



TO: Honorable Mayor and City Councilmembers

FROM: Joan L. Flynn, City Clerk 

DATE: 12/16/2013

SUBJECT: SUPPLEMENTAL COMMUNICATION FOR THE DECEMBER 16, 2013, REGULAR CITY COUNCIL MEETING

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

Study Session

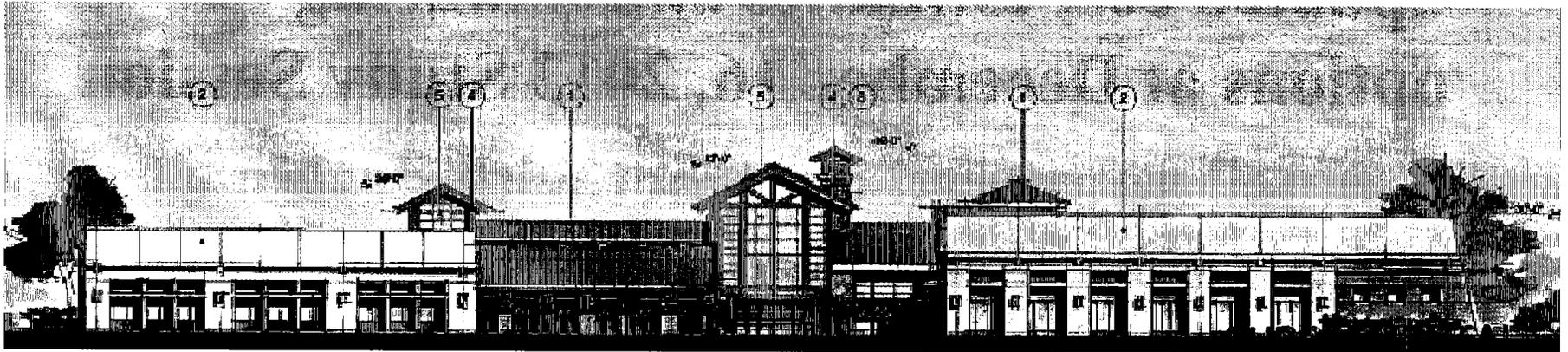
A PowerPoint communication submitted by the Community Services Department entitled *Huntington Beach Senior Center in Central Park, City Council Study Session, December 16, 2013*.

Consent Calendar

A communication dated December 16, 2013 re: Agenda Item #24 – Forgiveness of City Manager's Home Loan submitted by Gregorio Daniel, California Teamsters Local 911, on behalf of the Huntington Beach Municipal Employees Association (MEA).

Huntington Beach Senior Center in Central Park

City Council Study Session December 16, 2013



COMMUNICATION

Meeting Date: 12-16-13

Agenda Item No. Study Session #1

Background

- **Council Approved budget to complete plans and specifications per approved design**
- **Identified as Strategic Objective at August 2 Strategic Planning Retreat to provide updated cost estimates and financing options at December 16, 2013 Study Session**
- **Council approved contract with design consultants to complete plans and specifications – July 1, 2013**

Current Status

- **Entitlement Approval Complete**
 - **Conditional Use Permit No. 07-039 (R)**
 - **SEIR No. 07-002**
 - **General Plan Amendment No. 11-004**
 - **Completion of Construction Documents in process**
 - **Constructability Review**
 - **Construction Cost Estimate Updated**

Key Issues

- **Finalize Construction Documents and Cost Estimates**
- **Legal Challenges**
 - **Next court date is scheduled for February 2014**
 - **City Attorney does not anticipate resolution before Fall of 2014**
- **Determine Funding Options**

Cost Estimates to Date:

Soft Costs	
▪ Additional A&E; Testing/Inspection	\$500,000
▪ Construction Management	\$650,000
<u>Sub-Total:</u>	\$1,150,000
Direct Costs	
▪ Building & On-Site Construction	\$16,000,000
▪ Off-Site Construction	\$700,000
▪ FF&E	\$500,000
<u>Sub-Total:</u>	\$17,200,000
▪ Contingencies	\$2,800,000
Project Total	\$21,150,000

Project Schedule*

- **Completion of Construction Documents** **March 10, 2014**
- **Public Works Commission Review** **April 16, 2014**
- **Bid Period** **April 21 – June 13, 2014**
- **Bid Opening/Review & Contract Preparation** **June 16 – July 11, 2014**
- **Council Award of Construction Contract** **August 4, 2014**
- **Construction Period** **August 2014 – Feb. 2016**

***Based upon secured funding source**

Senior Center Financing Options

- **Construction costs are currently estimated at approximately \$21.5 million**
- **The Fiscal Year 2013/14 Adopted Budget included an appropriation of \$1.5 million in the Infrastructure Fund for initial start-up funding**
- **Additional funding sources need to be identified to address the remaining funding gap of \$19.5 million**

Potential Bond Issue

- **Debt financing paid from the General Fund can be a viable option for all or a portion of total costs**
 - **Debt is similar to existing lease revenue bonds issued for other facilities (e.g. City Hall and Sports Complex)**
 - **Bonds sold today would be tax-exempt, and payable in equal installments over 30 years**
 - **For example, for a \$15 million bond, annual debt service payments would equal approximately \$1.2 million**
 - **However, \$4.5 million in funding would still need to be identified**

Other Potential Sources of Funding

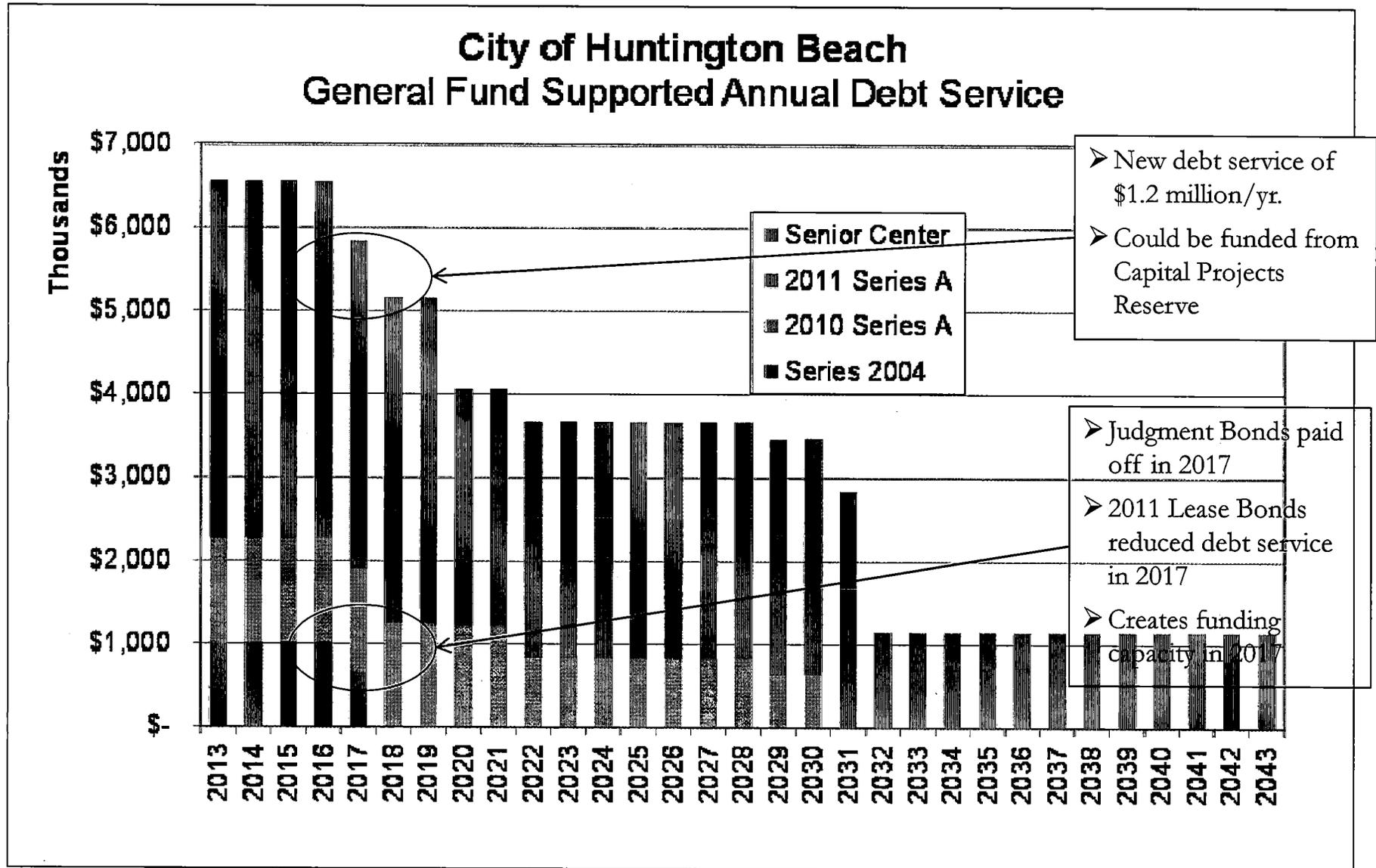
- **To address the remaining \$4.5 million funding gap, the following funding sources may be an option:**
 - **Capital Improvement Reserve (\$5.9 million current unencumbered balance)**
 - **Park Acquisition and Development Fund**
 - **Senior Center Capital Campaign Initiative**
 - **Fiscal Year 2012/13 General Fund Year-End Balances**

Local Funding Opportunities

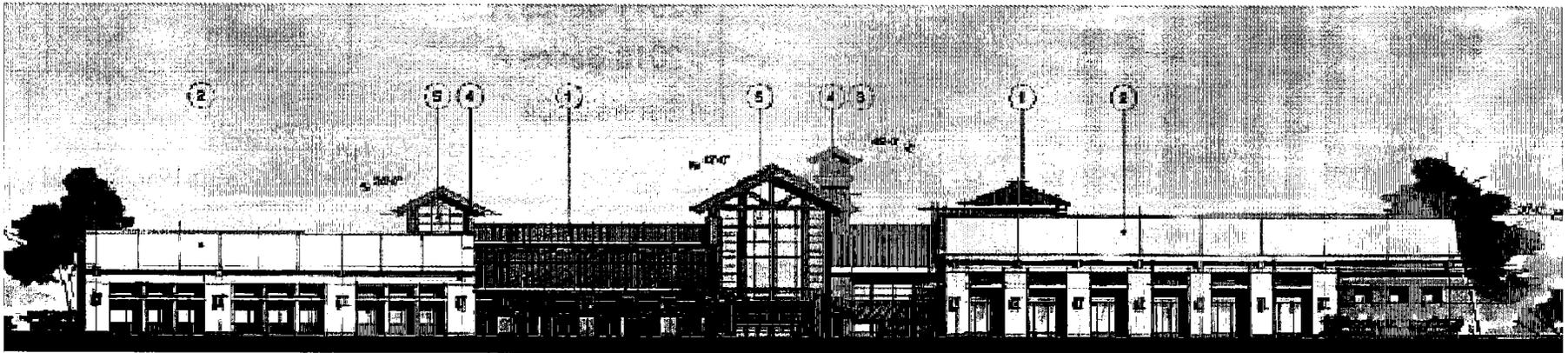
- **Private Donations:**

- **HOAG Hospital – Supported the OASIS Senior Center in Newport Beach**
- **Local Area Hospitals – HBCOA members have expressed their interest in supporting the project**
- **Grass Roots Fundraising – Led by the HBCOA and other community partners**
- **Increased potential for fee generation when a new center is operating**

Existing 30-Year Debt Service Schedule



Huntington Beach Senior Center in Central Park





Raymond B. Whitmer
Secretary-Treasurer



CALIFORNIA TEAMSTERS LOCAL 911

PUBLIC, PROFESSIONAL & MEDICAL EMPLOYEES UNION, THE COUNTIES OF LOS ANGELES,
ORANGE, RIVERSIDE, SAN DIEGO, IMPERIAL, SAN LUIS OBISPO, SAN BERNARDINO, SANTA BARBARA AND VENTURA

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December 16, 2013

Huntington Beach City Council
City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648

Re: Agenda Item #24 – Forgiveness of City Manager's Home Loan

Dear City Council:

On behalf of our 400 members in the Huntington Beach Municipal Employees Association (MEA), I am writing this letter as a concern over the aforementioned agenda item that will be voted on at tonight's council meeting.

As you are aware, MEA has been engaged in collective bargaining since April of 2013. Over the past eight (8) months, the City has demonstrated a lack of willingness to bargain in good faith a reasonable compensation package for MEA employees.

Despite continuous claims at the bargaining table of the City's inability to provide a reasonable proposal on wages and health benefits, the City is willing to forgive the remaining balance of \$57,143 from a lucrative \$200,000 housing loan provided to the City Manager. Moreover, the City Manager's housing loan "is currently forgiven annually over a seven year period," in which it appears the City has already forgiven \$142,857 since 2009.

This proposed action is further testament of the City's true ability to bargain a fair and equitable contract with MEA.

Sincerely,

Gregorio Daniel
Business Representative

**SUPPLEMENTAL
COMMUNICATION**

Meeting Date: 12-16-13

Agenda Item No. #24

