

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

Monday, May 18, 2015
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
is 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

CALLED TO ORDER – 4 00 PM

ROLL CALL

Present Posey, O’Connell, Katapodis, Hardy, Sullivan (arrived at 4 01 PM), Delgleize, and Peterson
Absent None

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

A PowerPoint presentation for Study Session Item No 1 submitted by Lori Ann Farrell, Director of Finance, dated May 18, 2015, entitled *FY 2014/15 Mid-Year Budget Update*

A PowerPoint presentation submitted for Study Session Item No 2 by Travis Hopkins, Director of Public Works, dated May 18, 2015, entitled *State Water Resources Control Board Emergency Regulations*

PUBLIC COMMENTS PERTAINING TO STUDY SESSION / CLOSED SESSION ITEMS (3 Minute Time Limit) – None

STUDY SESSION

1. Mid Year Budget Review Presented by Director of Finance, Lori Ann Farrell, regarding Fiscal Year 2013/14 Audit and Financial Performance; current FY 2014/15 projected budget performance; and preliminary FY 2015/16 Budget estimate.

Finance Director Lori Ann Farrell introduced Dahle Bulosan, Accounting Manager, Roger Alfaro, Partner from Faberneck Trindane Company, and Gloria Molina-Espinosa, Budget Manager

Accounting Manager Bulosan and Consultant Alfaro presented a PowerPoint dated May 18, 2015 entitled FY 2013/14 Audit and Year-End Results that included the following titled slides Summary, FY

2013/14 Audit Results, FY 2013/14 Performance, GASB 68 - Unfunded Pension Liabilities, FY 2013/14 General Fund Expenditures, FY 2013/14 General Fund Revenue, FY 2013/14 General Fund Fund Balance Designation*, and General Fund Balance (Audited)

Councilmember O'Connell and Consultant Alfaro discussed how details of the audit, including recommendations, will be presented to the City

Councilmember Sullivan, Manager Bulosan and Director Farrell discussed pay down of the retiree medical unfunded liability for non-safety "miscellaneous" employees

Budget Manager Molina-Espinosa presented a PowerPoint dated May 18, 2015 entitled FY 2014/15 Mid-Year Update that included the following titled slides FY 2014/15 General Fund Budget, FY 2014/15 General Fund Projection, and Proposed Mid-Year Budget Adjustments

Councilmember Sullivan and Manager Molina-Espinosa discussed the sales tax share agreement with Pinnacle Petroleum

Manager Espinosa continued with a PowerPoint dated May 18, 2015 entitled FY 2015/16 Preliminary Estimates that included the following titled slides Proposed Mid-Year Budget Adjustments, FY 2015/16 General Fund Estimates (Draft Preliminary Baseline), FY 2015/16 Preliminary General Fund Baseline Overview, FY 2015/16 Revenue (Preliminary Estimates), and General Fund Supplemental Requests

Councilmember Delgeize and Manager Molina-Espinosa discussed funds earmarked for animal control services, and Councilmember Sullivan asked for a report of percentage increases for animal control during the past five years for inflation comparison purposes

Mayor Pro Tem Katapodis and Director Farrell discussed department requests for full time, miscellaneous employees (FTEs)

Mayor Hardy and Director Farrell discussed funds reported for personnel and operating costs to fund two additional Police Officers

Finance Director Farrell continued with a PowerPoint dated May 18, 2015 entitled Budget Challenges and Opportunities that included the following titled slides Governor's May Revise FY 2015/16 State Budget, Highlights - Personnel Costs, 8-Year CalPERS Employer Contribution Increases, Accomplishments, FY 2015/16 Proposed Budget Calendar, and Awards and Accolades

2. The Public Works Department provided information on the Governor's Executive Order to reduce water consumption and the State Water Resources Control Board Emergency Regulations. The impacts to the City's Water Management Program, Municipal Code Section Chapter 14.18 and consideration to declare Level 2 of the Water Management Program were provided.

Travis Hopkins, Director of Public Works introduced Water Manager Brian Ragland to provide a PowerPoint dated May 18, 2015 entitled State Water Resources Control Board Emergency Regulations that included the following titled slides January 2013 - Normal Snowpack, January 2015 - 25% of Normal, Lake Oroville - July 20, 2011, Lake Oroville - September 5, 2014, Huntington Beach Water Sources, Governor's Executive Orders, State Water Resources Control Board, Water Usage By Sector Fiscal Year 2013-14, Emergency Regulation Impacts to Huntington Beach, City of Huntington Beach Permanent Water Conservation Requirements, Level 1 Water Supply Shortage Adopted by City Council September 1, 2014, Level 2 Water Supply Shortage, Proposed City Actions, City Hall Turf Removal, Enforcement, Signage To Be Placed At Neighborhood Entrances, Residential/Commercial Rebates www.ocwatersmart.com,

Councilmember Peterson and Manager Ragland discussed the City's requirement to reduce its total potable water usage production by 20 percent for each month as compared to the amount used in the same month in 2013

Councilmember Sullivan stated his opinion that the outdoor fountain at the Central Library should be turned off, and discussed his support for rain barrels and pool covers He and Director Hopkins discussed enforcement of residential overuse of water, confidential reporting of offenders by calling the Water Conservation Group at (714) 536-5922, or reporting it through the Surfcity Pipeline

Mayor Pro Tem Katapodis and Director Hopkins discussed full and part-time staff devoted to water conservation and enforcement

Mayor Hardy expressed support for allocation-based (tiered) pricing, and discussed creating policies for replacement of dying vegetation in street medians

Councilmember Delgleize and Director Hopkins discussed water-pressure concerns if all residents water their lawns on Mondays and Fridays Discussion ensued on avenues of public education (water bill insert, newspaper advertisement, website, signs and neighborhood entrances)

Councilmember Sullivan discussed appropriate rewards and/or penalties based on conditional use of water, and notification of compliance or non-compliance in monthly water bills

RECESED TO CLOSED SESSION – 5 14 PM

A motion was made by Katapodis, second Delgleize to recess to Closed Session

The motion carried by the following vote

AYES	Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson
NOES	None

Mayor Hardy announced Pursuant to Government Code Section 54957.6, the City Council shall recess into Closed Session to meet with its designated labor negotiators and Fred Wilson, City Manager regarding the following SCLEA

CLOSED SESSION

3. Pursuant to Government Code § 54956.9(d)(1), the City Council recessed into Closed Session to confer with the City Attorney regarding the following lawsuit: Ocean View School District v. City of Huntington Beach, et al., Orange County Superior Court Case No. 30-2012-00539563. The District filed a lawsuit challenging the City's Environmental Impact Report on a mixed use project at the southwest corner of Beach Boulevard/Warner Avenue.

4. Pursuant to Government Code § 54956.9(d)(1), the City Council recessed into Closed Session to confer with the City Attorney regarding the following lawsuit: Ocean View School District v. City of Huntington Beach (Rainbow Disposal), Orange County Superior Court Case No. 30-2013-00692076. The District filed a lawsuit challenging the City's Environmental Impact Report on the rezoning of the Rainbow Disposal property at the southeast corner of Warner Avenue/Nichols Lane.

5. Pursuant to Government Code § 54956.9(d)(1), the City Council recessed into Closed Session to confer with the City Attorney regarding the following lawsuit: Parks Legal Defense Fund v. The City of Huntington Beach, et al.; Orange County Superior Court Case No. 30-2012-00570541. In this second lawsuit challenging the Senior Center, a public interest advocacy organization alleges that the City violated CEQA, City Charter Section 612 (Measure C), and the City's General Plan.

6. Pursuant to Government Code § 54957.6, the City Council recessed into Closed Session to meet with its designated labor negotiators and Fred Wilson, City Manager regarding the following: SCLEA.

6:00 PM - COUNCIL CHAMBERS

RECONVENE CITY COUNCIL/PUBLIC FINANCING AUTHORITY MEETING – 6 02 PM

CLOSED SESSION REPORT BY CITY ATTORNEY – None

ROLL CALL

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

PLEDGE OF ALLEGIANCE – led by Councilmember Posey

INVOCATION – Led by Mark Curry, Baha'i Faith and member of the Greater Huntington Beach Interfaith Council

In permitting a nonsectarian invocation, the City does not intend to proselytize or advance any faith or belief Neither the City nor the City Council endorses any particular religious belief or form of invocation

AWARDS AND PRESENTATIONS

Mayor Hardy called on Victoria Alberty, Pat Brill and Gisela Campagne to present the Adoptable Pet of the Month

Mayor Hardy proclaimed National Public Works Week May 17 through 23 and presented a proclamation to Public Works Director Travis Hopkins

Mayor Hardy announced National Emergency Medical Services Week May 17 through 23 and presented a proclamation to Fire Chief Patrick McIntosh

Mayor Hardy called on City Clerk Joan Flynn and City employees to present a check in the amount of \$3,319 to the Huntington Beach Relay for Life Funds were raised at the City Employees 8th Annual Lunchtime Chili Cook-Off in April Also, the Huntington Beach Firefighters Association was able to raise an additional \$500 for the Huntington Beach Relay for Life

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

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

A communication submitted for Consent Item No 8 from Peirano and Associates, Inc , dated May 18, 2015, entitled *Proposed Ordinance 4058, Discriminatory Statue*

A PowerPoint presentation submitted for Ordinances For Adoption Item No 9 by Travis Hopkins, Director of Public Works, dated May 18, 2015, entitled *Amendments to Water Conservation Ordinance Huntington Beach Municipal Code 14 18*

A communication submitted for Councilmember Items No 10 by Shanna Breslow, dated May 13, 2015 regarding trash bins on the beach

A communication submitted for Councilmember Items No 10 by Patrick Brenden, resident, business owner and Planning Commissioner, dated May 18, 2015

A communication submitted for Councilmember Items No 10 by Assemblyman Matthew Harper, dated May 18, 2015

A communication submitted for Councilmember Items No 10 by Jerry Moffatt, General Manager, Rainbow Environmental Services, dated May 18, 2015

A communication submitted for Councilmember Items No 11 by Jerry Moffatt, General Manager of Rainbow Disposal, dated May 12, 2015, supporting the rezoning of property to medium density residential

A communication submitted for Councilmember Items No 11 by Colleen Mensel, President and CEO of El Viento, dated May 18, 2015

PUBLIC COMMENTS (3 Minute Time Limit)

25 Speakers

Jerry Moffatt, Rainbow Environmental Services, provided a slide presentation to demonstrate Rainbow's plans to construct a new, enclosed transfer station by 2018 that is fully compliant with all local enforcement agencies (00 19 36)

Linda Moulton-Patterson shared her experience as Chair of the Integrated Waste Management Board under Governors Gray Davis and Arnold Schwarzenegger (00 21 39)

Robert Dettloff spoke regarding Councilmember Items No 10 - Proposed Clean Air and Litter Reduction Ordinance (00 23 54)

Ken Thomson spoke in opposition to Councilmember Items No 10 - Proposed Clean Air and Litter Reduction Ordinance (00 25 37)

Patrick Brenden spoke in opposition to Councilmember Items No 10 - Proposed Clean Air and Litter Reduction Ordinance (00 25 47)

Sue Gordon spoke regarding Councilmember Items No 10 - Proposed Clean Air and Litter Reduction Ordinance (00 30 58)

Veronica Archuleta delivered a petition requesting to delay or stop the closure of the Salvation Army located at 17261 Oak Lane and discussed how the Salvation Army serves the community (00 33 39)

Maureen shared her thoughts on the City Council's plan to build houses on the land at the old Seniors' Center (00 37 44)

Jerry Konkolewski spoke to the issue of the 72-hour parking rule which needs to be enforced in a consistently fair and equal way (00 39 58)

Gina Clayton-Tarvin, Ocean View School District Board of Trustees, spoke to the perceived current conditions of exposed trash and improper procedures used at Rainbow Environmental Services that are detrimental to the health of the students at the school just across the street (00 40 45)

Hector Valdez spoke to share his concerns about the changes announced by Rainbow Environmental Services for an enclosed facility by 2018 He encouraged the City to be vigilant in enforcing codes (00 45 46)

Vern Nelson spoke in opposition to the recent repeal of the plastic bag ban (00 47 23)

Jack Soudus, Ocean View School District Board of Trustees, spoke to share concerns about what he considers unhealthy conditions at Rainbow Environmental Services facility and how it impacts several schools and the surrounding area (00 49 15)

Melissa Shaia-Egle opined how the current conditions at Rainbow Environmental Services negatively affect her family, who lives in the immediate neighborhood – the issues of smells, dust, noise and defecating and trash-dropping seagulls (00 49 24)

Ed Connor, Ocean View School District attorney, spoke to support Councilmember Items No 11 - Request to Rescind Previous City Council Actions on Nichols/Warner Site (00 54 36)

Patti Schraff, an Oak View Elementary School teacher since 2002, shared her experiences in dealing with issues created by the Rainbow Environmental Services facility and their typical "band aid" solutions (00 58 07)

Drew Bueno-Potts, a teacher at Ocean View High School, expressed his concerns about the students at Ocean View High School and Oak View School who he believes are affected by the visible trash, noise and odors produced by Rainbow Environmental Services (01 00 41)

Tyler Robert Kreymor spoke as a student of Ocean View High School to describe the impacts of smells, dust, and seagulls from the operation of Rainbow Environmental Services -- nausea, dizziness and difficulty in focusing in the classroom (01 02 51)

Kim Davis, Ocean View School District teacher, shared her frustration that nothing has improved regarding the conditions created by Rainbow Environmental Services in the 1 1/2 years she has been at Oak View School She stated every citizen in Huntington Beach deserves to breathe clean air (01 05 05)

Carole Harris from Horse Nation Foundation shared that Rainbow Environmental Services, in partnership with the Huntington Beach Police Department, contributes to the welfare of Oak View children by supporting Equestrian Center activities for them (01 07 46)

Ron Edwards spoke to the issues of hazardous standards and toxins, from his professional background, created by Rainbow Environmental Services and suggested constant air monitoring (01 10 08)

Michelle Clark spoke in opposition to Councilmember Items No 10 - Proposed Clean Air and Litter Reduction Ordinance (01 12 54)

John Earl spoke in support of Councilmember Items No 10 - Proposed Clean Air and Litter Reduction Ordinance (01 13 15)

Joseph Mastropaolo spoke to the issue of high density projects and the negative impacts to the quality of life (01 19 10)

John Briscoe spoke in opposition to Councilmember Items No 11 (01 22 06)

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

Councilmember Peterson attended the Sanitation District's Administrative Board meeting on behalf of Mayor Pro Tem Katapodis, appointed Mary Urashima to the Citizen's Infrastructure Advisory Board and Carol Woodworth to the Finance Committee

Councilmember Delgleize attended the Southern California Association of Governments General Assembly Conference, the Orange County Water Summit, the Visit Huntington Beach's Annual Report meeting, and appointed John McGovern to the Citizen's Infrastructure Advisory Board

Councilmember Sullivan attended the 7th Annual Orange County Tourism Conference and Visit Huntington Beach's Annual Report meeting

Mayor Pro Temp Katapodis attended Southern California Association of Governments General Assembly Conference

Mayor Hardy attended the Government Leaders' Prayer Breakfast

CITY MANAGER'S REPORT – Chief Handy presented an overview of the Huntington Beach Police Department's Body Worn Cameras Pilot Program

CONSENT CALENDAR

Mayor Hardy and Councilmembers Peterson and Delgleize requested that the minutes reflect a "No" vote for Consent Calendar Item No 8

1. Received and filed the City of Huntington Beach Strategic Plan Update

A motion was made by Katapodis, second Posey to receive and file the Twelve-Month Strategic Objectives

The motion carried by the following vote

AYES	Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson
NOES	None

2. Approved the escheatment of \$53,044.57 of Unclaimed Funds Per Government Code Sections 50050-50057

Mayor Pro Temp Katapodis pulled the item to confirm the due diligence process with staff Finance Director Lori Ann Farrell explained steps taken by the City to ensure that parties on the list have an opportunity to claim funds

A motion was made by Katapodis, second O'Connell to review and approve the transfer of \$53,044.57 of unclaimed funds from the City's Unclaimed Funds Liability Account to the City's Miscellaneous Revenue Account #10000100 48550 10035209 in compliance with Government Code Sections 50050-50057

The motion carried by the following vote

AYES	Posey, O'Connell, Katapodis, Hardy, Sullivan, and Peterson
NOES	None
OUT OF ROOM	Delgleize

3. Approved Fiscal Year 2014/15 Mid-Year Budget Adjustments

Mayor Pro Tem Katapodis pulled the item to question who decides how surplus funds are spent, and Finance Director Lori Ann Farrell explained the process followed by departments who submit requests

for adjustments on specific items through the Finance Department, and ultimately approved by the Council

A motion was made by Katapodis, second O'Connell to approve mid-year budget adjustments to the FY 2014/15 Revised Budget in the Funds and by the amounts contained in Attachment 1 The motion carried by the following vote

AYES Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson
NOES None

4. Adopted Resolution 2015-21 declaring Level 2 of the Water Management Program

A motion was made by Katapodis, second Posey to adopt Resolution 2015-21, "A Resolution of the City Council of the City of Huntington Beach Declaring a Level 2 Water Shortage "

The motion carried by the following vote

AYES Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson
NOES None

5. Approved and authorized execution of a contract amendment to Professional Service Contract with A&E Consultants Group, Inc for As-Needed General Development Engineering Services

A motion was made by Katapodis, second Posey to approve and authorize the Mayor and City Clerk to execute "Amendment No 2 to Agreement Between the City of Huntington Beach and A&E Consultants Group, Inc " to extend the existing professional services contract for two additional years

The motion carried by the following vote

AYES Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson
NOES None

6. Approved and authorized execution of an Environmental Release and Indemnity Agreement between DCO Pacific City and the City of Huntington Beach relating to property located between Pacific View Avenue, First Street, Atlanta Avenue, and Huntington Street (Assessor's Parcel No 024-271-06)

A motion was made by Katapodis, second Posey to approve and authorize the Mayor and City Clerk to execute the "Environmental Release and Indemnity Agreement" between DCO Pacific City and the City of Huntington Beach relating to property located between Pacific View Avenue, First Street, Atlanta Avenue, and Huntington Street (Assessor's Parcel No 024-271-06)

The motion carried by the following vote

AYES Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson
NOES None

- 7. Adopted Ordinance No. 4055, changing the duties of the Public Works Commission; Ordinance No. 4056, creating the Finance Commission; and, Ordinance No. 4057, creating the Citizens' Infrastructure Advisory Board (CIAB).
Approved for introduction May 4, 2015. Vote: 7-0**

A motion was made by Katapodis, second Posey to adopt Ordinance No 4055, "An Ordinance of the City of Huntington Beach Amending Section 2 11 030 of the Huntington Beach Municipal Code Regarding Duties of the Public Works Commission," and, adopt Ordinance No 4056, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding New Chapter 2 109 Entitled 'Finance Commission'," and, adopt Ordinance No 4057, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding New Chapter 2 103 Entitled 'Citizens' Infrastructure Advisory Board' "

The motion carried by the following vote

AYES	Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson
NOES	None

- 8. Adopted Ordinance No. 4058 approving Zoning Text Amendment (ZTA) No. 15-004 amending Chapter 204 of the Huntington Beach Zoning and Subdivision Ordinance (HBZSO) to add a Prohibited Uses section and to expressly prohibit medical marijuana dispensaries within the City.
Approved for introduction May 4, 2015. Vote: 4-3 (Hardy, Delgleize, Peterson - No)**

A motion was made by Katapodis, second Posey to Adopt Ordinance No 4058, "An Ordinance of the City of Huntington Beach Adding Section 204 18 to Chapter 204 of the Zoning and Subdivision Ordinance Titled Use Classifications (Zoning Text Amendment No 15-004) "

The motion carried by the following vote

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

ORDINANCES FOR ADOPTION

- 9. Adopted Emergency Ordinance No. 4060 amending Chapter 14.18 of the Huntington Beach Municipal Code (HBMC) relating to the Water Management Program**

Staff shared a brief PowerPoint overview of the City of Huntington Beach Water Management Program and review of situation requiring Emergency Ordinance No 4060

A motion was made by Sullivan, second O'Connell to adopt Emergency Ordinance No 4060, "An Emergency Ordinance of the City of Huntington Beach Amending Chapter 14 18 of the Huntington Beach Municipal Code Relating to Water Management Program "

(This Ordinance must be adopted by at least five affirmative votes of the City Council)

The motion carried by the following vote

AYES Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson
NOES None

COUNCILMEMBER ITEMS

10. Request Submitted by Councilmembers Peterson and O'Connell Approved as Amended - Staff to evaluate and study all enclosures and receptacles, not only on the beach but throughout the entire City, for compliance with the City's Municipal Code Section 8 and return to Council with findings no later than the Study Session of August 3rd

Councilmember Peterson asked Jerry Moffatt with Rainbow Environmental Services to approach the podium to elaborate on local agency requirements related to Rainbow's plans to construct a new, enclosed transfer station Discussion ensued on

- AQMD requirements under Rule 410
- Mitigation measures with regard to air filtration
- Other regulatory agencies
- Why the project is expected to take 3 years until completion
- Is Rainbow Environmental responding to all citizens concerns?

Comments unrelated to the Rainbow project included

- Further study of Municipal Code Section 8 and relative compliance
- Trash containers on the beach/enclosed receptacles
- The Water Control Act
- Protection of citizens
- Council process to place an item on the agenda/timelines for action

A motion was made by Katapodis to study all ordinances/municipal code sections that address refuse for current compliance The motion failed for lack of a second

A motion was made by Delgleize, second Sullivan to have staff evaluate and study all enclosures and receptacles, not only on the beach but throughout the entire City, for compliance with the City's Municipal Code Section 8 and return to Council with findings no later than the Study Session of August 3rd

The motion carried by the following vote

AYES Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson
NOES None

11. Submitted by Councilmember Sullivan Approved - Direct the City Manager to initiate General Plan and Zoning Map Amendments to rescind previous City Council actions on the Nichols/Warner site

Councilmember Sullivan provided a brief explanation of previous actions affecting the property in question

A motion was made by Sullivan, second Katapodis to direct the City Manager to initiate General Plan and Zoning Map Amendments to remove the current General Plan and Zoning designations on the

