

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

Friday, July 29, 2011
8:00 AM - Room C and D
Central Library
7111 Talbert Avenue
Huntington Beach, California 92648

8:00 AM - ROOM C and D, Central Library

CALL TO ORDER

Mayor Pro Tem Hansen convened the City Council/Redevelopment Agency special meeting at 8:00 a.m.

ROLL CALL

Present: Shaw, Harper, Hansen, Carchio (arrived at 8:18 a.m.), Bohr, Dwyer and Boardman
Absent: None

ANNOUNCEMENT OF LATE COMMUNICATION – None

PUBLIC COMMENTS (3 Minute Time Limit) – None

(City Council) – Meeting to review and update the Strategic Goals of the City Council.

Facilitator Marilyn Snider, of Snider and Associates introduced herself and Graphic Recorder Michelle Snider Luna of Snider Education & Communication. Facilitator Snider requested self-introductions of the Department Heads and Council present at the meeting.

Facilitator Snider took the group through a review of the City of Huntington Beach Mission/Purpose Statement, Core Values and Three-Year Goals (2009-12).

Mission Statement: The City of Huntington Beach provides sustainable quality services to maintain and enhance our safe and vibrant community.

Core Values Listing – The City of Huntington Beach Values:

- Responsiveness
- Accountability
- Quality customer service
- Honesty and Integrity
- Teamwork
- Fiscal sustainability
- Community involvement
- Openness

Three-Year Goals for 2009-2012, not in priority order:

- Maintain our financial reserves
- Maintain, improve and obtain funding for infrastructure and equipment
- Maintain public safety
- Enhance economic development
- Improve internal and external communication

A review of the City accomplishments since the previous Strategic Planning session of January 28, 2011 was conducted, along with a current SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis. Below are the results of the brainstorming activity:

Accomplishments of the City of Huntington Beach Since the January 29, 2011 Strategic Planning Retreat (brainstormed list of perceptions):

- Over 5000 people in the Summer Reading Program
- Coastal Commission approval of the Downtown Specific Plan
- Incident-free 4th of July
- Maintained 99% customer satisfaction for emergency response
- Received a clean audit opinion on our Comprehensive Annual Financial report (CAPR)
- Provided 25 first time home buyers with the ability to buy a home
- Launched ebook collection at the library with the support of Friends of the Library
- Completed eight miles of arterial pavement rehab and 26 residential streets
- Our employees, for the fourth year in a row, gave of themselves and were top fundraisers for a local charity
- Providing funding for a new ten-unit affordable housing project
- Submitted six projects to Orange County Transit Authority (OCTA) and awarded \$700,000 in projects
- Received a \$50,000 grant to enhance DUI enforcement
- Finished the first phase of clean up at Ascon toxic waste site
- Broke ground on Costco
- Developed a Public Works Work Order Management System
- Implemented citywide fleet maintenance consolidation
- Negotiated two new cell tower agreements (one for \$123,000 in additional fees and one for \$54,000 annually)
- Completed 4th Annual HB Reads Program
- Completed utility yard rehabilitation
- Installed three self-service check out stations at the library
- Implemented iPads for paperless agenda process
- Got rid of bottled water at the dais
- Completed the 8th ball field at the sports complex
- New community garden
- Re-codified the new charter with the Secretary of State
- Successfully transitioned 193 acres of landscape from in-house to contract services
- Obtained corporate sponsorship for two lifeguard towers
- Contracted to provide outsourced helicopter services to other cities
- Developed an online paycheck system for employees
- Balanced the FY 2011 budget
- Received and managed several federal, state and private grants
- Added a new free shuttle service from City Hall to downtown to ease parking issues during

- the summer (Tuesday night downtown closure)
- We implemented our Hometown Hero Program
 - Implemented a Fire Department Awards Program
 - Honored ten-time surfing champion Kelly Slater
 - Created a new Local Vendor Preference Program
 - Providing summer valet services in downtown parking structure
 - Received a clean audit option from the federal single audit
 - Constructed a junior lifeguard storage facility built with private funds
 - Celebrated the Annual Festival of Folktales at the library
 - Completed the 2011 CERT (Community Emergency Response Team) with 122 graduates
 - Approved the formation of a housing authority
 - Implemented our branding of Huntington Beach
 - Maintained our financial reserves (approximately \$43 million total) despite severe financial challenges
 - Implemented an Intranet portal in the Fire Department to improve internal communication
 - Opened discussion with several developers regarding our Beach and Edinger corridor
 - Received a Certificate of Excellence for Financial Reporting from the Government Finance Officers Association
 - Rehabbed Emerald Cove and solid it to their management company
 - Installed solar panels
 - Hosted 100,000 people or more for July 4th parade and fireworks
 - July 4th parade shown on TV
 - Developed and implemented a ten point plan to improve customer service for the business community and to be more business friendly
 - Facilitated a citywide EOC (Emergency Operations Center) table top exercise
 - Implemented a Volunteer Scheduling System for the library
 - Enrolled 2800 individuals in our summer Learn to Swim Program
 - Issued over 6300 building permits (6% over this time last year)
 - Opened the El Mercado Farmers Market serving the Oak View community
 - Implemented WiFi services at all branches
 - Increased Internet speed at all libraries by over 300%
 - Successfully consolidated reprographic, mail processing and copier maintenance services, saving the City over \$100,000 annually
 - Working with the Public Works Commission, prioritized infrastructure needs and provided them to Council
 - City is in the process of selling off surplus properties
 - Building permit construction valuation up 8% (\$70.5 million) over same time last year
 - Received Award of Merit and Outstanding Planning Award from the California and Orange County Chapters of the American Planning Association for the City's Beach-Edinger Corridors Specific Plan
 - Celebrated the 25th Annual Authors Festival

Current Internal Weaknesses/Challenges of the City of Huntington Beach (brainstormed list of perceptions):

- Loss of institutional memory and knowledge
- Inadequate staff to perform critical functions
- Lack of funding for non-mandated training
- Inability to successfully negotiate labor concessions

- Fear of further layoffs due to fiscal challenges
- Lack of funding to replace computer hardware
- Lack of funding for employee enrichment
- Aging and antiquated business processing system
- Lack of funding to maintain and enhance quality services
- Increasing expectations of remaining staff
- Competing priorities
- Unable to get a handle on our RDA during difficult times
- Split Council
- Low employee morale
- Lack of consensus on two-tier pension system
- No Community Services Director
- Lack of communication and understanding with bargaining associations
- Difficult transition from Public Agency Retirement Systems reductions
- Lack of funds
- Lack of job security
- Inability to bring a solution to downtown problems
- Unable to get a handle on funds for our aging infrastructure
- Unwillingness to look at revenue enhancements

External Factors/Trends that Will/Might have a Positive Impact on the City of Huntington Beach in the Coming Year (brainstormed list of perceptions):

- Measure M2 grant opportunities
- Continuing E-rate grants funding for electronic services
- Beginning to see investments by the development companies for the first time in two and a half years
- Success of existing events that come to the city
- More public involvement
- Increasing sales tax revenue
- Additional public-private sponsorships
- Environmental grant to restore Bolsa Chica
- Potential grant for Talbert Lake Project
- Changing technological landscape
- RDA lawsuit
- Sharing services with neighboring cities
- Improvement in visitor stream
- Increased hotel occupancy
- Interest in new events
- Some projects starting in the Beach and Edinger corridor and in downtown
- Increased events in the off season
- Increased property tax values
- Costco under construction
- Development of the boardwalk
- Prop 22
- Increased opportunities for energy efficiency and green projects
- Enhanced collaboration among cities (e.g., Association of California Cities for Orange County)

- Better than expected investment returns at CalPERS

External Factors/Trends that Will/Might have a Negative Impact on the City of Huntington Beach in the Coming Year (brainstormed list of perceptions):

- Lack of adult supervision at the state level
- RDA going away
- Unrealistic investment returns for PERS
- Federal budget cuts
- Decreasing federal and state grants
- Increased regulation
- Lack of commercial funding
- Increasing demand for services
- Increasing workers comp costs
- Increasing fuel costs
- 24-hour news cycle and the need for an immediate story
- Changing technological landscape—possible increasing costs
- Increasing senior population
- Anger of public against public employees and elected officials
- Expectation of immediate response to the public
- Redistricting
- High health care costs
- Ensuing election
- Uninformed or misinformed electorate
- Lack of confidence in the community
- PERS
- Debt ceiling stagnation—unable to come to a decision
- Further state raid of local fund
- Continued increase in lawsuits against the City

PRESENTATION BY THE FINANCE DIRECTOR – a presentation regarding the options to address the \$1,684,000 Budget Shortfall in FY 2011-2012

<u>(Options)</u>	<u>Estimated Value</u>
1. Refinance Bonds	\$1,000,000
2. Reduce Staff/Operations by 50%*	\$650,000
3. Grant from MVB	\$70,000
4. Partial Deferral of Developer Tax Sharing Agreements**	\$500,000
5. Short-term Inter-fund Loan	TBD
6. Other Revenue***	TBD

*Assumes total reduction of 6 FTEs

**Up to \$2 million available

***As previously presented to City Council (4/18)—up to \$300,000

CONSENSUS BY THE CITY COUNCIL ON OPTIONS FOR THE MANAGEMENT TEAM TO EXAMINE FURTHER AND REPORT THE RESULTS, INCLUDING RECOMMENDATIONS, TO THE CITY COUNCIL FOR ACTION

Come back to the City Council with more information and recommendations. Remove Option #5 from consideration. There is the least amount of interest in Options #2 and #4.

1. In September 2011, the Finance Director will implement refinancing of bonds.
2. No later than the September 6, 2011 City Council meeting, the Director of Finance and City Manager will recommend to the City Council for action whether or not to implement the redevelopment funding options number 2, 3, 4 and 6.

PRESENTATION BY THE PUBLIC WORKS DIRECTOR – a presentation was given on infrastructure funding and implementation options.

FUNDING OPTIONS

- Tax
 - 2/3 voter approval (1 person, 1 vote)
 - No nexus or specific benefit analysis legally required
 - “Flat” tax or “Proportional” tax can be proposed
 - Tax collected for duration of Program
- Benefit Assessment District
 - Majority property owner approval by mail in ballot (based on proposed amount assessed)
 - Requires cost of improvements be apportioned to parcels that receive benefit

IMPLEMENTATION OPTIONS

- Pay As You Go
 - Collect Tax or Assessment 1st year and build the next year
- Bond
 - Allows for earlier implementation of improvement
 - Allows pay back over longer period to reduce annual assessment
 - However; increases overall cost of program (Due to required benefit analysis, upfront finance charges and debt service)

CONSENSUS BY THE CITY COUNCIL REGARDING INFRASTRUCTURE FUNDING OPTIONS

1. By November 15, 2011, the Public Works Director, working with a consultant, will determine the feasibility of an assessment district and make recommendations to the City Council for action.
2. By January 31, 2012, the Public Works Director, working with the Deputy City Manager and consultant, will develop, implement, analyze and distribute results of a public survey regarding funding of the infrastructure.

RECESS

By consensus, the City Council meeting was recessed for a lunch break at 12:02 p.m.

RECONVENE

The Meeting was reconvened at 1:00 p.m. with all Council Members present.

Facilitator Snider led the group in the identification of the next six-months' strategic objectives, concentrating on how the goals will be addressed – date, accountable individual(s), and specific/measurable results for each. The following is the result of that exercise.

Huntington Beach Six-Month Strategic Objectives – July 29, 2011 through February 1, 2012:**THREE-YEAR GOAL: MAINTAIN FINANCIAL VIABILITY AND OUR RESERVES**

WHEN	WHO	WHAT
1. In September 2011	Finance Director	Implement refinancing of bonds.
2. No later than the September 6, 2011 City Council meeting	Finance Director and City Manager	Recommend to the City Council for action whether or not to implement the redevelopment funding options number 2, 3, 4 and 6.
3. By October 1, 2011	Finance Director and City Manager	Finalize recommendations for RDA funding options and present to the City Council for action.
4. By October 1, 2011	Finance Director	Present the Long Term Financial Plan update to the City Council for review.
5. By October 1, 2011	City Manager and HR Director	Present to the City Council for action how to implement the recommendations regarding the two-tier pension system and employee pick-up of pension costs from consultant John Bartels for future contract negotiations.

6. By November 1, 2011	Deputy City Manager and Public Works Director	Develop and present to the City Council for action a plan to utilize existing equipment replacement and capital fund balances to replace aging equipment and infrastructure.
7. By January 1, 2012	Deputy City manager and Finance Director	Review existing reserve policies and propose possible revisions for City Council review.

**THREE-YEAR GOAL: MAINTAIN, IMPROVE AND OBTAIN FUNDING FOR
 INFRASTRUCTURE AND EQUIPMENT**

WHEN	WHO	WHAT
1. By November 15, 2011	Public Works Director, working with a consultant	Determine feasibility of an assessment district and make recommendations to the City Council for action.
2. By January 15, 2012	Public Works Director	Provide an update to the City Council addressing changes in delivery of services and operations as a result of organizational restructuring.
3. By January 15, 2012	Public Works Director	Present an evaluation of tiered water rates and provide a recommendation to the City Council for action.
4. By January 31, 2012	Public Works Director, working with the Deputy City Manager and consultant	Develop, implement, analyze and distribute results of a public survey regarding funding of the infrastructure.

THREE-YEAR GOAL: MAINTAIN PUBLIC SAFETY

WHEN	WHO	WHAT
1. By December 1, 2011, contingent upon annexation of Sunset Beach	Fire Chief (lead), Marine Safety Chief and Police Chief	Finalize and implement transition of Public Safety Services.
2. By February 1, 2012, contingent upon City Council approval	Police Chief (lead), Fire Chief and Deputy City Manager	Conduct a feasibility study regarding providing lifeguard, police and fire dispatch, and SWAT services for Newport Beach and Costa Mesa and make a recommendation to the City Council for action.
3. By February 1, 2012	Fire Chief and City Manager	Complete discussions with the City of Fountain Valley on opportunities to provide services to them and make recommendations to the City Council for action.
4. By February 1, 2012	Police Chief	Conduct an analysis of the Police Department organizational structuring considering current staffing levels and make recommendations for change to the City Council for action.

THREE-YEAR GOAL: ENHANCE ECONOMIC DEVELOPMENT

WHEN	WHO	WHAT
1. By December 31, 2011	Planning and Building Director	Complete the SW corner of Beach and Warner EIR and submit to the Planning Commission for action.

2. By December 31, 2011	Planning and Building Director	Complete the SE corner of Beach and Ellis EIR and submit to the Planning Commission for action.
3. By December 31, 2011	Planning and Building Director and Deputy City Manager	Monitor the sale of the Pacific City property and, if sold, work with the new property owner in expediting the development review process.
4. By December 31, 2011	Economic Development Director and Planning and Building Director	Complete the processing of the Center Avenue Skate Park and present to the City Council for action.
5. By February 1, 2012	Deputy City Manager Hall (lead), Economic Development Director and City Council Members Shaw, Carchio and Hansen	Hold three additional workshops with businesses providing information and outreach.
6. By February 1, 2012	Economic Development Director and Deputy City Manager Hall	Complete the private-public study of branding opportunities in the city.

THREE-YEAR GOAL: IMPROVE INTERNAL AND EXTERNAL COMMUNICATION

WHEN	WHO	WHAT
1. Weekly	Public Information Officer	Place on Facebook and Twitter at least two City of Huntington Beach informational postings.
2. The day following each City Council meeting	Public Information Officer	Post a summary of City Council meeting highlights (e.g., actions by the City Council) to the Surfnet and on a link to all employees.

3. By December 31, 2011	Mayor and two City Council members (on a rotating basis)	Hold three brown bag lunches with employees to provide updates on City Council priorities and issues.
4. By December 31, 2011 and March 31, 2012	City Administrator and Finance Director	Provide to all employees two quarterly updates on the budget situation, in person and with an interactive Q & A session.

Facilitator Snider listed Next Steps/Follow-Up Process which had benchmark dates as noted below:

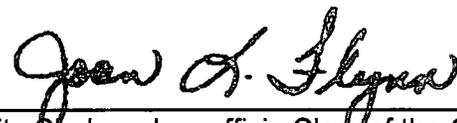
NEXT STEPS/FOLLOW-UP PROCESS

WHEN	WHO	WHAT
August 1, 2011	City Manager	Distribute the retreat record to attendees.
Within 48 hours	All recipients	Read the retreat record.
August 9, 2011	Management Team (City Manager– lead)	Review the “Internal Weaknesses/Challenges” and “External Threats” lists for possible action items.
By August 15, 2011	Department Heads	Share and discuss the Strategic Plan with staff.
September 6, 2011 City Council meeting	City Council (Mayor – lead)	Present the updated Strategic Plan to the public.
Monthly	City Council City Manager (Mayor – lead)	Monitor progress on the goals and objectives and revise objectives (add, amend and/or delete), as needed.
Monthly	City Manager	Prepare and distribute the updated Strategic Plan Monitoring Matrix

January 27, 2012	Mayor City Council City Manager Management Team	Strategic Planning Retreat to: - more thoroughly assess progress on the Goals and Strategic Objectives - identify new Three Year Goals Strategic Objectives for the first six months of the new Strategic Plan.
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The date of the next strategic plan retreat was set for Friday, January 27, 2012, 8:30 a.m. – 4:00 p.m. at which time the members will assess progress on the goals and strategic objectives, develop a vision statement for the City and strategic objectives for the next 6 months.

ADJOURNMENT Council/Agency adjourned at 2:48 p.m. to the next regularly scheduled meeting of Monday, August 1, 2011 at 4:00 PM in the Council Chambers, 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