CITY OF LAGUNA HILLS, CALIFORNIA
CITY COUNCIL REGULAR MEETING
MINUTES
AUGUST 24, 2010

CALL TO ORDER

Mayor Bressette 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 Carruth led the Pledge of Allegiance.

ROLL CALL

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

Absent: R. Craig Scott, Mayor Pro Tempore

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; Roger James, Battalion Chief, Orange County Fire Authority; Melissa Au-Yeung, Management Analyst; Dan Meehan, Community Services Superintendent; and Sandi Mogan, Deputy City Clerk.

1. PRESENTATIONS AND PROCLAMATIONS

There were no Presentations and Proclamations.

2. PUBLIC COMMENTS

There were no Public Comments.

3. MINUTES

3.1 REGULAR MEETING, JULY 13, 2010 (0410-50)

IT WAS MOVED BY COUNCIL MEMBER SONGSTAD, SECONDED BY COUNCIL MEMBER LAUTENSCHLEGER, TO APPROVE THE MINUTES OF THE JULY 13, 2010, REGULAR MEETING, AS PRESENTED.

The motion carried by the following vote:

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

4. CONSENT CALENDAR

IT WAS MOVED BY COUNCIL MEMBER CARRUTH, SECONDED BY COUNCIL MEMBER SONGSTAD, THAT THE RECOMMENDATIONS BE ACCEPTED FOR THE FOLLOWING ITEMS LISTED ON THE CONSENT CALENDAR, WITH THE EXCEPTION OF ITEM NO. 4.6.

The motion carried by the following vote:

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

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.

4.2 APPROVAL OF WARRANT REGISTER FOR PERIOD ENDED AUGUST 24, 2010 (0300-30)

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.

APPROVED THE WARRANT REGISTER IN THE AMOUNT OF $2,459,448.43.

4.3 AMENDMENT NO. 3 AND FULL RESTATEMENT OF AGREEMENT NO. D99-128 WITH THE COUNTY OF ORANGE ET AL., FOR WATER QUALITY STUDIES ASSOCIATED WITH THE NEWPORT BAY WATERSHED (0400-10)

Written report from the Public Services Department indicated that the San Diego Creek/Newport Bay Watershed had been listed as impaired under the

Federal Clean Water Act for nutrients, metals and toxics, including selenium, and pesticides. As a result of the listing, total maximum daily loads (TMDLs) setting limits for the pollutants causing impairment must be established for the watershed. The Third Amendment and Full Restatement of Agreement No. D99-128 (Agreement) provided for the funding cost share allocations for the purpose of funding and performing studies, research, monitoring, and the development and implementation of programs related to the adopted TMDLs for nutrients, fecal coliform and toxics in the San Diego Creek and Newport Bay watersheds. The adopted TMDLs contained requirements to attain TMDL reduction targets over a multi-year period. The term of the Agreement should continue until June 30, 2012. The City's contribution to the Agreement was approximately $6,000 per year. Funding for the work was included in the Fiscal Year 2010-2011 Water Quality/NPDES budget.

APPROVED AMENDMENT NO. 3 AND FULL RESTATEMENT OF AGREEMENT NO. D99-128 TO FUND NUTRIENT, FECAL COLIFORM, AND TOXICS TOTAL MAXIMUM DAILY LOADS (TMDL) STUDIES IN THE NEWPORT BAY WATERSHED AND AUTHORIZED THE MAYOR TO SIGN THE AGREEMENT AND THE CITY CLERK TO ATTEST THERETO.

4.4 AUTHORIZATION TO ADVERTISE FOR BIDS FOR CITYWIDE PAVEMENT REHABILITATION PROJECT, ZONE F, CIP NO. 101-G (0400-10)

Written report from the Public Services Department indicated that in accordance with the Capital Improvement Program budget, staff had prepared plans and specifications for the advertisement for bids for the Citywide Pavement Rehabilitation Program which, this cycle, was focused upon Zone F located in the northerly Laguna Hills area. The project consisted of repair of deteriorated pavement, curbs and gutters, sidewalks and driveways, and the construction of access ramps and new asphalt concrete surfacing. All of the public residential streets and most of the collector streets northerly of Santa Maria Avenue and northerly of Ridge Route Drive were included in the project. In addition, staff had developed four Alternate Bids for potential additional work for which an award of contract would depend upon the bid results. The Engineer's Estimate of the construction costs of the project was $1,400,000. The Capital Improvement Program Budget for the Citywide Pavement Maintenance Project, CIP No. 101-G was $1,490,000.

APPROVED THE PLANS AND SPECIFICATIONS AND AUTHORIZED THE ADVERTISEMENT FOR BIDS FOR THE CITYWIDE PAVEMENT REHABILITATION PROJECT, CIP NO. 101-G.

4.5 PROFESSIONAL SERVICES AGREEMENT FOR ON-CALL GEOTECHNICAL ENGINEERING SERVICES (0400-10)

Written report from the Public Services Department indicated that due to the expiration of the current Professional Services Agreement for on-call geotechnical engineering services, staff issued a Request for Proposal to four firms requesting a proposal for on-call geotechnical engineering services to include site investigations, material testing, report reviews, and design support services. Three firms submitted proposals in response to the Request for Proposal and staff interviewed each of the firms. Two firms were proposed to be engaged with a Professional Services Agreement, Harrington Geotechnical Engineering, Inc., and GMU Geotechnical, Inc. Both firms were qualified to provide these services and each offered unique capabilities that were of benefit to the City. Geotechnical engineering services were incorporated within the office of the City Engineer and supported Capital Improvement Project work with an annual budget of approximately $50,000. The proposed Professional Services Agreements established a maximum contract value of $50,000 per fiscal year.

AUTHORIZED THE CITY MANAGER TO EXECUTE PROFESSIONAL SERVICES AGREEMENTS WITH HARRINGTON GEOTECHNICAL SERVICES, INC., AND GMU GEOTECHNICAL, INC., FOR ON-CALL GEOTECHNICAL ENGINEERING SERVICES.

4.7 CONTRACTS WITH COUNTY OF ORANGE AND SOUTH COUNTY SENIOR SERVICES FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR FISCAL YEAR 2010-2011 (0400-10)

Written report from the Administrative Services Department indicated that in November 2009, staff was advised of the availability of Federal Community Development Block Grant (CDBG) funding for "Public Facilities and Improvements" for Fiscal Year 2010-2011, administered by the County of Orange. Staff completed and submitted the appropriate CDBG application on behalf of the Florence Sylvester Senior Center in the amount of $52,000. For Fiscal Year 2010-2011, the City of Laguna Hills had tentatively been awarded the requested amount of $52,000 to assist South County Senior Services in addressing deferred maintenance issues at the Florence Sylvester Senior Center. The next steps required to access the funds and initiate the rehabilitation process were to sign individual contracts with the County of Orange and South County Senior Services documenting the use and limitations associated with the funds. Staff and the City Attorney were still reviewing the Contract provided by the County of Orange. The costs to comply with the Federal and County paperwork requirements would be absorbed by the City.

APPROVED INDIVIDUAL CONTRACTS WITH THE COUNTY OF ORANGE AND SOUTH COUNTY SENIOR SERVICES FOR UTILIZATION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR FISCAL YEAR 2010-2011 AND AUTHORIZED THE MAYOR AND CITY MANAGER TO EXECUTE CONTRACTS ACCEPTABLE AS TO FORM BY THE CITY ATTORNEY.

4.8 APPLICATION FOR GRANT FUNDS FOR THE SUSTAINABLE COMMUNITIES PLANNING GRANT AND INCENTIVES PROGRAM (0630-10)

Written report from the Community Development Department indicated that in 2009, the City completed a comprehensive update to the General Plan, which included an implementation program that identified 84 actions needed to achieve the General Plan goals and policies. A few of the actions (implementation programs) were specific to complying with Assembly Bill 32 and Senate Bill 375, which related to sustainable development and reducing greenhouse gas (GHG) emissions. However, implementation of the programs were time consuming and costly.

Staff was recently advised of the availability of the first phase of funding for the Sustainable Communities Planning Grant and Incentives Program, which was a grant program designed to help local governments meet the challenges of adopting land use plans and integrating strategies in order to transform communities and create long term prosperity. The primary goal of the grant application was to develop and implement plans that reduced GHG emissions and promoted sustainable communities. The application deadline to be eligible to receive funding was August 31, 2010, and required City Council consent.

Staff believed that it would be wise to take advantage of the funding opportunity and planned to submit an application for $180,500 to prepare a Climate Action Plan consistent with the implementation program in the City's General Plan (specifically, Implementation Program COS-8). Although a measure might be passed in this fall's election that would suspend the implementation of AB 32, it was staff's understanding that cities would still be required to comply with SB 375.

ADOPTED RESOLUTION NO. 2010-08-24-2, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING AN APPLICATION FOR GRANT FUNDS FOR THE SUSTAINABLE COMMUNITIES PLANNING GRANT AND INCENTIVES PROGRAM UNDER THE SAFE DRINKING WATER, WATER QUALITY AND SUPPLY, FLOOD

CONTROL, RIVER AND COASTAL PROTECTION BOND ACT OF 2006 (PROPOSITON 84).

4.9 PROGRESS PAYMENT NO. 2 AND PROGRESS PAYMENT NO. 3 FOR ALICIA PARKWAY TRAFFIC SIGNAL SYNCHRONIZATION PROJECT, CIP NO. 173, AND LA PAZ ROAD TRAFFIC SIGNAL SYNCHRONIZATION PROJECT, CIP NO. 174 (0400-10)

Written report from the Public Services Department indicated that work on the Alicia Parkway Traffic Signal Synchronization Project, CIP No. 173, and the La Paz Road Traffic Signal Synchronization Project, CIP No. 174, began on May 3, 2010, and was being performed by Steiny and Company, Inc. Work performed in June and July included traffic control, water quality management, clearing and grubbing, and conduit installation. The contractor had submitted the second and third progress payment requests for approval. The progress payments were within the Capital Improvement Program Budget for the Alicia Parkway Traffic Signal Synchronization Project, CIP No. 173, and La Paz Road Traffic Signal Synchronization Project, CIP No. 174.

APPROVED PROGRESS PAYMENT NO. 2 AND PROGRESS PAYMENT NO. 3, IN THE NET AMOUNT OF $67,514.67, TO STEINY AND COMPANY, INC., FOR ALICIA PARKWAY TRAFFIC SIGNAL SYNCHRONIZATION PROJECT, CIP NO. 173, AND LA PAZ ROAD TRAFFIC SIGNAL SYNCHRONIZATION PROJECT, CIP NO. 174.

4.10 ESTABLISHMENT OF A NO PARKING ANYTIME ZONE ON A PORTION OF ALCALDE DRIVE EASTERLY OF VERDUGO DRIVE (0860-50)

Written report from the Public Services Department indicated that Resco Properties, the property management firm for the Lakeside Business Center, contacted staff with a request to eliminate the currently allowed parking in front of 23042 Alcalde Drive. The request was based upon their perspective that: (1) the parked vehicles created inadequate site distance for vehicles leaving the center; (2) there were trucks and large vehicles parked on the street for extended periods of time; (3) mobile detailers frequently used the street to wash cars; and (4) adequate on-site parking was provided to the business park. The allowed parking currently had an overnight parking restriction from the hours of 2 a.m. - 6 a.m. Although staff had determined that the on-street parking at this particular location did not raise traffic safety concerns, some of the activity associated with the parking was undesirable and there seemed to be adequate parking spaces for the businesses within their parking lots. Removal of two "No Parking Anytime from 2 a.m. to 6 a.m." signs and replacing them with "No Parking Anytime" signs would cost approximately $500. Funds for the work were available in the Fiscal Year 2010-2011 Public Works Maintenance Budget.

ADOPTED RESOLUTION NO. 2010-08-24-3, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ESTABLISHING A NO PARKING ANYTIME ZONE ON THE SOUTH SIDE OF ALCALDE DRIVE FROM 575 FEET TO 690 FEET EAST OF VERDUGO DRIVE.

4.11 2010 FOURTH OF JULY CELEBRATION (0910-50)

Written report from the Community Services Department indicated that the City of Laguna Hills held the annual Fourth of July celebration at the Laguna Hills Sports Complex on Sunday, July 4, 2010. The special event took place between the hours of 4:00 p.m. to 9:30 p.m. and included a number of activities in addition to the fireworks show. Pyro Spectaculars once again provided an excellent fireworks display for the 2010 event. The Laguna Hills High School track and field was not subjected to any firework fallout this year. Expenditures for the 2010 Fourth of July Celebration totaled $48,672, which included $701.63 in labor costs for Saddleback Valley Unified School District (SVUSD) personnel to clean the pool area and roof tops at Laguna Hills High School. Net costs totaled $44,930, which accounted for $3,742 in ticket sales revenue. The adopted budget for FY 2010-2011 included $51,324 for the City's 2010 Fourth of July Celebration event, which included $23,500 for the fireworks show. Expenditures for the 2010 Fourth of July Celebration totaled $48,672. Net costs totaled $44,930, which accounted for $3,742 in ticket sales revenue.

RECEIVED AND FILED THE REPORT.

4.12 ECONOMICS RECYCLING CONSULTING SERVICES AGREEMENT (0400-10)

Written report from the Community Services Department indicated that the current recycling Consulting Services Agreement with EcoNomics would expire on August 30, 2010. Staff recommended the execution of a new ten month term agreement with EcoNomics to begin September 2, 2010. The not to exceed cost of the new Agreement was $35,000 and was funded by the City's recycling funds.

AUTHORIZED THE CITY MANAGER TO EXECUTE ECONOMICS RECYCLING CONSULTING SERVICES AGREEMENT APPROVED AS TO FORM BY THE CITY ATTORNEY.

4.13 HOUSEHOLD HAZARDOUS WASTE PROGRAM UPDATE (1060-50)

Written report from the Community Services Department indicated that on June 24, 2008, the City Council authorized staff to use the OC Surcharge Recycling Grant Fund of $20,000 to implement sharps waste and universal waste (i.e. batteries and compact fluorescent lamps (CFL)) drop-off programs within the City of Laguna Hills. An update report on these programs was presented to the City Council on September 22, 2009, and at that time staff informed the City Council that another update report would be presented to the City Council towards the end of fiscal year 2009/2010. The Sharps Waste program had 85 participants and the universal waste program drop-off locations resulted in a collection of 956 pounds of batteries and 1,025 CFL units since the date of the last update report. The current available fund balance of the OC Surcharge Recycling Grant Fund was $13,428 which would fund the City's Household Hazardous Waste (HHW) drop-off program for over a year. Staff recommended continuing forward with the City's existing HHW drop-off program. The funding for the collection of batteries and cell phones was provided by the OC Surcharge Grant fund, and the collection costs for CFL collection was funded by SDG&E. To date, the available fund balance of the OC Surcharge Recycling Grant was $13,428.

RECEIVED AND FILED THE REPORT.

ITEMS REMOVED FROM THE CONSENT CALENDAR

4.6 RESOLUTION ESTABLISHING BANKING RELATIONS WITH UNION BANK AND DESIGNATING THE PERSONS AUTHORIZED TO TRANSACT BUSINESS ON BEHALF OF THE CITY (0400-10)

Mayor Bressette removed this item from the Consent Calendar to call attention to the exceptional job of staff in reviewing the City's banking relationship. Mayor Bressette reported that the relationship that a City had with its bank was very important, and reviewing that relationship and bringing a fresh proposal to the City Council was technically complex and was a procedure that required a great deal of attention to detail. The bank needed to be highly capitalized to provide good security for the City's investment, and in the same manner the bank need to provide exceptional service at a low cost; City staff found all of that in its new relationship with Union Bank. An additional but unexpected service that Union Bank would provide was the same day transfer of funds to and from the City's local agency investment fund account at no additional charge to the City. Mayor Bressette thanked staff members, Assistant City Manager Don White and Finance Manager Janice Reyes for their excellent work on this issue.

Written report from the Administrative Services Department indicated that the City's Financial Policies required a competitive Request for Proposal (RFP) process in the selection of banking services every five years. Staff had

completed a competitive RFP process and recommended that the City establish its banking relations with Union Bank. The spread between the current monthly service charge from Bank of America and estimated monthly service charge from Union Bank was $459.16. Annualized, the spread would mean a savings of about $5,510 to the City. Savings was also projected in terms of lower merchant service fees as well.

IT WAS MOVED BY MAYOR BRESSETTE, SECONDED BY COUNCIL MEMBER CARRUTH, TO ADOPT RESOLUTION NO. 2010-08-24-1, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ESTABLISHING BANKING RELATIONS WITH UNION BANK AND DESIGNATING THE PERSONS AUTHORIZED TO TRANSACT BUSINESS ON BEHALF OF THE CITY.

The motion carried by the following vote:

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

5. CITY COUNCIL PUBLIC HEARINGS

5.1 APPROPRIATION OF CITIZENS' OPTION FOR PUBLIC SAFETY FUNDS (0260-60)

Chief of Police Services Doan indicated that it was that time of the year again for the City Council to consider State of California appropriated money for the continued funding of the Citizen's Option for Public Safety Program. Chief of Police Services Doan indicated the funds would offset the cost of funding for one Lieutenant position.

Mayor Bressette opened the Public Hearing and upon seeing no one rise, closed the Public Hearing.

IT WAS MOVED BY COUNCIL MEMBER SONGSTAD, SECONDED BY COUNCIL MEMBER CARRUTH, TO APPROPRIATE MONIES FROM THE CITIZENS' OPTION FOR PUBLIC SAFETY FUNDS TOWARDS THE RECOMMENDATIONS OUTLINED IN THE REPORT.

The motion carried by the following vote:

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

PLANNING AGENCY

Mayor Bressette recessed the City Council meeting to the Planning Agency meeting at 7:05 p.m. and reconvened the City Council at 7:06 p.m. All Council Members were present, with the exception of Mayor Pro Tempore Scott.

6. ADMINISTRATIVE REPORTS

6.1 City Manager

The City Manager made no reports.

6.2 Assistant City Manager

A. LEASE AGREEMENT WITH THE SOUTH ORANGE COUNTY REGIONAL CHAMBERS OF COMMERCE FOR 24031 EL TORO ROAD, SUITE 300, LAGUNA HILLS, CALIFORNIA (0710-10)

Assistant City Manager White indicated when the City purchased the building in 2002 the City had several goals. Mr. White stated one of the goals was to cover the City's occupancy costs, and to make money. The City had achieved that goal every year. Mr. White indicated that the City occupied approximately 20,000 square feet and leased out close to 30,000 square feet of space. The City wanted to attract tenants to the building that would be a good fit for the Laguna Hills Civic Center and tenants that would benefit the Laguna Hills community. The City was able to do that by having the Orange County Clerk Recorder's Office and the District office of State Senator Mimi Walters. Mr. White indicated that for several months staff had been in discussions with the South Orange County Regional Chambers of Commerce and had consummated a Lease Agreement. Mr. White indicated that this was a good deal for the City and the Chamber. The lease was for a three-year period and Mr. White hoped that the Chamber would find it to be a permanent home and possibly expand to a larger space.

Barbara Kogerman, Laguna Hills, indicated that she was thrilled with the development as a former President of the Chamber, and then CEO of the Regional Chamber of Commerce, she believed there was no better organization to serve the community. Ms. Kogerman indicated

the Chamber would be a wonderful tenant and hoped that it would strengthen the bond between the City and the business community.

Jim Leach, Chairman of the Board of the South Orange County Chamber of Commerce, indicated the Chamber had been through a couple of years of challenges, along with the business community, and now had a renewed sense of purpose, a renewed organization, and a new home. Mr. Leach appreciated the good faith with which the City negotiated the Lease Agreement, and they were pleased to be a part of the community and to have the Chamber offices at the Laguna Hills Civic Center.

IT WAS MOVED BY COUNCIL MEMBER CARRUTH, SECONDED BY COUNCIL MEMBER SONGSTAD, TO AUTHORIZE THE CITY MANAGER TO EXECUTE LEASE DOCUMENTS WITH THE SOUTH ORANGE COUNTY REGIONAL CHAMBER OF COMMERCE FOR 24031 EL TORO ROAD, SUITE 300, LAGUNA HILLS, CALIFORNIA.

The motion carried by the following vote:

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

6.3 Public Services Director/City Engineer

A. EVALUATION OF TRAFFIC SPEEDS ON MUSTANG DRIVE (0860-50)

Public Services Director Rosenfield indicated that a resident of the community had contacted staff and expressed a concern with regard to traffic speeds on Mustang Drive. Staff implemented a standard evaluation of the traffic speeds on that roadway by taking radar speed surveys on two dates in June 2010. The results of those speed surveys indicated the 85th percentile speed was approximately 35 miles per hour. The City's Residential Streets Traffic Management Policy recognized that traffic speeds on residential streets in excess of 34 miles per hour was a trigger point for considering incremental approaches to addressing traffic control issues. Staff presented the results to the Traffic Commission at the meeting of July 21, 2010. The Traffic Commission recommended the posting of 25 mile per hour speed limit signs and "25" pavement legends at two locations on Mustang Drive along with an additional 25 mile per hour sign at the entry street of Appaloosa Place. Staff recommended that the City Council confirm the Traffic Commission recommendation.

IT WAS MOVED BY COUNCIL MEMBER SONGSTAD, SECONDED BY COUNCIL MEMBER LAUTENSCHLEGER, TO AUTHORIZE THE ADDITION OF 25 MILE PER HOUR SPEED LIMIT SIGNS, "25" PAVEMENT LEGENDS, AND DIRECTED POLICE ENFORCEMENT AS RESOURCES PERMITTED FOR SPEED ISSUES ON MUSTANG DRIVE BETWEEN NELLIE GAIL ROAD AND BUCKSKIN DRIVE.

The motion carried by the following vote:

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

7. OTHER BUSINESS

There was no Other Business.

8. MATTERS PRESENTED BY MAYOR AND COUNCIL MEMBERS

8.1 Mayor Bressette

A. AMENDMENT TO LAGUNA HILLS MUNICIPAL CODE TITLE 3, CHAPTER 3-08 PURCHASING SYSTEM (0480-20)

Mayor Bressette indicated that he was bringing this issue forward because he believed the City's purchasing system under Chapter 3-08 needed to be amended to allow for the City Council to approve purchases of all City vehicles, with the exception of Public Safety vehicles, prior to their purchase. In July of 2009, City staff acquired a new vehicle for the use of the City Manager in accordance with his contract. Mayor Bressette indicated that the purchase of that vehicle was a complete surprise to him until it was listed on the warrant register at the City Council meeting of August 25, 2009. Mayor Bressette stated the purchase of a new City vehicle for $60,000 was questionable to him after the City Council's long and serious debate about the depth of the budget cuts that the City Council was required to make to balance the biennial budget, including the elimination of two sheriff deputy positions. It would be impossible, as anyone knows who had bought a car, to return any car once you had driven it off the lot without a substantial loss. Mayor Bressette indicated that the matter passed without comment, but certainly not without notice.

Mayor Bressette proposed that the City Council amend Chapter 3-08 to provide for City Council approval of purchase of City vehicles prior to staff purchase. In addition to the contractual obligations of the City

Manager's vehicle which would be purchased every five years, there would be a few vehicle acquisitions made from time to time for Parks and Recreation, Building, Engineering and Public Works. Mayor Bressette indicated that the necessity of City Council approval would not be an undue burden on staff.

Barbara Kogerman, Laguna Hills, indicated it was the City's excesses that led to her work on the Orange County City Managers' Compensation report that sparked a national and state movement for honest transparency and accountability in local government. Ms. Kogerman indicated that the City Council's actions tonight needed to take into consideration vigorous compliance with and tightening up of the City's purchasing system regarding items of a total value under $50,000, such purchases require an approved budget and written approval of a purchasing supervisor who did not currently seem to exist. Ms. Kogerman indicated that for items of total value over $50,000 requiring a formal bid process, the City Manager exceeded the $50,000 total value clause in either case, as the total value of his 2009 car purchase was $60,000 minus twenty cents. The car was purchased using a $10,000 trade-in value, which was the disposal of City property, which required City Council prior approval for disposing anything over $5,000 in value, and there was no such approval until after the fact. Ms. Kogerman indicated that she hopeful the City Council would agree to tighten up those ordinances and ensure that they were vigorously enforced.

Council Member Carruth indicated much had been written about the car purchase and was a controversy that began late last year. Council Member Carruth reported she had not been aware of the car purchase until it appeared on the warrant register. Unfair or not, the Council Members were being held accountable and the car had become a symbol of lack of City Council oversight and excessive spending in harsh financial times. She believed that amending this Code section would provide full public and open process that would eliminate any signs of impropriety.

Council Member Songstad indicated that the City was financially strong and the acquisition of a City vehicle, like any other budgeted item, was taken care of during the budget process, and that was where this item should have been addressed. Council Member Songstad indicated he believed there was nothing wrong with the City's Code; the Code was clear and it had been followed. Council Member Songstad indicated that the City's vehicular purchases had not been the subject of any problem for the past 19 years. The City had purchased Community Services vans and Public Works trucks, and after the City had established a budget for those items and carefully considered them during the two-year budget discussions, the City

Council would have had to approve what it already approved during the budget process.

Council Member Lautenschleger indicated that according to the Code, the City Manager and staff were allowed to spend up to $50,000. Council Member Lautenschleger indicated that all of the Council Members voted for the purchase of the car when it was on the Consent Calendar in the warrant register and it could have been pulled at that time by any of the Council Members if anyone thought it was inappropriate. Council Member Lautenschleger stated that obviously it was not inappropriate at that time, but now it appeared to be inappropriate in an election year. Council Member Lautenschleger indicated that every City had a purchasing limit and the City staff had abided by the purchasing limit.

Council Member Songstad indicated that he wanted to remind the Council Members that the City had a Council-Manager form of government. The City Council were policy makers, the staff executed the polices, and this motion was contrary to that very form of government.

IT WAS MOVED BY MAYOR BRESSETTE, SECONDED BY COUNCIL MEMBER CARRUTH, TO DIRECT THE CITY ATTORNEY TO RETURN TO THE CITY COUNCIL MEETING OF SEPTEMBER 14, 2010, WITH THE FIRST READING OF AN ORDINANCE AMENDING THE LAGUNA HILLS MUNICIPAL CODE TITLE 3, CHAPTER 3-08 PURCHASING SYSTEM TO ADD THE FOLLOWING: "SECTION 3-08.040.D.3 – NOTWITHSTANDING ANYTHING IN THE CODE, THE ACQUISITION OF CITY VEHICULAR ASSETS SHALL REQUIRE PUBLIC CITY COUNCIL APPROVAL, WITH THE EXCEPTION OF PUBLIC SAFETY VEHICLES."

The motion failed by the following vote:

AYES: Council Member Carruth and Mayor Bressette
NOES: Council Members Lautenschleger and Songstad
ABSENT: Mayor Pro Tempore Scott

B. LAGUNA HILLS MUNICIPAL CODE TITLE 3, CHAPTER 3-08 PURCHASING SYSTEM, SECTION 3-08.040.A.1. - DEFINITION OF TERM "TOTAL VALUE" (0480-20)

Mayor Bressette indicated he was bringing the issue forward because the City's purchasing system under Chapter 3-08 needed to provide for a definition of "total value." Mayor Bressette indicated it was the phrase "total value" that caused some concern because the phrase "total value" was misunderstood to some of the City Council as it appeared on the warrant register. The phrase "total value" in this Chapter triggered a determination about which purchasing method was used under Section 6-08.040, open market or formal bids. The recent interpretation of the purchase of the vehicle was the price of $50,000, or what the City paid for the vehicle total value or was the total price before the trade-in total value. Mayor Bressette believed that made "total value" an ambiguous phrase that needed a definition. Mayor Bressette requested that the City Attorney return to the City Council on the September 14, 2010, City Council meeting with the definition of "total value" so the City Council could avoid any ambiguity of the meaning in the future.

City Attorney Simonian indicated he did not think there would be a definition of "total value" that would address the Mayor's concerns. City Attorney Simonian indicated that he would need more detail on the concerns of the Mayor in order to recommend what the solution would be. "Total value" was described in certain business dictionaries as the sum of all expenditure liable to be incurred. City Attorney Simonian indicated that if the City used a leading definition recognized by business authorities he was not sure it would satisfy those concerns. City Attorney Simonian stated other options were "total retail price," or "total retail purchase price," and indicated that he would need direction from the City Council as to what the Council's vision was of a definition. City Attorney Simonian indicated that if the City Council was concerned about vehicle acquisitions the proper solution would be to specifically address vehicle acquisitions in a purchasing ordinance.

Council Member Songstad indicated that he understood the term "total value" and believed the Code section was fine the way it was.

Council Member Lautenschleger indicated that the City Manager had purchased a car every five to six years, was on call 24 hours a day, and used the car both professionally and personally. Council Member Lautenschleger indicated that this type of discussion only happened during an election year. Council Member Lautenschleger believed this discussion was out of line, and out of character for this City Council to be debating whether or not $10,000 was an appropriate purchase difference in a car. Council Member Lautenschleger stated that the policies were set and it was a part of Mr. Channing's contract that he was allowed to either lease or buy a car, and for the past 20 years this City Council had agreed to the term of his contract.

Council Member Carruth stated that if this City Council was not careful, the spirit of the Municipal Code may not be followed and believed the City Council needed to close this potential loop-hole, and create greater awareness and participation and a more open public process on large purchases.

IT WAS MOVED BY MAYOR BRESSETTE, SECONDED BY COUNCIL MEMBER CARRUTH, TO DIRECT THE CITY ATTORNEY TO RETURN TO THE CITY COUNCIL MEETING OF SEPTEMBER 14, 2010, WITH THE FIRST READING OF AN ORDINANCE AMENDING THE LAGUNA HILLS MUNICIPAL CODE TITLE 3, CHAPTER 3-08 PURCHASING SYSTEM TO INCLUDE A DEFINITION OF THE TERM "*TOTAL VALUE*" AS FOUND IN SECTION 3-08.040.A.1. THE CITY ATTORNEY WILL PROVIDE A RECOGNIZED LIST OF ALTERNATE TERMINOLOGY RELATED TO "*TOTAL VALUE*", I.E., PURCHASE PRICE, RETAIL PURCHASE PRICE, APPRAISED PRICE, ETC., TO GIVE THE CITY COUNCIL THE CHOICE AS TO WHAT LANGUAGE TO INCLUDE INTO THE MUNICIPAL CODE AS SUBSTITUTE LANGUAGE FOR "*TOTAL VALUE.*"

The motion failed by the following vote:

AYES:	Council Member Carruth and Mayor Bressette
NOES:	Council Members Lautenschleger and Songstad
ABSENT:	Mayor Pro Tempore Scott

C. CITY STAFF COMPENSATION (0520-10)

Mayor Bressette indicated the City of Laguna Hills wanted to provide an easy and understandable format of full and complete details as to what the taxpayers paid in salaries and benefits to the City Council and City Management. Mayor Bressette indicated that City staff had published on the City's website a report entitled "*Public Officials*

Compensation Report" that was neither complete in content nor detail, nor was it necessarily easy to understand all of the figures presented. Mayor Bressette reported that the report detailed what City Council Members earned as a monthly stipend as allowed by law, income from other city related responsibilities that they had agreed to accept, retirement, and medical benefits, and a gross amount of business travel that the five City Council Members spent on an average. Mayor Bressette believed the information was understandable but the public did have to do a little math to understand that the Mayor's total City compensation was $24,487.44 when the Public Employees Retirement System (PERS) retirement and medical benefits were included. Management staff compensation included a description of job duties and educational biographical information on each member of the management staff which was not necessary to be included in a disclosure of salaries and benefits. The Management Staff Compensation Report disclosed base salaries, bonuses, and a lump sum value of benefits. In the case of the management staff compensation, the report did the math and totaled the amount of salaries and benefits for each member of the management team. However, there was additional compensation that was not included in the figures presented that Mayor Bressette believed should be included.

Mayor Bressette believed the report fell short of what the residents deserved, and that the City should provide understandable and complete disclosure of salaries and benefits. Without an understandable and complete disclosure the debate of Laguna Hills salaries and benefits would be about whether the numbers were accurate and complete, not about whether the salaries and benefits were appropriate. The debate should only be about whether or not the total compensation was appropriate. Mayor Bressette indicated it should not be that complicated to report the total compensation of City employees; add up everything paid to an employee salary, bonus, unused vacation pay they cashed in and everything paid on behalf of the employee, retirement, insurance, and the personal use of City assets and that would be the total compensation. Mayor Bressette indicated that he finds himself tonight seeking City Council approval to direct the City Manager to amend the Public Officials Compensation Report to add a table in the report that provided the detailed salaries and benefits of each City Council Member and each member of the management staff and to add to the report taxable vacation pay and employer's portion of Public Employee Retirement Systems.

Barbara Kogerman, Laguna Hills, indicated in her Orange County City Manager's Compensation report she took each item that appeared as a part of this City Manger's employment contract, and considered it as

compensation paid for by the taxpayers, quite similar to what the Mayor was proposing. She indicated she was grateful that legislation was now being considered by the State of California, and had been told by both Senator Lou Correa and State Assemblyman Chris Norby they would most likely use the same definition as to what constituted compensation. Mrs. Kogerman indicated she was pleased after 19 years that this City Council might consider a useful and straightforward definition of compensation, and hoped the City Council would be more accountable to the taxpayers by moving forward with her recommendations as put forth in her report and as proposed tonight by the Mayor.

Council Member Carruth was very proud that the City of Laguna Hills had provided the most detailed information of all the 34 Orange County cities, and had given out the most truthful information. Council Member Carruth believed that other cities would ultimately comply with the request to provide full disclosure. She was also proud of how staff had cooperated in providing this information; however, she still believed the City could provide more. She believed Laguna Hills needed to be sure that those loyal and faithful residents who trusted this City Council deserved to have this information.

Council Member Lautenschleger indicated that anyone could view the City Manager's contract, or the compensation report on the City's website. Council Member Lautenschleger indicated that the City had listed more salary information than any other city in Orange County. Less than half of the cities in Orange County had posted information. Council Member Lautenschleger indicated that Laguna Hills had one of the most complete reports on their website, and had never withheld any information. Council Member Lautenschleger also indicated that maintenance on vehicles, social security benefits, or Medicare benefits were not compensation. He was hopeful that legislation would pass that would define compensation. Council Member Lautenschleger indicated that the City Council was fiscally responsible.

Council Member Songstad believed the terms employee "compensation" and employee "costs" were being confused. Council Member Songstad stated the report posted on the website was a fine report in that it gave a very clear and detailed explanation of what the City contributed for each employee, and he took offense to the comments that it was not complete or accurate.

IT WAS MOVED BY MAYOR BRESSSETTE, SECONDED BY COUNCIL MEMBER CARRUTH, TO DIRECT THE CITY MANAGER TO PROVIDE COMPLETE AND ACCURATE CITY COUNCIL AND CITY STAFF COMPENSATION, WHICH SHALL INCLUDE BUT IS NOT LIMITED TO, ALL TAXABLE

VACATION PAY AND THE EMPLOYER'S PORTION OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS), IN A DETAILED TABLE OF SALARIES AND BENEFITS IN THE PUBLIC OFFICIAL'S COMPENSATION REPORT AS PUBLISHED ON THE CITY'S WEBSITE AND ELSEWHERE.

The motion failed by the following vote:

AYES:	Council Member Carruth and Mayor Bressette
NOES:	Council Members Lautenschleger and Songstad
ABSENT:	Mayor Pro Tempore Scott

9. CLOSED SESSION

There was no Closed Session.

ADJOURNMENT

There being no further business before the City Council at this session, Mayor Bressette declared the meeting adjourned at 8:23 p.m.

Peggy J. Johns

PEGGY J. JOHNS, CITY CLERK

ATTEST:

Randal Bressette

RANDAL BRESSETTE, MAYOR

APPROVED AT MEETING OF SEPTEMBER 14, 2010.