

**Minutes
Huntington Beach City Council
Special Meeting – Strategic Planning Workshop**

Thursday, January 28, 2016
8 00 AM – Talbert Room
Huntington Central Library
7111 Talbert Street
Huntington Beach, California 92648

CALL TO ORDER – Meeting called to order by Mayor Katapodis at 8:00 AM

ROLL CALL

Present Posey, O’Connell (arrived at 9 20 am), Sullivan, Katapodis, Hardy, Delgleize, Peterson
Absent None

PLEDGE OF ALLEGIANCE – Led by Mayor Katapodis

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

Pursuant to the Brown “Open Meetings” Act, Assistant City Clerk Robin Estanislau announced supplemental communication received by the City Clerk’s Office following distribution of the Council agenda packet

A PowerPoint submitted by Finance Director Lori Ann Farrell Harrison dated January 28, 2016 and entitled *City of Huntington Beach Strategic Planning Session Budget Update*

PUBLIC COMMENTS PERTAINING TO SPECIAL MEETING (3-Minute Time Limit) – None

ADMINISTRATIVE ITEM

1. Strategic Planning Session facilitated by Marilyn Snider of Snider and Associates

A Ms Snider welcomed the public and participants, stated the purpose of the retreat, and introduced Meeting Recorder Michelle Snider Luna, Snider Education and Communication

B Ms Snider went over the roles of the Facilitator, Recorder, group and public, as well as an overview of the strategic planning elements

C Ms Snider asked for introductions by participating Council, City Manager and Department Heads

D Ms Snider provided a review of the City of Huntington Beach’s

Mission/Purpose Statement

- The City of Huntington Beach provides sustainable quality services to maintain and enhance our safe and vibrant community

Core Values/Guiding Principles (not in priority order)

The City of Huntington Beach values

- Responsiveness
- Accountability

- Quality customer service
- Honesty and integrity
- Teamwork
- Fiscal sustainability
- Community involvement
- Openness

Existing Three-Year Goals (2015-2018)

- Improve quality of life
- Enhance and maintain infrastructure
- Strengthen economic and financial sustainability
- Enhance and maintain public safety
- Enhance and maintain City service delivery

E S W O T (Strengths, Weaknesses, Opportunities, Threats) Exercise

- 1 Brainstormed a listing of strengths and accomplishments of the City since the previous Strategic Planning Session (7/13/2015)
 - Installed new book sorting system at the Central Library
 - Successful completion of the agreement for the fuel dock in Huntington Harbour
 - Balanced the City budget and maintained reserves
 - Successful US Open of Surfing
 - Assigned police officers to work with the homeless as liaisons
 - Guinness World Record for the Big Board
 - Upgraded Council Chamber video display equipment
 - Upgraded hardware for Police Department storage and mobile data computers
 - Rehabbed 4 ½ miles of arterial streets
 - Over 4,500 participants in the Summer Reading Program
 - Completed sale of the Hyatt and Hilton properties
 - Received a clean audit opinion
 - Processed 5,313 passport applications
 - Increased film permits by 30%
 - Citywide preparation for El Niño
 - Finished real estate module
 - Began \$1 5 million in improvements at the downtown parking structure
 - Full paperless filing of Fair Political Practices Commission (FPPC) docs
 - Successfully completed Phase I of 800 MHz upgrade system
 - Library Workplace Literacy Program received honorable mention from the OC Business Council
 - We were the first City to receive a CLEEN (California Lending for Energy and Environmental Needs) Loan from the State I-Bank for the LED streetlight retrofit
 - CERT Team activation for El Niño
 - Started citywide wayfinding process
 - Bicep JPA accredited with excellence
 - Implemented openness in negotiations ordinance
 - Completed 2,436 development plan checks in the Fire Prevention Division
 - Offered more than 50 staff training opportunities
 - Completed the assessment of our City streets and sidewalks
 - Collaborated with community groups on Bartlett Park improvements
 - Property recovery over \$100,000
 - Completed wayfinding study for the Central Library

- Completed acquisition of streetlight system
 - Quality Controlled and made public approximately 6,000 City deeds
 - We now televise City Council study sessions
 - Expanded the number of story times offered at the Central Library
 - Streamlined fireworks sales application process
 - Facilitated nearly 70 permits for major events
 - Received a distinguished budget presentation award
 - Developed a class and org study for the Information Services Department
 - Replaced 20 aging marked police cars
 - Initiated a standards of cover and staffing study for the Fire Department
 - Created a new Section 115 Trust to pay down unfunded liabilities
 - Started the upgrade of the Library network for participation in the CalREN network
 - Successful completion putting telephone wires underground at Sunset Beach
 - Fire Department responded to 19,564 calls for emergency services
 - Started upgrade of the utility billing and electronic land management system
 - Launched new video and music streaming for the Library—called “Hoopla”
 - Formed RMDZ (Recycling Marketing Development Zone)
 - California Parks and Recreation Society (CPRS) award for the recreation report
 - Increased the number of Police positions—8 new
 - Hosted Australia for the Special Olympics World Games
 - Opened Pacific City
 - Continued to celebrate the Library’s 40th Anniversary
 - Started Edinger Hotel construction
 - Redesigned a highly effective berm at Sunset Beach
 - Marine Safety performed 5,357 ocean rescues
 - Completed draft Parks & Recreation Master Plan
 - Started construction of the Senior Center
 - Maintained a Director’s Seat at OCTA (Orange County Transit Authority)
 - Restored civility to City Council meetings
 - Completed a report on the cost to increase the pavement condition index (PCI) on our streets from 75 to 80%
 - Received a Certificate of Excellence in Financial Reporting
 - Scheduled first major volunteer effort at Bartlett Park
 - Completed a needs assessment for the City storm drain infrastructure
 - Presented plans to accelerate to improve the funded status of City’s retirement and workers’ compensation plans
 - Made progress in assessing our current WiFi broadband and fiber optic opportunities
 - Began a Community Paramedic Alternate Destination Pilot Study
- 2 Brainstorming of City’s current Internal weaknesses/challenges
- Lack of funds for upgrading parks
 - Lack of IS Project Managers
 - Lack of funding for street maintenance
 - Lack of funding for Police to have more proactive time
 - Lack of staff in the City Attorney’s office
 - Lack of internal software for City employees
 - Lack of labor contracts
 - No performance measure process for strategic projects
 - Lack of interdepartmental communication
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- Challenges of replacing aging tech infrastructure
- Lack of infrastructure maintenance funds
- Impact of homelessness on City services
- Lack of funds for the doubling of PERS obligations
- Potential significant loss of experienced employees in Police and Fire Departments
- Lack of funding for significant infrastructure projects
- Lack of staff resources
- Lack of succession planning
- Lack of affordable housing to effectively manage homelessness
- Lack of understanding about why projects don't get done
- Resistance to change by employees
- Negative image of downtown by residents
- Customer service is not as good as it should be
- Lack of resources for internal support
- Lack of internal security measures at City facilities
- Inability to fund vacant positions
- Concern about high density
- Lack of understanding of issues by the residents
- Late submission of City Council agenda reports
- Inability to keep up with the advances in technology

3 Brainstorming of external factors/trends (positive/opportunities and negative/threats) that will/might have an impact on the City in the coming year

Positive Impact

- Continued high occupancy of City hotels
- Interest in naming and sponsorship opportunities for the Senior Center in Central Park
- Increased auto sales
- Grants for APEP (Advanced Power and Energy Program)
- Possible Air Show
- Continued State funding for local police
- Willingness of public to continue to participate in community collaborations to improve public parks
- Advanced technology resources that are available to the City
- Improvement in commercial opportunities (e.g., Pacific City)
- Improved City/State collaborations on City events
- Changing demographics
- Balanced State budget
- Increased tourism
- Continued press coverage for the Big Board, driving tourism
- Wayfinding efforts by the Downtown BID
- Possible \$3 million grant for Resilient Cities
- Community participation in City affairs
- Volunteerism
- Strong property tax base
- Possible receipt of mitigation fees from AES repowering
- Improved State Library budget
- Receiving Project V funds for local transit operation from OCTA
- Continued grant funding from the Federal government for Homeland Security

- Corporate sponsorships
- Continued ABC coverage of our 4th of July Parade
- Increasing sales tax revenue
- Low interest rate environment keeps borrowing costs low

Negative Impact

- El Niño
- Drought
- Earthquake
- Cyber attack
- Prop 47—decriminalization
- Increasing homelessness
- Climate change
- Sea level change
- Reduction in gas tax funding
- Built out city—limits parks funding
- Poor water infrastructure
- Drug and alcohol abuse
- Changing demographics
- Stock market volatility
- Chinese economy
- Rapid changes in technology
- Rising crime rates
- Terrorism
- Tsunami
- AB 109—early release of prisoners
- Recreational marijuana initiative passage
- Coyotes
- High school students and opiate use
- Increasing demand for emergency services
- State mandates of local police
- State regulations
- CalPERS changes to funding methodology
- CalPERS
- State Regional Board mandates and regulations
- Human trafficking and illegal massage establishments
- Healthcare changes

F Finance Director, Lori Ann Farrell Harrison, provided a brief update regarding the City's Budget outlook

Finance Director Lori Ann Farrell Harrison presented a PowerPoint dated January 28, 2016 entitled *City of Huntington Beach Strategic Planning Session BUDGET UPDATE* that included the following titled slides Overview, Strategic Planning Retreat, FY 2014/15 General Fund Expenditures (Preliminary Unaudited), FY 2014/15 General Fund Revenue (Preliminary Unaudited), FY 2014/15 General Fund Year-End Fund Balance Options, General Fund Balance (in thousands), FY 2015/16 General Fund Budget Overview, FY 2015/16 Adopted Budget General Fund by Department, FY 2015/16 General Fund Highlights, Recap of Police Officer Funding, Historical Funded FTEs, Unfunded Liabilities Overview (Preliminary Unaudited), CalPERS Increases, Funded FTE vs YOY PERS Costs, 8-Year CalPERS Employer Rate Increases* (All Funds),

GASB 68 Implementation, GASB 68 Unfunded Pension Liabilities, Workers' Compensation Charges by Department, Governor Brown's FY 2016/17 Budget Highlights, FY 2016/17 Financial Outlook, Historic Gross Domestic Product, FY 2016/17 Financial Outlook, and Recap

Councilmember O'Connell and Director Farrell discussed how unfunded liability figures are reported (projected, average, present-day value, etc)

Councilmember Posey and Director Farrell discussed the two-month reserve figure identified in the slide presentation and how it affects the City's "AAA" crediting rating

Councilmember Delgleize expressed support for GASB 68 – public transparency, competing for grant monies for unfunded infrastructure projects, and challenges in communicating important financial information to the City's residents

G Reviewed and revised the three-year goals

After discussion it was decided that the five existing three-year goals would remain. The list of the current five stated three-year goals (2015-2018) consists of the following (not in priority order)

- 1 Improve quality of life
- 2 Enhance and maintain infrastructure
- 3 Strengthen economic and financial sustainability
- 4 Enhance and maintain public safety
- 5 Enhance and maintain city service delivery

H Identification of six-month strategic objectives for each of the three-year goals above

THREE-YEAR GOAL: IMPROVE QUALITY OF LIFE		
When	Who	What
1 By March 1, 2016	Library Director and Chief Information Officer	Complete transition over to the CalREN high speed Internet access network
2 By May 1, 2016	Community Services Director	Present to the City Council for consideration the Parks and Recreation Master Plan
3 By July 15, 2016	Community Services Director and Public Works Director	Recommend to the City Manager for approval an Adopt-a-Park Pilot Program at Bartlett Park
4 By July 15, 2016	Community Services Director	Establish a partnership with CSULB and initiate a community grassroots effort to determine an improvement plan for Irby Park
5 By July 15, 2016	Assistant City Manager (lead), working with the Deputy Director of Business Development and Visit Huntington Beach	Develop and present a plan for citywide wayfinding to the City Manager for action

6 By July 15, 2016	Library Director	Develop a plan for establishing regular school tours in 2016/2017 with library card registration for elementary school-age children in Huntington Beach
7 By July 15, 2016	Library Director and Community Services Director	Develop at least two potential partnerships between the Central Library and the new Senior Center in Central Park

THREE-YEAR GOAL: ENHANCE AND MAINTAIN INFRASTRUCTURE		
When	Who	What
1 By March 1, 2016	Public Works Director and Mayor Katapodis	Develop and submit to OCTA Project "V" grant application to enhance transit service
2 By March 15, 2016	Public Works Director, working with a consultant	Perform a City Facilities Needs Assessment and present the results to the City Manager
3 By June 1, 2016	Public Works Director	Develop a City Facilities Infrastructure Implementation Plan using the needs assessment results for consideration in the FY 2016/2017 budget process
4 By June 1, 2016	Public Works Director	Develop a plan to achieve a PCI (Pavement Condition Index) rating of 80% for consideration as part of the FY 2016/2017 budget process
5 By June 1, 2016	Public Works Director and Community Services Director	Develop a plan to address maintenance issues (e.g., pathways, bathrooms, trees) in City parks with consideration given to Central Park as the first priority for funding as part of the FY 2016/2017 budget process
6 By July 1, 2016	Assistant City Manager and Chief Information Officer, working with consultants	Present to the City Council for action recommendations from the citywide broadband study
7 By July 15, 2016	Public Works Director and the Chief Information Officer	Develop a plan to build fiber connectivity between City facilities and present to the City Manager for consideration in the FY 2016/2017 budget process

8 By July 15, 2016	Public Works Director, working with the Assistant City Manager and Mayor Katapodis	Evaluate the feasibility of extending light rail into the City and make a recommendation to the City Council for direction
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THREE-YEAR GOAL: STRENGTHEN ECONOMIC AND FINANCIAL SUSTAINABILITY

When	Who	What
1 By April 1, 2016	Assistant City Manager and the Deputy Director of Economic Development	Develop and present to the City Council for consideration a plan to create an incentive-based Business Retention, Attraction and Expansion Program
2 By July 1, 2016	Community Development Director	Hold a City Council Study Session to review the draft comprehensive General Plan Update and make available for public review
3 By July 1, 2016	Human Resources Director and Finance Director	Develop plans to accelerate improving the funded status of the City's Workers' Compensation Plans as part of the FY 2016/2017 budget process
4 By July 1, 2016	Mayor, City Council and City Manager	Attend relevant industrial trade shows to attract manufacturers and retailers to the City and report the results to the City Council
FUTURE By October 1, 2016	Finance Director	Develop and present to the City Council for consideration a formal long-term financial plan report with the objective of maintaining a AAA credit rating

THREE-YEAR GOAL: ENHANCE AND MAINTAIN PUBLIC SAFETY

When	Who	What
1 By May 1, 2016	City Attorney	Present to the City Manager a plan for the City Attorney's Office to bring in a Community (Criminal) Prosecutor to prosecute local crimes and increase effectiveness of law enforcement as a part of the FY 2016/2017 budget process
2 By June 15, 2016	Mayor Katapodis (lead), Finance Director and the Police Chief	Submit potential funding sources to the City Manager to increase staffing levels critical to the Police Department
3 By July 15, 2016	Fire Chief, working with a consultant	Complete and submit to the City Manager for review and presentation to the City Council a Standards of Cover and Staffing Report

4 By July 15, 2016	Police Chief (lead), Chief Information Officer and Fire Chief	Present a plan to the City Manager to improve and increase use of technology in the Police and Fire Departments as a part of the 2016/2017 budget process
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THREE-YEAR GOAL: ENHANCE AND MAINTAIN CITY SERVICE DELIVERY

When	Who	What
1 At the May 16, 2016 City Council meeting	City Manager	Present to the City Council information on actions and methods employed to improve community outreach and education about City projects and events via social media
2 By June 15, 2016	Community Development Director	Review the Building Permit Process turnaround time from start to finish and make recommendations to the City Manager for improvement
3 By June 15, 2016	City Attorney (lead), City Clerk and Chief Information Officer	Recommend to the City Manager for action a records management process and staffing needed to integrate the records of all departments
4 By July 15, 2016	Assistant City Manager, working with the Department Directors	Develop and present to the City Manager tools (e.g., online, paper feedback) that allow the public to provide feedback on their business transaction experience within the City, and a process for delivering the findings to the City Council

I Next steps/follow up process

WHEN	WHO	WHAT
January 29, 2016	City Manager	Distribute the retreat record to attendees, place the city's Goals and Objectives on the city website
Within 48 hours	All recipients	Read the retreat record
February 9, 2016	Management Team (City Manager— lead)	Review the "Weaknesses/Challenges" and "External Threats" lists for possible action items
By February 15,	Department Heads	Share and discuss the Strategic Plan with

2016		staff
At the February 16, 2016 City Council meeting	City Council (Mayor – lead)	Present the updated Strategic Plan to the public
Monthly	Management Team City Council City Manager (Mayor – lead)	Monitor progress on the goals and objectives and revise objectives (add, amend and/or delete), as needed
Monthly	City Manager	Prepare and distribute the updated Strategic Plan Monitoring Matrix and post on the city's website
By July 15, 2016	Management Team, with input from the City Council	Strategic Planning Meeting to thoroughly assess progress on the Goals and Strategic Objectives, develop proposed 6-month objectives to present to the City Council

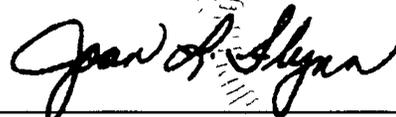
J Summary/closing remarks

Mayor Katapodis thanked Marilyn Snider, Facilitator with Snider and Associates, Michelle Snider Luna, Recorder, members of the City Council, City staff and the public for participating in this strategic planning workshop

2. COUNCILMEMBER COMMENTS (Not Agendized) – None

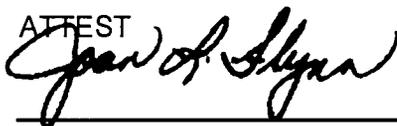
ADJOURNMENT – 12:38 PM

The meeting was adjourned to the next regularly scheduled meeting of the Huntington Beach City Council/Public Financing Authority which is Monday, February 1, 2016, at 4 00 PM in Room B-8, Civic Center, 2000 Main Street, Huntington Beach, California



City Clerk and ex-officio Clerk of the City Council of the City of Huntington Beach

ATTEST



City Clerk



Mayor