

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

Monday, October 3, 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

CALL TO ORDER — 4:01 PM

ROLL CALL

Pursuant to Resolution No. 2001-54, Councilmember Posey requested, and was granted, permission to be absent.

Present: O'Connell, Sullivan, Katapodis, Hardy, Delgleize, and Peterson
Absent: Posey

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, two communications: 1) a PowerPoint presentation from Chief Financial Officer Lori Ann Farrell entitled *Citywide User Fee and Rate Study Recommendations*, and 2) memo from the Finance Commission dated October 3, 2016, entitled *Master Fee and Charges Schedule — Finance Commission Recommendations for City Council Consideration*.

PUBLIC COMMENTS PERTAINING TO STUDY SESSION / CLOSED SESSION ITEMS

(3 Minute Time Limit) — None

STUDY SESSION

- 1. Joint Meeting of the Finance Commission and City Council — Finance Commission presented recommendations regarding the Citywide User Fee and Rate Study and Proposed Master Fee and Charges Schedule**

FINANCE COMMISSION ROLL CALL

Present: Berge, Bunten, Hart, Hreish, Small, Woodworth
Absent: Romero

Commissioners Bunten, Chair, and Woodworth made a PowerPoint presentation entitled *Citywide User*

Fee and Rate Study Recommendations with slides entitled: Finance Commission Citywide User Fee and Rate Study Review, Finance Commission Review, Due Diligence Review, Types of Fees Reviewed and Discussed, Topics of Discussion, Finance Commission Special Meeting, Cost to Open a Business Scenarios, Cost to Open a Business Comparison, Cost to Open a Business Scenarios, 5 City Comparison, Preliminary Schedule for Fee Adoption, Recommendations for City Council Consideration, and Finance Commission Recommended Action.

Councilmember O'Connell thanked the Commission for their efforts on this report and asked if there has ever been any study on how much sales tax an employee of a city business may generate. Chief Financial Officer (CFO) Farrell clarified fees vs. business license tax. Councilmember O'Connell stated that he would like to see businesses incentivized for hiring, not penalized with additional fees.

Councilmember Delgleize and staff discussed annual review of fees being completed by each department in the budget process.

Councilmember Peterson thanked the Commission for the report and discussed with staff the amount of income from fees vs. property taxes, which is approximately 10 percent. This fee study updated the number of City employees and there is not a big cost recovery component to this study. The Technology Automation Fee increase will create a funding stream over the next fifteen years to provide not only current system costs but also create the funds for when the system needs to be replaced in fifteen years.

Mayor Pro Tem Sullivan and CFO Farrell discussed using annual CPI rates for adjusting fees rather than having a full review each year. Due to Proposition 26, a city cannot use CPI for adjusting rates unless the city built CPI into their original fee ordinance. Commissioner Bunten and Mayor Pro Tem Sullivan discussed that Sports Center parking fees need to be kept simple, rather than basing the fee on size of vehicle. They also discussed the 4th of July audit including stakeholders from other departments. Mayor Pro Tem Sullivan thanked the Commission for their service.

Councilmember Delgleize thanked the Commission for their hard work and discussed with CFO Farrell that efforts to consolidate to one Master Fee Schedule, along with annual reviews, should help prevent major jumps in fees from year to year. Councilmember Delgleize shared her support for the City's use of "Best Practice" for adequate cost recovery of fees every year or two rather than every seven or ten years.

Mayor Katapodis expressed his appreciation for the Commission's hard work and he asked if there can be a consistent recovery fee across the board for all departments. CFO Farrell stated that fees should be specific to the service provided and that is best determined by each department. Some services may allow for a subsidy because of greater public benefit, whereas other services need to maintain full recovery of costs, and therefore, the result is an average of 74 percent across the board.

Councilmember O'Connell and CFO Farrell discussed projected revenues vs. costs for the new fiscal year assumes net neutrality. This Fee Schedule is designed to realign fees with specific costs. Councilmember O'Connell and City Manager Wilson discussed that when you look at the City as a whole, some fees go down and some have to go up, and the effort is to recover costs and remain competitive with other cities. The City has eliminated full-time staff positions since 2009 and is using part-time employees and consultants to help reduce costs.

RECESSED TO CLOSED SESSION — 4:59 PM

A motion was made by O'Connell, second Hardy 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: AmeriCare MedServices, Inc. v. City of Huntington Beach; USDC Case No.: 8:16-CV-01596 JLS (AFMx)**
- 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: Huntington Shorecliff, LP v. City of Huntington Beach, et al. (JS Stadium), Orange County Superior Court Case No. 30-2011-00463995.**
- 4. Pursuant to Government Code § 54956.9(d)(2) the City Council recessed into Closed Session to confer with the City Attorney regarding potential litigation. Number of cases, one (1).**

6:00 PM – COUNCIL CHAMBERS

RECONVENED CITY COUNCIL/PUBLIC FINANCING AUTHORITY MEETING — 6:01 PM

ROLL CALL

Pursuant to Resolution No. 2001-54, Councilmember Posey requested, and was granted, permission to be absent.

Present: O'Connell, Sullivan, Katapodis, Hardy, Delgleize, and Peterson
Absent: Posey

PLEDGE OF ALLEGIANCE — Led by Mayor Pro Tem Sullivan.

INVOCATION — Led by Maria Khani of the Muslim Community in Orange County and 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.

CLOSED SESSION REPORT BY CITY ATTORNEY — None

AWARDS AND PRESENTATIONS

Mayor Katapodis called on Antonia Castro-Graham who presented commendations to Oak View Library and Primal Elements for their participation in the Sustainable Business Certification Program. Ms. Castro-Graham explained that funding had been received from Southern California Edison and Gas Companies, Republic Environmental Services, and a grant from the California Air Resources Board to implement a Sustainable Business Certification Program to help businesses save money. Part of the grant program was to certify organizations that serve a disadvantaged community. The Oak View Library has over 400 visitors every day. At the completion of the Certification Program, the number of chemicals

used was reduced from eighteen to four, a bike rack was installed, the monthly water consumption was reduced by 113,000 gallons and monthly electric consumption was reduced by 1,400 kWh. Director of Library Services Stephanie Beverage and Library Specialist Claudia Locke accepted the commendation certificate on behalf of Oak View Library.

Mitchell, Scott and Faith Freeman accepted the commendation certificate on behalf of Primal Elements, manufacturers of hand-made soaps and candles. Primal Elements is a nearly zero waste company and is saving about \$438 per month after the waste audit, is donating soap remnants, switched out lighting and water fixtures, and employs Huntington Beach residents. Mr. Freeman thanked the City for assisting them in qualifying for the Sustainable Business Certification, stating the Certification allows them to meet the sustainable requirements of some of their large chain sellers, as well as the "Made in the USA" criteria.

Mayor Katapodis presented a certificate of commendation to members of the 9/11 Memorial Committee, Building to Remember, for their efforts in creating the new memorial at City Hall. Dennis Hashin, co-chair, described some of the ups and downs over the last five years as the committee worked together to create the Memorial.

Committee Members: Jim Katapodis, Dennis Hashin, Jeff Huss, Jack Paholski, Corwin Bales, Mary Lou Shattuck, Mike Grumet, Billy O'Connell, Nouha Hreish, Jeanne Hexem-Thomas, Bob Ewing, Brian Kessler, Dianne Thompson, Scott O'Hanlon, Bob Anderson, Mike Adams, and Dick Cahl.

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. 4, three e-mail communications (Carl Ellis, Richard Weatherford, and Sylvia Kalaydjian).

PUBLIC COMMENTS (3 Minute Time Limit) — 19 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>.

Clem Dominguez was called to speak and shared his background and experience as a candidate for an elected board member position with the Orange County Water District, and his intent to keep the public accurately informed on the Poseidon Desalination project. (01:15:26)

Kathryn Gonzalez was called to speak and stated she is a candidate for the Ocean View School District Board of Trustees who is endorsed by the OCGOP, teachers, community leaders and parents. More information on her platform can be found at kidslivesmatter.org. (01:18:32)

Maureen was called to speak and expressed her opinion about what she perceives as conflict of interest with special interest groups making financial contributions to a candidate in the City Council election. (01:20:06)

Dr. Mikel Hogan was called to speak and as a representative of Residents for Responsible Desalination (R4RD) addressed issues related to the Poseidon Desalination plant and asked that decisions not be made without proper feedback from the residents. (01:21:56)

Lenore Albert-Sheridan was called to speak and shared her qualifications as a candidate for Assembly District 72. (01:23:30)

Beth Mays, Student Coordinator, Anaheim University (AU), was called to speak and shared information about AU, an on-line nationally accredited organization, which is celebrating its 20th anniversary. Further details about educational opportunities, including a discount for Orange County residents, can be found at Anaheim.edu. (01:25:21)

Michael C. McCabe, Airsupport LLC, Air Show Director, was called to speak and shared some highlights of the October 22-23 inaugural Breitling Huntington Beach Air Show. (01:28:30)

Dan Page was called to speak and shared the details of a new 501(c)3 nonprofit recently formed, Aerospace Education Foundation, to use the proceeds of the upcoming Air Show to enrich the community through scholarships for young people who are interested in a career in aviation. Mr. Page invited the community to attend the Foundation's gala on Saturday, October 22, at the Hyatt Hotel, where attendees can meet Air Show performers. (01:31:45)

Mel Craig was called to speak and stated his support of the effort to bring hot rod car shows to Huntington Beach, and thanked Councilmember O'Connell and Chris Cole for their support this past year for the Car Show in the City's Downtown area this coming weekend. (01:34:57)

Victor Valladares, Oak View Comunidad, was called to speak and announced his support of selected candidates for City Council and Oak View School Board Trustees in the upcoming election. (01:38:01)

Mary Anne Bendixen-Chern was called to speak and shared her support of Consent Calendar Item No. 4 related to Permit Parking District "T" affecting residents on Montecito Drive. (01:40:55)

John Youngkin was called to speak and shared his support of Consent Calendar Item No. 4 related to Permit Parking District "T" affecting residents on Montecito Drive. (01:42:23)

Sonya Green was called to speak and shared her support of Consent Calendar Item No. 4 related to Permit Parking District "T" affecting residents on Montecito Drive. (01:42:52)

Jim Haley was called to speak and shared his support of Consent Calendar Item No. 4 related to Permit Parking District "T" affecting residents on Montecito Drive. (01:44:04)

Carl Ellis was called to speak and shared his support of Consent Calendar Item No. 4 related to Permit Parking District "T" affecting residents on Montecito Drive. (01:46:41)

Eileen Kubota was called to speak and shared her support of Consent Calendar Item No. 4 related to Permit Parking District "T" affecting residents on Montecito Drive. (01:47:36)

Rick Kamrath was called to speak and shared his support of Consent Calendar Item No. 4 related to Permit Parking District "T" affecting residents on Montecito Drive. (01:49:17)

James R. Allen was called to speak and shared his support of Consent Calendar Item No. 4 related to Permit Parking District "T" affecting residents on Montecito Drive. (01:50:11)

Rick Wilson, CEO, elementC6, was called to speak and shared information about the company's biochar products which permanently reduce water required for turf grass by increasing root depth, reducing surface evaporation and runoff. Mr. Wilson offered to make a detailed presentation to appropriate City staff to explain ways to reduce irrigation costs. (01:50:59)

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

Councilmember Delgleize reported attending the Association of California Cities - Orange County (ACC-OC) Bay Delta Tour in Sacramento and saw an overview of the diverse water needs throughout the state.

Councilmember Peterson reported attending the Orange County Sanitation District General Administration Meeting to discuss federal and state legislation.

Councilmember O'Connell reported attending a Commission to End Homelessness meeting as well as an Orange County Housing Authority Redevelopment Commission meeting.

Mayor Katapodis reported attending an Orange County Transit Authority (OCTA) meeting and the ACC-OC Ballot Breakfast.

CITY MANAGER'S REPORT

City Manager Fred Wilson reported that the Senior Center in Central Park has been successful beyond expectations during the first three months of operation. Councilmember Delgleize, Liaison, Council on Aging, thanked Community Services Manager Chris Slama and his staff for the amazing job they have done in the last three months at the new facility. Manager Slama made a PowerPoint presentation titled *Senior Center in Central Park* with slides entitled: *Ribbon Cutting — July 10, 2016, Hoag Health & Wellness Pavilion, Active Aging!, Social Services, Senior Center Volunteers, Fall/Summer: 2015 vs. 2016, and Thank You.*

CONSENT CALENDAR

Councilmember Peterson recused himself from Item No. 4, regarding Permit Parking District "T" for Montecito Drive, because he lives within 500 feet of the affected area.

1. Approved and adopted minutes

A motion was made by Peterson, second Delgleize to review and adopt the City Council/Public Financing Authority regular meeting minutes dated September 6, 2016, and the City Council/Public Financing Authority regular meeting minutes dated September 19, 2016, as written and on file in the office of the City Clerk.

The motion carried by the following vote:

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

2. Approved Five-Year Contract between the City of Huntington Beach and Joe's Sweeping, Inc. dba Nationwide Environmental Services for City-Wide Street Sweeping Services

A motion was made by Peterson, second Delgleize to approve "Maintenance Services Contract between the City of Huntington Beach and Joe's Sweeping, Inc., DBA Nationwide Environmental Services, to Provide Street Sweeping Services," city-wide for five years in an amount not to exceed \$850,000 annually, with an option to extend for up to two additional two-year terms.

The motion carried by the following vote:

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

3. Approved Agreement with Lorraine Mendez & Associates for US Department of Housing and Urban Development (HUD) Consulting Services

A motion was made by Peterson, second Delgleize to approve and authorize the Mayor and City Clerk to execute "Professional Services Agreement between the City of Huntington Beach and Lorraine Mendez & Associates for US Department of Housing and Urban Development (HUD) Consulting Services" in the amount of \$120,000 for three years, through October 2019.

The motion carried by the following vote:

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

4. Adopted Resolution No. 2016-63 Amending Permit Parking District "T" within the City of Huntington Beach affecting residents on Montecito Drive

Councilmember Peterson recused himself from this Item because he lives within 500 feet of the affected area.

A motion was made by Delgleize, second Hardy to adopt Resolution No. 2016-63 "A Resolution of the City Council of the City of Huntington Beach Amending Permit Parking District "T" within the City of Huntington Beach."

The motion carried by the following vote:

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

RECUSED: Peterson

5. Approved reappointments to the Mobile Home Advisory Board (MHAB) as recommended by Mayor Katapodis and Council Member Sullivan, City Council Liaisons to the MHAB

A motion was made by Peterson, second Delgleize to approve the reappointment of Sharon Dana as a Resident Representative to the Mobile Home Advisory Board for a four-year term through August 5, 2020; and, approve the reappointment of Daniel Kittredge as an At-Large Member Representative to the Mobile Home Advisory Board for a four-year term through August 5, 2020; and, approve the reappointment of Manuel Vizinho as an At-Large Member Representative to the Mobile Home Advisory Board for a four-year term through August 5, 2020; and, approve the reappointment of Michael Cirillo as a Park Owner/Manger Representative to the Mobile Home Advisory Board for a four-year term through August 5, 2020.

The motion carried by the following vote:

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

ADMINISTRATIVE ITEMS

- 6. Adopted Resolution No. 2016-65 approving an additional \$5 daily parking surcharge on October 22 – 23, 2016, bringing the cost of parking from \$15 to \$25 on October 21, and from \$15 to \$30 on October 22 and 23, and deferring payment of 75% of event fees until 30 days after the event for the inaugural Breitling Huntington Beach Air Show**

Councilmember O'Connell stated as an investor in a downtown business which may be a vendor or supplier for the Air Show, he would recuse himself from the item, and left the room.

City Manager Wilson introduced this item and provided background details.

Mayor Pro Tem Sullivan stated his concerns about the amount of money the City is putting into this Air Show up front, and hopes that it will work out okay in the end.

A motion was made by Hardy, second Delgleize to approve an additional \$5.00 surcharge to the daily parking rates for the Main Promenade Parking Structure, south beach lots, and Pier Plaza lots for October 22 and 23, 2016, for the inaugural year of the Breitling Huntington Beach Air Show; and, adopt Resolution 2016-65 "A Resolution of the City Council of the City of Huntington Beach amending Resolution No. 2009-33 which established a citywide schedule for charges for facility rentals and all supplemental resolutions thereto (Supplemental Fee Resolution No. 10)," for 2016 only to temporarily increase parking rates at South Beach lots, Pier Plaza lots, and Main Promenade Parking Structure on October 21 from \$15 to \$25 per day, and October 22 and 23 from \$15 to \$30 per day, as described in Exhibit A; and, authorize the Director of Community Services or her designee to deposit the additional parking revenues collected and defined in Exhibit A of Resolution 2016-65 to the Fund 101 budget; and, to allow the City to better determine the actual cost of the Air Show event, as well as parking revenues attributed to the event, authorize the Director of Community Services or her designee to defer 75% of the fees due to the City until 30 days after the event.

The motion carried by the following vote:

AYES: Sullivan, Katapodis, Hardy, Delgleize, and Peterson
NOES: None

ABSENT: Posey
RECUSED: O'Connell

COUNCILMEMBER COMMENTS (Not Agendized)

Councilmember Peterson reported attending the Sts. Simon & Jude Fall Festival to present the City's recognition of fifty years of performance to the Forever Young Band. The average age of band members is 90 – 103 with 1,200 years of combined experience.

Councilmember Hardy informed everyone of the upcoming Fire Department Open House on Saturday, October 15, 10 am – 2 pm.

Councilwoman Delgleize reported attending the Girl Scouts 2016 Silver Awards Ceremony at St. Wilfrid's Episcopal Church.

Councilmember O'Connell reported attending the League of Women Voters HB Candidates Night, and the Huntington Beach Municipal Employee (HBMEA) Annual City Employee Night at Old World Village Oktoberfest.

Mayor Pro Tem Sullivan represented the City and Mayor Katapodis to acknowledge area Olympian medalists at the Pier including Jake Gibb, volleyball; Reid Pretty, volleyball; Sammy Hill, water polo; Melissa Seedman, water polo; and Tom Shields, swimming. Mayor Pro Tem also attended the Blessing of the Waves event, and the Orange County Senior Citizen's Advisory Committee, Health and Nutrition Committee meeting.

Mayor Katapodis attended the Retirement Reception for John Fujii, City Hall Tour for a visiting Chinese group, the Girl Scouts 2016 Silver Awards Ceremony, Grand Opening and Ribbon Cutting Celebration for Avalon which included appreciation expressed by Sr. V. P. of Construction Rob Salkovitz for the great support they received from various City staff members throughout the project, the State of the City for Westminster, Geriatric Behavioral Health Unit Grand Opening at Huntington Beach Hospital, HB Candidates Night with League of Women Voters, Goodwill Grand Opening Event, Walk to End Alzheimer's at Bolsa Chica State Beach, Main Street Library's 65th Anniversary Party, the Kiwanis Club of Huntington Beach Installation Dinner and Cross Country Track Meet in Huntington Beach.

ADJOURNMENT — 7:24 PM to the next regularly scheduled meeting of the Huntington Beach City Council/Public Financing Authority on Monday, October 17, 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