

Minutes

City Council/Public Financing Authority City of Huntington Beach

Monday, September 17, 2018
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 portions of this meeting
is on file in the Office of the City Clerk, and archived at
www.surfcity-hb.org/government/agendas/

4:00 PM - COUNCIL CHAMBERS

CALLED TO ORDER — 4:00 PM

ROLL CALL

Present: O'Connell, Semeta, Peterson, Posey, Delgleize, Hardy, and Brenden
Absent: None

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

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

Study Session

Item No. 1 — 18-172 PowerPoint communication submitted by Assistant to the City Manager, Antonia Graham, dated September 14, 2018, and entitled *Shared Mobility Devices: Policies and Best Practices*.

Item No. 2 — 18-255 PowerPoint communication submitted by Assistant to the City Manager, Antonia Graham, dated September 14, 2018, and entitled *Electric Vehicle Charging Station Update*.

PUBLIC COMMENTS PERTAINING TO STUDY SESSION / CLOSED SESSION ITEMS

(3 Minute Time Limit) — 1 Speaker

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/>.

Nima Daivari, Lime (formerly known as Lime Bike), Operations Manager, was called to speak and stated his support for Study Session Item No. 1 — 18-172 regarding shared mobility best practices and encouraged the City to be proactive in establishing regulations. (00:01:21)

STUDY SESSION

- 1. 18-172 Discussion held on shared mobility best practices and survey results**

Assistant City Manager Lori Ann Farrell introduced Assistant to the City Manager Antonia Graham who jointly presented a PowerPoint communication entitled *Shared Mobility Devices: Policies and Best Practices* with slides titled: *Background (2), What Are Shared Mobility Devices?, Existing Shared Mobility Programs in the State, Survey, Docked Bike Share Programs, Enter the Age of Docklessness, Dockless Shared E-Scooters, Existing Scooter Pilot Programs, Scooter Share Pilot Program - SFMTA Application Assessments, Complex Questions About Shared Mobility, Opportunity, Shared Mobility Policy Framework, Best Practices for Shared Mobility Operations, Huntington Beach Municipal Code; Police Chief Robert Handy finished the PowerPoint presenting the last slides entitled: Public Safety Concerns, CVC: 21220 - 21235, Drop Zones, Designated Lanes, Designated Areas, Company's Responsibilities, Concerns, Staff Recommendations and Questions?*

Councilmember Delgleize and Assistant City Manager Farrell discussed drop zones, liability in case of accident, potential revenue, and cost of enforcement and safety staffing. Chief Handy spoke about impounding of bikes and scooters and associated problems, as well as the risk of riding by parked cars. Councilmember Delgleize stated her support for extending the moratorium.

Mayor Pro Tem Peterson shared his observations of scooter use in Santa Monica, expressed his concerns about having the program in Huntington Beach because, in his opinion, the cities allowing shared mobility devices are more urban than Huntington Beach, and stated he would support extending the moratorium, or an ordinance to prohibit, especially when considering the public safety aspect.

Councilmember Semeta expressed her support for continuing the moratorium because of public safety issues and discussed with Chief Handy the greatest infraction issues which appear to be operators not using helmets, unlicensed operators and operators not obeying traffic laws.

Councilmember O'Connell expressed his concerns related to increased police staffing to monitor and enforce regulations, and stated his support for extending the moratorium.

Councilmember Hardy expressed her support for extending the moratorium as well as safety concerns. Councilmember Hardy and Chief Handy discussed possible ways to enforce blocked or restricted zones where the shared vehicles are not allowed.

Councilmember Brenden thanked staff and clarified that Nov. 16 was the expiration of the moratorium and confirmed with Attorney Gates it could be extended 10 months at which time an Ordinance to prohibit would be required. He also expressed his concerns regarding potential liability of the City.

A consensus was reached that the City Attorney should return before November 16th when the current 120-day moratorium ends with an ordinance imposing a prohibition on all Shared Mobility Device services.

2. 18-255 Update provided on Electric Vehicle Charging Station Program

Assistant to the City Manager Antonia Graham presented a PowerPoint communication entitled: *Electric Vehicle Charging Station Update* with slides titled: *Background, Electric Vehicle Future - Rapid Adoption, EV Charging & The Grid, How do EV Charging Stations Work?, Types of EV Charging Stations, History of EV Charging Stations in City, HB EV Charging Stations, Utilization of Charging Stations - City Owned, Private Charging Infrastructure Within the City, Charging Station Expenditures & Revenue, Charging Station Models - Pay to Use, Charging Station Models - Sponsor Model (Free Charging), SCE Charge*

Ready Program, Assembly Bill No. 1236 (Chiu), Potential City Sites for Expansion, Challenges & Opportunities, Next Steps and Questions?

Mayor Pro Tem Peterson and Assistant Graham discussed the City's responsibility for installing and maintaining any charging stations at Central Library. Mayor Pro Tem Peterson requested a proposed written policy, which would also address signage issues, before going through the RFP process.

Councilmember O'Connell thanked staff for the report, and discussed with Assistant Graham that it is not currently known how many EVs are in the City, that individual businesses may install EV charging stations if they believe it would benefit their customers, and it is not known if any gas stations within the City are interested in adding EV charging stations.

Councilmember Brenden expressed his appreciation to staff for the report, shared his concerns about site selections regarding private vs public location policies, and confirmed with staff that usage at existing sites did not drop even when rates were increased. Councilmember Brenden also stated he was surprised to see that EV charging stations are only a break-even operation for the City.

Councilmember Delgleize referred to a study by UCI and questioned if companies other than Southern California Edison (SCE) are working with municipalities to provide charging stations, and staff confirmed that presently it would appear that SCE is the biggest provider.

Mayor Posey stated his opinion that a fundamental question is whether electric fuel charging is a fuel or a utility. City Manager Wilson confirmed with Mayor Posey that this is a topic that needs to evolve further before reaching the RFP process.

RECESSED TO CLOSED SESSION — 5:09 PM

A motion was made by O'Connell, second Peterson to recess to Closed Session for Items 4 and 5. With no objections, the motion carried.

CLOSED SESSION ANNOUNCEMENT(S)

3. **18-317 Mayor Posey Announced: Pursuant to Government Code § 54957.6, the City Council takes this opportunity to publicly introduce and identify designated labor negotiators: Fred A. Wilson, City Manager, Peter Brown, outside counsel and Chief Negotiator, Lori Ann Farrell-Harrison, Assistant City Manager; also in attendance: David Segura, Fire Chief, Robert Handy, Chief of Police, Gilbert Garcia, Chief Financial Officer, Michele Warren, Director of Human Resources regarding the following: Huntington Beach Firefighters' Association (HBFA), Huntington Beach Police Officers' Association (POA) and Municipal Employees' Association (MEA).**

CLOSED SESSION

4. **18-347 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 Beach Police Officers' Association (HBPOA) v. City of Huntington Beach; Orange County Superior Court Case No. 30-2016-00884624.**

5. **18-348 Pursuant to Government Code § 54957.6, the City Council recessed into Closed Session to meet with its designated labor negotiators: Fred A. Wilson, City Manager, Peter Brown, outside counsel and Chief Negotiator, Lori Ann Farrell-Harrison, Assistant City Manager; also in attendance: David Segura, Fire Chief, Robert Handy, Chief of Police, Gilbert Garcia, Chief Financial Officer, Michele Warren, Director of Human Resources regarding the following: Huntington Beach Firefighters' Association (HBFA), Huntington Beach Police Officers' Association (POA) and Municipal Employees' Association (MEA).**

6:00 PM - COUNCIL CHAMBERS

RECONVENED CITY COUNCIL/PUBLIC FINANCING AUTHORITY MEETING — 6:18 PM

ROLL CALL

Present: O'Connell, Semeta, Peterson, Posey, Delgleize, Hardy, and Brenden
Absent: None

PLEDGE OF ALLEGIANCE — Led by Councilmember Delgleize

INVOCATION

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.

6. **18-303 Kelly Frankiewicz, MDiv of Leisure World Community Church, Seal Beach and member of the Greater Huntington Beach Interfaith Council**

CLOSED SESSION REPORT BY CITY ATTORNEY — None

AWARDS AND PRESENTATIONS

7. **18-341 ~~Mayor Posey called on Victoria Alberty to present the Adoptable Pet of the Month.~~**
8. **18-300 ~~Mayor Posey proclaimed September as "Pain Awareness Month" and presented a commendation to Lisa Lingle, Huntington Beach resident and volunteer with the U.S. Pain Foundation.~~**
9. **18-344 Mayor Posey called on Councilmember O'Connell, Police Chief Rob Handy and Lieutenant David Deresznski to conduct a special presentation regarding the City's "Fallen Officers."**

Orange County Undersheriff Don Barnes came forward to participate in the presentation of three "Fallen Officers" being recognized with a sign and annual memorial:

HBPD Officer Leo Roy "LeRoy" Darst, End of Watch — 10/13/1928
Orange County Sheriff Deputy Ezra Stanley, End of Watch — 11/19/1940
HBPD Officer Leslie James Prince, End of Watch — 12/01/1974

Proclamations were issued for each fallen officer.

10. 18-345 Mayor Posey called on City Clerk Robin Estanislau to promote and proclaim Tuesday, September 25, as Citywide Voter Registration Day.

City Clerk Estanislau invited local high school students Jenna Dyer, Huntington Beach High School Senior, Bella Brennan, Ocean View High School Sophomore, and Anthony Tran, Marina High School Senior, to share their appreciation and gratitude for the City's support in encouraging everyone to engage in the government process. City Clerk Estanislau explained that staff representatives and high school students plan to promote voter registration on September 25 during the lunch hour on campus, and identified October 22, 2018 as the last day to register to vote in the November 6, 2018 election.

11. 18-346 Mayor Posey called upon HBReads Director Joe Dagley who presented a check to the Huntington Beach Human Relations Task Force Chair, Angie Dahman.

Joe Dagley, HBReads One Book Director provided details about the HBReads program that has operated for 12 years. He announced this year's book selection as *Double Luck: Memoirs of a Chinese Orphan* by Lu Chi Fa, and explained that HBReads is sharing fireworks sales proceeds with the Huntington Beach Human Relations Task Force to show support for another local organization that supports community diversity. Mr. Dagley presented a \$2,500 check to Angie Dahman.

12. 18-340 Mayor Posey called on Director of Community Services, Marie Knight, who presented the Mayor's Award to Human Services Senior Supervisor, Randy Pesqueira.

Director Knight described Mr. Pesqueira's professional contributions during his 28 years of service, and explained how he encourages his staff to think outside of the box to serve one more senior citizen. Director Knight described his involvement with opening the Senior Center in Central Park, recognized by the County of Orange and State of California as one of the most dynamic centers with a reputation for excellence that serves an average of 500 seniors per day. She concluded by describing Mr. Pesqueira as a bulldog when advocating for seniors, and someone who is very deserving of the Mayor's Award.

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:

Administrative Item

Item No. 25 18-355 PowerPoint communication submitted by Assistant City Manager Lori Ann Farrell entitled *Succession Planning: Next Level Strategies for Recruiting Talent in the Public Sector*.

PUBLIC COMMENTS (3 Minute Time Limit) — 10 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>.

Craig Sheets was called to speak and voiced his opinions about public safety issues across southern California. (01:54:16)

Darren Ellis, resident of Huntington Beach, was called to speak and shared his opinions on Sober Living Homes vs Transitional Housing. (01:57:04)

Judy Graham, Huntington Beach Municipal Employees Association Representative (HBMEA), was called to speak and stated HBMEA's opposition to Administrative Item No. 25. 18-355 regarding exclusions from Competitive Service by adding the Classification of Deputy Director of Community Development. (01:59:40)

Kathryn Levassiur, long-time resident of Huntington Beach, was called to speak and shared her support for taxed and regulated Short-Term Rentals in Huntington Beach, and provided a brief history of the efforts of the Short-Term Rental Alliance, including their website www.hbstra.org where further details can be found. (02:01:27)

Stephen Knight, resident of Huntington Beach, was called to speak and shared his opinions on Sober Living Homes vs Transitional Housing, and volunteered to be on a Task Force to share his knowledge. (02:03:21)

Karen Jackle, Huntington Beach Tomorrow President, was called to speak and stated the support of Huntington Beach Tomorrow for Councilmember Item No. 27. 18-352 regarding creation of a Jet Noise Commission. Ms. Jackle also requested an update on the non-toxic pesticide project in Central Park. (02:06:35)

Chris Roman, Rabbit Rentals Huntington Beach, was called to speak and shared his vision for having Volkswagen bus rentals available to enhance the experience of City residents and visitors. (02:08:55)

Carole Ann Wall, representing Sand Dollars, an unincorporated non-profit association serving the City of Huntington Beach, was called to speak and shared details about the October 13, 2018, Miss Huntington Beach Scholarship Competition to be held at 3 pm at the Central Library Theater. More details are available at www.misshb.us. (02:12:07)

Amory Hanson, 2018 Huntington Beach City Council candidate, was called to speak and shared some history and his thoughts about the U. S. Constitution on this Constitution Day. (02:15:19)

Penny Patino, a resident since 2004, was called to speak and shared her opinion that the process and noise of transporting and handling the trash from south of the Pier to 11th Street all night long is degrading the quality of life for residents on the north side of the Pier. (02:17:53)

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

Mayor Pro Tem Peterson reported meeting with Justin Fleming, Huntington Beach Fire Department Captain, and Councilmember O'Connell to discuss ways to possibly expedite negotiations.

Councilmember Delgleize reported attending an Orange County Transit Authority (OCTA) meeting where it was announced that this coming weekend the Slater Avenue bridge over the 405 Freeway will be closed for approximately a year for the 405 Freeway widening project. Alternate routes can be found on the OCTA website, www.octa.net. Councilmember Delgleize also met with Justin Fleming, Huntington Beach Fire Department Captain.

Councilmember Hardy reported receiving a message from the Huntington Beach Fire Authority, meeting with representatives of the Huntington Beach Police Officers' Association, and attending the Coastal Cities Group meeting at the League of California Cities Annual Conference.

Councilmember O'Connell reported meeting with representatives of the Huntington Beach Firefighters' Association and attending the League of California Cities Annual Conference where he was voted in to represent Orange County.

Councilmember Brenden reported meeting with Justin Fleming, Huntington Beach Fire Department Captain regarding labor negotiations, completing his AB1234 and AB1661 training at the League of California Cities Annual Conference, meeting with the LAX Noise Group which was organized over 20 years ago, participating in a webinar on FAA issues, and that he will be attending a meeting of the Long Beach Airport Advisory Committee.

Mayor Posey reported meeting with the Huntington Beach Firefighters' Association (HBFA) representatives, attending the Orange County Transportation Authority Mayor's Forum where it was announced that on-demand bus service will be provided for central Huntington Beach in October, co-hosting the OC Public Safety Event with Supervisor Steel, attending the League of California Cities Annual Conference and as a voting delegate for Huntington Beach voted in support of a Resolution of Subsidiarity to establish local control, and attending the Chamber of Commerce AM Connect Breakfast with Guest Speaker District Attorney Tony Rackauckas.

CITY MANAGER'S REPORT — None.

CONSENT CALENDAR

Councilmember Brenden pulled Consent Calendar Item No. 15 (18-343) for further discussion.

13. 18-351 Approved and Adopted Minutes

A motion was made by Peterson, second Semeta to approve and adopt the City Council/Public Financing Authority regular meeting minutes dated September 4, 2018, as written and on file in the Office of the City Clerk.

The motion carried by the following vote:

AYES: O'Connell, Semeta, Peterson, Posey, Delgleize, Hardy, and Brenden
NOES: None

14. 18-330 Approved the August 2018 City of Huntington Beach Strategic Plan Update

A motion was made by Peterson, second Semeta to approve the August 2018 Strategic Objectives Update as contained within Attachment 1.

The motion carried by the following vote:

AYES: O'Connell, Semeta, Peterson, Posey, Delgleize, Hardy, and Brenden
NOES: None

15. 18-343 Approved the placement of a memorial plaque recognition for Father Christian Mondor and Pastor Blaine "Sumo" Sato on Tower Zero on the Municipal Pier

Councilmember Brenden pulled this item to share a photo of the plaque, and to express gratitude to the Community Service Commission for the speed with which they moved on this project, City staff who spent time to find the perfect location for the plaque at Tower Zero, and the Greater Huntington Beach Interfaith Council for funding the project.

Councilmember Delgleize expressed appreciation to Councilmember Brenden's wife, Antoinette, for assisting with this project, and the many ways she volunteers throughout the community to share her expertise.

Mayor Posey stated his appreciation for the Greater Huntington Beach Interfaith Council and the annual Blessing of the Waves event.

A motion was made by Brenden, second O'Connell to approve the placement of a memorial plaque recognizing Father Christian Mondor and Pastor Blaine "Sumo" Sato as recommended by the Community Services Commission, on Tower Zero on the Huntington Beach Municipal Pier.

The motion carried by the following vote:

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

16. 18-293 Approved the escheatment of Unclaimed Funds Per Government Code Sections 50050-50057

A motion was made by Peterson, second Semeta to review and approve the transfer of \$4,538.24 of unclaimed funds from the City's Unclaimed Funds Liability Account to the City's Miscellaneous Revenue Account #10000100.48550.10035209 in compliance with the Government Code Sections 50050-50057.

The motion carried by the following vote:

AYES: O'Connell, Semeta, Peterson, Posey, Delgleize, Hardy, and Brenden
NOES: None

17. 18-296 Adopted Resolution No. 2018-51 amending the Fiscal Year 2018/19 Budget to Carry Over Unspent Appropriations from Fiscal Year 2017/18 for the Continuation of Capital Improvement Program (CIP) Projects

A motion was made by Peterson, second Semeta to adopt Resolution No. 2018-51, "A Resolution of the City Council of the City of Huntington Beach Amending the Fiscal Year 2018/19 Budget to Carry Over Unspent Appropriations from Fiscal Year 2017/18", which incorporates and references the continuation of funding. Exhibit A lists individual capital improvement projects and their respective carry over amounts totaling \$27,088,797.

The motion carried by the following vote:

AYES: O'Connell, Semeta, Peterson, Posey, Delgleize, Hardy, and Brenden
NOES: None

- 18. 18-245 Approved the purchase of a replacement fire engine with South Coast Fire Equipment, Inc. and an ambulance; and, authorized the City Manager to enter into all documents and to complete any financial transactions necessary to lease finance the purchase of the fire engine and ambulance**

A motion was made by Peterson, second Semeta to approve the purchase of the replacement fire engine with South Coast Fire Equipment, Inc. and an ambulance; and, authorize the City Manager to enter into all documents and transactions necessary to lease finance the purchase of the fire engine and ambulance.

The motion carried by the following vote:

AYES: O'Connell, Semeta, Peterson, Posey, Delgleize, Hardy, and Brenden
NOES: None

- 19. 18-320 Approved and authorized execution of Amendment #1 to Professional Services Agreement with Wittman Enterprises, LLC to provide Emergency Paramedic and Ambulance Billing Services and increase appropriations and professional services authority accordingly**

A motion was made by Peterson, second Semeta to adopt and authorize the Mayor and City Clerk to execute "Amendment No. 1 to Agreement Between the City of Huntington Beach and Wittman Enterprises, LLC" for Emergency Paramedic and Ambulance Billing Services; and, approve an additional appropriation of \$124,832 for the FireMed Administration business unit (10065401.69365); and, increase the Fire Department's professional services authority by \$398,607 to ensure compliance with Administrative Regulation No. 228.

The motion carried by the following vote:

AYES: O'Connell, Semeta, Peterson, Posey, Delgleize, Hardy, and Brenden
NOES: None

- 20. 18-322 Approved additional appropriation for professional fire prevention inspection, plan check, and environmental engineering services; and, approved and authorized execution of Amendment #1 to Professional Services Agreement with Bureau Veritas North America, Inc. in the amount of \$420,669 for fire prevention inspection and plan review services and increase professional services authority accordingly**

A motion was made by Peterson, second Semeta to approve an appropriation of \$300,000 for Fire Prevention inspection, plan check and environmental engineering services; and, approve and authorize the Mayor and City Clerk to execute "Amendment No. 1 to Professional Services Contract between the City of Huntington Beach and Bureau Veritas North America, Inc. for Fire Prevention Inspection and Plan Review Services;" and, increase the Fire Department's professional services authority by \$420,669 to ensure compliance with Administrative Regulation No. 228.

The motion carried by the following vote:

AYES: O'Connell, Semeta, Peterson, Posey, Delgleize, Hardy, and Brenden
NOES: None

21. 18-323 Approved and authorized execution of a License Agreement between the City of Huntington Beach and DCOR, LLC for a booster pump facility located at Pacific Coast Highway and Warner Avenue

A motion was made by Peterson, second Semeta to approve the "License Agreement between the City of Huntington Beach and DCOR, LLC for Booster Pump Facility at PCH/Warner"; and, authorize the Mayor, City Manager, and City Clerk to execute the License Agreement and other related documents.

The motion carried by the following vote:

AYES: O'Connell, Semeta, Peterson, Posey, Delgleize, Hardy, and Brenden
NOES: None

22. 18-329 Approved and authorized execution of contract agreement with the City of Westminster for use of the Westminster Firearm Training Facility

A motion was made by Peterson, second Semeta to approve and authorize the Mayor and City Clerk to execute a two-year contract with the City of Westminster entitled "Indemnification and Hold Harmless Agreement" to continue access and use of their Firearms Training Facility beginning on July 1, 2018.

The motion carried by the following vote:

AYES: O'Connell, Semeta, Peterson, Posey, Delgleize, Hardy, and Brenden
NOES: None

PUBLIC HEARING

23. 18-356 Continued to October 1, 2018 — Public Hearing to consider approval of Substantial Amendment No. 1 to the Fiscal Year 2018-19 Annual Action Plan for the Community Development Block Grant (CDBG) and HOME Investment Partnership

With no objections, the request to continue the Public Hearing for this item was approved.

24. 18-331 Public Hearing held; adopted Resolution No. 2018-53 approving an Annual Assessment within the Huntington Beach Downtown Business Improvement District (DTBID) for Fiscal Year 2018-2019; and, authorized appropriation of funds

Councilmember O'Connell recused himself because of financial interest in a downtown business, and left the dais.

City Manager Fred Wilson introduced Deputy Director of Economic Development Kellee Fritzal who presented a PowerPoint communication entitled *2018/2019 Downtown Business Improvement District Renewal*, with slides titled: *Renewal Process, Public Hearing / Protests, Huntington Beach Downtown Business Improvement District 2018-2019 Renewal, Downtown BID 2018-2019, 2017-1028 Accomplishments (2), Proposed Assessments, Current Huntington Beach Downtown Business*

Improvement District Boundaries and Benefit Zones 1 & 2, Proposed Huntington Beach Downtown Business Improvement District Boundaries and Benefit Zones 1 & 2, HB Downtown Business Improvement District Assessment Formula, Proposed Budget: Income, Proposed Budget: Expenses, Proposed Budget 2018-2019, 2018-2019 Goals, and Recommended Action.

Councilmember Brenden and Director Fritzal discussed balance sheet numbers.

Mayor Posey and Director Fritzal discussed that the Downtown BID Board actually exceeded the Finance Commission recommended reserve policy and will be looking at that issue in more detail this next year. There was also discussion to clarify that tree trimming project costs were actually split 50% with the City, and that there was again failure to provide a Balance Sheet.

Mayor Posey opened the Public Hearing.

Steve Daniel, owner of Rocky Mountain Chocolate Factory and 25-year member of the Downtown BID, was called to speak and shared that the Downtown BID was organized to promote and market the Downtown area and provide a safe, clean and inviting atmosphere. He stated support for continuing to include Pacific City, 5th Street and Downtown as one team since the current Board has plans to make the area bigger and better. (02:40:31)

Stenn Parton, Chief Retail Officer, DJM Capital, the owner, developer and operator of Pacific City and Bella Terra, was called to speak and stated how proud DJM Capital is to have such a positive relationship with the City of Huntington Beach and these two successful projects. Mr. Parton stated that the retail and restaurant partners are the lifeblood of successful projects, and that all 67 business owners at Pacific City have stated to him that they see no value from the BID fees they are required to pay in order to get their business license. In many instances the BID events at Main Street and Pier Plaza actually draw customers away from Pacific City. He further stated that if Main Street and Pier Plaza area businesses were required to pay for the maintenance, security, marketing and events at Pacific City, they would be asking where the value was for them, and encouraged City Council to logically redraw the Downtown BID boundaries. (02:43:32)

Richard Thorpe, Owner of Pristine Porsche Motorsports on 5th Street for 40 years, and member of the Downtown BID, was called to speak and stated that in the 14 years of BID membership he has paid a total of \$16,000 in fees but has not experienced any benefit. He stated his opinion that only the Main Street and Pier Plaza businesses actually benefit from the BID, and his support for the Pacific City business owners request to redraw the Downtown BID boundaries. (02:46:43)

Luis Lopez, Owner, OC Barbers Parlor on Main Street, was called to speak and stated his opposition to being required to be a member of the Downtown BID. He shared his observation that Surf City Tuesday Nights only helps the businesses on Main Street between Pacific Coast Highway and Orange Street. OC Barbers Parlor is beyond Orange Street and does not benefit from Main Street and Pier Plaza events. He expressed his frustration that when he has tried to participate in Surf City Nights he is told there is a waiting list, yet businesses from other cities are allowed to have a booth. He further added that he is the only one that picks up the trash, and deals with the homeless sleeping on the sidewalk, in front of his business. (02:49:06)

Susan Worthy, M. E. Helme Antiques on Walnut Avenue, was called to speak and stated she has paid the Downtown BID assessment for 14 years, and in her opinion, has received no benefit. The glossy brochure produced when the BID was formed even shows her business at the wrong location so it is of no use to her. She stated no one comes to clean the sidewalk or gutter in front of her business, and in

her opinion the BID only benefits the businesses on the first three blocks of Main Street and at Pier Plaza, and she stated her opposition to continued Downtown BID assessments. (02:51:08)

Kim Kramer, member of the Downtown BID, was called to speak and stated that of 342 BID members, forty-seven percent (47%) have signed a petition to stop financially supporting the BID because they don't perceive the benefits. Mr. Kramer further stated his support for redrawing the Downtown BID boundaries to restore focus on the Downtown area. (02:54:25)

With no more public speakers, Mayor Posey closed the Public Hearing.

A motion was made by Posey, second Delgleize to **amend** the Downtown Business Improvement District boundaries by removing Pacific City, Waterfront Properties (Hilton/Hyatt) and Pasea Hotel, and approve annual assessment for the remaining businesses.

The motion carried by the following vote:

AYES: Posey, Brenden, Delgleize, and Hardy
 NOES: Peterson, and Semeta
 RECUSED/OUT OF ROOM: O'Connell

City Clerk Estanislau requested time to reconfigure the reportable protest percentages minus the Pacific City and Waterfront Properties (Hilton/Hyatt), and Pasea Hotel. Council agreed to return to the item when the amended percentage figures were ready to be announced.

Moments later, Councilmember O'Connell again left the dais, and City Clerk Estanislau announced that the adjusted percentage of assessments protested for the Downtown BID (minus Pacific City, Hilton, Hyatt, Pasea) is 16.94%, or \$17,700 of the \$104,510 projected assessment amount, and that the City received 50 protests from the 270 businesses in the amended Downtown Business Improvement District boundaries.

A motion was made by Posey, second Brenden to adopt Resolution No. 2018-53, "A Resolution of the City Council of the City of Huntington Beach Approving An Annual Assessment Within the Huntington Beach Downtown Business Improvement District For Fiscal Year 2018-2019" **as amended** by removing Pacific City, and Waterfront Properties (Hilton/Hyatt) and Pasea Hotel from the Business Improvement District boundaries; and, appropriate an additional \$11,460 for a total of \$121,460 into Fund 710 for 2018-2019.

The motion carried by the following vote:

AYES: Posey, Peterson, Brenden, Delgleize, Hardy, and Semeta
 NOES: None
 RECUSED/OUT OF ROOM: O'Connell

ADMINISTRATIVE ITEMS

- 25. 18-355 Approved Introduction of Ordinance No. 4160 amending the Huntington Beach Municipal Code by amending Section 2.76.010 thereof related to exclusions from Competitive Service by adding the Classification of Deputy Director of Community Development; approval of Resolution No. 2018-54 modifying Salary and Benefits for Non- Represented Employees by adding the Deputy Director of Community**

Development Classification and establishing the Compensation, and authorized the City Manager to execute the Employment Agreement between the City of Huntington Beach and Jennifer Villasenor

City Manager Fred Wilson introduced this item by briefly describing some of the issues related to succession planning, including the fact that approximately one-third (1/3) of all employees are close to or at retirement, and identifying ways to attract and retain quality employees.

City Manager Wilson asked Director of Human Resources Michele Warren to present a PowerPoint communication entitled: *Succession Planning: Next Level Strategies for Recruiting Talent in the Public Sector* with slides titled: *The Silver Tsunami, Regional Impacts, Case In Point: Huntington Beach, Succession Planning, Current HB Organizational Changes, Creation of a Deputy Director Structure Within Departments, Deputy Director Community Development, Next Steps, Recommended Action and Questions.*

Mayor Pro Tem Peterson thanked staff for the presentation and stated his support for managed succession planning in all departments.

Councilmember Hardy stated her support for recruiting talented employees, Items A & B, but explained she would not be supporting Item C because in her opinion it is short-circuiting the established hiring process and possibly creating an unacceptable precedent.

Councilmember Delgleize and Director Warren discussed that the recruitment process used, whether open and competitive or appointed, is usually determined by the Department Director with the approval of the City Manager, and therefore can be different for each position.

Councilmember O'Connell stated his support for succession planning, Items A and B, which includes an open and fair process, and his opposition to Item C.

Councilmember Semeta stated her support for succession planning, and added her opinion that when there is an employee that has a unique skill set with proven performance they should be retained.

Mayor Pro Tem Peterson explained that the process being considered is foreign to union-based organizations but very typical in the private business sector. This process allows for a director to place someone in a position to mentor and possibly fulfill a future management position. Mayor Pro Tem Peterson supports this item because the specific situation is at the request of the Department Director and City Manager, and approval will provide a clear pathway for future employee promotions.

Councilmember Brenden stated that in his opinion there are good pro and con arguments being made, but he is concerned about a fair process as well as the fact that this process will likely lead to inflated salaries which is not the fiscally responsible thing to do at this time.

Councilmember O'Connell stated that his experience in the business sector is that the best talent will rise up through the ranks.

Mayor Posey stated that in his 30+ years of experience in the business sector, succession planning is part of a good business plan which includes looking at subordinates and even competitors to identify the senior management potential replacements if needed. In his opinion a good succession plan includes identifying the skill set that is required as well as the path to succeed, and should prevent an

"emergency" hiring situation like this one. Mayor Posey stated his support for Items A, B, and C in this situation.

A motion was made by Delgleize, second Peterson to approve for introduction Ordinance No. 4160, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Amending Section 2.76.010 Thereof Related to Exclusions From the Competitive Service" by adding the Deputy Director of Community Development; and, adopt Resolution No. 2018-54, "A Resolution of the City of Huntington Beach Modifying Salary and Benefits for Non-Represented Employees by Adding the Deputy Director of Community Development" classification and establishing the compensation.

The motion carried by the following vote:

AYES: O'Connell, Semeta, Peterson, Posey, Delgleize, Hardy, and Brenden
NOES: None

A motion was made by Posey, second Peterson to authorize the City Manager to execute the "Employment Agreement Between the City of Huntington Beach and Jennifer Villasenor."

The motion carried by the following vote:

AYES: Semeta, Peterson, Posey, and Delgleize
NOES: O'Connell, Hardy, and Brenden

COUNCILMEMBER ITEMS

26. 18-349 Approved Item Submitted by Mayor Pro Tem Peterson and Councilmember Semeta — Violations and Abuses Related to In-Home Businesses

Mayor Pro Tem Peterson introduced this item, related to concerns about quality of life and public safety issues due to illicit in-home businesses, including the possibility of utilizing a temporary independent subject-matter expert.

City Attorney Gates described that many cities are looking at effective ways to regulate illicit in-home businesses using existing laws, and he has been consulting with other legal experts and other city attorneys on this matter. The process is expected to be a collaboration between the City prosecuting at the civil level and the District Attorney's Office prosecuting at the criminal level. The City's Code Enforcement officers already have a lot of data, and working with the District Attorney's Office will provide an effective approach using existing regulations.

Councilmember Semeta stated that as an elected official she has an obligation to do what it takes to preserve quality of life for all residents and expressed her interest in being able to review a detailed proposal on how this issue of residential illicit businesses could be addressed.

Councilmember Delgleize confirmed with City Attorney Gates that if approved, this item would allow his office to provide an overview of the issues and proposed solutions.

Councilmember Brenden read aloud part of the supporting documentation for this item, and shared his concerns about the item being discriminatory. City Attorney Gates explained the path his office will take to address all, not just one specific segment of illicit residential businesses.

Councilmember O'Connell expressed concerns about government overreach, and City Attorney Gates reiterated that the program would not have a negative impact for law-abiding citizens and businesses.

A motion was made by Semeta, second Peterson to direct the City Attorney to return to the City Council with a proposal for an increased investigation of illicit, State and/or local law violating, unlicensed, and/or nuisance in-home businesses as outlined above, including the possibility of engaging an independent contractor(s) to assist with investigative and enforcement efforts.

The motion carried by the following vote:

AYES: Posey, Peterson, Delgleize, Hardy, O'Connell, and Semeta
NOES: Brenden

27. 18-352 Approved Item Submitted by Councilmembers Brenden and Delgleize — Creation of Jet Noise Commission

Councilmember Delgleize acknowledged the residents who stepped forward to become part of the committee to address the airport jet noise issues within the City. At this point, in her opinion, it is evident that this is a long-term effort that would best be served by a commission.

Councilmember Brenden stated that resounding support from residents for a commission was expressed at the last Council meeting, and residents need a voice to protect quality of life when the Federal Aviation Administration (FAA) is making decisions. He further stated his opinion that if the City doesn't have a voice at the table, Huntington Beach could be negatively impacted by the voices of surrounding cities.

Councilmember O'Connell expressed his appreciation to Councilmembers Delgleize and Brenden for their efforts on the committee and acknowledged that jet noise is a huge problem for many areas of Huntington Beach and stated his support for this item.

Mayor Posey also thanked Councilmembers Delgleize and Brenden for their leadership on this issue, and stated his support for this item.

A motion was made by Brenden, second O'Connell to direct the City Manager to work with the City Attorney to amend the Municipal Code to create a Jet Noise Commission and work with the City Council Liaisons to craft application guidelines for the Commission Members within the next 90 days.

The motion carried by the following vote:

AYES: O'Connell, Semeta, Peterson, Posey, Delgleize, Hardy, and Brenden
NOES: None

COUNCILMEMBER COMMENTS (Not Agendized)

Mayor Pro Tem Peterson thanked Chris Markle and the Waves of Valor Surf Camp volunteers for the awesome opportunity for veterans to enjoy the beach and an opportunity to surf, reported attending the Patriots Day Ceremony at City Hall, and thanked Police Chief Handy and Fire Chief Segura for an opportunity that City staff could observe.

Councilmember Delgleize reported attending the Stacey Middle School Gymnasium grand opening, and thanked the cities of Westminster and Huntington Beach for making this possible.

Councilmember Semeta reported attending the Blessing of the Waves, and Patriot Day Ceremony at City Hall, and the American Legion Post 133 Patriot Day Ceremony at Pier Plaza.

Councilmember Hardy reported attending the 50th Anniversary (1968 — 2018) Huntington Beach Police Department's Air Support Unit event, and expressed happy birthday wishes to Mayor Posey.

Councilmember Brenden reported attending Patriot Day Ceremonies, a VisitHB meeting, the League of California Cities Annual Conference, participating in a pickleball training class, participating in the Coastal and Inner-Coastal Cleanup Day at Central Park, attending the 50th Anniversary (1968 — 2018) Huntington Beach Police Department's Air Support Unit celebration, and he thanked everyone who had a part in the Kiwanis Golf Tournament. He also expressed happy birthday wishes to Mayor Posey, belated happy birthday wishes to Councilmembers Hardy and Delgleize, and birthday wishes to his wife Antoinette.

Councilmember O'Connell reported attending the 30th Annual Senior Saturday Community Festival at Pier Plaza, the Patriot Day Ceremony by Post 133 at Pier Plaza, the Kiwanis Golf Tournament, and the 50th Anniversary (1968 — 2018) Huntington Beach Police Department's Air Support Unit celebration.

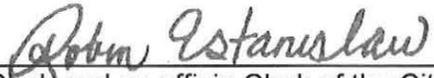
Mayor Posey thanked Mayor Pro Tem Peterson for attending the Waves of Valor Surf Camp in his place, and reported attending the 30th Annual Senior Saturday Community Festival at Pier Plaza, the OC Public Safety Event with Supervisor Steel in Huntington Beach Council Chambers, the Blessing of the Waves sponsored by the Huntington Beach Interfaith Council, the Octoberfest Opening Day Fundraiser to benefit Kiwanis of Huntington Beach at Old World, the Patriot Day Ceremonies at City Hall and Pier Plaza, the Townsend Public Affairs Celebrating 20 Years event, Surf City Day, the 50th Anniversary (1968 — 2018) Huntington Beach Police Department's Air Support Unit event, and announced the next Mayor's Town Hall meeting on Sober Living Homes and Federal, State, and County legislation which will take place on September 20th, plus the California Surfing Day celebration on the north side of the Pier on the same date, and that he will be delivering a Mayor's Fast Pitch in Irvine to explain to the business community why Huntington Beach is a great place to do business.

Councilmember Delgleize thanked Mayor Posey for the excellent OC Public Safety Event with Supervisor Steel to an overflow crowd in Council Chambers.

ADJOURNMENT — 8:56 PM

The next regularly scheduled meeting of the Huntington Beach City Council/Public Financing Authority is Monday, October 1, 2018, 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:

Robin Estanislau

City Clerk-Secretary

Michael Stoney

Mayor-Chair