

Minutes

City Council/Public Financing Authority City of Huntington Beach

Tuesday, August 6, 2024
4:30 PM - Council Chambers
6:00 PM - Council Chambers
Civic Center, 2000 Main Street
Huntington Beach, California 92648

A video recording of the 4:30 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/

4:30 PM — COUNCIL CHAMBERS

CALL TO ORDER

ROLL CALL

Present: Moser, Bolton, Burns, Van Der Mark, Strickland, McKeon, and Kalmick
Absent: None

CITY COUNCIL MEMBER COMMENTS (3-Minute Time Limit)

Mayor Pro Tem Burns reported attending the Surfing Hall of Fame event held by Huntington Surf and Sport (HSS), and acknowledged the Pai grandchildren for a great opening ceremony. He also announced the Surfing Walk of Fame event to be held at Jack's downtown on Thursday, August 18.

Councilmember Moser reported attending the Great Pacific Garbage Patch event sponsored by Assemblymember Diane Dixon, the Huntington Beach Council on Aging's Grandparent's Day event on August 3, and the HSS Surfing Hall of Fame event. She also expressed concerns about Mayor Van Der Mark's public relations announcements published on "behalf of the City" as appearing to be personal, political narratives.

Councilmember Strickland confirmed with City Attorney Michael Gates that a Council "majority" is considered an "official" City position.

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

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

Mayor Van Der Mark announced Closed Session titles for Item Nos. 3 — 6 related to Labor Negotiations.

A motion was made by Strickland with a second by Burns to recess to Closed Session.

RECESSED TO CLOSED SESSION — 4:45 PM

1. **24-539 CONFERENCE WITH LEGAL COUNSEL-LITIGATION (Gov. Code section 54956.9(d)(4).): One (1).**
2. **24-542 CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION. (Paragraph (1) of subdivision (d) of Section 54956.9). Raymond Casillas v. City of Huntington Beach; Workers' Compensation No. COHB-19-0226.**
3. **24-540 CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code section 54957.6.) Agency designated representatives: Eric Parra, Interim City Manager; also in attendance: Marissa Sur, Director of Human Resources; Travis Hopkins, Assistant City Manager; Michael E. Gates, City Attorney and Sunny Han, Chief Financial Officer. Employee Organization: Huntington Beach Police Officers' Association (HBPOA).**
4. **24-543 CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code section 54957.6.) Agency designated representatives: Eric Parra, Interim City Manager; also in attendance: Marissa Sur, Director of Human Resources; Travis Hopkins, Assistant City Manager; Michael E. Gates, City Attorney and Sunny Han, Chief Financial Officer. Employee Organization: Huntington Beach Municipal Teamsters (HBMT).**
5. **24-545 CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code section 54957.6.) Agency designated representatives: Eric Parra, Interim City Manager; also in attendance: Marissa Sur, Director of Human Resources; Travis Hopkins, Assistant City Manager; Michael E. Gates, City Attorney and Sunny Han, Chief Financial Officer. Employee Organization: Management Employees' Organization (MEO).**
6. **24-544 CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code section 54957.6.) Agency designated representatives: Eric Parra, Interim City Manager; also in attendance: Marissa Sur, Director of Human Resources; Travis Hopkins, Assistant City Manager; Michael E. Gates, City Attorney and Sunny Han, Chief Financial Officer. Marine Safety Management Association (MSMA).**

6:00 PM — COUNCIL CHAMBERS

RECONVENED CITY COUNCIL/PUBLIC FINANCING AUTHORITY MEETING — 6:00 PM

ROLL CALL

Present: Moser, Bolton, Burns, Van Der Mark, Strickland, McKeon, and Kalmick

Absent: None

PLEDGE OF ALLEGIANCE — Led by Councilmember 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.

7. **24-536 Huntington Beach Police Chaplain James Pike**

CLOSED SESSION REPORT BY CITY ATTORNEY — 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 which were all uploaded to the City's website and Councilmember iPads: Consent Calendar Items, #18 (1 email communication); #19 (3 email communications); and #29 (staff PowerPoint communication). Councilmember Items, #30 (56 email communications); #31 (32 email communications); and #32 (11 email communications).

PUBLIC COMMENTS (2-Minute Time Limit due to number of speakers) — 57 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>.

Shammy Dingus was called to speak and shared her concerns regarding the Pacific Airshow legal settlement and lack of an appropriate and accurate financial analysis. (00:11:44)

Unnamed Speaker was called to speak and shared her concerns regarding the Pacific Airshow legal settlement, stated opposition to Councilmember Items #30 submitted by Mayor Van Der Mark regarding an Ordinance declaring Huntington Beach to be a "Parents' Right to Know" City, and stated her support for Councilmember Item #32 submitted by Councilmember McKeon regarding Taxpayer Transparency and Evaluation of City Tax-Sharing. (00:14:13)

David Rynerson, 26-year Huntington Beach resident, was called to speak and shared his opinion regarding campaign promises made but not kept. (00:16:26)

Cathey Ryder, Huntington Beach resident since 1985, was called to speak and outlined City expenses as a result of the Pacific Airshow legal settlement. (00:17:19)

Unnamed Speaker was called to speak and reviewed conditions set by the Pacific Airshow legal settlement. (00:18:50)

Unnamed Speaker was called to speak and reviewed the costs to Huntington Beach residents as a result of the Pacific Airshow legal settlement. (00:19:42)

Diane Bentley, longtime local resident, was called to speak and shared her concerns regarding the Pacific Airshow legal settlement and proposed a new City ordinance to declare Huntington Beach a "Parents' Right to Know" City. (00:20:49)

Suzanne Fauria, Huntington Beach resident, public school teacher and mother of four adult children, was called to speak and stated her support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (00:22:27)

Amory Hanson was called to speak and stated support for Councilmember Item #32 submitted by Councilmember McKeon regarding Taxpayer Transparency and Evaluation of City Tax-Sharing. (00:23:10)

Unnamed Speaker was called to speak, stated support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to

Know" City and reviewed what she noted were inappropriate actions taken this past year by Councilmembers Bolton, Kalmick and Moser. (00:23:24)

Keith Jorgensen, Ocean View School District Board of Trustees Candidate in November 2024, was called to speak, stated his opposition to California Assembly Bill 1955 which threatens parental rights to know about critical health and gender decisions affecting their children, and stated support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (00:25:57)

Luanne Nichols Shoup, a longtime Huntington Beach resident, was called to speak and shared a family member's additional power costs as a result of living in a local city utilizing the services of the Orange County Power Authority (OCPA), and thanked the Council majority and City Attorney Michael Gates for getting Huntington Beach out of the OCPA. (00:28:00)

Marissa Jackson, City Council Candidate in November 2024, was called to speak and stated her support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (00:30:14)

Martie Etheridge, a grandparent and great grandparent, was called to speak and asked that Councilmembers continue to fight the fight to keep families informed regarding children's health issues at school. (00:33:01)

Stephanie Camacho-Van Dyke, Advocacy in Education Senior Director at the LGBTQ Center OC, was called to speak and stated her opposition to Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (00:33:46)

Eric was called to speak and stated opposition to Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (00:35:26)

At approximately 6:36 pm, Mayor Van Der Mark called for a 5-minute recess due to the unprofessional behavior of audience members.

Unnamed Speaker was called to speak and stated support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (00:38:25)

T. J. England was called to speak and thanked Councilmembers Bolton, Kalmick and Moser for their service and stated opposition to Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City, and stated support for Councilmember Item #31 submitted by Councilmembers Kalmick, Bolton, and Moser regarding financial transparency and to determine the total cost of the Pacific Airshow settlement. (00:40:37)

Erin Oakes, Downtown Huntington Beach homeowner, was called to speak and noted the unsafe and deadly July 4th in Downtown Huntington Beach, and urged Councilmembers to actively address this situation to ensure appropriate funding for increased Downtown police presence during next year's July 4th activities. (00:42:48)

Unnamed Speaker was called to speak and stated support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (00:45:02)

Laszlo Lak, a longtime Huntington Beach resident, was called to speak and stated support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (00:47:11)

Unnamed Speaker was called to speak and stated support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (00:49:20)

Ghia Dhee was called to speak and stated support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (00:50:40)

Jignesh Padhiar, lifelong Huntington Beach resident, was called to speak and stated support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (00:53:34)

Unnamed Speaker was called to speak and stated opposition to Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (00:55:34)

Tim Geddes was called to speak and shared his concerns regarding the Pacific Airshow settlement. (00:57:58)

Patty Cabada was called to speak and stated support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (00:59:48)

Kathy Carrick was called to speak and stated support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (01:01:56)

Unnamed Speaker was called to speak and stated support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (01:03:50)

David Clifford, longtime Huntington Beach resident and Ocean View School District Board of Trustees Candidate in November 2024, was called to speak and stated support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (01:05:54)

Bethany Webb, 45-year Huntington Beach resident, was called to speak and shared her opposition to Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (01:07:46)

Jeanne Goodin, retired teacher, mother of three and grandmother of nine, was called to speak and stated support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (01:11:01)

Jaeden, a charter school student, was called to speak and stated support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (01:13:50)

Unnamed Speaker was called to speak and stated opposition to Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. The speaker also stated support for Councilmember Items #31 submitted by Councilmembers Kalmick, Bolton, and Moser regarding financial transparency to determine total costs of the Pacific Airshow settlement, and #32 submitted by Councilmember McKeon regarding Taxpayer Transparency and evaluation of City tax-sharing. (01:15:59)

Unnamed Speaker was called to speak and stated support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (01:18:07)

Brian Vea was called to speak and stated support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (01:20:11)

Ken Inouye, over 50-year Huntington Beach resident, was called to speak and shared his opinions regarding the City budget recently approved by City Council and asked Councilmembers to prepare an analysis showing how they plan to address the major deficit. He also stated support for Council Members Item #32 submitted by Councilmember McKeon regarding Taxpayer Transparency and evaluation of City tax-sharing as a start to addressing the deficit. (01:22:17)

Harry McLachlan, Huntington Beach resident, was called to speak and shared his opinions regarding the motives and actions of the current Council majority. (01:24:00)

Debra Falese, Huntington Beach resident, was called to speak and shared her opinions on the failures of the current Council majority. (01:25:42)

Kathryn Goddard was called to speak and stated support for Councilmember Items #31 submitted by Councilmembers Kalmick, Bolton, and Moser regarding financial transparency to determine the total cost of the Pacific Airshow settlement. (01:27:56)

Joyce Riley was called to speak and stated support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (01:29:30)

Unnamed Speaker, a 35-year Huntington Beach resident, was called to speak and stated support for Councilmember Items #31 submitted by Councilmembers Kalmick, Bolton, and Moser regarding financial transparency to determine the total cost of the Pacific Airshow settlement. (01:30:53)

Oscar was called to speak and stated support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (01:32:59)

Ren Edwards, raised in Huntington Beach and attended Huntington Beach schools, was called to speak and stated opposition to Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (01:35:52)

Unnamed Speaker was called to speak, stated opposition to Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City, support for Councilmember Items #31 submitted by Councilmembers Kalmick, Bolton, and Moser regarding financial transparency to determine the total cost of the Pacific Airshow settlement, and opposition to Item #32 submitted by Councilmember McKeon regarding taxpayer transparency and evaluation of City tax-sharing. (01:38:10)

Ryn Salter, Pride of the Pier Representative, was called to speak and stated opposition to Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (01:40:23)

Pablo Aspas, 15-year Huntington Beach resident, was called to speak and stated support for Councilmember Items #31 submitted by Councilmembers Kalmick, Bolton, and Moser regarding financial transparency to determine total cost of the Pacific Airshow settlement. (01:42:42)

Eva Weisz, Huntington Beach resident, was called to speak and stated support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. Ms. Weisz also expressed concerns about poor restroom conditions at the beach. Mayor Van Der Mark asked Ms. Weisz to complete a blue card for staff follow-up. (01:44:54)

Russell Neal, Huntington Beach resident, was called to speak, stated support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City, and opposition to #31 submitted by Councilmembers Kalmick, Bolton, and Moser regarding financial transparency to determine total cost of the Pacific Airshow settlement. (01:46:50)

Sylvia Shebat was called to speak and stated support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (01:49:10)

Joey Macasier, California Chapter of Gays Against Groomers member, was called to speak and stated support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (01:51:06)

Sonya Green was called to speak and stated support for Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (01:53:07)

Manuk Grigoryan, father of four children, was called to speak and stated opposition to Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (01:54:34)

Unnamed Speaker was called to speak and stated opposition to Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (01:57:24)

Paula Schaefer was called to speak and stated support for Councilmember Items #31 submitted by Councilmembers Kalmick, Bolton, and Moser regarding financial transparency to determine total cost of Pacific Airshow settlement. (01:59:52)

Neal was called to speak and stated opposition to Councilmember Items #30 submitted by Mayor Van Der Mark regarding an ordinance declaring Huntington Beach to be a "Parents' Right to Know" City. (02:01:45)

COUNCIL COMMITTEE APPOINTMENT ANNOUNCEMENTS — None

AB 1234 REPORTING — None

OPENNESS IN NEGOTIATION DISCLOSURES — None

CITY MANAGER'S REPORT

8. 24-529 Streamline Surf City Update

Assistant City Manager Travis Hopkins acknowledged Chief Financial Officer Sunny Han for 14 years of City service as she will soon leave the City to become the City of Yorba Linda's next Finance Director.

Assistant City Manager Hopkins introduced Jasmine Daley, Community Development Building Official, who presented a PowerPoint communication titled *Streamline Surf City* with slides entitled: *Overview, In Person vs Online Customer Volume, Milestone Map, Key Accomplishments, Streamline Specialist Team, Meet the Team, The Data Shows: Success, Coming Soon!, and Questions?*

Councilmember McKeon stated this effort to make it possible for businesses to open faster is intended to cut the red tape and roll out the red carpet for Huntington Beach businesses. He encouraged anyone who may have difficulty with the online process to call the Specialist Team phone number or use the dedicated email address for assistance. He confirmed with Building Official Daley that Phase II is expected to be completed in the next three to six months with complete implementation in about a year.

Councilmember Moser stated this is a good example of various departments coming together as a team to provide innovation and efficiencies.

CITY TREASURER'S REPORT

9. 24-418 Received and Filed the City Treasurer's Quarterly Investment Report for June 2024

Alisa Backstrom, City Treasurer, presented a PowerPoint communication titled Quarterly Investment Report, with slides entitled: *Economic Update – June, Investment Portfolio — Summary Quarter End 6/30/24, Investment Portfolio — Investments by Type Quarter End 6/30/24, Investment Portfolio — By Maturity Quarter End 6/30/24, Investment Portfolio — Selected Activity Quarter End 6/30/24, Investment Portfolio — Earnings Quarter End 6/30/24, Investment Portfolio — Selected Compliance Quarter End 6/30/24, Additional Information, and Questions?*

A motion was made by Van Der Mark, second Burns to receive and file the City Treasurer's Quarterly Investment Report for June 2024, pursuant to Section 18.0 of the Investment Policy of the City of Huntington Beach.

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, Strickland, McKeon, and Kalmick
NOES: None

CITY ATTORNEY'S REPORT

- 10. 24-521 City Attorney Gates provided a verbal update on the State housing lawsuit against the City.**
- 11. 24-522 City Attorney Gates provided a verbal update on the City housing lawsuit against the State.**
- 12. 24-523 City Attorney Gates provided a verbal update on the U.S. Supreme Court case, City of Grants Pass, including the City's Amicus support.**

Councilmember Bolton shared her opinion that the best and most efficient way for the City to proceed was to join with other cities that support the party that petitioned for the U. S. Supreme Court to hear the case.

Councilmember Bolton and City Attorney Michael Gates discussed details of the State housing lawsuit against the City. City Attorney Gates stated that at two different times the Court's order struck all of the language where the State requested fines, fees and penalties pursuant to Article 14, and that when the Court's writ is issued the City will have a year to adopt a housing element. He added that once action pursuant to the writ is taken by the City, then the City reports back to the Court. At that point the Court would decide how to handle the case, as the Court still has jurisdiction over the situation. There could be dismissal or finding that the writ was satisfied.

City Attorney Gates reported that the U. S. Supreme Court, in the City of Grants Pass case, acknowledged that Huntington Beach had been impacted by the Martin Boise decision and homelessness.

City Attorney Gates also clarified that the City of Huntington Beach has never claimed that it was, or is not, required to adopt a Housing Element, adding that the Housing Element content is subject to City Council discretion.

Councilmember Strickland confirmed with City Attorney Gates that the Federal housing case is still pending, and the State housing case is separate from the Federal case which alleges the Regional Housing Needs Assessment (RHNA) laws are unconstitutional. If, and when, the City prevails in the Federal case, then all with the State go away.

Councilmember Moser asked City Attorney Gates to describe how the Federal case arrived at the 9th Circuit. Councilmember Moser shared her opinion that the current use of the appeal process will most likely continue to no end.

Councilmember Strickland confirmed with City Attorney Gates that case appeals cannot continue to no end, because the U. S. Supreme Court ruling is the final word on a case.

Councilmember Kalmick confirmed with City Attorney Gates that the City will have 365 days to produce a Housing Element once the Court's writ is issued, and the Kennedy Commission was also stricken from this order. There was further discussion on how the November Charter amendment regarding a Housing Element could impact the process moving forward. Councilmember Kalmick confirmed with City Attorney Gates that the approved Housing Element must be substantially compliant with California Department of Housing and Community Development (HCD) requirements.

Councilmember McKeon shared his opinion that it appears that Councilmembers Bolton, Kalmick and Moser would like to accept the State mandates regarding a Housing Element without any push back. He added that the current Council majority is not interested in allowing the State to micro-manage the City's housing/zoning codes, and the push back has provided another year to adopt a Housing Element with no current fines or penalties.

Councilmembers Moser and McKeon debated whether potential housing/homelessness funding has been left on the table during the delay to approve a Housing Element.

Mayor Van Der Mark and Councilmembers McKeon and Strickland noted that homeless services through the Task Force and Navigation Center have continued, at a reduced cost to the City, in spite of the current Council majority's push-back against State mandates.

13. 24-546 Received Annual Report on Community Prosecutor Program

City Attorney Michael Gates presented a PowerPoint communication titled *Community Prosecutor Program Update* with slides entitled: *History of the Community Prosecutor Program (3)*, *Mission Statement*, *Program Goals*, *Success of the Community Prosecutor Program*, *The Team*, *Common State Crimes California Penal Code*, *Petty Theft (3)*, *Resisting/Obstructing Police Officers (3)*, *Trespassing*, *Illegal Lodging*, *Common Local Crimes Huntington Beach Municipal Code*, *Diversion for Homeless Individuals*, *Repeat Offenders (2)*, and *Case Statistics June 16, 2023 – July 1, 2024*.

Councilmember McKeon expressed his appreciation for the successful Community Prosecutor Program.

City Attorney Gates added that both the court system and the District Attorney's office can help when needed.

CONSENT CALENDAR (Items 14-28)

Councilmember Kalmick pulled Item #18 and Mayor Pro Tem Burns pulled Item #19 for further discussion.

City Clerk

14. 24-519 Approved and Adopted Minutes

A motion was made by Van Der Mark, second Strickland to approve and adopt the City Council/Public Financing Authority regular meeting minutes of July 16, 2024.

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, Strickland, McKeon, and Kalmick
NOES: None

15. 24-520 Received and Filed Monthly Update of Activities for Citizen Boards, Commissions, Committees (BCCs) and Regional Agencies - July 2024

A motion was made by Van Der Mark, second Strickland to receive and file the monthly update of activities for Citizen Boards, Commissions, Committees (BCCs) and Regional Agencies — July 2024.

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, Strickland, McKeon, and Kalmick
 NOES: None

16. 24-530 Received and filed the City Clerk’s quarterly listing of professional services contracts filed in the City Clerk’s Office between April 1, 2024, and June 30, 2024

A motion was made by Van Der Mark, second Strickland to receive and file the "List of Professional Services Contracts Approved by Department Heads and Submitted to the Office of the City Clerk during the period of April 1, 2024, and June 30, 2024."

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, Strickland, McKeon, and Kalmick
 NOES: None

17. 24-550 Approved and authorized execution of License Agreements with the County of Orange to continue the operation and maintenance of official and secure Ballot Drop Boxes at the Huntington Beach Civic Center, 2000 Main Street, and the Main Street Branch Library, 525 Main Street, in Huntington Beach

A motion was made by Van Der Mark, second Strickland to approve and authorize the Mayor and City Clerk to execute a "License Agreement" with the County of Orange for continued operation and maintenance of a Ballot Drop Box as identified in Exhibits A and B (License Area description and location) at the Huntington Civic Center, 2000 Main Street, Huntington Beach; and, approve and authorize the Mayor and City Clerk to execute a "License Agreement" with the County of Orange for continued operation and maintenance of a Ballot Drop Box as identified in Exhibits A and B (License Area description and location) at the Main Street Branch Library, 525 Main Street, Huntington Beach.

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, Strickland, McKeon, and Kalmick
 NOES: None

City Manager

18. 24-527 Took positions on legislation pending before the State Legislature and a statewide ballot proposition, as recommended by the Intergovernmental Relations Committee (IRC)

Councilmember Kalmick pulled this item to confirm his support for A) designating a portion of the 405 Freeway as Surf City Highway, however he added that for nearly the last 50 years Huntington Beach City

Council has not taken positions on statewide ballot measures. He personally supports Proposition 36 but will "Abstain" from Resolution No. 2024-43 to support the norm of not taking positions on statewide ballot measures.

Councilmember Bolton stated support for Councilmember Kalmick's comments, and stated she will support this item for this vote but will not support taking positions on statewide ballot measures in the future.

Councilmember Strickland stated he sees this item as a matter of policy to support law enforcement, not a political matter.

Councilmember Moser stated her personal support for Proposition 36. She added she agrees with her colleagues who have stated support for the norm of Huntington Beach Councilmembers to not take positions on statewide ballot measures, and therefore she will "Abstain" for this vote.

Councilmember Strickland and City Attorney Michael Gates discussed that this item concerns policy issues and that it is not uncommon to set aside resolutions.

A motion was made by Strickland, second Van Der Mark to support Senate Concurrent Resolution 165 (Nguyen) to Designate Portion of 405 Freeway as Surf City Highway, and adopt Resolution No. 2024-43, "A Resolution of the City of Huntington Beach in Support of Proposition 36, The Homelessness, Drug Addiction and Theft Reduction Act", which will set aside Resolution No. 4344 and Resolution No. 2024-23 for this action.

The motion carried by the following roll call vote:

AYES: Bolton, Burns, Van Der Mark, Strickland, and McKeon
NOES: None
ABSTAIN: Moser, and Kalmick

Community and Library Services

19. 24-528 Approved as amended the Carr Park reconfiguration conceptual plan as recommended by the Community & Library Services Commission

Mayor Pro Tem Burns pulled this item to note that Chris Carr, a long-time Huntington Beach resident, won a Medal of Honor in WWII and proceeded to read a description of Carr's heroic military actions. Mayor Pro Tem Burns requested that a flagpole be placed near the Carr Park plaque, at the corner of Springdale and Heil, and that staff include the description of Carr's heroic military actions as part of the Carr Park plaque. Staff confirmed those requests will be included in the development of the design and bid package which will be brought back for Council's vote.

A motion was made by Burns, second McKeon to approve the conceptual plan for Carr Park reconfiguration and authorize staff to move forward with initiating the development of the design and bid package for construction of the updated facility, **as amended to include a flagpole and updated plaque.**

The motion as amended carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, Strickland, McKeon, and Kalmick

NOES: None

Community Development

20. 24-502 Approved and authorized execution of Professional Services Contracts for On-Call Plan Review Services with Scott Fazekas & Associates, Inc., CSG Consultants, Inc., and True North Compliance Services, Inc.

A motion was made by Van Der Mark, second Strickland to approve and authorize the Mayor and City Clerk to execute a \$1,500,000 Professional Services Contract between the City of Huntington Beach and Scott Fazekas & Associates for On-Call Building Division Plan Review Services for a three-year term; and, approve and authorize the Mayor and City Clerk to execute a \$1,500,000 Professional Services Contract between the City of Huntington Beach and CSG Consultants, Inc. for On-Call Building Division Plan Review Services for a three-year term; and, approve and authorize the Mayor and City Clerk to execute a \$1,500,000 Professional Services Contract between the City Huntington Beach and True North Compliance Services, Inc. for On-Call Building Division Plan Review Services for a three-year term.

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, Strickland, McKeon, and Kalmick
NOES: None

Fire

21. 24-533 Approved and accepted the Fiscal Year (FY) 2023 Assistance to Firefighters Grant; authorized the Fire Chief and Chief Financial Officer to execute documents; and approved appropriation of funds

A motion was made by Van Der Mark, second Strickland to approve and accept the FY 2023 Assistance to Firefighters Grant awarded to the City of Huntington Beach; and authorize the Fire Chief and Chief Financial Officer as the officials to execute and sign for the FY 2023 Assistance to Firefighters Grant award, agreement, amendments, and extensions; and, approve the appropriation of grant revenues and expenditures in the amount of \$161,745.16.

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, Strickland, McKeon, and Kalmick
NOES: None

22. 24-532 Approved and accepted the Nicholas and Zachary Burt Memorial Carbon Monoxide Poisoning Prevention Grant Award from the U.S. Consumer Product Safety Commission, authorized the Fire Chief and Chief Financial Officer to execute grant documents, and approved appropriation of funds

A motion was made by Van Der Mark, second Strickland to approve and accept the Nicholas and Zachary Burt Memorial Carbon Monoxide Poisoning Prevention Grant award of \$53,400 from the U.S. Consumer Product Safety Commission; and authorize the Fire Chief and Chief Financial Officer to execute the grant agreement; and, approve the appropriation of grant revenues and expenditures in the amount of \$53,400.

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, Strickland, McKeon, and Kalmick
NOES: None

Public Works

23. 24-474 Approved and authorized execution of Professional Services Contract with Moffat & Nichol to provide Professional Engineering and Environmental Consulting Services for the Gilbert Bridge Project, CC-1453; Acceptance of Federal grant funds from Caltrans and Appropriation of funds

A motion was made by Van Der Mark, second Strickland to approve and authorize the Mayor and City Clerk to execute a Professional Services Contract between the City of Huntington Beach and Moffat & Nichol to provide Professional Engineering and Environmental Consulting Services in the amount of \$484,403.19, and accept award of a Federal grant administered by Caltrans in the amount of \$424,300 and approve the appropriation of the funds to grant account 129285101.82800

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, Strickland, McKeon, and Kalmick
NOES: None

24. 24-475 Approved and authorized execution of Professional Services Contracts for On-Call Grant Writing and Administration Consulting Services with Advanced Avant-Garde, Inc., CWE, Engineering Solution Services, Harris & Associates, Inc., KOA Corporation, and Villa Civil, APC

A motion was made by Van Der Mark, second Strickland to approve and authorize the Mayor and City Clerk to execute, "Professional Services Contract Between the City of Huntington Beach and Advanced Avant-Garde Corporation, for On-Call Grant Writing and Administrative Consulting Services," in an amount not to exceed \$250,000; and, approve and authorize the Mayor and City Clerk to execute, "Professional Services Contract Between the City of Huntington Beach and CWE for On-Call Grant Writing and Administrative Consulting Services," in an amount not to exceed \$250,000; and, approve and authorize the Mayor and City Clerk to execute, "Professional Services Contract Between the City of Huntington Beach and Engineering Solutions Services for On-Call Grant Writing and Administrative Consulting Services," in an amount not to exceed \$250,000; and, approve and authorize the Mayor and City Clerk to execute, "Professional Services Contract Between the City of Huntington Beach and Harris & Associates, Inc. for On-Call Grant Writing and Administrative Consulting Services," in an amount not to exceed \$250,000; and, approve and authorize the Mayor and City Clerk to execute, "Professional Services Contract Between the City of Huntington Beach and KOA Corporation for On-Call Grant Writing and Administrative Consulting Services," in an amount not to exceed \$250,000; and, approve and authorize the Mayor and City Clerk to execute, "Professional Services Contract Between the City of Huntington Beach and Villa Civil, APC, for On-Call Grant Writing and Administrative Consulting Services," in an amount not to exceed \$250,000.

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, Strickland, McKeon, and Kalmick
NOES: None

25. 24-497 Approved and authorized execution of a five-year License Agreement with Southern California Edison for traffic signals at the intersection of Center Avenue and One Park Plaza

A motion was made by Van Der Mark, second Strickland to approve and authorize the Mayor and City Clerk to execute a License Agreement between the City of Huntington Beach and Southern California Edison for use of property being occupied by City traffic signal facilities.

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, Strickland, McKeon, and Kalmick
NOES: None

26. 24-517 Adopted Resolution No. 2024-36 Confirming Cost Report for Weed Abatement on Private Parcels within the City for the 2024 Season

A motion was made by Van Der Mark, second Strickland to adopt Resolution No. 2024-36 "A Resolution of the City Council of the City of Huntington Beach Confirming the Report of the Public Works Director Regarding the Cost for Weed Abatement on Private Property Within the City for the 2024 Season," and direct that all charges listed thereon be certified to the Orange County 2024/25 Property Tax Roll.

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, Strickland, McKeon, and Kalmick
NOES: None

27. 24-538 Approved and authorized Service Agreements with ECB Solutions, LLC and MVA Power, Inc. for the purchase of electrical switchgear and transformer equipment for the Central Library and authorized appropriation in the amount of \$221,494

A motion was made by Van Der Mark, second Strickland to approve the purchase of electrical switchgear and transformer equipment from ECB Solutions, LLC and MVA Power, Inc. in the amount of \$221,494; and, authorize the Mayor and City Clerk to execute a Service Agreement between the City of Huntington Beach and ECB Solutions, LLC for the purchase of 3-phase pad mount transformer; and, authorize the Mayor and City Clerk to execute a Service Agreement between the City of Huntington Beach and MVA Power, Inc. for the purchase of pad mount switchgear; and, authorize the appropriation of \$221,494 from the Infrastructure Fund (314) to business unit 31440040.82200.

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, Strickland, McKeon, and Kalmick
NOES: None

**28. 24-535 Adopted Ordinance No. 4320 to authorize execution of an Amendment to the Pipeline Franchise Agreement with Cardinal Pipeline, L.P. for the operation and maintenance of a pipeline system for the transportation of oil, gas, and other hydrocarbon substances
Approved for Introduction July 16, 2024, by a vote of 6-0-1 (Strickland – Absent)**

A motion was made by Van Der Mark, second Strickland to adopt Ordinance No. 4320, "An Ordinance of the City Council of the City of Huntington Beach Amending Ordinance No. 4008 that Granted an Oil Pipeline Franchise"; and approve and authorize the Mayor and City Clerk to execute the "Amendment to Franchise Agreement between the City of Huntington Beach and Cardinal Pipeline, L.P."

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, Strickland, McKeon, and Kalmick

NOES: None

PUBLIC HEARING

29. 24-513 Adopted Resolution No. 2024-37 authorizing an application for funds under the Orange County Transportation Authority (OCTA) for an Orange County Enhanced Mobility for Seniors & Disabled Grant Program (EMSD)

Ashley Wysocki, Director of Community and Library Services, presented a PowerPoint communication titled *Orange County Enhanced Mobility for Seniors and Disabled Grant Program (EMSD)* with slides entitled: *Statement of Issue; Financial Impact; Analysis (4); Recommendation, and Questions?*

Councilmember Moser thanked the Huntington Beach Council on Aging for providing a matching grant for this project.

Mayor Van Der Mark opened the public hearing.

City Clerk Robin Estanislau announced there were no public speakers, and no supplemental communication had been received for this item.

Mayor Van Der Mark closed the public hearing.

A motion was made by Moser, second Strickland to adopt Resolution No. 2024-37, "A Resolution of the City Council of the City of Huntington Beach Authorizing City Staff to apply to the Orange County Transportation Authority for an Orange County Enhanced Mobility for Seniors & Disabled Grant Program to Purchase the TripSpark's Notification software for the Surf City Senior's on the Go! Senior Transportation program."

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, Strickland, McKeon, and Kalmick

NOES: None

COUNCIL MEMBER ITEMS

30. 24-541 Approved Item Submitted by Mayor Van Der Mark — Request to Prepare an Ordinance Declaring Huntington Beach to be a "Parents' Right to Know" City

Mayor Van Der Mark stated she brought this item forward to address a grave injustice to parents and children by the state of California, and declared the City has an interest in challenging the State on AB 1955 or joining a parent's challenge to the State on AB 1955. She proceeded to describe some of the history behind this item, the State's increasing over-reach on parental rights, and the challenging

environment created for those dedicated to children's welfare. She added that this issue is not just about gender and gender identity, and stated that parents should be informed if there are school staff concerns with mental health, bullying, concentration, or any other issue.

Mayor Pro Tem Burns shared his opinion this is another attack on the family unit and an attempt to indoctrinate another generation. He believes AB 1955 is an attack on teachers and parents and drives a huge wedge between parents and children. He added that children should be encouraged to tell their parents about their questions or concerns rather than be encouraged to keep these issues a secret from their parents.

Councilmember Kalmick explained that after reading the opening information for this item and comparing it to the actual AB 1955 ruling, that educators still have discretion, autonomy, or agency, to do what they think is right or wrong, and AB 1955 only stops school districts from preventing that. He added he doesn't see this item as changing anything and stated he does not see how the City of Huntington Beach, as a corporate body, is harmed by AB 1955. Councilmember Kalmick added that currently there is no "values" segment in the Huntington Beach Municipal Code, and questioned why this was not presented as a resolution stating a policy goal.

Councilmember Kalmick also shared his concern about potential legal exposure if the proposed ordinance is approved, and suggested City concerns about the safety of our children should focus on safe routes to school, properly engineering safe bikeways and walkways for kids, or encouraging options other than private vehicles of transportation for safely getting kids to school.

Councilmember Kalmick stated he would not support this item.

Councilmember Bolton stated support for Councilmember Kalmick's comment that the City of Huntington Beach has no jurisdiction over education policy and there is no standing if an attempt is made. She added that only an entity that is injured can bring a lawsuit, and it is not appropriate for Councilmembers to direct City Attorney Gates or any staff member to spend Huntington Beach taxpayer funds on this issue.

Councilmember Bolton stated she would not support this item.

Councilmember Moser stated that Huntington Beach City Council has no purview or jurisdiction over school districts and educational policies which are governed by State law and local school districts and boards, and then proceeded to ask questions including: 1) "How does this item fall within the jurisdiction of Huntington Beach City Council?"; 2) "How can spending City time and resources be justified for an issue outside the City's purview?"; 3) "How would this proposed ordinance impact the relationship between the City, local schools and educators, as well as the schools and districts within and outside of Huntington Beach boundaries?"; 4) "What are the potential legal and financial implications for the City if we continue to challenge State law?"

Councilmember Moser noted that usually ordinances make long-term and permanent changes to the City's regulations which are enforceable by law with violations resulting in fines and penalties, and asked how the proposed ordinance would be enforced on educators. She also questioned how the proposed ordinance aligns with the City's Strategic Plan and goals, and which current City initiatives or projects would be postponed to focus what limited resources are available.

Councilmember Moser concluded that parental rights are important, however this proposed ordinance raises serious questions about its relevance, motivation and potential consequences. She encouraged

her fellow councilmembers to re-focus on issues that are critical to Huntington Beach rather than issues that should be addressed by parents within their family and at the school board and State level.

Mayor Van Der Mark clarified for the record that her intention is to support parental concerns about their children's questions regarding sexuality or mental health, and not to imply there is anything "wrong" with those concerns as implied by Councilmember Moser.

Councilmember McKeon stated that AB 1955 is offensive in his opinion because it appears the State believes children belong to them and that they co-parent. Residents pay the State to educate the children, and if the children do something parents should know about, the State should inform the parents. In his opinion, this is a bill that affects every family in Huntington Beach and should be opposed with the full weight of the City Council which is elected to protect and defend the residents. Councilmember McKeon stated there is nothing wrong with City Council asking City Attorney Michael Gates to look into how parents can protect their families and defend parental rights.

Councilmember McKeon stated he proudly supports this item and thanked Mayor Van Der Mark for bringing it forward.

Councilmember Strickland used a personal example of learning from his child that they were being bullied at school, and noted that the school principal, yard monitor and teacher all knew this bullying was going on but failed to communicate that to him until he approached them. He added that public schools should be focused on teaching reading, writing and arithmetic so children can have a better future.

Councilmember Strickland commended Mayor Van Der Mark for bringing this item forward and stated it has his full support.

Councilmember Moser asked her colleagues how this proposed ordinance would be enforced on educators, and whether they will face prosecution, penalties, or potential misdemeanors for non-compliance.

Mayor Van Der Mark responded this item is at the exploratory phase and when it is brought back in September those considerations can be addressed.

A motion was made by Van Der Mark, second Burns to direct the City Manager to work with the City Attorney to prepare an Ordinance for introduction at the September 3, 2024, City Council Meeting declaring that Huntington Beach is a "Parents' Right to Know" City, that no educator stands in the way of informing parents of their child's gender identity or gender expression, and declaring that the City has an interest in challenging the State on AB 1955 or joining a parent's challenge to the State on AB 1955.

The motion carried by the following roll call vote:

AYES: Burns, Van Der Mark, Strickland, and McKeon
NOES: Moser, Bolton, and Kalmick

31. 24-547 Approved Amended Item Submitted by Council Members Kalmick, Bolton, and Moser – Financial Transparency – Determine Total Cost of Pacific Airshow Settlement

Councilmember Kalmick stated this item is in response to the public's right to have answers, and for budget purposes to fully understand what the annual costs are for the Pacific Airshow. He stated there

are questions regarding an accurate number for revenue generated for Huntington Beach through this event. Councilmember Kalmick described this as a two-step process which first requires completion of the California Environmental Quality Act (CEQA) before entering negotiations. He outlined the process as hiring an independent third-party financial firm to review the Settlement Agreement, the costs and the value created. This will lead to an accurate understanding of the direct economic benefits to Huntington Beach such as sales tax and Transient Occupancy Tax (TOT).

Councilmember Kalmick explained that he believes the report that has been used to provide general financial numbers is actually a marketing tool and was not designed for policy makers to use in settling a lawsuit. He added this process should have been used before settling the lawsuit to provide transparency rather than making decisions behind closed doors.

Councilmember Moser confirmed that the intent of this item is to provide transparency and public involvement. She reviewed details of the contract agreement that Long Beach has with their Grand Prix "association" as an example of another large coastal event agreement for comparison to the Huntington Beach Pacific Airshow Settlement Agreement. She also shared questions the Long Beach City Council asked in 2021 before agreeing to extend the Grand Prix agreement for another five years. Councilmember Moser suggested that going forward Huntington Beach large event contracts should include use of all available negotiating tools to provide the best benefit for Huntington Beach.

Councilmember McKeon asked Councilmembers Kalmick, Bolton and Moser what specific long-term contract they intend to cost out, and Councilmember Moser responded, "The Settlement Agreement itself." Councilmember McKeon confirmed with City Attorney Michael Gates that there is no long-term contract within the Settlement Agreement.

City Attorney Gates proceeded to ask for a Council vote to waive attorney/client privilege on confidential communications he shared with City Council during the Settlement Agreement because there is talk portending that certain conversations or information wasn't shared in the settlement process which is a disservice to the public.

A motion was made by Strickland, second McKeon to direct City Attorney Michael Gates to approve waiver of Attorney/Client privilege for information/discussions presented by the City Attorney to City Council in the Closed Sessions between 12/2022 to settlement date related to the Pacific Airshow Settlement.

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, Strickland, McKeon, and Kalmick

NOES: None

City Attorney Michael Gates read page 3, paragraph 2, subparagraph b, of the Settlement Agreement, which he noted is NOT the long form contract that is still yet to come. *"If Pacific Airshow desires to conduct future Air Show Event(s) (after 2023), Pacific Airshow and City will enter into a separate Air Show Event Agreement after the aforementioned environmental review pursuant to CEQA is complete."*

City Attorney Gates noted that Councilmember Moser's comments moments ago, while thumbing through another City's agreement, pertain to upcoming City Council and public discussions IF Pacific Airshow seeks to engage Huntington Beach in a multi-year contract. City Attorney Gates stated for benefit of the public that all of the Settlement details were discussed with City Council in great detail in

Closed Sessions and the information discussed was on the Closed Session memorandums he prepared and presented to each Councilmember.

Councilmember Bolton asked City Attorney Gates what the total value is of the Terms Sheet which is attached to the Settlement Agreement and City Attorney Gates replied those details were provided during Closed Session discussions and noted the Finance Director could provide that information if asked. City Attorney Gates added there is no certainty that any values discussed for the future will actually show up in any contract agreement.

City Attorney Gates noted that this is 2024 and it was anticipated that Pacific Airshow would come back with a long-term agreement for this year, but they chose not to.

Councilmember Bolton asked why they are selling tickets for the 2024 Airshow and City Attorney Gates responded they are doing it pursuant to a permit. City Attorney Gates noted it will take months to negotiate an agreement, a process they could have started months ago, and confirmed to Councilmember Kalmick that there have not been any contract discussions with Pacific Airshow. City Attorney Gates noted for the public record that he has a State Bar obligation to keep the client (City Council) accurately informed.

Councilmember Bolton continued to ask for a number representing the total value of the Terms Sheet which is part of the Settlement Agreement. City Attorney Gates replied he is not debating the desire for more financial information, but rather he is debating the mischaracterization of the information that has been shared repeatedly during Closed Session meetings. City Attorney Gates suggested that her question would require a crystal ball to answer because the Terms Sheet is subject to negotiation and will come back to City Council during that process. City Attorney Gates stated he never offers his value judgement on whether any settlement is reasonable or not because that is only the purview of Councilmembers.

Councilmember McKeon repeated that there is no long-term contract with Pacific Airshow, and noted that such a contract would be brought back to City Council, negotiated, costed, reviewed, presented to the public for comments and scrutiny, before it could be approved. He added that Councilmember Moser's reference to the Long Beach Grand Prix event contract is not analogous to a lawsuit settlement. He asked how anyone could ask for an audit of a hypothetical future contract, a contract that has not even come to City Council yet. Councilmember McKeon stated politicizing a lawsuit settlement only creates more fearmongering.

Councilmember McKeon clarified that the actions of the previous Council majority led to the Airshow litigation and stated they had over ten months to find an amicable solution but even refused to meet with the applicant. Councilmember McKeon reminded everyone there was a meeting scheduled with the applicant, City staff, and a former City Manager. City participants "no showed" that meeting rather than putting aside their personal differences to exhibit leadership, negotiate amicable solutions, and concessions for the benefit of both parties. He noted that previous Air Shows can be audited, as proposed in his "H Item" which is the next item on this meeting's agenda.

Councilmember Strickland confirmed with City Attorney Michael Gates that every Councilmember had access to every item on the Airshow Settlement Agreement during Closed Session meetings. City Attorney Gates added that certain Councilmembers were in regular communication with Pacific Airshow to try to strike a deal and stated that on at least two occasions there was a complete breakdown in communication and a complete impasse. City Attorney Gates stated he told at least one of the three Councilmembers [who brought this item forward] on multiple occasions during the discussions that the

two parties were too far apart and that a mutually acceptable agreement probably could not be reached. He added that the claim being made that "we just gave everything away" is a most ridiculous statement.

Councilmember Strickland clarified that regardless of what others have been saying, he did NOT know Kevin Elliott when he was running as a City Council candidate but did meet him at the end of his campaign. He noted that he had 300 – 400 City Council campaign contributors and Mr. Elliott is NOT one of them. Councilmember Strickland noted for the record that a previous Council cancelled the Airshow without going through the proper process and voted to not sue the oil company responsible for the spill.

Councilmember Strickland, in response to Councilmember Kalmick's statement against the firm and economic survey produced for VisitHB, stated support for the next Councilmember Item #32 to hire another firm to produce another economic survey and compare the numbers. Councilmember Strickland explained there are certain qualifying considerations taken into account when studying economic impact. He noted that 700,000 people from outside of Huntington Beach come to the Airshow and 86% of them report coming back to Huntington Beach because of their positive experience. That is information that will not show up in a financial audit. He continued by sharing some of the incentives that area municipalities offer to promoters of various large events.

Councilmember Strickland added that the Pacific Airshow is a net positive event for Huntington Beach, and he looks forward to approving another firm for an economic impact report, rather than just a financial audit. He noted that looking at the whole picture will provide transparency.

Councilmember Bolton stated that no one has answered her question and asked that an audit only be performed by a non-marketing firm.

Councilmember McKeon stated that Destiny Analyst is not a "marketing" firm and provided examples of large corporations and organizations that use Destiny Analyst. Councilmember Bolton countered the examples provided are not municipalities spending taxpayer monies. Councilmember McKeon noted that the Term Sheet is totally hypothetical, based on future potentials, and an audit is based on actual financial considerations contained in a completed contract.

Councilmember Moser noted that to this point only the very first part of Section 2.b has been quoted and read *"If Pacific Airshow desires to conduct future events the Air Show Event Agreement must be consistent with the terms of this Settlement. The future agreements will expressly provide the same benefits to Pacific Airshow that the City conferred under this Agreement."*

Councilmember Moser clarified for the record that she never said City Attorney Michael Gates didn't present all of the deal points in Closed Session, but rather she clarified Councilmembers were never presented with damages, nor were there ever any financial calculations as to what this could be, and accused City Attorney Michael Gates of lying.

Councilmember Strickland stated his understanding that City Attorney Michael Gates invited every Councilmember to his office to view any part of the agreement. City Attorney Gates responded that even before that, during the process when discussing the different iterations of the settlement, discussions included various claim losses.

Mayor Pro Tem Burns stated he does not recall seeing a list of damages in Closed Session, but he certainly remembers discussing the numbers.

Councilmember Moser asked why deal points were included in the Settlement. She described voting "No," stating her view that the settlement was "criminal," and noted she did not have access to any personal legal advice on this issue. She explained she did not see the actual signed Agreement in any Closed Session, and when she asked for a copy, she was told "No," but was invited to view it in City Attorney Gates's office. She also explained when she asked to see the Settlement Agreement in Closed Session, City Attorney Gates replied he would have to check with the Mayor, and she proceeded to quote certain information shared as to why the Mayor would have authority to determine what is shared in Closed Session. City Attorney Gates explained that he acts on requests of the Council majority, not individual Councilmembers, and described Councilmember Moser's request as "strange" after he had offered her the opportunity to view the document in his office.

Councilmember Moser referred to the line of questions and answers as unacceptable, and accused City Attorney Gates of lying about multiple things. City Attorney Gates responded by stating that the entire Settlement Agreement terms were presented to Councilmembers in Closed Session, it was voted on, but there were a couple of small items that remained to be determined by Pacific Airshow. He described this as common practice, added that Pacific Airshow agreed to everything approved by Council, and that the Agreement was signed about a week and a half after that Closed Session meeting.

Councilmember Moser explained that she asked to have a copy of the agreement because she didn't trust City Attorney Gates to not make changes, but added that she did see the agreement in his office and confirmed that no changes had been made.

Councilmember Strickland explained that he requested to take parts of this agreement (and others in the past) with him after Closed Session, and has been advised by City Attorney Gates that such action was not allowed, so in this case, he made an appointments with City Attorney Gates to review the Agreement in detail.

City Attorney Gates noted there has been so much angst and misinformation as people apparently pretend they do not understand how government works. He continued by explaining for the public record that any attorney, including the City Attorney, is just the messenger communicating back and forth between the two parties. He added that NONE of the terms originated from him, and all were literally a compilation coming from Pacific Airshow and/or Councilmembers.

At approximately 10:59 PM City Council voted and unanimously approved continuing business after the hour of 11:00 PM.

Councilmember Kalmick clarified that he personally was not scheduled, nor aware of, any meetings with Kevin Elliott or Code Four. He also stated that all through 2022 the then City Manager told Councilmembers that Pacific Airshow was not going to sue Huntington Beach. To the best of his knowledge, City Council never authorized any Councilmember to negotiate with Code Four, and he was under the impression that the City Attorney was doing the negotiations.

Councilmember Kalmick stated that on December 16, 2022, Councilmembers received a demand letter from Mr. Elliott's attorney and asked City Attorney Michael Gates if he could read from that since the attorney/client privilege was waived for this meeting. City Attorney Gates responded he intended the attorney/client privilege waiver was only related to his communication with his clients, and explained communication with different attorneys is a different matter.

Councilmember McKeon stated he would not support waiving any other attorney's client privilege.

Councilmember Kalmick stated his opinion that there was not very much difference between the initial settlement and final settlement. He added he is confused about the fact there were negotiators, and to him the larger question is the total value or cost of the Settlement Agreement.

Councilmember McKeon again noted a long-term contract would come back with an opportunity to obtain more beneficial terms for the City and theoretically the applicant could say "take it or leave it". Anything that is cost out now is premature and only hypothetical as there currently is no contract to consider.

Councilmember Kalmick stated his understanding is that Pacific Airshow has pulled an application for a specific event in 2024 and they are selling tickets. He stated he wants to understand what the City is on the hook for budget-wise. He agreed that the event generates a "non-zero" amount of direct revenue for the City through sales tax and the 10% hotel room increased taxes. He added there was also a Mastercard analysis reviewing sales tax the week before through the week after the Airshow to extrapolate spending in a more judicial manner, and this item is intended to understand this better and determine a total cost.

Councilmember Kalmick asked City Attorney Gates if an insurance claim was filed to get the settlement covered. City Attorney Gates responded that a claim was filed and added he would say no more. He stated a final determination has not been made yet because there is still an outstanding portion of the lawsuit. Councilmember Kalmick stated the Settlement Agreement was not actually a global settlement and the City still has potential risks to exposure from the other half of the case in that Kim Carr is being personally sued in this regard.

Councilmember Kalmick asked what an "economic firm" is, and Councilmember Strickland explained they review big events to provide an economic impact report and analyze everything, not just a part of the picture. Councilmember Kalmick stated he believes there is a good understanding of the "soft" benefits and he is trying to determine actual costs or potential budget costs to the City vs ancillary interesting economic benefits to the region.

Councilmember Strickland noted an economic firm does not see any information as being ancillary.

Councilmember McKeon stated that this original item will be appropriate when there is an actual long-term contract to negotiate and evaluate.

A motion was made by Kalmick, second Bolton to direct the City Manager to contract an independent third-party expert in financial auditing or accounting (not firms that prepare reports for marketing entities) to review the settlement agreement costs and value, City financials, and estimate the Airshow's net direct economic benefit to the City. This expert should present their findings within 60 days at a public City Council meeting, providing detailed assumptions, calculations, and source material for resident understanding.

A substitute motion was made by Strickland, second Van Der Mark to direct the City Manager to **hire an independent economic firm to analyze Pacific Airshow financials, different from the firm hired by VisitHB, to publish similar data.** ~~contract an independent third-party expert in financial auditing or accounting (not firms that prepare reports for marketing entities) to review the settlement agreement costs and value, City financials, and estimate the Airshow's net direct economic benefit to the City. This expert should present their findings within 60 days at a public City Council meeting, providing detailed assumptions, calculations, and source material for resident understanding.~~

The substitute motion carried by the following roll call vote:

AYES: Burns, Van Der Mark, Strickland, and McKeon
NOES: Moser, Bolton, and Kalmick

32. 24-549 Item Submitted by Council Member McKeon approved as amended – Taxpayer Transparency – Evaluation of City Tax-Sharing

Councilmember McKeon introduced his item and stated that the City works with big business all the time to establish long-term economically beneficial relationships, and he is requesting a staff report for the September 17, 2024, Council meeting. The types of questions he expects to be answered include:

1. What tax-sharing or incentives were provided to Amazon for locating its warehouse in north Huntington Beach. Additionally, how much is/was the "sharing" or City tax/revenues foregone by the City (i.e., the difference between what the City would have received in the aggregate over the years at the regular rate of tax, minus what the City actually has received in the aggregate over the years at a discounted rate of tax) as a result of these incentives.
2. What was the total amount of foregone rent revenue as a result of the City Council's March 31, 2020, action implementing rent abatement for tenants at various City-owned facilities related to COVID relief and identify when the Covid-19 relief period ended.
3. What tax-sharing or incentives have taken place due to the agreement(s) with the Car Dealerships for locating/improving car dealerships in Huntington Beach, including the details as listed above under 1.
4. How much property tax per year will the City forego through the Breakwater and Elan property purchases. Further, how much foregone property tax will be owed to Local Government and Education Agencies, i.e. the County of Orange, Coast Community College District, Municipal Water District of Orange County etc., upon conveyance of the properties.
5. Any other example of cost sharing, tax sharing, or other type of financial concession to a private entity in the last five years.

Councilmember McKeon stated these arrangements are beneficial to both parties, are a common city practice, and noted it is only fair to showcase all such arrangements throughout Huntington Beach.

Councilmember Moser expressed her concern that the Finance Director position will be vacant and this request will put undue pressure on staff members.

Councilmember McKeon replied he believes the City Manager and staff are capable of meeting the directive.

Interim City Manager Parra stated the Finance Director position could possibly be filled in a couple of weeks or maybe a month.

Councilmember Moser stated she expects the Pacific Airshow Event to be included in this report. She added she looks forward to the report and expects the report will be all inclusive to look at the endgame especially as related to the Breakwater and Elan property purchases. Councilmember Moser noted that events are different from other types of business, and she asked that the report include all City events such as the US Open of Surfing.

Councilmember Kalmick stated he would like to ensure the analysis of COVID-19 relief includes Federal funding that was received. In light of Finance Department vacancies, he also shared his concern that the requested directive can be met by the stated date without overburdening staff.

Councilmember Strickland suggested that the report date be left in the hands of the City Manager and he can notify Councilmembers if the September 17 deadline cannot feasibly be met.

Councilmember Bolton requested that the net impact of all of these considerations be provided.

A motion was made by McKeon, second Strickland to direct the City Manager and Finance Director to report back to Council at the September 17, 2024, City Council Meeting (***or soon thereafter at the City Manager's discretion***) with a written report and oral presentation with the answer to all of the aforementioned questions, ***as amended***.

The motion as amended carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, Strickland, McKeon, and Kalmick
NOES: None

ADJOURNMENT — at 11:21 PM a motion was made by Strickland 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, September 3, 2024, in the Civic Center Council Chambers, 2000 Main Street, Huntington Beach, California.

The Huntington Beach City Council/Public Financing Authority regular meeting of August 20, 2024, has been cancelled.

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