



City of Huntington Beach

Charter Review Commission

ACTION MINUTES

Thursday., March 25, 2010, 6:00 PM
City Hall, B-8

- I. **Roll Call:** Jerry Bame, Ralph Bauer, Mark Bixby, Patrick Brenden, Shirley Dettloff, Dick Harlow, Gregory Hartnett, Marijo Johnson, Gary Kutscher, Joe Shaw, Ray Silver, Sharie Sneddon, Tim Stuart, Dave Sullivan, Shane Whiteside

All present except Commissioner Bauer

II. **Public Comments:**

An opportunity for the public to comment on any item of interest, either in general or specific to this agenda, that is within the subject matter or jurisdiction of the Commission. Comments will be limited to no more than 3 minutes. Speakers are encouraged to submit their comments in writing. Each Commission Member will receive a copy of all the submitted comments.

Council Member Devin Dwyer thanked the Commission for their work and asked that they consider adding to Charter Section 617 a fiscal emergency clause that would allow the City Council to suspend the 15% infrastructure fund set aside by a super majority vote for a period of one fiscal year not to be repeated within 5 years.

Council Member Bohr also thanked the Commission for their work and asked that they follow-up with support for the changes they are recommending.

- III. **Approval** of the Commission minutes from the March 16 meeting.

IV. **Final Review of the Proposed Revised City Charter and Potential Language Changes, Correction, or other Modifications including:**

- **500(c) Publication of Ordinance**

*Commissioner Sneddon, made a motion to change the last sentence in **Charter Section 501(c)** to read: Current technology shall be used to ensure the widest possible dissemination. The motion was second by Commissioner Brenden. The motion carried 14-0-1.*

*A motion was made by Commissioner Dettloff, seconded by Commissioner Brenden to change the word “repeal” to “expire” in the last sentence of **Charter Section 501**. The motion carried 14-0-1*

- **612 – Public Utilities & Parks and Beaches**

A minor syntax correction was made to 612(c)(4)

- **617 – Infrastructure Fund**

Commissioner Harlow offered a re-write of Charter Section 617 to improve the intent of the section. Following discussion and further rewording Commission Dettloff made a motion with a second from Commissioner Shaw to amend Charter Section 617 to read as follows:

The term “Infrastructure” shall mean long-lived capital assets that normally are stationary in nature and normally can be preserved for significantly greater number of years. They include storm drains, storm water pump stations, alleys, streets, highways, curbs and gutters, sidewalks, bridges,

* Material related to the Charter Sections to be discussed and submitted prior to the posting of the agenda will be included in the agenda packet. Items received after posting of the agenda will be distributed at the Commission meeting as late communications.

street trees, landscaped medians, parks, beach facilities, playgrounds, traffic signals, streetlights, block walls along arterial highways, and all public buildings and public ways.

All revenue raised by vote of the electors or imposed by vote of the City Council on or after March 5, 2002, by a measure which states that the revenue to be raised is for the purpose of infrastructure, as said term is defined in this section, shall be placed in a separate fund entitled "Infrastructure Fund." Monies in said Fund shall be utilized only for direct costs relating to infrastructure improvements or maintenance, including construction, design, engineering, project management, inspection, contract administration and property acquisition.

Monies in said Fund shall not be transferred, loaned or otherwise encumbered for any other purpose. Interest earned on monies in the Infrastructure Fund shall accrue to that account.

Expenditures for infrastructure improvements, repair, and maintenance shall not be reduced below 15% of general fund revenues based on a five- (5) year rolling average **of general fund revenue**. The average percentage of general fund revenues utilized for infrastructure improvements, repair, and maintenance, for the five- (5) year period of 1996 to 2001, is and was 14.95%. **Upon adoption of the 2015/2016 budget, debt service, or any other indirect costs, shall not be included in the 15% calculation of the general fund expenditure for infrastructure improvements, repair, and maintenance.** Revenues placed in the Infrastructure Fund shall not supplant existing infrastructure funding.

The City Council shall by ordinance establish a Citizens Infrastructure Advisory Board with the sole responsibility to conduct an annual review and performance audit of the Infrastructure Fund and infrastructure expenditures and which shall present a report of its findings to the City Council at a noticed public hearing prior to adoption of the following fiscal-year budget.

*It was noted by staff that a change in **Charter Section 401(h)** approved by the Commission on 11/17 had not be captured in the final draft. The City Attorney will make the correction to delete the words: "except those directly appointed by the City Council" from this section.*

V. Discussion and action on a preamble to the City Charter

Motion by Commissioner Kutscher, seconded by Commissioner Stuart to use the preamble submitted by Commissioner Bame with the Chair and Vice Chair to blend first paragraph with the preamble submitted by Commissioner Johnson. Approve 14-0-1.

VI. Final Vote on the Charter Revisions as a whole.

Motion by Stuart, second by Commissioner Johnson to approve the Charter Revisions as a whole. The motion was approved 14-0-1

VII. Commissioner's Comments

VIII. Adjournment: No future meetings are scheduled. The Commission Chair and Vice Chair will present the Proposed Revised City Charter to the City Council at 4 PM on April 19. Commission Members are encouraged to attend.

Attachments: *

1. Minutes from the March 16 Commission Meeting
2. Legislative Draft of the Proposed Charter Revisions
3. The Proposed Revised City Charter
4. Preamble Suggestions from the Commissioners



City of Huntington Beach

Charter Review Commission

LATE COMMUNICATIONS 03/25/2010:

1. Email Communication from Mary Urashima
2. Letter from Daryl Smith
3. Email communication from Arthur Rosen
4. Substitute Page C-12 of the Proposed Revised City Charter
 - Based on action taken by the Commission on 11/17 –Amended Section 401(h) by deleting the words: “except those directly appointed by the City Council”
5. Amended language and a substitute page C-20 changing the last sentence in Charter Section 617(b) of the Proposed Revised City Charter.
6. Commissioner Harlow’s alternative language and substitute Page C-20 for Charter Section 617 of the Proposed Revised City Charter
7. Updated Preamble Suggestions

From: Mary Adams Urashima [urashima@earthlink.net]
Sent: Wednesday, March 24, 2010 12:18 PM
To: Dapkus, Pat
Cc: 'Dick Harlow'
Subject: Huntington Beach Charter Commission - Late communication for March 25 meeting

Hi Pat,

Please provide this late communication to the Charter Commission for Thursday's meeting.

Thank you!

Mary Adams Urashima
714-374-8360

Dear Charter Commission Members:

Re: Charter 617(b) infrastructure fund and debt service

The Citizen's infrastructure Advisory Committee (IAC)—on which I served—was appointed by the City Council in March 1998. Over the course of two years, the IAC, 35 members and 23 alternates, conducted a number of field inspections and participated in hundreds of hours of meetings with city staff and consultants. The scope of the IAC's work was comprehensive, encompassing briefings of the city's infrastructure needs, city budget and revenue allocation reviews, the development of infrastructure improvement priorities, and the evaluation of funding and financing methods.

After considering the IAC's Report and the recommendations, the City Council appointed in August 2000 the Infrastructure Planning Committee (IPC), which was composed of three (3) Council Members, six (6) Infrastructure Advisory Committee Members (IAC), the Chairperson of the Public Works Commission, and the Vice Chairperson of the Finance Board. I also served on this committee, bringing the total time spent on the issue of infrastructure priorities and funding to four years.

A key recommendation of the IAC and IPC was to establish a dedicated Infrastructure Fund comprised of 15-percent of the General Fund for "*direct costs relating to infrastructure improvements or maintenance, including construction, design, engineering, project management, inspection, contract administration and property acquisition.*" At the time the IAC was established, there was an overall infrastructure need of approximately \$1.3 billion and an \$850 million funding shortfall.

Allowing the intended use of the Infrastructure Fund to be borrowed from for uses other than direct, tangible infrastructure replacement or repair defeats the purpose. Continual deferred infrastructure means high future costs. Using the Infrastructure Fund for anything other than direct new infrastructure, its replacement and repair, only compounds the problem we identified more than ten years ago.

The combined efforts of the IAC and IPC involved the time of at least 63 residents—representing various interests and areas in the community—a large number of City staff, and literally hundreds of hours

devoted to solving the infrastructure problem. The intent was to create policy changes that would allow the City to get ahead of the growing funding shortfall and infrastructure backlog.

I greatly appreciate the Charter Commission's efforts to reject changes or interpretations of Charter 617(b) that allow the inclusion of debt service or the use of the Infrastructure Fund for anything other than direct new infrastructure, its replacement and repair.

Regards,
Mary Adams Urashima

cc: Dick Harlow, Charter Commission Chair

Mr. Richard Harlow
Co-Chair Huntington Beach Charter Revision Committee

Richard:

I am aware of a dispute regarding the City use of funds that were to be used for maintenance, repair and re-habilitation of City infrastructure.

As I understand, City Administration has determined the City has used and will use the funds to pay bond indebtedness which was never considered as a use by the IIMP or other sub-committees.

As you know, I served on the IIMP Committee for several years as a Public Works representative until September 2000, when I retired.

All staff reports were based on existing infrastructure in place prior to the year 2000.

To the best of my memory, every meeting was dedicated to the maintenance of infrastructure, extending infrastructure life and never once did we report on or discuss bonded indebtedness as a use of the 15% additional funding being requested by the committee.

Various sources of new revenue were discussed to pay for major re-hab and new construction projects, but never the use of the 15%.

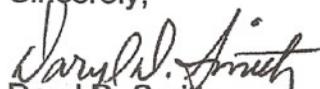
After many months of staff reports to the committee regarding the infrastructure, (identified prior to the year 2000) and funds available to property maintenance, it became very clear that the Public Works Department would require substantial increases in budget funding.

The committee determined that the 15% additional funding was an important element to begin improvement and extend the life of the city infrastructure.

Should you have any questions, please call me.

Thank you for your consideration.

Sincerely,


Daryl D. Smith

From: Arthur Rosen [arthur.elaine@verizon.net]
Sent: Wednesday, March 24, 2010 8:35 PM
To: Dapkus, Pat
Cc: 'Mary Adams Urashima'
Subject: Infrastructure Planning Committee

Members of the City Council,

I was a member of the Citizens' Infrastructure Advisory Committee which was formed in 1998. I was appointed from the "original" Downtown Residents Association. The conclusions and recommendations of the committee were that the funds collected were to **only** be used for infrastructure and infrastructure alone. Any other use, especially for the retirement of debt, was what got the City into trouble in the first place. To spend this money for anything other than direct costs relating to infrastructure improvements or maintenance, including construction, design, engineering, project management, inspection, contract administration and property acquisition **goes directly against** the recommendations of the committee and will result in having to convene another committee in the near future to fix the same infrastructure problems. The difficulty isn't with the infrastructure, it's with the City Council and the bureaucracy.

Arthur Rosen
514 9th Street
(714) 969-0194
arthur.elaine@verizon.net

- (b) Prepare the budget annually, submit it to the City Council, and be responsible for its administration upon adoption.
- (c) Prepare and submit to the City Council as of the end of each fiscal year, a complete report on the finances of the City, and annually or more frequently, a current report of the principal administrative activities of the City.
- (d) Keep the City Council advised of the financial condition and future needs of the City and make such recommendations as may seem desirable.
- (e) Maintain a centralized purchasing system for all City offices, departments and agencies.
- (f) Prepare, administer and enforce rules and regulations recommended to and adopted by the City Council governing the contracting for, purchase, inspection, storage, inventory, distribution and disposal of all supplies, materials and equipment required by any office, department or agency of the City government.
- (g) Be responsible for the compliance by the City with the laws of the State pertaining to the City, the provisions of this Charter and the ordinances, franchises and rights of the City.
- (h) Subject to policy established by the City Council, exercise control of all administrative offices and departments of the City and of all appointive officers and employees, and prescribe such general rules and regulations as he may deem necessary or proper for the general conduct of the administrative offices and departments of the City under his jurisdiction.
- (i) Perform such other duties consistent with this Charter as may be required by the City Council.

Section 402. ACTING CITY MANAGER. During any temporary absence or disability of the City Manager, the City Manager shall appoint one of the other officers or department heads of the City to serve as Acting City Manager. In the event the City Manager fails to make such appointment, such appointment may be made by the City Council.

Section 403. PERSONNEL. In addition to the City Council, a City Clerk, a City Treasurer, a City Attorney and City Manager, the officers and employees of the City shall consist of such other officers, assistants, deputies and employees as the City Council may provide by ordinance or resolution. The City Council shall establish such reasonable compensation and fringe benefits as are appropriate by ordinance or resolution for such offices, officials and employees except as herein provided.

The City Council shall maintain by ordinance a comprehensive personnel system for the City. The City Manager and any officers designated as elective by the Charter shall be exempt. The system shall consist of the establishment of minimum standards of employment and qualifications for the various classes of employment and procedures to be followed in advancement, demotion, suspension and discharge of employees included within the system, as the City Council shall determine to be for the best interest of the public service. The ordinance shall designate the appointive officers and employees who shall be included within the system. By subsequent

after the beginning of such fiscal year. As soon as practicable after the end of the fiscal year, a final audit and report shall be submitted by such accountant to the City Council, one copy thereof to be distributed to each member. Additional copies of the audit shall be placed on file in the office of the City Clerk where they shall be available for inspection by the general public, and a copy of the financial statement as of the close of the fiscal year shall be published in the official newspaper.

Section 617. INFRASTRUCTURE FUND.

(a) All revenue raised by vote of the electors or imposed by vote of the City Council on or after March 5, 2002, by a measure which states that the revenue to be raised is for the purpose of infrastructure, as said term is defined in this paragraph, shall be placed in a separate fund entitled "Infrastructure Fund." The term "Infrastructure" shall mean long-lived capital assets that normally are stationary in nature and normally can be preserved for significantly greater number of years. They include storm drains, storm water pump stations, alleys, streets, highways, curbs and gutters, sidewalks, bridges, street trees, landscaped medians, parks, beach facilities, playgrounds, traffic signals, streetlights, block walls along arterial highways, and all public buildings and public ways. Interest earned on monies in the Infrastructure Fund shall accrue to that account. Monies in said Fund shall be utilized only for direct costs relating to infrastructure improvements or maintenance, including construction, design, engineering, project management, inspection, contract administration and property acquisition. Monies in said Fund shall not be transferred, loaned or otherwise encumbered for any other purpose.

(b) Revenues placed in the Infrastructure Fund shall not supplant existing infrastructure funding. The average percentage of general fund revenues utilized for infrastructure improvements and maintenance, for the five- (5) year period of 1996 to 2001, is and was 14.95%. Expenditures for infrastructure improvements and maintenance shall not be reduced below 15% of general fund revenues based on a five- (5) year rolling average. Upon adoption of the 2015/2016 budget, Infrastructure Fund expenditures shall no longer include debt service.

(c) The City Council shall by ordinance establish a Citizens Infrastructure Advisory Board with the sole responsibility to conduct an annual review and performance audit of the Infrastructure Fund and infrastructure expenditures and which shall present a report of its findings to the City Council at a noticed public hearing prior to adoption of the following fiscal-year budget.

**ARTICLE VII
ELECTIONS**

Section 700. GENERAL MUNICIPAL ELECTIONS. General municipal elections shall be held in the city on the first Tuesday after the first Monday in November in each even-numbered year. (12/9/82)

Section 701. SPECIAL MUNICIPAL ELECTIONS. All other municipal elections that may be held by authority of this Charter, or of any law, shall be known as special municipal elections.

Section 702. PROCEDURE FOR HOLDING ELECTIONS. All elections shall be held in accordance with the provisions of the Elections Code of the State of California, as the same now

TRACKED CHANGES IN

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REVISED

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BAME

We, the City of Huntington Beach, California, being a "Charter City," do hereby exercise the privilege of retaining for ourselves, through the enactment of this Charter, the benefits of local government, by enacting the laws, rules, regulations and procedures set forth herein pertaining to the governance and operation of our City.

It is incumbent upon those who govern and make decisions for and on behalf of the City of Huntington Beach to legally, as well as morally, abide by the provisions of this Charter, in its strictest sense, to assure the continued success and well-being of our fair City.

BRENDEN

We, the people of the City of Huntington Beach, in order to promote an inclusive and culturally diverse community characterized by a shared commitment to economic prosperity, environmental stewardship, and equal civil and political rights for all, governed by responsible and responsive public officials dedicated to protecting public assets, ensuring public safety and promoting citizen participation in the community and local government, do hereby enact this Charter pursuant to the rights granted our city by the Constitution of the United States and the statutes of the State of California.

DETTLOFF

The Huntington Beach Charter is the most important and significant document which shall be used to guide all decisions made by our elected officials, our staff and the community. The Charter reflects how our citizens view their community and how this document meets the needs and aspirations of its citizens.

Government must represent a diverse society made up of many different ethnic and religious groups, as well as economic status. Through this Charter the citizens of Huntington Beach claim greater opportunities to benefit from the process of government which they have designed for themselves and their posterity.

This Charter establishes a responsive, efficient, effective and accountable government which will provide fair representations and distribution of government resources. The Charter will provide a safe and harmonious environment for the mutual well-being of all its citizens, regardless of race or religion.

JOHNSON

We, the people of the City of Huntington Beach, State of California believe fiscal responsibility and the prudent stewardship of public funds is essential for confidence in government, that ethics and integrity are the foundation of public trust and that just governance is built upon these values. We do ordain and establish this Charter as the fundamental law of the City of Huntington Beach under the Constitution of the State of California.

SILVER

We, the people of the City of Huntington Beach believe in promoting an inclusive community with shared economic, environmental and cultural prosperity, equal civil and political rights, social harmony and cohesion, and opportunities for all governed by responsible and responsive

public officials who promote citizen participation, as well as just and equitable tax and financial policies; and these beliefs are rooted in our desire to enhance the uniqueness of the City of Huntington Beach.

We, the people of the City of Huntington Beach, to obtain and retain for ourselves the benefits of local government, do hereby exercise the express right granted by the Constitution and the statutes of the State of California and enact this Charter for the City of Huntington Beach.