

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

Friday, January 27, 2012
8:30 AM – Special Meeting
Central Library, 7111 Talbert, Rooms C, D and E
Huntington Beach, California 92648

An audio recording of the public comment, consent calendar
and public hearing portion of this meeting
is on file in the Office of the City Clerk

8:30 AM - ROOMS C and D, Central Library

CALL TO ORDER – 8:33 AM

ROLL CALL -- (Councilmember Joe Shaw requested permission to be absent for a portion of the meeting pursuant to Resolution No. 2001-54)

Present: Shaw, Harper, Dwyer, Hansen, Carchio, Bohr and Boardman

PLEDGE OF ALLEGIANCE – Led by Mayor Hansen

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (RECEIVED AFTER AGENDA DISTRIBUTION)

Pursuant to the Brown "Open Meetings" Act, City Clerk Joan Flynn announced receipt of supplemental communication received by her office following distribution of the Council agenda packet.

A memo received from Council Member Joe Shaw entitle Comments for Retreat Discussion and dated January 27, 2012

PUBLIC COMMENTS PERTAINING TO CLOSED SESSION ITEMS (3 Minute Time Limit) – None

RECESS TO CLOSED SESSION – Room E

A motion was made by Bohr, second Shaw to recess to Closed Session. The motion carried by the following roll call vote:

AYES: Shaw, Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman
NOES: None

Pursuant to Government Code Section 54956.8, the City Council recessed to closed session to confer with the City Attorney regarding the purchase, sale, or exchange of the following properties: 7872 Edinger Ave (Big O) at APN 142-081-28, 142-081-06, 142-081-09, 142-081-10, 142-081-11, and 142-081-12 in the City of Huntington Beach.

Pursuant to Government Code Section 54956.8, the City Council recessed to closed session to confer with the City Attorney regarding the purchase, sale, or exchange of the following property: Center Ave near McFadden at APN 142-073-03 in the City of Huntington Beach.

Pursuant to Government Code Section 54956.8, the City Council recessed to closed session to confer with the City Attorney regarding the purchase, sale, or exchange of the following property: Gothard/Center (Westminster Parcel) at APN 142-311-34 in the City of Westminster.

RECONVENE CITY COUNCIL/REDEVELOPMENT AGENCY/PUBLIC FINANCE AUTHORITY
SPECIAL MEETING – 9:00 AM

CLOSED SESSION REPORT BY CITY ATTORNEY -- None

PUBLIC COMMENTS PERTAINING TO SPECIAL MEETING ITEM(S) #1 and #4
(3 Minute Time Limit)

Cindy Cross spoke regarding the Lease Agreement with the Huntington Beach Marketing and Visitors Bureau (MVB) and asked how that would affect the current Lease with the Huntington Beach International Surf Museum (HBISM). She specifically asked that the lease language be amended to state the "Huntington Beach International Surf Museum" versus the more generic "a surf museum" in the proposed lease.

Councilmember Carchio asked HBISM founder Natalie Kotsch about her concerns. She said she felt this was a back door to allow another surf museum to come in. She wondered why the lease was not written with HBISM.

Discussion ensued as to what external factors were dictating the new Lease Agreement.

CONSENT CALENDAR

- 1) Approved and authorized execution of a Lease Agreement with the Huntington Beach Marketing and Visitors Bureau (MVB) for the continued operation of a surf museum located at 411 Olive Avenue, and terminate existing agreement

A motion was made by Shaw, second Harper to Approve and authorize the Mayor and City Clerk to execute the "Lease Agreement Between the City of Huntington Beach and the Huntington Beach Marketing and Visitors Bureau" for operation of a Surf Museum at 411 Olive Avenue; and, Terminate the existing lease agreement between the City of Huntington Beach and the Huntington Beach International Surfing Museum Foundation for the property located at 411 Olive Avenue.

The motion carried by the following roll call vote:

AYES: Shaw, Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman
NOES: None

PUBLIC HEARING

- 2) Approved and authorized execution of a Purchase and Sale Agreement and Joint Escrow Instructions with Campbell Lodging, Inc. for construction of a 120 to 140 room hotel located at 7872 Edinger Avenue at Parkside Lane

The Mayor opened the public hearing.

City Clerk Joan Flynn announced a Supplemental Communication received from Bob Hall, Deputy City Manager/Director of Economic Development entitled Supplemental Communication, Item #2, and dated January 27, 2012

There being no speakers on this item, the Mayor closed the public hearing.

A motion was made by Bohr, second Carchio to Approve the "Purchase and Sale Agreement and Joint Escrow Instruction" with Campbell Lodging, Inc. for 7872 Edinger Avenue, as amended by supplemental communication, and authorize the Mayor and City Clerk to sign the Agreement and authorize the City Manager to sign all necessary documents to effectuate this Agreement.

The motion carried by the following roll count vote:

AYES: Shaw, Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman
NOES: None

- 3) Approved and authorized execution of a Ground Lease and Improvement Agreement with VF Outdoor, Inc. (Vans) a Delaware Corporation (Lessee) for the development of a Skate Park on City-owned property located on Center Avenue, near Gothard Street

4)

The Mayor opened the public hearing.

Steve Van Doren, representing VF Outdoors, Inc. (Vans) expressed the company's early start and the connection with Huntington Beach his father had. He expressed his enthusiasm for returning to partner with the City on a free Skate park.

Council thanked Mr. Van Doren for his generosity and commitment to Huntington Beach.

There being no further speakers, the Mayor closed the public hearing.

A motion was made by Bohr, second Carchio to Approve a "Ground Lease and Improvement Agreement" with VF Outdoor, Inc. (Vans) a Delaware Corporation (Lessee) for the development, operation and maintenance of a skate park on a 2.7 acre City-owned property located on Center Avenue, near Gothard Street; and, Authorize the City Manager and City Clerk to sign all necessary documents to execute the Agreement.

The motion carried by the following roll call vote:

AYES: Shaw, Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman

NOES: None

ADMINISTRATIVE ITEMS

5) Mayor Hansen began the Strategic Planning Session portion of the meeting and introduced facilitator Marilyn Snider of Snider and Associates.

Ms. Snyder began with a recitation of the City's Mission Statement: *"The City of Huntington Beach provides sustainable quality services to maintain and enhance our safe and vibrant community."*

She then listed the City's Core Values (not in priority order): *Responsiveness, Accountability, Quality customer service, Honesty and Integrity, Teamwork, Fiscal sustainability, Community involvement and Openness.*

Using a S.W.O.T. Analysis (Strengths – Weaknesses – Opportunities – Threats) Facilitator Snyder took the participants through a listing of accomplishments for the last three-year goal period.

STRENGTHS AND ACCOMPLISHMENTS OF THE CITY OF HUNTINGTON BEACH IN THE PAST THREE YEARS AND SPECIFICALLY SINCE THE JULY 2011 STRATEGIC PLANNING RETREAT

Brainstormed List of Perceptions

- *Involved internal and external stakeholders in the budget process*
- *Received Government Finance Officers' Association's "Excellence in Financial Reporting Award" for the past three years*
- *Survived*
- *Updated the Downtown Specific Plan and Received California Coastal Commission Approval*
- *Completed the Solar Project*
- *Successfully supported major events (e.g., Surf City Marathon, US Open of Surfing)*
- *Put together a text notification system for services, including street sweeping*
- *Implemented a program for online payroll statements instead of printing*
- *Implemented Surf City Pipeline citizen inquiry and request*
- *Maintained reputation as a safe city*
- *Eliminated 200 personal printers*
- *Reduced the number of days political campaign signs can be displayed*
- *Implemented a strategic plan for the library*
- *Implemented online volunteer recruitment for the library*
- *Completed the first phase of the ASCON cleanup*
- *Two new marketing firms attracted a lot of new jobs to town*
- *Implemented the Award winning 10-point Plan for Businesses*
- *Reconfirmed opposition to the Banning Bridge*
- *Banned sex offenders in parks*
- *Negotiated concessions with employee groups to save the City millions*
- *Completed award winning utility yard upgrade*
- *Took steps toward construction of Vans Skate Park*
- *Library had an automation system upgrade*

- Replaced trailers on the pier
- Hurley sponsorship of lifeguard towers
- Free parking for wounded veterans
- Successfully implemented a peak period ambulance during the summer
- Rescued several hundred swimmers from possible drowning
- Improved customer satisfaction in the development process
- Most employee groups are moving toward picking up 6.75% of their PERS
- The fact that most employee groups are willing to negotiate concessions during these tough economic times
- Continued to provide adequate public services while reducing 175+ staff members
- Completed the audit of the City Attorney's office
- Increased transparency
- Maintained safe city status with a reduced police force
- Implemented the SIRE document retrieval and viewing system (City Clerk's office, Public Works, and Building)
- Sent out letters welcoming new businesses
- Clean Energy Retrofit Project
- Completed city-wide update of our records retention schedule
- Public recycling
- Developed a Work Order Management System for Public Works
- Sharing services with neighboring cities
- Hometown Hero Program
- Implemented a free parking pass with new car purchase
- Successfully avoided a wireless tower in Harbor View Park
- Eliminated port-a-potties on the beach
- Reconstructed pier buildings
- Established a Paperless agenda process
- Started a community garden
- Balanced budget
- Achieved surplus in the past fiscal year
- Adopted the award-winning Beach-Edinger Corridors Specific Plan
- Annexed Sunset Beach
- Updated our City Charter
- Supported the start of Costco construction
- Implemented the PARS Supplemental Retirement Program
- Gone through the first reading of potentially adopting Safe and Sane Fireworks
- Implemented electronic agenda process and online campaign document filing
- Maintained AA- credit rating
- Implemented self-service checkout at the library
- Implemented Volunteer Tracking Database at the library
- Completed 8th ball field at the sports complex
- Approved and started construction of Bella Terra Phase II (Mixed Use)
- Maintained a 99% customer satisfaction rating for emergency response
- Qualified for the ERate funding for Internet service
- Consolidated fleet maintenance
- Updated map layers for Sunset Beach
- Started process for plastic bag ban

- Launched e-book collection at the library
- Refunded bonds generating \$1.3 million in savings
- Protected and maintained operating funds and reserves with no losses
- Consolidated Building and Planning Departments
- Successfully completed our first corporate sponsorship with Greener Corners
- Completed Street Assessment Feasibility Study
- Updated 5-Year Financial Plan
- Increased funding on infrastructure by \$1.3 million for streets
- Started process to implement the revisions to the City's Hazard Mitigation Plan
- Fully implemented the EGOV online job application system
- Implemented Facebook, Twitter and You Tube for the City
- Brown bag lunches were held by the Council for the employees
- Received and maintained a variety of grants
- Successfully received reimbursements for response to major storms and events
- Received State certification of Fire Department's Urban Search and Rescue Team
- Hired several new department heads

Facilitator Snyder then took participants through an exercise to list perceived current internal weaknesses.

CURRENT INTERNAL WEAKNESSES/CHALLENGES
OF THE CITY OF HUNTINGTON BEACH?

Brainstormed List of Perceptions

- Longer lines for service
- Slower response time to police calls for service
- Uncertainty about redevelopment
- Inadequate infrastructure replacement
- Negative perception of public employees and government
- Uncertain climate for employees
- Lack of funding for training and enrichment
- Inability to replace aging equipment
- Fear of layoffs and cuts
- Lack of trust of City Council and administration
- Council friction is increasing
- Competing needs
- Concern about continued takeaways—staff concessions
- People struggling with change
- Low morale
- Overworked and strained staff
- Lack of resources
- Inefficient internal communication between departments
- Loss of institutional memory
- Inability to maintain standard of excellence with reduced staff and funding
- Having to share staff due to understaffing
- Difficulty managing public expectation with reduced staff
- Financial constraints forcing decisions
- Safety/non-safety employee divisions

- Challenge of maintaining financial discipline

Then a discussion ensued regarding external factors that could/would have a positive effect on the city:

EXTERNAL FACTORS/TRENDS THAT WILL/MIGHT HAVE A POSITIVE IMPACT ON THE CITY OF HUNTINGTON BEACH IN THE COMING YEAR

Brainstormed List of Perceptions

- Increased TOT
- Presidential elections
- Re-election of the President
- Opening of Costco
- Ongoing savings from employee concessions
- Shared services with other cities
- Development of "Pacific City" site
- Continuation of low interest rates
- Completion of residential projects
- Implementation of Utility Users Tax in Sunset Beach
- Sunset Beach structural fire fund revenue
- Increased sales tax
- Global warming (will help tourism)
- More involvement by the business community
- Possible increase in infrastructure funding
- Nordstrom Rack and Dick's Sporting Goods going into the Watt property
- Ongoing good publicity
- Development of the Beach-Edinger corridor
- Reduction in unemployment
- More public-private partnerships
- Improving economy
- Beach and Atlanta Center completion
- Start of the OCTA Project
- Increased automation of manual processes
- Possible repeal of the employee retirement tax
- Increased property tax
- Vans Skate Park
- Stronger Chamber
- Successful major events (e.g., Surf City Marathon, US Open of Surfing)
- Small increase in construction activity
- Local elections coming up

Then a listing of external factors which could/would have a negative impact on the city was offered by participants.

EXTERNAL FACTORS/TRENDS THAT WILL/MIGHT HAVE A NEGATIVE IMPACT ON THE CITY OF HUNTINGTON BEACH IN THE COMING YEAR

Brainstormed List of Perceptions

- Possible impacts of local elections
- Loss of \$4.9 million a year to the General Fund from the Redevelopment Agency
- PERS low rate of return
- Increased lawsuits
- Increased health care costs
- Earthquake
- Aging population
- International economic meltdown
- Breakdown of electrical system
- Military conflict
- Another war (i.e., Iran)
- Redistricting
- High fuel costs
- Stock market volatility
- Aging equipment
- Homelessness
- Changing demographics
- Disruption of water supply
- Continued cuts in education producing a less educated workforce
- Home foreclosures
- Negative perception of public employees
- State budget cuts
- Lack of adult supervision at the State level
- Pension funding
- Possible repeal of the employee retirement tax
- Sea level rise threatening our low lying areas
- Increased workers comp costs
- Additional state takeaways
- Tsunami
- Repealing the ban on fireworks
- Solar flares wiping out electronics
- Increased negotiations
- Impact of social media
- Water supply threatened by drought
- Another terrorist attack
- Running out of money
- Joblessness
- Reduction in federal funding
- Depreciation of capital assets
- Aging infrastructure
- Consumer confidence and spending is low
- Declining middle class

STREET MAINTENANCE ASSESSMENT DISTRICT NEXT STEP – Travis Hopkins, Director of Public Works, introduced a representative of True North Research who discussed very preliminary results of the public opinion poll which was conducted recently. After listening to the short presentation, Council consensus was:

- 1) Council discuss formation of a Blue Ribbon Committee regarding Street Assessment District and bring possible names on January 31, 2012 to the special City Council meeting
- 2) Revenue Street Maintenance Assessment District Survey Report from True North Research would be presented to City Council on February 21, 2012
3. Form a Blue Ribbon Committee of members from the community on February 21, 2012

Through a small group exercise, the following three-year goals were offered for consideration by all.

BRAINSTORMED THREE-YEAR GOALS

- Improve employee relations and morale
- Improve financial viability
- Maintain, enhance and increase public open space
- Improve internal communications
- Improve the City's infrastructure
- Assess and develop a plan to address the impacts of global warming on Huntington Beach
- Complete the Beach-Edinger Corridor Plan
- Enhance economic development
- Maintain financial viability in our reserves
- Complete Downtown Specific Plan
- Continue to include stakeholders in decision-making process
- Replace equipment in a timely manner
- Increase proactive communication to all stakeholders
- Establish Huntington Beach as the regional provider of public services
- Gain independence from external financial constraints
- Expand the visitor-based economy
- Enhance infrastructure funding
- Maintain public safety
- Increase external communication (e.g., accomplishments)
- Reform the pension system
- Improve long-term financial sustainability
- Assess appropriate staffing and service delivery
- Expand digital services and e-government
- Reduce long-term financial liabilities
- Promote aggressively Huntington Beach as a destination of living, working or playing
- Promote and enhance community assets (e.g., beach and parks)
- Re-task economic development for business attraction and retention
- Increase filming of movies in Huntington Beach
- Attract, develop and retain quality staff
- Provide staff training

From this listing, the Council chose to prioritize and concentrate on the following:

THREE-YEAR GOALS (2012-2015 – not in priority order)

- *Improve the City's infrastructure*
- *Enhance economic development*
- *Improve long-term financial sustainability*
- *Develop, retain and attract quality staff*
- *Maintain public safety*

The participants broke into small groups each with one goal. The following objectives were proposed and agreed to by full group consensus to be implemented within the next six-months.

THREE-YEAR GOAL: *Improve the City's infrastructure*

| WHEN | WHO | WHAT |
|--|--|---|
| 1. On January 31, 2012 | City Council (Mayor Don Hansen-lead) | Discuss the formation of the Blue Ribbon Committee for the Street Benefit Assessment District. Council Members to provide input on members for consideration. |
| 2. At the February 21, 2012 City Council meeting | Public Works Director, with the True North Research consultant | Present to the City Council the results of the Street Benefit Assessment District Public Opinion Survey. |
| 3. On February 21, 2012 | City Council (Mayor Don Hansen-lead) | Consider the formation of the Street Benefit Assessment District Blue Ribbon Committee. |
| 4. By May 1, 2012 | IS Director | Identify all PCs and laptops that need to be replaced for inclusion in the 2012-2013 equipment replacement budget request. |
| 5. By July 31, 2012 | Public Information Officer | Publicize the City website's service request features for the public through HBTv3 and social media. |
| 6. By October 31, 2012 | Public Works Director | Provide the City Council with the results of an updated needs assessment of the City Storm Drain System. |

THREE-YEAR GOAL: *Enhance Economic Development*

| WHEN | WHO | WHAT |
|-------------|------------|-------------|
| | | |

| | | |
|-------------------------|--|--|
| 1. By April 1, 2012 | Deputy City Manager Bob Hall | Update the 10 Point Business Plan and report the results to the City Council. |
| 2. By April 1, 2012 | Deputy City Manager Bob Hall | Provide an update to the City Council's Economic Development Committee that addresses changes in the Economic Development Department's delivery of services as a result of organizational restructuring. |
| 3. By May 1, 2012 | Deputy City Manager Bob Hall, working with the PIO, the City Council Economic Development Committee, Chamber of Commerce and Marketing and Visitors Bureau | Develop a Beach-Edinger Branding Marketing Strategy and present to the City Council for direction. |
| 4. By May 15, 2012 | Planning and Building Director | Complete the processing of the zoning entitlements for the Center Avenue Skate Park and present to the City Council for action. |
| 5. By August 1, 2012 | Deputy City Manager Bob Hall and the Planning and Building Director, working with the developer | Complete all zoning entitlements for the Pacific City property. |
| 6. By September 1, 2012 | Deputy City Manager Bob Hall | Complete the sponsorship study for branding opportunities (e.g., naming rights, facility sponsorships) in the City and make recommendations to the City Council for action. |
| 7. By December 1, 2012 | Planning and Building Director | Complete processing of the zoning entitlements for the Edinger Hotel. |

THREE-YEAR GOAL: *Improve Long-Term Financial Sustainability*

| WHEN | WHO | WHAT |
|-----------------------|--|---|
| 1. As the MOUs expire | Deputy City Manager Paul Emery and the HR Director | Negotiate contracts with a goal of full employee pickup of the employee share of CalPERS costs. |

| | | |
|-----------------------|--|--|
| 2. As the MOUs expire | Deputy City Manager Paul Emery and the HR Director | Negotiate contracts with a goal of eliminating the retiree medical subsidy for all new employees. |
| 3. By July 1, 2012 | Finance Director | Update the Long-Term Financial Plan based on the amount of property tax provided by the County Auditor/Controller. |
| 4. By August 1, 2012 | Finance Director | Provide a recommendation to the City Council regarding the prepayment of the outstanding PARS liability. |

THREE-YEAR GOAL: *Develop, Retain and Attract Quality Staff*

| WHEN | WHO | WHAT |
|------------------------|--|--|
| 1. By June 1, 2012 | Executive Team (HR Director-lead) | Conduct at least three interdepartmental knowledge sharing workshops. |
| 2. By July 1, 2012 | Executive Team (HR Director-lead) | Host two staff training interest forums to share training opportunities and get feedback from staff. |
| 3. By July 1, 2012 | HR Director | Create and present to the Executive Team a program, including costs, for mid-managers and supervisors to share training and mentorship opportunities with them and get their feedback. |
| 4. By December 1, 2012 | City Clerk, working with an Employee Fun Committee | Conduct two low or no cost fun activities for City employees (e.g., pancake breakfast, chili cook-off, karaoke, Thriller Dance). |

THREE-YEAR GOAL: *Maintain Public Safety*

| WHEN | WHO | WHAT |
|-------------------|--|---|
| 1. By May 1, 2012 | Police Chief (lead), Fire Chief and Deputy City Manager Paul Emery | Complete a feasibility study regarding providing lifeguard, police and fire dispatch and SWAT services to Newport Beach and Costa Mesa. |

| | | |
|------------------------|---|--|
| 2. By June 1, 2012 | Police Chief | Conduct an analysis of the number and types of calls the Police Department responds to and implement a plan to reduce the number of calls responded to commensurate with current staffing levels. |
| 3. By June 1, 2012 | Police Chief | Develop and submit to the City Council for information a plan to provide adequate police services in the downtown area and on the beach during the summer without having a significant adverse impact on police services citywide. |
| 4. By October 1, 2012 | Fire Chief and Public Works Director | Complete an evaluation of current operability of the City's traffic signal preemption system and report the results to the City Manager. |
| 5. By December 1, 2012 | Fire Chief, in coordination with Metro Net Dispatch | Develop and present to the City Manager a plan to pilot the use of automated vehicle location (AVL) system to deploy ambulances. |

The meeting's strategic planning accomplishments were summed up by Facilitator Snyder, and the Mayor thanked everyone for their participation. The date of January 25, 2013 was selected as the next Strategic Planning Workshop.

COUNCILMEMBER COMMENTS (Not Agendized) – None.

ADJOURNMENT – the meeting was adjourned at 3:34 PM



City Clerk and ex-officio Clerk of the City Council of the City of Huntington Beach, Clerk of the Redevelopment Agency of the City of Huntington Beach, and Secretary of the Huntington Beach Public Finance Authority of the City of Huntington Beach, California

ATTEST:



City Clerk, Agency Clerk,
Authority Secretary



Mayor-Chair