

**Minutes
Council/RDA Meeting
City Council/Redevelopment Agency
City of Huntington Beach**

Monday, March 06, 2006
4:00 P.M. - Room B-8
6:00 P.M. - Council Chambers
Civic Center, 2000 Main Street
Huntington Beach, California 92648

**An audiotape of the 4:00 p.m. portion of this meeting
and a videotape of the 6:00 p.m. portion of this meeting
are on file in the Office of the City Clerk.**

Call to Order

Mayor Sullivan called the regular meetings of the City Council/Redevelopment Agency of the City of Huntington Beach to order at 4:07 p.m. in Room B-8.

City Council/Redevelopment Agency Meeting Roll Call

Present: Bohr, Green, Coerper, Sullivan, Hardy (arrived at 4:12 p.m.), Hansen,
and Cook.
Absent: None.

The City Clerk Announced No Late Communications

Pursuant to the Brown (Open Meetings) Act, City Clerk Joan L. Flynn announced no Late Communications regarding Study Session or Closed Session items were received by her office following distribution of the agenda packet.

Public Comments Regarding Study Session

Jim Adams, member of the Los Angeles/Orange County Building and Trades Council, spoke in opposition to the elimination of prevailing wage in the City. He referred to studies he said he supplied to Council last fall, and stated his opinion that the City realizes no savings by eliminating prevailing wage. Mr. Adams refuted some statements made by the Finance Board and thanked Council for its time.

Doug Chappell, representing IBEW Local 441, spoke regarding Huntington Beach residents who are workers receiving prevailing wage and gave data from reports. Mr. Chappell asked City Council and the Finance Board to review the studies that had been given to them, including a Communication he submitted.

Fred Steiner, Assistant Executive Director of P.I.P.E., spoke in opposition to the Finance Board's recommendation to eliminate prevailing wage from City projects. He stated his concern that some contractors may decide not to bid on projects in the

City, especially union contractors. Mr. Steiner urged Council to oppose changes to prevailing wage in the City.

Piedmont Brown, affiliated with Ironworkers Local 433, stated that without prevailing wage, his family would not be able to live in Huntington Beach. He asked Council to reconsider the Board's recommendation.

(City Council) Study Session Held -- A Review of the Finance Board's 2005 Annual Report Given and Discussion Held on the Board's Direction for 2006 (320.60)

Finance Board Roll Call

Present: Chair Charles Falzon, Vice Chair Tim Geddes, Members Bob Jones, Andy Weiss, Gerald Chapman (arrived at 5:00 p.m.)
Absent: Members Joe Domingo, Frank Lograsso

Chair Falzon gave a PowerPoint report titled *HB City Council/Finance Board Study Session*, which was included in the agenda packet. He reviewed the Finance Board's recent activities and asked the City Attorney for an update on the Form 700 filing requirements for Boards and Commissions. Attorney McGrath explained that the updated filing requirements on Form 700 for Boards and Commissions is agendaized for the March 20, 2006 Council meeting. She noted that if the item were approved, completion of the form would not be required by certain individuals since the filing deadline is April 3, 2006.

Chair Falzon described the Board's potential activities for 2006 including a long-term financial plan, unfunded liabilities, Finance Board roles and responsibilities, prevailing wage, Form 700 filing and the review of depreciation of assets and infrastructure, grants/eCivis, Neighborhood Improvement Districts, and the Rainbow Disposal trash collection proposal. Mayor Pro Tem Coerper inquired about statements made regarding trash collection and the potential for increased fees. Chair Falzon replied, stating his understanding that there would be no increase.

Councilmember Green asked the Board to emphasize the Neighborhood Improvement Districts, stating this goal is behind schedule. She also mentioned grant procurement via the eCivis grants locator program, asking the Board to create some form of outreach to groups who have expressed the need for funding or are currently receiving CDBG funds. Councilmember Green asked about the unfunded liabilities, and if the Investment Advisory Board would be included in the Form 700 agenda item scheduled for March 20, 2006. Attorney McGrath replied that the Board would not be included. Councilmember Green voiced her opinion the Board should not become involved in the Rainbow Disposal proposal. Chair Falzon reported on eCivis, stating a report to Council is forthcoming.

Mayor Pro Tem Coerper stated his opinion the Board should focus on a long-term financial plan and unfunded liabilities. He reported he is not interested in changes to prevailing wage and to Form 700 requirements. The Mayor Pro Tem voiced his support for pursuing Neighborhood Improvement Districts and grants search training for groups.

Chair Falzon clarified that the Finance Board supports the recycling proposal, and that

the Board's interest is in reviewing the financial terms. Member Weiss commented on proposal language and potential for savings to the City. Councilmember Green described upcoming legislation related to recycling.

Councilmember Bohr clarified his prior interest in prevailing wage research and stated he is no longer interested in pursuing a change. Councilmember Hansen voiced his interest in the Board's pursuit of a long-term financial plan.

Mayor Sullivan thanked the Board for their efforts. He spoke regarding unfunded liabilities and Council's ability to assist in funding them. He asked the Board to report back on prevailing wage, and suggested a seminar be organized to assist non-profit groups in utilizing the eCivis grants locator. Mayor Sullivan explained the City is currently negotiating the points of the Rainbow Disposal agreement, and suggested the Board comment on deal points later in the process.

Councilmember Cook suggested the Board focus on unfunded liabilities and a long-term financial plan.

Pertaining to the Rainbow Disposal proposal, City Administrator Culbreth-Graft explained the normal process is not to share deal points with Boards prior to making them available to the public. She stated that the Rainbow Disposal proposal could be an exception, if Council agrees by consensus.

Mayor Sullivan suggested that the Boards receive final deal points when Council receives them. Councilmember Cook suggested Council receive the information a day in advance, and Council agreed by consensus of all present, none absent. City Administrator Culbreth-Graft spoke regarding meeting schedules for Boards and the potential delay in receiving documents.

Vice Chair Geddes voiced his interest in giving advice to Council on the proposal, suggesting the proposal be studied initially via a subcommittee. Councilmember Cook suggested the Board invite Rainbow Disposal to speak to them at a Board meeting, and encouraged other recommendations from the Board.

Councilmember Hansen stated he had no interest in the Board investigating the Rainbow Disposal proposal, asking that they focus on top-level policies and procedures.

Vice Chair Geddes commented on Neighborhood Improvement Districts and the City's ability to promote the program. Councilmember Cook suggested the Board investigate how other communities have addressed the issue. Chair Falzon confirmed Neighborhood Improvement Districts would be a Board focus in the upcoming year.

Vice Chair Geddes commented on eCivis and training for groups, and Councilmember Cook suggested the Board investigate which groups are using it and how the City can assist. The Vice Chair explained the Board's goal pertaining to prevailing wage, stating it was to address savings only in specific areas. Mayor Sullivan thanked the Board for their report and their efforts.

Motion to Recess to Closed Session - Approved

A motion was made by Hansen, second Green to recess to Closed Session on the following item. The motion carried by the consensus of all present, none absent.

(City Council) Closed Session - Pursuant to Government Code Section 54957.6 to meet with its designated representatives: Agency Negotiators: Penelope Culbreth-Graft, City Administrator; Bob Hall, Deputy City Administrator; Dan Villella, Finance Director; Renee Mayne, Chief Negotiator; and Irma Youssefieh, Human Resources Manager regarding labor relations matters - meet and confer with the following employee organizations: **MEO, MEA, PMA, FMA, HBPOA, HBFA, MSOA, SCLEA, and Non-Associated.** Subject: **Labor Relations - Meet and Confer.** (120.80)

Reconvened City Council/Redevelopment Agency Meeting - 6:00 p.m.

Present: Bohr, Green, Coerper, Sullivan, Hardy, Hansen, and Cook.
Absent: None.

Pledge of Allegiance/Flag Salute - Led by Councilmember Hardy

Invocation - Led By Reverend Jan Wiley, Senior Pastor, Community United Methodist Church

The City Clerk Announced Late Communications

Pursuant to the Brown (Open Meetings) Act, City Clerk Joan L. Flynn announced Late Communications regarding agenda items that had been received by her office following distribution of the agenda packet:

Communication submitted by Larry Gallup, undated, titled *Sunshine Week, Your Right to Know* announcing March 12-18, 2006 as Sunshine Week.

The Following Communications Were Submitted During the Meeting:

Communication submitted by James Hughes dated March 6, 2006 and titled *Specific Plan No. 13, Item H-1, March 6, 2006 City Council Hearing, Proposed Zoning Text Amendment No. 05-03 ("ZTA 05-03") Re SP 13.*

Communication submitted by Doug Chappell, undated, titled *Scope of Work Provisions for Landscape Maintenance Laborer in Imperial, Inyo, Kern, Los Angeles, Mono, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, and Ventura Counties.*

Presentation - Mayor Dave Sullivan and Councilmember Jill Hardy recognized Huntington Beach High School student Andrew Kreitz for his outstanding accomplishments representing Huntington Beach on the game show Jeopardy. The Mayor presented him with a commendation. Councilmember Hardy thanked him for his participation and announced some of his other accomplishments, including recognition as a National Merit Finalist. (160.40)

Presentation - Mayor Dave Sullivan called on Christina Lucey, President of the League of Women Voters of Orange Coast, to receive a proclamation declaring March 12 to 18 as Sunshine Week. Sunshine Week is designed to raise awareness and support open government to the public. Councilmember Hardy informed the audience they could contact the Council Administrative Assistant, Cathy Fikes at 714-536-5203 to meet with Councilmembers. She also spoke regarding Youth in Government Day, stating the event falls on April 20th this year and applications are due March 17th, 2006. (160.40)

Presentation - Mayor Dave Sullivan called on Tanya Dabir and Gail Martinez from Mothers Against Drunk Driving, to present the annual MADD Duece Awards to Huntington Beach Police Officers who made significant arrests of drunk drivers. The Officers included: Dennis Fulton, Bradley Smith, Brian Knorr, David Wiederin, Mike Spencer, Wade Wilson, John Baggs, Tai Huynh, and Michael Lyons. Ms. Dabir announced that the nine officers collectively made approximately 400 DUI arrests last year in Huntington Beach. Chief Small presented a broadcast from KOCE that profiled DUI arrest efforts, and stated that one in five arrests last year were for DUI. He also recognized Officer Dale Shields, a MADD Century Award Qualifier, who had 195 DUI arrests. (160.40)

Public Comments

James Hughes, Counsel for the owner of Bella Terra, spoke regarding the agenda item pertaining to the ordinance amending Specific Plan No. 13. He referred to a Late Communication he submitted to Council and voiced concerns with the proposed amendments. Mr. Hughes suggested alternative options, including substitute language.

(City Council) Councilmember Hansen Announced Appointments to the Allied Arts Board (110.20)

Councilmember Hansen highlighted the appointments, which were agendized as a Consent Calendar item.

(City Council) Police Chief Small Reported on Officers Serving in the Middle East (160.10)

Police Chief Ken Small welcomed Officer Dave Dzerzinsky back to service in our City after serving his country in the Middle East. He also reported two other officers are currently serving in the Middle East and thanked Council for ensuring employees receive a full paycheck while serving.

Consent Calendar - Items Removed for Separate Discussion

(City Council) An Amendment to the Professional Services Agreement with Scott Fazekas & Associates, Inc.; the Director of Building and Safety to Expend an Additional \$165,000 to Expand Inspections Services for the Remainder of Fiscal Year 2006-2007.

(City Council) A Three-Year Management Contract with CivicStone, Inc., Not to Exceed the Annual Amount of \$140,000 Per Year for Administration of the Housing Rehabilitation Loan Program.

(City Council) Housing Rehabilitation Loan in the Amount of \$28,704 for Terry Tuttle at 9121 Christine Drive.

Consent Calendar - Items approved

A motion was made by Green, second Coerper to approve the following Consent Calendar items, as recommended: The motion carried by the following roll call vote:

AYES: Bohr, Green, Coerper, Sullivan, Hardy, Hansen, and Cook
NOES: None

(City Council/Redevelopment Agency) Approved and Adopted Minutes (120.65) - Approved and adopted the minutes of the City Council/Redevelopment Agency Regular Meeting of February 6, 2006 as written and on file in the Office of the City Clerk. Submitted by the City Clerk. Funding Source: Not applicable.

(City Council) Adopted Resolution No. 2006-09 and Approved a Joint Powers Agreement (JPA) Establishing a Form of Governance Over the On-Going Operation of the Integrated Law and Justice Project (ILJ); Authorized the City Administrator and/or Police Chief to Execute Documentation Consistent with the Implementation of the JPA Agreement; Ratified the COPLINK System Use Policy by Authorizing the Police Chief to Execute the Document and any Amendments on Behalf of the City (600.40) - 1) Adopted Resolution No. 2006-09, "*A Resolution of the City Council of the City of Huntington Beach Approving Participation In and Partial Funding of The Integrated Law and Justice Agency for Orange County*"; 2) Authorized the Mayor to execute the Joint Powers Agreement (JPA) associated with the City's participation, and authorized the City Administrator and/or Police Chief to execute any related documents consistent with the implementation of this Agreement; and 3) Ratified the COPLINK System Use Policy, specifically authorizing the Chief of Police to execute the document and any amendments on behalf of the City. Submitted by the Chief of Police. Funding Source: Not applicable.

(City Council) Adopted Resolution No. 2006-10 Approving the Submittal of Landscape Enhancement Project Applications to the Orange County Transportation Authority (OCTA) for Funding Through the 2006 Transportation Enhancement Activity (TEA) Program (340.70) - Adopted Resolution No. 2006-10, "*A Resolution of the City Council of the City of Huntington Beach Authorizing Application of Funds for the Transportation Enhancement Activity (TEA) Program Under the 1998 Transportation Equity Act for the 21st Century for the Adams Avenue Frontage Median Landscape Enhancement Project, Edinger Avenue Parkway Improvement Project, and the Main Street Median Landscape Improvement Project.*" Submitted by the Director of Public Works. Funding Source: Funding is not required for the resolution. Should the projects be awarded, Measure M funds of approximately \$182,500 are available and will be required to provide the minimum 25% match. An incremental increase in General Fund annual maintenance costs would be required to maintain these enhancements and will be identified by a Maintenance Impact Statement per Administrative Regulation (AR) 310 prior to project construction.

(City Council) Accepted the Resignations of Stephanie Paggi and Chris Hoff from the Allied Arts Board, and Approved the Appointments of Diana LoSchiavo, Starlyn Frischmuth and Bob Daley to the Allied Arts Board (110.20) - 1) Accepted the resignation of Stephanie Paggi from the Allied Arts Board, and approved the appointment of Diana LoSchiavo for a term to expire June 30, 2008, as recommended by Council liaisons Cook and Hansen; 2) Accepted the resignation of Chris Hoff from the Allied Arts Board, and approved the appointment of Starlyn Frischmuth for a term to expire June 30, 2008, as recommended by Council liaisons Cook and Hansen; and, 3) Approved the appointment of Bob Daley to the Allied Arts Board for a term to expire March 31, 2010, filling an open vacancy created by the term limits for Catherine Stip, who retired from the board on June 30, 2005, as recommended by Council liaisons Cook and Hansen. Submitted By: Director of Community Services. Funding Source: Not applicable.

(City Council) Approved an Amendment to the Professional Services Agreement with Scott Fazekas & Associates, Inc. and Authorized the Director of Building and Safety to Expend an Additional \$165,000 to Expand Inspections Services for the Remainder of Fiscal Year 2006-2007 (600.10)

The City Council considered a communication from the Director of Building and Safety transmitting the following **Statement of Issue**: The Building and Safety Department has 3 current vacant inspector positions. Due to the inability to attract full-time staff, the department needs to retain professional services to ensure adequate inspection services to our customers. Funding Sources: Funds are available in Building and Safety Department business unit 10055201.51000.

Councilmember Bohr requested that this agenda item be removed from the Consent Calendar to inquire of staff if cost savings would be realized by using the private sector. City Administrator Culbreth-Graft reported difficulties locating staff and spoke regarding salary and benefit issues.

Mayor Pro Tem Coerper asked for clarification on the vendor being used, and on the backlog of work. City Administrator Culbreth-Graft reported the vendor would be providing the service as a contractor. Inspection Manager Bill Grove reported the scope of work is for inspections only, and that a lack of staff has impacted the department. Mayor Pro Tem Coerper asked how the outside inspectors are qualified, and Manager Grove reported that individuals are evaluated prior to assignments.

A motion was made by Bohr, second Coerper to 1) Approve the Amendment to the Agreement and Authorize the Mayor and City Clerk to execute the Agreement Amendment between the City of Huntington Beach and Scott Fazekas & Associates, Inc.; and, 2) Authorize the Director of Building and Safety to expend an additional \$165,000 for Professional Services for inspection services. The motion carried by the following roll call vote:

AYES: Bohr, Green, Coerper, Sullivan, Hardy, Hansen, and Cook
NOES: None

(City Council) Approved a Three-Year Management Contract with CivicStone, Inc., Not to Exceed the Annual Amount of \$140,000 Per Year for Administration of the Housing Rehabilitation Loan Program (600.10)

The City Council considered a communication from the Director of Economic Development transmitting the following **Statement of Issue:** The Economic Development Department has completed the RFP process and proposes to retain the services of CivicStone, Inc. for administration of the City's Housing Rehabilitation Loan Program. Staff recommends approval of the three-year management contract with CivicStone, Inc. in the annual amount of \$140,000.

Councilmember Bohr requested that this agenda item be removed from the Consent Calendar to ask for clarification on the loan program. Economic Development Director Stanley Smalewitz reported, stating the program is less expensive than an in-house program. Councilmember Bohr asked if a general contractor would still be involved and what the income restrictions are to participate in the program. Director Smalewitz responded that a general contractor would be involved and the income restrictions are 80% and below the median income (currently approximately below \$54,000 per year).

Mayor Pro Tem Coerper asked for further clarification on the funds, and Director Smalewitz reported the funds would be paid from salary savings. Mayor Pro Tem Coerper asked about changes in legislation, and Director Smalewitz explained that revolving loan funds would not be effected by any proposed changes.

A motion was made by Bohr, second Green to

- 1) Approve the three-year contract with CivicStone, Inc. in the annual amount of \$140,000 for administration of the Housing Rehabilitation Loan Program; and,
- 2) Authorize execution of the contract by the Mayor and City Clerk. The motion carried by the following roll call vote:

AYES: Bohr, Green, Coerper, Sullivan, Hardy, Hansen, and Cook
NOES: None

(City Council) Approved Housing Rehabilitation Loan in the Amount of \$28,704 for Terry Tuttle at 9121 Christine Drive (340.70)

The City Council considered a communication from the Director of Economic Development transmitting the following **Statement of Issue:** The City Council is asked to approve a Housing Rehabilitation Loan in the amount of \$28,704 to homeowner Terry Tuttle at 9121 Christine Drive. The requested amount exceeds the City Council adopted Rehabilitation Loan Program guidelines by \$1,204. The additional amount is necessary to ensure that the property is repaired in full compliance with health and safety standards. Funding Source: CDBG revolving rehabilitation loan fund #2158031.

Councilmember Bohr requested that this agenda item be removed from the Consent Calendar to ask for clarification on the loan program. This item was discussed with the previous agenda item and Economic Development Director Stanley Smalewitz explained the process.

A motion was made by Bohr, second Green to approve a housing rehabilitation loan in the amount of \$28,704 to homeowner Terry Tuttle at 9121 Christine Drive. The motion carried by the following roll call vote:

AYES: Bohr, Green, Coerper, Sullivan, Hardy, Hansen, and Cook
NOES: None

(City Council) Deferred to a Date Uncertain - Introduction of Ordinance No. 3728 Amending Specific Plan No. 13 - The Crossings at Huntington Beach (Bella Terra) by Adding City Council Notification and Appeal Language to Sections 2.0 (Administration), 2.3 (Site Plan Review), and 2.4 (Parcel Maps) and Adding a Legal Description and Limit the Application of the Amendment to the Montgomery Ward's Parcel (Phase 2) - (Zoning Text Amendment No. 05-03) (450.30)

A motion was made by Hansen, second Hardy to defer action to a date uncertain to allow Council and staff to review the language of the amendments. The motion carried by the following roll call vote:

AYES: Coerper, Sullivan, Hardy, Hansen, and Cook
NOES: Bohr, and Green

(City Council) Motion Failed to Direct Staff to Return to the City Council with an RCA That Amends the City's Financial Policies by Identifying and Adding Criteria That Will Allow for Supplemental Appropriations to the General Fund (120.90)

The City Council considered a communication from Councilmember Bohr transmitting the following **Statement of Issue**:

In May of 2004, the City Council adopted a number of financial policies. These policies include the General Fund balance and how supplemental appropriations are handled. The specific policy states:

All supplemental appropriations from the General Fund minimum reserve that cannot otherwise be funded during the current fiscal year operating budget must meet one of the three following criteria:

- * It is an unanticipated emergency.
- * It is required to implement a Memorandum of Understanding (MOU) or a mandate.
- * It is a new expense that is offset by related revenues.

This policy restricts the uses that the City Council may deem necessary and appropriate and when timeliness is an issue.

Councilmember Green asked for clarification on the intentions of the Recommended Action. Councilmember Bohr gave, as an example, the need for a new police car, and asked staff for further input. City Administrator Culbreth-Graft stated another example would be the restructure of the Finance Department.

Councilmember Hardy stated she would not support the Recommended Action at this time.

Councilmember Hansen inquired if funds have been used from the 7% reserve. Finance Director Dan Villella responded, stating 7% reserve funds have not been used in the past year. Councilmember Hansen stated he would not support the Recommended Action.

Mayor Pro Tem Coerper asked if any City emergencies have arisen that have not been resolved by the current policy. City Administrator Culbreth-Graft responded in the negative.

Mayor Sullivan voiced his opinions pertaining to the Orange County bankruptcy and the former reserve policy of 3%. He stated his opposition to the Recommended Action.

A motion was made by Bohr, second Coerper to direct staff to return to the City Council with an RCA that amends the City's financial policies by identifying and adding criteria in addition to the three identified that will allow for supplemental appropriations. The motion failed by the following roll call vote:

AYES: Bohr, and Coerper
NOES: Green, Sullivan, Hardy, Hansen, and Cook

(City Council) Mayor Pro Tem Coerper and Councilmember Green Announced Silver Beaver Awards (120.85)

Mayor Pro Tem Coerper announced a local individual, Chuck Williams, who received the Boy Scouts of America Silver Beaver Award. Councilmember Cathy Green announced three other local individuals that received the Award: Harriet Bower, Tom Cammann, and Billie Jean Brandon. She noted that Mayor Pro Tem Coerper had previously been a recipient of the award.

(City Council) Councilmember Green Wished Happy Anniversary to the Amigos de Bolsa Chica (120.85)

Councilmember Cathy Green wished a Happy 30th Anniversary to the Amigos de Bolsa Chica.

(City Council) Councilmember Hansen Reported on Little League Opening Day and Presented a Plaque to Council (120.85)

Councilmember Don Hansen reported he had attended the Little League Opening Day. He presented a plaque received from the Huntington Valley Little League for Council's role in saving Inspiration Field.

Adjournment - City Council/Redevelopment Agency

Mayor Sullivan adjourned the regular meetings of the City Council/Redevelopment Agency of the City of Huntington Beach at 7:02 p.m. to Monday, March 20, 2006, at 4:00 p.m., in Room B-8 Civic Center, 2000 Main Street, Huntington Beach, California.

City Clerk and ex-officio Clerk of the City Council of the City of Huntington Beach and Clerk of the Redevelopment Agency of the City of Huntington Beach, California

ATTEST:

City Clerk-Clerk

Mayor-Chair