



AGENDA

PUBLIC WORKS COMMISSION CITY OF HUNTINGTON BEACH

Wednesday, February 17, 2016 – 5:00 PM
Utilities Yard
19021 Huntington Street
Huntington Beach, CA 92648

A. PLEDGE OF ALLEGIANCE

ROLL CALL

Capps, Carr, Lake
Scandura, Stanford, Strook, Troxell

B. PRESENTATIONS-COMMENDATIONS

C. MINUTES

C-1. Minutes of January 20, 2016

D. ORAL COMMUNICATIONS

Public Comments – the Public Works Commission welcomes public comments on all items on this agenda or of community interest. **Three minutes per person**, time may not be donated to others. Commission on this date can take no action on any item not on the agenda. This is the time to address Commission regarding items of interest or agenda items other than public hearings. Communications on agenda items will be scheduled such that public comments may be received as close to 5:00 p.m. as possible.

E. DIRECTOR'S ITEMS

E-1. Commission Business- Reorganization of the Public Works Commission by Election of the Chair and Vice Chair.

E-2. Strategic Planning Retreat Update- Travis Hopkins will provide an overview of the Strategic Planning Retreat and the strategic objectives.

F. INFORMATION ITEMS

F-1. Upcoming City Council Study Sessions - The City Council conducts public Study Sessions on the evenings of City Council meetings, normally beginning at 4:00 p.m., in Room B-8. A tentative listing of upcoming sessions is submitted for the Commission's information. ¹

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- F-2. Active Capital Project Report – An update on active capital projects is presented for the Commission’s information. Project information, including description, location maps and funding sources can be found in the FY 2015/16 Capital Improvement Program notebook, or on the city’s website under Government, Current [Budget](#) information.

G. ADMINISTRATIVE ITEMS

- G-1. Planned Local Drainage Facilities Fund Annual Compliance Report Fiscal Year 2014/15- In accordance with Section 14.48 of the Huntington Beach Municipal Code (HBMC), the Public Works Department is required to prepare an annual report of the status of the Planned Local Drainage Facility Fund (Drainage Fund) for the City Council. The process provides an opportunity for the Public Works Commission to review planned projects, revenues and expenditures under the program.

Funding Source- No funding is required for this action.

Recommended Action- Motion to recommend to the City Council the approval of the Planned Local Drainage Facility Fund Compliance Report for Fiscal Year 2014/15.

- G-2. Sanitary Sewer Facilities Fund Annual Compliance Report Fiscal Year 2014/15- In accordance with Section 14.36 of the Huntington Beach Municipal Code (HBMC), the Public Works Department is required to prepare an annual report of the status of the Sanitary Sewer Facilities Fund (Sanitary Sewer Fund) for the City Council. The process provides an opportunity for the Public Works Commission to review planned projects, revenues and expenditures under the program.

Funding Source- No funding is required for this action.

Recommended Action- Motion to recommend to the City Council the approval of the Annual Sanitary Sewer Facilities Fund Compliance Report for Fiscal Year 2014/15.

- G-3. Fair Share Traffic Impact Fee Program Annual Report for Fiscal Year 2014/15- In accordance with Section 17.65.130 of the Huntington Beach Municipal Code (HBMC), the Public Works Department is required to prepare an annual report of the status of the Fair Share Traffic Impact Fee Program for the City Council. The process also provides an opportunity for the Public Works Commission to review revenues and expenditures under the program.

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Funding Source- No funding is required for the recommended action. All Traffic Impact Fee funds are maintained in a separate account from other City operation funds.

Recommended Action- Motion to recommend approval of the 2014/15 Traffic Impact Fee Annual Report to the City Council.

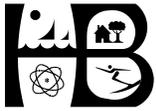
- G-4. Edinger Widening- Plans and Specifications for the Edinger Avenue Widening, CC-1528 are in final preparation. Staff requests the recommended action to proceed with the bidding process.

Funding Source- A total of \$531,650 is currently available in the Edinger Widening Account No. 20690013. Construction/right-of-way costs are estimated at \$400k.

Recommended Action- Motion to approve that the Edinger Avenue Widening, CC-1528 is in general conformance with the previously approved Capital Improvement Program.

- H. **WRITTEN COMMUNICATIONS**
- I. **COMMISSION AND STAFF COMMENTS**
- J. **ADJOURNMENT**

<p>NEXT PUBLIC WORKS COMMISSION MEETING <i>March 16, 2016, 5:00 PM, Utilities Yard</i></p>



MINUTES

CITY OF HUNTINGTON BEACH PUBLIC WORKS COMMISSION JANUARY 20, 2016

**Call to Order/
Pledge of Allegiance:** The meeting was called to order at 5:00 P.M. by Chairperson Carr, who led Commissioners and the audience in the Pledge of Allegiance to the Flag.

Commissioners Absent: Commissioner Troxell

Commissioners Present: Commissioners Capps, Carr, Lake, Scandura, Stanford, and Strook were in attendance.

Others Present: Travis Hopkins, Director of Public Works
Tom Herbel, City Engineer
Todd Broussard, Principal Civil Engineer
Joe Fuentes, Civil Engineering Assistant
Ken Dills, Project Manager
Kirsty Wapner, Administrative Assistant
Joan Flynn, City Clerk

B. PRESENTATIONS-COMMENDATIONS

Joan Flynn administered the Oath of Office to David Lake.

C. MINUTES

C-1. Motion by Commissioner Strook, seconded by Commissioner Scandura, to approve the minutes of October 21, 2015 as presented.

VOTE: The motion carried.

AYES: 5

NOES: 0

ABSENT: 1 (Troxell)

ABSTENTIONS: 1 (Lake)

D. ORAL COMMUNICATIONS

None.

E. DIRECTOR'S ITEMS

E-1. None

F. INFORMATION ITEMS

F-1. Upcoming City Council Study Sessions – Travis Hopkins referred to the updated Study Session list. The I-405 landscape was presented on Tuesday night study session. The Strategic Planning retreat will be January 28. The CIP will be presented on August 1.

F-2. Active Capital Project Report – Tom Herbel provided the following updates on active capital projects:

- FY 14-15 Arterial Rehab at Main, Lake, Indianapolis – project finished
- FY 15-16 Arterial Rehab at Atlanta, Adams, Warner, Edinger, Main, Talbert, Heil – the design phase is underway. Construction will begin by end of summer
- Traffic Signal Modifications- work is wrapping up
- Heil Pump Station Rebuild/Relocation- bids have been opened
- Gun Range Site Feasibility Study- findings will be presented at Study Session
- City Attorneys Office remodel- will start in 2 weeks
- Senior Center- Grand Opening is July 9. Tom will provide tours for PWC if interested. An email will go out to coordinate date/time
- Trinidad Lift Station- scheduled for completion by the end of February.
- Well #5 Security Improvements- under construction and will be done in 3-4 months

G. ADMINISTRATIVE ITEMS

G-1. Residential Overlay of Maintenance Zone 12 – Joe Fuentes reported this project will rehab residential streets in Maintenance Zone 12, which is in the northwest portion of the City, with either a slurry treatment or grind and overlay. Arterial streets are not part of this program. Residential Zone Maintenance includes the removal/trimming of trees, replacement of curb and gutter and installation of ADA curb ramps with maintenance funds. \$2.1 million in gas tax funds have been budgeted for the pavement portion of the project.

Motion by Commissioner Capps, seconded by Commissioner Strook, to approve that the residential overlay of maintenance zone 12 is in general conformance with the approved Capital Improvement Program.

VOTE: The motion carried.
AYES: 6
NOES: 0
ABSENT: 1 (Troxell)
ABSTENTIONS: 0

G-2. Main Promenade Parking Structure Maintenance Improvements- Todd Broussard reported there are \$1.5 million budgeted in the general fund for these improvements. The structure is 25 years old. A maintenance study was conducted last year and \$3 million in repairs were identified. The majority of this work is for waterproofing the floors. Lighting was identified as an issue to fix, but will not be part of this project. Work will hopefully be complete before summer. The contractor can close off approximately 30% per floor, per phase to lessen the impact to the structure.

Chair Carr asked whether security improvements were included in the project and expressed concern over the impact the construction will have on events such as Surf City Nights on Tuesdays. Commissioner Scandura asked what the time frame of the project was and whether work would be done on Saturdays.

Mr. Hopkins stated that security improvements were not a part of this project. Mr. Broussard added that the work would be phased to lessen the impact on parking capacity. Mr. Hopkins noted staff will work the details out with the contractor in order to have the most effective schedule with little impact.

Motion by Commissioner Capps, seconded by Commissioner Strook, to approve that the Main Promenade Parking Structure Maintenance Improvements is in general conformance with the approved CIP.

VOTE: The motion carried.
AYES: 6
NOES: 0
ABSENT: 1 (Troxell)
ABSTENTIONS: 0

H. WRITTEN COMMUNICATIONS

None.

I. COMMISSION AND STAFF COMMENTS

Travis Hopkins welcomed David Lake to the Commission. Mr. Lake gave a brief introduction.

J. ADJOURNMENT

The meeting adjourned at 5:35 p.m. to February 17, 2016 at 5:00 PM at the Utilities Yard.

Kim Carr
Chairperson

Kirsty Wapner
Administrative Assistant

C I T Y O F H U N T I N G T O N B E A C H
STRATEGIC PLANNING RETREAT

January 28, 2016 * Huntington Beach Public Library

Marilyn Snider, Facilitator – Snider and Associates (510) 531-2904
Michelle Snider Luna, Recorder – Snider Education & Communication (510) 610-8242

MISSION STATEMENT

The City of Huntington Beach provides sustainable quality services to maintain and enhance our safe and vibrant community.

CORE VALUES

not in priority order

The City of Huntington Beach values . . .

- Responsiveness*
- Accountability*
- Quality customer service*
- Honesty and Integrity*
- Teamwork*
- Fiscal sustainability*
- Community involvement*
- Openness*

THREE-YEAR GOALS

2015-2018 * not in priority order

- Improve quality of life*
- Enhance and maintain infrastructure*
- Strengthen economic and financial sustainability*
- Enhance and maintain public safety*
- Enhance and maintain city service delivery*

S.W.O.T. ANALYSIS

Strengths – Weaknesses - Opportunities - Threats

WHAT ARE THE STRENGTHS AND ACCOMPLISHMENTS OF THE CITY OF HUNTINGTON BEACH SINCE THE JULY 2015 STRATEGIC PLANNING RETREAT?

Brainstormed List of Perceptions

- Installed new book sorting system at the Central Library
- Successful completion of the agreement for the fuel dock in Huntington Harbour
- Balanced the City budget and maintained reserves
- Successful US Open of Surfing
- Assigned police officers to work with the homeless as liaisons
- Guinness World Record for the Big Board
- Upgraded Council Chamber video display equipment
- Upgraded hardware for Police Department storage and mobile data computers
- Rehabbed 4 ½ miles of arterial streets
- Over 4,500 participants in the Summer Reading Program
- Completed sale of the Hyatt and Hilton properties
- Received a clean audit opinion
- Processed 5,313 passport applications
- Increased film permits by 30%
- Citywide preparation for El Niño
- Finished real estate module
- Began \$1.5 million in improvements at the downtown parking structure
- Full paperless filing of Fair Political Practices Commission (FPPC) docs
- Successfully completed Phase I of 800 MHz upgrade system
- Library Workplace Literacy Program received honorable mention from the OC Business Council
- We were the first City to receive a CLEEN (California Lending for Energy and Environmental Needs) Loan from the State I-Bank for the LED streetlight retrofit
- CERT Team activation for El Niño
- Started citywide wayfinding process
- Bicep JPA accredited with excellence
- Implemented openness in negotiations ordinance
- Completed 2,436 development plan checks in the Fire Prevention Division
- Offered more than 50 staff training opportunities
- Completed the assessment of our City streets and sidewalks
- Collaborated with community groups on Bartlett Park improvements
- Property recovery over \$100,000
- Completed wayfinding study for the Central Library
- Completed acquisition of streetlight system
- Quality Controlled and made public approximately 6,000 City deeds
- We now televise City Council study sessions
- Expanded the number of story times offered at the Central Library
- Streamlined fireworks sales application process
- Facilitated nearly 70 permits for major events
- Received a distinguished budget presentation award
- Developed a class and org study for the Information Services Department
- Replaced 20 aging marked police cars

- Initiated a standards of cover and staffing study for the Fire Department
- Created a new Section 115 Trust to pay down unfunded liabilities
- Started the upgrade of the Library network for participation in the CalREN network
- Successful completion putting telephone wires underground at Sunset Beach
- Fire Department responded to 19,564 calls for emergency services
- Started upgrade of the utility billing and electronic land management system
- Launched new video and music streaming for the Library—called “Hoopla”
- Formed RMDZ (Recycling Marketing Development Zone)
- California Parks and Recreation Society (CPRS) award for the recreation report
- Increased the number of Police positions—8 new
- Hosted Australia for the Special Olympics World Games
- Opened Pacific City
- Continued to celebrate the Library’s 40th Anniversary
- Started Edinger Hotel construction
- Redesigned a highly effective berm at Sunset Beach
- Marine Safety performed 5,357 ocean rescues
- Completed draft Parks & Recreation Master Plan
- Started construction of the Senior Center
- Maintained a Director’s Seat at OCTA (Orange County Transit Authority)
- Restored civility to City Council meetings
- Completed a report on the cost to increase the pavement condition index (PCI) on our streets from 75 to 80%
- Received a Certificate of Excellence in Financial Reporting
- Scheduled first major volunteer effort at Bartlett Park
- Completed a needs assessment for the City storm drain infrastructure
- Presented plans to accelerate to improve the funded status of City’s retirement and workers’ compensation plans
- Made progress in assessing our current WiFi broadband and fiber optic opportunities
- Began a Community Paramedic Alternate Destination Pilot Study

WHAT ARE THE CURRENT INTERNAL WEAKNESSES/CHALLENGES OF THE CITY OF HUNTINGTON BEACH?

Brainstormed List of Perceptions

- Lack of funds for upgrading parks
- Lack of IS Project Managers
- Lack of funding for street maintenance
- Lack of funding for Police to have more proactive time
- Lack of staff in the City Attorney’s office
- Lack of internal software for City employees
- Lack of labor contracts
- No performance measure process for strategic projects
- Lack of interdepartmental communication
- Challenges of replacing aging tech infrastructure
- Lack of infrastructure maintenance funds
- Impact of homelessness on City services
- Lack of funds for the doubling of PERS obligations
- Potential significant loss of experienced employees in Police and Fire Departments

- Lack of funding for significant infrastructure projects
- Lack of staff resources
- Lack of succession planning
- Lack of affordable housing to effectively manage homelessness
- Lack of understanding about why projects don't get done
- Resistance to change by employees
- Negative image of downtown by residents
- Customer service is not as good as it should be
- Lack of resources for internal support
- Lack of internal security measures at City facilities
- Inability to fund vacant positions
- Concern about high density
- Lack of understanding of issues by the residents
- Late submission of City Council agenda reports
- Inability to keep up with the advances in technology

EXTERNAL FACTORS/TRENDS THAT WILL/MIGHT HAVE A POSITIVE IMPACT ON THE CITY OF HUNTINGTON BEACH IN THE COMING YEAR

Brainstormed List of Perceptions

- Continued high occupancy of City hotels
- Interest in naming and sponsorship opportunities for the Senior Center in Central Park
- Increased auto sales
- Grants for APEP (Advanced Power and Energy Program)
- Possible Air Show
- Continued State funding for local police
- Willingness of public to continue to participate in community collaborations to improve public parks
- Advanced technology resources that are available to the City
- Improvement in commercial opportunities (e.g., Pacific City)
- Improved City/State collaborations on City events
- Changing demographics
- Balanced State budget
- Increased tourism
- Continued press coverage for the Big Board, driving tourism
- Wayfinding efforts by the Downtown BID
- Possible \$3 million grant for Resilient Cities
- Community participation in City affairs
- Volunteerism
- Strong property tax base
- Possible receipt of mitigation fees from AES repowering
- Improved State Library budget
- Receiving Project V funds for local transit operation from OCTA
- Continued grant funding from the Federal government for Homeland Security
- Corporate sponsorships
- Continued ABC coverage of our 4th of July Parade
- Increasing sales tax revenue
- Low interest rate environment keeps borrowing costs low

EXTERNAL FACTORS/TRENDS THAT WILL/MIGHT HAVE A NEGATIVE IMPACT ON THE CITY OF HUNTINGTON BEACH IN THE COMING YEAR

Brainstormed List of Perceptions

- El Niño
- Drought
- Earthquake
- Cyber attack
- Prop 47—decriminalization
- Increasing homelessness
- Climate change
- Sea level change
- Reduction in gas tax funding
- Built out city—limits parks funding
- Poor water infrastructure
- Drug and alcohol abuse
- Changing demographics
- Stock market volatility
- Chinese economy
- Rapid changes in technology
- Rising crime rates
- Terrorism
- Tsunami
- AB 109—early release of prisoners
- Recreational marijuana initiative passage
- Coyotes
- High school students and opiate use
- Increasing demand for emergency services
- State mandates of local police
- State regulations
- CalPERS changes to funding methodology
- CalPERS
- State Regional Board mandates and regulations
- Human trafficking and illegal massage establishments
- Healthcare changes

NEXT STEPS/FOLLOW-UP PROCESS

WHEN	WHO	WHAT
January 29, 2016	City Manager	Distribute the retreat record to attendees; place the city's Goals and Objectives on the city website.
Within 48 hours	All recipients	Read the retreat record.
February 9, 2016	Management Team (City Manager– lead)	Review the “Weaknesses/Challenges” and “External Threats” lists for possible action items.
By February 15, 2016	Department Heads	Share and discuss the Strategic Plan with staff.
At the February 16, 2016 City Council meeting	City Council (Mayor – lead)	Present the updated Strategic Plan to the public.
Monthly	Management Team City Council City Manager (Mayor – lead)	Monitor progress on the goals and objectives and revise objectives (add, amend and/or delete), as needed.
Monthly	City Manager	Prepare and distribute the updated Strategic Plan Monitoring Matrix and post on the city's website.
By July 15, 2016	Management Team, with input from the City Council	Strategic Planning Meeting to thoroughly assess progress on the Goals and Strategic Objectives; develop proposed 6-month objectives to present to the City Council.

STRATEGIC PLAN ELEMENTS

Marilyn Snider, Strategic Planning Facilitator * Snider and Associates (510) 531-2904

“SWOT” ANALYSIS

Assess the organization’s:

- Internal **S**trengths - Internal **W**eaknesses
- External **O**pportunities - External **T**hreats

MISSION/PURPOSE STATEMENT

States WHY the organization exists and WHOM it serves

VISION STATEMENT

A vivid, descriptive image of the future—what the organization will BECOME

CORE VALUES

What the organization values, recognizes and rewards—strongly held beliefs that are freely chosen, publicly affirmed, and acted upon with consistency and repetition

THREE YEAR GOALS

WHAT the organization needs to accomplish (consistent with the Mission and moving the organization towards its Vision) – usually limited to 4 or 5 key areas

KEY PERFORMANCE MEASURES

What success will look like upon achievement of the goal

SIX MONTH STRATEGIC OBJECTIVES

HOW the Goals will be addressed: By when, who is accountable to do what for each of the Goals

FOLLOW-UP PROCESS

Regular, timely monitoring of progress on the goals and objectives; includes setting new objectives every six months

CITY OF HUNTINGTON BEACH
SIX-MONTH STRATEGIC OBJECTIVES
January 28, 2016 – July 15, 2016

THREE-YEAR GOAL: <i>IMPROVE QUALITY OF LIFE</i>						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. By March 1, 2016	Library Director and Chief Information Officer	Complete transition over to the CalREN high speed Internet access network.				
2. By May 1, 2016	Community Services Director	Present to the City Council for consideration the Parks and Recreation Master Plan.				
3. By July 15, 2016	Community Services Director and Public Works Director	Recommend to the City Manager for approval an Adopt-a-Park Pilot Program at Bartlett Park.				
4. By July 15, 2016	Community Services Director	Establish a partnership with CSULB and initiate a community grassroots effort to determine an improvement plan for Irby Park.				
5. By July 15, 2016	Assistant City Manager (lead), working with the Deputy Director of Business Development and Visit Huntington Beach	Develop and present a plan for citywide wayfinding to the City Manager for action.				
6. By July 15, 2016	Library Director	Develop a plan for establishing regular school tours in 2016/2017 with library card registration for elementary school-age children in Huntington Beach.				
7. By July 15, 2016	Library Director and Community Services Director	Develop at least two potential partnerships between the Central Library and the new Senior Center in Central Park.				

THREE-YEAR GOAL: *ENHANCE AND MAINTAIN INFRASTRUCTURE*

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. By March 1, 2016	Public Works Director and Mayor Katapodis	Develop and submit to OCTA Project "V" grant application to enhance transit service.				
2. By March 15, 2016	Public Works Director, working with a consultant	Perform a City Facilities Needs Assessment and present the results to the City Manager.				
3. By June 1, 2016	Public Works Director	Develop a City Facilities Infrastructure Implementation Plan using the needs assessment results for consideration in the FY 2016/2017 budget process.				
4. By June 1, 2016	Public Works Director	Develop a plan to achieve a PCI (Pavement Condition Index) rating of 80% for consideration as part of the FY 2016/2017 budget process.				
5. By June 1, 2016	Public Works Director and Community Services Director	Develop a plan to address maintenance issues (e.g., pathways, bathrooms, trees) in City parks with consideration given to Central Park as the first priority for funding as part of the FY 2016/2017 budget process.				
6. By July 1, 2016	Assistant City Manager and Chief Information Officer, working with consultants	Present to the City Council for action recommendations from the citywide broadband study.				
7. By July 15, 2016	Public Works Director and the Chief Information Officer	Develop a plan to build fiber connectivity between City facilities and present to the City Manager for consideration in the FY 2016/2017 budget process.				
8. By July 15, 2016	Public Works Director, working with the Assistant City Manager and Mayor Katapodis	Evaluate the feasibility of extending light rail into the City and make a recommendation to the City Council for direction.				

THREE-YEAR GOAL: *STRENGTHEN ECONOMIC AND FINANCIAL SUSTAINABILITY*

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. By April 1, 2016	Assistant City Manager and the Deputy Director of Economic Development	Develop and present to the City Council for consideration a plan to create an incentive-based Business Retention, Attraction and Expansion Program.				
2. By July 1, 2016	Community Development Director	Hold a City Council Study Session to review the draft comprehensive General Plan Update and make available for public review.				
3. By July 1, 2016	Human Resources Director and Finance Director	Develop plans to accelerate improving the funded status of the City's Workers' Compensation Plans as part of the FY 2016/2017 budget process.				
4. By July 1, 2016	Mayor, City Council and City Manager	Attend relevant industrial trade shows to attract manufacturers and retailers to the City and report the results to the City Council.				
FUTURE: By October 1, 2016	Finance Director	Develop and present to the City Council for consideration a formal long-term financial plan report with the objective of maintaining a AAA credit rating.				

THREE-YEAR GOAL: *ENHANCE AND MAINTAIN PUBLIC SAFETY*

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. By May 1, 2016	City Attorney	Present to the City Manager a plan for the City Attorney's Office to bring in a Community (Criminal) Prosecutor to prosecute local crimes and increase effectiveness of law enforcement as a part of the FY 2016/2017 budget process.				
2. By June 15, 2016	Mayor Katapodis (lead), Finance Director and the Police Chief	Submit potential funding sources to the City Manager to increase staffing levels critical to the Police Department.				
3. By July 15, 2016	Fire Chief, working with a consultant	Complete and submit to the City Manager for review and presentation to the City Council a Standards of Cover and Staffing Report.				
4. By July 15, 2016	Police Chief (lead), Chief Information Officer and Fire Chief	Present a plan to the City Manager to improve and increase use of technology in the Police and Fire Departments as a part of the 2016/2017 budget process.				

THREE-YEAR GOAL: *ENHANCE AND MAINTAIN CITY SERVICE DELIVERY*

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. At the May 16, 2016 City Council meeting	City Manager	Present to the City Council information on actions and methods employed to improve community outreach and education about City projects and events via social media.				
2. By June 15, 2016	Community Development Director	Review the Building Permit Process turnaround time from start to finish and make recommendations to the City Manager for improvement.				
3. By June 15, 2016	City Attorney (lead), City Clerk and Chief Information Officer	Recommend to the City Manager for action a records management process and staffing needed to integrate the records of all departments.				
4. By July 15, 2016	Assistant City Manager, working with the Department Directors	Develop and present to the City Manager tools (e.g., online, paper feedback) that allow the public to provide feedback on their business transaction experience within the City, and a process for delivering the findings to the City Council.				

City of Huntington Beach



Strategic Planning Session BUDGET UPDATE

January 28, 2016

Overview

FY 2014/15 Year-End Performance (Preliminary/Unaudited)

- FY 2014/15 Fund Balance Recommendations

FY 2015/16 General Fund Overview

- Unfunded Liabilities Update
- Police Officer Staffing

Governor Brown's FY 2016/17 Budget Highlights

Next Steps

Strategic Planning Retreat

FY 2014/15 Year-End Performance (Preliminary/Unaudited)

FY 2014/15 General Fund Expenditures (Preliminary Unaudited)

Description	Amount (in millions)
<u>Expenditures</u>	
▪ Actual Citywide Departmental Expenditures	\$207.5
▪ Grant Fund Clean Up	\$0.4
Total Expenditures*	\$207.9
<u>Actions to Address Unfunded Liabilities</u>	
▪ Section 115 Trust	\$1.0
▪ Workers' Compensation Fund	\$1.0
*Total (Expenditures & Transfers)	\$209.9

*This amount is only an estimate and is still subject to change based on final adjustments by independent auditors and GAAP rules.

FY 2014/15 General Fund Revenue (Preliminary Unaudited)

Description	Amount (in millions)
General Fund Recurring Revenue	\$209.3
General Fund One-Time Revenue	2.9
Total Estimated GF Revenue*	\$212.2
Total Estimated Expenses & Transfers*	(209.9)
**Estimated Available Year-End Fund Balance (Unaudited):	\$2.3

*This amount is only an estimate and is still subject to change based on final adjustments by the City's independent auditors and GAAP rules.

**Year-end fund balance is one-time in nature as the following year's budget, FY 2015/16 has programmed this available funding into recurring costs.

Strategic Planning Retreat

FY 2014/15 General Fund Fund Balance Recommendations



FY 2014/15 General Fund Year-End Fund Balance Options

❑ Option A

- Use entire one-time Fund Balance to fund Economic Uncertainties Reserve
 - Policy: Two months of Adopted FY 15/16 Expenditures = \$36.1 million
 - Current Economic Uncertainties Reserve = \$25.0 million
 - Current Shortfall = \$11.1 million
 - Revised Shortfall = \$8.8 million
 - This option will assist in retention of AAA credit rating

❑ Option B

- Assign the estimated one-time available Fund Balance to the following:
 - HB portion of construction of new County Animal Shelter (\$1.5 million); or
 - Funding for park improvements/transfer to Infrastructure Fund (\$0.8 million); or

❑ Option C

- Pay Down Unfunded Liabilities
 - Cut Workers' Compensation Unfunded Liability (\$11.9 million est.) ; or
 - Deposit into new Section 115 Trust; or
 - Reduce Retiree Medical Unfunded Liabilities (Safety Only: \$8.9 million est.)

General Fund Balance

(in thousands)

Fund Balance Category	FY 13/14 Audited	FY 14/15 Estimate	FY 15/16 Estimate
Economic Uncertainties	\$ 25,011	\$ 25,011	\$ 25,011
Litigation Reserve	900	900	900
Equipment Replacement	8,295	8,295	8,295
Redevelopment Dissolution	1,323	1,323	1,323
General Plan Maintenance	720	720	720
Capital Improvement Reserve (CIR)	7,136	7,136	7,136
Senior Center Debt Service Reserve	2,000	2,000	2,000
CalPERS "One Equals Five Plan"	1,500	500	500
CalPERS Rate Increase	1,287	1,287	1,287
Cityview Replacement	695	889	889
Senior Center Donations		685	685
Other Fund Balance/Encumbrance*	12,187	12,030	12,030
Unassigned	-	2,300	2,300
Total Fund Balance	\$ 61,054	\$ 63,076	\$ 63,076

Strategic Planning Retreat

FY 2015/16 General Fund Budget Overview

FY 2015/16 General Fund Budget Overview

Description	FY 2014/15 Unaudited (in millions)	FY 2015/16 Adopted Budget (in millions)
General Fund Revenues	\$212.2	\$216.7
Total Sources of Funds	\$212.2	\$216.7
General Fund Expenses	\$207.9	216.7
Transfers*	<u>2.0</u>	<u>0</u>
Total Uses of Funds	\$209.9	\$216.7
Surplus/(Deficit)	\$2.3	\$0.0

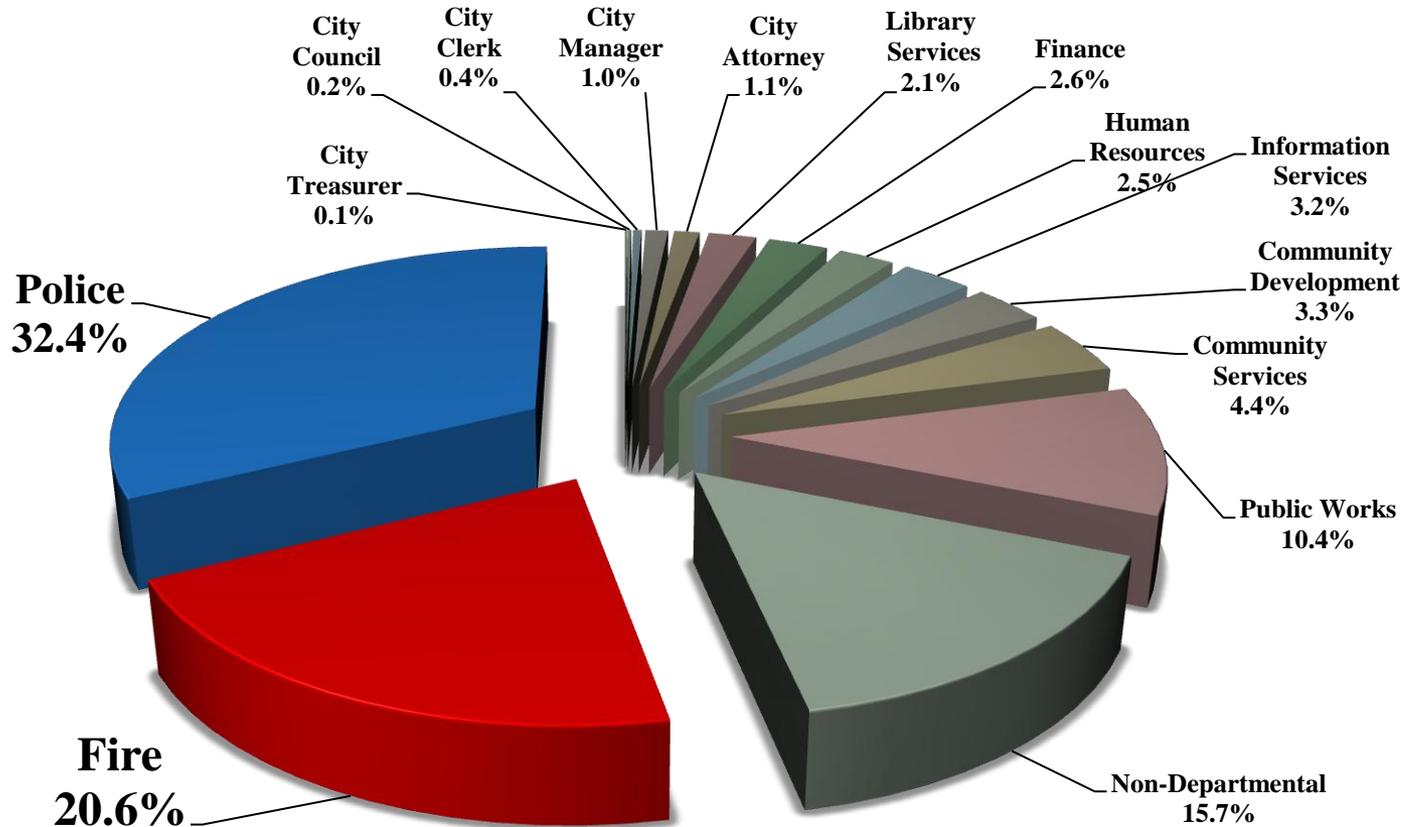
•*Transfers to Workers' Compensation Fund and Section 115 Trust*

FY 2015/16 General Fund Overview

- **Balanced General Fund Budget for FY 2015/16**
- **A \$3 million budget set aside is included**
- **Fixed cost increases such as PERS, Workers' Compensation, insurance premiums and utilities are included**
- **Equipment replacement funding is increased by \$500,000 for a total of \$5 million**
- **Increased funding and staffing for Public Safety (13 newly funded FTEs) and related capital, equipment and technology investments**

FY 2015/16 Adopted Budget General Fund by Department

Public Safety Represents 53% of General Fund



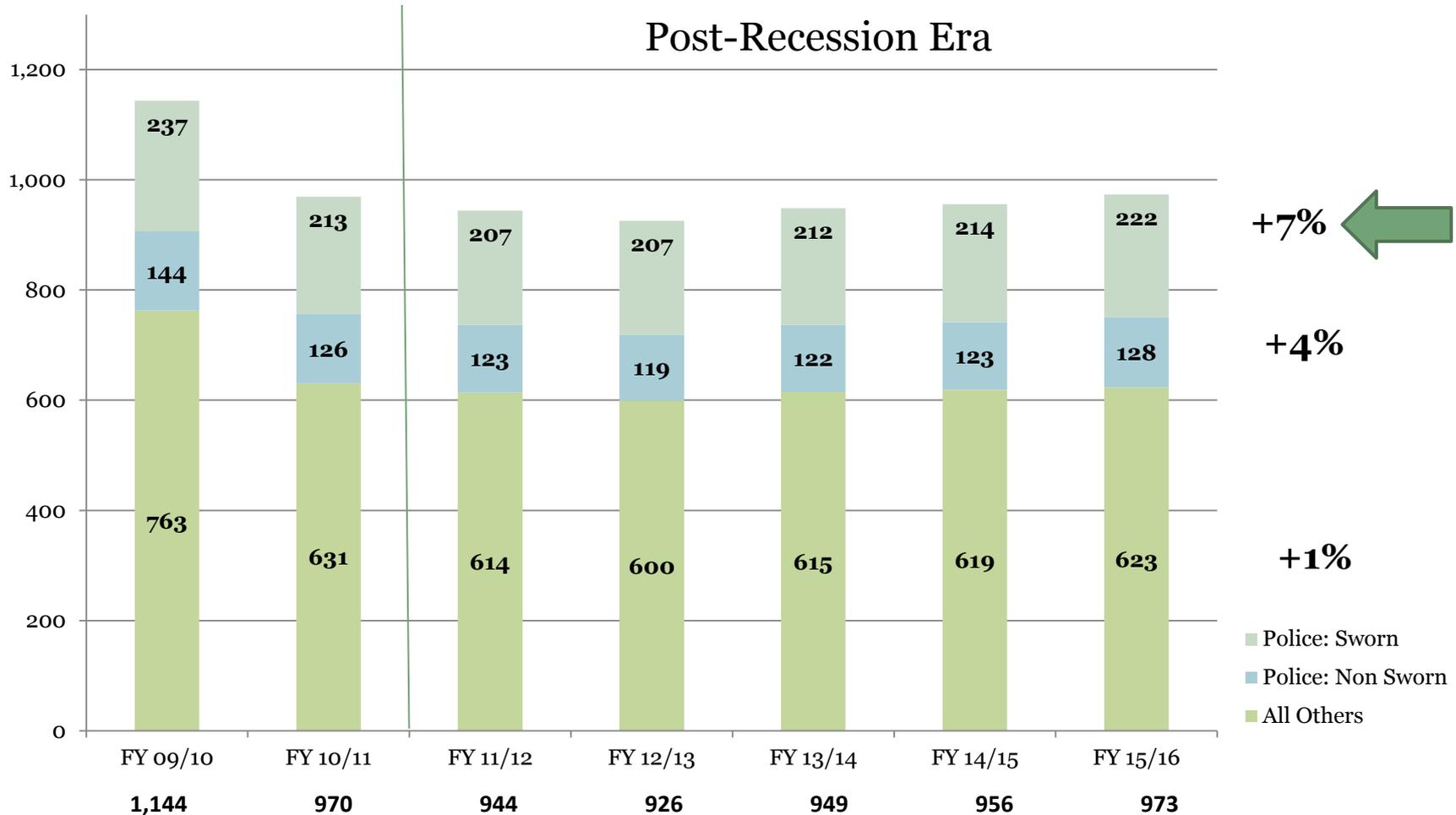
FY 2015/16 General Fund Highlights

- A total of **8 newly funded Police Officer positions** are added bringing the number of sworn positions to 222 FTEs
 - This represents an increase of 15 sworn FTEs since FY 2012/13
- Three Community Services Officers and two Communication Operator positions
 - **This represents an increase of 13 newly funded positions for the Police Department in FY 2015/16**
- LeBard School site acquisition and funding for a new Senior Center
- Infrastructure Funding
 - Sidewalk repairs, street repairs, sand replenishment, campground expansion, and other projects

Recap of Police Officer Funding

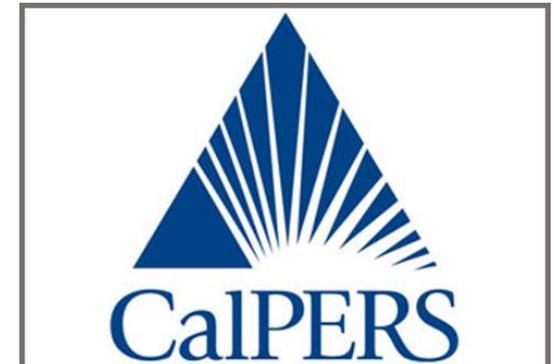
Sworn Officer Staffing	Total FTEs Funded
Total Funded Sworn Officers in FY 2012/13	207.0
Additional Officers Funded in FY 2013/2014	+5.0
Additional Officers Funded in FY 2014/2015	+2.0
Subtotal	214.0
Additional Officers Funded in FY 2015/2016 – Proposed Budget	+2.0
Additional Officers Funded in FY 2015/2016 – Adopted Budget*	+2.0
Additional Officers Funded in FY 2015/2016 – Revised Budget*	+4.0
FY 2015/16 Subtotal	+8.0
Total Funded Sworn Police Officers	222.0
Increase in Sworn Police Officers since FY 2012/13	15.0

Historical Funded FTEs



Strategic Planning Retreat

Pension Costs & Unfunded Liabilities Update



Unfunded Liabilities Overview

Preliminary Unaudited

Type of Liability	Amount* (000)	% Funded	Plan to Eliminate Liability	Timeline
CalPERS (Safety)^	184,182	70.5%	“1=5” Plan	25 years
CalPERS (Misc)^	<u>110,230</u>	<u>77.2%</u>	Standard PERS Plan	30 years
Subtotal	294,412	72.9%		
Retiree Medical (Safety)*	8,924	TBD	“25 to 10” Plan	10 years
Retiree Supplemental	21,563	62.7%	“16 to 10” Plan	10 years
Workers’ Compensation**	11,866	TBD	“10 in 10” Plan	10 years
TOTAL	336,765			

Total unfunded liability amounts are not constant and are subject to change for market conditions, demographics and actuarial changes.

* Based on 2013 Actuarial Data. Miscellaneous Portion paid down last year.

**FY 2014/15 Year End Estimate

^ Based on CalPERS Annual Actuarial Valuation Report as of June 30, 2014

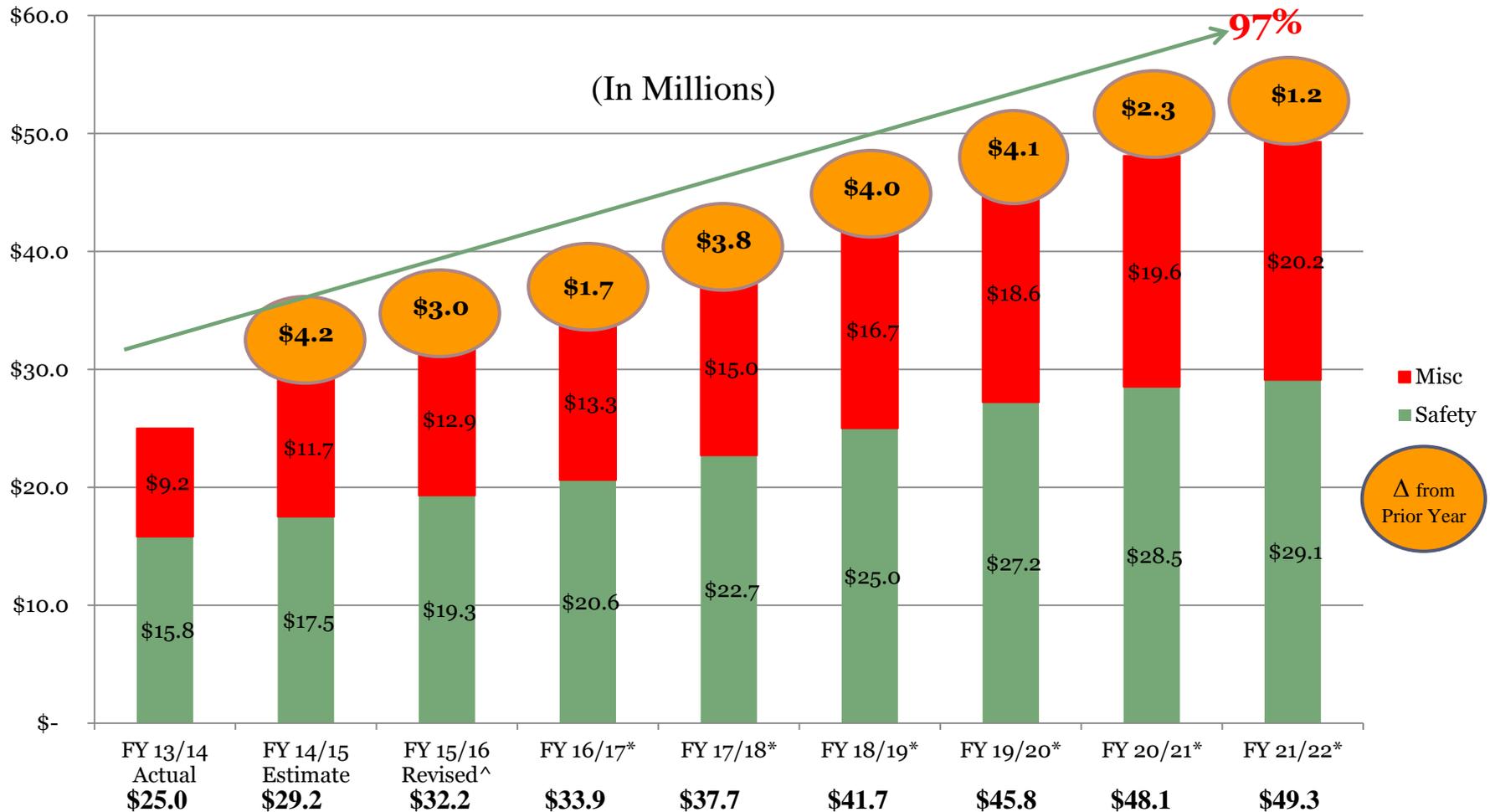
CalPERS Increases

- Total CalPERS costs will increase from \$25.0 million in FY 2013/14 to \$49.3* million by FY 2021/22 (eight years), a 97% increase
- Safety rate increases from 38.8% to 55.6% in eight years
- Miscellaneous rate increases from 21.4% to 33.8% in eight years
- Employee compensation currently totals almost three quarters of the General Fund Budget (72%)
- Does not include the additional 8 Police Officers approved in FY 2015/16

Funded FTE vs YOY PERS Costs



8-Year CalPERS Employer Rate Increases* (All Funds)



*Projections do not include fiscal impact of new negotiated contracts.

[^] Does not include the additional 4 Police Officers the Council approved on December 21, 2015.

GASB 68 Implementation

- Effective the fiscal year ending September 30, 2015 the City must implement a new rule, GASB 68
- This new rule requires governments to book the unfunded liabilities for public pension costs on the face of the financial statements (not only in Notes)
- For the City, this will lead to a significant reduction in the Total Net Position on the Balance Sheet
- This change will occur nationwide but may impact the City's credit ratings, etc.
- This may also impact existing Fund Balances in Enterprise and Internal Service Funds
- The GASB 68 adjustment will reduce the City's Net Position by an estimated \$346 million

GASB 68 – Unfunded Pension Liabilities

CITY OF HUNTINGTON BEACH



	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 80,534	\$ 54,992	\$ 134,926
Receivables, Net	36,345	5,746	42,091
Advances to Successor Agency	5,290	-	5,290
Inventories	-	1,294	1,294
Prepays	4,978	-	4,978
Other Assets	2,411	-	2,411
Other Postemployment Benefits Asset	12,761	-	12,761
Subtotal	142,319	61,432	203,751
Restricted Assets:			
Cash and Investments	19,752	27,951	47,703
Cash and Investments with Fiscal Agent	4,125	-	4,125
Receivables, Net	14,690	-	14,690
Total Restricted Assets	38,567	27,951	66,518
Capital Assets:			
Non-Depreciable	358,668	25,803	384,471
Depreciable, Net	300,527	114,967	415,494
Total Capital Assets	659,195	140,770	799,965
Total Assets	840,081	230,153	1,070,234
LIABILITIES			
Accounts Payable	6,202	4,415	10,617
Accrued Payroll	6,090	93	6,183
Deposits	1,289	1,662	2,951
Subtotal	13,581	6,170	19,751
Liabilities Payable from Restricted Assets:			
Accounts Payable	1,940	-	1,940
Accrued Interest Payable	198	-	198
Deposits	2,411	-	2,411
Total Liabilities Payable from Restricted Assets	4,549	-	4,549
Long-Term Obligations:			
Long-Term Obligations Due Within One Year	15,792	354	16,146
Long-Term Obligations Due in More than One Year	63,792	1,742	65,534
Total Long-Term Obligations	79,584	2,096	81,680
Total Liabilities	97,714	8,266	105,980
NET POSITION			
Net Investment in Capital Assets	618,825	140,770	759,595
Restricted for:			
Debt Service	4,137	-	4,137
Capital Projects	5,772	27,951	33,723
Public Works and Community Services Projects	24,109	-	24,109
Total Restricted Net Position	34,018	27,951	61,969
Unrestricted	89,524	53,166	142,690
Total Net Position	\$ 742,367	\$ 221,887	964,254

Strategic Planning Retreat

Workers' Compensation Highlights

Workers' Compensation Charges by Department

Department	FY 04/05 Actual	FY 06/07 Actual	FY 08/09 Actual	FY 10/11 Actual	FY 12/13 Actual	FY 14/15 Estimate*
Police	\$2,024,468	\$2,155,452	\$2,494,377	\$2,369,067	\$2,426,703	\$2,944,960
Fire	1,339,190	1,425,087	1,487,480	1,251,830	1,321,408	1,808,641
Public Works	761,867	818,564	990,593	967,706	1,077,881	1,139,997
Community Services	275,307	269,664	345,341	329,926	350,231	216,778
All Other	143,498	141,281	286,257	428,585	438,248	558,578
Total	\$4,544,330	\$4,810,048	\$5,604,048	\$5,347,114	\$5,614,471	\$6,668,955
% Increase from FY 04/05		6%	23%	18%	24%	47%

*Actual FY 2014/15 Workers' Compensation total expenses will be higher than shown above by approx. \$4.0 million due to one-time increase in liability associated with updated actuarial valuation.

Strategic Planning Retreat

Governor Brown's FY 2016/17 Budget Highlights



Governor Brown's FY 2016/17 Budget Highlights

□ Budget Set Aside

- \$350 million to fund potential employee compensation increases subject to bargaining

□ Succession Planning Efforts

- Over 40% State workforce of retirement age by 2018
- \$1.9 million for 16 additional FTE for succession planning efforts and facilitation of a broader applicant pool

□ Implementation of a 5-Year Infrastructure Plan

- \$1.5 billion for State Capital Annex and other State buildings

□ State EOC Emergency Services

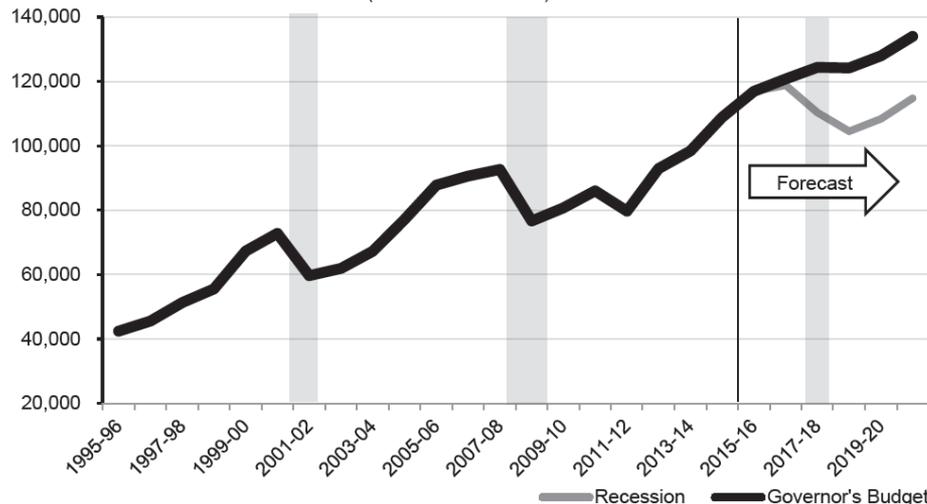
- \$35.2 million for emergency preparedness and response efforts

Governor Brown's FY 2016/17 Budget Highlights

Planning for the Next Recession

- Economy is finishing its 7th year of expansion, 2 years longer than the average recession
- Moderate recession model starting in FY 2017/18 for three years
- Loss of 500,000 California jobs accompanied by a stock market downturn
- Resulting in a \$29 billion to \$43 billion General Fund deficit by FY 2019/20

Figure INT-06
Recession Could Cause Loss of \$55 Billion
in Revenues by 2019-20
(Dollars in Millions)



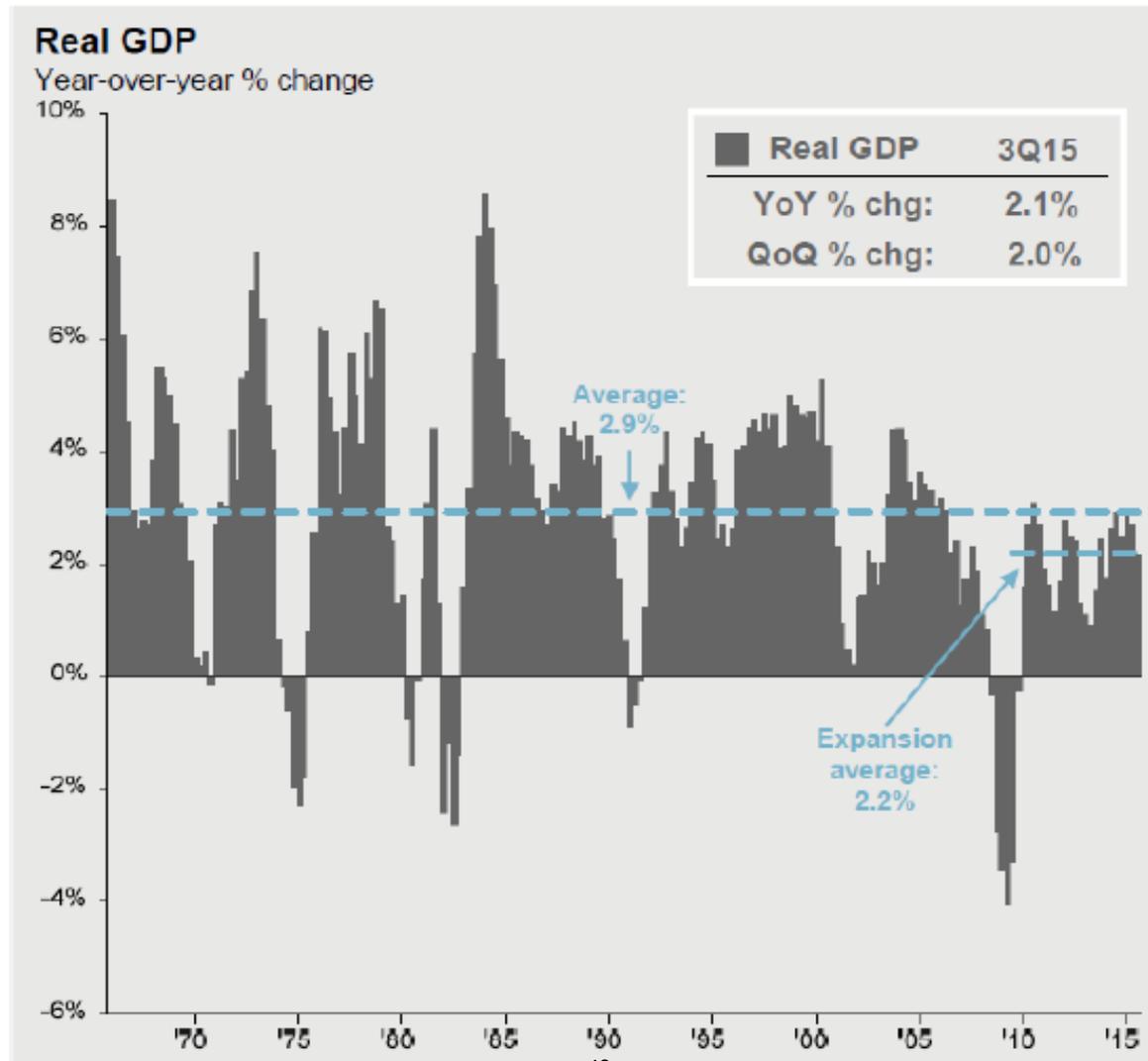
“Short-sighted in the extreme to now embark upon a host of new spending only to see massive cuts when the next recession hits” Governor Brown

FY 2016/17 Financial Outlook

Economic Indicators

- ❑ Dow Jones closed 222 points lower at 15,944 yesterday, down 8.5% YTD
- ❑ U.S. GDP for the 3rd quarter was a modest 2.0%
- ❑ The Los Angeles/Orange County CPI is 2.0% as of December 2015
- ❑ Oil prices are at or near historic lows at \$32 per barrel, versus over \$100 per barrel this same time last year
- ❑ Federal Reserve left rates unchanged yesterday and is “closely monitoring global economic and financial developments and is assessing their implications for the labor market and inflation, and for the balance of risks to the outlook.”
- ❑ Significant concerns over the Chinese economy and slowing growth worldwide require continued financial prudence and restraint

Historic Gross Domestic Product



FY 2016/17 Financial Outlook

- ❑ **Preliminary analysis of FY 2016/17 projections indicates the need to “hold the line” in the City’s General Fund Budget**
- ❑ **Modest Revenue Growth**
 - Slight to modest General Fund revenue projections of between 2-4 percent
- ❑ **Pension and Other Fixed Cost Increases**
 - Higher CalPERS Employer Rate Increases
 - Continuation of budgeted strategies to reduce unfunded liabilities
- ❑ **Infrastructure**
 - A recent analysis by Public Works indicates there is a \$200 million funding gap for the City’s critical yet significantly antiquated storm drain system
 - In addition, another study revealed that an additional \$1.2 million annually is needed to achieve a Pavement Condition Index of 80 or “Good” for Citywide arterials
 - Further, to improve residential streets to a PCI of 80, an annual investment of \$3.3 million is needed

Recap

Next Steps

- ❑ February/March 2016 – Final FY 2014/15 Year-End Close-Out Adjustments and Fund Balance Assignments
- ❑ March 2016 – Budget Kick Off for FY 2016/17
- ❑ May 2016 – FY 2015/16 Mid-Year Budget Update
- ❑ July 2016 – FY 2016/17 Proposed Budget Recommendations
- ❑ October 1, 2016 – New Fiscal Year Begins



QUESTIONS?

January ⁵¹28, 2016



2016 City Council Upcoming Study Sessions

*This information is for agenda scheduling purposes only and is subject to change on a daily basis.
Subjects listed below are not guaranteed to appear on a City Council agenda.*

COUNCIL MEETING	CM REPORT	SUBJECT	DEPT HEAD
2016			
Jan 19	Finance	I-405 Landscape	Hopkins
Feb 1		IAB PD Firing Range Feasibility Study	Cutchen Handy
Feb 16	OBD	Animal Care Shelter	Handy
March 7		HOLD for PD	Handy
March 21	Treasurer	Homeless Task Force Recommendations	Fritzal
April 4		Broadband Strategic Plan Update	Domer
April 18	HR	General Plan Update	Hess
May 2		Mid-Year Budget Update	Farrell
May 16	Attorney		
June 6		CPAB - CDBG Recommendations	Fritzal
June 20		HOLD for PD	Handy
July 5			
July 18		FY 16/17 Proposed Budget	Farrell
Aug 1		CIP	Hopkins
Aug 15		FY 16/17 Proposed Budget	Farrell
Sept 6			
Sept 19			
Oct 3			
Oct 17			
Nov 7			
Nov 21			
Dec 5		Mayoral Transition	
Dec 19			

**City of Huntington Beach
Capital Improvement Program Master Schedule**

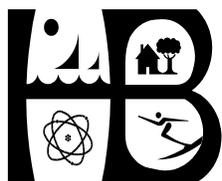
2/11/16

ID	Task Name	Duration	Start	Finish	Budget	Comments	2016													
							F	M	A	M	J	J	A	S	O	N	D	J	F	
32	CC-1527 Main (Garfield - Bch), Talbert (Gothard - Bch), Heil(Goldenwest - Edwards)	286 days	2/1/16	3/6/17	\$3,200,000	Under Design	[Gantt bar: 2/1/16 to 3/6/17]													
33	Design	86 days	2/1/16	5/30/16			[Gantt bar: 2/1/16 to 5/30/16]													
34	Bidding/Award (3 Months)	60 days	5/31/16	8/22/16			[Gantt bar: 5/31/16 to 8/22/16]													
35	Construction	120 days	9/20/16	3/6/17			[Gantt bar: 9/20/16 to 3/6/17]													
36	CC-1454 Beach / Edinger Improvements	540 days	7/14/14	8/5/16	\$350,000	Received Caltrans Approval, Construction Pending	[Gantt bar: 7/14/14 to 8/5/16]													
37	Design	86 days	7/14/14	11/10/14			[Gantt bar: 7/14/14 to 11/10/14]													
38	Bidding/Award (3 Months)	60 days	11/11/14	2/2/15			[Gantt bar: 11/11/14 to 2/2/15]													
39	Construction	120 days	2/22/16	8/5/16			[Gantt bar: 2/22/16 to 8/5/16]													
40	CC-1496 Gothard Street/Center Ave Rehabilitation	365 days	3/16/15	8/5/16	\$350,000	CC Award 2/16	[Gantt bar: 3/16/15 to 8/5/16]													
41	Design	185 days	3/16/15	11/27/15			[Gantt bar: 3/16/15 to 11/27/15]													
42	Bidding/Award (3 Months)	60 days	11/30/15	2/19/16			[Gantt bar: 11/30/15 to 2/19/16]													
43	Construction	120 days	2/22/16	8/5/16			[Gantt bar: 2/22/16 to 8/5/16]													
44	CC-1532 Nichols Street Rehabilitation	285 days	11/9/15	12/9/16	\$650,000	Under Design	[Gantt bar: 11/9/15 to 12/9/16]													
45	Design	105 days	11/9/15	4/1/16			[Gantt bar: 11/9/15 to 4/1/16]													
46	Bidding/Award (3 Months)	60 days	4/4/16	6/24/16			[Gantt bar: 4/4/16 to 6/24/16]													
47	Construction	120 days	6/27/16	12/9/16			[Gantt bar: 6/27/16 to 12/9/16]													
48	CC-1528 Edinger Widening near Beach Blvd	345 days	11/9/15	3/3/17	\$450,000	Under Design	[Gantt bar: 11/9/15 to 3/3/17]													
49	Design/Right of Way Acquisition	165 days	11/9/15	6/24/16			[Gantt bar: 11/9/15 to 6/24/16]													
50	Bidding/Award (3 Months)	60 days	6/27/16	9/16/16			[Gantt bar: 6/27/16 to 9/16/16]													
51	Construction	120 days	9/19/16	3/3/17			[Gantt bar: 9/19/16 to 3/3/17]													
52																				
53	NEIGHBORHOOD/LOCAL STREET	291 days	8/10/15	9/19/16			[Gantt bar: 8/10/15 to 9/19/16]													
54	CC-1530 Resid Pavement Rehab - Zone 12	196 days	8/10/15	5/9/16	\$2,750,000	Under Design	[Gantt bar: 8/10/15 to 5/9/16]													
55	Design	86 days	8/10/15	12/7/15			[Gantt bar: 8/10/15 to 12/7/15]													
56	Remove Trees, Replace C&G, S/W	66 days	11/13/15	2/12/16			[Gantt bar: 11/13/15 to 2/12/16]													
57	Bidding/Award (3 Months)	60 days	12/8/15	2/29/16			[Gantt bar: 12/8/15 to 2/29/16]													
58	Construction	50 days	3/1/16	5/9/16			[Gantt bar: 3/1/16 to 5/9/16]													
59	CC-1529 Curb Ramps	266 days	9/14/15	9/19/16	\$350,000	Awarded Costr Pending	[Gantt bar: 9/14/15 to 9/19/16]													
60	Design	86 days	9/14/15	1/11/16			[Gantt bar: 9/14/15 to 1/11/16]													
61	Bidding/Award (3 Months)	60 days	1/12/16	4/4/16			[Gantt bar: 1/12/16 to 4/4/16]													
62	Construction	120 days	4/5/16	9/19/16			[Gantt bar: 4/5/16 to 9/19/16]													
63																				
64	TRANSPORTATION	964 days	12/9/13	8/17/17			[Gantt bar: 12/9/13 to 8/17/17]													

**City of Huntington Beach
Capital Improvement Program Master Schedule**

2/11/16

ID	Task Name	Duration	Start	Finish	Budget	Comments	2016											
							F	M	A	M	J	J	A	S	O	N	D	J
418	CC-1435 Water Main Replacement @ Sunset Beach Area - Phase III and 24th Street Water Main Extension	580 days	1/12/15	3/31/17		Under Design	[Gantt bar spanning from Jan 2015 to Mar 2017]											
425	CC1446 Water Main Replacement @ Sunset Harbour Crossing	170 days	9/14/15	5/6/16		Under Construction	[Gantt bar spanning from Sep 2015 to May 2016]											
426	Bidding/Award (4 Months by the County)	80 days	9/14/15	1/1/16			[Gantt bar spanning from Sep 2015 to Jan 2016]											
427	Bid & Construction (Under County's Dredging Project)	80 days	1/18/16	5/6/16			[Gantt bar spanning from Jan 2016 to May 2016]											
428	WATER MAIN EXTENSION	789 days	2/3/14	2/9/17			[Gantt bar spanning from Feb 2014 to Feb 2017]											
429	CC1389 Water Main Extension @ Bolsa Chica by Graham	789 days	2/3/14	2/9/17	\$600,000	Obtaining permit from State Lands	[Gantt bar spanning from Feb 2014 to Feb 2017]											
430	CDP	650 days	2/3/14	7/29/16			[Gantt bar spanning from Feb 2014 to Jul 2016]											
431	State Land Lease Agreement	240 days	7/7/14	6/5/15			[Gantt bar spanning from Jul 2014 to Jun 2015]											
432	Design	120 days	6/2/14	11/14/14		Design Complete	[Gantt bar spanning from Jun 2014 to Nov 2014]											
433	Bidding/Award (3 Months)	64 days	8/15/16	11/10/16			[Gantt bar spanning from Aug 2016 to Nov 2016]											
434	Construction	45 days	12/9/16	2/9/17			[Gantt bar spanning from Dec 2016 to Feb 2017]											
435	CC1406 Water Main Extension @ Beach Blvd by Warner, CC1399 Water Main Extension @ Beach Blvd by Holt	679 days	3/31/14	11/3/16		Under Design	[Gantt bar spanning from Mar 2014 to Nov 2016]											
436	Permits	225 days	6/22/15	4/29/16			[Gantt bar spanning from Jun 2015 to Apr 2016]											
437	Design	430 days	3/31/14	11/20/15			[Gantt bar spanning from Mar 2014 to Nov 2015]											
438	Bidding/Award (3 Months)	64 days	5/16/16	8/11/16			[Gantt bar spanning from May 2016 to Aug 2016]											
439	Construction	60 days	8/12/16	11/3/16			[Gantt bar spanning from Aug 2016 to Nov 2016]											



**CITY OF HUNTINGTON BEACH
PUBLIC WORKS COMMISSION
REQUEST FOR ACTION**

Item No. PW 16-02

SUBMITTED TO: Chairperson and Members of the Commission

SUBMITTED BY: Travis K. Hopkins, PE, Director of Public Works

DATE: February 17, 2016

SUBJECT: Planned Local Drainage Facilities Fund Annual Compliance Report *Fiscal Year 2014/15*

Statement of Issue: In accordance with Section 14.48 of the Huntington Beach Municipal Code (HBMC), the Public Works Department is required to prepare an annual report of the status of the Planned Local Drainage Facility Fund (Drainage Fund) for the City Council. The process provides an opportunity for the Public Works Commission to review planned projects, revenues and expenditures under the program.

Funding Source: No funding is required for this action.

Impact on Future Maintenance Costs: Not applicable.

Recommended Action: Motion to recommend to the City Council the approval of the Planned Local Drainage Facility Fund Compliance Report for Fiscal Year 2014/15.

Alternative Action(s): Recommend revisions to the report.

Analysis: The Planned Local Drainage Facilities Fund (Drainage Fund) is a development fee that is restricted to use for drainage system enhancements. Section 14.48.050 (d) requires the City Council to review the status of compliance with this Chapter, including the revenues collected and the funds expended. The following information conforms to the requirements of the HBMC regarding revenues and expenditures of the Drainage Fund. Although the reporting requirement became effective with the adoption of the revised ordinance in September 2006, the Drainage Fund has existed since 1975. The following information covers Fiscal Year 2013/14.

Fiscal Status

The Drainage Fund advanced \$250,000 to the Redevelopment Agency for improvements in 1987. With interest accrual of \$603,877, the debt amount is currently \$856,246. As a result, the Fund maintained a negative balance over a period of ten years until Fiscal Year 12/13, when the fund ended with a positive balance. In Fiscal Year 2014/15, revenue from developer fees exceeded expectations and the Drainage Fund ended the year with a positive balance of \$792,870.

On June, 29, 2011, the State of California enacted AB1X26, which dissolves redevelopment agencies and designates Successor Agencies to “wind-down” activities of the former redevelopment agencies under supervision of newly created Oversight Boards. On January, 31, 2012, the City’s Redevelopment Agency presented an initial draft Recognized Obligation Payment Schedule (ROPS) to the Successor Agency. In this case, the City has elected to become the Successor Agency. The debt noted above is included in the list of obligations; however, no payments are scheduled to the Drainage Fund within the presented time frame.

Revenues

Revenue for FY 2014/15 from development was \$487,341 and interest to the fund was \$7,346 for total revenue of \$494,777.

Expenditures

No expenditures were made in FY 2014/15. Staff will monitor the fund as revenue is received and assess the need for future drainage projects.

Conformance with Program Goals and Objectives

The Drainage Fund is intended to implement the goals and objectives of the current Drainage Master Plan. Funds collected and deposited to the fund may be expended solely for the construction or reimbursement for construction of drainage facilities. The Fund is in compliance with these requirements.

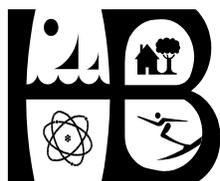
Beginning Balance 10/14	\$298,093
Revenue	
Developer fees	487,431
Interest earned	7,346
Total Revenue	\$ 494,777
Total Expenditures	0
Beginning Balance 10/15	\$792,870
Projected revenues	225,000
Budgeted expenditures	0
Estimated Balance 10/16	\$1,017,870

Rate Schedule Fiscal Year 2014/15

Drainage Fees: \$13,880 per acre.

Environmental Status: Not applicable

Attachments: None



**CITY OF HUNTINGTON BEACH
PUBLIC WORKS COMMISSION
REQUEST FOR ACTION**

Item No. PW 16-03

SUBMITTED TO: Chairperson and Members of the Commission

SUBMITTED BY: Travis K. Hopkins, PE, Director of Public Works

DATE: February 17, 2016

SUBJECT: Sanitary Sewer Facilities Fund Annual Compliance Report
Fiscal Year 2014/15

Statement of Issue: In accordance with Section 14.36 of the Huntington Beach Municipal Code (HBMC), the Public Works Department is required to prepare an annual report of the status of the Sanitary Sewer Facilities Fund (Sanitary Sewer Fund) for the City Council. The process provides an opportunity for the Public Works Commission to review planned projects, revenues and expenditures under the program.

Funding Source: No funding is required for this action.

Impact on Future Maintenance Costs: Not applicable.

Recommended Action: Motion to recommend to the City Council the approval of the Annual Sanitary Sewer Facilities Fund Compliance Report for Fiscal Year 2014/15.

Alternative Action(s): Recommend revisions to the report.

Analysis: The Sanitary Sewer Fund is a development fee that is restricted to use for sewer capacity enhancements. The fee is unrelated to the monthly Sewer Service Charge used for operations and maintenance of the existing sewer system.

Section 14.36.070 (d) requires the City Council to review the status of compliance with this Chapter, including the revenues collected and the funds expended. The following information conforms to the requirements of the HBMC regarding revenues and expenditures of the Sanitary Sewer Fund. Although this requirement became effective with the adoption of the revised ordinance in

July 2003, the Sewer Facilities Fund has existed since 1988. The following information covers Fiscal Year 2014/15.

Fiscal Status

Revenues and expenditures are summarized below for the past fiscal year. The fund balance as of September 30, 2015 was \$6,156,735.

Not included in this figure are monies owed the Sanitary Sewer Facilities Fund by the Huntington Beach Redevelopment Agency. The original advance was \$131,000. With interest accrual, the debt amount for the fiscal year end was \$452,172.

On June, 29, 2011, the State of California enacted AB1X26, which dissolves redevelopment agencies and designates Successor Agencies to “wind-down” activities of the former redevelopment agencies under supervision of newly created Oversight Boards. On January, 31, 2012, the City’s Redevelopment Agency presented an initial draft Recognized Obligation Payment Schedule (ROPS) to the Successor Agency. In this case, the City has elected to become the Successor Agency. The debt noted above is included in the list of obligations; however, no payments are scheduled to the Sanitary Sewer Facilities Fund within the presented time frame.

Revenues¹

Total revenue for FY 2014/15 was \$1,611,690. Residential and commercial developer fees contributed \$294,988 and \$1,010,729 respectively. Other revenue included an annual payment from the Sunset Beach of \$12,310 for their share of the Warner Avenue Gravity Sewer and a \$226,225 payment from a developer for fees related to the Beach/Edinger Specific Plan. The fund was credited \$67,438 in interest.

Expenditures

Fiscal Year 2014/15

Expenditures for the fund in FY 14/15 included \$78,300 in salaries and consultant charges related to lift station design.

Fiscal Year 2015/16

Budgeted expenditures for the current fiscal year include \$271,605 in encumbrance carry-forwards.

Conformance with Program Goals and Objectives

The Sanitary Sewer Facilities Fund is intended to implement the goals and objectives of the current Sewer Master Plan. Funds collected and deposited to the fund may be expended solely for the construction or reimbursement for construction of sanitary sewer facilities. The Fund is in compliance with these requirements.

Environmental Status: Not applicable.

**Summary of Revenue and Expenditures
Sanitary Sewer Facilities Fund**

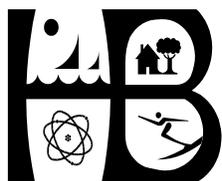
Beginning Balance 10/14	\$4,623,345
Revenue	
Developer fees (residential)	294,988
Developer fees (commercial)	1,010,729
Other	238,565
Interest earned	67,438
Total Revenue	\$ 1,611,690
Expenditures	
Salaries	(32,413)
Design Service	(45,887)
Total Expenditures	\$ (78,300)
Beginning Balance 10/15	\$6,156,735
Budgeted revenues	896,000
Budgeted expenditures	(271,605)
Estimated Balance 10/16	\$6,781,130

Rate Structure Fiscal Year 2014/15

CITY SEWER CONNECTION FEES	Effective October 1, 2013
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Single Family Dwelling Unit		\$	2,256
Multiple Family Dwelling Unit		\$	1,845
Non-Residential (based on water meter size relationship to Equivalent Dwelling Unit, EDU)			
Meter Size & Type	EDU's		Charge
3/4"	1	\$	2,564
1"	2	\$	5,129
1 1/2"	3	\$	7,693
2"	5	\$	12,824
3"	11	\$	28,212
4" Compound	17	\$	43,599
4" Domestic & Turbine	33	\$	84,634
6" Compound	33	\$	84,634
6" Domestic & Turbine	67	\$	171,830
8" Domestic	117	\$	300,061
10" Domestic	183	\$	466,642

Attachments: None



**CITY OF HUNTINGTON BEACH
PUBLIC WORKS COMMISSION
REQUEST FOR ACTION**

Item No. PW 16-04

SUBMITTED TO: Chairman and Members of the Commission

SUBMITTED BY: Travis K. Hopkins, PE, Director of Public Works

DATE: February 17, 2016

SUBJECT: Fair Share Traffic Impact Fee Program Annual Report for Fiscal Year 2014/15

Statement of Issue: In accordance with Section 17.65.130 of the Huntington Beach Municipal Code (HBMC), the Public Works Department is required to prepare an annual report of the status of the Fair Share Traffic Impact Fee Program for the City Council. The process also provides an opportunity for the Public Works Commission to review revenues and expenditures under the program.

Funding Source: No funding is required for the recommended action. All Traffic Impact Fee funds are maintained in a separate account from other City operation funds.

Recommended Action: Motion to recommend approval of the 2014/15 Traffic Impact Fee Annual Report to the City Council.

Alternative Action(s): Recommend revisions to the report elements or request additional information.

Analysis: The Fair Share Traffic Impact Fee (TIF) program is intended to implement the goals and objectives of the General Plan by providing revenue to ensure that the adopted Level of Service standards for arterial roadways and signalized intersections are maintained when new development is constructed within the City limits and that these developments pay their fair share towards short and long term transportation improvements. During the FY 2011/12 fiscal year, the City Council approved an update of the Fair Share Traffic Impact Fee including minor revisions to the Municipal Code and the fee structure.

The following sections comprise the annual report.

Fiscal Status

This report presents the fund information based on the City's preliminary audit for Fiscal Year 2014/15. The balance for the fund at the beginning of the fiscal year was \$3,064,304. During FY 2014/15, Traffic Impact Fee fund recognized \$1,140,323 in revenues including, \$1,097,012 in Impact Fees Paid and \$43,311 in interest.

Expenditures from the fund include \$5,604 in personnel salaries and benefits related to program and project administration and \$158,217 in costs associated with the land acquisition efforts for the Atlanta Avenue Widening project for a total of \$163,821. The fund balance at the end of the fiscal year was \$4,040,806.

Budgeted projects for FY 2014/15 included Atlanta Avenue Widening, Ellis/Main Traffic Channel Modifications and Brookhurst/Adams Intersection Improvements.

Planned Capital Projects, Studies and Expenditures

The City Council approved new funding for Fiscal Year 2015/16 in the amount of \$600,000 The Edinger Avenue Widening project and an additional appropriation of \$86,000 for the Northbound Beach Boulevard Improvements. Funds in the amount of \$50,000 for the Ellis/Main project were carried forward to FY 2015/16 as where \$398,578 in unspent funds designated for Atlanta Widening. Encumbrance carry over funds from FY 14/15 totaled \$148,873. The budgeted expenditures against the fund total \$1,283,451.

Projected estimate of Fund Balance

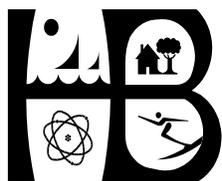
Based on the fund balance at the end of the fiscal year and budgeted expenditures, the Traffic Impact Fee Fund has total net available funds of \$2,757,355. For budget purposes, the City has estimated that approximately \$713,000 in new traffic impact fee payments would be realized during FY 15/16 resulting in a projected balance (unprogrammed funds) of \$3,470,355. The \$713,000 estimate is only a rough approximation based on historic trends and actual payments to the fund could be significantly more or less than projected. However, current programming does not rely on a specific amount being collected in FY 15/16. A summary of the fund activity is presented in tabular form below.

**Summary of Revenue and Expenditures
Traffic Impact Fund**

Beginning Balance 10/14	\$3,064,304
Revenue	
Traffic Impact Fees	1,097,012
Interest earned	43,311
Total Revenue	\$ 1,140,323
Expenditures	
Salaries	(5,604)
Land Acquisition Costs	(158,217)
Total Expenditures	\$ (163,821)
Beginning Balance 10/15	\$4,040,806
Budgeted revenues	713,000
Budgeted expenditures	(1,283,451)
Estimated Balance 10/16	\$3,470,355

Conformance with Program Goals and Objectives

The Traffic Impact Fee Program is intended to implement the goals, objectives and policies of the City of Huntington Beach General Plan, as stated in the Municipal Code Chapter 17.65. Completion of the planned projects implements improvements identified in the Circulation Element of the General Plan and is in conformance with the goals and objectives of the Fair Share Traffic Impact Fee program.



**CITY OF HUNTINGTON BEACH
PUBLIC WORKS COMMISSION
REQUEST FOR ACTION**

Item No. PW 16-08

SUBMITTED TO: Chair and Members of the Commission

SUBMITTED BY: Travis K. Hopkins, PE, Director of Public Works

DATE: February 17, 2016

SUBJECT: Edinger Avenue Widening, CC-1528

Statement of Issue: Plans and Specifications for the Edinger Avenue Widening, CC-1528 are in final preparation. Staff requests the recommended action to proceed with the bidding process.

Funding Source: A total of \$531,650 is currently available in the Edinger Widening Account No. 20690013. Construction/right-of-way costs are estimated at \$400k.

Impact on Future Maintenance Costs: This project will extend an existing right-turn lane. Impacts to future maintenance costs are considered negligible.

Recommended Action: Motion to approve that the Edinger Avenue Widening, CC-1528 is in general conformance with the previously approved Capital Improvement Program.

Alternative Action(s): Deny approval and recommend an alternative action.

Analysis: The Edinger Ave. Widening Project will widen the south side of Edinger Ave., between Parkside Ln. and Beach Blvd., in order to extend the existing eastbound right-turn lane. The scope of work includes: removal of concrete curb, gutter, sidewalk, driveway aprons, and landscaping; construction of asphalt pavement, concrete curb, gutter, sidewalk, driveway aprons; installation of new street lighting; relocation of existing utilities and Wells Fargo monument sign; reconstruction of private, on-site planter areas and replacement of landscaping; signing and striping. The project requires acquisition of 1,050 sq. ft. and 168 sq. ft. of additional public right-of-way from the adjacent Wells Fargo bank and Arby's restaurant, respectively. The project is being coordinated with the Marriott hotel currently under construction at the southeast corner of Edinger Ave. and Parkside Ln.

Attachments:

1. Location Map

EDINGER AVENUE WIDENING, CC-1528

