

LAGUNA NIGUEL CITY COUNCIL
Minutes of the Regular City Council Meeting
February 19, 2019 – 6:00 p.m.

CALL TO ORDER – Mayor Jennings called the Regular City Council meeting to order at 6:00 p.m.

ROLL CALL

Mayor John Mark Jennings – Present
Mayor Pro Tem Laurie Davies – Present
Council Member Elaine Gennawey – Present
Council Member Fred Minagar – Absent
Council Member Sandy Rains – Present

PUBLIC COMMUNICATIONS ON CLOSED SESSION ITEMS

There were no public communications for Closed Session.

RECESS TO CLOSED SESSION

City Attorney Ennis read the Closed Session title into the record. He stated that the facts and circumstances are based upon letters dated October 6, 2017 and January 22, 2019 from Aaron Ehrlich, and a letter dated July 30, 2018 from Michael Tidus.

1. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to potential litigation pursuant to Paragraph (2) of subdivision (d) of Section 54956.9 of the Government Code.
Number of matters: Two Potential Cases

Mayor Jennings and the City Council recessed to Closed Session at 6:02 p.m.

At 6:53 p.m., City Attorney Ennis announced that there was no reportable action from the Closed Session.

RECONVENE FROM CLOSED SESSION – 7:00 P.M.

Mayor Jennings called the City Council meeting back to order at 7:01 p.m.

INVOCATION – Reverend Dawn Kuvich, Faith Episcopal Church

PLEDGE OF ALLEGIANCE – Cub Scout Pack 774

PRESENTATIONS

1. 30th Anniversary Recognition of Ricardo Nicol For His Contribution to Laguna Niguel's History

In honor of the City's 30th Anniversary, Mayor Jennings and the City Council presented a certificate to Ricardo Nicol, recognizing him for his contribution to Laguna Niguel's history.

PUBLIC COMMUNICATIONS

Jan McKenzie, resident, spoke about a survey she received from the National Police Association regarding California Senate Bill 54 (SB54).

City Manager Ridge stated that Laguna Niguel is not a sanctuary city and that the City Council took action in 2018 to oppose SB54, the legislation that made the state a sanctuary state.

CONSENT CALENDAR

Council Member Rains pulled Item No. 6 for comment.

Mayor Jennings abstained from voting on Item No. 5, as it relates to a contract with the Moulton Niguel Water District where his wife serves as a Board Director.

A MOTION was made by Mayor Pro Tem Davies, seconded by Council Member Gennaway, to approve the remainder of the Consent Calendar as presented.

Motion carried 4-0-1, with Council Member Minagar being absent and Mayor Jennings abstaining from voting on Item No. 5.

1. Warrants of February 19, 2019

Approved as written.

2. Payroll Summary Register

Approved as written.

3. Minutes of the Regular City Council Meeting on February 5, 2019

Approved as written.

4. Approval of Resolutions of Commendation and Proclamations Honoring Individuals, Programs and Events

Approved the preparation of the following resolutions and proclamations for presentation at a future date:

Annual Proclamations

1. Orange Coast Mayor's Prayer Breakfast – March
2. DMV/Donate Life California Month – April
3. Earth Day - April
4. Mental Health Awareness Month – May
5. Older Americans Month – May
6. Municipal Clerks Week – May
7. Parks and Recreation Month – July
8. Constitution Week – September

Annual Proclamations (cont.)

9. World Alzheimer's Awareness Month – September
10. Fire Prevention Week – October
11. Small Business Saturday – November

Annual Resolutions

1. Nowruz Persian New Year - March
 2. Eagle Scouts – Year Round
 3. Girl Scout Gold – Year Round
- 5. Acceptance of Quitclaim Deeds and Approval of Easement for Moulton Niguel Water District for Water Facilities Located at Crown Valley Park**
- a. Accepted the Quitclaim of the existing Moulton Niguel Water District Water Easement, Instrument No. 2016000456123, located at Crown Valley Park;
 - b. Accepted the Quitclaim of the existing Moulton Niguel Water District Water Easement, Instrument No. 2016000650376, located at Crown Valley Park;
 - c. Authorized the City Manager to execute the Quitclaim Deed Certificate of Acceptance for Instrument No. 2016000456123, Water Facilities at Crown Valley Park to Moulton Niguel Water District;
 - d. Authorized the City Manager to execute the Quitclaim Deed Certificate of Acceptance for Instrument No. 2016000650376, Water Facilities at Crown Valley Park to Moulton Niguel Water District;
 - e. Approved the Proposed Easement Grant to Moulton Niguel Water District; and
 - f. Authorized the City Manager to execute the Proposed Easement Grant with Moulton Niguel Water District.
- 7. Approval of Contract for Purchase and Installation of Trash Control Devices on Storm Water Catch Basins**
- a. Authorized the use of the existing Master Agreement between the County of Orange and United Storm Water, Inc. for the Purchase and Installation of Trash Control Devices on Storm Water Catch Basins Project;
 - b. Approved the Contract with United Storm Water, Inc. for the Purchase and Installation of Trash Control Devices on Storm Water Catch Basins in the amount of \$264,335.27;
 - c. Authorized the Public Works Director/City Engineer to process change orders in an amount not to exceed 10% of the total contract for \$26,433.53, for a total not to exceed amount of \$290,768.80 if needed; and
 - d. Authorized the City Manager to execute the Contract with United Storm Water, Inc.

8. Saltaire Community Permit Parking District 90-Day Review

- a. Directed staff to not install red curb on corner radiuses on Dunn Street, Port Street, Stern Street and Stream Street; and
- b. Directed Police Services to continue to provide parking enforcement as time and personnel permit.

9. Approval for Purchase of Replacement Backstop Netting at Niguel Hills Middle School Softball Complex

- a. Approved the purchase of replacement backstop netting at Niguel Hills Middle School Softball Complex for \$12,808.11; and
- b. Authorized the City Manager to approve a purchase order for \$12,808.11.

10. Approval of Sports Sponsorship Request for Laguna Niguel Lightning Baseball Club

Approved sponsorship funding for \$1,000 to the Laguna Niguel Lightning Baseball Club.

ITEMS PULLED

6. Approval of First Amendment to the Construction Contract for Crown Valley Park Community Building Project, Bid Package #16 – Painting, Cash Contract No. 18-26 with Wilson & Hampton Painting

Council Member Rains inquired about the longevity of the new paint that will be used for the fence compared to the paint that has been used in the past.

Public Works Director Scott stated that the proposed high performance paint coating will last approximately 15 years before it is required to be repainted. She stated that due to the pool environment and the chemicals that are involved in maintaining the pool, the prior coating would need to be repainted every 3 to 5 years.

A MOTION was made by Council Member Rains, seconded by Mayor Pro Tem Davies, to:

- a. Approve the First Amendment to the Construction Contract for Crown Valley Park Community Building Project, Bid Package #16 – Painting, Cash Contract No. 18-26 with Wilson & Hampton Painting to increase the contract amount by \$83,501.27 for a total not to exceed contract amount of \$343,334.27; and
- b. Authorize the City Manager to execute the First Amendment to the Construction Contract for Crown Valley Park Community Building Project, Bid Package #16 – Painting, and Cash Contract No. 18-26 with Wilson & Hampton Painting.

PUBLIC HEARING

1. Public Hearing and Appeal of Planning Commission Action for General Plan Amendment GPA 14-01, Zone Change ZC 14-02, Tentative Tract Map TT 17433, Site Development Permit SP 12-07, and Minor Adjustment MA 15-09 (SunPointe)

Mayor Jennings introduced the item and read the title into the record.

Community Development Director Orduña provided information as stated in the staff report and gave a PowerPoint presentation on the history of the SunPointe project (SunPointe). He stated that the City's General Plan allows construction of 35 units for the site located next to Country View Estates, and that this item is a request to increase the General Plan projection for the site by 18 units to 53 units. He stated that in reviewing the General Plan Amendment (GPA) request on January 22, 2019, the Commission noted that it is common practice for cities to modify area development intensities independent of specific development and proposals. He stated that the Commission unanimously recommended that the City Council approve the GPA request. He reviewed staff's recommendation and referred to additional items as presented in the Red Folders, including a letter from the project applicant recounting the traffic analysis determining that the streets in the area were adequate to support the traffic that would accompany the increase in units. He stated that also included in the Red Folders were emails from residents objecting to the project and a letter from Aaron Ehrlich, Counsel for Colinas de Capistrano Community Association, objecting to the project.

Charlie Mallon, representing Euland Capital Enterprises, LLC, applicant for the SunPointe project (SunPointe), provided a brief PowerPoint presentation regarding the history of SunPointe. He stated that at their meeting on January 22, 2019, the Planning Commission unanimously recommended approval of the GPA for 53 units. He reviewed the 53 unit concept goals and provided an overview of the recommendations and findings in the certified EIR, including all of the environmental review items. He asked the City Council to support staff's recommendation as well as the unanimous recommendation from the Planning Commission to approve the 53 unit GPA. Mr. Mallon answered questions from Council Member Rains regarding multiple meetings with residents opposing the potential 71 units prior to the item being presented to the Planning Commission.

Mayor Jennings opened the public hearing.

PUBLIC SPEAKERS

Aaron Ehrlich, Counsel for Colinas de Capistrano Community Association, spoke in opposition to SunPointe.

David Flournoy, resident, spoke in opposition to SunPointe.

Jan Henry, resident, spoke in opposition to SunPointe.

Luke Burson, resident, spoke in opposition to SunPointe.

Robert Gaul, resident, spoke in opposition to SunPointe.

Jim Arndt, resident, spoke in opposition to SunPointe.

Colleen Shin, resident, spoke in opposition to SunPointe.

Mayor Jennings closed the public hearing.

Discussion ensued regarding the proposed 53 unit project and public concerns.

Mayor Jennings read staff's recommendation and asked for clarification from Mr. Mallon that the applicant would withdraw the request for approval of Zone Change ZC 14-02.

Mr. Mallon confirmed that the applicant would withdraw Zone Change ZC 14-02.

A MOTION was made by Mayor Pro Tem Davies, seconded by Mayor Jennings, to approve Item b. under staff's recommendation and adopt Resolution No. 2019-1275, approving General Plan Amendment GPA 14-01 (as modified to allow up to 53 dwelling units).

Motion carried 4-0-1, with Council Member Minagar being absent.

Council Member Gennawey requested that under Item d. in staff's recommendation, on page 3 of Resolution No. 2019-1275, that language be inserted after Item No. 3, that the City Council encourages the Planning Commission to ensure balanced grading will occur to eliminate mass export of soil.

City Attorney Ennis recommended that the language in Resolution No. 2019-1276 be stated as follows: "The City Council directs the Planning Commission to encourage a project design that includes a balanced grading plan with elimination or minimization of mass import or export of soil."

Council Member Gennawey concurred with the language as stated by City Attorney Ennis.

A MOTION was made by Council Member Gennawey, seconded by Mayor Pro Tem Davies, to:

- d. Adopt Resolution No. 2019-1276, as amended, referring Tentative Tract Map 17433, Site Development Permit SP 12-07, and Minor Adjustment MA 15-09, back to the Planning Commission, with direction to revise the entitlements in a manner consistent with the above described City Council actions, and include the following language as Item No. 4: "The City Council directs the Planning Commission to encourage a project design that includes a balanced grading plan with elimination or minimization of mass import or export of soil."

Motion carried 4-0-1, with Council Member Minagar being absent.

FINANCE

1. Fiscal Year 2018-19 Mid-Year Budget Review

Finance Director Erlandson provided information as stated in the staff report and gave a PowerPoint presentation regarding the Fiscal Year 2018-2019 Mid-Year Budget. He reviewed the City's philosophy and assumptions, adopted budget highlights, significant revenue and resource items, and proposed operating expenditure changes. He also provided information on the proposed Capital Improvement Program expenditure changes, Capital Improvement Programs underway and items for future consideration. He stated that the City received the first cost estimate from the Orange County Sheriff's Department (OCSD) for the Fiscal Year 2019-20 Police Services contract, and that the OCSD Administrative Service Command estimates that the contract cost may increase by 2.64% or approximately \$388,000. He stated that historically, the first estimate is higher than the final contract cost and a more refined cost increase will be presented to the City Council as part of the budget workshop in May 2019. He stated that the City's CalPERS employer rates for its three-tiered pension program will increase as a result of CalPERS decision to lower the discount rate from 7.50% to 7.00%.

Discussion ensued regarding the 2018-2019 Mid-Year Budget and the proposed changes.

A MOTION was made by Council Member Rains, seconded by Council Member Gennaway, to adopt Resolution No. 2019-1274, modifying the FY 2018-19 City Budget revenue estimates and appropriations.

Motion carried 4-0-1, with Council Member Minagar being absent.

2. Presentation on Funding Options for the City's CalPERS Retirement Plans

Finance Director Erlandson provided information as stated in the staff report. He stated that staff was tasked with researching the feasibility of establishing an irrevocable trust for the City's CalPERS retirement plans as part of the Finance Department's Fiscal Year 2018-19 Key Projects and Future Initiatives. He stated that staff engaged Bartel Associates, LLC (Bartel) to perform an analysis in addition to staff attending a CalPERS workshop dedicated to prefunding pension and other post-employment benefit programs. He introduced Joseph D'Onofrio, Assistant Vice President for Bartel, to provide a report and presentation.

Mr. D'Onofrio gave a PowerPoint presentation and stated that CalPERS conducts an evaluation of the City's pension plan every year. He reviewed information from the June 30, 2017 valuation report from CalPERS for the Fiscal Year 2019-20 contribution and stated that the unfunded liability amount is \$7.5 million. Mr. D'Onofrio also discussed the various prefunding methods the City could undertake to reduce its unfunded liability and provide for rate stabilization.

Mr. D'Onofrio answered questions from the City Council.

City Manager Ridge stated that CalPERS announced that they are going to add a vehicle to prefund pension liability which they have never done before and it is expected to be rolled out in July 2019. She stated that CalPERS did implement a vehicle several years ago for agencies to fund Other Post-Employment Benefits (OPEB), which many cities did participate in. She stated that staff will continue to research and evaluate options and will return with a recommendation to the City Council at a future date.

Discussion ensued.

A MOTION was made by Mayor Jennings, seconded by Council Member Rains, to receive and file the report.

Motion carried 4-0-1, with Council Member Minagar being absent.

CITY MANAGER

2019 Legislative Platform

City Manager Ridge stated that it was a goal and objective of the City to have a Legislative Platform to present to the City Council and is something that the City has never done before. She stated that the purpose of the Legislative Platform is to set up the framework and the guiding principles for staff to respond immediately to support or oppose proposed legislation based on parameters set forth in the Platform. She stated that Aaron, Spradlin, Management Analyst, was responsible for coordinating the Platform and introduced him as the presenter.

Mr. Spradlin gave a PowerPoint presentation and provided information on the purpose of the Legislative Platform (Platform). He stated that the Platform is a tool to protect and promote the City's interests and core values on priority issues, legislative and regulatory matters that may impact the City. He provided an overview of the guiding principles, policy statements, and gave a description of the Platform process.

Council Member Gennaway requested that the following language be added as stated:

- a. On Page 4 under Guiding Principles - II. Fiscal Responsibility; add "or unfunded mandates" to the very last sentence.
- b. On Page 5, under Policy Statements – Local Control; add another bullet at the bottom that somewhat mirrors the one right above it but regarding state efforts; "To oppose state efforts that would bypass local ordinances."
- c. On Page 6 under Drug Abuse - Second bullet point item. After "Support efforts to fight back against the opioid crisis, in the middle of the sentence add a comma and add "drug and alcohol abuse." Then add a final bullet point to state, "Support efforts to eliminate access to vaping by underage youth."

Discussion ensued.

A MOTION was made by Mayor Jennings, seconded by Council Member Gennaway, to approve the 2019 Legislative Platform, as amended.

OTHER BUSINESS/COUNCIL REPORTS

1. Council Reports

Council Member Gennaway reported that she, along with Mayor Pro Tem Davies, coordinated the Bullying Prevention Workshop for middle school students. She announced that the next Bullying Prevention Workshop was scheduled for February 26th for elementary school students grades 2 through 4.

Mayor Pro Tem Davies announced that the Bullying Prevention Workshop scheduled for February 26th would take place from 6:00 p.m. to 7:30 p.m.

2. City Manager/Department Reports

City Staff reported on various events, meetings and activities in their departments.

City Manager Ridge provided clarification that the design for the monument signs depicts the color City Seal on the front of the monument sign and the cut out metal City Seal on the back.

ADJOURNMENT – In Memory of Mary D. Young

Mayor Jennings adjourned the Regular City Council meeting at 9:52 p.m., in memory of Mary D. Young.

Respectfully submitted by:



Eileen C. Gomez
City Clerk