



Minutes

Lakewood City Council

Adjourned Regular Meeting held
June 11, 2013

MEETING WAS CALLED TO ORDER at 6:03 p.m. by Mayor Croft in the Executive Board Room at the Civic Center, 5000 Clark Avenue, Lakewood, California.

ROLL CALL: PRESENT: Mayor Steve Croft
Vice Mayor Todd Rogers (arrived 7:02 p.m.)
Council Member Diane DuBois
Council Member Ron Piazza
Council Member Jeff Wood

BUDGET STUDY SESSION:

City Manager Howard Chambers advised that there would be separate presentations for the budget and capital projects.

Administrative Services Director Diane Perkin displayed slides and provided an economic overview including National, State and local economic conditions. She advised that conditions had improved since the bottom of the recession in 2009, notably in the areas of residential investment and unemployment. She presented the proposed budget for fiscal year 2013-14, detailing Revenues, Appropriations, the Top 10 Revenue Sources and the Top Ten Contract Services. She compared the City Operations Level of Service by year since 2009, noting that the General Fund had only increased by 1 to 2 percent per year. She concluded by mentioning future possible impacts to the General Fund from the State Department of Finance's claw-back of redevelopment funds and proposed changes in the way rates were calculated by CalPERS.

Mayor Croft stated that although it was apparent that things were getting better economically, they were still not stabilized, as evidenced by swift drops in the stock markets based on rumors. He noted that the proposed budget reflected only modest changes, as the City Council chose not to count on revenues that might not materialize.

Council Member Piazza stated he agreed with Mayor Croft, noting that there were other unknown factors to come, such as the impacts of the Affordable Care Act on local, small businesses.

Public Works Director Lisa Rapp displayed slides and made a presentation of Capital Projects. She reviewed projects planned for the Centre such as lighting improvements, landscaping, and Maple Room patio fencing; and annual projects like fire & security systems updates and park hardscape improvements. She reported on the three major proposed projects: West San Gabriel River Parkway Trail, Phase 3, Palms Park Activity Building Improvements, and Mayfair Park Activity Building HVAC Project. She also noted several street improvement projects such as the resurfacing of Woodruff Avenue, from Carson Street to Del Amo Boulevard, and the resurfacing of local streets in the City's industrial area.

BUDGET STUDY SESSION: Continued

Water Resources Director Jim Glancy reviewed slides detailing the proposed water system projects, including continuation of the annual water main replacement and additional design services for the next five phases. An equipment upgrade was planned for the SCADA monitoring system, and as part of a water meter replacement program, a pilot program would test a data collection system that could store up to 90 days of hourly water usage data.

Council Member Piazza noted that the Lakewood Water Resources Department had a history of doing a wonderful job of keeping the system's infrastructure sound.

The Director of Public Works presented a proposal to incorporate the City's street sweeping services contract into its Solid Waste Contract. She stated that the concept had been reviewed by the Environmental Management Committee and a formal proposal had been received from EDCO. The City's street sweeping provider, R. F. Dickson, had expressed their willingness to have their contract assigned to EDCO. EDCO would absorb the cost of the street sweeping program over a 3 year transition period, relieving the fiscal burden from the City's General Fund, and be granted an add-on increase in addition to their contractual escalation formula for each of the three years and a contract extension of 8.5 years.

Responding to a question from Mayor Croft, Ms. Rapp stated that any changes in the tipping fees due to landfill closures would be subject to future contract negotiations.

Vice Mayor Rogers arrived and took his seat at the Council table.

Ms. Rapp stated that residential customers had been advised that there would be a rate increase from \$18.22 to \$18.93 per month, and commercial customers would be notified of a rate change directly by EDCO.

Council Member Wood clarified with Ms. Rapp that the proposed contractual change would cost residents an additional 60 cents per month and save the City's General Fund \$600,000 per year after 3 years. He also confirmed that the City would retain the option of going back to a direct contract with R. F. Dickson, should there be a need.

Vice Mayor Rogers observed that residents would be paying for the service directly rather than through the General Fund and inquired about the benefit to EDCO. City Attorney Steve Skolnik advised that the formula would never transfer the full cost of the program directly to the residents and that EDCO would receive an 8.5 year extension to their contract.

Council Member Piazza noted that commercial customers would also be subsidizing a portion of the street sweeping program, creating a benefit for residential customers.

Ms. Rapp stated that combining these two types of contract services into a single contract was becoming an industry standard. She noted that R. F. Dickson had a similar agreement with EDCO in place with the City of La Mirada, and also had agreements with other waste hauling companies in seven other cities.

BUDGET STUDY SESSION: Continued

Responding to a question from Mayor Croft, the City Attorney stated that no action was proposed at this time. If the City Council wished to proceed, a contract amendment could be prepared for the City Council agenda on June 25, 2013.

Council Member DuBois, noting the many cities still struggling financially, stated that it was important to find ways to preserve the General Fund without overburdening residents.

In response to a question from Vice Mayor Rogers, Ms. Rapp stated that the City's Rate Stabilization Fund could be utilized to offset future rate changes.

Council Member Piazza stated that while he shared Vice Mayor Roger's concerns, this was an opportunity to help secure the City's financial future.

Mayor Croft noted that during the rate discussion with the Environmental Management Committee, the need to modify the Rate Stabilization Fund had been discussed.

The Administrative Services Director advised that staff would be presenting potential changes to the Fund.

Assistant City Manager Lisa Novotny reported that April 16, 2014, would be Lakewood's 60th anniversary and that a committee was looking at possible celebration plans and the tentative theme, "Lakewood, 60 years of success."

Mayor Croft stated that it was important for the community to recognize and celebrate major milestones and that funding for the anniversary activities should be included in the proposed budget.

The Director of Public Works provided a brief review of the compliance issues facing the City in connection with the new stormwater permit. She noted that Lakewood was part of three separate watershed areas, each with the requirement to develop a management plan, at substantial cost to be shared among the agencies. She advised that staff would be bringing a Low Impact Development (LID) ordinance to the City Council for approval and a Green Streets Policy.

Ms. Perkin closed by reviewing the 10 Budget Focus Areas: Budget for Sustainability; Keep Lakewood Safe; Preserve the Neighborhood Quality of Life; Foster a Sense of Community; Promote Economic Vitality; Support a Caring Community; Secure Fiscal Resources; Highlight Governmental Transparency; Hold onto Local Authority; and Protect the Environment.

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ADJOURNMENT

There being no further business to be brought before the City Council, Mayor Croft adjourned the meeting at 7:28 p.m.

Respectfully submitted,

Denise R. Hayward, CMC

City Clerk