

Minutes

City Council/Public Financing Authority City of Huntington Beach

Tuesday, February 19, 2019
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 — 4:02 PM

ROLL CALL

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

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

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

Study Session

Item No. 1. (19-124)

A PowerPoint communication received from Chief Financial Officer, Gilbert A. Garcia, entitled *FY 2018-19 Mid-Year Budget Update*

PUBLIC COMMENTS PERTAINING TO STUDY SESSION / CLOSED SESSION ITEMS

(3 Minute Time Limit) — None

STUDY SESSION

1. 19-124 Comprehensive Annual Financial Report (CAFR) / Mid-Year Budget Update

City Manager Wilson introduced Chief Financial Officer (CFO) Gilbert Garcia, who also introduced Jennifer Farr of Davis Farr Certified Public Accountants, and Finance Manager Dahle Bulosan to jointly present a PowerPoint communication entitled: *FY 2018/19 Mid-Year Budget Update* with slides titled: *Overview, FY 2017/18 Financial Results Audit and Year-End Overview, FY 2017/18 Audit Results, Audit Results, Internal Controls, Areas of Audit Focus in FY 17/18, Upcoming Auditing Standards, FY 2017/18 Performance (Audited), FY 2017/18 General Fund (Audited), General Fund Balance FY 2017/18 Audited (In Thousands), FY 2017/18 Budget Recap, FY 2018/19 General Fund Budget Overview, FY 2018/19 Budget Update, FY 2019/20 Budget Development, FY 2019/20 Challenges, Economic Indicators, FY*

2019/20 Budget Development, Pensions and Unfunded Liabilities, Projected Increases to City CalPERS Costs, Net Pension Liabilities Overview, Long Term Financial Planning, Five-Year Financial Plan - General Fund (in thousands), FY 2019/20 Budget, FY 2019/20 Proposed Budget Calendar, and Questions.

Councilmember Posey and Ms. Farr discussed the accounting changes for Capital and Operating Leases.

Councilmember Delgleize and Ms. Farr discussed proactive actions the City may consider prior to standardization of future reporting models.

Councilmember Brenden and CFO Garcia discussed the July 1 fiscal start transition, as well as the impacts and importance of keeping the budget balanced. Their discussion included what comprised the \$2.7M one-time funds, the \$182.1M recurring revenue, one percent (1%) expense reduction, and trends for eliminating liabilities which depend on CalPERS making its goals or not.

Councilmember Posey and CFO Garcia discussed examples of the one percent (1%) cut in the operating budget, and that the City considers its ideal funding obligation for CalPERS as one hundred percent (100%).

Councilmember Hardy stated her support for putting at least \$1M of the one-time \$1.9M surplus into the Section 115 Trust.

RECESSED TO CLOSED SESSION — 4:40 PM

A motion was made by Posey, second Hardy to recess to Closed Session for Items 2 — 9. With no objections, the motion carried.

CLOSED SESSION

2. 19-202 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: Escontrias (Pilar) and Wilde (Rex) v. County of Orange, et al.; USDC Case No.: 8:18-cv-1567 DOC (AFMx).
3. 19-203 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: Decock (Eugene and Sandra) v. City of Huntington Beach; OCSC Case No. 30-2017-00956312.
4. 19-204 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: AKM Consulting Engineers, Inc. v. City of Huntington Beach; OCSC Case No.: 30-2017-00902740.
5. 19-209 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).

6. 19-210 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: Calif. Dept. of Housing and Community Development v. City of Huntington Beach, et al.; OCSC Case No.: 30-2019-01045493.
7. 19-211 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: City of Huntington Beach v. State of California, et al. (SB35); OCSC Case No. 30-2019-01044945.
8. 19-212 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: City of Huntington Beach v. State of California, et al. (SB 166); OCSC Case No. 30-2019-01048692-CU-WM-CJC.
9. 19-213 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: Kennedy Commission, et al. v. City of Huntington Beach, et al.; OCSC Case No. 30-2015-00801675.

6:00 PM - COUNCIL CHAMBERS

RECONVENED CITY COUNCIL/PUBLIC FINANCING AUTHORITY MEETING — 6:01 PM

ROLL CALL

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

PLEDGE OF ALLEGIANCE — Led by Councilmember Delgleize

INVOCATION

In permitting a nonsectarian invocation, the City does not intend to proselytize or advance any faith or belief. Neither the City nor the City Council endorses any particular religious belief or form of invocation.

10. 18-638 Marcy Tieger of the Greater Huntington Beach Interfaith Council

CLOSED SESSION REPORT BY CITY ATTORNEY — None

AWARDS AND PRESENTATIONS

11. 19-176 ~~Mayor Peterson called on Victoria Alberty to present the Adoptable Pet of the Month.~~
12. 19-177 Mayor Peterson called on Public Works Director Travis Hopkins to present the Mayor's Award to Electrician Corey Landrey

Public Works Director Travis Hopkins introduced Mr. Landrey, who joined the City as a Building Division Electrician in 2007. Director Hopkins described Mr. Landrey as courteous, professional, dedicated, and performs to the highest standards. He further described Mr. Landrey as instrumental in keeping the City's electrical equipment and systems operating in all departments and facilities, and in many special projects such as the recent STEM effort to implement a battery system which saves the City about \$80,000 each year; replacing the aging and failing transformers serving Central Park and Central Library; and installing the solar panel projects at City Hall, Central Library and at the Corporate Yard.

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

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

Administrative Item

Item No. 23 (19-208)

A PowerPoint communication received from Director of Human Resources, Michele Warren, entitled *Huntington Beach Police Officers' Association Tentative Agreement and Proposed MOU*.

PUBLIC COMMENTS (3 Minute Time Limit)

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>.

Tom McKerr, a resident of Huntington Beach, was called to speak and voiced concerns about automated watering in parks during the rainy season, and recommended that the City use rubberized asphalt on arterial streets. (00:50:23)

Garry Troxell was called to speak and shared his frustration with trying to obtain information from the Police Department on a recent Police incident, and expressed concerns regarding transparency, honesty, morality and ethics within the organization. (00:51:28)

Sgt. Nelida Mendoza, resident of Santa Ana, Public Relations Officer, United Mexican American Veterans Association (UMAVA), was called to speak and explained the purpose and services offered by UMAVA, and asked for City Council's assistance in receiving approval for participation in this year's Huntington Beach 4th of July Parade. Mayor Peterson asked Sgt. Mendoza to complete a blue card for staff follow-up. (00:53:25)

Sgt. Ralph Lopez Colin, Commanding Officer, United Mexican American Veterans Association (UMAVA) was called to speak and shared UMAVA's interest in expressing their patriotism through participating in the Huntington Beach 4th of July Parade. (00:56:36)

Sgt. Salvador Lujan, Member, United Mexican American Veterans Association (UMAVA), was called to speak and shared UMAVA's interest in expressing their patriotism through participating in the Huntington Beach 4th of July Parade. (00:59:56)

Yvonne Lujan Cooper, a resident of Huntington Beach since 1963, was called to speak and shared her experiences and concerns regarding the speeding traffic on Harding Lane near Joseph R. Perry Elementary School, and asked for some proactive efforts by the Police Department to address the issue. Mayor Peterson asked Ms. Cooper to complete a blue card for follow-up. (01:03:49)

Tony Backlot, United Mexican American Veterans Association (UMAVA) Member, was called to speak and expressed his appreciation to all veterans of all wars. (01:05:51)

Kathryn Levassiur, a resident of Huntington Beach since 1999, was called to speak and shared her opinions about the potential sustainable revenue from Short-Term Rentals, and encouraged the City to implement processes to regulate and tax this service which many residents are already providing. (01:06:50)

Eva Weisz was called to speak and stated her opposition to Administrative Item No. 22 (19-198) regarding Review of the City Charter. (01:08:41)

Ray Raines, a 53-year resident of Huntington Beach, was called to speak and expressed his opposition to Administrative Item No. 22 (19-198) regarding Review of the City Charter. (01:10:51)

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

Councilmember Hardy announced her appointment of Kimberly Thienes to the Citizen's Infrastructure Advisory Board (CIAB).

Councilmember Brenden shared some statistics from the last Council on Aging meeting as evidence of the tremendous difference the Senior Center and volunteers make. He also announced he met with representatives of the Huntington Beach Police Officers' Association (HBPOA) and of the Huntington Beach Firefighters' Association (HBFA).

Councilmember Carr announced her appointment of Mike Elliott to the Citizen's Infrastructure Advisory Board (CIAB). She also announced meeting with representatives of the Huntington Beach Police Officers' Association (POA). As Liaison for the Youth Board, Councilmember Carr reported attending a meeting to plan the Youth in Government Day, which is scheduled for March 12, 2019.

Councilmember Posey announced his appointment of Corvi Urling to the Investment Advisory Board (IAB). Councilmember Posey reported attending a meeting of the Orange County Parks Commission and provided an update on the Mile Square Park plans. He also provided an update from recent meetings of the Orange County Taxpayers' Association and the Orange County Vector Control Board.

CITY MANAGER'S REPORT — None

CITY CLERK'S REPORT

13. 19-188 Presentation on the Safe and Sane Fireworks Stand Application and Lottery Process for 2019

City Clerk Robin Estanislau presented a PowerPoint communication entitled: *Safe and Sane Fireworks Stand Application and Lottery Process 2019* with slides titled: *2019 Fireworks Stand Application/Lottery Process (7)* and *Questions*.

CONSENT CALENDAR

Councilmember Brenden pulled Consent Calendar Item #17 (19-169) regarding the Lease Agreement between the City and Primo Nosh Chefs LLC.

14. 19-172 Approved and Adopted Minutes

A motion was made by Hardy, second Posey to approve and adopt the City Council/Public Financing Authority regular meeting minutes dated February 4, 2019, as written and on file in the Office of the City Clerk.

The motion carried by the following vote:

AYES: Brenden, Carr, Semeta, Peterson, Posey, Delgleize, and Hardy
NOES: None

15. 19-096 Approved and authorized the execution of Amendment No. 2 to the Attachment Agreement by and between the City and Southern California Gas Company for Advanced Meter Facilities on City Owned Streetlights

A motion was made by Hardy, second Posey to approve and authorize the City Manager to execute "Amendment No. 2 to Attachment Agreement By and Between the City of Huntington Beach, California and Southern California Gas Company."

The motion carried by the following vote:

AYES: Brenden, Carr, Semeta, Peterson, Posey, Delgleize, and Hardy
NOES: None

16. 19-130 Approved and authorized execution of Amendment No. 4 to Agreement with Biggs Cardosa Associates, Inc. (BCA) for bridge design services in the amount of \$446,372, for a total contract amount not to exceed \$2,813,797 and extending the contract term three (3) years

A motion was made by Hardy, second Posey to approve and authorize the Mayor and City Clerk to execute "Amendment No. 4 to Agreement between the City of Huntington Beach and Biggs Cardosa Associates, Inc. for Bridge Design Services" in the amount of \$446,372 and extending the contract term three (3) years.

The motion carried by the following vote:

AYES: Brenden, Carr, Semeta, Peterson, Posey, Delgleize, and Hardy
NOES: None

17. 19-169 Approved and authorized execution of a Lease Agreement between the City of Huntington Beach and Primo Nosh Chefs LLC, for operation of food concessions at the Huntington Beach Sports Complex

Councilmember Brenden pulled this item to confirm with staff that Page 2, Paragraph C of the Lease, regarding the Percentage Rent, is an alternative, not in addition to, the base rent.

A motion was made by Brenden, second Posey to approve the "Lease Agreement between the City of Huntington Beach and Primo Nosh Chefs LLC, For Operation of a Food Concession at the Huntington Beach Sport Complex;" and, authorize City Manager to execute the Agreement and other related documents.

The motion carried by the following vote:

AYES: Brenden, Carr, Semeta, Peterson, Posey, Delgleize, and Hardy
NOES: None

18. 19-200 Adopted Ordinance No. 4163 amending Huntington Beach Municipal Code Chapter 5.56 related to Alarm Systems both residential and commercial, burglary alarms Approved for introduction February 4, 2019 — Vote: 7-0

A motion was made by Hardy, second Posey to adopt Ordinance No. 4163, "An Ordinance of the City of Huntington Beach Repealing Chapter 5.56 of the Huntington Beach Municipal Code Relating to Burglar Alarms and Adding Back a Revised Chapter 5.56 Relating to the Regulation of Burglar Alarms."

The motion carried by the following vote:

AYES: Brenden, Carr, Semeta, Peterson, Posey, Delgleize, and Hardy
NOES: None

19. 19-118 Adopted Ordinance No. 4166 expediting the Permit Process for Electric Vehicle (EV) Charging Stations on Private Property Approved for introduction January 22, 2019 — Vote: 6-0-1 (Delgleize out of room) and Continued from February 4, 2019

A motion was made by Hardy, second Posey to adopt Ordinance No. 4166, "An Ordinance of the City of Huntington Beach Adding Chapter 17.62 to the Huntington Beach Municipal Code Regarding Expedited Electric Vehicle Charging Station Permitting."

The motion carried by the following vote:

AYES: Brenden, Carr, Semeta, Peterson, Posey, Delgleize, and Hardy
NOES: None

ADMINISTRATIVE ITEMS

20. 19-167 Fiscal Year 2018/19 Mid-Year Budget Adjustments

City Manager Wilson introduced this item by stating that the Fiscal Year 2018/19 Budget presentation was made previously during the Study Session, and this item is to approve the mid-year budget adjustments requested by certain departments to ensure sufficient appropriations for essential programs.

A motion was made by Posey, second Delgleize to approve mid-year budget adjustments to the FY 2018/19 Revised Budget in the Funds and by the amounts contained in Attachment 1.

The motion carried by the following vote:

AYES: Brenden, Carr, Semeta, Peterson, Posey, Delgleize, and Hardy
NOES: None

21. 19-173 Adopted Resolution No. 2019-07 increasing fees for burglar alarm businesses and alarm system subscribers collected by the Police Department as established pursuant to Resolution No. 6656, and incorporating the increased fees into the Consolidated Comprehensive Citywide Master Fee and Charges Schedule as established by Resolution No. 2016-59, and amended by Resolution Nos. 2017-46, 2018-01, 2018-29, 2018-48, and 2018-55 (Supplemental Fee Resolution No. 8) — Continued from February 4, 2019.

City Manager Wilson introduced Police Chief Handy who verbally confirmed the changes to Resolution No. 2019-07 which Councilmembers had previously requested related to clarifying the fee discount for senior and low-income citizens.

A motion was made by Posey, second Semeta to adopt Resolution No. 2019-07, "A Resolution of the City Council of the City of Huntington Beach Increasing Fees for Burglar Alarm Businesses and Alarm System Subscribers Collected by the Police Department as Established Pursuant to Resolution No. 6656, and Incorporating the Increased Fees Into the Consolidated Comprehensive Citywide Master Fee and Charges Schedule as Established by Resolution No. 2016-59, and Amended by Resolution Nos. 2017-46, 2018-01, 2018-29, 2018-48, and 2018-55 (Supplemental Fee Resolution No. 8)."

The motion carried by the following vote:

AYES: Brenden, Carr, Semeta, Peterson, Posey, Delgleize, and Hardy
NOES: None

22. 19-198 Approved City Charter Review Option #2

City Manager Wilson introduced this item by providing a brief background and explaining two options for Council consideration. City Manager Wilson further described a timeline for the process expected to take three or four months, at which time any recommended changes would be brought back to Council for consideration and possible action for placement on a ballot at a future date.

Mayor Peterson thanked staff for including the option of an Ad Hoc Committee, as suggested by Councilmember Carr at the last meeting, and stated his support for Option 2.

Councilmember Posey stated his support of Option 2, in light of the potential cost of Option 1, as long as he is one of the Councilmembers on the Ad Hoc Committee.

Mayor Pro Tem Semeta stated her support of Option 2, and voiced her willingness to be a member of the Ad Hoc Committee if appointed.

Councilmember Carr stated her support for Option 2, nominated Councilmember Hardy as a member of the Ad Hoc Committee since she had served during the previous Charter Review in 2009, and voiced her willingness to be a member of the Ad Hoc Committee if appointed.

Councilmember Hardy stated her support for Option 2, and voiced her willingness to be a member of this Ad Hoc Committee if appointed.

Councilmember Brenden stated his support for Option 2, and stated his willingness to be a member of this Ad Hoc Committee if appointed as he too was involved in the 2009 Charter Review process.

Councilmember Delgleize stated her support for Option 2 as the best way to proceed, knowing that the Ad Hoc Committee will recommend additional options if necessary.

A motion was made by Peterson, second Posey to recommend that the City Council direct the City Manager to:

1. ~~Convene the Charter Review Commission with appointed members as outlined in the Council Member item; or~~
2. Convene an Ad Hoc Committee comprised of three Council Members (Mayor Peterson, Councilmembers Posey and Hardy), the City Manager, and the City Attorney to analyze and determine if any changes are needed to the City Charter.

The motion carried by the following vote:

AYES: Brenden, Carr, Semeta, Peterson, Posey, Delgleize, and Hardy
NOES: None

23. 19-208 Approval of Tentative Agreement and Introduction of Proposed Memorandum of Understanding between the Huntington Beach Police Officers' Association (HBPOA) and the City of Huntington Beach for October 1, 2017, through December 31, 2019

City Manager Wilson introduced Human Resource Director Michele Warren who presented a PowerPoint communication entitled: *Huntington Beach Police Officers' Association Tentative Agreement and Proposed MOU* with slides titled: *HBPOA - Tentative Agreement (2)*.

Mayor Peterson stated he will not support this item because every bargaining unit had agreed to minimal increases during these tight financial times. In his opinion this doesn't mean the increases are not deserved, but it is unfair to every other bargaining unit to approve increases that are at least double what the other units asked for and received.

A motion was made by Posey, second Carr to approve the "Tentative Agreement Between The City of Huntington Beach and The Huntington Beach Police Officers' Association January 24, 2019" and the introduction of the proposed "Memorandum of Understanding between the Huntington Beach Police Officers' Association and the City of Huntington Beach" for the period October 1, 2017, through December 31, 2019.

The motion carried by the following vote:

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

COUNCILMEMBER COMMENTS (Not Agendized)

Councilmember Posey reported attending the recent Strategic Planning Retreat. At the end of the meeting during, Councilmember Comments, Councilmember Posey announced that he also met with members of the Huntington Beach Police Officers' Association (HBPOA).

Councilmember Brenden reported attending the "Revolution" at Central Park, OCTax 2019 Financial State of the County: An In-Depth Look at the District Attorney's Office, Cities in the Desert event at Chapman University, the 38th Annual Tet Festival Opening Ceremonies in Costa Mesa and presented a Proclamation on behalf of the Mayor to the Union of Vietnamese Students, the Orange County Business Council (OCBC) 2019 Annual Dinner and Installation of Board of Directors, speaking to a group of residents at Kathy May's Restaurant about homelessness and jet noise issues, and attending a Gilbert Island Neighborhood Watch meeting.

Councilmember Carr stated her appreciation for the Strategic Planning Retreat, and reported attending the Orange County Business Council (OCBC) 2019 Annual Dinner and Installation of Board of Directors, Orange County United Way Homeless 101 presentation, OCTax 2019 Financial State of the County: An In-Depth Look at the District Attorney's Office, and participating in Concordia University's Women in Media panel discussion.

Mayor Pro Tem Semeta reported she has been recuperating from detached retina surgery and encouraged everyone to pay attention to any unusual visual effects and to immediately see their eye doctor.

Mayor Peterson reported meeting with 5th Grade Cub Scouts to help them meet their Badge requirements, a group of Chinese student visitors, and attending Pack 290's Arrow of Light Ceremony which is a transition from a pack to troop in the Scout program.


ADJOURNMENT — At 7:08 PM to the next regularly scheduled meeting of the Huntington Beach City Council/Public Financing Authority on Tuesday, March 4, 2019, at 4:00 PM in the Civic Center Council Chambers, 2000 Main Street, Huntington Beach, California.

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

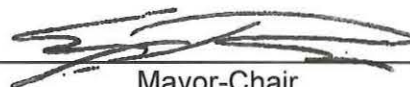


City Clerk and ex-officio Clerk of the City
Council of the City of Huntington Beach
and Secretary of the Public Financing Authority
of the City of Huntington Beach, California

ATTEST:



City Clerk-Secretary



Mayor-Chair