

Minutes

City Council/Public Financing Authority City of Huntington Beach

Monday, November 7, 2016
4:00 PM - Council Chambers
6:00 PM - Council Chambers
Civic Center, 2000 Main Street
Huntington Beach, California 92648

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

4:00 PM - COUNCIL CHAMBERS

CALLED TO ORDER – 4:03 PM

ROLL CALL

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

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

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

Study Session Item No. 1, a PowerPoint presentation from Dr. Christine Cooper, Los Angeles Economic Development Corporation, entitled *Welcome to Southern California!*

PUBLIC COMMENTS PERTAINING TO STUDY SESSION / CLOSED SESSION ITEMS

(3 Minute Time Limit) — None

STUDY SESSION

- 1. Dr. Christine Cooper from the Los Angeles Economic Development Corporation provided the City with an update on economic indicators and workforce trends**

PowerPoint presentation titled *Welcome to Southern California!* by Christine Cooper, PH.D., Senior Vice President of the Los Angeles County Economic Development Corporation with slides entitled: *Outline of Presentation, Who Are We?, Introduction to SoCal, Race and Ethnicity, Educational Attainment, Where Have We Been?, Farming c. 1870, Farming c.2010, Agricultural Employment, Ford Assembly Line c. 1930, Auto Assembly Line c. 2015, Manufacturing Employment, Recent Job Growth Tale of Two Regions, Recent Job Growth, Employment by Sector - details, Real GDP Growth, Where Are We Headed?, Broad Lessons, The Big Question, Computer Technology c. 1950, Computer Technology c. 2015, Tomorrow, New Jobs by Industry Sector, Top 5 Occupations, Is This Where We Want to Go?, Entry Level Requirements, Education and Earnings, Poverty and Unemployment, What Can We Do?, Our Call to Action, and Local Competitive Industries.*

Councilmember Peterson thanked Dr. Cooper, recognized the importance of the information presented, and emphasized the need to attract the businesses identified in her presentation to continue economic development in Huntington Beach.

Councilmember Posey and Dr. Cooper discussed impacts to manufacturing from technology and automation (output is increasing; number of employees decreasing), how the aerospace industry is challenged by aging, experienced employees retiring, while trained, educated millennial's accept positions but tend to leave for other states due to the high cost of living. Dr. Cooper stressed the importance of communication between the educator/training community and local industries to ensure quality employees are available to meet industry needs.

Councilmember O'Connell and Dr. Cooper discussed housing needs related to the high number of low paying jobs, and impacts associated with increasing minimum wage. There was also discussion on how municipalities can encourage manufacturing, increase communication with local legislators, and focus on industries that market to large groups rather than smaller specialized populations.

Mayor Pro Tem Sullivan expressed concerns about high school students not holding jobs possibly due to entry-level positions being filled by an older population, his idea that many higher education degrees have very limited employment opportunities, and how the Southern California housing market does not welcome people coming in from out of state even when they have higher skill level positions. Dr. Cooper recognized the constant need for skilled laborers and expressed support for local community colleges communicating with trade industries to make them aware of, for instance, a shortage of trained welders, electricians, etc., so that they could put together programs to meet local needs.

RECESS TO CLOSED SESSION — 5:04 PM

A motion was made by Posey, second Delgleize to recess to Closed Session for Items 2 – 4. With no objections, the motion carried.

CLOSED SESSION

- 2. 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: Gina Mago vs. City of Huntington Beach, WCAB Case No. ADJ9872768; Claim No. COHB-14-00077.**
- 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: ComUNIDAD v. City of Huntington Beach; Orange County Superior Court Case No. 30-2016-00869173-CU-WM-CXC.**
- 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: MEO (Management Employee Organization)/HBFA (Huntington Beach Fire Association) v. City of Huntington Beach - Response to Unfair Practice Charge Nos. LA-CE-1103-M and LA-CE-1105-M.**

6:00 PM – COUNCIL CHAMBERS

RECONVENED CITY COUNCIL/PUBLIC FINANCING AUTHORITY MEETING AND CALLED TO ORDER THE SPECIAL MEETING THE HUNTINGTON BEACH HOUSING AUTHORITY — 6:02 PM

ROLL CALL

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

PLEDGE OF ALLEGIANCE — Led by Councilmember Hardy

INVOCATION — Led by Mark Currie of Bahá'í of Huntington Beach 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 Katapodis proclaimed November as Native American Heritage Month to recognize the contributions and accomplishments of our American Native communities who continue to shape our nation and contribute to our rich diversity which is our country's strength.

Mayor Katapodis called on Rev. Paul Harmon and presented a commendation to celebrate Hope Chapel Huntington Beach's 85th Anniversary. Rev. Harmon provided a brief history of the church and expressed appreciation for the acknowledgement.

Mayor Katapodis called on Antonia Graham who presented commendations to the Oak View Youth Soccer League, Green Girl Maid Service, Marisela Antonio, and CIELO for their participation in the Sustainable Business Certification Program. Antonia Graham, Assistant to the City Manager, briefly described the Sustainable Business Certification Program which aims to promote and achieve a healthier and cleaner environment by helping businesses integrate environmental responsibility into their operations in a manner that is sustainable as well as profitable, and introduced representatives of each business who have completed the program.

Mayor Katapodis called on Antonia Graham who presented a commendation and Cool Planet Award to the Hyatt Regency for identifying and implementing energy efficient measures. The City of Huntington Beach also received a Cool Planet Award for implementing LED lights, among other sustainability efforts.

Mayor Katapodis presented a proclamation to Kary Parker of the Orange County Affiliate of Pancreatic Cancer Action Network to proclaim November as National Pancreatic Cancer Awareness Month.

CLOSED SESSION REPORT BY CITY ATTORNEY — None

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

Pursuant to the Brown "Open Meetings" Act, City Clerk Robin Estanislau announced supplemental communications that were received by her office following distribution of the Council agenda packet:

Consent Calendar Item No. 6, email communication was received from Alex Turic of Good Alternatives.

PUBLIC COMMENTS (3 Minute Time Limit) — 28 Speakers

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

Jennifer Vaughn, Public Affairs Manager, So Cal Gas, was called to speak and expressed appreciation for the City's successful efforts for energy efficiency, and specifically Consent Calendar Item No. 6, accepting the California Energy Commission (CEC) Grant Funding Support. (01:20:17)

Gloria Alvarez, representing Huntington Beach Preserve Our Past (HBPOP) was called to speak and invited the community to the Lake Park plaque dedication celebration, Saturday, November 19, 10 am. Lake Park is over 100 years old and was deeded to the City in 1912, but has never had a monument or sign. HBPOP provided the funds for the sign and monument. (01:21:24)

Barbara Haynes, representing Huntington Beach Preserve Our Past (HBPOP), was called to speak and expressed thanks to Director of Community Services Janeen Laudenback and Facilities Development Manager David Dominguez for their support through the whole process for the Lake Park dedication celebration. (01:22:29)

Norman Lawson was called to speak and voiced concerns about how political candidates and elected officials are influenced by groups or organizations that make large monetary contributions to their campaigns, and proposed that these types of contributions be renounced. He also encouraged Council to be fiscally responsible, and concluded by stating support for forming voting districts. (01:23:00)

Clem Dominguez was called to speak and shared his opinion that there should be no Political Action Committees (PACs), and as a candidate for an elected board member position with the Orange County Water District, his intent is to keep the public accurately informed on the Poseidon Desalination project. (01:26:15)

Elisabeth Pechs, Program Manager, Community for Innovation, Entrepreneurship, Leadership and Opportunities (CIELO), was called to speak and shared appreciation for the City's Sustainable Business Certification Program. (01:29:19)

Amory Hanson, Huntington Beach City Council Candidate, was called to speak and asked the residents of Huntington Beach to get out and vote for the candidates that best represent their personal ideals and dreams. (01:30:06)

Devin Dwyer was called to speak and shared his opinion that with the current contentions between the Huntington Beach Firefighters' Association Union, citizens, taxpayers and the City Council, it is improper to have five polling places located at fire stations. He asked that the City Council consider an ordinance that would prohibit this in the future. (01:31:12)

John Hobson, CIELO, was called to speak and shared his support of Consent Calendar Item No. 6, the California Energy Commission (CEC) Grant Funding. (01:34:22)

Clay Sandidge, MuniFed Energy, was called to speak and shared his support of Consent Calendar Item No. 6, the California Energy Commission (CEC) Grant Funding. (01:35:10)

Maureen was called to speak and shared her opinions about City Council Candidate Hardy and that she cannot support this candidate. (01:36:14)

Gerald Chapman was called to speak and shared his frustration about receiving no advance notice for the major street renovation taking place in front of his business on Delaware Street. He explained how the project affects fifteen different medical professional offices, and his understanding that the City is obligated to properly post notices of street projects. Mr. Chapman was asked to fill out a blue follow-up card. (01:38:21)

James Filanc, Southern Contracting, was called to speak and shared his support of Consent Calendar Item No. 6, the California Energy Commission (CEC) Grant Funding. (01:41:00)

Debbie Killey, Vice Chair, Huntington Beach Environmental Board, was called to speak and shared the success of the recent Fix-It Clinic at Central Library, and expressed support of Consent Calendar Item No. 6, the California Energy Commission (CEC) Grant Funding. (01:43:11)

Cari Swan was called to speak and expressed her thanks to Mayor Katapodis and Mayor Pro Tem Sullivan for their service in fighting back against high density in Huntington Beach. She further expressed her support of Lyn Semeta and Ron Sterud as Council Candidates. (01:44:59)

Joseph Dagley, Huntington Beach Reads One Book (a program dedicated to literacy) was called to speak and shared details on the program and announced the 2017 book: *Hotel on the Corner of Bitter and Sweet*, by Jamie Ford. He encouraged city residents to get involved in the program. (01:47:40)

Jessica Budica, Huntington Beach Environmental Board, was called to speak and shared details on the current anti litter art contest for school children in grades 3 to 12. Jessica also expressed the Environmental Board's support for Consent Calendar Item No. 6, the California Energy Commission (CEC) Grant Funding. (01:51:01)

Kyle Scrimgeour was called to speak and shared his support for Consent Calendar Item No. 6, the California Energy Commission (CEC) Grant Funding. (01:54:15)

Shawn Thompson, Huntington Beach Environmental Board, was called to speak and expressed support for Consent Calendar Item No. 6, the California Energy Commission (CEC) Grant Funding. (01:55:17)

Omar Tepayotl, Oak View resident, was called to speak and expressed support for Consent Calendar Item No. 6, the California Energy Commission (CEC) Grant Funding. (01:57:35)

Dan Kalmick, Planning Commissioner, was called to speak and shared his support for Consent Calendar Item No. 6, the California Energy Commission (CEC) Grant Funding. (01:58:47)

Patrick Brenden, Planning Commissioner and City Council Candidate, was called to speak and shared his opinions about the current election and stated that win or lose he will continue to serve the community. (02:00:17)

Adam Plesniak was called to speak and shared his support for Consent Calendar Item No. 6, the California Energy Commission (CEC) Grant Funding. (02:02:59)

Allison Duffy was called to speak and shared support for Consent Calendar Item No. 6, the California Energy Commission (CEC) Grant Funding. (02:05:36)

Victor Valladares, candidate for Coast Community College District Governing Board Member, Trustee Area 3, was called to speak and shared his support of making higher education available for all, and reminded everyone to vote. He also requested that Council consider how residents feel about Consent Calendar Item No. 6, the California Energy Commission (CEC) Grant Funding, not just the professional opinions of the organizations that support it. (02:07:59)

Gina Clayton-Tarvin, President, Ocean View School District Trustee, was called to speak and thanked the Council for recognizing the Ocean View Youth Soccer League previously this evening. She continued by sharing that the Ocean View School District playing fields (for all sports) are in poor condition. The State no longer provides any funding for deferred maintenance, and therefore she asked the voters to support Measure R which would provide the necessary funds to update the playing fields and acquire proper equipment. (02:11:15)

Ron Sterud, Huntington Beach City Council Candidate, was called to speak and shared his gratitude to Mayor Katapodis and Mayor Pro Tem Sullivan for their service, especially their support for low density housing. Mr. Sterud shared his interest in representing the residents rather than special interests in his bid for a Council seat and asked everyone to get out and vote. (02:14:30)

Lyn Semeta, Vice Chair, Planning Commission and Huntington Beach City Council Candidate, was called to speak and thanked Mayor Pro Tem Sullivan and Mayor Katapodis for their service. Ms. Semeta shared her opposition to high density building, her support of increased transparency and accountability in government, and encouraged everyone to vote. (02:16:42)

CITY MANAGER'S REPORT — None

COUNCIL COMMITTEE - APPOINTMENTS - LIAISON REPORTS, AB 1234 REPORTING, AND OPENNESS IN NEGOTIATIONS DISCLOSURES

Councilmember Peterson reported attending the Southern California Association of Government (SCAG) Earthquake Preparedness Seminar, summarizing it by stating that everyone should be prepared with enough food and water for a minimum of three days as it may take that long for any assistance to arrive.

Mayor Pro Tem Sullivan reported attending the Orange County Senior Citizens' Advisory Commission Executive Board and Health and Nutrition Committee meetings.

Councilmember Delgleize reported attending a Public Cable Television Association (PCTA) meeting, and stated she is planning to invite Dr. Lucy Jones, seismology expert, to a local earthquake preparedness event next year.

Mayor Katapodis reported attending the Orange County Transportation Authority (OCTA) Administrative meeting, and an Orange County Sanitation District (OCSD) meeting.

CITY TREASURER'S REPORT

1. Received and filed the City Treasurer's September 2016 Quarterly Investment Summary Report

City Treasurer Alisa Cutchen gave a PowerPoint presentation with slides entitled: *City Treasurer's Mission: Preservation and Return of Investments, Goal - Own Legal and Suitable Investment to meet objectives, Economic and Market Overview July-September 2016, Portfolio Overview 9/30/16, Portfolio Composition 9/30/16, Current Portfolio Holdings 9/30/16, Current Agency Holdings 9/30/16, Agency Holdings - Structure 9/30/16, Corporate Holdings 9/30/16, Portfolio Earnings, and Conclusion/Questions.*

A motion was made by Sullivan, second Hardy to receive and file the Quarterly Investment Report for September 2016, pursuant to Section 17.0 of the Investment Policy of the City of Huntington Beach.

The motion carried by the following vote:

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

CONSENT CALENDAR

Councilmember Peterson pulled Consent Calendar Item Nos. 6, 8, and 9 for further discussion.
Councilmember O'Connell pulled Consent Calendar Item Nos. 6 and 10 to recuse himself.
Mayor Pro Tem Sullivan pulled Consent Calendar Item No. 7 for further discussion.

2. Approved and adopted Minutes

A motion was made by Hardy, second Delgleize to review and adopt the City Council/Public Financing Authority regular meeting and the Housing Authority special meeting minutes dated October 17, 2016, as written and on file in the office of the City Clerk.

The motion carried by the following vote:

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

3. Adopted Resolution No. 2016-69 approving the Fiscal Year 2016/2017 Investment Policy

A motion was made by Hardy, second Delgleize to adopt Resolution No. 2016-69, "A Resolution of the City Council of the City of Huntington Beach, Approving the Statement of Investment Policy for Fiscal Year 2016/2017."

The motion carried by the following vote:

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

4. Approved and accepted the Public Improvements, released Performance, Labor and Materials and Monument Bonds and accepted the Securities for Tract 17716 (Coastal Walk on Airport Circle)

A motion was made by Hardy, second Delgleize to accept the improvements constructed and dedicated for public use with Tract 17716 and instruct the City Clerk to record the "Notice of Acceptance of Public Improvements" with the Orange County Recorder; and, release the Faithful Performance Bond No. PB03010401931, Labor and Materials Bond No. PB03010401931 and Monument Bond No. PB03010401930 pursuant to California Government Code Section No. 66499.7(a); and, accept Guarantee and Warranty Bond No. PB03010401931-M; the security furnished for guarantee and warranty of improvements, and instruct the City Clerk to file the bond with the City Treasurer; and, instruct the City Clerk to notify Olson Urban - Huntington Beach 2 LLC, the subdivider of Tract 17716, and the City Treasurer to notify Philadelphia Indemnity Insurance Company, of these actions.

The motion carried by the following vote:

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

5. Approved and accepted the Public Improvements, and released the Securities for Tract Nos. 17032 and 17033 (Brightwater Development / Signal Landmark)

A motion was made by Hardy, second Delgleize to accept the public improvements, constructed and dedicated for public use with Tract Nos. 17032 and 17033; and, release the Faithful Performance Bond and Labor and Material Bond Nos. K08842000 and K08842012, pursuant to the California Government Code Section No. 66499.7(a); and, release Guarantee and Warranty Bond No. K0896502A, the security furnished for guarantee and warranty of the sewer lift station of Tracts Nos. 15460 and 17032; and, instruct the City Clerk to notify the developer, Signal Landmark, of this action, and the City Treasurer to notify the Surety, Westchester Fire Insurance Company, of this action; and, instruct the City Clerk to record the "Notices of Acceptance of Public Improvements" with the Orange County Recorder.

The motion carried by the following vote:

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

6. Approved and accepted California Energy Commission (CEC) Grant Funding Support in the amount of \$90,000 through the University of California Irvine (UCI) for the Electric Power Investment Program Challenge (EPIC); Accelerating the deployment of Advanced Energy Communities (AEC); and, approved appropriation of grant funds received

Councilmember O'Connell recused himself due to a potential conflict of interest and left the room.

Councilmember Peterson and staff discussed details of the grant sub-contract requirement.

Mayor Pro Tem Sullivan and staff discussed Lake Forest's receipt of Electric Power Investment Program Challenge (EPIC) funds in 2015. Staff noted that while none of the public speakers supporting the item public comments are currently partnered with the City on the project, they most likely see the potential for

opportunities. Mayor Pro Tem Sullivan shared some examples of situations and reports which support his conclusion that Huntington Beach should not try to be the leader in this arena, and indicated that he would not be supporting the item.

Councilmember Hardy and staff discussed ways the community has and will continue to be informed and provided opportunities for involvement throughout the program. Professor Jack Brouwer, Associate Director of Advance Power and Energy Program, University of California at Irvine (UCI), shared that he has two appointments at UCI: Department of Mechanical and Aerospace Engineering, and Civil and Environmental Engineering. Dr. Brouwer further shared his opinion that society should be looking for opportunities to use energy conversion technology for more sustainability of natural resources. He also stated that he believes that this program could prepare Huntington Beach to become the most attractive place for businesses because the city could offer the best energy conversion climate and the most resilient grid.

Councilmember Posey expressed his opinion that this program is really about economics and being prepared to meet the increased energy needs of more people. He stated being able to partner with UCI is a golden opportunity, and voiced his support for the item.

Councilmember Peterson confirmed with staff that these funds are for a study to determine options and that accepting these funds does not create an obligation to implement future programs.

Councilmember Delgleize shared her opinion that this program speaks to being aware of technologies, and prepared for future potential energy savings. She provided support for the item.

Mayor Katapodis shared that he supports a study to determine potential options for energy conservation.

Professor Brouwer discussed the details of the project and addressed Council's concerns.

A motion was made by Delgleize, second Hardy to authorize the City Manager or his designee to accept grant funds from the California Energy Commission through the University of California Irvine; and, authorize the City Manager or his designee to execute the grant sub-contract by and between the City of Huntington Beach and the University of California Irvine; and, accept the grant funds in the amount of \$90,000 and appropriate the funds for the EPIC Challenge Program.

The motion carried by the following vote:

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

7. Adopted Resolution No. 2016-75 amending the City's Classification Plan by amending the title of Safety and Loss Prevention Analyst to Senior Risk Management Analyst

Mayor Pro Tem Sullivan pulled this item to clarify with staff that this is not a new position, but rather a change in title for a currently vacant position with no change in the salary. Staff concurred.

A motion was made by Sullivan, second Delgleize to adopt Resolution No. 2016-75, "A Resolution of the City Council of the City of Huntington Beach Amending the City's Classification Plan by Amending the Title of Safety and Loss Prevention Analyst to Senior Risk Management Analyst."

The motion carried by the following vote:

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

8. Awarded and authorized execution of a Construction Contract in the amount of \$1,487,800 to KASA Construction, Inc. for the Worthy Park Reconfiguration Project, CC-1513

Councilmember Peterson asked staff to justify use of funds given pending infrastructure needs across the city. Staff explained use of Park Acquisition and Development funds and how the project is considered a priority item as a result of the high school using a portion of their land as a soccer field, freeing up an area that can meet the need for more sport practice fields.

Mayor Pro Tem Sullivan and staff discussed how the fields are used by high school sport teams during the afternoon, and by city-supported events in the evenings.

A motion was made by Delgleize, second O'Connell to accept the lowest responsive and responsible bid submitted by KASA Construction, Inc. in the amount of \$1,487,800; 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 vote:

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

9. Awarded and authorized execution of a Construction Contract in the amount of \$66,700 to GEM Construction, Inc., for the Sports Complex Team Room project, CC-1390; and, authorized up to 15% in change orders

Councilmember Peterson pulled this item to confirm with staff that this project also falls under Park Acquisition and Development funds. Staff explained how the project has been on hold for ten years, and how the office space will allow staff to be on-site for proper management of the activities. Councilmember Peterson stated that in his opinion, there are better ways to spend these funds.

Mayor Pro Tem Sullivan inquired, and staff explained that the Sports Complex operating costs are covered by the fees for using it, but the fees generated do not cover the bond repayment.

Councilmember Posey shared his concerns about the lack of responsiveness in the bid process for this project. Staff acknowledged his concerns, but felt that what was proposed is acceptable. Staff explained that the effort is not only to provide on-site staff and office space, but to also provide convenience for the residents who use the facilities, and how they will be able to conduct business without having to come to City Hall during the day when the offices are staffed. There was further discussion about the 40-year life expectancy of the building. Councilmember Posey expressed his opinion that the request makes economic sense, and has his support.

A motion was made by Delgleize, second Sullivan to accept the lowest responsive and responsible bid submitted by GEM Construction, Inc., in the amount of \$66,700; and, authorize the Mayor and City Clerk to execute a construction contract in a form approved by the City Attorney; and, authorize the Director of Public Works to approve up to fifteen percent (15%) in construction change orders.

The motion carried by the following vote:

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

10. Approved and authorized execution of a Professional Services Contract with Davis Farr LLP in an amount not to exceed \$144,900 over a 3 year period for financial audit services

Councilmember O'Connell pulled this item to recuse himself because of a personal long-term working relationship with Davis Farr LLP.

A motion was made by Hardy, second Posey to approve and authorize the Mayor and City Clerk to execute the "Professional Services Contract Between the City of Huntington Beach and Davis Farr LLP for Financial Audit Services."

The motion carried by the following vote:

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

11. Approved and authorized execution of a Standstill Agreement among HB Boardwalk, LLC, Fannie Mae, the City of Huntington Beach and the Huntington Beach Housing Authority (Boardwalk Development Agreement - 7441 Edinger Avenue)

A motion was made by Hardy, second Delgleize to approve and authorize the Mayor, City Clerk and Executive Officer of the Housing Authority to execute the "Standstill Agreement" by and among HB Boardwalk, LLC, Fannie Mae, The City of Huntington Beach and the Huntington Beach Housing Authority.

The motion carried by the following vote:

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

12. Approved and authorized execution of a Reimbursement Agreement with Monogram Residential Huntington Beach, LP for Fire and Safety Inspection Services for the Monogram Residential Project; and, authorized appropriation of funds

A motion was made by Hardy, second Delgleize to approve and authorize the Mayor and the City Clerk to execute the "Reimbursement Agreement Between the City of Huntington Beach and Monogram Residential Huntington Beach Project Owner, LP c/o KNR HB Sponsor, LLC for Costs Incurred for Fire

and Safety Inspection Services;" and, approve an appropriation of \$128,700 to the Fire Prevention business unit (10065201.69365) for these services.

The motion carried by the following vote:

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

13. Adopted Ordinance No. 4125 repealing Huntington Beach Municipal Code Section 8.21.176 Mandatory Recycling of Organic Waste by Businesses Commercial Organic Waste Recycling Approved for introduction October 17, 2016 - Vote: 7-0

A motion was made by Hardy, second Delgleize to adopt Ordinance No. 4125, "An Ordinance of the City of Huntington Beach Repealing Huntington Beach Municipal Code Section 8.21.176 Mandatory Recycling of Organic Waste by Businesses Commercial Organic Waste Recycling."

The motion carried by the following vote:

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

PUBLIC HEARING

14. Adopted the 2016 California Building and Safety Codes and related Ordinance Nos. 4106, 4107, 4108, 4109, 4110, 4111, 4112, 4113, 4114 Approved for introduction October 17, 2016 - Vote: 7-0

City Manager Fred Wilson introduced Community Development Building Manager Mark Carnahan who gave a PowerPoint presentation with slides entitled: *Timeline, Update all HBMC's to reflect the Current Referenced Codes, Additional Modifications to Title 17, and Recommendation.*

There being no comments or questions from the Council, Mayor Katapodis opened the Public Hearing.

City Clerk Robin Estanislau announced there were no speakers signed up for this item.

Mayor Katapodis closed the Public Hearing.

A motion was made by Delgleize, second O'Connell to adopt Ordinance No. 4106, "An Ordinance of the City of Huntington Beach Amending Chapter 17.04 of the Huntington Beach Municipal Code Relating to the Building Code" with attached findings; and, adopt Ordinance No. 4107, "An Ordinance of the City of Huntington Beach Repealing Chapter 17.06 of the Huntington Beach Municipal Code Relating to the Green Building Standards Code" with attached findings; and, adopt Ordinance No. 4108, "An Ordinance of the City of Huntington Beach Amending Chapter 17.07 of the Huntington Beach Municipal Code Relating to the Residential Code" with attached findings; and, adopt Ordinance No. 4109, "An Ordinance of the City of Huntington Beach Amending Chapter 17.08 of the Huntington Beach Municipal Code Relating to the Housing Code" with attached findings; and, adopt Ordinance No. 4110, "An Ordinance of the City of Huntington Beach Amending Chapter 17.40 of the Huntington Beach Municipal Code Relating to the Mechanical Code" with attached findings; and, adopt Ordinance No. 4111, "An Ordinance of the

City of Huntington Beach Amending Chapter 17.44 of the Huntington Beach Municipal Code Relating to the Plumbing Code" with attached findings; and, adopt Ordinance No. 4112, "An Ordinance of the City of Huntington Beach Amending Chapter 17.46 of the Huntington Beach Municipal Code Relating to the Uniform Swimming Pool, Spa and Hot Tub Code" with attached findings; and, adopt Ordinance No. 4113, "An Ordinance of the City of Huntington Beach Amending Chapter 17.48 of the Huntington Beach Municipal Code Relating to the Electrical Code" with attached findings; and, adopt Ordinance No. 4114, "An Ordinance of the City of Huntington Beach Amending Chapter 17.60 of the Huntington Beach Municipal Code Relating to the Solar Energy Code" with attached findings.

The motion carried by the following vote:

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

15. Adopted Ordinance No. 4123 amending Huntington Beach Municipal Code Chapter 17.56 regarding the adoption of the California Fire Code, 2016 Edition Approved for introduction October 17, 2016 - Vote: 7-0

City Manager Fred Wilson introduced Fire Division Chief Bill Reardon who gave a PowerPoint presentation titled *City of Huntington Beach November 7, 2016, Proposed Adoption of the 2016 California Fire Code (CFC) with Local Amendments*.

Mayor Katapodis opened the Public Hearing.

City Clerk Robin Estanislau announced there were no public speakers signed up to speak.

Mayor Katapodis closed the Public Hearing.

A motion was made by Peterson, second Delgleize to adopt Ordinance No. 4123, "An Ordinance of the City of Huntington Beach Amending Chapter 17.56 of the Huntington Beach Municipal Code Adopting the California Fire Code."

The motion carried by the following vote:

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

16. Conducted a Public Hearing and adopted Resolution No. 2016-59 creating a consolidated Comprehensive Citywide Master Fee and Charges Schedule

City Manager Fred Wilson introduced Finance Manager Dahle Bulosan and Nicole Casant from NBS who gave a PowerPoint presentation with slides entitled: *Presentation Goals, User Fee Best Practices, Scope of Services: User and Regulatory Fee Study, Key Components of a Fee Study, User Fee Study Guidance, Cost of Service Analysis, Cost vs. Price: Illustration of Cost Recovery in Fee- Setting, Cost Recovery Policy Decision Matrix, Master Fee and Charges Schedule Highlights, Summary Results for Fee Related Services - All Funds, Summary Results of Recommendations, Summary Results for Fee Related Services, Summary of General Fund Fees, Summary of Non General Fund Fees, Summary of*

General Fund Charges, Master Fee and Charges Summary, User Fee Study Recap, Finance Commission Recommendations, Due Diligence Review, Sample of Fees Reviewed and Topics of Discussion, Finance Commission Recommendations, Opportunities for Public Input, Recommended Actions and Questions.

Mayor Pro Tem Sullivan and staff discussed the process used to adjust the fees, and comparisons to other similar cities. Staff explained that Proposition 26 prevents cities from using an automatic percentage fee increase, and that current cost recovery is at 71 percent.

Mayor Pro Tem Sullivan expressed his concerns regarding the Beach Edinger Corridor fees for remodels, new residential units, etc. and asked if the fees were different for the Beach Edinger Corridor vs. the same projects being done in other areas of the city. Staff explained that each Specific Plan has unique fees that are related to the city's unique costs for that Specific Plan.

Councilmember Peterson confirmed with staff that if these fees are approved today, they can be adjusted during their next annual review. He shared concerns about how increasing costs impacts residents of the city, and expressed hopes that if actual costs drop, that the savings would be passed along to the residents.

Councilmember Posey and staff discussed the timeline of the review, and its thorough evaluation resulting in 51 percent of the fees either dropping or remaining the same. Councilmember Posey thanked staff for the thoroughness of this review and the voluminous detail provided. He also reminded everyone that these fees are only to recoup costs — not make a profit — in delivering services.

Councilmember Hardy shared that from her perspective these fees are paid by the people who receive the service, i.e., build an addition to their home, take a class or rent a facility. These fees should not be paid through other people's taxes. If the service provider's increase costs to the city, the increased costs rightfully should be passed on to the people using the service. The reality is that about one quarter of service fees are subsidized by the City.

Councilmember Delgleize shared her agreement with the comments made by Councilmembers Posey and Hardy, and expressed her appreciation to staff and the Finance Board for the tremendous amount of effort and time that was put into this review. She supports the plan of incremental increases over the next three years with the annual review to ensure the incremental changes remain accurate.

Councilmember Posey and staff discussed the community feedback from the seven public meetings, e-mail communication to entities requesting to be kept up to date, and the public hearing announcements.

Mayor Katapodis reported meeting with department heads to properly understand this item, and he applauds the plan for incremental increases over three years. The fees are reasonable, and comparable to other area cities, and will be reviewed annually to keep the fees in alignment with costs.

Mayor Katapodis opened the Public Hearing.

City Clerk Robin Estanislau announced there were no public speakers signed up to speak. The City Clerk also announced receipt of communication from Chief Financial Officer Lori Ann Farrell entitled *A Clarification of Developmental Impact Fees on pages 67 and 68 of attachment Exhibit 1A*, which will not affect the item's recommended action.

Mayor Katapodis closed the Public Hearing.

A motion was made by Posey, second Delgleize to conduct a public hearing regarding the Master Fee and Charges Schedule; and, adopt Resolution No. 2016-59, "A Resolution of the City Council of the City of Huntington Beach Establishing a Consolidated Comprehensive Citywide Master Fee and Charges Schedule and Repealing Resolutions 2009-31, 2009-32, 2009-33, and 2011-09 and all Supplemental Resolutions Thereto;" and, accept the recommendations presented by the Finance Commission including:

- 1) Conduct an annual review of the Citywide Master Fee and Charges Schedule to coincide with the Annual Budget development process to ensure fees not legally mandated or subject to capped calculations, adequately capture increases in the cost of doing business;
- 2) Annually distribute a Survey of Fees to departments for City events held at City operated locations which otherwise could be rented for public use;
- 3) Conduct an annual review of Development Impact Fees to evaluate if fees have changed significantly from Resolution adoption; and
- 4) After completion of the audit of the 4th of July Fund, request that a fee review be conducted with representation from stakeholders.

The motion carried by the following vote:

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

ADMINISTRATIVE ITEMS

- 17. Adopted Resolution No. 2016-55 approving and adopting the 2016 Water Master Plan (WMP) Update; approved for introduction Ordinance No. 4104 amending Municipal Code 14.12.010 to replace the 2012 Water Master Plan; and, adopted Resolution No. 2016-54 identifying specific water projects for funding**

City Manager Fred Wilson introduced City Engineer Tom Herbel who gave a PowerPoint presentation entitled *2016 Water Master Plan Update* with slides entitled: *Importance of Water System, Cost to Replace our Water Infrastructure, Water Master Plan Need and Purpose, Examples of Aging Infrastructure, What Topics are Covered in the Water Master Plan, Highlight of Completed WMP Projects Since 1995, WMP Project Categories & Costs, Immediate Needs, Water Master Plan Fund Balance, Recommendation, Future Water Master Plan Fund Needs, If Water Master Plan is Adopted, and Questions*. The following additional slides were presented to address questions that Councilmembers had asked at a previous meeting: *Infrastructure Percentage, Water Well Maintenance, Well Screens, Well Details, CCTV Inspection, Poorly Maintained Well, Causes of Well Problems, Wire Brushing, and Before and After Rehabilitation Activities*.

Utilities Manager Brian Ragland shared further details, and Mayor Katapodis expressed appreciation.

A motion was made by Hardy, second O'Connell to adopt Resolution 2016-55, "A Resolution of the City Council of the City of Huntington Beach Approving and Adopting that Certain Report Entitled "City of Huntington Beach, 2016 Water Master Plan Update;" and, after the City Clerk reads by title approve for introduction Ordinance No. 4104, "An Ordinance of the City of Huntington Beach Amending Chapter

14.12 of the Huntington Beach Municipal Code Pertaining to Water Fees," to replace with the 2016 Water Master Plan; and, adopt Resolution No. 2016-54, "A Resolution of the City Council of the City of Huntington Beach Identifying the Specific Water Projects from the Approved Water Master Plan on which Capital Facilities Charge Monies and Capital Surcharge Monies Can Be Expended."

The motion carried by the following vote:

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

COUNCILMEMBER COMMENTS (Not Agendized)

Councilmember Peterson expressed appreciation to those responsible for, and those who attended, the Breitling Air Show which in his opinion was a very successful event.

Councilmember Delgleize recognized the passing of Donna Cross who made many contributions to Huntington Beach, and expressed her condolences to the Cross family.

Councilmember Hardy reminded everyone to vote.

Councilmember Posey reported attending the Breitling Air Show, the Wings, Wheels and Rotors event in Los Alamitos, Association of California Cities - Orange County (ACC-OC) The City Square: 10th Episode Celebration, the Huntington Beach Police and Community Foundation (HBPCF) Annual Fundraising Event - It's All about the Kids, and the ACC-OC Press Conference in Opposition to Proposition 57.

Councilmember O'Connell reported attending the Orange Council Business Council (OCBC) Chairman's Leadership Breakfast, Breitling Air Show, Boeing presents The Aerospace Education Foundation of Huntington Beach, The 27th Annual Spurgeon Luncheon to recognize Patrick Brenden and Police Chief Handy, OCTax lunch meeting regarding the November Election, Ballot Initiatives, and What California has to look forward to post election, Westminster Chamber of Commerce - Westminster Legislative Forum Breakfast, Colette's Children's Home 18-Year Anniversary Gala, There's No Place Like Home, Huntington Beach Police and Community Foundation (HBPCF) Annual Fundraising Event, It's All About The Kids, and the ACC-OC Press Conference in Opposition to Proposition 57.

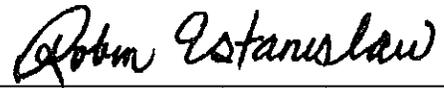
Mayor Pro Tem Sullivan reported attending the Veteran's Day Assembly at Harbour View Elementary School, and the 45th Anniversary Celebration for Fountain Valley Regional Hospital where he has served as Chairman of the Board.

Mayor Katapodis reported attending the Allied Arts Awards at the Senior Center in Central Park, Breitling Air Show, The 27th Annual Spurgeon Luncheon to recognize Patrick Brenden and Police Chief Handy, Boeing presents The Aerospace Education Foundation of Huntington Beach, met with Cub Scout Pack #557 from Eader Elementary as a requirement for their Arrow of Light badge, The Climate Registry and SCE Cool Planet Award Ceremony, Halloween Pancake Breakfast at the Civic Center Amphitheater, Westminster Chamber of Commerce Legislative Forum Breakfast, 3rd Annual Huntington Beach High School (HBHS) Classic Car Show, spoke to 4th and 5th Grade Students about City Government at Circle View Elementary, 2016 Anaheim Mayor's Prayer Breakfast, Huntington Beach Police and Community Foundation (HBPCF) Annual Fundraising Event, It's All About The Kids, Veteran's Day Assembly at Harbour View Elementary, ACC-OC Press Conference in Opposition to Proposition 57, Lunch with the

Mayor with the Winner of the AYSO Region 56 SoccerFest, Nancy Madey, Huntington Beach Walk4ALZ at Huntington State Beach, and Eagle Court of Honor, Boy Scout Troop 568, for Skylor McVey Hart.

In closing Mayor Katapodis read the names of three police officers who recently lost their lives in the line of duty: Deputy Sheriff Jack Hopkins, Police Officer Lesley Zerebny, and Sgt. Steve Owen. He also reminded everyone to thank a Veteran this week.

ADJOURNMENT — at 9:29 PM, in memory of Donna Cross, to the next regularly scheduled meeting of the Huntington Beach City Council/Public Financing Authority on Monday, November 21, 2016, at 4:00 PM in the Civic Center Council Chambers, 2000 Main Street, Huntington Beach, California.



City Clerk and ex-officio Clerk of the City Council of the City of Huntington Beach and Secretary of the Public Financing Authority of the City of Huntington Beach, California

ATTEST:



City Clerk-Secretary

Mayor-Chair