

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

May 6, 2025

CALL TO ORDER: Mayor Waldman called the Regular Meeting of the La Palma City Council to order at 5:30 p.m. in the Council Chambers of La Palma City Hall, 7822 Walker Street, La Palma, California.

CLOSED SESSION

CS-1. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code section 54957.6.

Agency Designated Representatives: Mike Egan, Interim City Manager
Ryan Hallett, Assistant City Manager

Employee Organizations: La Palma General Employees
Association
La Palma Police Association
La Palma Professional Employees
Association

Unrepresented Employees: Executive Management

CS-2. PUBLIC EMPLOYEE APPOINTMENT/RECRUITMENT

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

Position Title: City Manager

Mayor Waldman adjourned Closed Session at 6:00 p.m.

OPEN SESSION TO BEGIN AT 6:30 P.M.

Mayor Waldman reconvened in Open Session at 6:30 p.m. and asked for a report out of Closed Session.

City Attorney Thind announced that there were no reportable actions on Items CS-1 and CS-2.

PLEDGE OF ALLEGIANCE

Council Member Baker

INVOCATION

Pastor Matthew Agosto, City Church

ROLL CALL

Council Members present: Council Member Baker, Council Member Keo, Council Member V. Patel, Mayor Pro Tem N. Patel, and Mayor Waldman

Council Members absent: None

City Officials present: Mike Egan, Interim City Manager
Ajit Thind, City Attorney
Joe Cisneros, Deputy City Manager
Belinda Deines, Public Works & Community Development Director
Joe Guerrero, Police Chief
Kimberly Kenney, City Clerk
Mike Matsumoto, Financial Consultant

PRESENTATIONS

Mayor Pro Tem Patel issued certificates to tutors and board members of the Young Leaders of Orange County (YLOC) in recognition of their Ten-Year anniversary.

Mayor Pro Tem Patel issued certificates to John F. Kennedy High School's Basketball, Cross Country, Golf, Football, Soccer, Volleyball, and Wrestling sports team members in recognition of their Championships.

Mayor Pro Tem Patel issued a proclamation to Orange County Fire Authority Division 7 Chief Schuetz in recognition of May through August as Drowning Prevention.

Mayor Pro Tem Patel issued proclamations to City leaders in recognition of Asian American Pacific Islanders (AAPI) Month.

Council Member Keo recognized Orange County Supervisor's proclamation dedicated to Cambodian Heritage Month.

Interim City Manager introduced Norma Alley as La Palma's new City Clerk; Jake Chavira as La Palma's new Public Works Manager; and Evan Archer as La Palma's new Water Worker.

ORAL COMMUNICATIONS (Time Limit: 5 Minutes Each)

Sharon Gutjhar, a La Palma resident, addressed the City Council regarding her opposition to the medians appearance and layout; and in remembrance of her past husband who was a veteran, requested to have special recognition for Veteran's Day since it's a National holiday.

Council Member Keo recognized the importance of Veteran's Day, her future plans to recognize the date, and announced Ms. Gutjhar's request was heard and acknowledged.

James Bates, a La Palma resident, addressed the City Council regarding the street racing incident that happened on Orangethorpe Avenue; the negative impacts on his apartment community; and that he requested the Police Department address his concerns.

Gerard Goedhart, a La Palma resident, announced that he would like to address Agenda Items 16 regarding the budget and the potential deficit.

CONSENT CALENDAR

All matters listed under Consent Calendar will be acted upon by one motion affirming the action recommended on the Agenda. There will be no separate discussion on these items prior to voting unless members of the City Council, Staff, or the public request that specific items be removed from the Consent Calendar for separate action. Any member of the public who wishes to discuss a Consent Calendar item should come forward to the microphone and, upon recognition by the Mayor, state their name, address, and the item number.

1. Waive the Reading of All Ordinances

Waive the reading of all Ordinances in their entirety and read by title only.

2. Approval of Council Minutes
Minutes of the April 1, 2025, Regular Meeting, and Minutes of the April 15, 2025, Special Meeting of the City Council.
3. Approval of Register of Demands
Resolution No. 2025-20 approving the Registers of Demands for April 15, 2025, and May 6, 2025.
4. Resolution Amending the City Council's Regular Meeting Schedule
Resolution No. 2025-21 amending the City's Council's Regular Meeting schedule for July and December, 2025.
5. Authorize Funding for Annual Contribution to the North Orange County Service Planning Area
Appropriate and allocate \$141,750 from its Housing Fund to cover the City's Fiscal Year 2024-25 required contribution to the North Orange County Service Planning Area.
6. Update to Authorized Signatories for City Banking and Investment Transactions
Resolution No. 2025-22 revising authorized signatories for the City's banking and investment accounts.
7. Agreement between the County of Orange and City of La Palma for the AlertOC Mass Notification System.
Approve and authorize the Interim City Manager, or authorized designee, to execute a Memorandum of Understanding between the City and the County of Orange to allow their use of the County's Countywide Mass Notification System under the terms and conditions of the County's Countywide Mass Notification System Operating Guidelines and vendor-provided agreements. This MOU shall be in effect from December 30, 2024, and shall expire on December 30, 2029.
8. Third Quarter Cash and Investment Report, Fiscal Year 2024-25
Receive and file the report.
9. Third Quarter Operating Report, Fiscal Year 2024-25
Receive and file the report.

10. Award of Contract for Professional Services for Print Publications

Authorize the Interim City Manager to execute an Agreement with The Dot Printer, Inc., to provide professional graphic design, printing and mailing services for the City's quarterly brochure, Mosaic, for an amount not to exceed \$50,000 annually.

11. Authorize Second Amendment to Waste Disposal Agreement

1. Approve the Waste Disposal Agreement one-year extension, including a 2.6% CPI disposal fee increase, through June 30, 2026; and
2. Authorize the Interim City Manager, or designee, to execute the Second Amendment to the Waste Disposal Agreement between the County of Orange and the City of La Palma.

12. Adopt a Resolution Identifying the Road Repair and Accountability Act List (SB 1) of Projects for Fiscal Year 2025-26

Resolution No. 2025-23 identifying a list of projects to be funded by Senate Bill 1 (SB 1), The Road Repair and Accountability Act, for Fiscal Year 2025-26.

13. Notification of Rate Adjustment for Waste and Recycling Services

Receive and file the report regarding the rate adjustment for residential and commercial waste and recycling services, effective July 1, 2025.

Mayor Pro Tem Nitesh Patel made a motion to approve Consent Calendar Items 1-10.

The motion was seconded by Council Member Baker and carried on the following vote:

AYES: Council Member Baker, Council Member Keo, Mayor Pro Tem Nitesh Patel, Council Member Vikesh Patel, and Mayor Waldman

NOES: None

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

14. Adoption of 2025 City Council Goals and Objectives

It is recommended that the City Council approve and adopt the 2025 Goals and Objectives.

Deputy City Manager Cisneros gave the Staff Report.

Council Comments and Questions:

None.

Public Input:

No members of the public wished to speak.

Council Member Baker made a motion to approve and adopt the 2025 Goals and Objectives.

The motion was seconded by Council Member Keo and carried on the following vote:

AYES: Council Member Baker, Council Member Keo, Mayor Pro Tem Nitesh Patel, Council Member Vikesh Patel, and Mayor Waldman

NOES: None

Mayor Waldman moved up Item 16 on the Agenda so a member of the public can speak on the matter as requested.

16. Long-Term Fiscal Status and Draft Fiscal Year 2025-26 Budget

It is recommended that the City Council:

1. Receive the staff presentation on the Long-Term Fiscal Status Update;
2. Receive an overview of the Draft Fiscal Year 2025-26 Budget and provide direction for additional materials or information needed for the final budget to be presented on June 3, 2025; and
3. Transfer \$4.3 million from General Fund Unreserved Fund Balance to Emergency Reserve (\$2.3 million), Capital Outlay Reserves (\$1 million) and General Fund Budget Reserve (\$1 million) funds.

Financial Consultant Mike Matsumoto gave the Staff Report.

Council Comments and Questions:

Discussion ensued regarding the \$25,000 training budget for Goal Setting, that Council Member Keo suggested that the City Council eliminate this spending for a consultant; and clarification that if the City did not do the planned fund transfers, the 10-year forecast would not show a deficit.

Public Input:

Gerard Goedhart, a La Palma resident, addressed the City Council regarding the lack of assumptions in the Staff Report; opposition to the deficit; that the Staff Report did not explain how to fix the deficit; that the estimates in the proposal are high; that he is troubled by the proposed 10-year forecast; the previous history of La Palma's finances and the cuts made to resolve concerns; the current economic uncertainty; opposition to the City Council voting in favor of the labor agreements and address the deficit with labor groups that could result in job losses; and ensure the City's financial future by not thinking short-term.

Council discussion ensued regarding the 3.5% percent increase in property taxes projected each year, but the actual is going up 6%; that the City consistently uses more conservative numbers when making assumptions for the fiscal budget forecast; that only in Fiscal Year 2008-09 was the 3.5% increase not achieved; that other assumptions used for this forecast is the anticipated sales tax increase that is expected; that the TOT was assumed below last year's total, even though it might increase by 1%; that once the City stopped reliance on the bulk fuel source, we stopped adding it to the budget altogether; that bulk fuel is no longer counted as revenue when making projections; that even if the City goes into a recession, it only means we won't see as large of a surplus as presented; that it is likely that our revenue will balance itself out because the City projects and makes assumptions on lower than expected revenue; that Staff took a 10% pay cut in the past; that Staff was

underpaid when compared to other comparable cities; and a brief history of the previous Staff cuts and labor agreements.

Mayor Waldman made a motion to approve the transfer of \$4.3 million from General Fund Unreserved Fund Balance to the Emergency Reserve (\$2.3 million), Capital Outlay Reserves (\$1 million) and the General Fund Budget Reserve (\$1 million) funds.

The motion was seconded by Council Member Baker and carried on the following vote:

AYES: Council Member Baker, Council Member Keo, Mayor Pro Tem Nitesh Patel, Council Member Vikesh Patel, and Mayor Waldman

NOES: None

15. Ratification of Labor Agreements and Updated Management Resolution

It is recommended that the City Council take the following actions:

1. Adopt a Resolution approving the Memorandum of Understanding between the City of La Palma and the La Palma General Employees Association;
2. Adopt a Resolution approving the Memorandum of Understanding between the City of La Palma and the La Palma Professional Employees Association;
3. Adopt a Resolution approving the Memorandum of Understanding between the City of La Palma and the La Palma Police Association; and
4. Adopt a Resolution approving the Salary Schedule and Comprehensive Listing of Personnel Practices and Benefits for Executive Management Employees.

Deputy City Manager Cisneros gave the Staff Report.

Council Comments and Questions:

None.

Public Input:

Gerard Goedhart, a La Palma resident, addressed the City Council regarding his affirmation of previous comments urging the City Council not to approve the labor agreements; the potential deficit; that the City has already increased the TOT and fees; and asked the City Council to renegotiate with Staff.

Scott Yasuda, a La Palma resident, addressed the City Council regarding his support for former Council Member Goedhart's comments; that he would implore the City Council to postpone the labor agreements until a deeper analysis of revenues is examined; and his concern on how bankruptcy would affect a city and its residents.

Mayor Pro Tem Patel repeated the City's conservative fiscal projections even during the downturn during COVID; that after COVID, the City had a \$150,000 surplus; that Staff does not account for true revenues which helps during stagnate growth; that even today, the City's sales tax has not declined while the state sales tax has declined by 2%; that the reason for the deficit on paper is a result of the City Council transferring funds from the General Fund to other funds; that again, Staff does not account for bulk fuel revenue; that the City Council will be able to reevaluate where the City stands financially at the next labor negotiations in 3 years in FY 2028-29; that the City Council has a reopener clause in all labor agreements in case there is a future financial crisis; the City Council has always taken a conservative and cautious approach to the budget; the Financial Consultant's history and expertise in the field of finance; that there is no certainty regarding the economy; that projections were not made with respect to tariff impacts; that it is more prudent to act with caution with the proper safeguards, than to react out of fear; Mayor Pro Tem Patel's support for the proposals; that the same financial projections are being made today that were made during the previous presidential administration; that City Attorney Thind confirmed that all the labor agreements have a reopener clause in case of significant revenue downfalls; and that Mayor Pro Tem Patel suggested that Staff can keep the City Council abreast of sales tax numbers on a quarterly basis if he gives direction to do so at a later time.

Mayor Pro Tem Patel made a motion to adopt Resolution No. 2025-24 approving the Memorandum of Understanding between the City of La Palma and the La Palma General Employees Association.

The motion was seconded by Mayor Waldman and carried on the following vote:

AYES: Council Member Baker, Council Member Keo, Mayor Pro Tem Nitesh Patel, Council Member Vikesh Patel, and Mayor Waldman

NOES: None

Mayor Pro Tem Patel made a motion to adopt Resolution No. 2025-25 approving the Memorandum of Understanding between the City of La Palma and the La Palma Professional Employees Association.

The motion was seconded by Council Member Baker and carried on the following vote:

AYES: Council Member Baker, Council Member Keo, Mayor Pro Tem Nitesh Patel, Council Member Vikesh Patel, and Mayor Waldman

NOES: None

Mayor Pro Tem Patel made a motion to adopt Resolution No. 2025-26 approving the Memorandum of Understanding between the City of La Palma and the La Palma Police Association.

The motion was seconded by Council Member Baker and carried on the following vote:

AYES: Council Member Baker, Council Member Keo, Mayor Pro Tem Nitesh Patel, Council Member Vikesh Patel, and Mayor Waldman

NOES: None

Mayor Pro Tem Patel made a motion to adopt Resolution No. 2025-27 approving the Salary Schedule and Comprehensive Listing of Personnel Practices and Benefits for Executive Management Employees.

The motion was seconded by Council Member Baker and carried on the following vote:

AYES: Council Member Baker, Council Member Keo, Mayor Pro Tem Nitesh Patel, Council Member Vikesh Patel, and Mayor Waldman

NOES: None

COUNCIL MEMBER AB1234 REPORTS, REPORTS FROM CITY-AFFILIATED COMMITTEES, AND COUNCIL REMARKS

Council Member Vikesh Patel attended the City Selection Committee; Congressman Derek Tran's District Open House; a ride along with the La Palma Police Department (LPPD); the City Council's Special meeting; OC San Strategic Planning Meeting; the OC SAN Board of Directors meeting; the Orange County Library Advisory Board (OC LAB) Executive Committee meeting; and congratulated Norma Alley, Jake Chavira, and Evan Archer on their new positions.

Council Member Baker attended the OC San Operations Committee Meeting & Tour of Plant 2 in Huntington Beach; the Southern California Association of Governments (SCAG) Community, Economic, and Housing Development (CEHD) Policy Committee Meeting; the SCAG Regional Council Meeting; Congressman Derek Tran's District Open House; moderated the League of California Cities (Cal Cities) Mayors and Council Members Roundtable; the Orange County Older Adults Advisory Commission (OCAAC) Meeting; the Cal Cities Orange County Division (OC Div) Board of Directors Meeting; the Economic Development and Land Use Ad Hoc Meeting; the Cal Cities OC Div City Leaders Summit Prep Call; the City Council's Special Meeting; the OC San Strategic Planning Meeting; the Association of California Cities-Orange County (ACC-OC) Special Briefing; the Orange County Mosquito and Vector Control District (OCMVCD) Board of Trustees Meeting; the Orange County Council of Governments (OCCOG) Board Member Orientation; the 2025 Cal Cities City Leaders Summit; the OCCOG Board of Directors Meeting; the John F. Kennedy Scholarship Dinner; the Fiscal Year 2025-26 Budget Review meeting; the SCAG Regional Conference and General Assembly; the Ralph Anderson meeting regarding recruitment for new city manager; the Police Interacting with Youth (PIY) Graduation at George B. Miller Elementary School; the OCMVCD Budget Workshop Meeting; welcomed Norma Alley, Jake Chavira, and Evan Archer; congratulated YLOC on their 10th anniversary; congratulated the Athletic division of John F. Kennedy High School on their championships; wished everyone a happy Mother's day; and reminded everyone of the upcoming Memorial Day ceremony on Monday, May 26th at the Civic Center.

Mayor Pro Tem Patel attended the Orange County Fire Authority (OCFA) Finance Committee meeting; the Ad Hoc committee to interview the executive recruitment firms or the next City Manager position; the Special City Council meeting; the OCFA Executive Committee meeting; that he still attended the Festival of Nations parade to recognize the participants who showed up; the Ralph Anderson meeting regarding recruitment for new city manager; the John F. Kennedy Scholarship Dinner; the OCFA Human Resource Committee meeting; and announced he'd like to add some items to a future agenda.

Council Member Keo congratulated the youth being recognized during today's presentations; thanked the OC Board of Supervisors and City Council for recognizing April as Cambodian Heritage month; the Metropolitan Water District of Orange County (MWDOC) meeting; Congressman Derek Tran's District Open House; announced she is planning an Asian Heritage celebration with Congressman Derek Tran planned for May 23rd in Cerritos; the SCAG General Assembly; the Cal Cities Leaders Summit; a business mixer in Orange County; and wished everyone a happy Mother's day.

Mayor Waldman attended the Ad Hoc committee to interview the executive recruitment firms for the next City Manager position.

Pursuant to City Council Policy 1, Mayor Pro Tem Patel asked to agendaize the rescheduling the Festival of Nations (FON) to September, requesting a second on this request. Council Member Baker seconded his request. Additionally, he requested to recognize a family that helped to keep the attendees in the FON Parade dry and protect them from the rain and will get the name(s) over to the City Clerk's office. Council Member Baker seconded that request as well.

Council Member Keo requested a second for her Asian Heritage celebration event she's planning in Cerritos. Discussion ensued regarding whether this is a Council Agenda request that requires a second, or if this is simply an event she is inviting the City Council to attend, and clarification was made that this is not a matter for the Agenda. City Attorney Thind added a point of clarification that an invitation to an event does not require a second, but rather putting an item on the Agenda does require the second from a member of the City Council.

CITY MANAGER REMARKS

Interim City Manager Egan announced that this week is Professional Municipal Clerk's week and noted his recognition of City Clerk Kenney for her years of dedicated service and welcomed new City Clerk Alley on board. He added that this is also California Public Service Recognition Week and expressed his appreciation to the entire Staff.

CITY ATTORNEY REMARKS

City Attorney Thind had nothing to report.

ADJOURNMENT

Mayor Waldman adjourned the Regular Meeting of the La Palma City Council at 9:42 p.m. in memory of former resident and long time volunteer, Ted Reina, who passed away peacefully. He added that he served La Palma faithfully for 26 years as a Volunteer in Policing and was a trusted member of the La Palma Police Department, and closed by announcing the City Council's heartfelt condolences to his son John and his family.

Mark I. Waldman
Mayor

ATTEST:

Kimberly Kenney, CMC
City Clerk