



**CITY OF HUNTINGTON BEACH
SUPPLEMENTAL COMMUNICATION
Joan L. Flynn, City Clerk
Office of the City Clerk**

TO: Honorable Mayor and City Council
FROM: Joan L. Flynn, City Clerk 
DATE: August 6, 2012
SUBJECT: SUPPLEMENTAL COMMUNICATIONS FOR THE AUGUST 6, 2012, CITY COUNCIL/PFA REGULAR MEETING

Attached is Supplemental Communications to the City Council (received after distribution of the Agenda Packet):

Study Session

PowerPoint communication submitted by Lori Ann Farrell, Director of Finance, dated August 6, 2012 and entitled *Fiscal Year 2012/2013 Highlights*.

Consent

#8 A communication submitted by Lori Ann Farrell, Director of Finance, dated August 1, 2012 and entitled *Supplemental Communication for the City Council Meeting of August 6, 2012* (approved Certificate of Liability Insurance).



City of Huntington Beach Proposed Budget

FISCAL YEAR 2012/2013 HIGHLIGHTS

August 6, 2012

FY 2012/13 Budget Highlights

- Huntington Beach has risen to the challenge of these tough economic times
- Over \$26.5 million in cuts over past four years – total of 183 FTEs eliminated, and an additional 37 defunded, for a total of 220 FTEs
- \$2.5 million General Fund budget challenge identified with abolishment of Redevelopment on February 1, 2012
- In general, revenues have improved in the past year in several areas including, sales tax, TOT, parking and planning and building fees
- Departments have proposed structural reductions in personnel (12 FTEs and 10.75 part-time reductions) and operating expenses to present this balanced budget
- In addition, three positions are defunded, for a total workforce reduction of 15 FTEs and 10.75 part-time eliminations

2

**SUPPLEMENTAL
COMMUNICATION**

Meeting Date: Aug 6, 2012

Agenda Item No. Study Session

\$2.5 million Potential Service Impacts – By Department

| Department | Personnel | Operating | FTE REDUCTIONS | | |
|-----------------------|---|--|----------------|-------------|----------------|
| | | | Part Time | Eliminate | Total |
| City Attorney | Elimination of Temporary Salaries which includes one (1.0) part time position. | Reduction in Conferences and Training, office supplies, and Dues and Memberships. | (1.00) | | |
| City Clerk | No personnel cuts. | Elimination of contract vendor preparation for the City Council, Housing Authority, Successor Agency, and Public Finance Agency, resulting in slower processing time. | | | |
| City Treasurer | No personnel cuts. | Reduction in office supplies. | | | |
| City Council | No personnel cuts. | Reduction in travel expenses. | | | |
| City Manager | Reduction of funds for a Senior Administrative Analyst position. | | | | |
| Community Services | Elimination of the Art Curator Position and four (8.0) custodian from various areas throughout the City. Also included is the defunding of one (1.0) Community Services Recreation Coordinator position. | The elimination of four (4.0) positions resulting in contracting out for custodial services in certain community centers and other City facilities. | | (1.00) | (8.00) |
| Economic Development | The elimination of one (1.0) Economic Development Project Manager. | Reduction in Other Contract Services in Business Development and training funds in the Real Estate Services Division. | | | (1.00) |
| Finance | No additional cuts to personnel due to the elimination of eight (8.0) FTEs in FY 2010/11 Budget. | Elimination of a contract with an outside vendor who performed UUT auditing services for the City. This task will now be taken on in house. Also includes reductions to contracts which have been re-negotiated at a cost savings to the City. | | | |
| Fire | Conversion of a Deputy Fire Marshal to a civilian position, and the elimination of 0.50 part time position in Fire Prevention. | Reduction of overtime and various operating expenditures, including training and office supplies. | (0.50) | | |
| Human Resources | Elimination of a Rubenano Coordinator position. | Reduction in office supplies and other operating costs. | | (0.50) | (0.50) |
| Information Services | Elimination of 3 Telecommunications Specialist positions. The Police Department transferred an Information Services position to Information Services. | Reduction in computer supplies expenses. | | | |
| Library Services | Elimination of the Library Service supports | Reductions in funds to purchase books and database subscriptions when we reduce the quantity of resources available for public use at Huntington Beach Library. | | | |
| Planning and Building | Reduction in Temporary Salaries for a total of (1.75) part time positions | Reduction in professional services will eliminate funds set aside for environmental impact reports that are not anticipated. | (1.75) | | |
| Police | Defunding of two extern positions, one (1.0) sergeant and one (1.0) officer in the Motor Unit. The elimination of three (3.0) custodian positions and half (0.50) of a police records specialist. One Information Services position is proposed to transfer to Information Services. Two (2.0) part time positions in Interpretation and records are also proposed for elimination. | Due to the proposed elimination of custodians, contract services would be contracted out. | (2.00) | (2.00) | (4.00) |
| Public Works | Elimination of an Office Assistant II and a Landscape Maintenance Leadworker. Also reductions in temporary salaries in Signs and Markings, Landscape Maintenance and Fleet Management will lead to less part time assistance, eliminating five and a half (5.5) positions. | Reduction in citywide maintenance would affect parks and right-of-way landscaping. | (5.50) | (1.00) | (6.50) |
| | | | 14.75 | 2.00 | (16.75) |

Highlights of Proposed Reductions

- Fire – Conversion of Deputy Fire Marshal to a civilian position
- Information Services- Elimination of vacant Telecommunications Specialist position
- Planning and Building – Reduction in professional services which provide for unanticipated Environmental Impact Reports
- Police – Reduction in two (2) Motor Unit positions, as well as, elimination of three (3) custodian positions
- Public Works – Reduction in citywide maintenance which will affect parks and right-of-way landscaping; also proposed is the elimination of an Office Assistant and Landscape Maintenance Leadworker

Highlights of Proposed Reductions

- City Clerk – Elimination of contracted minutes preparation for the City Council, Housing Authority, Successor Agency and Public Financing Authority resulting in slower processing times for minutes
- City Attorney – Reduction in Temporary Salaries
- Library Services – Reduction in book purchases and database subscriptions resulting in fewer services for Library users
- Community Services – Elimination of Art Curator position and three custodians at various City facilities
- Finance – Elimination of Utility User Tax auditing firm and assuming the function in-house

5

FY 12/13 Program Budgets

- At the July 16, 2012 Study Session, City Council directed staff to report back with program budgets for all City Departments
- The report was completed and delivered to the City Council on July 25, 2012
- Staff is available to meet with the City Council to provide additional information as needed

6

Legal Services RFQ

- Per City Council direction, staff has created and released a Request for Qualifications (RFQ) for general municipal legal services
- RFQ for legal services was released on July 26, 2012
- Due date for submittals is August 31, 2012
- Evaluation Committee will review qualifications and provide final recommendations by mid-September 2012

7

Winding Down of Successor Agency

- Housing Assets Report submitted to California Department of Finance on August 1, 2012
- ROPS for January through June 2013 period to be submitted to the State on September 1, 2012
- A Demand Notice payment of \$630,000 was made from the Successor Agency to the County in July 2012 to backfill State payments to special districts/school districts

8

Budget Calendar

| Item | Proposed Date |
|---|--|
| March - July 16, 2012 | Internal Budget Development and Finalization |
| July 16, 2012 | Proposed FY 2012/13 Budget to City Council |
| August 6, 2012 | CIP and Infrastructure Study Session/ FY 2012/13 Budget Study Session |
| August 20, 2012 | Pavement Condition and Blue Ribbon Committee/ FY 2012/13 Budget Study Session |
| September 4, 2012 September 17, 2012 | Study Session - Potential Impact of Tax Override Elimination Proposed FY 2012/13 Budget Adoption Date |
| September 30, 2011 | Charter Deadline to Adopt the FY 2012/13 Budget |
| October 1, 2012 | New Fiscal Year Begins |
| November 6, 2012 | Election Day- Employee Tax Override Ballot Measure |

9



City of Huntington Beach Proposed Budget

FISCAL YEAR 2012/2013 HIGHLIGHTS

August 6, 2012



**CITY OF HUNTINGTON BEACH
INTER-DEPARTMENTAL COMMUNICATION
FINANCE DEPARTMENT**

TO: JOAN FLYNN, CITY CLERK
FROM: LORI ANN FARRELL, DIRECTOR OF FINANCE *Lori Ann Farrell*
DATE: AUGUST 1, 2012
SUBJECT: SUPPLEMENTAL COMMUNICATION FOR THE CITY COUNCIL
MEETING OF AUGUST 6, 2012

The Approved as to Form stamp on the Certificate of Liability Insurance was missing for Item No. 8- Approve and Authorize Execution of a Contract with Infosend Inc., to Provide Utility Bill Statement, Print, Mail, and Electronic Delivery Services.

Attached is a copy of the Certificate of Liability Insurance, which is now stamped as Approved as to Form by the City Attorney's Office.

Thank you.

**SUPPLEMENTAL
COMMUNICATION**

Meeting Date: 8/6/2012

Agenda Item No. 8



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/7/2012PRODUCER (562) 493-3521 FAX: (562) 430-5300
Alandale Insurance Agency
11022 Winners Circle, Ste. 100

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

Los Alamitos CA 90720

INSURERS AFFORDING COVERAGE

NAIC #

INSURED
INFO SEND, INC.
4240 E LA PALMA AVE

INSURER A: Sentinel Insurance Company

11000

INSURER B: Hartford Underwriters Ins Co

30104

INSURER C: Twin City Fire Ins Co

002235

ANAHEIM CA 92807

INSURER D:

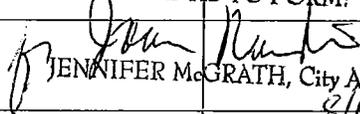
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR ADD'L LTR | INSRD | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YYYY) | POLICY EXPIRATION DATE (MM/DD/YYYY) | LIMITS |
|----------------|-------|--|---------------|------------------------------------|-------------------------------------|---|
| A | X | GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC | 72SBAZB7916 | 2/24/2012 | 2/24/2013 | EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 |
| B | | AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS | 72UECPE3966 | 2/18/2012 | 2/18/2013 | COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ |
| | | GARAGE LIABILITY <input type="checkbox"/> ANY AUTO | | | | AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$ |
| A | | EXCESS / UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000 | 72SBAZB7916 | 2/24/2012 | 2/24/2013 | EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$ \$ |
| C | | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> If yes, describe under SPECIAL PROVISIONS below | 72WECLU6992 | 2/1/2012 | 2/1/2013 | <input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000 |
| | | OTHER | | | | |

APPROVED AS TO FORM:

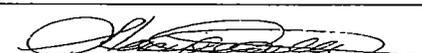

 JENNIFER McGRATH, City Attorney
 3/1/12
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

City of Huntington Beach, its officers, elected or appointed officials, employees, agents and volunteers are named as additional insured as their interest may appear and coverage is primary/non contributory when required by contract per endorsements attached #SS0008 & HA99160910. Waiver of subrogation applies to workers compensation per end#WC990301b. *10 days notice of cancellation for nonpayment of premium

CERTIFICATE HOLDER
 City of Huntington Beach
 2000 Main Street
 Huntington Beach, CA 92648
CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL *30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Stacy Marshall/STACYM ACORD 25 (2009/01)
INS025 (200901)

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Select Customer Insurance Center
3600 WISEMAN BLVD.

SAN ANTONIO TX 78251
Policyholder, please call us at: (866) 467-8730
Agent, please call us at: (800) 447-7649

**INSURANCE ENDORSEMENT
ATTACHED**

***** PLEASE REVIEW THE CHANGE *****

Enclosed is an endorsement for your business insurance policy. Please review it at your convenience. If you have questions or need to make further changes:

Policyholder, please call us at: (866) 467-8730

Agent, please call us at: (800) 447-7649 between 7 A.M. and 7 P.M. CENTRAL TIME.

The premium billing will be mailed to you separately. You can expect to receive it soon.

Thank you for allowing us to service your business needs.

ALANDALE INSURANCE AGENCY/PHS

THE HARTFORD SELECT CUSTOMER INSURANCE CENTER

POLICY NUMBER: 72 SBA ZB7916



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - PERSON-ORGANIZATION

THE CORONA DEPARTMENT OF WATER AND POWER
755 CORPORATION YARDWAY
CORONA, CA 92880

THE CITY OF ORANGE
300 EAST CHAPMAN AVE.
ORANGE, CA 92866

THE CITY OF EL SEGUNDO
CITY CLERK ATTN: BUSINESS SERVICES DIVISION
350 MAIN ST. ROOM #5
EL SUGUNDO CA 90245

THE CITY OF EL CAJON, ITS ELECTED AND APPOINTED OFFICIALS, OFFICERS,
EMPLOYEES, AND VOLUNTEERS
ATTN: PURCHASING DIVISION
200 CIVIC CENTER WAY
EL CAJON, CA 92020

THE CITY OF ANAHEIM
200 SOUTH ANAHEIM BLVD
ANAHEIM CA 92305

CITY OF GILROY& ITS OFFICERS, OFFICIALS AND EMPLOYEES
7351 ROSANNA ST.
GILROY, CA 95020

THE CITY OF ELK GROVE
C/O EBIX BPO
PO BOX 257, REF#110-1969-C-09-157
PORTLAND, MI 48875-0257
THE CITY OF ELK GROVE AND ITS OFFICIALS, EMPLOYEES, AGENTS AND
VOLUNTEERS.

THE CITY OF HUNTINGTON BEACH
ITS AGENTS, OFFICERS AND EMPLOYEES
2000 MAIN STREET
HUNTINGTON BEACH, CA 92648