

Minutes

City Council/Public Financing Authority City of Huntington Beach

Tuesday, February 4, 2025
4:30 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 <https://huntingtonbeach.legistar.com/Calendar.aspx>

4:30 PM — COUNCIL CHAMBERS

CALL TO ORDER — 4:30 PM

ROLL CALL

Present: Twining, Kennedy, McKeon, Burns, Van Der Mark, Strickland, and Williams
Absent: None

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS RELATED TO CLOSED SESSION
(Received After Agenda Distribution) — None

PUBLIC COMMENTS RELATED TO CLOSED SESSION (3-Minute Time Limit) — None

Mayor Burns read titles for Item #1 25-066 regarding Conference with Labor Negotiators and Employee Organization: Huntington Beach Municipal Teamsters (HBMT); Item #2 25-067 regarding Conference with Labor Negotiators and Employee Organization: Management Employees' Organization (MEO); Item #3 25-068 regarding Conference with Labor Negotiators and Employee Organization: Marine Safety Association (MSMA); Item #4 25-069 regarding Public Employee Appointment: City Manager; and NEW 25-075 Conference with Real Property Negotiators: DBA Jack's Beach Concessions: Price and terms of lease.

A motion was made by Van Der Mark, with a second by Strickland, to recess to Closed Session.

RECESSED TO CLOSED SESSION — 4:37 PM

CLOSED SESSION

1. 25-066 CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code section 54957.6.) Agency designated representatives: Travis Hopkins, Acting City Manager; also in attendance: Marissa Sur, Director of Human Resources; Michael E. Gates, City Attorney and David Cain, Interim Chief Financial Officer. Employee Organization: Huntington Beach Municipal Teamsters (HBMT).
2. 25-067 CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code section 54957.6.) Agency designated representatives: Travis Hopkins, Acting City Manager; also in attendance: Marissa Sur, Director of Human Resources; Michael E. Gates, City Attorney and David Cain, Interim Chief Financial Officer. Employee Organization: Management Employees' Organization (MEO).

3. 25-068 CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code section 54957.6.) Agency designated representatives: Travis Hopkins, Acting City Manager; also in attendance: Marissa Sur, Director of Human Resources; Michael E. Gates, City Attorney and David Cain, Interim Chief Financial Officer. Employee Organization: Marine Safety Management Association (MSMA).
4. 25-069 PUBLIC EMPLOYEE APPOINTMENT (Gov. Code section 54957(b)(1).) Title: City Manager.
5. 25-070 CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION. (Paragraph (1) of subdivision (d) of Section 54956.9). Frahm (Robert), et al. v. City of Huntington Beach; OCSC Case No.: 30-2023-01319592.
6. 25-071 CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION. (Paragraph (1) of subdivision (d) of Section 54956.9). Clayton-Tarvin (Gina) v. City of Huntington Beach, et al.; OCSC Case No.: 30-2023-01329927.
7. 25-072 CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION. (Paragraph (1) of subdivision (d) of Section 54956.9). People of the State of California/Bonta v. City of Huntington Beach/Zelinka; Case No. 30-2023-01312235.
- NEW 25-075 CONFERENCE WITH REAL PROPERTY NEGOTIATORS - Property: 21091 Pacific Coast Highway, Huntington Beach, CA, 92648 (APN 024-281-16). Agency Negotiators: Travis Hopkins, Acting City Manager; Ashley Wysocki, Director of Community and Library Services; Chris Cole, Community and Library Services Manager; William Krill, Real Estate Project Manager. Negotiating Parties: (Not Present) Dave Clapp DBA Jack's Beach Concessions. Under negotiation: Price and terms of lease.

6:00 PM — COUNCIL CHAMBERS

RECONVENED CITY COUNCIL/PUBLIC FINANCING AUTHORITY MEETING — 6:02 PM

ROLL CALL

Present: Twining, Kennedy, McKeon, Burns, Van Der Mark, Strickland, and Williams
Absent: None

PLEDGE OF ALLEGIANCE — Led by Mayor Pro Tem McKeon.

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.

8. 25-065 Huntington Beach Police Chaplain James Pike

CLOSED SESSION REPORT BY CITY ATTORNEY — None

CITY COUNCIL MEMBER COMMENTS (2-Minute Time Limit)

Mayor Burns reported on the Surf City Marathon. Councilmember Strickland recognized the 1st Annual Huntington Beach Sports Hall of Fame to recognize local Huntington Beach athletes.

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

Pursuant to the Brown "Open Meetings" Act, City Clerk Lisa Lane Barnes announced supplemental communications received by her office following distribution of the Council Agenda packet which were all uploaded to the City's website and Councilmember iPads: *Invocation Item #8 (1 email communication), City Manager's Report Item #9 (3 email communication); Minutes Item #10 (2 email communications), License Agreement with VisitHB Item #11 (1 email communication) and Public Hearing Item #15 (2 email communications).*

PUBLIC COMMENTS (3-Minute Time Limit) — 18 Speakers

The number [hh:mm:ss] following the speakers' comments indicates their approximate starting time in the archived video located at <https://huntingtonbeach.legistar.com/Calendar.aspx>.

Regina Blankenhorn commented on the two library petitions, Measure U proponents, and Ocean View meeting. (00:11:09)

Barbara Richardson commented on the recent City survey regarding the Library petitions. (00:14:20)

Andrew Einhorn commented on the release of January 6 insurrectionists, recent Library petitions and what he defined as frivolous lawsuits. (00:16:07)

Barbara Shapiro commented on the proliferation of coyotes in Huntington Beach, the proposed Light Show in Central Park, and recent Library petitions. (00:18:04)

Tim Geddes commented on the amount of time public speakers are allotted, and the two Library petitions process. (00:20:49)

Amory Hanson commented on Item #11 regarding a License Agreement with Visit Huntington Beach (VHB) for use of the Visitor Information Kiosk at Pier Plaza. (00:23:26)

Rick Brown commented on Code Four and the Pacific Air Show. (00:24:05)

Ken Inouye commented on his recent meeting with Mayor Burns to discuss the City's financial challenges. (00:26:52)

Jaeden commented on the recent declaration that Huntington Beach is a non-sanctuary city for illegal immigrants for the prevention of crime. (00:29:45)

Charles Jackson commented on what he believes should be the City's priorities and on the proposed Bolsa Chica Senior project. (00:32:09)

Cathey Ryder acknowledged February as Black History Month and commented on the City's ballot initiative process and recent library petitions. (00:34:45)

Paula Schaefer shared her observations as a signature gatherer for the Library petitions. (00:36:46)

David Rynerson commented on the Library petitions, recent City Library surveys and Item #8 regarding the New Long-Range Financial Plan. (00:39:28)

Christopher Rini commented on the Library petitions and recent City Library surveys. (00:41:37)

Justine Makoff described recent activities at Huntington Central Park Equestrian Center and noted that all upcoming events can be found at www.freereinfoundation.org. (00:44:24)

Roger Noor commented on budget amounts for the Police Department and the Library system. (00:47:31)

Ellyce Tolbert shared her personal experience of living in Huntington Beach. She was asked to complete a blue card. (00:50:39)

Valentina Bankhead commented on the current City Council and the declaration that Huntington Beach is a non-sanctuary city for illegal immigrants for the prevention of crime. (00:53:38)

COUNCIL COMMITTEE APPOINTMENT ANNOUNCEMENTS

Councilman Strickland announced his appointment of Teisha Husaini to the Community and Library Services Commission; Councilman Williams announced his appointment of Laszlo Lak to CIAB/PW Commission; Councilman Kennedy announced his appointment of Allen Schriber to the Investment Advisory Commission; and Mayor Burns announced his appointment of Mel Williams to the Harbour Commission.

AB 1234 REPORTING — None

OPENNESS IN NEGOTIATION DISCLOSURES

Councilmembers Twining, Williams and Kennedy reported attending Cal Cities three-day Conference.

CITY MANAGER'S REPORT

9. 25-053 Presented New Long Range Financial Plan (Moved from Study Session)

Acting City Manager Travis Hopkins introduced David Cain, Interim Chief Financial Officer, who introduced Consultant James Morris, Managing Director, UFI Financial Solutions, who presented a PowerPoint communication titled: *Overview of Financial Forecast Model and Fiscal Outlook* with slides entitled: *Presentation – Table of Contents, UFI – Financial Advisors & Consultants, UNDERSTANDING CITY'S FORECAST MODEL, Developing a Forecast Model, Huntington Beach Forecast – General Assumptions, Huntington Beach Forecast – Fiscal Issues Not In Model, Huntington Beach Forecast - Major Drivers & Indexes, 10-YEAR BASELINE FORECAST, Baseline Forecast – 10-Year Projections (2025-35), Baseline Forecast – Revenue & Expenses Trends, Baseline Forecast – Annual Surplus/(Deficit), Baseline Forecast – Cumulative Surplus/(Deficit), Baseline Forecast – Fund Balance Impact, SCENARIO FORECAST, Scenario Forecast – Changed Assumptions, Baseline Forecast – Revenue & Expenses Trends, Scenario Forecast – Fund Balance Impact, Baseline Forecast – Annual Surplus/(Deficit), Scenario Forecast – Annual Surplus/(Deficit), Baseline Forecast – Cumulative Surplus/(Deficit), Scenario Forecast – Cumulative Surplus/(Deficit), Baseline Forecast – Fund Balance Impact, Scenario Forecast – Fund Balance Impact, FISCAL OUTLOOK, Fiscal Outlook – Strengths & Opportunities, Fiscal Outlook – Challenges & Concerns, and QUESTIONS?*

Councilmembers clarified the forecasting model and economic data source(s) for the regional numbers used; accuracy of near-term, mid-term and far-term projections; clarification on the total baseline revenue vs one-time revenue; accounting for new economic growth vs performance of the existing tax base; discussion on the positive and negative impacts of something like the Covid-19 pandemic on municipal

finances; the CalPERS on-line tool that allows for considering impact of different return scenarios; limited ability to invest General Fund unrestricted revenue as a way to spread costs in terms of who bears the financial burden of particular facilities or equipment, following the City's investment policies; continuing energy efficiency discussions; and confirmed that the model presented allows for line item scenarios to evaluate various outcomes.

Mayor Pro Tem McKeon noted this is a ton of information and this City Council is focused on looking at every single possibility to responsibly increase revenue while trimming expenses in every department. The effort is to determine which are "nice to have" vs "critical" services, including seeking out possible county, state or federal funding sources.

Interim Chief Financial Officer Cain noted that two townhall meetings are currently scheduled to receive resident and business owner input on determining highest priorities as the next step in this process.

CONSENT CALENDAR (Items #10 – #14)

Mayor Burns pulled Item #11 for additional discussion.

City Clerk

10. 25-064 Approved and Adopted Minutes

A motion was made by Strickland, second Van Der Mark to approve and adopt the City Council/Public Financing Authority regular meeting and the Successor Agency meeting minutes of January 21, 2025.

The motion carried by the following roll call vote:

AYES: Twining, Kennedy, McKeon, Burns, Van Der Mark, Strickland, and Williams
NOES: None

Community Development

11. 24-869 Approved and authorized execution of a License Agreement with Visit Huntington Beach (VHB) for use of the Visitor Information Kiosk located at Pier Plaza

Mayor Burns confirmed with Kriss Casanova, Economic Development Manager and Nicole Llido, Vice President of Administration and Community Engagement, Visit HB, that the free-standing display, attached to the adjacent light pole, is not part of the Pier Plaza Kiosk. Community Development Director Jennifer Villasenor confirmed for Councilmember Kennedy that the City Sign Code currently prohibits offsite advertising.

A motion was made by Burns, second Strickland to approve and authorize the Mayor and City Clerk to execute the "Non-Exclusive License Agreement Between the City of Huntington Beach and Visit Huntington Beach" for the use of the Visitor Information Kiosk located at Pier Plaza.

The motion carried by the following roll call vote:

AYES: Twining, Kennedy, McKeon, Burns, Van Der Mark, Strickland, and Williams
NOES: None

Public Works

12. 25-016 Approved and accepted the Public Improvements, Released the Sureties for, and Accepted a Guarantee and Warranty Bond for the LeBard Residential Project (Tract 17801)

A motion was made by Strickland, second Van Der Mark to accept the improvements constructed and dedicated for public use with Tract 17801, and instruct the City Clerk to record the Notice of Acceptance of Public Improvements (Attachment 2) with the Orange County Recorder; and, accept Guarantee and Warranty Bond No. 36K003143 (Attachment 3); the surety furnished for guarantee and warranty of public improvements; and instruct the City Clerk to file the bond with the City Treasurer; and, instruct the City Treasurer to release the Faithful Performance Bond No. 379919S, Labor and Material Bond No. 379919S, and Monument Bond No. 379922S, pursuant to California Government Code Section No. 6649.7(a); and, instruct the City Clerk to notify the developer, HB Homes Management, LLC, of this action, and the City Treasurer to notify the surety company, Indemnity Company of California, of this action.

The motion carried by the following roll call vote:

AYES: Twining, Kennedy, McKeon, Burns, Van Der Mark, Strickland, and Williams
NOES: None

13. 25-021 Approved and authorized the execution of a Cost Sharing Agreement for the development of a template Cross-Connection Control Plan in collaboration with 23 Public Water Systems in Orange County, under the organized leadership of the Irvine Ranch Water District

A motion was made by Strickland, second Van Der Mark to approve and authorize the City Manager to execute the Cost Sharing Agreement with 23 Public Water Systems in Orange County to ensure compliance with state regulations.

The motion carried by the following roll call vote:

AYES: Twining, Kennedy, McKeon, Burns, Van Der Mark, Strickland, and Williams
NOES: None

14. 24-890 Approved and authorized execution of Amendment No. 1 to the Professional Service Agreements with AESCO Inc. and Dudek for On-Call Construction Management and Engineering Services

A motion was made by Strickland, second Van Der Mark to approve and authorize the Mayor and City Clerk to execute "Amendment No. 1 to Agreement between the City of Huntington Beach and AESCO for On-Call Material Inspections and Engineering Services", to extend the term by one year and increase the contract amount by \$250,000; and, approve and authorize the Mayor and City Clerk to execute "Amendment No. 1 to Agreement between the City of Huntington Beach and Dudek for On-Call Construction Management and Engineering Services", to extend the term by one year and increase the contract amount by \$300,000

The motion carried by the following roll call vote:

AYES: Twining, Kennedy, McKeon, Burns, Van Der Mark, Strickland, and Williams
NOES: None

PUBLIC HEARING

15. 24-862 CONTINUED to a date certain: February 18, 2025: Tax Equity and Financial Responsibility Act public hearing to adopt Resolution No. 2025-05 approving, authorizing, and directing execution of a Joint Exercise of Powers Agreement relating to the California Public Finance Authority and approving the Issuance by the California Public Finance Authority of Revenue Bonds in an amount not to exceed \$325,000,000 for Marisol HB, LLC, with no City obligations, as well as a Payment in Lieu of Taxes Agreement

Acting City Manager introduced David Cain, Interim Chief Financial Officer, who provided a PowerPoint communication titled *The Marisol HB, LLC*, with five (5) slides of bullet point requirements; *Recommendations and Questions?*

Ex-parte communications were disclosed by Mayor Burns, Mayor Pro Tem McKeon and Councilmembers Twining, Kennedy, Williams and Van Der Mark who were briefed individually by Scott Strusiner, Project Advocate, Managing Director from LAMB Properties.

Mayor Burns confirmed with Interim CFO Cain that all bond funding will go only to this project.

Mayor Pro Tem McKeon and Developer Representative Strusiner discussed the total amount of the bond includes a twenty-percent (20%) cushion which is normal for TEFRA agreements. There was discussion explaining benefits for the developer electing to operate as a non-profit. Developer Representative Strusiner stressed the intent of the developer to be a good neighbor and ensure the City is made whole tax-wise through the Payment in Lieu of Taxes (PILOT) agreement with Huntington Beach.

Councilmember Twining continued the discussion with Developer Representative Strusiner regarding the possibility that Huntington Beach may not actually be made whole tax-wise if the developer lost their non-profit status any time during the project.

Councilmember Williams noted for the record that Code of Federal Regulations (CFR) Section 1.147(f)-1(b) defines geographical jurisdiction for purposes of securing project bonds and as a Charter City, the bonds can only be approved by Huntington Beach — not by Orange County or State of California.

Mayor Burns opened the Public Hearing.

City Clerk Lisa Lane Barnes announced supplemental communication received for this Public Hearing during Announcement of Supplemental Communications.

Public Hearing Speakers (3-Minute Time Limit) — 1

Charles Jackson was called to speak and shared his concern that Measure U requires a vote of the residents and asked why this project is not being brought for a vote. (02:22:52)

Councilmember Kennedy stated this project is a good fit, Councilmembers are being good stewards, no zoning variances are requested, project density was approved originally at 226 rooms and is now at 214 rooms or 35 per acre, 234 parking spaces provided, and all funds in the bond will go directly to the build. He read the potential downsides and noted that none of them apply to this project. Councilmember Kennedy expressed his appreciation to Developer Representative Strusiner for presenting a project that keeps the City whole financially.

Mayor Pro Tem McKeon responded to Public Hearing Speaker Jackson's concern by explaining Measure U does not apply to this situation because the project does not initiate a City zone change that creates a significant and unavoidable impact to the environment.

Mayor Burns announced this Public Hearing will remain open to a date certain: February 18, 2025.

ADJOURNMENT — At 8:25 PM a motion was made by Burns, with a second by Van Der Mark, to adjourn to the next regularly scheduled meeting of the Huntington Beach City Council/Public Financing Authority on Tuesday, February 18, 2025, 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