

**Minutes  
City Council/Redevelopment Agency/Public Financing Authority Meeting  
City of Huntington Beach**

Monday, September 20, 2010  
4:00 PM - Room B-8  
6:00 PM - Council Chambers  
Civic Center, 2000 Main Street  
Huntington Beach, California 92648

**A video recording of the 6:00 PM portion of this meeting  
is on file in the Office of the City Clerk and is archived at  
<http://www.huntingtonbeachca.gov/government/agendas/>**

4:00 PM – Room B-8

The City Clerk recessed the 4:00 PM portion of the meeting to 6:00 PM due to an anticipated lack of quorum.

6:00 PM - COUNCIL CHAMBERS

CALL TO ORDER: 6:02 PM

ROLL CALL - (Councilmembers Gil Coerper and Jill Hardy were granted permission to be absent pursuant to Resolution No. 2001-54)

Present: Carchio, Green, Bohr, Dwyer, and Hansen  
Absent: Coerper, and Hardy

PLEDGE OF ALLEGIANCE - Led by Councilmember Devin Dwyer

INVOCATION - Provided by Father Christian Mondor from the Huntington Beach Interfaith Council

ANNOUNCEMENT OF LATE COMMUNICATION

City Clerk Joan L. Flynn stated that late communications would be announced during the Public Hearing portion of tonight's meeting.

Mayor Green expressed sympathy for the loss of resident Delores Bischoff, and offered condolences to her family.

AWARDS AND PRESENTATIONS

Mayor Green announced the observance of National Hispanic Heritage Month which celebrates the histories, cultures and contributions of those whose ancestors came from Spain, Mexico, the Caribbean, and Central and South America. Made federal law in 1988, this 30-day period from September 15th to October 15th was selected to coincide with the independence days of five

Latin American countries, Columbus Day and El Dia de la Raza. Recognition of various Federal Diversity Months is a program of the City's Human Relations Task Force in keeping with its mission to support and celebrate diversity in our community through education and understanding. A culminating celebration event is planned for Wednesday, October 13th, at 7 P.M. at the Huntington Beach Central Library.

Don Gerech, representing the Human Relations Task Force (HRTF) announced "A Barefoot Heart" as the HB "Reads One Book" book.

Jim Powers and Stanley Smalewitz, Director of Economic Development, announced Huntington Beach's National Recognition as a Bicycle Friendly Community at the "Bronze" level.

Presentation - Mayor Green called on members of the Huntington Beach Rotary Club to be recognized for donating the funds to raise the band shell for the Huntington Beach Summer Concert Series.

Presentation - Mayor Green called on the Friends of the Library representatives to announce the "Books for Kids" campaign. Students Mark, Alyssa, and Mikayla spoke regarding the program which assists in filling the library's shelves with children's books.

Mayor's Award - Mayor Green called on Library Director Stephanie Beverage to present the Mayor's Award to Administrative Assistant Kathy Blassingame. Kathy had been working for the library since 2006 and has made many successful contributions to the Library due to her phenomenal organizational skills. She is recognized as a problem solver and a model employee.

#### PUBLIC COMMENTS (3 Minute Time Limit)

(The number following the speakers' comments reflect the approximate point in the archived video file located at <http://www.surfcity-hb.org/government/agendas>.)

Robert Stahl asked Council to consider placing a traffic signal at the intersection of Springdale and Croopier Street. (00:25:31)

Steve Zamora asked Council to consider placement of a traffic signal at the intersection of Springdale and Croopier Street. (00:26:59)

Sarah Welsh asked Council to consider placement of a traffic signal at the intersection of Springdale and Croopier Street. (00:29:25)

Debbie Lerma asked Council to consider placement of a traffic signal at the intersection of Springdale and Croopier Street. (00:30:19)

Councilmember Carchio asked speakers concerned about the Springdale and Croopier Street intersection to fill out a Council follow-up (blue) card.

Christine Schaefer, Alzheimer's Association, Orange County Chapter, distributed a folder containing information on programs, services and events of the organization. (00:32:14)

Paul Lamback asked Council to consider placement of a traffic signal at the intersection of Springdale and Croopier Street. (00:36:04)

Valerie Heilman asked Council to consider placement of a traffic signal at the intersection of Springdale and Croopier Street. (00:39:22)

Perry Cain, President/CEO of the Huntington Beach Chamber of Commerce, spoke regarding Councilmember Hansen's item related to non-resident fees for accidents (Agenda Item no. 13) (00:40:51)

Cindy Cross thanked Council for their supportive decisions on the Poseidon seawater desalination project. (00:43:06)

Tim Geddes voiced opposition to the Poseidon seawater desalination project. (00:44:44)

Councilmember Dwyer asked Travis Hopkins to provide information regarding costs related to implementation of "flashing traffic signals." Mr. Hopkins advised Council that the City has one flashing signal in place, and that the cost is approximately \$150,000.

Chief Small affirmed he would attend any meeting set up with concerned residents pertaining to traffic signals at Springdale and Croopier. Councilmember Dwyer stated the Westminster School Board is also interested in this matter.

#### COUNCIL COMMITTEE - APPOINTMENTS - LIAISON REPORTS AND ALL AB 1234 DISCLOSURE REPORTING

Councilmember Dwyer reported on his attendance at the Environmental Board's "Green Expo" at the pier; announced the pending Community Garden agreement with SCE that should occur within 30 days.

Councilmember Hansen reported pursuant to AB 1234 his attendance at the League of Cities Annual Meeting in San Diego with Councilmember Carchio.

Councilmember Carchio announced his attendance at the League of Cities Annual Meeting in San Diego with Councilmember Hansen and City Administrator Fred Wilson.

Councilmember Bohr submitted a written AB 1234 report that is on file in the City Clerk's Office.

#### CITY ADMINISTRATOR'S REPORT

City Administrator Fred Wilson acknowledged RJ Mayer for recent grant efforts.

#### CONSENT CALENDAR

1. Approved and adopted minutes.

A motion was made by Carchio, second Bohr to Approve and adopt the minutes of the City Council/Redevelopment Agency/Public Financing Authority regular meeting of August 16, 2010, and the City Council/Redevelopment Agency/Public Financing Authority special meeting of August 30, 2010, as written and on file in the Office of the City Clerk. The motion carried by the following roll call vote:

AYES: Carchio, Green, Bohr, Dwyer, and Hansen  
NOES: None  
ABSENT: Coerper, and Hardy

2. Received and filed City Clerk's Quarterly Report listing of Professional Service Contracts filed in the City Clerk's office between April 1, 2010, through June 30, 2010.

A motion was made by Carchio, second Bohr to Receive and file the "List of Professional Service Contracts Approved by Department Heads Pursuant to Huntington Beach Municipal Code Chapter 3.03 and Submitted to the Office of the City Clerk during the period of April 1, 2010, through June 30, 2010." The motion carried by the following roll call vote:

AYES: Carchio, Green, Bohr, Dwyer, and Hansen  
NOES: None  
ABSENT: Coerper, and Hardy

3. Approved and authorized the Mayor and City Clerk to execute an Inclusionary Affordable Housing Agreement with RP/PLC Blue Canvas, Huntington Beach (Pacific Shores) for twenty-one (21) units at a 201 unit residential development located at 21471 Newland Street (Tract 16733)

A motion was made by Carchio, second Bohr to approve the "Agreement Declaring Conditions, Covenants and Restrictions Affecting Property (Resale Restriction)" by and between the City of Huntington Beach, RP/PLC Blue Canvas, and the Redevelopment Agency of the City of Huntington Beach; and authorize the Mayor, City Clerk to sign and execute the Agreement; and, authorize the Executive Director or designee to take any action and execute any and all documents necessary to implement this agreement. The motion carried by the following roll call vote:

AYES: Carchio, Green, Bohr, Dwyer, and Hansen  
NOES: None  
ABSENT: Coerper, and Hardy

4. Approved and authorized the City Administrator to execute an amendment to an agreement with Southern California Edison Company to jointly deliver the 2010-2012 Orange County Energy Leader Partnership Program.

A motion was made by Carchio, second Bohr to Approve and authorize the City Administrator to execute an amendment to the agreement replacing the original Exhibit A with a new Exhibit A revised effective January 2, 2010. The motion carried by the following roll call vote:

AYES: Carchio, Green, Bohr, Dwyer, and Hansen  
NOES: None  
ABSENT: Coerper, and Hardy

5. Approved project plans and specifications and awarded a Construction Contract in the amount of \$84,109.85 to Ace Cd, Inc. for the Pacific Coast Highway Bus Shelter Project, CC-1267; and, authorized the Mayor and City Clerk to execute a contract in a form approved by the City Attorney.

A motion was made by Carchio, second Bohr to approve the project plans and specifications for the Pacific Coast Highway Bus Shelter Project (CC-1267); and, accept the lowest responsive and responsible bid submitted by Ace Cd Inc., in the amount of \$84,109.85; 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 roll call vote:

AYES: Carchio, Green, Bohr, Dwyer, and Hansen  
NOES: None  
ABSENT: Coerper, and Hardy

#### PUBLIC HEARING/ADMINISTRATIVE ITEMS

Items 6.1, 6.2, and 6.3 were considered concurrently by the City Council.

A PowerPoint Presentation was given by Senior Planner Ricky Ramos. Slides presented were entitled: Coastal Development Permit and Tentative Parcel Map, Project Location, Project Description, Background, Analysis, and Recommendation.

(The number following the speakers' comments reflect the approximate point in the archived video file located at <http://www.surfcity-hb.org/government/agendas>.)

Mayor Green opened the public hearing.

Pursuant to the Brown "Open Meetings" Act, City Clerk Joan Flynn announced late communications received on the item following distribution of the City Council agenda packet:

Communication received from Josie McKinley, Director of Project Development of Poseidon Resources, dated September 16, 2010 entitled *Seawater Desalination Project at Huntington Beach, Coastal Development Permit*. Communication received from Ronald A. Van Blarcom, Attorney At Law, dated September 20, 2010, and entitled *Coastal Development Permit No. 10-014 and Tentative Parcel Map No. 10-130 for the Poseidon Seawater Desalination Project; Agenda Item 6-1 for the September 20, 2010 Council Meeting*. Communication received from Joe Geever, Surfrider Foundation, California Policy Coordinator, dated September 20, 2010, entitled *Poseidon Resources Ocean Desalination – Coastal Development Permit No. 10-014 & Tentative Parcel Map No. 10-130 – OPPOSE*. Communications received regarding a proposed Seawater Desalination Project by Poseidon Resources (Surfside) LLC located south of Edison Avenue and east of Newland Street: Mary Jo Baretich, Alex and Charlotte Masarik, Kathryn Barr, Ed Means, Paul Brown, Eileen Murphy, Karen Cornell, Julie Ann Muzzall, Penny Elia, Margaret Nerio, Fran Gibson, Leonard Paul, Dan Hytrek, Don Schulz, Leslie & Susan Jepsen, Mike Tasker, Bob Kramer, Bruce West and Ben Leland.

Communication from Orange County Coastkeepers dated September 20, 2010 regarding Comments on Coastal Development Permit (CDP) No. 10-014 for the Poseidon Seawater Desalination Project received during the meeting.

Scott Maloni, representing Poseidon Resources, spoke regarding the proposed request for a seawater desalination plant, requested that the Council support the recommended actions in Agenda Item Nos. 6.1, 6.2, and 6.3. (00:56:36)

Ron Van Blarcom, Attorney for Poseidon Resources, spoke regarding documents submitted in late communication and that they are part of the official record for this matter. Poseidon acknowledged that they had the opportunity to review the position of the Surfrider Foundation, and that Poseidon continues to support staff's recommendations for approval on tonight's items. (00:58:14)

Colin Kelly, Staff Attorney for Orange County Coastkeepers, acknowledged the written comments they submitted on this item, and spoke in opposition to the proposed Poseidon Seawater Desalination Project. (00:59:37)

Merle Moshiri, President of Residents for Responsible Desalination, spoke in opposition to the Poseidon Seawater Desalination Project, acknowledged the elected officials who have received contributions from Poseidon, and the negative impacts residents will sustain from this project. (01:01:20)

Siobhan Dolan, Desal Response Group, spoke in opposition to the Poseidon Seawater Desalination Project. She mentioned that there were alternative options to this project and expressed concerns regarding the impacts to the coastline from this development project. (01:02:11)

Mary Jo Baretich, representing the Cabrillo Wetlands Conservancy, spoke in opposition to the Poseidon Seawater Desalination Project. She mentioned findings by the Coastal Commission related to various appeals on a previous project. (01:04:57)

Reed L. Royalty spoke in support of the Poseidon Seawater Desalination Project. (01:06:58)

Joe Geever, Surfrider Foundation, spoke in opposition to the Poseidon Seawater Desalination Project. He mentioned that appropriate mitigation measures were not adequate for this proposed development. He further requested that this project be denied until mitigation measures could be initiated. (01:07:18)

Rich Kolander spoke in opposition to the Poseidon Seawater Desalination Project. (01:10:04)

Perry Cain, President/CEO Huntington Beach Chamber of Commerce, spoke in support of Poseidon Seawater Desalination Project and the additional tax revenue and jobs which the project would support. (01:11:08)

Guy Adams spoke in opposition to the Poseidon Seawater Desalination Project. He spoke about the negative impacts of the project on the environment and discussed other options for fresh water. (01:11:55)

Larry Porter, member of Residents for Responsible Desalinization, spoke in opposition to the Poseidon Seawater Desalination Project. (01:14:16)

Sandra Genis spoke in opposition to the Poseidon Seawater Desalination Project. She mentioned that the project must be in conformance with the local coastal program to be approved and that the proposed Poseidon project was not in conformance. (01:16:52)

Conner Everts spoke in opposition to the Poseidon Seawater Desalination Project. He noted that there would not be a total "offset" of water that will be provided by the project. (01:19:39)

Mayor Green closed the public hearing

Councilmember Dwyer commented that he was in support of this project and had not accepted contributions from Poseidon during his election campaign; Councilmember Hansen addressed speaker Mr. Porter's comments about Council's review of this item and claims that Council is acting irresponsibly by approving the project.

Councilmember Bohr discussed the financial benefits of the project, and his reasons for supporting the request.

6.1 Approved Coastal Development Permit (CDP) No. 10-014 and Tentative Parcel Map (TPM) No. 10-130 for the Poseidon Seawater Desalination Project (TPM continued from September 7, 2010).

A motion was made by Carchio, second Dwyer to approve Coastal Development Permit No. 10-014 and Tentative Parcel Map No. 10-130 to permit the Seawater Desalination Project with staff recommended findings and conditions of approval; and, rescind Coastal Development Permit No. 02-05; and, ratify City Council's approval at its September 7, 2010 meeting of EPA 10-001 to amend CUP 02-04; the Exchange Agreement and Escrow Instructions between the City of Huntington Beach and Poseidon Resources (Surfside) LLC for properties located south of Edison Avenue and east of Newland Street; and the Pipeline Franchise Agreement with Poseidon LLC to construct, own and operate a new water pipeline in the public right-of-way. The motion carried by the following roll call vote:

AYES:	Carchio, Green, Bohr, Dwyer, and Hansen
NOES:	None
ABSENT:	Coerper, and Hardy

6.2 Approved the Amended and Restated Owner Participation Agreement by and between the Redevelopment Agency of the City of Huntington Beach and Poseidon Resources (Surfside) LLC, continued from September 7, 2010.

A motion was made by Carchio, second Dwyer to approve the Amended and Restated Owner Participation Agreement by and between the Redevelopment Agency of the City of Huntington Beach and Poseidon Resources (Surfside) LLC, continued from September 7, 2010. The motion carried by the following roll call vote:

AYES:	Carchio, Green, Bohr, Dwyer, and Hansen
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NOES: None  
ABSENT: Coerper, and Hardy

6.3 Approved for Introduction Ordinance No. 3891 granting a non-exclusive Pipeline Franchise to Poseidon Resources (Surfside) LLC to construct, own, and operate a new water pipeline in the public right-of-way to deliver desalinated water.

A motion was made by Carchio, second Dwyer to Approve for Introduction Ordinance No. 3891 granting a non-exclusive Pipeline Franchise to Poseidon Resources (Surfside) LLC to construct, own, and operate a new water pipeline in the public right-of-way to deliver desalinated water. The motion carried by the following roll call vote:

AYES: Carchio, Green, Bohr, Dwyer, and Hansen  
NOES: None  
ABSENT: Coerper, and Hardy

7. Approved GPA No. 10-001 by adopting Resolution no. 2010-67, and ZTA 10-001 by adopting Resolution No. 2010-68 (The Village at Bella Terra - Costco)

Senior Planner Jane James provided a PowerPoint presentation entitled "Village at Bella Terra and Costco." Slides were: Proposed project, Background and Site History, 2010 Revised Request, Revised Request Cont'd., Planning Commission Action - August 24, 2010, Addendum to EIR No. 07-003, and Recommendation.

Mayor Green opened the public hearing.

City Clerk Joan Flynn announced late communications received on the item following distribution of the City Council agenda packet:

Communication received from Alex Wong of Red Oak Investments, dated September 20, 2010, and entitled Costco Mitigation Request. Communication received from Karen Jackle, President of Huntington Beach Tomorrow, dated September 20, 2010, and entitled Costco/Bella Terra Project Public Hearing on September 20, 2010.

Facsimile communications received from Alex Wong, Red Oak Investments LLC (4:54 PM, September 20, 2010); and Jenifer Murillo, Costco Wholesale (3:37 PM, September 20, 2010)

Lindsey Parton, representing the Applicant/DJM Capital and Costco Wholesale, requested Council approve the presented request, and mentioned that the entire team was present and available to answer questions. He thanked staff for their work on the project, and advised Council that they will return with an affordable housing development agreement.

Dave Weigel spoke in support of The Village at Bella Terra - Costco. He is a long time property owner and business owner and noted Costco would provide jobs and support to residents and local businesses.

Perry Cain, President and CEO, Huntington Beach Chamber of Commerce, spoke in support of The Village at Bella Terra - Costco. He noted the Costco project has been eagerly anticipated

by the community and that the Chamber supports the affordable housing project associated with this development.

Joe Flanagan, Principal at Red Oak Investments, spoke in support of The Village at Bella Terra - Costco. He did voice concerns about delivery trucks making back-up beeping noises during the early morning hours that will disturb future Red Oak residents.

Jenifer Murillo representing Costco Wholesale addressed the speaker's concerns. She referenced the noise impact analysis dated May 7, 2010 and the various mitigation efforts that are proposed including a ten-foot masonry wall.

Staff member Jane James stated the addendum EIR studied the issue and the conditions identified meet noise code requirements. Councilmember Dwyer called for staff to pursue potential landscaping to mitigate noise, if this is found to be a future issue.

Mr. Flanagan described living near big-box retailers, and concerns about integrating into the urban environment, specifically addressing delivery times, travel circulation, and the logistic requirements that deliveries must occur between 5am and 9am to support retail sales.

Carole Ann Wall, staff member at DJM Capital, thanked Council for their support of the Poseidon Project, noted she was a past Environmental Board Member (13 years) and Infrastructure Committee Member, and spoke in support of The Village at Bella Terra - Costco.

Pat Rogers, DJM Capital Partners, spoke in support of The Village at Bella Terra - Costco - Whole Foods opening October 13.

Pam Algata, representing Old World German Restaurant, spoke in support of The Village at Bella Terra - Costco.

Jerry Clarke, resident and member of the Investment Advisory Board, spoke in support of The Village At Bella Terra - Costco. He noted the increase in sales tax and revitalization the project would bring to Huntington Beach.

Steve Dodge, representing Huntington Executive Park, spoke in support of The Village At Bella Terra - Costco.

Councilmember Bohr asked Mr. Parton to discuss the proposed parking at the project. Mr. Parton acknowledged the 467 proposed residential units and the pedestrian access program over the railroad track and flood control channel.

With no one else present to speak on the matter, Mayor Green closed the public hearing.

A motion was made by Bohr, second Carchio to approve General Plan Amendment No. 10-001 and adopt Resolution No. 2010-67, "A Resolution of the City Council of the City of Huntington Beach Approving General Plan Amendment No. 10-001"; and, approve Zoning Text Amendment No. 10-001 with findings for approval and adopt Resolution No. 2010-68, "A Resolution of the City Council of the City of Huntington Beach Approving an Amendment to Specific Plan No. 13 (Zoning Text Amendment No. 10-001)." The motion carried by the following roll call vote:

AYES: Dwyer, Bohr, Green, Carchio, and Hansen  
NOES: None  
ABSENT: Hardy, and Coerper

Mayor Green recessed the meeting for five minutes at 8:10 p.m.

Mayor Green reconvened the meeting at 8:15 PM.

8. Public hearing conducted to consider the adoption of Resolution No. 201064 approval an annual assessment within the HB Auto Dealers BID for FY 2010-2011

Item Numbers 8, 9, and 10, were considered concurrently by the City Council.

Staff Members presented a PowerPoint Presentation on BID Item Nos. 8-10. Slides were entitled: Huntington Beach Auto Dealers Business Improvement District, BID Members, formation, proposed 2010-02011 Budget and Goals, Renewal process, the Hotel/Motel BID, Proposed 2010-2011 Budget, Renewal Process, Downtown BID, Proposed Assessments for 2010-2011, Proposed Boundary, Proposed Budget 2010-2011, Renewal Process, and Public Hearing.

City Clerk Flynn stated no written protests filed for any BID Public Hearing (Item Nos. 8-10), provided instructions to provide an oral protest, and called on speakers.

Celeste Hamil was joined by Brett Barnes to present PowerPoint Presentation regarding the Downtown BID. Slides were entitled: HBDBID Operations and Marketing and Promotions.

Councilmember Dwyer suggested additional marketing efforts to designate the Art Walk locations.

City Clerk Joan Flynn read protest percentages into the record: There were zero (0) percent of each of the bid membership who elected to file protests to these matters.

With no one else present to speak on the matter, Mayor Green closed the public hearing.

Councilmember Carchio inquired as to efforts to stimulate business on 5th Street. Staff member Nova discussed specific events and signage to attract business participation.

Councilmember Carchio inquired as to whether the custodial services could be expanded. Deputy City Administrator Bob Hall explained the additional fund allocations are not available at this time. Councilmember Dwyer inquired as to how the new lighting system is being accepted by the BID members. A BID representative noted that there have been no complaints or issue regarding the new lighting. The Police Chief acknowledged that the lights can be adjusted in order to support night or evening services.

Councilmember Hansen noted that there may need to be some comprises required in order to address dogs and/or pets in the Downtown area.

A motion was made by Carchio, second Hansen to adopt City Council Resolution No. 2010-64,

"A Resolution of the City Council of the City of Huntington Beach Approving an Annual Assessment within the Huntington Beach Auto Dealers Association Business Improvement District for Fiscal Year 2010-2011." The motion carried by the following roll call vote:

AYES: Dwyer, Bohr, Green, Carchio, and Hansen  
NOES: None  
ABSENT: Hardy, and Coerper

9. Public Hearing conducted to consider adoption of Resolution No. 2010-65 approving an annual assessment within the Huntington Beach Hotel/Motel Business Improvement District (BID) for Fiscal Year 2010-2011.

A motion was made by Carchio, second Hansen to adopt City Council Resolution No. 2010-65, "A Resolution of the City Council of the City of Huntington Beach Approving an Annual Assessment within the Huntington Beach Hotel/Motel Business Improvement District for Fiscal Year 2010-2011.". The motion carried by the following roll call vote:

AYES: Dwyer, Bohr, Green, Carchio, and Hansen  
NOES: None  
ABSENT: Hardy, and Coerper

10. Public Hearing conducted to consider adoption of Resolution No. 2010-66 approving an annual assessment within the Huntington Beach Downtown Business Improvement District (BID) for Fiscal Year 2010-2011

A motion was made by Carchio, second Hansen to adopt City Council Resolution No. 2010-64, "A Resolution of the City Council of the City of Huntington Beach Approving an Annual Assessment within the Huntington Beach Auto Dealers Association Business Improvement District for Fiscal Year 2010-2011." The motion carried by the following roll call vote:

AYES: Dwyer, Bohr, Green, Carchio, and Hansen  
NOES: None  
ABSENT: Hardy, and Coerper

11. Public Hearing conducted on the proposed Fiscal Year 2010/2011 city budget appropriation of \$301,136,077, as outlined in the proposed budget document and all revisions contained in the Exhibits of the Budget Resolution; adopt Budget Resolution No. 2010-69; authorize the Professional Services Contract List included in fiscal year 2010/2011 budget to be representative of services projected to be utilized by departments; and, approve updated Franchise Policies to include revised reserve policy language.

City Administrator Fred Wilson opened discussion by introducing Budget Manager Jennifer Lampman and Finance Director Bob Wingenroth, who thereafter narrated a PowerPoint Presentation. Slides were entitled: Study Session Recap, Beginning Challenges, PARS Basics, PARS Driven organizational changes, PARS, FY 2010/11 Proposed Budget, General Fund by Department, General Fund Revenues, General Fund Expenditures, Budget Reductions, and Bright Spots.

Director Wingenroth presented slides entitled: Five-Year Financial Plan, Key Assumptions,

Preliminary projected revenue vs. expenditures, and General Fund reserves.

City Engineer Tony Olmos presented slides related to the Capital Improvement Program (CIP) entitled: CIP: New appropriations (\$17M).

Mayor Green opened the public hearing.

Darrin Witt spoke on behalf of the Huntington Beach Firefighters Association, voiced concerns about the proposed cuts of \$1.3 million to the Fire Department and he requested that the Council take very seriously the budget decision. He thanked the Council and City staff for their diligent work in preparing the budget document, and the RJ Mayer Corporation for their generous donation.

With no one else present to provide comments, Mayor Green closed the public hearing.

Councilmember Dwyer discussed pension programs and expressed concerns regarding CalPers actuaries and the need for a 2-tiered retirement system. He also discussed moving Marine Safety under the Fire Department, with savings being put back into Marine Safety.

Councilmember Bohr complimented staff and discussed the difficulty of doing "less with less," cutting programs and services, would like to be more open to additional revenue sources, and acknowledged that residents must be willing to pay for some services.

Councilmember Hansen discussed the difficult state of the economy, the need to do the same with less, expressed concerns about employee compensation and benefits "spiking," the PARS program as a win-win situation, and the potential for concessions by bargaining groups. Mr. Hansen also acknowledged that he would not support a labor contract with terms greater than 2 years, Measure O and set-aside funds, and expressed his gratitude to staff for their work on the budget.

Councilmember Carchio thanked staff, noting the difficult task in difficult times, and that staff is playing as a team. He expressed concern about the elimination of three positions in Senior Services. Staff member Engle explained why the cuts will not affect level of service to Seniors.

Mayor Green inquired regarding the three frozen positions in Community Services. The Director of Community Services affirmed the backfilling of certain positions and those that will be filled in future years. The City Administrator noted that certain positions are frozen throughout the City, but will be kept on the books, as it is easier to refill the positions when the budget normalizes rather than to reestablish positions if they are eliminated from the books.

Mayor Green suggested removing all "frozen" positions from the budget, except those which are public safety related. Councilmembers Carchio and Dwyer agreed to amend their motion to include that excluding the removal of the Community Services Director.

A motion was made by Carchio, second Hansen to adopt Resolution No. 2010-69, "A Resolution of the City Council of the City of Huntington Beach Adopting a Budget for the City for Fiscal Year 2010/11; and, authorize the Professional Services included in fiscal year 2010/11 budget to be representative of services projected to be utilized by departments in FY 2010/11; and, approve updated Financial Policies to include revised policy language, and eliminate all

"frozen" positions from the table of organization, except those which are public safety related excluding the removal of the Director position in Community Services. The motion carried by the following roll call vote:

AYES: Dwyer, Bohr, Green, Carchio, and Hansen  
NOES: None  
ABSENT: Hardy, and Coerper

#### ORDINANCES FOR ADOPTION

12. Adopted Ordinance No. 3890 reflecting a 1.8% Consumer Price Index for Urban Consumers (CPIU) increase to the Sewer Service User Charge effective October 2010 Approved for introduction September 7, 2010

A motion was made by Hansen, second Dwyer to after the City Clerk reads by title, adopt Ordinance No. 3890, An Ordinance of the City of Huntington Beach Amending Chapter 14.55 of the Huntington Beach Municipal Code Relating to the Sewer Service Rates Methodology. (Five affirmative votes are required to adopt this ordinance per Health and Safety Code Section 5471.) The motion carried by the following roll call vote:

AYES: Dwyer, Bohr, Green, Carchio, and Hansen  
NOES: None  
ABSENT: Hardy, and Coerper

#### COUNCILMEMBER ITEMS

13. Submitted by Councilmember Don Hansen - Reconsider the establishment of a cost recovery program for various emergency response activities involving non-residents approved on August 2, 2010

Councilmember Hansen described his reasons for revisiting Council's previous adoption of fees for emergency response costs caused by non-residents, including the number of non-resident employees who work in Huntington Beach. Council discussion ensued on this topic.

A motion was made by Hansen, second Dwyer to reconsider the establishment of the cost recovery program for various emergency response activities involving non-residents. The motion carried by the following roll call vote:

AYES: Carchio, Green, Dwyer, and Hansen  
NOES: Bohr  
ABSENT: Coerper, and Hardy

#### COUNCILMEMBER COMMENTS (Not Agendized)

Comments were made by Councilmembers Carchio and Dwyer and Mayor Green.

#### ADJOURNMENT:

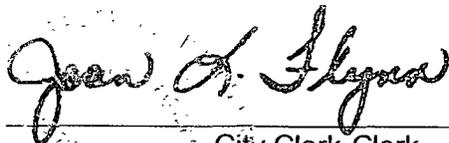
At 9:48 PM, Mayor Green adjourned the meeting.

The next regularly scheduled meeting of the Huntington Beach City Council will be held on October 4, 2010 at 4:00 PM, Civic Center, 2000 Main Street, Huntington Beach.

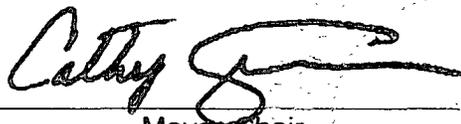


City Clerk and ex-officio Clerk of the City Council of the City of Huntington Beach and Clerk of the Redevelopment Agency of the City of Huntington Beach, California

**ATTEST:**



City Clerk-Clerk



Mayor-Chair