

Minutes

City Council/Public Financing Authority City of Huntington Beach

Monday, May 7, 2018
4:00 PM - Council Chambers
6:00 PM - Council Chambers
Civic Center, 2000 Main Street
Huntington Beach, California 92648

A video recording of the 4:00 PM and 6:00 PM portions of this meeting
is on file in the Office of the City Clerk, and archived at
www.surfcity-hb.org/government/agendas/

4:00 PM - COUNCIL CHAMBERS

CALL TO ORDER — 4:00 PM

ROLL CALL

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

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

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

Study Session:

- Item No. 1 - PowerPoint communication entitled *FY 2016/17 Financial Results: Audit and Year End Overview*.
- Item No. 2 - PowerPoint communication entitled *Strategic Plan Update: Budget Balancing Options*.

PUBLIC COMMENTS PERTAINING TO STUDY SESSION / CLOSED SESSION ITEMS

(3 Minute Time Limit) — None

STUDY SESSION

1. **Presentation from the Finance Department regarding the Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended September 30, 2017**

City Manager Fred Wilson introduced Finance Manager Dahle Bulosan and Auditor Jennifer Farr, Davis Farr LLP, who presented a PowerPoint communication entitled *FY 2016/17 Financial Results: Audit and Year End Overview*, with the following slides: *FY 2016/17 Audit Results, Audit Results, Internal Controls, Areas of Audit Focus in FY 16/17, Upcoming Audit, FY 2016/17 Performance (Audited), and General Fund FY 2016/17 Revenue/Expenditures and Questions?*

Mayor Posey thanked Lori Ann Farrell, Assistant City Manager and former CFO for laying the groundwork for this excellent report, and discussed GASB 75 details with Manager Bulosan.

2. City Manager Fred Wilson called on Assistant City Manager Lori Ann Farrell Harrison to provide a discussion and presentation of Budget Balancing Options

City Manager Fred Wilson introduced Assistant City Manager Lori Ann Farrell who, with Finance Department staff, presented a PowerPoint communication entitled *Strategic Plan Update: Budget Balancing Options* which included the following slides: *Overview, A Decade of Fiscal Challenges 2008-2018, Ongoing Operating and Capital Needs, Rising Pension Costs - Leagues of CA Cities Report, Budget Balancing - Revenue Options, Successful Ballot Measures, Results of 2016 Election - CA Cities, Successful Ballot Measures in CA Cities - 2016, Type of Revenue - Transient Occupancy Tax (TOT), Type of Revenue - Sales Tax (General), Type of Revenue - Special Sales Tax - Public Safety, Examples of Use of 1/4 Cent Measure Proceeds - \$6.2M, Opportunities to Increase Cost Recovery, Type of Revenue - Citywide Fees & Charges, Citywide Fees & Charges Scenarios, Type of Revenue - Parking Citations, Parking Citations Scenarios, Leveraging City Assets, Type of Revenue - Commercial Refuse Franchise Fee, Type of Revenue - Dark Fiber Leasing Fee, Type of Revenue - PCTA Cable Franchise Fees/PEG, Shared Services Agreements, Other Revenue Strategies/Cost Benefit Analyses, Revenue Opportunities and Challenges, Expenditure Reductions, Budget Balancing - Expenditure Reductions, Across-the-Board Cuts, Employee Cost Sharing, 5 Year Financial Plan Strategy, 5 Year Financial Plan Estimates General Fund, Summary, and 5 Year Financial Plan Strategy - Next Steps.*

Councilmember Hardy and staff discussed the difference between a Regular Sales Tax and the usually restricted Special Sales Tax which would be separate from the General Fund. Councilmember Hardy asked whether the City should poll constituents to consider a possible sales tax increase soon, rather than waiting until it may require a special election. She also raised questions regarding how an increased Transient Occupancy Tax (TOT) could ultimately impact revenue if Huntington Beach has a rate higher than the immediate surrounding cities.

Councilmember Delgleize and Manager Farrell discussed options such as an increase in fees, to raise revenue, rather than just considering increased taxes.

Councilmember Brenden and Manager Farrell discussed Transient Occupancy Tax and related supplemental taxes, and Councilmember Brenden suggested that Huntington Beach should be looking at the rates charged in the other Coastal communities rather than looking at Anaheim or Garden Grove numbers. Manager Farrell and City Clerk Estanislau discussed timelines and processes for a ballot measure in response to Councilmember Brenden's inquiry.

Councilmember Brenden confirmed with Director Farrell that the percent increases used in the presentation were just examples to demonstrate how much a 1% increase could generate, but the actual percentage increase would be determined by Council. Assistant to the City Manager Antonia Graham and Councilmember Brenden discussed Dark Fiber. Councilmember Brenden asked if parking meter rates can be adjusted based on demand, and suggested that Short Term Rentals and the cannabis market also be considered as potential sources of increased revenue.

City Manager Wilson stated that staff is looking for direction from Council at this time as to which of the options presented should be pursued in greater detail.

Mayor Pro Tem Peterson suggested that as a good start, staff work with the Finance Commission for drilling down, helping to determine realistic options, and reporting back well before September. He further suggested that each Department needs to determine if increased costs are from staff, processes, or equipment needs, and to look at outsourcing as a possible means to reduce pension and long-term liability expenses.

Councilmember Semeta stated that she does not support increasing sales tax and suggested that Program Based Budgeting, department/agency efficiencies as well as cost sharing with other cities all be considered in determining options.

Mayor Posey shared some thoughts about the Unfunded Mandates, especially related to AB109 and Propositions 47 & 57, and stated that he and Mayor Pro Tem Peterson would have additional information to present at a future date.

RECESSED TO CLOSED SESSION — 4:51 PM

A motion was made by Brenden, second Hardy to recess into Closed Session for Items 3 – 5.

With no objections, the motion carried.

Mayor Posey Announced: Pursuant to Government Code § 54957.6, the City Council takes this opportunity to publicly introduce and identify designated labor negotiator, City Manager Fred Wilson, who will be participating in today's Closed Session discussions regarding labor negotiations with: Management Employees' Organization (MEO), and Surf City Lifeguard Employees' Association (SCLEA).

CLOSED SESSION

3. Pursuant to Government Code §54956.9(d)(2) the City Council recessed into Closed Session to confer with the City Attorney regarding potential litigation. Number of cases, one (1).
4. Pursuant to Government Code § 54956.9(d)(1), the City Council recessed into Closed Session to confer with the City Attorney regarding the following lawsuit: The Kennedy Commission, et al. v. City of Huntington Beach, Orange County Superior Court Case No. 30-2015-00801675.
5. Pursuant to Government Code § 54957.6, the City Council recessed into Closed Session to meet with its designated labor negotiators and Fred Wilson, City Manager regarding the following: Management Employees' Organization (MEO) and Surf City Lifeguard Employees' Association (SCLEA).

6:00 PM – COUNCIL CHAMBERS

RECONVENED CITY COUNCIL/PUBLIC FINANCING AUTHORITY MEETING — 6:16 PM

ROLL CALL

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

Absent: None

PLEDGE OF ALLEGIANCE - Led by Mayor Pro Tem Peterson

INVOCATION – Given by Bishop Rob Clark of the Church of Jesus Christ of Latter-day Saints and Greater HB Interfaith Council

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

Councilmember Delgleize, on behalf of the City Council, expressed condolences and shared some thoughts in response to the recent deaths of Father Christian Mondor, and Ross Nash who was also known as the Huntington Beach Pier Greeter.

CLOSED SESSION REPORT BY CITY ATTORNEY — None

AWARDS AND PRESENTATIONS

Mayor Posey called on City Clerk Robin Estanislau to present a proclamation recognizing the International Institute of Municipal Clerks celebration of Municipal Clerks Week, May 6-12, 2018.

City Clerk Estanislau introduced the members of her staff and thanked Council for acknowledging Municipal Clerks Week.

Mayor Posey called on HBPD Chief Rob Handy and MADD representative Tiffany Ranney to recognize HBPD officers for their efforts to reduce drunk/impaired driving. Four officers made a combined total of 273 arrests in just one year. The top producer in the entire county for DUI arrests was Officer Tai Huynh with 155 arrests. Officer Huynh tied with an officer from the Orange Police Department for the Top DUI Arresting Officer. Officer Doug Demetre made 137 DUI arrests and received the "Century" award for 2017. Officers Roman Altenbach and Grant Hasselbach made 42 and 39 arrests between them, and earned the "Deuce" award. MADD awards were presented by Ms. Ranney, as well as certificates from Senator Josh Newman of District 29.

Mayor Posey presented commendation to Rainbow/Republic Services driver Toribio Gonzalez for receiving the national "Driver of the Year" award. Mr. Jeff Snow, Sr. Municipal Services Manager for Republic Services, Inc., introduced Mr. Gonzalez and his family, and announced that in 32 years of service, Mr. Gonzalez has perfect attendance and safety records.

Mayor Posey presented commendations for National Economic Development Week to Representative Dave Garofalo of Car Dealers Association, Barbara Mason of Boeing, Kelly Miller of Visit Huntington Beach, Dr. David Gateway of Goldenwest College, James O'Callahan of the Chamber of Commerce, and the City's Deputy Director of Economic Development Kellee Fritzal.

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:

Councilmember Items:

Item Nos. 15 and 16 - email communication received from Bill Larkin

PUBLIC COMMENTS (3 Minute Time Limit) — 34 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>.

Michael Hoskinson, a former member of the Huntington Beach Planning Commission, was called to speak and voiced his support for the recent Finance Commission Council appointment of Gracey Larrea Van Der Mark, and asked the Council, as the highest elected City officials, to help raise the standard for public discourse in Huntington Beach. (01:47:43)

Maureen was called to speak and shared recent experiences with homeless people in Huntington Beach and asked that something be done before the situation gets totally out of hand. (01:50:02)

Mary Barons, Equestrian Center Owner/Operator, was called to speak and introduced Carole Harris and Justine Makoff of Free Rein Foundation, to announce an opportunity on Saturday, May 12, 1-3 p.m., for the public to tour the Equestrian Center and learn about horse related opportunities available for underserved youth. (01:53:21)

Norm Westwell was called to speak and voiced his support for the recent Finance Commission Council appointment of Gracey Larrea Van Der Mark. (01:56:25)

Mike Van Voorhis, Sunset Beach Community Association President, was called to speak and announced the 51st Annual Art Festival, May 12 and 13, 9 a.m. - 5 p.m., on the greenbelt near 12th Street and Pacific Coast Highway. All funds raised are donated to art programs at local schools and charities. (01:59:39)

Darlene Savord was called to speak and stated her support for the recent Finance Commission Council appointment of Gracey Larrea Van Der Mark. (02:02:57)

Domnic McGee, long-time resident of Huntington Beach, was called to speak and stated his support for the recent Finance Commission Council appointment of Gracey Larrea Van Der Mark. (02:06:23)

Amory Hansen, Candidate for City Council in 2018, was called to speak and pointed out a name misspelled in the draft minutes dated April 2, 2018, Consent Calendar Item No. 6, and also voiced concerns that the same record did document the removal of a public speaker from Council Chambers. (02:09:45)

Desire' Campusano was called to speak and stated her opposition to City Attorney's Report, Item No. 3, regarding the lawsuit challenging SB 54, the State's recently enacted Sanctuary State law. (02:12:56)

Adam Rosas was called to speak and stated his support for the recent Finance Commission Council appointment of Gracey Larrea Van Der Mark. (02:15:05)

Teresa Carlisle, Huntington Beach Art Center Steering Committee Chair, was called to speak and invited everyone to the Art for Lunch event on May 17th where desert will be provided but attendees bring their own lunch. (02:19:11)

Allison Carlock, a resident of Huntington Beach, was called to speak and stated her opposition to City Attorney's Report, Item No. 3, regarding the lawsuit challenging SB 54, the State's recently enacted Sanctuary State law. (02:20:44)

Kathryn Levassiur, 19-year resident of Huntington Beach, was called to speak and asked the City Council to move forward in addressing the issue of Short Term Vacation Rentals, and stated her support for permitted and regulated Short Term Rentals in Huntington Beach. (02:22:49)

Rickie Hulse, a Huntington Beach property owner since 1988, was called to speak and stated her support for the recent Finance Commission Council appointment of Gracey Larrea Van Der Mark. (02:24:48)

Shannon Slater was called to speak and stated her support for the recent Finance Commission Council appointment of Gracey Larrea Van Der Mark. (02:27:14)

Zoraya Perez was called to speak and stated her support for the recent Finance Commission Council appointment of Gracey Larrea Van Der Mark. (02:29:30)

Breannia Lalama was called to speak and stated her support for the recent Finance Commission Council appointment of Gracey Larrea Van Der Mark. (02:30:47)

DD Dominquez was called to speak and stated her support for the recent Finance Commission Council appointment of Gracey Larrea Van Der Mark. (02:33:09)

Kim Sorgente, a Huntington Beach homeowner, was called to speak and stated his support for the recent Finance Commission Council appointment of Gracey Larrea Van Der Mark. (02:35:56)

Beverly Welch was called to speak and stated her support for the lawsuit challenging SB 54, the State's recently enacted Sanctuary State law, and the recent Finance Commission Council appointment of Gracey Larrea Van Der Mark. (02:39:53)

John Earl, a resident of Huntington Beach, was called to speak and stated his opposition to the recent Finance Commission Council appointment of Gracey Larrea Van Der Mark. (02:43:46)

Dura Young was called to speak and stated her support for the recent Finance Commission Council appointment of Gracey Larrea Van Der Mark. (02:46:52)

Fred MacIntosh was called to speak and stated his support for the recent Finance Commission Council appointment of Gracey Larrea Van Der Mark. (02:49:22)

Dean Silva was called to speak and stated his support for the recent Finance Commission Council appointment of Gracey Larrea Van Der Mark. (02:50:31)

Lisa Collins was called to speak and stated her support for the recent Finance Commission Council appointment of Gracey Larrea Van Der Mark. (02:53:16)

Jesse Suave was called to speak and stated his support for the lawsuit challenging SB 54, the State's recently enacted Sanctuary State law, and the recent Finance Commission Council appointment of Gracey Larrea Van Der Mark. (02:55:48)

Karen Coyne, Huntington Beach Huddle Environment Team Member, was called to speak and asked the Council to put the HB Huddle supplied climate change resolution on an upcoming agenda. (02:57:21)

Pam Kamps, Huntington Beach Huddle Member, was called to speak and asked the Council to put the HB Huddle supplied climate change resolution on an upcoming agenda. (03:00:27)

Genevieve Peters was called to speak and stated her support for the recent Finance Commission Council appointment of Gracey Larrea Van Der Mark. (03:03:26)

Joseph Chan was called to speak and stated his support for the lawsuit challenging SB 54, the State's recently enacted Sanctuary State law, and the recent Finance Commission Council appointment of Gracey Larrea Van Der Mark. (03:06:56)

Catherine Johnson was called to speak and stated her support for the recent Finance Commission Council appointment of Gracey Larrea Van Der Mark. (03:10:19)

Valentina Bankhead, resident of Orange, was called to speak and stated her support for the recent Finance Commission Council appointment of Gracey Larrea Van Der Mark. (03:13:20)

Nilofar Abawi, a 30-year resident of Huntington Beach, was called to speak and stated her support for the recent Finance Commission Council appointment of Gracey Larrea Van Der Mark. (03:16:19)

Gracey Larrea Van Der Mark, a resident of Huntington Beach for over 18 years and recent Finance Commission appointee, was called to speak and described her efforts to become informed and educated, her support for dialogue based on facts and truth, and thanked Councilmember Brenden for appointing her to a position of service. (03:18:17)

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

Councilmember O'Connell reported attending a Housing Community Development Commission meeting, the Association of California Cities - Orange County (ACC-OC) Golden Hub Award event, a Changing of Command event in San Diego, and he gave a shout-out for the Huntington Beach Police Department staff who will be participating in this week's Police Unity Tour.

Councilmember Semeta reported attending the Assistance League "Treasures by the Sea" fundraising event, and the OC Tourism Conference.

Mayor Pro Tem Peterson reported attending a meeting of the California Senate Natural Resources Water Committee in Sacramento to support SB 1299 on behalf of Huntington Beach, regarding local control of our Harbour and Midway channels.

Councilmember Delgleize reported attending a Metropolitan Water District Policy Forum, a Huntington Beach Tomorrow annual meeting, participating in Youth Board interviews, attending the 7th Annual Golden Hub Awards event, the Assistance League "Treasures by the Sea" fundraiser, and the OC Tourism Conference.

Councilmember Brenden reported making a business visit to VIRUS, a business that manufactures and sells specialty fitness clothing, attending the Public Cable Television Authority (PCTA) Board meeting, a meeting of the Allied Arts Board, conducting an Air Traffic Noise Working Group meeting, meeting with Matt Peterson, Downtown Business Improvement District (BID) President, making a business visit to Modus which provides fleet tracking software, and attending the 10th Annual Orange County Visitor Association (OCVA) Tourism Conference.

Mayor Posey reported attending a meeting of the Orange County Parks Commission, co-chairing the West Orange County Water Board meeting with Councilmember Semeta, and the Mayor's Town Hall Meeting on the Local and Regional Impacts of Statewide Decreased Incarceration Rates.

Councilmember O'Connell announced he would be leaving the meeting early due to an impending flight. At 8:14 PM, he exited the Council Chambers.

CITY MANAGER'S REPORT

1. City Manager Fred Wilson called on Police Chief Robert Handy to provide a Police Department Update

Chief Handy provided a status update on implementation of many of the third party review recommendations issued by Management Partners consultants in March 2018.

CITY TREASURER'S REPORT

2. Received and filed the City Treasurer's March 2018 Quarterly Investment Summary Report

City Treasurer Alisa Cutchen presented a PowerPoint communication titled *Quarterly Treasurer's Report for the Quarter ended March 31, 2018*, which included slides entitled *Economic and Market Overview - At 3/31/18*, *Interest Rates - Rising 2-Year Treasury*, *Portfolio Summary As of 3/31/18*, *Investments by Type as of March 31, 2018*, *Monthly Portfolio Earnings - April 2017 to March 2018*, *Recent Changes affecting Investment Portfolio*, *Portfolio Earnings - as of March 31, 2018*, and *Compliance*.

Councilmember Delgleize and Treasurer Cutchen discussed the current portfolio shows the highest increase in rates for recent years.

A motion was made by Brenden, second Delgleize to receive and file the City Treasurer's Quarterly Investment Report for March 2018, pursuant to Section 17.0 of the Investment Policy of the City of Huntington Beach.

The motion carried by the following vote:

| | |
|---------------------|---|
| AYES: | Semeta, Peterson, Posey, Delgleize, and Brenden |
| NOES: | None |
| ABSENT/OUT OF ROOM: | O'Connell-Absent; Hardy-Out of Room |

CITY ATTORNEY'S REPORT

City Attorney Michael Gates provided a report on the following lawsuits:

3. **City of Huntington Beach filed a lawsuit on April 4, 2018, against The State of California, Edmund Gerald Brown, Jr., Governor of California, and Xavier Becerra, Attorney General of California challenging SB 54, the State's recently enacted Sanctuary State law. The City's lawsuit was filed in the Orange County Superior Court Case No. 30-2018-00984280 and assigned to Judge James L. Crandall, Dept. C33.**
4. **City of Huntington Beach filed a lawsuit on April 24, 2018 against Daniel Horgan to enjoin him from proceeding with his Petition to place a Measure on this November's ballot to Ban Guns in the City of Huntington Beach. The City's lawsuit was filed in the Orange County Superior Court Case No. 30-2018-00988343 and assigned to Judge Robert Moss, in Dept. C14.**
5. **City of Huntington Beach and Successor Agency filed a lawsuit on April 25, 2018 against the Edmund G. Brown, Jr., Michael Cohen, Director of the California Department of Finance, Justyn Howard, Program Budget Manager of the Department of Finance of The State of California, Department of Finance of The State Of California; and Eric H. Woolery, Auditor-Controller of The County of Orange. This lawsuit was authorized by City Council months ago, but this filing is taking place now after the requisite time for the government claim to be submitted and evaluated by the State of California. The lawsuit challenges the State's withholding, and seeks recovery, of approximately \$75,000,000 in redevelopment reimbursements that are owed to the City by the State of California.**

CONSENT CALENDAR

Mayor Posey acknowledged Speaker Hanson's report of a typographic error made in the draft minute document dated April 2, 2018, and asked the City Attorney for an opinion on the appropriateness of documenting an escort from the Council Chambers. City Attorney Michael Gates confirmed that there is no need to report in the Minutes of the same date that a public speaker was escorted out of the Council Chambers because there was no formal admonishment of that speaker.

6. Approved and adopted minutes

A motion was made by Delgleize, second Peterson to approve and adopt the City Council/Public Financing Authority regular meeting minutes dated April 2, 2017, **as amended to correct misspelled name**, and the City Council/Public Financing Authority regular meeting minutes dated April 16, 2017, as written and on file in the Office of the City Clerk.

The motion carried by the following vote:

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

7. **Adopted Resolution No. 2018-28 approving City Authorized Agents to apply for and obtain Financial Assistance for Disaster and Emergency Relief**

A motion was made by Delgleize, second Peterson to adopt Resolution 2018-28, "A Resolution of the City Council of the City of Huntington Beach Authorizing Certain City Officials to Execute Grant Applications and Documents" to obtain disaster and emergency relief.

The motion carried by the following vote:

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

8. Awarded and authorized execution of a construction contract in the amount of \$1,772,634 to R.J. Noble Company for the Residential Overlay of Maintenance Zone 1, CC-1567; and, authorized appropriation of funds

A motion was made by Delgleize, second Peterson to accept the lowest responsive and responsible bid submitted by R.J. Noble Company in the amount of \$1,772,634; and, appropriate \$20,000 from the Water Fund to business unit 50685201.82100; and, appropriate \$50,000 from the Sewer Fund to business unit 51185101.82600; and, appropriate \$500,000 from the Infrastructure Fund to business unit 31440001.82000; and, authorize the Mayor and City Clerk to execute a construction contract in a form approved by the City Attorney.

The motion carried by the following vote:

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

9. Approved and authorized execution of agreements with Best Towing, LLC, and Mandic Motors, Inc., for Police Directed Services; and, adopted Resolution No. 2018-21 revising the fees for Towing Services and Garage Impounds

A motion was made by Delgleize, second Peterson to approve and authorize execution by the Mayor and City Clerk of the "Agreement Between the City of Huntington Beach and Best Towing, LLC, for Police Directed Towing and Storage Services;" and, approve and authorize execution by the Mayor and City Clerk of the "Agreement Between the City of Huntington Beach and Mandic Motors, Inc., for Police Directed Towing and Storage Services;" and, adopt Resolution No. 2018-21, "A Resolution of the City Council of the City of Huntington Beach Revising the Fees for Towing Services and Garage Impounds" effective April 1, 2018.

The motion carried by the following vote:

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

10. Approved and authorized execution of Amendment No. 1 to an agreement with GRC and Associates, Inc. for consulting services for the Housing Rehabilitation Loan Program in the amount of \$85,000 for a total contract amount not to exceed \$175,000 and extending the contract term through February 5, 2020

A motion was made by Delgleize, second Peterson to approve and authorize the City Manager to execute "Amendment No. 1 to Professional Services Contract between the City of Huntington Beach and GRC Associates, Inc. for Administration of the Housing Rehabilitation Loan Program" in the amount of \$85,000 and extending the contract term through February 5, 2020.

The motion carried by the following vote:

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

11. Approved and authorized execution of a 3-year Professional Services Contract with Townsend Public Affairs, Inc. for State Advocacy Services in an amount not to exceed \$195,000

A motion was made by Delgleize, second Peterson to approve and authorize the Mayor and City Clerk to execute the "Professional Services Contract between the City of Huntington Beach and Townsend Public Affairs for State Advocacy Services" in an amount not to exceed \$195,000.

The motion carried by the following vote:

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

PUBLIC HEARING

12. Approved the 2018-19 Annual Action Plan for Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Programs; and, authorized the City Manager to sign the Application for Federal Assistance Funds

City Manager Fred Wilson introduced Deputy Director of Economic Development Kellee Fritzal who presented a PowerPoint communication entitled *Public Hearing to Approve 2018-2019 Annual Action Plan for HUD Funding*, with slides entitled *2018-19 Anticipated CDBG Allocations, CDBG Allocation Process, 2018-19 CPAB Recommendations for Community Development Block Grant Funding, Public Services: 15% Cap (3), Admin, Housing & Code Enf., Public Improvements, and Next Steps*. Deputy Director Fritzal stated that since the HUD final grant allocation had just been received, and was incorporated into this report, Recommended Action B) to direct the Economic Development Committee (EDC) to make final determination if the 2018-19 CDBG and HOME Programs HUD grant allocation should increase or decrease from the anticipated grant allocation, was no longer applicable.

Mayor Posey opened the Public Hearing.

City Clerk Robin Estanislau announced receipt of Supplemental Communications to the City Council (received after distribution of the Agenda Packet) for this item: A memo and PowerPoint communication received from Kellee Fritzal, Deputy Director of Business Development, and indicated that no one had signed up to speak on the item.

With no one present to speak, Mayor Posey closed the Public Hearing.

A motion was made by Delgleize, second Hardy to approve the 2018-19 Annual Action Plan for Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Program funds; and, authorize the City Manager to sign any and all applications and necessary documents for Federal assistance under the CDBG and HOME programs after review by the City Attorney.

The motion carried by the following vote:

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

13. Approved for Introduction Ordinance No. 4156 approving Zoning Text Amendment (ZTA) No. 18-001 amending Section 213.06 of the Huntington Beach Zoning and Subdivision Ordinance (HBZSO) (Ancillary Alcohol Sales in OS-PR Zoning District)

City Manager Fred Wilson introduced Assistant Planner Nicolle Bourgeois who presented a verbal communication describing details of the proposed Ordinance.

Councilmember Hardy and staff discussed that since the City owns Central Park, the Conditional Use Permit would not necessarily be extended to a new Leasee.

Mayor Posey opened the Public Hearing.

City Clerk Robin Estanislau announced receipt of Supplemental Communications to the City Council (received after distribution of the Agenda Packet) for this item:

Email communication received from Richardson Gray, and a PowerPoint communication entitled *Zoning Text Amendment No. 2018-001: Ancillary Alcohol Sales in OS-PR Zone*.

Public Hearing Speakers — 2

Richardson Gray, Downtown homeowner for over 11 years, was called to speak and stated his support for proposed Ordinance No. 4156 because it limits alcohol sales to only Central Park and golf courses. He further stated he is opposed to any alcohol sales in any other parks or beaches. (03:53:05)

Amory Hanson, Candidate for City Council in 2018, was called to speak and stated his opposition to proposed Ordinance No. 4156, because in his opinion it is not appropriate for any City, State or the Federal government to sell alcohol on its property. Also, he feels this Ordinance may open the door to allow alcohol sales at other City parks. (03:53:32)

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

Councilmember Delgleize thanked Councilmember Brenden for bringing this item forward and stated her support for proposed Ordinance No. 4156 because it specifies only restaurants with full table service.

Mayor Pro Tem Peterson confirmed with staff that the Leasee actually gets the liquor license and the liquor license can usually be transferred to a new business.

Councilmember Semeta discussed with staff how "full table service" is defined (service provided by a server at a sit-down table), and asked whether it needs to be defined within the Ordinance. Chief Assistant City Attorney Mike Vigliotta stated that since the property is owned by the City this should not be a major concern.

Councilmember Hardy, Police Chief Handy and staff discussed that if one of the restaurants were to be sold with the alcohol license, as landowner the City Council would still review the new lease with a new owner, and the CUP would be reviewed by the Zoning Administrator. (03:56:25)

A motion was made by Delgleize, second Brenden to find the proposed project exempt from the California Environmental Quality Act (CEQA) pursuant to City Council Resolution No. 4501, Class 20, which supplements the California Environmental Quality Act (Attachment No.1); and, approve Zoning Text Amendment No. 18-001 with findings by after the City Clerk reads by title, approving for introduction Ordinance No. 4156, "An Ordinance of the City Council of the City of Huntington Beach Amending Chapter 213 of the Huntington Beach Zoning and Subdivision Ordinance Titled OS Open Space District (Zoning Text Amendment No. 18-001."

The motion carried by the following vote:

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

ADMINISTRATIVE ITEMS

14. Approved Tentative Agreement and introduction of proposed Memorandum of Understanding (MOU) between the Surf City Lifeguard Employees' Association (SCLEA) and the City of Huntington Beach for January 1, 2018 through June 30, 2019

City Manager Fred Wilson reported that the City and the Surf City Lifeguard Employees' Association (SCLEA) have reached a tentative agreement, and introduced Human Resources Director Michele Warren who presented a PowerPoint communication with slides entitled *Bargaining Unit Information*, *SCLEA Wage and Market Data*, and *Tentative Agreement*.

A motion was made by Delgleize, second Semeta to approve the Tentative Agreement and the introduction of the proposed Memorandum of Understanding between the Surf City Lifeguard Employees' Association and the City of Huntington Beach for the period January 1, 2018, through June 30, 2019.

The motion carried by the following vote:

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

COUNCILMEMBER ITEMS

15. Approved Item Submitted by Mayor Pro Tem Peterson and Councilmember Semeta - Creation of a Harbour Commission

Mayor Pro Tem Peterson introduced the item by providing background and describing some of the activities that a Harbour Commission could be responsible for, including assessing needs and helping to develop a master plan. He further stated that the harbour is an asset that sometimes gets neglected and in his opinion, a Harbor Commission would provide a team of advocates.

Councilmember Semeta stated her opinion that having one City advisory body for harbour issues makes a lot of sense because there are County and State agencies also involved with issues such as water quality, dredging, safety, and funding.

Mayor Posey stated his support for this item, especially in light of proposed SB 1299 which will convey to the City of Huntington Beach control of the main channel including defining the City's goals for Huntington Harbour.

A motion was made by Semeta, second Peterson to direct staff, including the City Attorney, to review best practices for the operation of a Harbour Commission, including the make-up of Commission membership, authority of the Commission, and proposed amendments to the Municipal Code, for the creation and operation of a Harbour Commission; and, create an ad hoc committee, to include two Council Members as liaisons, to work with staff and return to Council within 90 days with a proposal covering items as listed above.

The motion carried by the following vote:

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

16. ~~Withdrawn from Consideration Item submitted by Councilmember Brenden — Move City Council Meetings from Monday to Tuesday~~

Councilmember Brenden explained several reasons for bringing this topic forward.

Mayor Pro Tem Peterson stated his opinion that this change is not needed and he will not support the request.

Councilmember Hardy stated some personal opinions as to why she does not support this item.

Mayor Posey stated his reasons for opposing this item.

Councilmember Semeta stated that she has personal reasons for supporting the item, however she will defer to the Councilmembers who oppose it.

Councilmember Brenden stated that his original intention was to provide what might be a better option for Council meetings, but he withdrew the item as a result of hearing the reasons for not changing the meeting night.

COUNCILMEMBER COMMENTS (Not Agendized)

Councilmember Semeta reported attending the Library Volunteer Appreciation Event, "We Would Be Shipwrecked without You" to acknowledge the 59,000 hours, equivalent to 28 full-time employees, that more than 130 library volunteers provide, and a meeting where Congressman Rohrabacher discussed sober living home issues with residents.

Mayor Pro Tem Peterson reported also attending the meeting with Congressman Rohrabacher and explained the plan is that Federal legislation will be forthcoming to support local concerns.

Councilmember Delgleize reported that on Tuesday, May 15, the next 9-week Citizen's Academy starts and she encouraged anyone interested to sign up as soon as possible.

Councilmember Hardy reported attending the unveiling of the gorgeous new mural at Huntington Beach High School auditorium, and encouraged everyone to check it out the next time they attend a performance there.

Councilmember Brenden reported attending the OCTax members luncheon, the Huntington Beach Union High School District reception, meeting with the Principal Robinson of Ocean View High School, the Association of California Cities - Orange County (ACC-OC) Short-Term Rental Roundtable, meeting with representatives from the Newport Beach-based citizens group regarding their settlement agreement with John Wayne Airport, 1st Ever Adult Spelling Bee by HB Kiwanis, HB Tomorrow Annual Meeting where City Attorney Gates and Councilmember Brenden were speakers and Councilmembers Delgleize and O'Connell assisted with answering audience questions. He also reported attending the HB Chamber of Commerce Legislative Affairs meeting, County of Orange Office of Care Coordination for a Continuum of Care Committee meeting, ACC-OC Legislative and Government Affairs Committee meeting, meeting with Dr. Michael Simons, Board of Trustees of the Huntington Beach Union High School District, Surf City Young Life fundraiser to help middle and high school students, as well as special needs youth, Huntington Beach Interfaith Council 2018 National Day of Prayer where 2017 Peacemaker Awards were presented to Ralph Bauer and Janine Johnson. He concluded his comments by reporting his attendance at the American Red Cross Orange County Heroes luncheon, the Grand Opening of the Student Services building at Goldenwest College, meeting with Assistant Superintendent Crosby of the Huntington Beach Union High School District, the Assistance League "Treasures by the Sea" luncheon, and the HB Art Center new exhibit Color Vision reception. Councilmember Brenden thanked Councilmember Delgleize for her comments at the beginning of the meeting to honor the passing of Father Christian Mondor, and Unofficial City Greeter Ross Nash.

Councilmember Semeta expressed condolences to family and friends of Ross Nash, and stated she also attended the HB Chamber of Commerce Legislative Affairs meeting which covered issues related to the 405 Fwy widening project.

Mayor Posey reported meeting with Huntington Beach High School journalism students and reporters from De Volkskrant, a Dutch newspaper, for interviews on the Sanctuary City lawsuit, attended the ribbon cutting at 2018 Taste of Huntington Beach with Special Guest/Celebrity Chef Bruno Serato, making a local business visit with Councilmember Brenden and Director of Economic Development Kellee Fritzel to Motus, attending the ACC-OC 7th Annual Golden Hub of Innovation Awards event where Huntington Beach had been nominated for a Public/Private Partnership award for the 9th Street Park which was partially funded by both Rotary and Kiwanis, visiting the ADP Volleyball competition, and the very successful Cars and Copters on the Coast event from which he shared a brief video.

ADJOURNMENT at 9:33 PM in memory of Father Christian Mondor and Town Greeter Ross Nash to the next regularly scheduled meeting of the Huntington Beach City Council/Public Financing Authority on Monday, May 21, 2018, at 4:00 PM in the Civic Center Council Chambers, 2000 Main Street, Huntington Beach, California.

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