

**Minutes
City Council/Public Financing Authority
City of Huntington Beach**

Monday, July 2, 2012
4:00 PM - Room B-8
6:00 PM - Council Chambers
Civic Center, 2000 Main Street
Huntington Beach, California 92648

**An audio recording of the 4:00 PM portion of this meeting
and a video recording of the 6:00 PM portion of this meeting
are on file in the Office of the City Clerk and are archived at
www.surfcity-hb.org/government/agendas/**

4:00 PM - ROOM B-8

CALL TO ORDER - 4:04 PM

ROLL CALL

Present: Shaw, Harper (arrived at 4:07 PM), Dwyer, Hansen, Carchio, Bohr, and Boardman

Absent: None

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

Pursuant to the Brown "Open Meetings" Act, City Clerk Joan Flynn announced receipt of a supplemental communication received by her office following distribution of the City Council agenda packet:

PowerPoint communication for Study Session Item No. 1 submitted by Travis Hopkins, Director of Public Works, dated July 2, 2012, entitled *I-405 Improvement Project*.

PUBLIC COMMENTS PERTAINING TO STUDY SESSION / CLOSED SESSION ITEMS (3 Minute Time Limit)

(The number (hh:mm:ss) following the speakers' comments indicates the approximate starting time in the archived audio located at <http://www.surfcity-hb.org/government/agendas/>).

Ralph Bauer described his background and experience as a former member of the OCTA Advisory Committee and I-405 Planning Group, and stated his opinion that the project contains three major elements: balance between 1) throughput, 2) money, and 3) transit opportunity. He also stated that while he felt short term issues could be painful, long term issues are critical and require careful consideration. (00:00:38)

Diana Carey, Chair, Traffic Commissioner for the City of Westminster and member of the I-405 Project Committee, voiced concerns about the impact of the project on Westminster's business district, noise mitigation and use of Measure M revenue for toll lanes that are not identified in the

project document. She stated that Westminster opposes Alternative No. 3 that results in five general purpose lanes, and also opined that projections for local toll lanes were inaccurate. (00:02:20)

Councilmember Harper questioned, and Ms. Carey confirmed, that the City of Westminster supports Alternative No. 2.

STUDY SESSION

1. OCTA REVIEW OF I-405 IMPROVEMENT PROJECT EIR/EIS AND LOCAL ISSUES - Project management staff from OCTA will present an overview of the I-405 Improvement Project EIR/EIS, highlighting specific project features and issues in and near the City of Huntington Beach. The project alternatives will be reviewed including a discussion of the different functional elements, funding impacts, operational benefits and the process of selecting a "locally preferred alternative". OCTA and City staff will be available to answer specific questions about the project.

City Manager Fred Wilson introduced Transportation Manager Bob Stachelski, who informed Council that the EIR for the I-405 Widening Project had been made public, and that the public review period will close July 17. He introduced OCTA staff members Christina Burn, Ellen Burton, Lance Larson, and Hal Barrett. Mr. Barrett provided a PowerPoint entitled *I-405 Improvement Project* with the following titled slides: Interstate 405 Project Location, Project Overview, Existing Condition, Alternative 1: The M2 Project, Alternative 2: M2 Plus GP, Alternative 3: M2 Plus Express, Express Access Points, Funding the Alternatives, Mobility by Alternative - 2040, Interchange Configurations (Magnolia, Beach, Bolsa/Goldenwest), Local Interchange Improvements, Property Impacts - Huntington Beach, Questions - Huntington Beach, Project Schedule, Environmental Documents, and Comments (May 18 - July 17).

Mayor Pro Tem Dwyer and Mr. Barrett discussed ingress/egress to create smoothing, and concerns about vehicular crossing to express lanes on the 91 Freeway.

Traffic Manager Stachelski discussed current activity to access HOV lanes, and the addition of a general purpose lane.

Mayor Hansen discussed reduction in toll lanes due to the addition of a general purpose lane, and toll policy based on demand.

Manager Stachelski and Mayor Pro Dwyer discussed favorite access ramps to express lanes. Mr. Barrett discussed OCTA's review of freeway demand and the layout of express lanes.

Councilmember Harper and Mr. Barrett discussed active transport getting to the Goldenwest Transit Center by bike or train, consistent signage (Goldenwest or Golden West and Westminster Blvd. or Westminster Avenue), and the graffiti-proof pedestrian bridge crossing at Heil (Fountain Valley/Huntington Bridge)

Mr. Barrett discussed connection to Los Angeles.

Councilmember Shaw and Mr. Barrett discussed how Alternative 1 is funded, that Alternatives 2 and 3 need revenues (made through bonds), and concerns about public bonds that will have to be repaid. Discussion ensued about how the 73 Toll Road has never met its projections, and opinions were shared about why Alternative No. 3 may be fiscally irresponsible.

Support was expressed for Alternative No. 2, and certain Council questioned why OCTA would want to tear down the Fairview Bridge and rebuild it.

Mr. Barrett described express lane visions on other area freeways such as the I-110 and I-210, and discussed bond sale information presented in April 2012.

Councilmember Boardman and Mr. Barrett discussed what happens at the location where the widening ends at the County line at the 605 Freeway, including agreements with County of Los Angeles, traffic projections, and transponder fees. Discussion ensued regarding the toll lanes not being mentioned in Measure M, and use of monies for Measure M projects. Mr. Barrett discussed what the OCTA will use toll fees for (debt, maintenance), with a revenue projection of \$1.5 billion over thirty years. It was also mentioned that I-405 funds are overseen by a public oversight committee.

Councilmember Harper discussed OCTA's decision to widen the I-5 that flows into Los Angeles County, and LA's plans to widen the I-5 Freeway, stating a need for Orange County to exercise leadership and make the first step.

Mayor Pro Tem Dwyer and Mr. Barrett discussed the differences between Alternative Nos. 1, 2 and 3.

Councilmember Carchio and Mr. Barrett discussed OCTA and CalTrans involvement in the number of HOV lane riders.

Mayor Hansen summarized the following project points: the 405 has a greater capacity to corral northerly and southerly traffic; bond rating; 91 Freeway described as the best successful project; congestion pricing is functional; construction fatigue constrains the project; toll options work at key times; SCAG is a key player; the entire region will have toll facilities; and, public input has been received.

Councilmember Harper recognized the hard work of OCTA staff.

RECESS TO CLOSED SESSION

A motion was made by Carchio, second Dwyer to recess to Closed Session. The motion carried by the following roll call vote:

AYES: Shaw, Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman
NOES: None

CLOSED SESSION

2. Pursuant to Government Code § 54957.6, the City Council recessed to Closed Session to meet with its designated labor negotiators: Fred Wilson, City Manager; Paul Emery, Deputy City Manager; Bob Hall, Deputy City Manager; Michele Warren, Director of Human Resources; and Lori Ann Farrell, Director of Finance, regarding labor negotiations with MEO.

RECONVENE CITY COUNCIL/PUBLIC FINANCING AUTHORITY MEETING - 6:01 PM

CLOSED SESSION REPORT BY CITY ATTORNEY - None.

ROLL CALL

Present: Hansen, Boardman, Bohr, Carchio, Harper, Dwyer, and Shaw
Absent: None

PLEDGE OF ALLEGIANCE - Led by Councilmember Harper

INVOCATION - Given by Mayor Hansen

AWARDS AND PRESENTATIONS

Mayor Hansen called on the Community Services Commission Chair Nick Tomaino to receive a proclamation on behalf of *Parks Make Life Better* Month.

Mr. Tomaino was joined by Community Services staff members Rob Frizzelle, Kristine Martinez, and Chris Slama, and provided a brief video presentation to highlight *Parks Make Life Better* month.

Mayor Hansen presented a commendation to Marina High School Graduate and the Orange County Register Girls Track and Field Athlete of the Year Laura Hollander for her outstanding athletic achievements. He also congratulated her on her plans to attend California State University - San Luis Obispo to pursue a degree in Kinesiology.

Mayor Hansen called on Dave Simcox to introduce the Junior Guard Exchange Team from New Zealand. Erin and Shawn Ridler described the program and introduced its members. Shawn Ridler presented a plaque to Mayor Hansen.

Mayor Hansen called on Allison Goldenberger, Board of Directors member of the Sister City, who presented this year's students from Anjo, Japan.

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

Pursuant to the Brown "Open Meetings" Act, City Clerk Joan Flynn announced receipt of supplemental communications received by her office following distribution of the Council agenda packet:

Communication for City Clerk's Report Item No. 1 received from Joan L. Flynn, City Clerk, a PowerPoint entitled *Timeline for Huntington Beach Ballot Measures*.

Communication received for Consent Item No. 3 from David Bergevin, dated July 1, 2012, regarding the awarding of Construction Contract to All American Asphalt for the Main Street and Garfield Avenue Rehabilitation Projects.

Communication for Consent Item No. 9 received from Joan L. Flynn, City Clerk, dated July 2, 2012, notating typographical errors in the title of Consent Item No. 9.

PUBLIC COMMENTS (3 Minute Time Limit)

(The number (hh:mm:ss) following the speakers' comments indicates the approximate starting time in the archived video located at <http://www.surfcity-hb.org/government/agendas/>).

Jean Nagy and Leslie Gilson spoke in support of *Parks Make Life Better*. (00:47:00)

Richard Moore spoke in support of the proposed Consent Item No. 1 - Charter amendment relating to the levy of property tax for municipal purposes. (00:47:22)

Dave Bergeven spoke regarding Consent Item No. 3 (American Asphalt Contract for Main Street), voicing concerns about concrete repair, curb/gutter and tree removal/replacement. He thanked City Engineer Tony Olmos for his phone call, stated his opinion that public notification was insufficient, and requested that staff consider a change in radius at Main and Springfield. (00:49:40)

Tim Geddes spoke in favor of *Parks Make Life Better*, and voiced concerns about illegal fireworks activity the evening of Saturday, June 30 in Seeley Park near his home. (00:52:47)

Councilmember Harper questioned Mr. Geddes expressed opposition to building a Senior Center in the park, and if this was the first time he heard fireworks near his home.

Mark Bixby spoke in opposition to Councilmember Item No. 15 - Council Compensation, stated his opinion to use a "scalpel" approach and let those not interested in receiving compensation for their service decline it. (00:56:54)

COUNCIL COMMITTEE - APPOINTMENTS - LIAISON REPORTS AND ALL AB 1234 DISCLOSURE REPORTING

Councilmember Boardman, liaison to the Allied Arts Board, reported on an exhibition featuring three artists which is entitled *Escape From The Landfill*; Councilmember Carchio reported attending the change of command for Lt. Col. Tom Harmsberger to Lt. Col. Johnny Oliver; and, Mayor Pro Tem Dwyer discussed attending Tim McDaniel's event at the Art Center on June 29, a Folk music event that featured musician Phoebe Hunt.

CITY MANAGER'S REPORT

City Manager Fred Wilson announced that City Engineer Tony Olmos will be leaving the City for employment with the County of Orange.

Manager Wilson also asked Fire Chief Patrick McIntosh for an update on July 4th activity. Chief McIntosh provided a PowerPoint presentation outlining the *Does and Don'ts* on July 4. Mayor Pro Tem Dwyer and Chief McIntosh discussed an incident involving fireworks on June 30, and Councilmember Harper thanked staff for their informative sign placement related to safe and sane activity on July 4th. Mayor Hansen discussed witnessing compliance at fireworks booths, and Councilmember Carchio thanked all non-profits participating in fireworks sales in Huntington Beach.

CITY CLERK'S REPORT

1. Adopted Resolution Numbers 2012-32 through 2012-34 placing the Proposed Charter Amendment initiated by Mr. Frank Morrell, Proponent (deleting Section 607 (b)2 of the Huntington Beach Charter) on the November 6, 2012 ballot, and setting priorities for Written Arguments and Rebuttals regarding said Measure

City Clerk Joan Flynn provided a PowerPoint presentation entitled *Timeline for Huntington Beach Ballot Measures*, with titled slides: Steps for Petitioner Initiated Measure, Difference between Measures, Arguments, Priority Order, Rebuttals, and Upcoming Dates. The presentation listed actions that must take place to successfully place a measure on the November 6, 2012 ballot.

Clerk Flynn informed the Council that the proponent of the proposed Charter amendment can submit a written argument, and Councilmembers selected to respond can file an argument as well, followed by submitting rebuttals. She indicated that proponent's and Council's arguments are due to her office on July 16, and discussed past actions similar in nature, and differences between petition driven, versus Council driven initiatives.

A motion was made by Hansen, second Harper to accept Certificate as to Verification of Signatures on Petition dated June 25, 2012 as provided by the Orange County Registrar of Voters to the Huntington Beach City Clerk; and, adopt Resolution No. 2012-32 "A Resolution of the City Council of the City of Huntington Beach Ordering the Submission to the Qualified Electors of the City A Proposed Charter Amendment Relating to Levy of Property Tax for Municipal Purposes at the General Municipal Election to be Held on Tuesday, November 6, 2012, as called by Resolution No. 2012-21;" and, approve no more than 5 Council Members to write and sign the Argument Against the Measure, and adopt Resolution No. 2012-33 "A Resolution of the City Council of the City of Huntington Beach Setting Priorities for Filing a Written Argument Regarding a Charter Amendment Relating to Levy of Property Tax for Municipal Purposes at the General Municipal Election to be Held on Tuesday, November 6, 2012, as called by Resolution No. 2012-21 and Directing the City Attorney to Prepare an Impartial Analysis;" and, adopt Resolution No. 2012-34 "A Resolution of the City Council of the City of Huntington Beach Providing for the Filing of Rebuttal Arguments for the Charter Amendment Relating to Levy of Property Tax for Municipal Purposes at the General Municipal Election to be Held on Tuesday, November 6, 2012, as called by Resolution No. 2012-21."

Councilmember Boardman and Clerk Flynn discussed a ten (10) day lead time for rebuttals.

Councilmember Harper and Clerk Flynn discussed submitting arguments for school district measures to the Registrar of Voters.

Councilmember Boardman requested that she be considered as one of the authors for written argument against the measure, discussed cuts to departmental budgets to subsidize the \$4.2 million dollar deficit this measure, if passed, will create, and discussed increasing the City's percentage of Transient Occupancy Tax (TOT) to shift the burden.

Councilmember Bohr expressed his opposition to the proposed charter amendment, discussed employee associations' acceptance of a two-tier pension platform, and also requested that he be considered as one of the authors for written argument against the measure.

Councilmember Shaw requested he be considered as one of the authors for written argument against the measure, discussed employee pension reform, employee concessions, and his support to consider an increase in TOT.

Mayor Pro Dwyer discussed the unfunded liability related to public employee pensions, and the need for change.

Mayor Hansen discussed de-levering the taxpayer, and future Council considering employee contracts that require full employee contribution to pension programs.

The motion included selection of Councilmembers Shaw, Bohr and Boardman to write argument against said measure, and carried by the following roll call vote:

AYES: Hansen, Boardman, Bohr, Carchio, Harper, Dwyer, and Shaw
NOES: None

CONSENT CALENDAR

2. Approved and adopted minutes

A motion was made by Carchio, second Boardman to approve and adopt the minutes of the City Council/Public Financing Authority Regular Meeting and the Special Meetings of the Successor Agency and Housing Authority of June 4, 2012. The motion carried by the following roll call vote:

AYES: Shaw, Dwyer, Harper, Hansen, Carchio, Bohr, and Boardman
NOES: None

3. Awarded Construction Contract in the amount of \$1,188,402.00 to All American Asphalt for the Main Street (Adams Avenue to Utica Avenue) and the Garfield Avenue (Delaware Street to Beach Blvd.) Rehabilitation Projects, CC-1397

Councilmember Boardman pulled the item to thank staff for use of recycled tires, and to acknowledge receipt of a resident's email expressing concerns. She and City Engineer Tony Olmos discussed replacement of trees at 16 identified locations, and more in parks. Mr. Olmos described reports by certified arborists of diseased trees and how root systems are impacted by curb, gutter and street reconstruction. Transportation Manager Bob Stachelski discussed how increasing the parkway would calm traffic, and Beautification Landscape Tree Committees approval of the staff recommendation.

Mayor Pro Tem Dwyer, Councilmember Shaw and staff discussed why a certain tree could not successfully survive the impacts it would be subjected to by the project.

Councilmember Boardman and Mr. Olmos discussed proposing a radius change on Main and Springfield, federal highway guidelines, and the types of trees replacing those slated for removal.

Councilmember Carchio and Mr. Olmos discussed a homeowner's cash deposit for improvements.

A motion was made by Boardman, second Harper to appropriate \$846,000 from the undesignated Gas Tax Fund Balance to the Gas Tax Fund Account 20790008.82300; and, accept the lowest responsive and responsible base bid submitted by All American Asphalt in the amount of \$1,188,402.00; and, authorize the Mayor and City Clerk to execute a construction contract in a form approved by the City Attorney. The motion carried by the following roll call vote:

AYES: Shaw, Harper, Dwyer, Hansen, Bohr, and Boardman
NOES: Carchio

4. Adopted Resolution No. 2012-40 to Establish the Annual Appropriation Limit for Fiscal Year 2012-2013

A motion was made by Carchio, second Boardman to adopt Resolution Number 2012-40, "A Resolution of the City Council of the City of Huntington Beach Establishing the Appropriation Limit for Fiscal Year 2012-2013" of \$692,527,871. The motion carried by the following roll call vote:

AYES: Shaw, Dwyer, Harper, Hansen, Carchio, Bohr, and Boardman
NOES: None

5. Adopted Resolution No. 2012-35 Approving Plans and Specifications for the County of Orange East Garden Grove-Wintersburg Channel Project

A motion was made by Carchio, second Boardman to adopt Resolution No. 2012-35, "A Resolution of the City Council of the City of Huntington Beach Approving Construction of the Improvements to the East Garden Grove-Wintersburg Channel (Facility C05) to be funded by the Orange County Flood Control District." The motion carried by the following roll call vote:

AYES: Shaw, Dwyer, Harper, Hansen, Carchio, Bohr, and Boardman
NOES: None

6. Approved Resolution Nos. 2012-42 and 2012-43 requesting authorization by the City and approval from Caltrans for temporary closure of streets for the annual Surf City Beach Derby Run

A motion was made by Carchio, second Boardman to adopt Resolution No. 2012-42, "A Resolution of the City Council of the City of Huntington Beach Approving the Temporary Closure of Portions of Goldenwest Street, Garfield Avenue, Seapoint Avenue, Overlook Drive, Main Street, First Street, and Huntington Street for the Annual Surf City Beach Derby Run"; and, adopt Resolution No. 2012-43, "A Resolution of the City Council of the City of Huntington Beach Requesting Caltrans Approve the Closing of Pacific Coast Highway and Certain Ingress and Egress Within the City of Huntington Beach for the Annual Surf City Beach Derby Run." The motion carried by the following roll call vote:

AYES: Shaw, Dwyer, Harper, Hansen, Carchio, Bohr, and Boardman
NOES: None

7. Adopted Funding Commitment Resolution No. 2012-36 for the 2012 Bicycle Corridor Improvement Program for Bike Treatments on Lake Street and Installation of Bike Racks Downtown

Mayor Pro Tem Dwyer pulled the item and along with Transportation Manager Bob Stachelski, discussed the status of cycling, the bicycle master plan, bike rack placement, and a workshop held at the Central library to enhance awareness of sharing roadways in particular areas.

A motion was made by Dwyer, second Hansen to adopt Resolution No. 2012-36, "A Resolution of the City Council of the City of Huntington Beach Authorizing Application for Funds for the Bicycle Corridor Improvement Program Funded with Congestion Mitigation and Air Quality Program Funds Under the 2005 Safe, Accountable, Flexible, Efficient, Transportation Act - Legacy for Users or Subsequent Federal, Transportation Act for Lake Street Bike Treatments and Downtown Bike Racks." The motion carried by the following roll call vote:

AYES: Shaw, Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman
NOES: None

8. Adopted Resolution No. 2012-37 to approve a five-year duration of permit use for established permit parking districts "A" through "M" in the City

A motion was made by Carchio, second Boardman to adopt Resolution No. 2012-37, "A Resolution of the City Council of the City of Huntington Beach Extending the Valid Duration for a Parking Permit to Five Years for All Districts Within the City of Huntington Beach." The motion carried by the following roll call vote:

AYES: Shaw, Dwyer, Harper, Hansen, Carchio, Bohr, and Boardman
NOES: None

9. Revised the City's Existing Development Impact Fees by adopting Ordinance Nos. 2942 through 2947 (Approved for Introduction on June 28, 2012)

A motion was made by Carchio, second Boardman to adopt Ordinance No. 3942, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding Chapter 17.75 Relating to Development Impact Fees for Police Facilities;" and, adopt Ordinance No. 3943, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding Chapter 17.74 Relating to Development Impact Fees for Fire Facilities;" and, adopt Ordinance No. 3944, "An Ordinance of the City of Huntington Beach Amending Chapter 17.65 of the Huntington Beach Municipal Code Relating to Traffic Impact Fees;" and, adopt Ordinance No. 3945, "An Ordinance of the City of Huntington Beach Deleting Chapter 17.66 of the Huntington Beach Municipal Code and Adding Chapter 17.67 Relating to Library Development Impact Fees;" and, adopt Ordinance No. 3946, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding Chapter 17.76 Relating to Parkland Acquisition and Park Facilities Development Impact Fees;" and, adopt Ordinance No. 3947, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding Chapter 17.73 Relating to the General Provisions for Development Impact Fees." The motion carried by the following roll call vote:

AYES: Shaw, Carchio, Bohr, and Boardman
NOES: Dwyer, Harper, and Hansen

10. Adopted Resolution No. 2012-38 to establish Sunset Beach as Permit Parking District "N" within the City of Huntington Beach

A motion was made by Carchio, second Boardman to adopt Resolution No. 2012-38, "A Resolution of the City Council of the City of Huntington Beach establishing Permit Parking District "N" for Sunset Beach within the City of Huntington Beach." The motion carried by the following roll call vote:

AYES: Shaw, Dwyer, Harper, Hansen, Carchio, Bohr, and Boardman
NOES: None

11. Adopted Resolution No. 2012-44 Setting Regulations for Candidate Statements for Elective Offices in Huntington Beach Municipal Elections and Repealing Resolution No. 98-42

Mayor Pro Tem Dwyer and Clerk Flynn discussed that the amendment corrects information to comply with the Voters Rights Act, correctly identifying the languages identified as present in the County of Orange as English, Spanish, Chinese, Korean, and Vietnamese.

A motion was made by Dwyer, second Boardman to Adopt Resolution No. 2012-44 "Resolution of the City Council of the City of Huntington Beach, California Adopting Regulations for Candidates for Elective Office Pertaining to Candidate Statements Submitted to the Voters at an Election to be Held on Tuesday, November 6, 2012." The motion carried by the following roll call vote:

AYES: Shaw, Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman
NOES: None

PUBLIC HEARING

12. Adopted Resolution No. 2012-39 approving the making of a loan by the California Municipal Finance Authority (CMFA) for the purpose of refunding the California Statewide Communities Development Authority Variable Rate Demand Revenue Bonds (The Pegasus School), Series 2003 (acquisition of Pegasus School located at 19692 Lexington Lane)

Kellee Fritzal provided a PowerPoint presentation entitled *TEFRA Public Hearing - Pegasus School*, with titled slides: Project, California Municipal Finance Authority (CMFA), Public Hearing, and Questions.

Mayor Hansen opened the public hearing.

City Clerk Joan Flynn indicated no one had signed up to speak, and reiterated receipt of a supplemental communication submitted by Kellee Fritzal, Deputy Director of Economic Development, a PowerPoint presentation entitled *TEFRA Public Hearing - Pegasus School*.

With no one present to speak on the item, Mayor Hansen closed the public hearing.

A motion was made by Dwyer, second Carchio to conduct the public hearing under the requirements of TEFRA and the Internal Revenue Code of 1986, as amended (Code); and, adopt City Council Resolution No. 2012-39 approving the issuance of the Loan by the CMFA for

the benefit of the Pegasus School, a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code (or any affiliate thereof or successor thereto) (the "Borrower"), to provide for the financing of eh project, such adoption is solely for the purposes of satisfying the requirements of TEFRA, the Code and the California Government Code Section 6500 (and following). The resolution will also authorize the Mayor, or designee thereof to execute the Joint Exercise of Powers Agreement with the CMFA; and, approve the City Council's membership in CMFA. The motion carried by the following roll call vote:

AYES: Shaw, Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman
NOES: None

ADMINISTRATIVE ITEMS

13. Adopted Resolution No. 2012-41 Authorizing the City to Levy the Annual Retirement Property Tax for Fiscal Year 2012/13 to Pay for Pre-1978 Employee Retirement Benefits

Councilmember Bohr discussed his proposal to direct the City Attorney to draft an Ordinance for super majority (5 votes) to cap the annual retirement property tax at its current level \$.01500 per \$100 of assessed valuation.

Councilmember Carchio voiced concerns about preparing something before the results of the proposed measure to eliminate retirement property tax have been documented.

Mayor Pro Dwyer asked Council to consider amending the motion to decrease the tax by 25% over the next four years until it reaches zero.

A motion was made by Boardman, second Bohr to adopt Resolution No. 2012-41, "A Resolution of the City Council of the City of Huntington Beach Levying a Retirement Property Tax for Fiscal Year 2012/13 to Pay for Pre-1978 Public Employee Retirement Benefits" of \$0.01500 per \$100 of assessed valuation. The tax rate of \$0.01500 would continue the current tax rate from Fiscal Year 2011/12. The motion carried by the following roll call vote:

AYES: Shaw, Dwyer, Carchio, Bohr, and Boardman
NOES: Harper, and Hansen

A motion was made by Bohr, second Boardman to direct the City Attorney to bring back an Ordinance that would cap the rate of \$.015 per \$100 of assessed valuation with a super majority needed to pass. The motion carried by the following roll call vote:

AYES: Shaw, Carchio, Bohr, and Boardman
NOES: Harper, Dwyer, and Hansen

COUNCILMEMBER ITEMS

14. Submitted by Mayor Hansen and Councilmember Harper: Response to 2011-2012 Grand Jury Report, "Transparency Breaking Up Compensation Fog - But Why Hide Pension Costs?"
REPORT ONLY - NO ACTION TAKEN

City Manager Fred Wilson discussed the City's immediate response to direction by the Grand Jury regarding the format to report compensation figures on the City's webpage.

15. Discussion held on item submitted by Councilmember Keith Bohr re: Elimination of Council Compensation

Councilmember Bohr discussed his decision to bring forward the idea of eliminating Council health benefits and reducing their expense allowance to realize an annual cost savings of approximately \$17,279 to \$26,554 per Councilmember per year.

A motion was made by Bohr, second Hansen to direct the City Attorney to bring back a Resolution and/or Ordinance that retains the Charter identified stipend of \$175 per month, reduces monthly expense reimbursement to \$125 per month, and eliminate insurance benefits.

Mayor Pro Tem Dwyer and Deputy City Attorney Vigliotta discussed a citizen's concerns about Council voting on issues brought forth by the outside boards/committees they receive compensation from.

Councilmember Boardman voiced concerns about the potential of future under compensated Councilmembers serving at minimum capacity, and discussed her opinion that the position requires more than ten hours per week to be effective.

Councilmember Bohr also described an alternative action that would eliminate health benefits and reduce the expense allowance for all current Councilmembers beginning October 1.

Councilmember Boardman and Manager Wilson discussed cuts made to the Council travel budget, and Councilmember Boardman provided verbal support to cut the Council budget equally to that of other department budgets.

Councilmember Harper and Attorney Vigliotta discussed when Council compensation was last revised in the Charter.

Councilmember Carchio discussed the amount of time he spends to effectively serve as a Councilmember, his mileage for City business, and how Huntington Beach residents expect more from Council than residents in other cities do.

Mayor Hansen discussed past efforts to reduce Council benefits or the Council budget, his reduced earnings resulting from his time serving as a member of the City Council, and how ultimately the compensation is not what attracts someone to serve on the Council.

Councilmember Shaw described how time off from his regular job is spent on City business, as a City Council member, and suggested that a percentage cut would be more appropriate.

Mayor Pro Tem Dwyer discussed running for office to affect change, not to gain a salary.

Councilmember Bohr voiced concerns about percentage cuts not sending a good message, suggesting that candidates running for salary are not good candidates.

Councilmember Carchio spoke in support of being reimbursed for attendance at civic events, and healthcare for the Councilmember only (not spouse).

The motion **as amended to eliminate insurance benefits** carried by the following roll call vote:

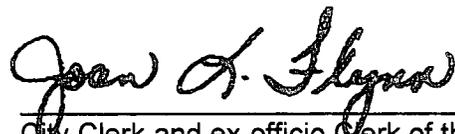
AYES: Harper, Dwyer, Hansen, and Bohr
NOES: Shaw, Carchio, and Boardman

COUNCILMEMBER COMMENTS (Not Agendized)

Mayor Hansen discussed attending the Project Self-Sufficiency Annual Scholarship Event on June 22 and the HB Radio Amateur Civil Emergency Services (RACES) "Field Day" event on June 23; Councilmembers Shaw, Harper and Hansen discussed attendance at the Wahoo's grand opening event on Saturday, June 23; Councilmembers Hansen and Bohr discussed attending the Pups N Pinot Wine Tasting, Food, and Music event on June 24; Councilmembers Carchio and Bohr discussed attending the Sea Legs Wine Bar ribbon cutting on June 27, and the HB Digital ribbon cutting on June 28; Councilmembers Shaw, Dwyer and Boardman discussed attending the Family Literacy Program Annual Awards Night event on June 27; Councilmembers Hansen, Carchio, Bohr and Boardman discussed attending the 4th of July Sponsor Recognition Party event on June 29.

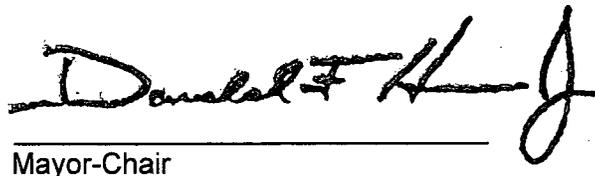
Councilmember Harper recognized the Peter's Landing Farmers; Market; Councilmember Carchio reminded the public of the Kiwanis' pancake breakfast at Lake Park on July 4; and, Mayor Pro Tem Dwyer reminded the public that 5K signups are still taking place at the Farmers' and Merchants' Bank in Seacliff Village.

ADJOURNMENT at 9:05 PM to the next regular meeting scheduled for **Monday, July 16, 2012**, 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, Secretary of the Huntington
Beach Public Finance Authority of the City of
Huntington Beach, California

ATTEST:


City Clerk, PFA Secretary
Mayor-Chair