

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

**Tuesday, July 5, 2011
4:00 PM – Room B-8
6:00 PM – Council Chambers
Civic Center, 2000 Main Street
Huntington Beach, California 92648**

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

4:00 PM – ROOM B-8

CALL TO ORDER – 4:05 PM

ROLL CALL:

Present: Shaw (arrived 4:06 PM), Harper, Hansen, Carchio, Bohr, Dwyer and Boardman
Absent: None

ANNOUNCEMENT OF COMMUNICATIONS RECEIVED AFTER AGENDA DISTRIBUTION

Pursuant to the Brown "Open Meetings" Act, City Clerk Joan Flynn announced there was one (1) communication received by her office following distribution of the Council agenda packet:

A PowerPoint communication entitled "*Discussion of Redevelopment Budget Trailer Bills.*"

PUBLIC COMMENTS PERTAINING TO STUDY SESSION/CLOSED SESSION ITEMS (3 minute time limit) – None.

STUDY SESSION

1. Presentation regarding the status of Redevelopment legislation and the potential impacts to the City of Huntington Beach including the options/actions that will be required if legislation is signed by the Governor, or has already been signed, and a review of the actions the Agency has already taken to protect the Agency's assets.

City Manager Fred Wilson introduced Murray Kane, Redevelopment Agency Special Counsel with Kane, Kane, Ballmer and Berkman, who presented a PowerPoint entitled *Discussion of Redevelopment Budget Trailer Bills - ABX 26 and ABX 27 (Signed by Governor 6-29-11)*, that included the following titled slides: Discussion Topics, Outline of Legislation, Assembly Bill ABX 26, Assembly Bill ABX 27 - Pay to Play, Assembly Bills ABX 26 and ABX 27, Impacts if City is Forced to Eliminate Redevelopment, Impacts if "Opt In", Proposed 2011/12 Agency Budget, Proposed 2012/13 Agency Budget, and Recommendations for Consideration.

Mr. Kane provided information related to the impacts and options to the City in light of the State's elimination of redevelopment agencies.

Finance Director Lori Ann Farrell provided draft Fiscal Year 2011-2012 budget scenario to address how the City would fund the "pay to play" State financial obligations should the City elect to keep the Redevelopment Agency intact. Items presented included: various revenues, financial obligations (bonded indebtedness, contractual obligations, pass-through payments, and State "pay to play" estimate), and options for bridging the gap between revenues and expenditures, including refinancing existing bonds, inter-fund loans, and use of reserve funds.

Staff responded to Council inquiries related to the bond payments, the number of staff positions which could be preserved if the one-time gap payment was made, the effects on the City's credit rating if certain contractual obligations were not met, and inter-fund borrowing options (Water Fund).

Councilmember Dwyer, Manager Wilson and Mr. Kane discussed the potential \$1.5 million deficit identified in 2013, and how a positive fund balance could be distributed among various projects. Mr. Kane presented a list of actions which the Council may need to consider in future meetings including: 1) joining litigation and application for "Stay" in partnership with the California Redevelopment Association (CRA) and the League of California Cities, 2) consider the "opt-in" Ordinance which would preserve the City's rights pursuant to litigation on this matter, 3) Resolution required to be exempt from setting aside the Fiscal Year 2011/2012 affordable housing obligations, 4) agreement between the City and the Agency for the Agency to finance the City's payment on the "opt-in."

Councilmember Shaw expressed support for an "opt in" Ordinance and staff responded to his inquiry related to the amount which would be owed for litigation by each member of the CRA.

In response to an inquiry from Mayor Pro Tem Hansen, Mr. Kane explained if the City did not "opt-in," the City would be entitled to receive money to pay existing obligations, however, the Agency would not be able to encumber any future obligations. Mr. Kane also explained that a "successor Agency," possibly, the City Council, would make findings regarding any existing obligations and payments that would be required. In addition, the City would not receive \$85 million dollars owed to the City by the Redevelopment Agency.

Mayor Pro Tem Hansen expressed support for a resolution to collaborate regarding litigation on this matter. In response to his inquiry regarding collaboration with other cities to withhold payments to the State, Mr. Kane stated that the "successor agency" or the "oversight committee" will make the decisions.

Mayor Pro Tem Hansen stated that he did not support the State's measures in balancing their budget utilizing local City funds.

Councilmember Bohr expressed support for the "pay to play" concept, noted he is open to the options for the "one-time" payments, and that he does not support the layoff of existing employees in order to bridge the gap.

Councilmember Dwyer noted that he was in favor of meeting the contractual obligations to which the City and Agency have already agreed.

Councilmember Boardman expressed support for "opting-in," and noted the negative impact of losing \$85 million in revenue. Ms. Boardman requested additional information regarding

“triggers” and stated that she was not in support of losing Agency staff positions. Further, she was in favor of potentially using reserve funds for the one-time payments.

In response inquiries from Mayor Pro Tem Hansen and Councilmember Boardman, City Manager Wilson noted that the City Council and staff will discuss the 2011-2012 budget implications at the upcoming Strategic Planning Retreat and Budget Hearings.

City Attorney McGrath explained that an “opt-in” Ordinance would need to come forward no later than August 1 to preserve the City’s and Agency’s options in dealing with the elimination of the Redevelopment Agency. Staff also mentioned that the October 1st “start date” works in favor with the City’s timeline for adopting the budget.

Mayor Carchio inquired as to information that would be forthcoming regarding Proposition 22. Mr. Kane responded that Proposition 22 would be a part of any future litigation on this matter. Mayor Carchio noted that the City would have to “opt-in” to preserve its rights.

RECESS TO CLOSED SESSION – 4:45 PM

By consensus, the City Council recessed to Closed Session.

CLOSED SESSION

2. Pursuant to Government Code Section 54967.6, the City Council recessed to Closed Session to meet with its designated labor negotiators: Fred Wilson, City Manager; Paul Emery, Deputy City Manager; Bob Hall, Deputy City Manager; Michelle Carr, Director of Human Resources; and Lori Ann Farrell, Director of Finance regarding labor negotiations with all labor groups.

3. Pursuant to Government Code Section 54956.9, the City Council recessed into Closed Session to confer with the City Attorney regarding nine potential lawsuits.

6:00 PM – COUNCIL CHAMBERS

RECONVENE CITY COUNCIL/REDEVELOPMENT AGENCY/PUBLIC FINANCE AUTHORITY MEETING – 6:06 PM.

CLOSED SESSION REPORT BY CITY ATTORNEY – None.

ROLL CALL

Present: Shaw, Harper, Hansen, Carchio, Bohr, Dwyer, and Boardman
Absent: None.

PLEDGE OF ALLEGIANCE: Led by former Councilmember Don McAllister.

INVOCATION: The invocation was given by Father Christian Mondor, Saints Simon and Jude Catholic Church.

In permitting a nonsectarian invocation, the City does not intend to proselytize or advance any faith or belief. Neither the City nor the City Council endorses any particular religious belief or form of invocation.

AWARDS AND PRESENTATIONS:

Presentation - Mayor Carchio and Mayor Pro Tem Hansen awarded Father Christian Mondor, Sts. Simon and Jude Catholic Church, with a key to the City for his years of spiritual guidance and civic participation in Huntington Beach.

Presentation - Mayor Carchio called on Mary Thompson of the Sister City Association to introduce the four students and chaperone from Anjo, Japan and their Huntington Beach counterparts.

Presentation - Mayor Carchio called on Dave Simcox and members of the Friends of the Junior Guards to make a special presentation to the City. The group presented to the City the storage facility that was built by the parents and Friends of the Junior Lifeguards to store the equipment for the program. The cost of the storage facility was \$150,000.

ANNOUNCEMENT OF COMMUNICATIONS RECEIVED AFTER AGENDA DISTRIBUTION

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

Communication received from Al-Noor Charitable Foundation for Consent Item No. 10 dated July 5, 2011 containing an amendment to the offer for the parcel of land located in Westminster on the north side of McFadden.

PUBLIC COMMENTS (3 Minute Time Limit)

(The number (hh:mm:ss) following the speakers' comments indicates their approximate starting time in the archived video located at <http://www.surfcity-hb.org/government/agendas/>).

Stephanie Deagle announced the success of the recent Huntington Beach "Relay for Life" and displayed a PowerPoint Presentation with pictures from the event. (00:30:42)

Father Christian Mondor, Saints Simon and Jude Catholic Church, invited all members of the public to the upcoming "Blessing of the Waves" on October 2, 2011. (00:33:06)

Michelle Uhause thanked the Council for their continued support of the "Blessing of the Waves" event. (00:34:40)

Robert Dettloff, 47-year resident, spoke in support of the expedited construction of the Senior Center in Central Park. (00:35:04)

Suzanne Krol Boller, Artist and Co-Chair of the Allied Arts Board, invited all residents to the upcoming July 8th exhibition "String Theory." (00:37:25)

Anna Friesen submitted a written communication, dated July 5, 2011, titled "*The proposal to eliminate the Art Program Curator at our Huntington Beach Art Center*", and expressed her opposition to the elimination of the Art Program Curator position. (00:38:35)

Mary Dessert, resident and Artist, submitted a written communication dated July 5, 2011, untitled, regarding possible elimination of the Huntington Beach Art Center Curator position. (00:41:26)

Ralph Bauer, resident, spoke regarding Agenda Item No. 11 and noted his support for the construction of a new Senior Center in Central Park. (00:43:18)

Mark Hussein, representing the Al-Noor Foundation, spoke regarding Agenda Item No. 10, and requested that the Council take a second look at the bid that was submitted and accept the Al-Noor Foundation bid. (00:45:18)

Annette Parsons, Huntington Beach Community Garden, displayed a PowerPoint Presentation with slides featuring pictures of the garden, addressed various community concerns regarding the Garden, and invited the Council to tour the facility and assist with finding a second site. Ms. Parsons noted that she would forward copies of the updated by-laws to the City Council. (00:47:43)

Tim Geddes, spoke regarding Agenda Item No. 11 (Senior Center EIR), the impact of Quimby Act funds and the potential for discrepancies of the type of project that will be constructed if proper funding is not addressed. (00:52:15)

Kenley H. Hunt, submitted a written communication and spoke regarding a graffiti problem behind the Charter Center near Ash, Oak and Mandrell Streets in Huntington Beach, the exact address provided as 7791 Mandrell. (00:55:14)

Council and staff discussion ensued regarding graffiti and various code enforcement issues related to the speaker's concerns.

Kent Hayden, spoke in support of the Huntington Beach Community Garden. (01:01:20)

Sally Adams submitted a seven page *Petition to keep Darlene DeAngelo as Curator @ Huntington Beach Art Center*. (01:04:12)

Pam Chapman, spoke in support of the Huntington Beach Community Garden. (01:06:41)

Don MacAllister, resident, spoke in support of Agenda Item No. 11 (Senior Center EIR) and invited all to the August 4, 2011 induction on the "Surfing Walk of Fame." (01:09:40)

Joanne Rasmussen, spoke in support of the Huntington Beach Community Garden. (01:10:56)

Bob Smith, member of the Huntington Beach Community Garden, expressed support for its continuance in the community. (01:13:38)

Gerald Chapman, resident, expressed concern regarding an adjacent neighbor's alleged use of illegal fireworks on the Fourth of July and the lack of enforcement by the Police Department. (01:17:19)

Valerie Spingola, resident, expressed support for the Huntington Beach Community Garden. (01:24:46)

Kathleen Dover, resident, expressed support for the Huntington Beach Community Garden (01:28:00)

Carolyn Merkley, expressed support for the Huntington Beach Community Garden. (01:30:54)

Patty Swaaley, expressed support for the Huntington Beach Community Garden and noted that the Community Garden participants utilize the same gardening and home improvements tools and equipment as the adjacent neighbors. (01:34:13)

Brendan Flory, spoke in support of the Huntington Beach Community Garden and his experience there. (01:36:43)

Judy Ann Morris, spoke in support of an enhanced Senior Center at Goldenwest and also in support of the Huntington Beach Community Garden. (01:37:40)

Lou Murray, Environmental Correspondent for the Huntington Beach Independent, spoke regarding her personal involvement with and support for the Huntington Beach Community Garden. She also proposed an alternative type of fencing for the Garden. (01:41:04)

Theresa Chaque, member of the Huntington Beach Community Garden, expressed support for continuing operations. She detailed her involvement with youth at the Garden and the need for the public to be exposed to non-genetically modified food. (01:44:16)

Mary Jo Baretich, spoke regarding Agenda Item No. 11 (Senior Center EIR), expressed concern that environmental documents were not appropriate for the project, and that they should be reviewed and revised in the best interest of the seniors. (01:48:00)

Candace Bartsch, spoke in support of a Senior Center in Central Park and the type of Center that the seniors in Huntington Beach deserve. She also detailed the perceived dilapidated state of the current Senior Center located in the downtown. (01:50:52)

Carol Blankfield, resident, spoke regarding the difficulty of obtaining a plot at the Newport Beach Community Garden, and also spoke in support of the Huntington Beach Community Garden. She spoke about stricter standards under which the Garden users must adhere to. (01:54:16)

Susan Flory, spoke in support of the Huntington Beach Community Garden and her family's positive experience through their involvement in the Garden. (01:57:28)

Janelle Froisland, Southern California Edison, noted her advocacy for the Garden, and that Edison has no plans to remove the land for that use. She also responded to several Council inquiries related to requests from the residents and the Council. (02:01:01)

COUNCIL COMMITTEE – APPOINTMENTS – LIAISON REPORTS AND ALL AB 1234
DISCLOSURE REPORTING – None.

CITY MANAGER'S REPORT

City Manager Wilson reported that Goldenwest Street remains closed due to the oil leakage and all further updates will be forwarded to the Council.

CONSENT CALENDAR

1. Approved and adopted minutes

A motion was made by Bohr, second Hansen to approve and adopt the minutes of the City Council/Redevelopment Agency/Public Financing Authority Regular Meeting of June 20, 2011, as written and on file in the Office of the City Clerk. The motion carried by the following roll call vote:

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

2. Approved and authorized execution of an Agreement with the Municipal Water District of Orange County (MWDOC) for participation in the Weather Based Irrigation Timer (Smart Timer) Rebate Program

A motion was made by Bohr, second Hansen to approve and authorize the Mayor and City Clerk to execute the "Agreement Between the City of Huntington Beach and the Municipal Water District of Orange County for Participation in the Weather Based Irrigation Timer (Smart Timer) Rebate Program for Single-Family Residential and Commercial Properties." The motion carried by the following roll call vote:

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

3. Approved and authorized execution of a Service Agreement between the City and Sterling OC Enterprises, LLC for Technical Theater and Events Support

A motion was made by Bohr, second Hansen to approve and authorize the Mayor and City Clerk to execute the "Service Agreement Between the City of Huntington Beach and Sterling OC Enterprises, LLC for Technical Theater and Events Support." The motion carried by the following roll call vote:

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

4. Adopted Resolution No. 2011-43 ordering the Summary Vacation of a Water Line Easement at 19131 Beach Boulevard

A motion was made by Bohr, second Hansen to adopt Resolution No. 2011-43, "A Resolution of the City Council of the City of Huntington Beach Ordering the Summary Vacation of the Water Line Easement on Property Located at 19131 Beach Boulevard;" and, instruct the City Clerk to record the said Resolution and attached exhibits with the Orange County Recorder. The motion carried by the following roll call vote:

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

NOES: None

5. Approved and authorized execution of a Professional Services Contract between the City and Carl Warren & Company to provide liability claims processing.

A motion was made by Bohr, second Hansen to approve and authorize execution of a "Professional Services Contract Between the City of Huntington Beach and Carl Warren & Company for Liability Claim Investigation and Processing." The motion carried by the following roll call vote:

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

NOES: None

6. Rejected all bids for Water Main Extension Projects, CC-1371, CC-1378, and CC-1408 and authorized staff to re-advertise.

A motion was made by Bohr, second Hansen to reject all bids from June 13, 2011, for Water Main Extension Projects, CC-1371, CC-1378, and CC-1408; and, authorize staff to re-advertise the Water Main Extension Projects, CC-1371, CC-1378, and CC-1408. The motion carried by the following roll call vote:

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

NOES: None

7. Continued to August 1, 2011 appointments to the Mobile Home Advisory Board (MHAB)

This item was pulled for separate consideration by Councilmember Harper.

Barbara Boskovitch, President of the Mobile Home Advisory Board, responded to inquiries from the Council. She spoke about services provided by the Board and the various issues related to the owning, renting, and operating mobile home units.

A motion was made by Carchio, second Hansen to continue the item to the next regular meeting after first deferring it to the Intergovernmental Relations Committee (IRC) for review. The motion carried by the following roll call vote:

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

NOES: Shaw and Boardman

8. Adopted Resolution No. 2011-44 authorizing the City to levy the annual Retirement Property Tax for Fiscal Year 2011/2012 to pay for pre-1978 Public Employee Retirement Benefits

This item was pulled for separate consideration by Mayor Pro Tem Hansen.

A motion was made by Hansen, second Harper to set the rate to \$0.00 and completely eliminate the annual retirement property tax altogether. The motion failed by the following roll call vote:

AYES: Harper, and Hansen

NOES: Shaw, Carchio, Bohr, Dwyer, and Boardman

Council deliberation ensued on this matter.

A motion was made by Bohr, second Boardman to adopt Resolution No. 2011-44, "A Resolution of the City Council of the City of Huntington Beach Levying a Retirement Property Tax for Fiscal Year 2011/12 to Pay for Pre-1978 Employee Retirement Benefits" in the amount of \$0.01500 per \$100 of Assessed Valuation. The tax rate of \$0.01500 would continue the existing tax rate adopted for Fiscal Year 2010/11. The motion carried by the following roll call vote:

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

9. Approve Youth Board Appointments/Reappointments

This item was pulled for separate consideration by Councilmember Dwyer.

A motion was made by Dwyer, second Harper to approve the reappointment of Andrea deJesus, Edison High School Representative, Dallas Heyden, Huntington Beach High School Representative, Jennifer Lucas, Marina High School Representative, Chelsea Ostovarpour, Oceanview High School Representative, Megan Arriola , At-large Representative, and Quentin Cronk, At-large Representative to a one-year term on the Huntington Beach Youth Board with terms to expire June 2012; and, approve the appointment of Samantha Sharkoff, At-large Representative, Lindsey Thomas, At-large Representative, and Gregory Welker, At-large Representative to a one-year term on the Huntington Beach Youth Board with terms to expire June 2012. The motion carried by the following roll call vote:

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

10. Rejected initial response to bid for sale of APN 142-311-34 located on the north side of McFadden, east of Gothard, known as the Westminster Parcel; Adopt Resolution No. 2011-46 declaring the disposition of certain surplus property; and, approved an Agreement and Escrow Instructions to sell the parcel to the Westminster Redevelopment Agency

This item was pulled for separate consideration by Mayor Pro Tem Hansen.

Council deliberation ensued on this matter.

A motion was made by Bohr, second Boardman to reject initial response to Bid for the sale of property located at APN 142-311-34; and, approve Resolution No. 2011-46, "A Resolution of the City Council of the City of Huntington Beach Declaring the Disposition of Certain Surplus Property;" and, approve Westminster Bid and "Agreement for Sale of Surplus Real Property and Escrow Instructions By and Between the City of Huntington Beach and Westminster Redevelopment Agency," generally in the form attached; and, authorize the Mayor, City Manager, and City Clerk to sign all necessary documents to effectuate this Agreement, as amended to include a 5% deposit that goes "hard" after thirty (30) days with a forty-five (45) day close. The motion carried by the following roll call vote:

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

11. Approved setting aside the City Council's certification of the Senior Center Environmental Impact Report ("EIR") No. 07-002 and issuance of the Conditional Use Permit ("CUP") No. 07-039 regarding the Senior Center in Central Park

This item was pulled for separate consideration by Councilmember Boardman.

A motion was made by Boardman, second Harper to set aside the City Council's certification of Environmental Impact Report (EIR) No. 07-002 so that a subsequent EIR may be prepared and set aside the issuance of CUP No. 07-039 regarding the Senior Center in Central Park so that a General Plan Amendment may be processed. The motion carried by the following roll call vote:

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

12. Approved and authorized execution of a Professional Services Contract with CSG Consultants, Inc. to provide Professional Plan Review Services

A motion was made by Bohr, second Hansen to approve and authorize the Mayor and City Clerk to execute a two (2) year "Professional Services Contract Between the City of Huntington Beach and CSG Consultants, Inc., for Plan Review Services," not to exceed three hundred thousand dollars (\$300,000). The motion carried by the following roll call vote:

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

13. Adopted Resolution No. 2011-45 confirming reports of the cost for 2011 Weed Abatement on private property within the City; and, certify all charges listed on the Orange County 2011/12 Property Tax Roll

A motion was made by Bohr, second Hansen to adopt Resolution No.2011-45, "A Resolution of the City Council of the City of Huntington Beach Confirming Reports of Cost for Weed Abatement on Private Property Within the City - 2011 Season;" and, direct that all charges listed thereon be certified to the Orange County 2011/12 Property Tax Roll. The motion carried by the following roll call vote:

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

14. Approved the cancellation of the regular meeting of July 18, 2011 due to lack of agenda items

A motion was made by Bohr, second Hansen to approve the cancellation of the regular City Council/Redevelopment Agency/Public Finance Authority meeting of July 18, 2011 and direct the City Clerk to post the Notice of Cancellation as prescribed by law. The motion carried by the following roll call vote:

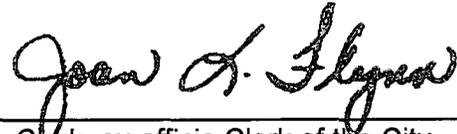
AYES: Shaw, Harper, Hansen, Carchio, Bohr, Dwyer, and Boardman
NOES: None

COUNCILMEMBER COMMENTS (Not Agendized)

Comments were provided by Mayor Pro Tem Hansen and Councilmembers Shaw, Harper, Bohr, Dwyer, Boardman, and Mayor Carchio.

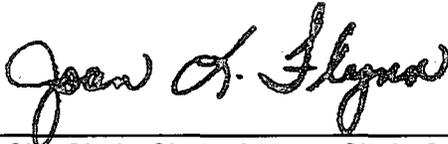
ADJOURNMENT

At 9:33 PM, Mayor Carchio noted that due to previous Council action, the July 18, 2011 City Council/Redevelopment Agency/Public Finance Authority meeting has been canceled. Mayor Carchio adjourned the meeting to a special meeting on Friday, July 29, 2011, 8:30 a.m., Huntington Beach Central Library, Rooms C and D, at 77111 Talbert Avenue, Huntington Beach, California.



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

ATTEST:



City Clerk, Clerk, Agency Clerk, Secretary



Mayor-Chair