

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

Friday, January 31, 2014
8:30 PM - Rooms C & D
Huntington Central Library
7111 Talbert Street
Huntington Beach, California 92648

CALL TO ORDER – 8:30 AM

ROLL CALL

Present: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio
Absent: None

PLEDGE OF ALLEGIANCE

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

Pursuant to the Brown "Open Meetings" Act, Assistant City Clerk Robin Estanislau announced supplemental communications received by the City Clerk's Office following distribution of the Council agenda packet:

Communication submitted by Joan L. Flynn, City Clerk, requesting Council permission to be absent from the January 31, 2014 special City Council meeting, pursuant to City Council Resolution No. 2001-54.

A PowerPoint communication submitted by Finance Director Lori Ann Farrell entitled Strategic Planning Session Budget Update.

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

ADMINISTRATIVE ITEM

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

- A. Discussion on the Purpose of Strategic Planning Session and the Role of the those in attendance
- B. Welcome and introductions of Facilitator and Recorder, Mayor, Council, Elected Officials, City Manager, Assistant City Manager and Department Heads
- C. 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)
 - Responsiveness
 - Accountability
 - Quality customer service

- Honesty and Integrity
 - Teamwork
 - Fiscal sustainability
 - *Community involvement*
 - *Openness*
- Three-Year Goals (2012-2015) (not in priority order)
 - Improve the City's infrastructure
 - Enhance economic development
 - Improve long-term financial sustainability
 - Develop, retain and attract quality staff
 - Enhance and maintain public safety
 - Enhance quality of life

D. S.W.O.T. Analysis

1. Brainstormed a listing of strengths and accomplishments of the City since the previous Strategic Planning Session (8/2/2013):
 - Addressing citizens' downtown concerns with a public task force
 - Organizing compassionate activities for the Days of Compassion in September
 - Circulated over 950,000 items in the library
 - Sunset Beach City is within the city and continues to have its own identity
 - Implemented electronic patient care reporting system
 - Hired a new Assistant City Manager
 - Hired a Community Relations Officer
 - Refinanced \$30 million in bonds to save businesses \$1.5 million annually
 - Maintained AA finance credit rating
 - Sued the state for \$3 million
 - Implemented plan to eliminate retiree medical liability
 - Started the process for Huntington Beach trail system
 - Installed RFID at the Library to streamline checkout and inventory control
 - Paved 22 miles of arterial streets
 - Cleaning up Bartlett Park
 - Implemented online campaigning reservations at the beach
 - No more plastic bags at grocery stores
 - Transitioned Marine Safety Division to Fire Department
 - Lowered overall crime in 2013 – over 5%
 - Logged 30,000 trips/rides for seniors
 - Responded to over 16,000 fire department emergencies while maintaining 90% customer satisfaction
 - Adopted and implemented the 2013 California Building and Fire Codes
 - Served 2500 passport customers
 - Implemented fleet management and fuel management systems
 - Increased cooperation with our Community Services Department to create public events
 - Hired a new Police Chief
 - Hired a new Director of Community Services
 - Hired 14 new police officers starting 2/15/14
 - Adopted a structurally balanced budget with no cuts or layoffs
 - Adopted ordinance to regulate massage establishments

- Maintained reserves (\$24 million economic uncertainty reserve) despite financial challenges
- Launched Zinio, an online magazine service for all residents
- Commitment to reduce unfunded liabilities
- Taught over 5,000 swim lessons
- Implemented downtown surveillance cameras
- Took over lifeguard services at Sunset Beach
- Updated the housing element and circulation element of the General Plan
- New Sprouts opened up
- Vans Skate Park opening in March
- Finally on track toward building a Senior Center
- Started to update our General Plan
- Saved the fire rings
- Launched our economic development strategic plan
- 405 toll lanes on hold for now
- Completed the residence at Bella Terra Projects (467 apartments)
- Hired 200 full and part time employees
- Issued over 8600 building permits for a total construction valuation of over \$252 million
- Bought 4 encyclopedia lots
- Abated over 2600 code enforcement violations and performed over 7300 code enforcement inspections
- Offering grants to people to change their lawn to California-friendly plants
- Implemented a construction and demolition debris reuse and recycling program
- Fixed parking lot on Slater
- Renewed all 3 BIDs
- Commitment to increase police personnel
- Adopted bicycle master plan
- Removed outdated laws from the city ordinance
- Renovated the entrance to the Central Library
- Replaced the City's financial system
- Constructive dialog with Employees' association
- Removed over 3 million pounds of trash from the beach
- Upgraded Police Department dispatch work stations
- Updated the Senior Center design, cost estimates and financing plans
- Completed over 10,000 Fire Department inspections for 2013
- Tracked 53,000 volunteer hours for senior services
- Implemented iLegislate software
- Annexing Bolsa Chica
- Continuing "Be a Buddy, not a Bully" program
- Kicked off "100 Years of Surfing in Huntington Beach" celebration
- Maintained investment portfolio with no losses
- Insured operation liquidity availability
- Responded to nearly 5000 water rescues
- Responded to nearly 100,000 preventative actions on the beach
- Conducted a full-scale EOC earthquake exercise
- Created a Council Committee for Bartlett Park
- Completed review process to upgrade ISO (Insurance Service Office) rating
- Conducted 2 low-cost morale building activities for staff
- Started the Pilot Study of Automated Vehicle Location Dispatching of Fire Department ambulances

- Implemented plan to eliminate unfunded liability for Retiree Supplemental Plan in 10 years
 - Received comprehensive annual finance award
 - Processes over 1000 permits for events at Pier Plaza, the beach and the City's Club Houses
 - Moratorium on liquor stores downtown
 - Renovated the old children's wing at the Main Street branch
 - Implemented Online Building, Plumbing, Mechanical and Electrical Inspections through the City's website
 - Approved Pedigo Apartments (510 units) and Oceana Project (78 affordable housing units)
2. Brainstorming of City's current Internal weaknesses/challenges:
- Inequality of compensation of Council members
 - Inadequate funding for industry specific training
 - City is anti-freedom (plastic bag ban, paper bag ban, Styrofoam ban)
 - Low staff morale
 - Burdensome internal processes
 - Worry about over-reaction to some problems with unintended consequences
 - Adjusting to the needs of small businesses
 - Political focus on dividing issues instead of uniting issues
 - Lack of staffing
 - Unresolved contract negotiations
 - Lack of understanding or knowledge of city processes
 - Lack of priority funding for infrastructure
 - Lack of resources to update technology services
 - Overburdened workforce
 - Unwillingness to move forward; resistance to innovative processes
 - Increased level of expectations without available resources
 - Employees' sense of entitlement
 - Lack of automated processes
 - Conflicting City Council priorities
 - Increased political agendas due to upcoming election
 - Over-reliance on task forces and committees on issues the City Council can take on
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
- Improved stock market results overall
 - Increased TOT, sales tax and property tax revenue
 - Balanced state budget
 - Increased private construction
 - Greater support from the state library to help libraries in the state
 - California Coastal Commission
 - Nice weather is increasing visitors
 - Summer all year long
 - Increased opportunities for promotion through social media
 - Continued public involvement

- Increased cooperation Chamber, Business Improvement District (BIDs) and Visit Huntington Beach (VHB)
- Public renewed energy in our City's information
- Revised focus of the US Open of Surfing
- Continued strong volunteerism
- Possible state approved plastic bag ban
- Support for Public Library broadband through the Cenic Network to expand internet access
- No one has reason to sue the City
- Scheduled sunset of massage regulation ban, allowing for more local control
- Increased discussion about the importance of the quality of life
- Increased tourism from China
- Technology opportunities
- Continued development on our Beach Edinger Corridor
- Improved communication with some school districts
- Continued paperless trend
- "100 Years of Surfing in Huntington Beach" celebration
- Creative collaborations to overcome financial challenges
- Development of Pacific City
- Affordable Healthcare Act
- Potential positive political changes
- Continued opportunities for public participation
- Increased cooperation with groups like Surf Rider to fight plastic pollution
- Lowered unemployment
- Improved national economy
- Potential for ballot measures to clarify public direction and resolve contentious issues
- Cap and trade funds for opens space acquisition

Negative

- Tsunami
- Earthquake
- Loss of net neutrality (charging for access to websites)
- Climate change
- Cable TV
- Continued fireworks despite fireworks ban
- Increasing PERS restrictions on retiree employment
- Increase in construction costs
- Increases in PERS rates
- State Department of Finance
- State of California
- State legislation
- Aging population
- Homelessness
- Air Quality Management District
- California Coastal Commission
- Natural disasters
- Local or national terrorist attack
- High-speed rail
- State legislation against charter cities
- Increase in statewide fire risk

- Floods
- New requirements for the regional water quality permits
- New prevailing wage law for charter cities and everybody
- Drought
- Change from print to electronic media
- Affordable Healthcare Act implementation
- Continued anxiety about the economy
- Increased interest rates on home loans and their impact on families
- Increased fees
- Decreased state beds for prisoners

E. Review and revision, if necessary, of the current three-year goals (discussion only – final reported under Item G)

******A 15-minute mid-morning break was held******

F. City Budget Update by Lori Ann Farrell, Director of Finance

Finance Director Lori Ann Farrell presented a PowerPoint entitled *Strategic Planning Session Budget Update* that included the following titled slides: Summary, FY 12/13 Year-End Performance (Preliminary Unaudited), FY 2012/13 GF Expenditures (Preliminary Unaudited), FY 2012/13 GF Revenue (Preliminary Unaudited), FY 2012/13 GF Year-End Fund Balance Potential Uses, Senior Center Financing, Senior Center Financing Options, Potential Bond Issuance, CalPERS & Unfunded Liabilities Update, Unfunded Liabilities \$392.4 Million, 7-Year CalPERS – All Funds Estimated Employer Contribution Increase, “One Equals Five” Plan CalPERS, Workers’ Compensation Highlights, Workers’ Compensation Background, Workers’ Compensation Charges by Department, Claims Activity and Liabilities (in thousands), Workers’ Compensation Recommendations, FY 2012/13 GF Fund Balance Recommendations, General Fund Balance (in thousands), Challenges and Opportunities, Governor Brown’s FY 2014/15 Proposed Budget \$106.8 Billion, FY 2013/14 General Fund Overview, Challenges on the Horizon, Departmental Staffing Shortages, Recap, and Questions.

G. Identification of twelve-month strategic objectives for each of the three-year goals:

******Lunch was held at 12:20 PM – the meeting reconvened at 12:45 PM******

IMPROVE THE CITY'S INFRASTRUCTURE		
WHEN	WHO	WHAT
1. March 1, 2014	Information Services Director	Select a consultant to prepare a five year Technology Master Plan
1. At the April, July and Oct 2014 City Council Ad Hoc Committee on Bartlett park Meetings	Community Services Director	Update the Council Committee on the plan approval process for the development of Bartlett Park.

3. April 1, 2014	Public Works Director	Develop and present to the City Manager for review a work plan for a city facilities' needs assessment to address maintenance needs
4. June 1, 2014	Public Works Director	Present recommended updates to the City Council about the City's Water Conservation and Water Supply Shortage Program, including the Water Conservation Incentive Program.
5. August 1, 2014	Information Services Director	Complete replacement of remaining outdated PCs and laptops.
6. August 1, 2014	Information Services Director and Master Plan consultant	Present to the City Manager a 5-year Technology Master Plan
7. December 31, 2014	Public Works Director and Community Services Director, with input from the Community Services Commission	Hold a study session to discuss funding and coordination with other agencies for a Class One trail from Central Park to the Beach, including safety standards and regulations.
8. December 31, 2014	Public Works Director	Hold a City Council study session to discuss funding for "Bicycle Boulevards."
ENHANCE ECONOMIC DEVELOPMENT		
WHEN	WHO	WHAT
1. April 1, 2014	ACM and Deputy Director of Business Development with input from the Economic Development Committee	Present to the City Council for direction, a sales tax program to retain and attract sales tax-generating businesses.
2. June 30, 2014	ACM and Deputy Director of Business Development	Launch economic development initiatives as identified in the Economic Development Strategic Plan regarding downtown and the NW industrial corridor.
3. August 1, 2014	ACM and Deputy Director of Business Development	Launch a new Economic Development website with enhanced business information, property information, marketing initiatives and cooperative ventures with external partners (e.g., VHB, COC and BIDs).
4. September 1, 2014	Planning and Building Director	Complete processing of the zoning entitlements and issue building permits for the construction of the Edinger Hotel.

5. October 1, 2014	ACM and Deputy Director of Business Development, working with external partners (e.g., VHB, COC and BIDs)	Implement a comprehensive marketing program to promote Huntington Beach as an economic destination.
6. December 1, 2014	Planning and Building Director and the ACM	Evaluate the effectiveness of specific plans (e.g., Beach – Edinger Corridors Specific Plan and the Downtown Specific Plan) and recommend possible changes to the Planning Commission and City Council for consideration.

IMPROVE LONG-TERM FINANCIAL SUSTAINABILITY

WHEN	WHO	WHAT
1. At least twice a month	HR Director	Update the City Council on progress of the negotiations with employee groups.
2. March 31, 2014	Finance Director and City Manager	Implement, contingent upon available funds, the "One Equals Five Plan" to expedite the payment of the City's unfunded CalPERS liability so that each \$1million deposited saves the taxpayer \$5 million over 25 years.
3. March 31, 2014	Finance Director, HR Director and City Manager	Develop a plan and recommend to the City Council for action how to fund the long-term workers' compensation liabilities.
4. October 1, 2014	ACM, Information Services Director - lead and Finance Director	Develop a Financing Plan for the 800 MHz Interoperability Project and present to the City Council for action.

DEVELOP, RETAIN AND ATTRACT QUALITY STAFF

WHEN	WHO	WHAT
1. March 31, 2015	Council Member Connie Boardman - lead and the City Council	Discuss and consider taking action re: inequality in Council benefits and pay.
2. June 1, 2014	ACM with input from the Department heads	Recommend to the City Manager for action funding in the 2014-2015 budget for essential positions previously lost.
3. July 1, 2014	HR Director, working with a Staff Awards Committee	Host one Employee Service Award activity, involving staff and the City Council.

4. July 15, 2014	City Clerk, working with Employee Team Power	Conduct one low- or no-cost morale-building activity for staff.
5. September 1, 2014	HR Director and City Clerk	Plan a team building activity/event to include department heads and management employees to be held after the close of negotiations.

ENHANCE AND MAINTAIN PUBLIC SAFETY

WHEN	WHO	WHAT
1. April 1, 2014	Fire Chief, working with the HR Director	Fill the vacancy for Marine Safety Chief and if vacant, at least launch recruitment for Lieutenant and/or Marine Safety Officer.
2. May 1, 2014	City Attorney and Council Member Katapodis	Draft and present to the City Council for action an ordinance holding property owners responsible for the use of illegal fireworks on their property.
3. May 1, 2014	Police Chief and Public Works Director	Present to the City Council a plan to fund security improvements and ADA updates to the lobby of the police station.
4. June 15, 2014	City Manager	Determine the feasibility of adding up to 10 new police officer positions in the 2014-2015 budget and make a recommendation to the City Council for action.
5. December 1, 2014	Fire Chief	Evaluate the feasibility of developing a "Standards of Cover" document and submit recommendations to the City Manager.
6. December 1, 2014	Fire Chief	Implement GPS dispatching for all Fire Department apparatus and present to the City Manager a preliminary report on impacts to response times.
7. December 31, 2014	Police Chief and Public Works Director	Develop and present to the City Council for consideration, a feasibility study for constructing a police firearms range.

ENHANCE QUALITY OF LIFE

WHEN	WHO	WHAT
1. May 1, 2014	ACM and the Community Relations Officer, working with the Public Cable Television Authority (PCTA)	Review and recommend to the City Manager updates to the programming of Channel 3

2. June 1, 2014	Library Director	Recommend to the City Council for action, a plan to increase library open hours for the central library and the branches.
3. June 30, 2014	City Manager - lead, Finance Director and Community Services Director	Recommend to the City Council for action a Financing Plan for the development of the Senior Center.
4. October 15, 2014	Planning and Building Director - lead and Community Services Director and Library Director	Complete community outreach as part of updating the City's General Plan.
FUTURE OBJECTIVE January 31, 2015	Community Services Director and the City Manager	Complete the Park Master Plan. Include review of improvements to Bartlett Park, acquisition of LeBard Park and identification of outside funding to acquire Bolsa Chica sites for new park space.

H. Next steps/follow up process:

WHEN	WHO	WHAT
Monday, February 3, 2014	City Manager	Distribute the retreat record to attendees; place the city's Strengths, Goals and Objectives on the city website.
Within 48 hours	All recipients	Read the retreat record.
February 11, 2014	Management Team (City Manager- lead)	Review the "Weaknesses/Challenges" and "External Threats" lists for possible action items.
By February 14, 2014	Department Heads	Share and discuss the Strategic Plan with staff.
At the March 3, 2014 City Council meeting	City Council (Mayor - lead)	Present the updated Strategic Plan to the public.
Monthly	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.

January 30, 2015 8:00/8:30 am – 4:00 pm	Mayor City Council City Manager Management Team	Strategic Planning Retreat to: - more thoroughly assess progress on the Goals and Strategic Objectives - develop a Vision Statement - identify 12-month Strategic Objectives
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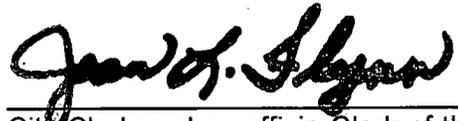
I. Summary/closing remarks:

Mayor Harper thanked Marilyn Snider, Facilitator with Snider and Associates, Kara Tsuboi, Recorder, members of the City Council and City staff for participating in this important workshop.

COUNCILMEMBER COMMENTS (Not Agendized) – None.

ADJOURNMENT – 2:15 PM

The next regularly scheduled meeting of the Huntington Beach City Council/Public Financing Authority is **Monday, February 3, 2014, at 4:00 PM** in Room B-8, Civic Center, 2000 Main Street, Huntington Beach, California.

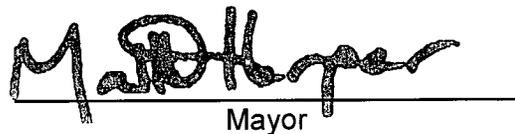


City Clerk and ex-officio Clerk of the City
Council of the City of Huntington Beach

ATTEST:



City Clerk



Mayor