

**CITY OF FOUNTAIN VALLEY
CITY COUNCIL
AGENCY FOR COMMUNITY DEVELOPMENT**

**MINUTES
May 5, 2009**

CLOSED SESSION REPORT

City Attorney Alan R. Burns reported that the City Council met in closed session at 6:00 p.m., pursuant to Government Code Section 54957.6 to provide direction to the cities negotiating team regarding labor negotiations with Professional/Technical Association, Police Officer's Association, Firefighters Association, and the Field Services Association. He then stated the Council gave the negotiating team further direction.

The City Attorney further reported that pursuant to Government Code Section 54956.9(a) the Council met in closed session to discuss anticipated litigation, Worker's Compensation claim of Shawn Walker vs. City of Fountain Valley, Case No. ADJ6503413, Claim No. 2008103232, and that during closed session Council gave authority to the City Manager and Personnel Manager to settle the case.

CALL TO ORDER

Mayor Carrozzo called the Fountain Valley Council meeting to order at 6:57 p.m.

INVOCATION

Reverend Doctor John McFarland gave the invocation.

SALUTE TO THE FLAG

Council Member Steve Nagel gave the salute to the flag of the United States.

ROLL CALL

Council Members Present: Nagel, Crandall, Carrozzo, Collins, Brothers
Council Members Absent: None

Also Present: City Manager Ray Kromer, City Attorney Alan Burns, Finance Director/City Treasurer Elizabeth Fox, Environment Services Manager Steven M. Hauerwaas, Housing Coordinator Brent Hoff, Management Analyst Matt Mogensen, Fire Chief Bill Walker, Planning Director Andy Perea, Police Chief Paul Sorrell, Public Works Director/City Engineer Mark Lewis and City Clerk Robin Roberts.

APPROVAL OF MINUTES

(Council/Agency) Consideration of the approval of the minutes of the regular City Council/Agency for Community Development meeting held on April 21, 2009 as distributed.

- **Motion by Council Member Collins, second by Mayor Carrozzo to approve the minutes of the City Council/Agency for Community Development meeting held on April 21, 2009 as distributed.**

Ayes: Nagel, Crandall, Collins, Brothers, Carrozzo

Absent: None

Motion Carried

PRESENTATIONS

Mayor Pro Tem Crandall and Council Member Collins presented a proclamation in recognition of Buddy Poppy Month.

Council Member Brothers presented a proclamation to the City Clerk Robin Roberts in recognition of Municipal Clerk's Week.

Council Member Nagel presented a proclamation in recognition of American Cancer Society Relay for Life Event.

Mayor Carrozzo presented the City's donations to the Grad-Night celebration to the following recipients; Marissa Demes and Drue Trott representing Fountain Valley High School; Tonya Vissani, Adriel Vissani, and Aian Vissani representing Ocean View High School; Diane Karpinski, and Kourtney Karpinski representing La Quinta High School, and Connie Van-Luit, Principal of Los Amigos High School.

READING OF ORDINANCES

- **Motion by Council Member Collins, second by Mayor Pro Tem Crandall to waive the reading in full of all ordinances under consideration and direct the Mayor to read by titles only.**

Ayes: Nagel, Crandall, Collins, Brothers, Carrozzo

Absent: None

Motion Carried

PUBLIC HEARINGS

1. (Council) Public Hearing for approval of the proposed FY 2009-2010 Community Development Block Grant (CDBG) Annual Action Plan.

Housing Coordinator Brent Hoff summarized information provided in the staff report that was included in the agenda packet including required procedures such as public noticing publications, public review and comment periods, and noted that no public comments were

received during this process. He then discussed the Supplemental Report provided as a late communication which Council received in their red folders, updating the estimated 2009-10 fiscal year CDBG funding allocations with the actual allocations. Mr. Hoff noted that the U. S. Department of Housing and Urban Development (HUD) had only recently released funding allocations on May 1, 2009. He then reiterated the updated recommendations of funding allocations for the 2009-10 fiscal year by the HUD Grant fund programs provided to the City and the Public Service Agency Grant funds distribution allocations.

Mayor Carrozzo opened the public hearing.

Having received no requests to speak publically on this item, Mayor Carrozzo then closed the public hearing.

- **Motion by Council Member Collins, second by Mayor Pro Tem Crandall to approve the proposed FY 2009-2010 Community Development Block Grant Annual Action Plan.**

Council Member Brothers thanked staff for the thorough Council Action Request report and presentation.

Ayes: Nagel, Crandall, Collins, Brothers, Carrozzo

Absent: None

Motion Carried

2. (Council) Public Hearing to consider an ordinance of the Fountain Valley City Council approving Code Amendment No. 09-01, an amendment to the Fountain Valley Municipal Code, Title 21, pertaining to the commercial and manufacturing zones permitted use list, definitions and parking requirements for Specialty Sporting Goods Stores and passage to a second reading for adoption.

ORDINANCE NO. _____ An Ordinance Of The Fountain Valley City Council Approving Code Amendment No. 09-01 Amending The Fountain Valley Municipal Code, Title 21, Pertaining To The Commercial And Manufacturing Permitted Use List, Definitions, And Parking Requirements For Specialty Sporting Goods Stores

Planning Director Andy Perea summarized information provided in the staff report that was included in the agenda packet regarding the request from Sukut Real Properties to amend the M-1 manufacturing permitted use list to allow "specialized sporting goods stores" subject to conditional use permit (CUP) approval. Mr. Perea outlined the request from Sukut, Planning Commission actions regarding the matter, and the process involved in moving forward with the requested permitted use.

At the conclusion of Mr. Perea's report, Council requested clarification regarding parking related matters such as parking space per square foot ratio and the parking needs consideration of adjoining businesses.

Mayor Carrozzo opened the public hearing.

Mayor Carrozzo invited Andy Walburger, representing the applicant Sukut Real Properties, to address the matter. Mr. Walburger noted that while he did not have a prepared statement, he was available should Council have any questions.

Having received no requests to speak publically on this item, Mayor Carrozzo then closed the public hearing.

- **Motion by Council Member Collins, second by Council Member Nagel to approve the introduction of an ordinance of the Fountain Valley City Council approving Code Amendment No. 09-01, an amendment to the Fountain Valley Municipal Code, Title 21, pertaining to the commercial and manufacturing zones permitted use list, definitions and parking requirements for Specialty Sporting Goods Stores and passage to a second reading for adoption.**

Ayes: Nagel, Crandall, Collins, Brothers, Carrozzo

Absent: None

Motion Carried

CONSENT CALENDAR

3. (Agency) Approval of a contract with Rosenow Spevacek Group, Inc. (RSG) to prepare the AB1290 Five-Year Implementation Plan for the Fountain Valley Agency For Community Development.
4. (Council/Agency) Approval of Amendment No. 1 in an amount not to exceed \$87,345 to Butier Construction Managers, Consulting Engineers, to Contract 08-15 for construction management services related to the rehabilitation of Well No. 6, Project No. WU 703.
5. (Council/Agency) Approval of the City of Fountain Valley and Agency for Community Development's Identity Theft Prevention Program.
6. (Council) Acceptance of proposal and award of a contract to AECOM USA, Inc. In an amount not to exceed \$140,554 for preparation of a project development report for the Rehabilitation of Reservoir No. 1, Project No. WU845

- **Motion by Council Member Collins, second by Mayor Pro Tem Crandall to approve Consent Calendar Items 3 through 6.**

Ayes: Nagel, Crandall, Collins, Brothers, Carrozzo

Absent: None

Motion Carried

ADMINISTRATIVE ITEMS

7. The City of Fountain Valley's Financial Condition and Fiscal Year 2009-2010 Budget Development Strategies.

Finance Director/City Treasurer Elizabeth Fox gave a PowerPoint Presentation titled *Fund Balances and the Current Economy*. The presentation included charts that indicated changes in fund balance-current economic conditions (long term), analysis of Major Revenue sources including property taxes, motor vehicle licensing, interest income and sales tax. The slide titled Major Revenue Categories outlined four revenue categories with forecasting through the fiscal year of 2013/2014. The following slide indicated fund balance changes over the past six months, all of which had expenditures exceeding the revenues. The long term analysis and revenue versus expenses charts indicated deficit conditions in the fiscal year 2009/10 and continuing with an approximate \$10,000,000 deficit in 2013/14 based on current projections. During the presentation Ms. Fox discussed information regarding contributing factors of this economic condition including rising costs including personnel, short falls in revenue from Motor Vehicle in-lieu, sales tax and property tax. Notation was made that although the current interest income is anticipated to increase from estimates for this fiscal year, projections indicate decreases for the following fiscal year and minimal movement thereafter. After discussion regarding the current actions taken by staff to reduce cost for both this, and the next fiscal year's budget, the City would be facing an operating short fall in the fiscal year 2009-2010 of \$3.7 million dollars. She further stated that if immediate action is not taken, based on compounding effects of the economy the deficit in the fiscal year of 2011-2012 could be \$9.3 million dollars, depleting City reserves and the ability to operation in three years. In conclusion she noted that just prior to the meeting she received a copy of correspondence from the City Manager, sent by the League of California Cities regarding the Governor's recent consideration of borrowing eight (8) percent of city, county , and special district proper tax revenues.

City Manager Raymond H. Kromer provided a short presentation based on current actions of City staff to reduce operation costs in the amount of \$ 955,860. He then discussed information listed on the PowerPoint slide titled 2009-2010 Budget Shortfall Strategies, which included actions which have occurred, those that are in progress and those under consideration. The items ranged from revenue generating ideas to the cutting of City services. Mr. Kromer further stated that he is still receiving ideas that are being considered. In conclusion he stated that staff recommends that the City Council approve the attached Budget Development Strategies for the Fiscal Year 2009-2010 and beyond.

At the inquiry of Council Member Brothers, Mr. Kromer confirmed that there is a citizen survey in progress which is due to close in May; results will be distributed to Council.

Council Member Brothers stated her concerns of the deletion of all training for staff employees and noted that she would prefer consideration of continuance of educational seminars and conferences as it allows staff to bring back efficiencies and best practices to the City. She further stated that cost for registration should be absorbed by the City while travel and lodging is generally being paid by the employee, the City Manager and Department heads. Council Member Brothers then commented that, while the City Council stipend amount has not changed with respect to cost of living adjustments as allowable by law, she recommends that Council lead by example and consider a reduction of the monthly stipend in the amount of five (5) percent for the next fiscal year.

On inquiry, City Attorney Alan Burns noted that Council Member Brother's statements were part of the discussion on this budget item and not part of the action to be considered by Council this evening.

Council Member Nagel stated he agreed that Council should set an example, and as we have asked employees to take a five (5) percent reduction in their PERS allotment, Council should do the same.

Council Member Crandall noted his concerns about potential vandalism on the water tank near the 405 Freeway, which is being considered to be leased to promote shopping in Fountain Valley.

- **Motion by Council Member Collins and second by Mayor Pro Tem Crandall to approve that the City pursue the strategies presented in the staff recommendation as listed in the Council Action Request and discussed by the City Manager and City Treasurer/Finance Director, and to continue to research all other potential aspects related to such fiscal matters.**

Ayes: Nagel, Crandall, Collins, Brothers, Carrozzo
Absent: None

Motion Carried

PRESENTATION OF DEMANDS

- (1) Council Ratification of Payroll: 264796-264804, Direct Deposit
Vouchers as listed in the report.

- **Motion by Mayor Pro Tem Crandall, second by Council Member Collins to ratify the payroll listed in the report provided by the Finance Director/City Treasurer by the following roll call vote:**

Ayes: Nagel, Crandall, Collins, Brothers, Carrozzo
Absent: None

Motion Carried

- (2) Council Consideration of Register of Demands: 170719-17906, ACH Vendor Payments;
and Electronic Transfers as listed in the report.

- **Motion by Mayor Pro Tem Crandall second by Council Member Nagel to approve the register of demands listed in the report provided by the Finance Director/City Treasurer by the following roll call vote:**

Ayes: Nagel, Crandall, Collins, Brothers, Carrozzo
Absent: None

Motion Carried

(3) (Agency) Register of Demands:

Electronic Transfers as listed in the report.

- **Motion by Council Member Collins second by Council Member Brothers to approve the register of demands listed in the report provided by the Finance Director/City Treasurer by the following roll call vote:**

Ayes: Nagel, Crandall, Collins, Brothers, Carrozzo

Absent: None

Motion Carried

PUBLIC APPEARANCES -- ORAL COMMUNICATIONS (Unscheduled Matters Only)

Maureen Garretson, a representative of AmeriCorps WE CARE, spoke regarding the services the organization offers, the importance of facilities such as the Village at Founders Village Senior Center and Community Center, and thanked Community Services Supervisor Nora Webb for her assistance.

Stephanie Borger, Mukta Mohan and Rosie Said of the Earth Resource Foundation spoke regarding the need to ban the use of polystyrene (Styrofoam containers) citywide. They provided information on the environmental impact of polystyrene as well as the names of other local agencies that have resolved to ban the use of this product.

COUNCIL COMMENTS (Outside Committee Activities, AB 1234 Reporting and General Comments)

Mayor Pro Tem Crandall related his outside meeting attendance, including the Orange County Sanitation District.

Council Member Nagel reported his attendance at a Water Advisory Committee meeting at the Orange County Water District.


Council Member Brothers noted that she is continuing to work with the Orange County Division of the League of California Cities to protect local control on many fronts.

Council Member Collins stated that, with the assistance of Information Service Technician Victoria Flores, he presented the video of *State of the City* to the Rotary Club, that he attended the Every Fifteen Minutes recognition program, and that he attended the Water Advisory Committee of Orange County on May 1, 2009 and noted concerns of the water shortage.

Mayor Carrozzo discussed Council's attendance at the Every Fifteen Minute event and subsequent recognition program, noting the impact of the program and need to promote the consequences of drinking and driving to high school students, and encouraged people to attend an event. He then stated his attendance at a Girl Scout Gold Ceremony for Missy Hakam noting her assertive and creative potential.

ADJOURNMENT

Mayor Carrozzo adjourned the City of Fountain Valley City Council and Agency for Community Development meeting at 7:28 p.m. to the next scheduled meeting of May 19, 2009.



Guy Carrozzo, Mayor/Agency Chair



Robin Roberts, City Clerk/Agency Secretary