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

Monday, November 19, 2007
4:00 P.M. - Room B-8
6:00 P.M. - Council Chambers
Civic Center, 2000 Main Street
Huntington Beach, California 92648

**An audio recording of the 4:00 p.m. portion of this meeting and a video recording of the 6:00 p.m. portion of this meeting are on file in the Office of the City Clerk and are archived at www.surfcity-hb.org.**

The 4:00 p.m. portion of the meeting was recessed by Deputy City Clerk Kelly Mandic to 4:30 p.m. in Room B-8, due to a lack of quorum.

**Call to Order** — 4:30 p.m.

City Council/Redevelopment Agency Roll Call

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

(Councilmember Green arrived at 4:33 p.m., and Councilmember Bohr arrived at 4:42 p.m.)

**City Clerk Joan Flynn Announced No Late Communications Received Pertaining to the Study Session Portion of the Meeting**

**Public Speakers**

**John Von Holle,** Municipal Employees Association (MEA) representative, thanked Council for its consideration of the Consent Item pertaining to the Memorandum of Understanding (MOU) between the City and the MEA. He discussed the lengthy process of negotiations with labor relations, union representatives and membership to discuss the pros and cons of the proposed 5-year contract. Representative Von Holle assured Council that the majority of MEA membership fully supports the contract and its implications.

**William Davis,** business representative and legal counsel for Teamsters Local 911, also thanked Council for its consideration of the Consent Item pertaining to the MEA MOU. He stated that the negotiation process has culminated in what he believes to be a good contract, describing it as advantageous for both the City and the employees. He urged Council to support the MEA contract, as submitted.

**Kreg Muller,** Huntington Beach Police Officers Association (HBPOA), advised Council that the affected HBPOA membership was polled to vote on the proposed MEA contract, and it passed by majority vote. He stated that the Police Department struggles to keep its dispatch center staffed, and he believes the proposed contract's enhanced retirement benefit will allow the City

to attract more qualified candidates. He also mentioned his participation in the Governor's Other Post-Employment Benefits (OPEB) Commission meetings and his expectations that the Commission will soon be coming out with best practices and their support of the CalPERS pre-funding options for medical plans. He indicated that he plans to attend the upcoming sessions in Sacramento and San Diego and urged Council to review the reports when presented in the near future.

**(City Council) Joint Study Session Held Between the City Council of Huntington Beach and the Investment Advisory Board (IAB) — Annual Report on Investments to the City Council (October 1, 2006 to September 30, 2007) and Economic Update.**

**Investment Advisory Board Roll Call**

Present: Glass, Palmer, Rainsberger, Shelton and Steinkirchner
Absent: Foye and Olson

City Treasurer Shari Friedenrich thanked the Investment Advisory Board (IAB) for attending the joint session with Council and she gave an overview of the contributions made by the IAB during the past year. She also introduced Joyce Zacks, Deputy City Treasurer, and thanked her for her ongoing efforts and tremendous support to the City. She called on IAB Chair James Steinkirchner to give his report.

Chair Steinkirchner asked IAB members to introduce themselves and to include their respective appointments by the Mayor and Councilmembers. He then gave an overview of the IAB's Annual Report on Investments.

Treasurer Freidenrich introduced the City's broker, William (Bill) Blackwill, Senior Vice President, Investments with Citigroup to give the Economic Update. Broker Blackwill gave a PowerPoint report titled, *Investment Outlook with an Expected Fed Policy Ease*, which included the following information: Market Overview and Economic Forecast, Economy, Forward Curve Analysis, Historical Yield Curve, Interest Rate Yield Curve, Investment Strategies for the City, (short-term and long-term), and Conclusion.

Treasurer Freidenrich noted to Council that the study session was for informational purposes and that although action was not required this evening, all participants were available to answer any questions. She also advised Council that the City will meet the IAB's Annual Report deadline of January 20, 2008.

Councilmember Hansen thanked Treasurer Freidenrich, the IAB and Broker Blackwill for their presentations. He asked what policies/procedures the City could put in place to maximize/ optimize its investments. Broker Blackwill responded regarding the ongoing need for good cashflow forecasting. He addressed liquidity objectives behind safety and yield, and getting good, timely information from department heads for liquidity projections.

Councilmember Carchio thanked the IAB members for their ongoing efforts and asked Broker Blackwill to comment on the anticipated timeline for the downward trend in the economy. Broker Blackwill responded that statistics show that subprime adjusted mortgages will reset in the second quarter of next year, with implications and consequences taking several months after the adjustable rate mortgages reset, anticipated by late 2008.

Mayor Coerper asked Treasurer Freidenrich to describe the IAB's involvement in cash flow management. Treasurer Freidenrich described its responsibility to review and assist in management of liquidity requirements and the 18-month CIP forecast. Mayor Coerper thanked the IAB for their dedicated service.

A motion was made by Green, second Cook to recess to Closed Session on the following items. The motion carried by consensus of all present.

**Call Closed Session of City Council/Redevelopment Agency — 5:00 p.m.**

(City Council) Closed Session — Pursuant to Government Code Section 54956.9, the City Council recessed into closed session to confer with the City Attorney regarding the lawsuit entitled Los Angeles SMSA Limited Partnership v. City of Huntington Beach, et al.; United States District Court No. SACV 06-647. This case concerns the City's denial of Verizon Wireless' application to attach a cellular antenna to a utility pole located at Edwards Street and Overlook Drive, and the City ordinance imposing a moratorium on installation of cellular antennas in the public right-of-way.

(City Council) Closed Session — Pursuant to Government Code Section 54957, the City Council recessed to Closed Session to discuss the following personnel matter: Appointment of Public Works Director.

(City Council) Closed Session — Pursuant to Government Code Section 54957, the City Council recessed to Closed Session to discuss the following personnel matter: Appointment of Interim City Administrator.

(City Council) Closed Session — Pursuant to Government Code Section 54957, the City Council recessed to Closed Session to discuss the following personnel matter: Discussion Regarding Contract for Fire Chief.

(City Council) Closed Session — Pursuant to Government Code Section 54957.6, the Council recessed to Closed Session to meet with its designated labor negotiators: Penelope Culbreth-Graft, City Administrator; Bob Hall, Deputy City Administrator; Michele Carr, Director of Human Resources; Dan Villella, Finance Director; and Renee Mayne, Chief Negotiator, regarding labor negotiations with MEO, MEA, HBFA, HBPOA, and Non-Associated.

**Reconvene City Council/Redevelopment Agency Meeting — 6:07 p.m.**

**City Attorney Jennifer McGrath Reported the Following Action Taken in Closed Session Pursuant to Government Code Section 54957.1(a) (3) (B).** By City Council vote of 6-1 (Green no), the City Council settled the lawsuit in the case of Los Angeles SMSA Limited Partnership for Verizon v. the City of Huntington Beach, United States District Court No. SACV06-647. The settlement requires Verizon to dismiss the lawsuit provided the City approves the lease and related entitlements permitting an antenna to be located at Edwards Fire Station. The settlement does not require approval of the Edwards antenna, but only that the City consider and act on the application. If the City denies the application following the required public hearings, Verizon may resume its lawsuit.

**City Council/Redevelopment Agency Roll Call**

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

**Pledge of Allegiance/Flag Salute** — Led by Councilmember Keith Bohr

**Invocation** — Led by Reza Saraf, Greater Huntington Beach Interfaith Council

**City Clerk Flynn Announced Late Communications**

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

Mayor Gil Coerper and Councilmembers Keith Bohr and Don Hansen submitted reports pursuant to AB 1234, and on file in the City Clerk's Office.

PowerPoint communication dated November 19, 2007, and titled, *Huntington Beach Fire Department Proposed Adoption of the California Fire Code, 2007 Edition.*

Communications submitted by the following individuals stating opinions pertaining to Water and Sewer Rate adjustments: Ann Borren, Edward and Ann Garcia, David Eckhouse, Steve Borren, Marjorie and Bruce Reed, Maryann Boronowski, Aline Schaum, Doris Hill, Carole Carrick, Raymond LeDesma, and Linda Siegel.

**The Following Communication Was Received During the Meeting**

Communication submitted by George and Helen Psarso, undated and untitled, a letter to Council pertaining to an illegal dumping matter.

**Presentation — United States Army "Dining Out 2007"**

Mayor Coerper called on Sergeant First Class (SFC) Richard Trujillo to present certificates of appreciation to individuals and businesses who contributed to the United States Army "Dining Out 2007" for soldiers from the 3-15 Psychological Operations Company who recently returned from Afghanistan. SFC Trujillo discussed his unit's duties, deployment history, and advised that the unit will be returning to Iraq next summer. He announced certificates of thanks to the following contributors who supported the soldiers: Rocky Mountain Chocolate Factory, Rainbow Disposal Company, DJM Investment Capital Partners, Fire Chief Duane Olson, Elizabeth Propp, Councilmember Keith Bohr, Thomas Adams, Mayor Coerper and the City of Huntington Beach. Mayor Coerper thanked SFC Trujillo and expressed wishes for a safe return from their next deployment.

**Presentation — Tustin City Councilmember Tony Kawashima**

Mayor Coerper recognized Tustin City Councilmember Tony Kawashima who was recently inducted into the Marina High School Viking Hall of Fame. Councilmember Kawashima thanked the City for recognizing him and expressed his honor of serving the City of Tustin.

**Presentation — City of Huntington Beach Children's Need Task Force Wall of Fame**

Mayor Coerper called on Janeen Laudenback, Recreation and Human Services Superintendent, who recognized and thanked the following sponsors for contributing $1,000 towards a memorial plaque for installation at the City of Huntington Beach Children's Need Task Force Wall of Fame at Bella Terra: Senator Tom and Dianne Harman, Dr. Frank and Carol Infusino, Robert and Connie Mandic, Ron Shenkman, Dr. Phyllis A. Lembke, the Huntington Beach Police Officers Foundation, and Bella Terra Management Director, Pat Rogers. Superintendent Laudenback discussed the distinct characteristics of the students who receive the American Youth Character Awards.

**Presentation — Epilepsy Alliance of Orange County**

Mayor Coerper called on Constable Classic Charity Golf Tournament Committee Chair Corwin Bales who gave a presentation to the Epilepsy Alliance of Orange County the (EAOC). Chair Bales introduced board members and presented a $45,000 check to EAOC. Jana Moore, EAOC Chair, thanked Police Officers Association and Toyota of Huntington Beach for their generous donations raised at the golf tournament. She discussed the number of those afflicted with epilepsy and how the EAOC hopes to put the donations to good work to help find a cure. Mayor Coerper thanked all participants for their dedication to this worthy cause.

**Presentation — Firefighters, Huntington Beach Community Emergency Response Team (CERT) Members and Radio Amateur Civil Emergency Services (RACES) Members**

Mayor Coerper called on Fire Chief Olson to recognize the Firefighters and members of the CERT and RACES programs who assisted with the recent wildfires. Chief Olson gave a PowerPoint presentation that illustrated the recent wildfires. Chief Olson discussed the cooperative efforts of the County and Health agencies, cities, volunteers, and the Red Cross. He introduced members of the CERT and RACES programs, and presented certificates recognizing each member for his or her volunteer service, giving a special thanks to Glorria Morrison and Brevyn Mettler of the City's Emergency Operating Center. Chief Olson then introduced the 41 firefighters (captains, battalion chiefs, firefighters and paramedics) involved in fighting the wildfires and thanked them for the extraordinary duties performed during this recent disaster. Mayor Coerper also gave thanks.

**Presentation — City Treasurer Shari Freidenrich**

Mayor Coerper called on City Treasurer Shari Freidenrich to announce her recent re-certifications as Certified Public Finance Administrator (CPFA) for the Association of Public Treasurer's of the United States and Canada and Certified California Municipal Treasurer (CCMT). Mayor Coerper presented the CPFA and CCMT accreditation plaques to Treasurer Freidenrich and thanked her for her outstanding performance. Treasurer Freidenrich explained the series of education and training required to prove her technical capabilities for the re-certification programs. Mayor Coerper also acknowledged Treasurer Freidenrich's recent award of designation as Certified Public Funds Investment Manager.

**Presentations to Staff by Mayor Coerper** – Moved to Council meeting of December 3, 2007.

**Public Comments**

**Helen Psaros** advised Council of recent illegal dumping activity that occurred at her industrial building involving dumping of building debris from a remodel project into her dumpster. She stated that she contacted the Police Department and Code Enforcement, but the matter is still unresolved. As a result, she urged Council to require contractors and/or business owners to have a mandatory dumpster on construction sites at the time of building permit issuance. In her opinion, commercial and industrial owners like herself should have protection against random illegal dumping. (46:44)

**George Psaros,** husband of previous speaker, urged Council to support their property rights and asked to have the illegal dumping matter further investigated by City authorities. He discussed how his attempts to lock their dumpster resulted in stacked trash in front and on top of it. He noted Rainbow Disposal's policy to pick up large items from residential and commercial owners at no charge. In terms of the financial burden, he described the costs associated with trash fees and clean up, and distributed handouts to Council for their review. (49:50)

City Administrator Culbreth-Graft asked Mr. and Mrs. Psaros to fill out a blue interest card for staff to contact them to discuss further.

**Stephanie Deagle,** resident of Westminster, voiced opposition for the plan to build low-income apartments on Gothard Street and a Costco store on the soccer field area at Golden West College. She described the negative impact on the community caused by the increased traffic at Gothard Street and McFadden Avenue. She stated her enjoyment of shopping at Costco stores, but her reluctance to build one at this location. She urged Council not to support a development at this site. (53:24)

**Tom Lash,** resident of Huntington Beach, spoke in support of bringing our troops home from the war in Afghanistan and Iraq. He discussed various forms of patriotism and our Nation's involvement in the war. He expressed his support of the Quakers and their Christian values. He urged Council to support a resolution of impeachment for President George W. Bush and Vice-President Dick Cheney. (54:17)

**Richard Reinbold,** resident of Huntington Beach, urged Council to draft a resolution for the impeachment of President George W. Bush and Vice-President Dick Cheney. He voiced concerns of the threat of a mass aerial assault/strike on Iran, with his ultimate fear of irreversible retaliation tactics. (57:32)

**Ron Rodarte** voiced concerns of the ongoing war and urged Council to support a resolution of impeachment of President George W. Bush and Vice-President Dick Cheney. He stated his disbelief that we need war to sustain economy, as inspired by the early neo-conservatism movement, and his belief that this current administration is regarded as criminal by other countries around the world. He urged Council to take the first step to stop this war and bring home our troops. (1:00:55)

**Derek Bercher,** resident of Huntington Beach and attorney, spoke in support of the original intent of medical marijuana dispensaries. He discussed the passage of Proposition 215 by California voters to allow valid doctors to recommend possessing and cultivating marijuana for personal medical use. He urged Council for their compassion, although the legislation, he concurs, was written with flaws. (1:03:54)

**Thomas Brown,** resident of Huntington Beach, spoke in opposition to a proposed Costco at the Golden West College site. He urged Council to reject the proposal that would take up green space at Golden West College. Although he supports infrastructure projects for the City, he doesn't support the potential increased traffic or low-income housing at the proposed site. (1:07:04)

**Michele VanRy**, resident of Huntington Beach, voiced concerns regarding the Brookhurst Street frontage beautification project near Yorktown Avenue. She urged Council to accept an alternate plan of a wall, and revisions of the plants and irrigation system. It is her opinion that with its 6 lanes, Brookhurst Street needs a wall and an entrance that is clearly marked. A wall setback would more clearly identify the community of homes, as opposed to the existing shrubs. She described this tract of homes as an aging neighborhood that needs to be protected by implementing hardscape that would slow down traffic, decrease noise and road emissions coming off of Brookhurst Street. (1:10:14)

**(City Council) AB 1234 Disclosure Reporting**

Reports submitted by Mayor Coerper, Councilmembers Keith Bohr and Don Hansen, pursuant to AB 1234 and on file in the City Clerk's Office.

**City Administrator's Report**

City Administrator Culbreth-Graft announced that Dave Webb, Acting Director of Public Works, Operations, has accepted a new position of Deputy Director/City Engineer with the City of Newport Beach and gave him thanks for doing an outstanding job during his 16-year tenure in Huntington Beach. Mayor Coerper and Councilmember Green discussed the many projects in which Acting Director Webb has been involved, thanked him for his outstanding service, expressing sadness at his departure.

**City Attorney's Report of Litigation Filed – Notice of Filed Cross Complaint**

Attorney McGrath reported, as required by Council resolution, that on November 1, 2007, a cross complaint for Equitable Indemnification, Apportionment of Fault, and a Declaratory Relief was filed in the case of Connolly v. City of Huntington Beach, Orange County Superior Court Case No. 07CC08699.

**(City Council) Public Hearing Held — Adopted Ordinance No. 3786 Amending Huntington Beach Municipal Code Section 17.56 Adopting the 2007 Edition of the California Fire Code (CFC) Approved for Introduction October 15, 2007**

Communication from the Fire Chief transmitting the following

**Statement of Issue:** NOTICE IS HEREBY GIVEN that on Monday, November 19, 2007 at 6:00 PM in the City Council Chambers, 2000 Main Street, Huntington Beach, the City Council will hold a public hearing upon said proposed ordinance:

Ordinance No. 3786

ADOPTION OF THE STATE OF CALIFORNIA CODE – an Ordinance of the City Council of the City of Huntington Beach Amending the Huntington Beach Municipal Code by repealing Chapter 17.56 and adding thereto a new Chapter 17.56 to adopt the California Fire Code, 2007 edition,

including Appendix Chapter 1, Appendix Chapter 4, Appendices B, C, & H.

NOTICE IS FURTHER given that at least one copy of the California Fire Code, 2007 edition, including Appendix Chapter 1, Appendix Chapter 4, Appendices B, C, & H, is on file in the Office of the City Clerk, 2000 Main Street, Huntington Beach, California, for inspection by the public. A copy of the proposed Ordinance is on file in the Office of the City Clerk, 2000 Main Street, Huntington Beach, California, for inspection by the public.

City Clerk Flynn announced no public speakers and the following late communication on this item:

PowerPoint communication dated November 19, 2007, and titled, *Huntington Beach Fire Department, Proposed Adoption of the California Fire Code, 2007 Edition.*

City Administrator Culbreth-Graft called on Fire Chief Duane Olson who gave an overview report of the requirements of the California Fire Code to be adopted with amendments.

Mayor Coerper declared the public hearing open.

There being no persons present to speak on the matter and there being no further protests filed, either written or oral, the Mayor closed the public hearing.

A motion was made by Green, second Hansen to after City Clerk reads by title, adopt **Ordinance No. 3786,** *"An Ordinance of the City of Huntington Beach Amending Huntington Beach Municipal Code Chapter 17.56 Adopting the California Fire Code."* The motion carried by the following roll call vote:

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

**(City Council) PUBLIC HEARING CONTINUED TO A DATE UNCERTAIN (NO COUNCIL ACTION NEEDED OR TAKEN)** to Determine the Amount of Restitution Paid to Victims of Illegal Condominium Conversions (Continued from the October 15, 2007 Meeting)

City Administrator Culbreth-Graft announced the requested continuance to a date uncertain, indicating no Council action required at this time. This item will be notified to the public.

**(City Council) Public Hearing Held — Considered Water and Sewer Service Rate Adjustments:** Introduced **Ordinance No. 3794** Amending Chapter 14.55 of the Huntington Beach Municipal Code (HBMC) Relating to Rates, Charges, Annual Consumer Price Index for All Urban Consumers (CPIU) Adjustment and Billing for the Sewer Service Charge; Introduced **Ordinance No 3795**, Amending Chapters 14.12, 14.36 and 14.54 of the HBMC Relating to Water and Sewer Service Charges; Adopted **Resolution No. 2007-77**, Adjusting Water Rates by the Consumer Prices Indices; and, Adopted **Resolution No. 2007-78,** Removing the Capital Surcharge Under the Huntington Beach Water Master Plan

Communication from the Director of Public Works transmitting the following

**Statement of Issue:** Huntington Beach municipal utility rates for water and sewer have been automatically adjusted based on established formulas set forth in the Municipal Code. In order to comply with Proposition 218, maintain a balanced budget and to provide increased services

to the citizens of Huntington Beach, staff proposes adjustments to the sewer and water rates. This issue was the subject of a September 17, 2007, City Council Study Session. A PowerPoint presentation titled Water and Sewer Rate Adjustments in Accordance with Proposition 218 is included in the agenda packet.

City Administrator Culbreth-Graft called on Dave Webb, Acting Director of Public Works, Operations who gave a PowerPoint report titled, *Water and Sewer Rate Adjustments* that included the following information: Past Actions, Enhanced Sewer Service Program, Sewer Laterals, Water and Sewer Rates Past Practice, New Rates - Water Master Plan Surcharge, New Rates - Sewer Service Fee, New Rates - Summary, Majority Protest Procedure, Proposed Schedule to Adopt the Rate.

Mayor Pro Tem Debbie Cook asked if the City could extend sewer lateral replacement to any trees with root damage. Acting Director Webb responded that if damage occurred in the public right-of-way, it would be handled at the same time, noting that private property would be handled separately.

Mayor Coerper declared the public hearing open.

City Clerk Flynn announced the following late communication received on this public hearing:

Communications submitted by the following individuals stating opinions pertaining to Water and Sewer Service Rate Adjustments: Ann Borren, Edward A. and Ann C. Garcia, David Eckhouse, Steve Borren, Marjorie E. and Bruce C. Reed, Maryann Bronowski and Aline M. Schaum.

City Clerk Flynn announced the last names of individuals who submitted late communications on this item after the agenda packets were distributed: Carrich, Hill, LeDesma and Siegel.

There being no persons present to speak on the matter and there being no further protests filed, either written or oral, the Mayor closed the public hearing.

A motion was made by Cook, second Green to after City Clerk reads by title, **1)** Approve Introduction of **Ordinance No. 3794,** *"An Ordinance of the City of Huntington Beach Amending Chapter 14.55 of the Huntington Beach Municipal Code Relating to the Rates, Charges, Annual CPIU Adjustment and Billing for the Sewer Service Charge;"* and **2)** Approve Introduction of **Ordinance No. 3795**, *"An Ordinance of the City of Huntington Beach Amending Chapters 14.12, 14.36 and 14.54 of the Huntington Beach Municipal Code Relating to Water and Sewer Service and Charges;"* and **3)** Adopt **Resolution No. 2007-77,** *"A Resolution of the City Council of the City of Huntington Beach Adjusting Water Rates by the Consumer Price Indices and Including a Capital Surcharge Pursuant to Section 14.12.040 of the Huntington Beach Municipal Code;"* and **4)** Adopt **Resolution No. 2007-78**, *"A Resolution of the City Council of the City of Huntington Beach Removing the Capital Surcharge Under the Huntington Beach Water Master Plan and Combining the Capital Surcharge With the Water Rates."* The motion carried by the following roll call vote:

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

**Consent Items**

A motion was made by Green, second Hansen to move all consent items except for E-3. The motion carried by the following roll call vote:

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| AYES: | Bohr, Carchio, Coerper, Green, Hansen, and Hardy |
| NOES: | None |
| ABSENT/OUT OF ROOM: | Cook |

**(City Council/Redevelopment Agency) Approved Minutes** - Approved and adopted the minutes of the City Council/Redevelopment Agency regular meeting of November 5, 2007 as written and on file in the Office of the City Clerk. Submitted by the City Clerk.

**(City Council) Received and Filed the City Clerk's Quarterly Report Listing of Professional Service Contracts Filed in the City Clerk's Office Between July 1, 2007 and September 30, 2007** - Received and Filed 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 July 1, 2007 and September 30, 2007. Submitted by the City Clerk. **Funding Source:** Not applicable.

**(City Council) Approved Project Plans and Specifications and Award Construction Contract in the Amount of $4,032,179.50 to Hillcrest Contracting for the Newland Street Improvement Project, CC-1095; Authorized the Mayor and City Clerk to Execute Contract in a Form Approved by the City Attorney; Appropriated $2,175,000 from the Traffic Impact Fund Balance to the Project Account; and, Authorized the Director of Public Works to Approve up to Fifteen Percent (15%) in Construction Change Orders and to Enter into a Rule 20B Agreement in the Amount of $372,560.38 with Southern California Edison Company for Replacement of Overhead With Underground Electrical Facilities - 1)** Approved the project plans and specifications for the Newland Street Improvements, CC-1095; and, **2)** Accepted the lowest responsive and responsible bid submitted by Hillcrest Contracting, in the amount of $4,032,179.50; and, **3)** Authorized the Mayor and City Clerk to execute a construction contract in a form approved by the City Attorney; and, **4)** Authorized the Director of Public Works to approve up to fifteen percent (15%) in construction change orders; and, **5)** Appropriated $2,175,000 from the Traffic Impact Fund balance to the project account; and, **6)** Authorized the Director of Public Works to enter into the Agreement for Replacement of Overhead With Underground Electrical Facilities with Southern California Edison Company. Submitted by the Acting Director of Public Works-Engineering. **Funding Source:** Funding in the amount of $3,325,000 is budgeted in Traffic Impact Fund, Newland Widening, Street Improvements 20690003.82300. Additional funding in the amount of $2,175,000 will be appropriated from the Traffic Impact Fund undesignated fund balance to the project account.

**(City Council) Adopted Resolution No. 2007-76 Authorizing the Mayor and City Clerk to Execute Program Supplement No. N036 to Master Agreement No. 12-5181R with the State of California, Department of Transportation (Caltrans), for Brookhurst Street Median Landscape Enhancement Project, CC-1288; Approved Project Plans and Specifications and Award Construction Contract in the Amount of $497,787.60 (which includes Additive Alternate Bid Items 42 and 44) to Mega Way Enterprises; and, Authorized the Mayor and City Clerk to Execute a Construction Contract in a Form Approved by the City Attorney - 1)** Adopted **Resolution No. 2007-76,** *"A Resolution of the City Council of the City of Huntington Beach Authorizing the Mayor and City Clerk to Execute Program Supplement No. N036 to Master Agreement No. 12-5181R for Brookhurst Street Median Landscape Enhancement;"* and,

**2)** Approved the plans and specifications for the Brookhurst Street Median Landscape Enhancement, CC-1288; and, **3)** Accepted the lowest responsive and responsible bid, including additive alternate bid item numbers 42 and 44 submitted by Mega Way Enterprises in the amount of $497,787.60; and, **4)** Authorized the Mayor and City Clerk to execute a construction contract in a form approved by the City Attorney. Submitted by the Acting Director of Public Works-Engineering. **Funding Source:** Funding is not required for the resolution. Construction funds in the amount of $600,000 are budgeted in the TEA Brookhurst Landscape, Street Improvements, 89090004.82300 and $80,000 in CDBG Fund, ADA Curb Ramps 85782101.82300. TE grant reimbursement is $370,000.

**(City Council) Approved the Centennial Committee Proposed Membership List as Recommended by the Communications Committee, With Term of Membership December 1, 2007 through December 31, 2009** — Approved the Centennial committee membership list as recommended by the Communications Committee. Membership list is attached. The term of membership is December 1, 2007 through December 31, 2009. Submitted by the Deputy City Administrator-Development Services. **Funding Source:** Not applicable.

**(City Council) Approved and Authorized the Mayor and City Clerk to Execute a Five-Year Lease Agreement Between the City of Huntington Beach and the Huntington Beach City Employees Credit Union (HBECU) Located in Room B-272 in the Lower Level of City Hall** — Approved and authorized the Mayor and City Clerk to execute the Lease Agreement Between the City of Huntington Beach and the City of Huntington Beach Employees Credit Union. Submitted by the Director of Economic Development. **Funding Source:** Not applicable.

**(City Council) Approved Project Plans and Specifications and Awarded Construction Contract in the Amount of $525,000 to Macerich Construction Company for Improvements to Fire Stations 1, 2, and 4, CC-1287; Authorized the Director of Public Works to Approve up to Fifteen Percent (15%) in Construction Change Orders; and, Authorized the Mayor and City Clerk to Execute Contract in a Form Approved by the City Attorney - 1)** Approved the project plans and specifications for the Fire Stations 1,2 and 4, CC-1287; and **2)** Accepted the lowest responsive bid submitted by Macerich Construction Company, in the amount of $525,000; and **3)** Authorized the Director of Public Works to approve up to fifteen percent (15%) in construction change orders; and **4)** Authorized the Mayor and City Clerk to execute a construction contract in a form approved by the City Attorney. Submitted by the Fire Chief and the Acting Director of Public Works-Engineering. **Funding Source:** A combination of General Fund Capital Improvements, Fire Med Redevelopment and CDBG Funds in the amount of $665,000 is budgeted in the following accounts 10040309.82200, 50265402.82200, 3058201.82200, and 86865101.82200. The engineer's construction cost estimate for this project is $585,000.

**(City Council/Redevelopment Agency) Approved an Affordable Housing Agreement Between the City, Redevelopment Agency and Jamboree Housing Corporation (JHC-Oakview, LLC) using HOME Investment Partnership Program Funds in the Amount of $640,848, and Agency Housing Set Aside Funds in the Amount of $607,952, for the Acquisition and Rehabilitation of a Four-Unit Apartment Property Located at 17362 Jacqueline Lane - City Actions: 1)** Approved the Affordable Housing Agreement By and Among Redevelopment Agency of the City of Huntington Beach, a public body, corporate and politic, City of Huntington Beach, a municipal corporation of the State of California, and JHC-Oakview, LLC, a California limited liability company (17362 Jacquelyn Lane) for $640,848 using HOME Investment Partnership program funds for the acquisition and rehabilitation of 17362

Jacquelyn Lane; **2)** Authorized execution and recordation of the Affordable Housing Agreement, all attachments, and other necessary related documents by the Mayor, City Administrator, and City Clerk when advised by the City Attorney; **3)** Authorized the wire transfer of $640,848 of HOME Investment Partnership program funds to affect the closing of the acquisition escrow; and, **4)** Temporarily waived the City's insurance requirements for the purpose of approving the City and Agency loans. Direct staff to ensure that insurance requirements as described in the Affordable Housing Agreement are met by JHC-Oakview, LLC by the close of escrow. **Redevelopment Agency Actions: 1)** Approved the Affordable Housing Agreement By and Among Redevelopment Agency of the City of Huntington Beach, a public body, corporate and politic, City of Huntington Beach, a municipal corporation of the State of California, and JHC-Oakview, LLC, a California limited liability company (17362 Jacquelyn Lane) for $607,952 using Agency Housing Set Aside funds for the acquisition and rehabilitation of 17362 Jacquelyn Lane; **2)** Authorized execution and recordation of the Affordable Housing Agreement, all attachments, and other necessary related documents by the Agency Chairperson, Executive Director, and Secretary when advised by the City Attorney; and, **3)** Authorized the wire transfer of $607,952 of Agency Housing Set Aside funds to affect the closing of the acquisition escrow. Submitted by the Economic Development Director/Deputy Executive Director. **Funding Source:** $640,848 from HOME Investment Partnership program funds ($428,754 from account 85280401; $189,688.80 from account 84780401; and $22,405.20 from account 85480401) and $607,952 from Agency Housing Set Aside funds account 30680301 ($30,000 of which will only be used for relocation costs, if needed) as budgeted in FY 2007/08.

**(City Council) Adopted Resolution No. 2007-84 Amending the City's Classification Plan to Incorporate Changes Considered by the Personnel Commission** — Adopted Resolution No. 2007-84, "A Resolution of the City Council of the City of Huntington Beach Amending the City's Classification Plan by Revising the Job Specification, Setting Compensation and Changing the Job Title for the Position of Payroll Analyst; Establishing New Job Specifications and Setting Compensation for the Positions of Water Conservation Coordinator, General Services Manager, Energy Project Manager, and Project Manager; and Revising the Specifications for the Positions of Street Maintenance Supervisor, Planning Manager, Media Services Specialist, Volunteer Services Coordinator, and Maintenance Operations Manager." Submitted by the Director of Human Resources. **Funding Source:** Funding for the amendments is included in the Fiscal Year 2007/2008 budget.

**(City Council) Approved and Authorized Execution of a Contract in the Amount of $94,220.00 with Ferguson Group, LLC for Professional Services Related to the Acquisition of Federal Funds for Priority Projects Within the City and Related Legislative Issues** — Approved and authorized the Mayor and City Clerk to execute a Professional Services Contract Between the City of Huntington Beach and The Ferguson Group, LLC for Federal Lobbyist Services to assist the city with acquisition of Federal funding and related legislative issues in Washington, D.C. Submitted by the Councilwoman Jill Hardy, Chair of behalf of the Intergovernmental Relations Committee Members, Councilman Keith Bohr and Councilman Don Hansen. **Funding Source:** $95,000 was budgeted for this purpose in the 2007-08 fiscal year budget under the City Administrator's General Fund Account #10030201.69365.

**(City Council) Adopted Resolution No. 2007-85 Approving the Memorandum of Understanding (MOU) between the City and the Huntington Beach Municipal Employees' Association (MEA) for the Period July 1, 2007 through June 30, 2012** — (This item was pulled by Councilmember Bohr for discussion).

Adopted **Resolution No. 2007-85,** *"A Resolution of the City Council of the City of Huntington Beach Approving and Implementing the Memorandum of Understanding Between the Huntington Beach Municipal Employees' Association (MEA) and the City of Huntington Beach for 7/1/07 through 6/30/12."* Submitted by the Director of Human Resources. **Funding Source:** Funding is contained in the current Fiscal Year 2007/2008 budget and funding will be included in the budgets for Fiscal Years 2008/2009, 2009/2010, 2010/2011 and 2011/2012. The cost to implement the MEA MOU:

| | |
|---|---|
| Fiscal Year 2007/2008: | $1,225,256 |
| Fiscal Year 2008/2009: | $1,228,340 |
| Fiscal Year 2009/2010: | $1,430,013 |
| Fiscal Year 2010/2011: | $1,229,184 |
| Fiscal Year 2011/2012: | $1,047,172 |
| Totals: | $6,159,965 |

Councilmember Hansen described this item as one of the most difficult contracts for Council's review. He expressed his support of the City employees and his understanding that City employees would be paying for enhanced retirement benefits the first five years of the contract. He stated that the Municipal Employees Association (MEA) is the most economically sensitive unit in the City and the group to be the most negatively impacted by increased health care premiums in future years. He believes the increased rates will create a hardship, causing MEA employees to request increased salaries in the future. He stated his desire to accept the proposed contract with a side agreement that the bargaining units would be willing to pay for this benefit, and the city would support this benefit for a period of 10 years.

Councilmember Green asked City Attorney McGrath for legal ramifications of the proposed alternate motion and the loss of good faith negotiation, subjecting future Councils to a ten-year negotiation period. Attorney McGrath stated it would not have a binding effect for future Councils to consider. Councilmember Green indicated that she doesn't believe the speculation that a mass number of long-termed employees would leave upon contract approval. She gave examples of employees who are leaving before the contract is implemented, and stressed that she would not support Council's interference in proposed benefits that result from good faith bargaining.

Councilmember Bohr discussed recruitment and retention concerns and stated the increased number of neighboring cities that are, or have, adopted the enhanced retirement benefit. City Administrator Culbreth-Graft announced the names of those cities that have adopted 2.5% enhanced retirement and other cities that are slated for the 2.7% enhanced retirement. Councilmember Bohr expressed his support of the original recommended action.

Councilmember Hansen referred to term limits and the similar methodology he would like to offer subsequent Councils to review and monitor. He doesn't believe the contract, as proposed, is sustainable, and stated his opinion of Council's responsibility to manage the taxpayers money.

Councilmember Carchio stated the MEA membership supports this contract and he doesn't believe it's Council's position to burden the union and/or the employees for a 10-year period.

Mayor Pro Tem Cook stated her support of Councilmember Hansen's substitute motion and expressed her apprehension for the ability to recruit quality candidates for new positions since the employees would be foregoing wage increases to obtain the enhanced retirement benefit.

Councilmember Green stated that the health benefits for MEA employees are good and the membership now has 90% supportive votes for the enhancement retirement benefit. Councilmember Carchio restated that the MEA bargained in good faith, his belief that the wages will adjust themselves, and discussed the long-tenured component of the Association.

Mayor Coerper expressed his support of the proposed MEA contract, and asked MEA representative, John Von Holle, to come forward to answer questions. He asked representative Von Holle to describe his involvement with negotiations and what the membership's vote count was. Representative Von Holle replied that 385 members voted, of which 28 members voted no and 357 members voted yes.

Discussion ensued regarding good-faith negotiations and tonight's open session being the first public opportunity for Council to have a dialogue and discuss the intricacies of the proposed contract. Councilmember Hardy expressed that employees would be paying for this benefit "in perpetuity," which she believes is a non-realistic commitment, and stated her worry over a non-stable future economy, and looking back when Council had to be a part of layoffs and pay cuts. She also voiced her support for the residents and taxpayers of Huntington Beach.

Councilmember Green indicated that she would not support a side letter since she believes it to be non-binding, and stated her frustration over previous layoffs that occurred that didn't need to happen, the benefits of our current budget, and voiced her non support of the substitute motion.

A motion was made by Hansen, second Cook to approve a substitute motion to adopt Resolution No. 278-85, and accept the present contract as presented in the agenda packet with a side agreement that the bargaining unit agrees to maintain the enhanced retirement as an employee borne benefit for not less than 10 years as a good-faith demonstration. The motion failed by the following roll call vote:

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

A motion was made by Bohr, second Green to adopt Resolution No. 2007-85, *"A Resolution of the City Council of the City of Huntington Beach Approving and Implementing the Memorandum of Understanding Between the Huntington Beach Municipal Employees' Association (MEA) and the City of Huntington Beach for 7/1/07 through 6/30/12."* The motion carried by the following roll call vote:

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

**(City Council) Adopted Ordinance No. 3788 Amending Chapters 204 and 212 of the Huntington Beach Zoning and Subdivision Ordinance (HBZSO) Deleting All References to Medical Marijuana Dispensaries in Order to be Consistent With Federal Law, Which Considers Medical Marijuana Dispensaries Illegal (Approved for Introduction November 5, 2007)**

Councilmember Carchio stated that although citizens don't want the government dictating what they can do, he supports Chief Small's report and findings on this issue.

Mayor Pro Tem Cook stated that she does not believe the City of Huntington Beach has a problem relating to dispensaries, and expressed her support for leaving things status quo.

Councilmember Bohr asked Chief Small if individuals would still have a co-op option, and Chief Small responded that an option is available to primary caregivers. Councilmember Bohr asked for and received confirmation that the closest dispensary to Huntington Beach is located in Anaheim.

A motion was made by Green, second Carchio to after the City Clerk reads by title, Adopt **Ordinance No. 3788,** *"An Ordinance of the City of Huntington Beach Amending Chapters 204 and 212 of the Huntington Beach Zoning and Subdivision Ordinance Pertaining to Medical Marijuana Dispensaries,"* by roll call vote. The motion carried by the following roll call vote:

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

FINDINGS FOR APPROVAL ZONING TEXT AMENDMENT NO. 07-003 FINDINGS FOR PROJECTS EXEMPT FROM CEQA: The City Council finds that the project will not have any significant effect on the environment and is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to City Council Resolution No. 4501, Class 20 which states that minor amendments to zoning ordinances that do not change the development standards, intensity, or density of such districts are exempt from further environmental review.

FINDINGS FOR APPROVAL - ZONING TEXT AMENDMENT NO. 07-003:

1. Zoning Text Amendment No. 07-003 to delete all references to medical marijuana dispensaries from the Huntington Beach Zoning and Subdivision Ordinance (HBZSO) is consistent with the objectives, policies, general land uses and programs specified in the General Plan. The proposed zoning text amendment affects properties with a General Plan Land Use Map designation of Industrial. The proposal is consistent with the Industrial designation and the goals and objectives of the City's General Plan by deleting all references to medical marijuana dispensaries while continuing to allow typical industrial uses such as manufacturing and warehousing.

2. In the case of a general land use provision, Zoning Text Amendment No. 07-003 is compatible with the uses authorized in, and the standards prescribed for, the zoning district for which it is proposed because it involves only the deletion of all references to medical marijuana dispensaries from the HBZSO. The other land uses and development standards identified in the IG and IL zoning districts will remain unchanged.

3. A community need is demonstrated for the change proposed. Zoning Text Amendment No. 07-003 will delete all references to medical marijuana dispensaries from the HBZSO consistent with case law and federal law.

4. Its adoption will be in conformity with public convenience, general welfare and good zoning practice.

**(City Council) Adopted Ordinance No. 3792 Amending the Redevelopment Plan for the Huntington Beach Project Area (also known as the Merged Project Area) to Extend by One Year the Plan Effectiveness Deadline, Payment of Indebtedness Deadline, and Tax**

**Increment Receipt Pursuant to California State Legislature No. SB 1045 (Approved for Introduction November 5, 2007)**

A motion was made by Green, second Bohr to after City Clerk reads by title, Adopt **Ordinance No. 3792,** *"An Ordinance of the City Council of the City of Huntington Beach, California, Amending the Redevelopment Plan for the Huntington Beach Project (or also known as Merged Project) Area Extending the Plan Effectiveness Deadline, Repayment of Indebtedness Deadline and Tax Increment Receipt Deadline Pursuant to SB 1045,"* by roll call vote. The motion carried by the following roll call vote:

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

**(City Council) Adopted Ordinance No. 3793 Amending the Southeast Coastal Redevelopment Plan to Extend by One Year the Plan Effectiveness Deadline, Payment of Indebtedness Deadline, and Tax Increment Receipt Pursuant to California State Legislature No. SB 1045 (Approved for Introduction November 5, 2007)**

A motion was made by Green, second Hardy to after City Clerk reads by title, Adopt **Ordinance No. 3793**, *"An Ordinance of the City Council of the City of Huntington Beach, California, Amending the Redevelopment Plan for the Southeast Coastal Redevelopment Project Area Extending the Plan Effectiveness Deadline, Repayment of Indebtedness Deadline and Tax Increment Receipt Deadline Pursuant to SB 1045"* by roll call vote. The motion carried by the following roll call vote:

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

**(City Council) Submitted By Mayor Coerper - Directed Staff to Conduct a Feasibility Study for the In-House Consolidation of Communication and Dispatch Services for Fire, Police, and Marine Safety**

Communication from Mayor Coerper transmitting the following

**Statement of Issue:** In order to ensure that the highest quality of emergency services are provided to the public, I am proposing that staff be directed to explore the feasibility of a central communication and dispatch center for fire, police, and marine safety services for the city of Huntington Beach. Currently, the three emergency operations are conducted from three different centers. Police and Marine Safety dispatching are done by city staff, and fire dispatch service is provided through a contract with MetroNet under a joint powers agreement.

Mayor Coerper called on Fire Chief Duane Olson who gave an oral report of Metro Cities Net Fire Authority's increased costs, serving the cities of Anaheim, Fountain Valley, Fullerton, Garden Grove, Huntington Beach, Newport Beach and Orange.

City Administrator Culbreth-Graft stated that the City would come back with three agreements to merge the dispatch function, facility and equipment.

A motion was made by Coerper, second Green to direct staff to conduct a Feasibility Study for the in-house consolidation of communication and dispatch services for Fire, Police, and Marine Safety. The motion carried by the following roll call vote:

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

**Council Comments — (Not Agendized)**

Councilmember Carchio reported attending the Veteran's Day ceremony at the pier on November 11; the Bolsa Chica Conservancy - 2007 Conservator of the Year, Boy Scouts of America-Orange County on November 16; a musical presentation of *Don't Say No to The USO* by Boys and Girls Club of Huntington Valley on November 16; and he reminded everyone to support Surf City Nights downtown on Tuesday night.

Councilmember Green reported attending the Veteran's Day Ceremony at the pier on November 11, the Huntington Beach Art Center Foundation *Brunch for the Arts* on November 11, and the Bolsa Chica Conservancy - 2007 Conservator of the Year event on November 16.

Mayor Coerper announced that on December 17, a rededication of the Veteran's monument on Civic Center property will take place prior to the next City Council meeting. The ceremony will include a Marine contingency from Camp Pendleton. In anticipation of adjourning to the next Council meeting during which the Mayoral and Mayor Pro Tempore transition will take place, Mayor Coerper thanked staff and all City employees for his privilege to serve as Mayor during this past year.

**Council/Agency Adjournment at 8:33 p.m., to Monday, December 3, 2007, 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

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