeting in Sacramento conducted by the League of Cities of which he served as a representative for the Orange County Division. It had been the first meeting of the year for introductions and orientation for new members and included a review of federal and state priorities for California League of Cities which included: Community Development, Water and Wastewater Infrastructure; Protecting Local Revenue and Land Use authority; and Public Safety and Disaster Preparedness. The Committee approved the Expanding Flexibility of Traffic Mitigation measure under the Subdivision Map Act sponsored by the California State Association. Council Member Lautenschleger gave a summary on what the measure would provide to cities and counties. Council Member Lautenschleger reported there was also an update and summary on the conditions of California local streets and county road systems, showing 67% of the State's local streets and roads "at risk" or in "poor" condition. Council Member Lautenschleger indicated \$70 billion was needed over the next ten years to bring the pavement conditions to BMP conditions. Council Member Lautenschleger also reported there had been much discussion and concern about the new Governor's plan to eliminate

Redevelopment Agencies (RDA), and the Governor would not get support from local governments as loss of enterprise zones and RDA's would cost 300,000 jobs and billions of dollars in economic activity including \$40 billion for generation of goods and services and \$2 billion in local and state taxes.

8.2 Council Member Kogerman

A. MAYORS AND NEW COUNCIL MEMBERS ACADEMY (0140-10)

Council Member Kogerman stated she attended the Mayors and New Council Members Academy in Sacramento hosted by the League of California Cities. She reported there were 300-400 new mayors and council members along with many of their city managers and others who wanted a refresher on relevant laws and practices. Council Member Kogerman reported that City Manager Channing accompanied her and he had been a valuable resource, networker, and his presence contributed to her positive experience. She received practicable and supplemental materials and pamphlets on many local issues and the League would make additional copies available should any City Council Members be interested. Council Member Kogerman attended eight sessions which had been very informative and there were many opportunities for questions and answers and opportunities to speak to the presenters. Council Member Kogerman reported there was a lively appearance by Governor Brown who addressed the issue of Redevelopment and attended the Legislative Reception. Council Member Kogerman distributed her written report and recommendations to the City Council Members. She recommended that a City Audit Committee and Finance Committee include a member of the public who was either a CPA or a banker; that the City establish a whistleblower policy to protect staff who might uncover financial irregularities; the City might also consider appointing a staff member to serve as a Public Information Officer as there were many new social media outlets that the City could be taking advantage of; and consider the use of an iPad for City Council packets and recommended staff contact Huntington Beach that just completed a pilot program using iPads. She believed the Academy was well worth its modest price tag and thanked the City Council for providing her with this opportunity for growth and development.

8.3 Mayor Songstad

A. SOUTH ORANGE COUNTY ASSOCIATION OF MAYORS (0150-10)

Mayor Songstad indicated he had attended a South Orange County Mayors meeting last week and the only item that came up was that as

a result of the last census, there was a proposal that South Orange County be split off from SCAG which included the rest of Orange County and be made a part of the San Diego region. Mayor Songstad believed this made no sense to be part of the San Diego group, and Mayor Songstad encouraged staff to follow this issue. Dave Simpson, OCTA and OCCOG Director, made the presentation and was following this issue and he was hopeful they could kill this proposal at the staff level.

B. ORANGE COUNTY COUNCIL OF GOVERNMENTS (OCCOG)
(0140-15)

Mayor Songstad indicated on January 27, 2011, there was a meeting of the OCCOG to fill a seat in the District on the SCAG Regional Council which had been previously held for many years by Richard Dixon from Lake Forest. Council Member Lautenschleger was running for the seat and it required the vote of council members in the district to show up and vote in order to fill the seat. Mayor Songstad requested the City Council show up at the OCTA office on Thursday, January 27, 2011, to vote for Mr. Lautenschleger. Council Member Lautenschleger would send out an e-mail to the Council Members with the particulars.

9. CLOSED SESSION

Mayor Songstad recessed the meeting into Closed Session at 8:29 p.m.

9.1 CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Pursuant to Government Code § 54956.8

Property: 24031 El Toro Road, Suite No. 201, Laguna Hills

Agency Negotiator: Donald J. White, Assistant City Manager

Negotiating Parties: City of Laguna Hills and Kevin Richards, War Era Veterans Alliance.

Item Under Negotiation: Terms and Conditions of Lease

9.2 PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code Section 54957(b)(1)

Public Employee Title: City Manager – Performance Evaluation

Mayor Songstad reconvened the meeting at 9:05 p.m. All Council Members were present.

City Attorney Simonian announced the following action taken by the City Council in Closed Session:

9.1 CONFERENCE WITH REAL PROPERTY NEGOTIATOR

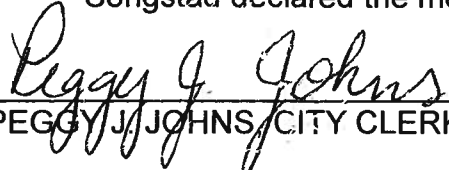
IT WAS MOVED BY MAYOR SONGSTAD, SECONDED BY COUNCIL MEMBER KOGERMAN, TO APPROVE THE PROPOSED LEASE AGREEMENT WITH WAR ERA VETERANS ALLIANCE REGARDING SUITE 201, AND TO AUTHORIZE THE CITY MANAGER TO SIGN THE LEASE AGREEMENT.

The motion carried by the following vote:

AYES: Council Members Bressette, Kogerman, Lautenschleger,
Mayor Pro Tempore Carruth, and Mayor Songstad
NOES: None
ABSENT: None

ADJOURNMENT

There being no further business before the City Council at this session, Mayor Songstad declared the meeting adjourned at 9:06 p.m.


PEGGY J. JOHNS, CITY CLERK

ATTEST:


L. ALLAN SONGSTAD, JR., MAYOR

APPROVED AT MEETING OF FEBRUARY 8, 2011.