

**Minutes  
Special Meeting of the City Council  
City of Huntington Beach**

Monday, June 29, 2015  
6 00 PM - Council Chambers  
Civic Center, 2000 Main Street  
Huntington Beach, California 92648

**A video recording of this meeting  
is on file in the Office of the City Clerk and is archived at  
[www.surfcity-hb.org/government/agendas/](http://www.surfcity-hb.org/government/agendas/)**

**6:00 PM - Council Chambers - Study Session**

**CALL TO ORDER – 6:03 PM**

**ROLL CALL**

Present     Posey, O’Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson  
Absent     None

**PLEDGE OF ALLEGIANCE – Led by Councilmember Delgleize**

**ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)**

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

Communication was received from Gino J Bruno, dated June 26, 2015, entitled *COIN - The Study Session Monday, June 29th*

**PUBLIC COMMENTS PERTAINING TO SPECIAL MEETING ITEM (3 Minute Time Limit) - 3 Speakers**

(The number [hh mm ss] following the speaker’s comments indicates their approximate starting time in the archived video located at [http //www surfcity-hb org/government/agendas/](http://www.surfcity-hb.org/government/agendas/) )

Maureen spoke about the importance of transparency for the taxpayers (00 01 57)

Norman Lawson spoke in support of transparency in public employee negotiations (00 02 39)

Charles Barfield, Orange County Employees Association, spoke to the issue of transparency for all negotiations, and his opinion that there are significant legal challenges with COIN (00 03 52)

## STUDY SESSION

- 1. Reviewed and discussed options to implement transparency in public employee negotiations and provide staff feedback for possible consideration at a future council meeting.**

Assistant City Manager Ken Domer introduced Michele Warren, Director of Human Resources, who provided a PowerPoint presentation entitled *Transparency in Negotiations - Transparency and Openness in Public Employee Negotiations* that included the following titled slides: Overview of Labor Negotiations, Two Factors of Consideration, Trends in Transparency and Accountability, ACC-OC Strategies, COHB Current Practices in Negotiations, Challenges to Transparency Ordinances, and Comparison Matrix

Councilmember Peterson applauded the public speaker stating the need for transparency for all public negotiations – whether for employees or contracts. Director Warren and Councilmember Peterson discussed use of an external negotiator, publicizing offers and counter-offers, and how costs can impact the organization's desire to include or exclude items. Costa Mesa is public with their offers and counter-offers while other area agencies only make tentative agreements public. Finance Director Lori Ann Farrell Harrison explained that costing contracts occurs during annual budget preparation at the department level.

Councilmember Posey asked staff to walk through the process of adopting a plan of transparency in negotiations. Director Warren discussed that style and/or content of a transparency ordinance would determine how much information would be shared. All MOUs are always public, whereas offers and counter-offers are as public as the Council determines.

Councilmember Posey asked for a legal opinion of SB 331 (Public Contracts) and the probability that it would pass. Deputy Chief City Attorney Mike Vigliotta responded that there is no way to predict legislative outcomes.

Councilmember Delgleize and Director Farrell Harrison discussed the budget process that makes projections for labor costs, and costing of specific elements/proposals for each bargaining group including benefits, at the department level. Director Farrell Harrison also explained how each specific item is cost out individually in situations where a bargaining group may affect several departments. Discussion continued on cities sharing "best practices" among themselves, and the fact that Huntington Beach being a full-service city requires use of a more refined costing methodology.

Councilmember O'Connell and Director Harrison Farrell discussed the total budget of approximately \$342M, of which approximately \$168M represents employee costs, and approximately \$172M represents capital projects, utilities and debt service, etc. Councilmember O'Connell stated he supports transparency from the very top to the very bottom, i.e., to include all City contracts and employees.

Chief Assistant City Attorney Vigliotta cautioned the Council not to discuss information not currently on the agenda.

Councilmember Sullivan thanked Councilmembers Posey and Delgleize for bringing the item forward. He discussed being unhappy with the labor negotiation process during his 15 years of service on the Council. He voiced concerns about Council reaching agreements on MOU related issues during Closed Session, and presenting the MOU publically at the next meeting. Further, he stated

support for publicizing offers and counter-offers, and retaining outside counsel to evaluate costs associated with negotiable points. He inquired about, and Director Warren responded, how non-safety employees contribute/pay 8% towards their PERS retirement fund, with the City picking up the remaining 13%. Councilmember Sullivan opined that the figures should be equal, and concluded his comments by thanking staff and congratulating them on their efforts to reduce unfunded liabilities.

Mayor Pro Tem Katapodis thanked Finance Director Farrell Harrison for her work to present information during negotiations, discussed current use of outside counsel, and was reminded by Chief Assistant City Attorney Vigliotta of a recent charter amendment that relates to the use of outside counsel. Mayor Pro Tem Katapodis stated support for transparency in negotiations, citing Newport Beach as a preferred model.

Councilmember Posey also stated support for the Newport Beach model, but voiced concerns that it did not require publicizing offers and counter-offers during negotiations, nor disclosure of private communications.

Mayor Hardy stated support for the Newport Beach model she referred to as policy, but concurred with Councilmember Posey on its missing components. She described her experience that negotiations are positively facilitated by privacy. She also stated support for Council expanding the level of disclosure on private communications, and publishing MOUs and related information earlier.

Councilmember Peterson stated support for publicizing offers and counter-offers, retention of outside negotiators, and Council expanding the level of disclosure they provide for private communications.

Mayor Pro Tem Katapodis asked staff to price out the use of outside counsel.

Councilmember Posey stated support for including any policy the Council considers, publicizing of offers and counter-offers during negotiations.

Mayor Hardy questioned the appropriate way to give staff direction, and asked Chief Assistant City Attorney Vigliotta whether a policy or ordinance would be the proper route to proceed. Chief Assistant City Attorney Vigliotta responded that regardless of which type of action the Council takes, it must be agendaized and voted upon at another meeting.

Mayor Hardy suggested straw votes on policy (vs ordinance or resolution), offer/counter-offer, and date to publish MOUs ahead of a meeting.

Councilmember Delgleize questioned if a policy of disclosure for offers/counter-offers was implemented, would the policy have to be followed in every case, or could it be agreed to not disclose if that would hinder the process in certain situations.

Councilmember Peterson stated that in his opinion, if Council had the option to not disclose for a certain situation it should only be by a super majority, not just a majority.

Assistant City Manager Domer and Mayor Hardy discussed that staff could come back with alternatives based on Council straw votes, and Chief Assistant City Attorney Vigliotta reminded everyone to stay on point with the agenda. Assistant City Manager Domer added that the existing negotiating models for MOUs allow for as much time as possible but do generally require a two-meeting process, i.e., a public hearing meeting which allows for public comment followed in a couple of weeks by a meeting for the final vote.

Mayor Hardy called for a straw vote to review and discuss options to implement transparency in public employee negotiations and provide staff feedback for possible consideration at a future council meeting, specifically using the policy vs ordinance route, and use of outside counsel

In discussion before voting, Councilmember Delgleize asked what the difference is between a policy vs an ordinance Chief Assistant City Attorney Vigliotta responded that there is a significant difference – a codified law on the books (ordinance) vs ground rules or guidelines for negotiations (resolution)

Mayor Hardy added that a policy might be less likely to result in potential legal challenges

The straw vote motion to utilize a Policy versus Ordinance carried by the following vote

AYES Posey, O'Connell, Katapodis, Hardy, Sullivan, and Delgleize  
NOES Peterson

Mayor Hardy called for a straw vote to review and discuss options to implement transparency in public employee negotiations and provide staff feedback for possible consideration at a future council meeting, specifically relating to offers and counter-offers

In discussion before voting, Mayor Hardy clarified that voting "Yes" means to publish all offers and counter-offers, and a "No" vote means no publishing Chief Assistant City Attorney Vigliotta added that nothing in this Study Session is being put in stone, but the issues will be agendized for a future meeting and final voting

The straw vote motion to publish offers and counter-offers carried by the following vote

AYES Posey, O'Connell, Katapodis, Sullivan, Delgleize, and Peterson  
NOES Hardy

**COUNCILMEMBER COMMENTS** (Not Agendized) – No comments

**ADJOURNMENT** – at 7 04 PM to the next regularly scheduled meeting of the Huntington Beach City Council/Public Financing Authority on Monday, July 6, 2015, at 4 00 PM in Room B-8, Civic Center, 2000 Main Street, Huntington Beach, California

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

ATTEST:

  
\_\_\_\_\_  
City Clerk

  
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Mayor-Chair