
**CITY OF LAGUNA HILLS, CALIFORNIA
CITY COUNCIL SPECIAL MEETING
MINUTES
NOVEMBER 10, 2010**

CALL TO ORDER

Mayor Bressette called the Special Meeting of the City Council of the City of Laguna Hills, California, to order at 5:36 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: Randal Bressette, Mayor
R. Craig Scott, Mayor Pro Tempore
Melody Carruth, Council Member
Joel Lautenschleger, Council Member

Absent: L. Allan Songstad, Jr., Council Member

STAFF PRESENT: Bruce Channing, City Manager; Peggy Johns, City Clerk; Greg Simonian, City Attorney; and Melissa Au-Yeung, Senior Management Analyst.

PUBLIC COMMENTS

Carolyn Honigman, Laguna Hills, indicated that when the residents elect City officials they do so believing they can place their trust in them to do the right thing. Unfortunately, there are signs that indicate that those days were over, considering what was happening in the City of Bell and in our own backyard. Ms. Honigman stated that according to the State of California, Mr. Channing now received \$380,000 annually; she computed the arithmetic and the amount that the City claimed to pay Mr. Channing seemed to come up short. The \$380,000 reported by the State did not include the compensation for the vehicle nor the incentive pay. Ms. Honigman indicated that once it was learned how much the vehicle compensation was worth as well as the incentive pay, it would easily come out to more than \$400,000. She indicated it was unclear why the updated information had not been made available to the citizens of Laguna Hills. Ms. Honigman urged the City Council to consider that the Attorney General of the State of California made \$150,000 annually, and if our City Manager was paid \$150,000, which was a salary still above what City Managers of cities larger than Laguna Hills made, there would be a savings of \$230,000. Ms. Honigman questioned what Laguna Hills could do with \$230,000, perhaps add to the number of police officers on the street to make the City safer. She indicated that she and her husband walked late at night and rarely saw a police car on the street. She did not see much drag racing on Paseo de Valenica and Oso Parkway, and considering that there was a lot of drag racing on Paseo de Valencia and Oso Parkway it was possible that the young man who was killed while drag racing on

Paseo de Valencia would still be alive if Laguna Hills had more police on the street. Ms. Honigman indicated that the overpayment in salaries literally translated directly to life and death for the citizens of Laguna Hills, and repeated that when the citizens elected their public officials, they did so believing they could place their trust in them to do the right thing. Ms. Honigman, stated that as citizens of Laguna Hills, they were here tonight hoping once again that the elected officials would do the right thing and adjust Bruce Channing's income to be more aligned to what was expected - public employee compensation for earned income and retirement compensation.

Donna Sievers, Laguna Hills, indicated she was a retired school district administrator and worked closely with the classified and certified personnel. She indicated that all of the employees in every school district in the State, as well as State employees in California, were taking what amounted to a 2-3% salary cut this year due to furlough days. Ms. Sievers reported that it had been 4-5 years since she received a raise in an amount of 1-2% COLA, and that these were the lucky ones that did not lose their jobs. Ms. Sievers indicated that all of the employees that she worked with exceeded all of their State standards and the expectations of their jobs and worked exceedingly hard to meet the needs of the students. No bonuses or additional compensations were given for a job well done; they all understood that their work and the commitment to the community were essential for a democratic society. Ms. Sievers was hopeful and believed the people of Laguna Hills expected that same level of commitment would be expected from City employees. The very concept of receiving a bonus or annual compensation was from a different economic era, certainly not from the reality we were facing today. Ms. Sievers believed that a bonus had no legitimate place when so many other school and State employees were sacrificing. Ms. Sievers submitted to those who were voting on this item, that a bonus was an unconscionable decision and urged the City Council to unanimously vote against any compensation raise.

Council Member Songstad arrived at the meeting at 5:42 p.m.

Bob Dickson, Laguna Hills, stated that in the past it had always been that government workers were underpaid by about 30 percent of the private sector, and one way that government workers made up for that was through a good pension system. Mr. Dickson reported that in the case of Mr. Channing, he had both. Mr. Dickson believed that Mr. Channing should not be given a bonus, and his compensation should be cut. Mr. Dickson also believed it was an underhanded way the payments of Mr. Channing's share of Medicare contributions, pension contributions, life insurance and disability payments were made. In the future, Mr. Dickson was hopeful that those payments were made up front and shown in the amount of compensation paid.

Lynn Stone, Laguna Hills, indicated that she personally had no objection to the quality of the job performed by Bruce Channing. She didn't know that much about it, but considering the size of Laguna Hills, the number of employees, and the level of responsibility, the amount of compensation was way out of line. She was hopeful that the City Council did not approve a bonus this time.

Johnathan Bromberg, Laguna Hills, stated that after 20 years of City Council Members negotiating this mess, now the City Council was abdicating that responsibility by passing it to a third party, and to make matters worse, that third party had been the President of the City Managers Department of the League of California Cities, of which Mr. Channing was the current Vice President. Mr. Bromberg believed there was a disconnect with the City Council abdicating their responsibility and it didn't look right, or pass the smell test, and this wasn't the correct way to handle this issue. The City Council created this mess and they should clean it up themselves.

Laura Dickson, Laguna Hills, stated that tonight the Chamber was filled with citizens who collectively had come together for one purpose, to send a message to the City Council before they convened in Closed Session to discuss Bruce Channing's compensation. Mrs. Dickson indicated that Mr. Channing was a highly paid City employee who also received generous compensation and many of the citizens felt it would be highly inappropriate to grant further compensation, vacation, bonuses, or other benefits at this time. Mrs. Dickson believed that the City Council should represent the citizens who paid his salary with their taxes. If the citizens could vote on this issue, she believed the message would be very clear. Mrs. Dickson urged the City Council to consider the citizens' opinions on this matter when they discuss Mr. Channing's earnings. Mrs. Dickson asked the City Council for a 15-minute notice before reconvening in the Council Chamber with their decision.

Bill Honigman, Laguna Hills, stated that he wanted to applaud the Council for having this discussion. He believed his wife's comments were particularly poignant in regards to the compensation and the differential that might be applied to other City services that were critically important and may even result in life and death when speaking of public safety. Mr. Honigman indicated that the public employee compensation issue had at least the appearance of being seriously out of line and inappropriate, and that suggestion of impropriety was something that would not give residents a sense of civic pride. Mr. Honigman believed there was at least the suggestion of contempt for the public and citizens as taxpayers. Mr. Honigman stated that he applauded the City Council's discussion of this item and was hopeful that the result of the election was a statement of the will of the voters that this issue was of paramount importance and deserved the consideration of the new Council that would convene at the end of the term of this Council.

Council Member Carruth thanked the residents in attendance, and stated that this meeting was called at an earlier time of day and at an earlier time in November to make the discussion of this item more convenient for the residents, and would

increase the awareness of the City Council's process of the performance evaluation. Council Member Carruth asked the City Attorney to explain the process for tonight and respond to the questions on how the City Council was restricted in terms of making changes to the City Manager's contract.

City Attorney Simonian indicated the process was a routine annual process of reviewing the performance of the City Manager pursuant to his employment contract. The performance evaluation was required by the contract to occur in the months of October and November to be concluded by November. This City Council had approved a schedule and was in the process of completing the schedule which involved the second phase of this process which was a Closed Session performance evaluation of the City Manager that would be facilitated by the City Council's designated Labor Representative, authorized by the Brown Act Government Code pursuant to the authorities that have been set forth in the prior Agenda materials and this evening's Agenda materials. The City Council may discuss compensation in Closed Session through the use of the City Council designated Labor Representative; however, pursuant to State Law the City Council was prohibited by law from taking final action with regard to changes in compensation of the Manager in Closed Session. That was required to occur in Open Session through a vote of the City Council in a Minute Action and that had been the pattern and practice of this City Council for the last five years. Any changes in City Manager compensation required an Open Session vote and ratification of a formal Resolution of the City Council, which had also taken place for the last 5 years.

CLOSED SESSION

Mayor Bressette recessed the meeting into Closed Session at 5:53 p.m.

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

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

Public Employee Title: City Manager – Annual Performance Evaluation

CONFERENCE WITH LABOR NEGOTIATOR

Pursuant to Government Code Section 54957.6

Agency Negotiator: John Goss, Designated Facilitator

Unrepresented Employee: City Manager

Mayor Bressette reconvened the meeting at 10:22 p.m. All Council Members were present.

Mayor Bressette indicated there was no reportable action that occurred during Closed Session.

CONSIDERATION OF COMPENSATION FOR CITY MANAGER

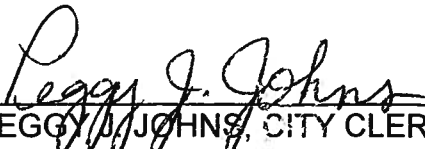
City Manager Channing indicated that 2010 had been a very challenging year, personally, professionally, and politically. In the aftermath of one of the most difficult recessions in our adult lives, the City Council set out a very lengthy and challenging list of goals for me and my staff to accomplish. As with every year, extensive effort was put forth to accomplish these goals and as with every prior year, the expectation and understanding on my part was that I would be eligible to earn a performance bonus in an amount up to 10% of my base pay, if I successfully accomplished the pre-determined goals.

I am, in fact, very proud of the accomplishments made on that list of goals and appreciate the Council's statements to the effect that I did indeed meet or exceed your expectations with regard to 85% or more of the goals. To that point, I believe that I have clearly "earned" a bonus. Nevertheless, I am certainly cognizant of the reality that two members of this present City Council and Council Member-Elect Mrs. Kogerman are steadfastly opposed to the City Council conferring upon me a reward for high achievement of my employment related goals and therefore have concluded that it would be both unwise and imprudent to expect such a performance incentive reward this year.

Mayor Bressette reported that by the City Council taking no action there will be no increase in the City Manager's salary nor will there be any bonus awarded.

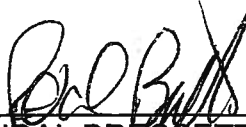
ADJOURNMENT

There being no further business before the City Council at this session, Mayor Bressette declared the meeting adjourned at 10:26 p.m. with gratitude and thanks to America's Veterans on Veterans Day.



PEGGY J. JOHNS, CITY CLERK

ATTEST:



RANDAL BRESSETTE, MAYOR

APPROVED AT MEETING OF NOVEMBER 23, 2010.