

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

Monday, June 29, 2020
6:00 PM - Council Chambers
Civic Center, 2000 Main Street
Huntington Beach, California 92648

**A video recording of the 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/**

6:00 PM — COUNCIL CHAMBERS

CALLED TO ORDER — 6:04 PM

ROLL CALL

Present: Posey, Delgleize, Hardy, Semeta, Peterson (remotely), Carr, and Brenden
Absent: None

PLEDGE OF ALLEGIANCE — Led by Councilmember Brenden

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

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

Public Hearing

#1. (20-1719) PowerPoint communication entitled *City of Huntington Beach — FY 2020/21 Budget Adoption* submitted by Dahle Bulosan, Chief Financial Officer.

PUBLIC COMMENTS (3 Minute Time Limit) — 43 In-Person Speakers; 3 Comments by Phone

At 6:00 PM, individuals wishing to provide a comment on an agendized or non-agendized item may call 1+ (669) 900-6833 and enter Webinar ID: 941 8390 5102. Once a caller has entered the meeting, their call will be placed in a holding queue and will be answered in the order received. When invited to speak, callers are encouraged to identify themselves by name, and can speak for no more than 3 minutes.

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/>.

Amory Hanson, a 2020 Candidate for City Council and member of the Historic Resources Board, was called to speak and expressed his wishes that the City of Huntington Beach hold deliberative meetings, and read excerpts from the infamous children's book "Green Eggs and Ham," by Dr. Seuss. (00:03:00)

Stan Arrollado, a resident of Huntington Beach for over 45 years, was called to speak and shared his support for the City of Huntington, Police Department, City Council and citizens regarding recent Black Lives Matter protests. (00:04:32)

Leslie Gilson, self-described Gibbs Park Restoration Coordinator for the last 13 years, was called to speak and shared the efforts of a team of volunteers to maintain Gibbs Park, and asked that the new budget include funding for parks, trees and landscaping. (00:07:40)

Juana Mueller was called to speak and asked that funds for necessary Central Park irrigation system upgrades be included in the new budget. (00:09:03)

Jean Nagy, Huntington Beach Tree Society volunteer, was called to speak and asked that funds necessary for City parks irrigation system supervision, repairs and maintenance be included in the new budget, as well as for completion of the Huntington Lake Boardwalk. (00:10:37)

Chad Kroeger, a self-described activist, was called to speak and shared his opinions on current events and requested that the City support renaming the International Space Station, the "Tom Cruise International Space Station." (00:13:20)

JT Parr was called to speak and shared his opinions on current events, requested that the City support renaming the International Space Station, the "Tom Cruise International Space Station," and sang lines from the song "Stranger" by Brittany Spears. (00:15:21)

Kathryn Levassiur was called to speak and stated her continued advocacy for Short-Term Rental tax and regulations, her support for Black Lives Matter issues, and the City's obligation for meaningful transparency regarding racial and gender profiles of employees. (00:18:13)

Mary LeBoeuf, volunteer at the wetland on Beach Boulevard at Pacific View Drive, was called to speak and asked why the City has paid for vector control for land she has been told by the City belongs to the Waterfront Condominium Complex. Mayor Semeta asked that she complete a blue card for follow-up. (00:20:44)

An anonymous person was called to speak and shared their opinions and support for recent Black Lives Matter issues. (00:22:08)

Chelsea O'Reilly was called to speak and shared her opinions and support for Black Lives Matter issues. (00:24:46)

Natasha Mangham, a life-long resident of Huntington Beach, was called to speak and shared her opinions and support for Black Lives Matter budget issues. (00:28:03)

Blake Stavros was called to speak and shared his opinions and support for Black Lives Matter issues. (00:30:31)

Scott Brewsaugh, a resident of Huntington Beach since 1984, was called to speak and shared his experiences, opinions and support for Black Lives Matter issues. (00:32:28)

Max Power was called to speak and shared his opinions and support for Black Lives Matter issues. (00:35:12)

David Blackgold, a three-year resident of Huntington Beach, was called to speak and described an alleged trespassing incident he experienced with Huntington Beach Police at a local Starbucks two years ago. (00:37:55)

An anonymous person was called to speak and stated their appreciation for Council dialogue, and opinions and support for Black Lives Matter issues. (00:41:56)

Kandice Pasquarella was called to speak and shared her personal experiences, and opinions and support for Black Lives Matter issues. (00:43:54)

An anonymous person, a life-time resident of Huntington Beach, was called to speak and shared their personal experiences, and opinions and support for Black Lives Matter issues. (00:46:51)

Turron Warren was called to speak and shared his opinions and support for Black Lives Matter issues. (00:50:11)

Tiana Gutierrez was called to speak and shared her opinions and support for Black Lives Matter issues. (00:52:54)

Brittany Baddon, 33-year resident of Huntington Beach, was called to speak and shared her personal experiences, and opinions and support for Black Lives Matter issues. (00:54:44)

Antoinette Nguyen, a 20-year resident of Huntington Beach, was called to speak and shared her personal experiences, and opinions and support for Black Lives Matter budget issues. (00:57:57)

Jennifer McLean, a resident of Huntington Beach for nearly 20 years, was called to speak and shared her opinions and support for Black Lives Matter budget issues. (01:01:22)

Robi Fredrick, a 21-year resident of Huntington Beach, was called to speak and shared her opinions and support for Black Lives Matter budget issues. (01:04:34)

An anonymous person was called to speak and shared their opinions and support for Black Lives Matter issues. (01:07:08)

Oscar Rodriguez, a life-long resident of Huntington Beach and 2020 Candidate for City Council, was called to speak and stated support for following local health official directions regarding COVID-19, and support for Black Lives Matter issues. (01:08:46)

Kira Linton, a life-time resident and homeowner in Huntington Beach, was called to speak and stated support for Black Lives Matter issues. (01:10:58)

Megan Fowler, a 10-year resident of Huntington Beach, was called to speak and stated support for Black Lives Matter issues, and asked for actions to support City Council's recent words of unity. (01:14:14)

Felix Carlson was called to speak and shared her opinions and support for Black Lives Matter issues. (01:17:36)

Joy Baumeister was called to speak and shared her opinions and support for Black Lives Matter budget issues. (01:19:49)

An anonymous person was called to speak and stated their opinions and support for Black Lives Matter issues. (01:21:34)

An anonymous person was called to speak and stated their opinions and support for Black Lives Matter issues. (01:23:56)

Julia Geer, who was educated in Huntington Beach, was called to speak and stated her opinions and support for Black Lives Matter issues. (01:26:36)

Katie Grothjan, who was educated in Huntington Beach, was called to speak and stated her opinions and support for Black Lives Matter issues. (01:29:09)

Dora Lee, who was born and raised in Huntington Beach, was called to speak and stated her opinions and support for Black Lives Matter issues. (01:30:33)

Callie Saccachio, born, raised and educated in Huntington Beach, was called to speak and stated her opinions and support for Black Lives Matter issues. (01:33:44)

Tanner Davis was called to speak and stated her opinions and support for Black Lives Matter issues. (01:36:12)

Justin Frazier, a Marine veteran, was called to speak and stated his opinions and support for Black Lives Matter issues. (01:38:07)

Jeanette Cookmeyer, a resident of Seal Beach, was called to speak and stated her opinions and support for Black Lives Matter budget issues. (01:41:26)

David Owen Jones was called to speak and stated his opinions and support for Black Lives Matter issues. (01:43:55)

Cleopatra El Rashidy was called to speak and stated her opinions and support for Black Lives Matter budget issues. (01:46:52)

Marcus, a musician, was called to speak and expressed appreciation for the opportunity to speak, and stated his request that Council listen to the hurting people who have spoken. (01:50:11)

Caller #355, Erica, was invited to speak and stated her opinions and support for Black Lives Matter budget issues. (01:51:56)

Caller #857, Susan Hartful, a resident of Huntington Beach and public school educator, was invited to speak and stated her opinions and support for wearing masks and social distancing to prevent the spread of COVID-19. (01:54:29)

Caller #668, Michelle McLean, a life-time resident of Huntington Beach, was invited to speak and stated her opinions and support for Black Lives Matter budget issues. (01:57:47)

At 8:15 p.m. the City Council took a brief recess and reconvened the meeting at 8:30 p.m.

PUBLIC HEARING

20-1719 Adopted Resolution No. 2020-39 to adopt a Budget for the City for Fiscal Year 2020/2021; Resolution No. 2020-32 establishing the Gann Appropriation Limit and Financial Policies; and Resolution No. 2020-46 with Budget Option 3 — implement a Self-Designated Separation Incentive Program for all eligible Safety and Miscellaneous employees
(Continued from June 15, 2020, with Public Hearing Closed)

City Manager Oliver Chi presented a PowerPoint communication entitled: *FY 2020/21 Budget Adoption* with slides titled: *FY 2020/21 Budget Overview, The COVID-19 Economic Context - An Unprecedented Contraction, Economists Are Projecting An Uneven Economic Recovery, Economic Reality Necessitates Structural Organizational Changes, Early Retirement Program Recommended, Two Early*

Retirement Program Options Initially Assessed, Additional Workforce Reduction Program Options Assessed, Survey Conducted of Eligible Miscellaneous and Public Safety Staff, Option 1: Modified CalPERS Early Retirement Program, Modified CalPERS Early Retirement Program, Costs vs. Cost Savings, Summary Assessment, Option 2: Modified CalPERS Early Retirement Program (Miscellaneous) and Self-Designed Separation Incentive Program (Safety), Modified CalPERS (Misc.) and Self-Designed (Safety), Costs vs. Cost Savings, Summary Assessment, Option 3: Use of Self-Designed Separation Program, Self-Designed Program, Costs vs. Cost Savings, Summary Assessment, Option 4: Deploying Layoff & Employee Concession Procedures, Layoff & Employee Concessions, Summary Assessment, Budget Balancing Options Summary, Additional Workforce Reduction Options Assessed, Budget Balancing Options - Comparison Summary, FY 2020/21 Budget Summary, City Council Approval Requested, and Questions?

Councilmember Delgleize clarified with City Manager Chi that Council is expected to select one of the four Workforce Reduction Program Options which were presented for a balanced budget.

Mayor Pro Tem Hardy confirmed with City Manager Chi that approximately seventeen percent (17%) of eligible employees need to participate in order for the budget to balance, of which 145 are Miscellaneous and 64 are Safety fully vested employees. City Manager Chi confirmed that Options 1, 2, 3 provide the numbers needed to balance the budget. There was further discussion on how much the CalPERS option would add to Unfunded Liability and the likelihood that tenured Public Safety staff might possibly increase Workers Compensation claims. Option 4 could result in the smallest budget reduction since the positions tend to be at the lowest salaries, as well as the required meet and confer process could take some time to complete.

Mayor Pro Tem Hardy stated her support for a retirement incentive program as being most cost effective, specifically Option 3 as it would not increase the CalPERS Unfunded Liability, and moved the item as presented with inclusion of Workforce Reduction Option 3.

Councilmember Carr stated her support for Workforce Reduction Option 3, and for providing a second to the motion **if** rather than approving the budget currently showing funding for three (3) additional positions in Safety, she would like to hold two (2) of those positions for the Homeless Task Force and bring that issue back in November when the homeless shelter is operated by the City. Mayor Pro Tem Hardy was open to considering her amendment, but requested additional discussion.

Mayor Pro Tem Hardy and Assistant Chief of Police Kelly Rodriguez discussed Safety staffing issues, specifically clarification on the current need for management when addressing the homeless situation, and the on-going efforts to recruit entry-level staff as well as using lateral changes.

Mayor Pro Tem Hardy and City Manager Chi reviewed the Police Management side letter addressing new staff, and confirmed there are currently eight (8) officer positions that are authorized but unfunded. The proposed budget would fund two (2) of those positions. Currently, there is also one (1) Lieutenant and one (1) Sargent position which are authorized but unfunded. The proposed budget would fund the Lieutenant position.

Councilmember Carr clarified her position that homelessness is currently the biggest issue to address within the City, but in her opinion there comes the point where available resources need to be reallocated for more efficiency in meeting the most pressing need, and the appropriate action is to remain mean and lean, not increase that budget.

Councilmember Brenden and City Manager Chi discussed there is no breakdown of numbers between the Police and Fire Departments because of the anonymous nature of the survey. Councilmember Brenden summarized the need for restructuring citywide and expressed his opinion that the best way to

efficiently deliver services while shrinking the workforce is Option 3 as the least costly way to move forward. He also stated his agreement with Councilmember Carr regarding returning at mid-year for a budget review to address the Police Department staffing needs.

Councilmember Posey and City Manager Chi discussed details for Option 3 and the expectation that most new hires in Safety tend to be Public Employees' Pension Reform Act (PEPRA) employees which on average cost about thirty-six percent (36%) less than Classic employees.

Councilmember Posey shared his thoughts on the declining park development impact fees and asked that a line item be added to the budget showing City Attorney fees to determine if court fines and fees are actually covering City Attorney Office expenses. City Manager Chi confirmed that the City Attorney's Office budget for 2020/21 Professional Services costs shows a greater number than last year's budget because of reallocation from the non-departmental category. Councilmember Posey stated he expects more transparency and detail on those costs for the next budget review.

Councilmember Posey stated his support for filling funded Police Department positions, with two (2) of those positions dedicated to the homelessness effort after the City has control of the Navigation Center.

Mayor Pro Tem Hardy restated her motion to include Workforce Reduction Option 3, and accepted Councilmember Carr's request to return to Council on November 2 to consider reassignment of two of three funded/underfilled Police Department positions to the Homeless Task Force. Councilmember Carr provided a second to the motion.

Councilmember Posey and City Manager Chi discussed plans related to Channel 3 funding and programming. City Manager Chi stated that Public, Educational and Government (PEG) channel fees are restricted funds, and the plan is to adjust programming expenditures to ensure they do not exceed the revenue stream.

Councilmember Posey and City Manager Chi discussed the rationale behind budgeting for two (2) additional Code Enforcement Officers.

Councilmember Peterson, calling in remotely, discussed with City Manager Chi details on CalPERS Unfunded Accrued Liability (UAL) payments, and potential impacts from the economic shutdown due to COVID-19. There was further discussion on funding for Option 3, which City Manager Chi described as a one-time cost that would be made up with reduced salary costs moving ahead, and confirmed the plan is to NOT use Reserve funds. Councilmember Peterson stated he will not support any staff reduction plan that offers any incentive.

Councilmember Delgleize stated her support for Option 3 and for Councilmembers Carr and Hardy regarding another look at police staffing in November.

Mayor Semeta stated her opinion that "quality of life for the people served" is the ultimate goal when making staffing decisions, and she supports immediate funding for Safety management to be adequately managing homeless issues. She also stated she does not support Option 3 because of the extra expense for incentives.

Councilmember Posey stated he also does not like Option 3, but believes it is better and more cost efficient than Option 4 would be, and suggested revisiting temporary pay cuts for Department Heads as another means of reducing costs.

Councilmember Delgleize thanked City Manager Chi for his efforts on the budget, and stated her opinion that since time is money, she will support Option 3 vs. Option 4.

A motion was made by Hardy, second Carr to adopt Resolution No. 2020-39, "A Resolution of the City Council of the City of Huntington Beach Adopting a Budget for the City for Fiscal Year 2020/21;" and, authorize the Professional Services included in the FY 2020/2021 budget to be representative of the services projected to be utilized by departments in FY 2020/2021; and, adopt Resolution No. 2020-32, "A Resolution of the City Council of the City of Huntington Beach Establishing the Gann Appropriation Limit for Fiscal Year 2020/2021" of \$1,001,044,445; and, approve budget adjustments to the FY 2020/2021 Proposed Budget in the Funds and by the amounts contained in Attachment 2, Exhibit A-1; and, Budget Option 3: approve and direct staff to implement the Self-Designed Separation Incentive Program for all eligible Safety and Miscellaneous employees, authorizing the City Manager to take all administrative and budgetary actions necessary to implement the program **and return to Council on November 2 to consider reassignment of two of three funded/unfilled Police Department positions to the Homeless Task Force.**

The motion carried by the following vote:

AYES: Posey, Delgleize, Hardy, Carr, and Brenden
NOES: Semeta, and Peterson

ADJOURNMENT — 9:40 PM to the next regularly scheduled meeting of the Huntington Beach City Council/Public Financing Authority on Monday, July 6, 2020, at 4:00 PM in the Civic Center Council Chambers, 2000 Main Street, Huntington Beach, California.

INTERNET ACCESS TO CITY COUNCIL/PUBLIC FINANCING AUTHORITY AGENDA AND
STAFF REPORT MATERIAL IS AVAILABLE PRIOR TO CITY COUNCIL MEETINGS AT
<http://www.huntingtonbeachca.gov>

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