Minutes

City Council/Public Financing Authority
City of Huntington Beach

Monday, August 15, 2016
4:00 PM - Council Chambers
6:00 PM - Council Chambers
Civic Center, 2000 Main Street
Huntington Beach, California 92648

A video recording of the 4:00 PM and 6:00 PM portion of this meeting is on file in the Office of the City Clerk, and archived at www.surfcity-hb.org/government/agendas/

4:00 PM - COUNCIL CHAMBERS

CALLED TO ORDER — 4:03 PM

ROLL CALL

Pursuant to Resolution No. 2001-54, Mayor Pro Tem Sullivan, requested, and was granted, permission to be absent from this portion of the meeting.

Present: Posey, O'Connell, Katapodis, Hardy, Delgleize, and Peterson
Absent: Sullivan

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

Pursuant to the Brown "Open Meetings" Act, City Clerk Robin Estanislau announced supplemental communication received by her office following distribution of the Council agenda packet for:

Study Session No. 1., a PowerPoint communication submitted by Chief Financial Officer Lori Ann Farrell Harrison, dated August 15, 2016, entitled *Citywide User Fee and Rate Study.*

PUBLIC COMMENTS PERTAINING TO STUDY SESSION / CLOSED SESSION ITEMS
(3 Minute Time Limit) — No Speakers
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.

STUDY SESSION

1. Citywide User Fee and Rate Study – Presentation by Finance Department regarding the Citywide User Fee and Rate Study, related results and a consolidated Master Fee and Charges Schedule

City Manager Fred Wilson introduced Chief Financial Officer (CFO) Lori Ann Farrell Harrison who thanked staff and called on Nicole Kissam, Director from NBS and Dahle Bulosan, Finance Manager – Accounting, to present a PowerPoint entitled *Citywide User Fee and Rate Study* which included the following titled slides: *Presentation Goals, User Fee Best Practices, Scope of Services: User and*

Regulatory Fee Study, Key Components of a Fee Study, Citywide Cost Allocation Plan, User Fee Study Guidance, General User Fee Study Approach, Cost of Service Analysis, Cost Vs. Price: Illustration of Cost Recovery in Fee-Setting, Cost Recovery Policy Decision Matrix, Fee Study Recommendations and Highlights Summary Results for Fee Related Services - All Funds, Summary Results of Recommendations, Summary Results for Fee Related Services, Summary of General Fund Fees, Community Development Fee Highlights, Finance Fee Highlights, Public Works Fee Highlights, Police Fee Highlights, Fire Fee Highlights, Community Services Fee Highlights, Other Fee Highlights, Technology Automation Fee, Summary of Non General Fund Fees, Summary of General Fund Charges, Master Fee and Charges Summary, User Fee Study Recap, and *Next Steps.*

Councilmember Posey and Finance Manager Bulosan discussed whether the Master Fee and Charges Summary numbers (hours and fees) are based on pre- or post-EML software use. Chief Financial Officer Farrell Harrison stated that in 3 – 5 years, after the EML software is fully functional, it would certainly be appropriate for another review, as the numbers presented in this report basically reflect history.

Councilmember Peterson and CFO Farrell Harrison discussed the impact of what appears to be increased costs to businesses in the City and how it may inhibit new business coming to Huntington Beach, or City homeowners from planning additions to their homes. CFO Farrell Harrison explained that by using NBS, an "outsider" for this analysis and review, they do have access to the fees charged by other area cities and the county, and they did provide input to keep from pricing ourselves out of the market, yet maintaining reasonable cost recovery. Councilmember Peterson and Mayor Katapodis requested that the Finance Commission have an opportunity to review this information.

Councilmember O'Connell and Senior Administrative Analyst Elaine Kuhnke discussed that fees for children's sports activities will increase by $5 per registration, and these fees last increased in 2009. CFO Farrell Harrison explained that some fees will be reduced but others will increase based on expected workloads and effect of automation.

RECESS TO CLOSED SESSION — 4:51 PM

A motion was made by O'Connell, second Hardy to recess to Closed Session for Items 2 – 4.
With no objections, the motion carried.

CLOSED SESSION

2. **Pursuant to Government Code §54956.9(d)(2), the City Council recessed into Closed Session to confer with the City Attorney regarding potential litigation. Number of cases, three (3).**

3. **Pursuant to Government Code §54956.9(d)(1), the City Council recessed into Closed Session to confer with the City Attorney regarding the following lawsuit: Huntington Shorecliff, LP v. City of Huntington Beach, et al. (JS Stadium), Orange County Superior Court Case No. 30-2011-00463995.**

4. **Pursuant to Government Code §54956.9(d)(1), the City Council recessed into Closed Session to confer with the City Attorney regarding the following lawsuit: Sunny Kang v. City of Huntington Beach/William Brownlee, Orange County Superior Court Case No. 30-**

2013-00626834. Automobile accident involving City Police Officer William Brownlee and Plaintiff Sunny Kang at the intersection of Newland Street and Atlanta Avenue.

6:00 PM – COUNCIL CHAMBERS

RECONVENED CITY COUNCIL/PUBLIC FINANCING AUTHORITY MEETING — 6:03 PM

ROLL CALL

Present: Posey, O'Connell, Sullivan (arrived at 6:45 PM), Katapodis, Hardy, Delgleize, and Peterson

PLEDGE OF ALLEGIANCE — led by Councilmember Peterson

INVOCATION — Led by Don MacAllister, Ambassador At Large, City of Huntington Beach

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

Mayor Katapodis called on Huntington Beach High School graduates Rose Kyler, Maria Mirza, Dora Lee and Chris Eba, participants in the year-long Global Citizen Year Program, which is a mini Peace Corp-type of program. Each student will live in the country of their choice for a year with a host family and speak only the native language as they participate in an immersion-based international bridge year before starting college. This foreign real-work experience will be personally enriching as well as assist with the college admission process.

Mayor Katapodis called on students Tramy Duong, Cameron Franklin, Spencer Hill, and Calvin Proctor who participated in the Anjo, Japan Sister City Exchange Program, to provide an overview of their recent experiences overseas, and chaperon Kelly Symmes, who presented a gift to the City from the Anjo International Association.

Mayor Katapodis called on Community Development Director Scott Hess to present the Mayor's Award to Administrative Assistant, Kimberly De Coite. Director Hess introduced Kimberly and shared that she began her City employment in the Community Services Department in 2006. In 2008 Kimberly transferred to the Community Development Department, where her hard work, dependability and dedication provided the opportunity for promotion to Administrative Assistant in 2010. She is an expert in scheduling, timekeeping, personnel rules and payroll. In addition, she provides full administrative support for the Planning Commission. Kimberly is a perfectionist who gets every job done right and on schedule in a "lickity quick" manner. Planning Commissioner Chair Pinchiff presented flowers to Kimberly and expressed the Commission's appreciation for her excellent service.

CLOSED SESSION REPORT BY CITY ATTORNEY — None

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

Pursuant to the Brown "Open Meetings" Act, City Clerk Robin Estanislau announced supplemental communications that were received by her office following distribution of the Council Agenda packet:

For the Consent Calendar Item No. 2, a communication received from City Clerk Robin Estanislau amending the August 1, 2016, Minutes.

For the Public Hearing Items, the supplemental communications will be announced at the time the Public Hearings are opened.

For Public Hearing Items No. 12, nine (9) communications received regarding the Davenport Marina Residential (Tentative Parcel Map 15-163/Conditional Use Permit 15-58/Coastal Development Permit 15-030); No. 13, a PowerPoint communication submitted by Director of Public Works Travis Hopkins, entitled *Delaware Street Southern Terminus Vacation;* No. 14, one (1) communication received regarding the Downtown Business Improvement District.

For Administrative Items, Item No. 18, a PowerPoint communication submitted by Chief Information Officer Behzad Zamanian entitled *800 MHZ Countywide Coordinated Communication System.*

For Ordinances for Introduction, Item No. 20, a PowerPoint communication submitted by City Attorney Michael Gates, entitled *Community Prosecutor*, and eight (8) communications received regarding Ordinance No. 4115 authorizing recovery of Attorneys' fees related to City prosecution of misdemeanors.

PUBLIC COMMENTS (3 Minute Time Limit) — 10 Speakers
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.

Cari Swan spoke in support of Agenda Item No. 20, Memorandum of Understanding with Orange County District Attorney to authorize recovery of Attorneys' Fees, and in opposition to Agenda Item No. 21, regarding review of policies and procedures relating to the Fourth of July Celebration. (01:10:05)

Gino J. Bruno spoke in support of Agenda Item No. 20, Memorandum of Understanding with Orange County District Attorney to authorize recovery of Attorney's Fees. (01:12:56)

Kathleen Pedick spoke to invite the community to the Labour of Love Music Fest 2016, a free event on Saturday, September 3, 2016, at Bolsa Chica State Beach. (01:16:11)

Devin Dwyer spoke in support of Agenda Item No. 20, Memorandum of Understanding with Orange County District Attorney to authorize recovery of Attorneys' Fees (01:18:50)

Clem Dominguez spoke to suggest that the Council ask for a study session on the Poseidon Desalination project to ensure the public is aware of recent decisions about this project by the Orange County Water District. (01:21:46)

Tim Geddes spoke to suggest that the Council ask for a study session on the Poseidon Desalination project to ensure the public is aware of recent decisions about this project by the Orange County Water District. (01:25:00)

Eva Weisz spoke in support of Agenda Item No. 20, Memorandum of Understanding with Orange County District Attorney to authorize recovery of Attorney's Fees. (01:27:47)

Don MacAllister spoke to support the September 11th dedication of the 9/11 Memorial at City Hall, and invited everyone to attend the Old World Oktoberfest Grand Opening on Sunday, September 11, at 2 p.m., in support of the Huntington Beach Kiwanas Club. (01:29:02)

Maureen spoke to share examples of what she called dirty and underhanded politics. (01:30:09)

Susan Welfringer spoke on behalf of the Downtown Business Improvement District (BID) by inviting the community to attend the First Annual Art in the Park on Saturday, August 27th from 11 a.m. - 4 p.m. and the Saturday, October 15th, He'e Nalu Aloha Pier Festival event. (01:31:55)

CITY MANAGER'S REPORT — No Report

1. CITY ATTORNEY'S REPORT

City Attorney Michael Gates reported that on July 15, 2016, the City filed a lawsuit against a medical marijuana dispensary in Orange County Superior Court entitled The City of Huntington Beach v. John Barry, Superior Court Case No. 30-2016-00864298, regarding The Giving Tree business on Beach Boulevard.

COUNCIL COMMITTEE — APPOINTMENTS — LIAISON REPORTS, AB 1234 REPORTING, AND OPENNESS IN NEGOTIATIONS DISCLOSURES

Mayor Katapodis reported attending Orange County Transportation Authority (OCTA) and LOSSAN Board meetings and the Orange County Sanitation District Open House.

CONSENT CALENDAR

2. Approved and adopted minutes

A motion was made by Hardy, second Delgleize to review and adopt the City Council/Public Financing Authority regular meeting minutes dated July 18, 2016, and the City Council/Public Financing Authority regular meeting minutes dated August 1, 2016, as amended by supplemental communication on file in the office of the City Clerk.

The motion carried by the following vote:

AYES:	Posey, O'Connell, Sullivan, Katapodis, Hardy, Delgleize, and Peterson
NOES:	None

3. Received and filed the City of Huntington Beach Strategic Plan Update

A motion was made by Hardy, second Delgleize to receive and file the Six-Month Strategic Objectives.

The motion carried by the following vote:

AYES:	Posey, O'Connell, Sullivan, Katapodis, Hardy, Delgleize, and Peterson
NOES:	None

4. Accepted the lowest responsive and responsible bid and authorized execution of a construction contract with the R.J. Noble Company in the amount of $2,387,132.70 for the Main Street Rehabilitation, Talbert Avenue Rehabilitation, and Heil Avenue Rehabilitation Project, CC-1527

A motion was made by Hardy, second Delgleize to accept the lowest responsive and responsible base bid submitted by the R.J. Noble Company in the amount of $2,387,132.70; and, authorize the Mayor and City Clerk to execute a construction contract in a form approved by the City Attorney.

The motion carried by the following vote:

AYES: Posey, O'Connell, Sullivan, Katapodis, Hardy, Delgleize, and Peterson
NOES: None

5. Accepted the lowest responsive and responsible bid and authorized execution of a construction contract with Sancon Engineering, Inc. in the amount of $244,476 for the FY 2015/16 Sewer Rehabilitation Project, CC-1533

A motion was made by Hardy, second Delgleize to accept the lowest responsive and responsible bid submitted by Sancon Engineering, Inc. in the amount of $244,476; and, authorize the Mayor and City Clerk to execute a construction contract in a form approved by the City Attorney.

The motion carried by the following vote:

AYES: Posey, O'Connell, Sullivan, Katapodis, Hardy, Delgleize, and Peterson
NOES: None

6. Approved, accepted and authorized recordation of the Public Improvements and released the Securities for Tract 17238 (Fairwind Subdivision — former Lamb School Site)

A motion was made by Hardy, second Delgleize to accept the improvements constructed and dedicated for public use with Tract 17238 and instruct the City Clerk to record the "Notice of Acceptance of Public Improvements" with the Orange County Recorder; and, release the Faithful Performance Bond No. PB03010401486, Labor and Materials Bond No.PB03010401486 and Monument Bond No. PB03010401487 pursuant to the California Government Code Section No. 66499.7(a); and, accept Guarantee and Warranty Bond No. PB03010401486-M; the security furnished for guarantee and warranty of improvements, and instruct the City Clerk to file the bond with the City Treasurer; and, instruct the City Clerk to notify TRI Pointe Homes, Inc., the subdivider of Tract 17238, and the City Treasurer to notify Philadelphia Indemnity Insurance Company, of these actions.

The motion carried by the following vote:

AYES: Posey, O'Connell, Sullivan, Katapodis, Hardy, Delgleize, and Peterson
NOES: None

7. Approved, accepted and authorized recordation of the Public Improvements, released the Securities for Tract 17239 (Truewind Subdivision — former Wardlow School Site) and released Guarantee & Warranty Bond for Wardlow Park Parking Lot

A motion was made by Hardy, second Delgleize to accept the improvements constructed and dedicated for public use with Tract 17239 and instruct the City Clerk to record the "Notice of Acceptance of Public Improvements" with the Orange County Recorder; and, release the Faithful Performance Bond No. PB03010401245, Labor and Materials Bond No. PB03010401245 and Monument Bond No. PB03010401246, pursuant to the California Government Code Section No. 66499.7(a); and, accept Guarantee and Warranty Bond No. PB03010401245-M; the security furnished for guarantee and warranty of public improvements, and instruct the City Clerk to file the bond with the City Treasurer; and, release the Guarantee and Warranty Bond No. PB03010401995 for Wardlow Parking Lot; and, instruct the City Clerk to notify TRI Pointe Homes, Inc., the subdivider of Tract No. 17239, and the City Treasurer to notify Philadelphia Indemnity Insurance Company, of these actions.

The motion carried by the following vote:

AYES: Posey, O'Connell, Sullivan, Katapodis, Hardy, Delgleize, and Peterson
NOES: None

8. City Council position on Legislation pending before Congress and the State Legislature as recommended by the City Council Intergovernmental Relations Committee (IRC)

A motion was made by Hardy, second Delgleize to approve a City position of support for House Resolution 3643 — The Interim Consolidated Storage Act of 2015; and, approve a City position of oppose on SB 1170 (Wieckowski) — Public Contracts: Water Pollution Prevention Plans Delegation; and, approve a City position of oppose on AB 2835 (Cooper) — Mandated Union Orientation Training; and, authorize the Mayor to sign City position letters on H.R. 3643, SB 1170, and AB 2835.

The motion carried by the following vote:

AYES: Posey, O'Connell, Sullivan, Katapodis, Hardy, Delgleize, and Peterson
NOES: None

9. Amended the FY 2015-16 Revised Budget in the Federal Asset Forfeiture Fund (Fund 212) by $145,300 for the purchase of ballistic protection equipment for HBPD sworn officers

A motion was made by Hardy, second Delgleize to appropriate $145,300 in business unit 21270101.63100 for the purchase of ballistic helmets, face shields, and ballistic armor, and plate carrier vests with "Police" identification patches.

The motion carried by the following vote:

AYES: Posey, O'Connell, Sullivan, Katapodis, Hardy, Delgleize, and Peterson
NOES: None

10. Adopted Resolution No. 2016-56 repealing Resolution No. 2016-17 and authorizing the City to apply for a Grant Application under the Orange County Transportation Authority (OCTA) Ordinance No. 3 for the Huntington Harbour Marina Trash Skimmers Trash Removal Project

A motion was made by Hardy, second Delgleize to adopt Resolution No. 2016-56, "A Resolution of the City Council of the City of Huntington Beach Authorizing an Application for funds under the

Environmental Cleanup, Tier 1 Grant Program under Orange County Transportation Ordinance No. 3 for the Huntington Harbour Marina Trash Skimmers Trash Removal Project;" and, repeal Resolution No. 2016-17, "A Resolution of the City Council of the City of Huntington Beach Authorizing an Application for Grant Funds for the Environmental Cleanup Tier 1 Grant Program Under the Orange County Transportation Authority Environmental Cleanup Program."

The motion carried by the following vote:

AYES:	Posey, O'Connell, Sullivan, Katapodis, Hardy, Delgleize, and Peterson
NOES:	None

11. Adopted Ordinance No. 4084 amending Section 2.07.155 of the Huntington Beach Municipal Code (HBMC) related to Campaign Finance Reporting Approved for introduction August 1, 2016, Vote: 6-0-1 (Peterson Absent)

A motion was made by Hardy, second Delgleize to adopt Ordinance No. 4084, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Amending Section 2.07.155 Thereof Related to Campaign Finance Reporting."

The motion carried by the following vote:

AYES:	Posey, O'Connell, Sullivan, Katapodis, Hardy, Delgleize, and Peterson
NOES:	None

PUBLIC HEARING

Public Hearing Item Nos. 14 and 15 were heard in reverse order, but the minutes remain as agendized.

12. Continued to a Date Uncertain Tentative Parcel Map No. 15-163/ Conditional Use Permit No. 15-58/ Coastal Development Permit No. 15-030 (Davenport Marina Residential — Appeal of Planning Commission's Denial)

City Manager Fred Wilson introduced Assistant Planner John Ramirez who made a PowerPoint Presentation entitled *Tentative Parcel Map No. 15-163/Conditional Use Permit No. 15-58/Coastal Development Permit No. 15-030 - Appeal (Davenport Marina Residential) August 15, 2016* that included the following titled slides: *Project Request, Subject Site and Surrounding Area, Proposed Site Layout, Background, Zoning Administrator Action, Planning Commission Action, Appeal,* and *Staff's Recommendations.*

Councilmember Hardy and Planner Ramirez discussed the proposed grade for the new lots, a possible required on-site turnaround to enhance ingress /egress safety, the parking evaluation which was completed during the summer but didn't include any holidays, and how many of the slips were allocated to homes with private parking in the parking evaluation.

Mayor Pro Tem Sullivan and Planner Ramirez discussed specifics related to staff's denial with the comment "project will preclude future coastal related developments." Planner Ramirez explained that the California Coastal Act requires equal access and opportunity for all regarding the coast, and staff feels that this development plan would completely eliminate any possibility for a visitor-serving use that would enhance access to that coastal amenity.

Councilmember Posey and Planner Ramirez discussed why that private property is zoned residential when it is best suited for visitor-serving commercial. Since 1962 that area has been designated as residential, and this particular parcel has traditionally been used as a parking lot and support facilities for the marina. In the late 1970s staff did recommend some areas be designated as open space zoning, more in line with the long-term plan for the coastal area.

Councilmember Peterson and Planner Ramirez discussed some of the conditions that staff recommended in the late 1970s, such as providing utilities and clean-out/rinse-out facilities for each slip on the marina, and a minimum of .75 (3/4) parking space per slip and a re-zoning of the property to open space for the parking area.

PUBLIC HEARING — 8 Speakers
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.

City Clerk Estanislau announced receipt of eleven (11) supplemental communications received for Tentative Parcel Map No. 15-163/ Conditional Use Permit No. 15-58/ Coastal Development Permit No. 15-030 (Davenport Marina Residential — Appeal of Planning Commission's Denial)

Joseph Stanko, Applicant, spoke to share the historical issues between the property owner and the City, compared existing area parking and safety issues to the proposal, and summarized with the benefits that will result if this project is approved. (02:07:41)

Councilmember Delgleize and Mr. Stanko discussed the findings of the lawsuit filed by the property owner regarding the number of slips the City allowed for the marina (66) vs. what the property owner was told (91) when he purchased the land.

Karen Otis, Otis Architecture, spoke to describe the public-use amenities and the added coastal access that the project includes, and further stated that this project will not interfere with water views from the bridge. (02:15:22)

Edward Pinchiff, Chairman, Huntington Beach Planning Commission, spoke to briefly explain the Planning Commission findings for the Davenport Marina project. The project is inconsistent with the City's general plan, zoning codes and the Local Coastal Plan. Further, the public amenities being added do not compensate for the existing public amenities that would be lost. The Local Coastal Plan specifically calls for preservation of public recreation facilities, and preference for those facilities over residential development. In summary, the Planning Commission felt this project is not consistent with the character of the neighborhood. (02:18:47)

Thomas Fipp, who lives ten doors from the Davenport Marina project, spoke in opposition to the placement of the proposed homes strictly due to traffic safety concerns, and shared his view of the process for the existing zoning. (02:21:03)

Lorin Klistoff, Edgewater resident, brought photos of the general area and spoke in opposition to the Davenport Marina project based on pedestrian and traffic safety concerns. (02:24:12)

Rick Thomas, a Davenport Island resident, spoke in opposition to the Davenport Marina project based on pedestrian, traffic and parking safety concerns. (02:27:27)

Tarrik Shawa, Edgewater resident, spoke in opposition to the Davenport Marina project based on the original intent for the parcel to provide marina access for off-water homes, and the local community opposition. (02:29:27)

Michael Adams, Consultant, representing the Stanko Family, stated that this parcel always has been and is still zoned residential, and there are plenty of parking spaces to support the marina. Other types of marina amenities could be a restaurant or a bar or over-night facilities, but those options would not be consistent with a residential neighborhood. In summary, the property owner would like to ask that this item be continued to a future date to allow for time to address each of the expressed concerns and to work on solutions. (02:32:45)

Councilmember Posey and Mr. Adams discussed possible changes to property ingress/egress options.

Mayor Katapodis closed the Public Hearing. (02:36:19)

Councilmember Peterson and staff discussed the purpose of the existing red curb on the street adjacent to the proposed project is for the transition to the narrow bridge.

Councilmember Hardy expressed she has many concerns about this project, such as how to enforce a "requirement" that homeowners turn their car around before exiting their property, or the fact that the driveways are considerably lower than the street level which impedes views for safety. She also expressed her support for the conclusions of the Planning Commission.

A motion was made by Hardy, second Delgleize to Deny Tentative Parcel Map No. 15-163, Conditional Use Permit No. 15-058, and Coastal Development Permit No. 15-030 with Findings for Denial. Discussion ensued.

Councilmember Delgleize expressed how chaotic the Davenport Marina area can be with pedestrians and vehicle traffic and shared her concerns for safety, as well as lost views if this project were to be approved, and therefore voiced her opposition to approving this project.

Councilmember Peterson shared that his major concern about the project is the lack of parking, i.e., not meeting the .75 (3/4) parking space per the marina requirement. Historically, when parking adjustments are made for projects it only creates problems for the surrounding area. There are major impacts already to the street with vehicles and trucks offloading people and water sports equipment on that bridge.

Councilmember O'Connell and Mr. Adams discussed options for building the homes on the street rather than the water front. Mr. Adams expressed that the project would offer more public amenities with the homes on the water front and encouraged further discussions.

Councilmember Posey made a substitute motion to continue the item to consider options. With no second, discussion continued.

Mayor Katapodis, staff and Councilmember O'Connell discussed the pros and cons of possible changes and all of the options that have been reviewed already. Staff recommended denial of the current plan and then the applicant could submit a revised plan showing homes on the east side of the property for another analysis with the standard application fee.

Ms. Otis shared that building the properties on the east side would create another whole set of unacceptable variables which have already been discussed with staff.

Mayor Pro Tem Sullivan expressed that he cannot support the project with houses on the bridge side, however, he is concerned about the owner's property rights and will therefore second Councilmember Posey's substitute motion.

The substitute motion made by Posey, second Sullivan was clarified as follows: continue to a date uncertain Tentative Parcel Map No. 15-163, Conditional Use Permit No. 15-058, and Coastal Development Permit No. 15-030; direct staff to return with findings and conditions for approval for suggested modifications (development on east vs. west side of property, marina parking lot ingress/egress and number of parking spaces, residential driveway design).

Councilmembers, staff and the applicant discussed the Substitute Motion as Presented.

The substitute motion carried by the following vote:

AYES:	Posey, O'Connell, Sullivan, Katapodis, and Delgleize
NOES:	Hardy, and Peterson

13. Adopted Resolution 2016-26 ordering the Vacation of the Right-of-Way Easement at the Delaware Street Southern Terminus and authorized recordation with the Orange County Recorder

City Manager Wilson introduced City Engineer Tom Herbel to make a PowerPoint presentation entitled *Delaware Street Southern Terminus Vacation* which included slides entitled *Site History, Vicinity Map, Proposed Vacation Area, Intent of Vacation,* and *Request.*

Mayor Pro Tem Sullivan asked for questions or comments from staff. Hearing none, he opened the Public Hearing.

City Clerk Estanislau announced there were no public speakers.

Mayor Pro Tem Sullivan closed the Public Hearing.

A motion was made by Delgleize, second O'Connell to adopt Resolution No. 2016-26, "A Resolution of the City Council of the City of Huntington Beach Ordering the Vacation of that Certain Public Right-of-Way Easement Generally Located at the Southern Terminus of Delaware Street;" and, instruct the City Clerk to record the Resolution and the attached exhibits with the Orange County Recorder.

The motion carried by the following vote:

AYES:	Posey, O'Connell, Sullivan, Delgleize, and Peterson
NOES:	None
OUT OF ROOM:	Katapodis, and Hardy

14. Adopted Resolution No. 2016-41 approving an Annual Assessment within the Huntington Beach Downtown Business Improvement District (HBDBID) for Fiscal Year 2016-2017

Councilmember O'Connell recused himself from this Item because he has a financial interest in Legend's which is located near the Huntington Beach Downtown Business Improvement District. He left the room.

City Manager Wilson introduced Economic Development Project Manager Simone Slifman who made a PowerPoint presentation entitled *Renewal Process and Public Hearing* which included slides entitled *Protests, Huntington Beach Auto Dealers Association Business Improvement District Renewal FY 2016-2017, Auto Dealers BID 2015-2016, BID Members, Proposed 2016-2017 Budget and Goals,* and *Recommended Action.*

Mayor Katapodis opened the Public Hearing.

City Clerk Estanislau announced receipt of two (2) supplemental communications for this item: one from the Downtown Business Improvement District (BID) and one from City Manager Wilson submitting the HBBID Financial Statements for September 30, 2015, with Independent Auditor's Report.

Nicole Thompson, President, Huntington Beach Downtown Business Improvement District (HBDBID), spoke to share important projects and enhancements for the Huntington Beach Downtown District and in support of the Annual Assessment within the HBDBID for Fiscal Year 2016-2017. (03:26:59)

Mayor Katapodis closed the Public Hearing.

City Clerk Estanislau announced there were no protests to the Annual Assessment within the Huntington Beach Downtown Business Improvement District for Fiscal Year 2016-2017.

A motion was made by Sullivan, second Hardy to conduct the Public Hearing; and, adopt City Council Resolution No. 2016-41, "A Resolution of the City Council of the City of Huntington Beach Approving An Annual Assessment Within the Huntington Beach Downtown Business Improvement District For Fiscal Year 2016-2017."

The motion carried by the following vote:

AYES:	Posey, Sullivan, Katapodis, Hardy, Delgleize, and Peterson
RECUSED:	O'Connell
NOES:	None

15. Adopted Resolution No. 2016-42 approving an Annual Assessment within the Huntington Beach Auto Dealers Association Business Improvement District (BID) for Fiscal Year 2016-2017, and authorized appropriation of $11,280

Economic Development Project Manager Simone Slifman continued a PowerPoint presentation entitled *Renewal Process and Public Hearing* which included slides entitled *Downtown BID 2015-2016, Proposed Assessments for 2016-2017, Downtown BID Boundary, Proposed 2016-2017 Budget and Goals,* and *Recommended Action.*

Mayor Katapodis opened the Public Hearing.

City Clerk Estanislau read a statement describing Business Improvement District (BID) protest procedures.

City Clerk Estanislau announced there were no supplemental communications nor any speakers.

Mayor Katapodis closed the Public Hearing.

City Clerk Estanislau announced there were no protests to the City of Huntington Beach Auto Dealers Association Business Improvement District.

A motion was made by Delgleize, second Hardy to conduct the Public Hearing; and, adopt City Council Resolution No. 2016-42, "A Resolution of the City Council of the City of Huntington Beach Approving An Annual Assessment Within the Huntington Beach Auto Dealers Association Business Improvement District for Fiscal Year 2016-2017," and appropriate $11,280 into Fund 701 for 2016-2017.

The motion carried by the following vote:

AYES:	Posey, Sullivan, Katapodis, Hardy, Delgleize, and Peterson
RECUSED:	O'Connell
NOES:	None

ADMINISTRATIVE PUBLIC HEARING

16. Continued to a Date Uncertain Request to — Approve and Authorize Execution of a Sales Tax Sharing Agreement between the City and PN Automotive, LLC for the Opening of a new Subaru Dealership at 16800 Beach Boulevard
Continued from the July 18, 2016, and August 1, 2016, City Council Meetings

A motion was made by Sullivan, second Posey to continue to a date uncertain.

The motion carried by the following vote:

AYES:	Posey, O'Connell, Sullivan, Katapodis, Hardy, and Peterson
NOES:	None
OUT OF ROOM:	Delgleize

ADMINISTRATIVE ITEMS

17. Adopted Resolution No. 2016-57 approving and implementing the Memorandum of Understanding (MOU) between the Marine Safety Management Association (MSMA) and the City for the period April 1, 2016 through March 31, 2018

City Manager Wilson introduced Director of Human Resources Michelle Warren to make a PowerPoint presentation entitled *Marine Safety Management Association* including a slide titled *Tentative Agreement Terms.*

A motion was made by Hardy, second Katapodis to adopt Resolution No. 2016-57, "A Resolution of the City Council of the City of Huntington Beach Approving and Implementing the Memorandum of Understanding between the Marine Safety Management Association (MSMA) and the City for April 1, 2016, through March 31, 2018."

The motion carried by the following vote:

AYES: O'Connell, Sullivan, Katapodis, and Hardy
NOES: Posey, and Peterson
OUT OF ROOM: Delgleize

18. Approved the purchase of 800 MHz equipment in support of the Joint Agreement for the Countywide Coordinated Communication System (CCCS) and authorized the City Manager to enter into all documents necessary to lease finance the purchase of 800 MHz radio and other essential equipment for regional interoperability

City Manager Wilson introduced Chief Information Officer (CIO) Behzad Zamanian who gave a PowerPoint presentation entitled *800 MHZ Countywide Coordinated Communication System* which included slides entitled: *800 MHz Radio System, HB 800 MHz Radios, Public Safety Logistics, Upgrade, HB Upgrade Project Status, Participating Agencies, HB Estimated Costs,* and *Project Financing.*

Police Chief Robert Handy and Chief Financial Officer (CFO) Lori Ann Farrell Harrison also participated in the presentation.

Councilmember O'Connell and Police Chief Handy discussed that the 800 MHz equipment should eliminate some existing dead spots throughout the City, and it is expected to provide more reliability. CIO Zamanian and Councilmember O'Connell discussed the backbone or infrastructure that supports the radios which is the cellular site that the County of Orange manages. Councilmember O'Connell and CFO Farrell Harrison discussed the breakdown of costs.

Councilmember Delgleize and Chief Handy discussed that this new system will improve the process when communicating with other area agencies. Councilmember Delgleize and CFO Farrell Harrison discussed capital leasing structures and the ability to find a more competitive option with JP Morgan Chase than what the County was able to offer.

Mayor Katapodis and staff discussed that to the best of everyone's knowledge all County agencies are participating in this Joint Agreement and that grant funds have not been found for this upgrade project.

A motion was made by O'Connell, second Sullivan to approve an amendment to the Master Lease Agreement for the lease purchase of 800MHz radio equipment and the shared backbone expense and authorize the City Clerk and the City Manager, or his/her designee, to enter into any and all documents necessary to execute the lease financing of the project.

The motion carried by the following vote:

AYES: Posey, O'Connell, Sullivan, Katapodis, Hardy, Delgleize, and Peterson
NOES: None

ORDINANCES FOR INTRODUCTION

19. Continued to September 6, 2016, Request to Approve for Introduction Ordinance No. 4087 amending Huntington Beach Municipal Code (HBMC) Chapter 5.54 related to commercial photography
Continued from July 5, 2016, and August 1, 2016, City Council Meetings

A motion was made by O'Connell, second Delgleize to continue to the September 6, 2016, City Council meeting.

The motion carried by the following vote:

AYES:	Posey, O'Connell, Sullivan, Katapodis, Hardy, Delgleize, and Peterson
NOES:	None

20. Received and filed Memorandum of Understanding (MOU) with Orange County District Attorney and Approved for Introduction Ordinance No. 4115 adding new Section 1.16.100 to authorize recovery of Attorneys' Fees related to City prosecution of misdemeanors

City Attorney Gates made a PowerPoint presentation entitled *Community Prosecutor* with slides entitled: *History on Plan for Prosecutor, Move to Increase Public Safety, The Call for a Community Prosecutor, The Plan, Multi-Step Process for Council,* and *Questions.*

Councilmember Peterson expressed appreciation to City Attorney Gates for his efforts on this project and stated he believes this action will be a benefit for the City.

Councilmember Posey and City Attorney Gates discussed that the number of cases is projected to be a rolling average of 50 to 100 at any given time.

Councilmember Delgleize expressed her appreciation to City Attorney Gates for presenting this item, and shared her opinion that the word will get out that the City of Huntington Beach is serious about addressing misdemeanor crimes.

Mayor Katapodis and City Attorney Gates discussed the expected success in spite of Proposition 47 and AB109 and that it will probably take a year or more after implementation to see the true effect; and that the 365 day cancellation time was included so that if the County ever decided to change or end the program, the City would have up to a year to make the transition.

A motion was made by Hardy, second Peterson to receive and file "Memorandum of Understanding Orange County District Attorney and Huntington Beach City Attorney;" and, after the City Clerk reads by title, approve for Introduction Ordinance No. 4115, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding New Section 1.16.100 Thereof Related to Attorneys' Fees."

The motion carried by the following vote:

AYES:	Posey, O'Connell, Sullivan, Katapodis, Hardy, Delgleize, and Peterson
NOES:	None

COUNCILMEMBER ITEMS

21. Item Submitted by Mayor Katapodis and Councilmember Posey Approved as Amended — Direct the City Manager to work with Committee members, staff liaisons and the Chief Financial Officer to Develop a Scope of Work in preparation for a Fourth of July Celebration Audit

Councilmember Posey and Mayor Katapodis clarified that their intent for an audit is to help the 4th of July Parade Board and look at any tools the City can provide to ensure that the Board is sustainable.

A motion was made by Posey, second Katapodis to direct the City Manager to engage an outside firm to perform a review of the policies and procedures and the impact of elevated parking fees relating to the Fourth of July Celebration. Discussion ensued.

Councilmember Hardy asked if there was any member of the 4th of July Board present that would like to make any comments on this item. Stacey Hoffer, Event Co-Director, stepped to the podium to express that the 4th of July Board feels that possibly the Council is looking to outsource this event and may be planning to not use the volunteers, some with 30+ years of service. Ms. Hoffer also shared that the City maintains the finances and therefore the 4th of July Board has no issues with a financial audit, and that the 4th of July Board is always open to new ideas or suggestions.

Councilmember Peterson expressed his appreciation for everyone's clarification on the intent of this item, and added that the 4th of July Board finances are handled through Community Services as a separate and discreet fund, as confirmed by CFO Farrell Harrison. City Manager Wilson stated that Police and Fire Department costs related to the event are charged back to the fund, and there are financial questions and some policies that need to be looked at in order to ensure the 4th of July Board has the resources to continue operating successfully. Councilmember Peterson stated that this is not a typical event and he doesn't support the expense of an outside audit, as he feels this should be an internal review of policies and procedures.

Councilmember O'Connell and CFO Farrell Harrison discussed that it appears the desired analysis is of best practices for finances which the City is always doing on a sampling basis for every account. The 4th of July Celebration finances are a mix of private sector donations and City funds and it is certainly appropriate to review procedures. The 4th of July Celebration finances are not at a level that auditors would typically spend much time reviewing. There should be a review of procedures and processes, i.e., full reimbursement vs a percentage might be useful. CFO Farrell Harrison offered to prepare a more definitive audit scope based on the evening's discussions.

Mayor Pro Tem Sullivan expressed his opinion that the 4th of July Board provides an incredible value to the City, and they have their finger on the pulse of what the community wants for the 4th of July Parade.

Councilmember Peterson expressed that he would like to see a more specific scope, and asked if the intention is to look at numbers, internal policies, and/or fundraising. He further expressed his opinion that some of the 4th of July Board members are the best experts and consultants for these areas. City Manager Wilson offered to sit down with the liaisons to develop a more specific scope and report back to the Council.

A substitute motion was made by Katapodis, second Posey to direct the City Manager to work with committee members, staff liaisons and the Chief Financial Officer to develop a scope of work in preparation for a Fourth of July Celebration audit.

The substitute motion carried by the following vote:

AYES:	Posey, O'Connell, Sullivan, Katapodis, Hardy, Delgleize, and Peterson
NOES:	None

COUNCILMEMBER COMMENTS (Not Agendized)

Councilmember Delgleize reported attending the memorial service for Marian Bergeson and announced that Planning Commissioner Patrick Brenden's mother, Clare Brenden, passed away today.

Councilmember Hardy reported attending the 90th Birthday Celebration of Former Mayor and Councilmember Peter Green and 11th Anniversary of Peter Green Park.

Mayor Katapodis acknowledged Eagle Scouts Bennett Paul De Roock and Joseph Ramil Paturzo, and reported attending the recent Pickleball Tournament, the 90th Birthday Celebration of Former Mayor and Councilmember Peter Green and 11th Anniversary of Peter Green Park, and announced that since the Olympic Committee has apparently added Surfing as an official event for 2020, in his opinion Huntington Beach should work on getting the trials held here.

ADJOURNMENT — At 9:54 PM, in memory of Marian Bergeson and Planning Commissioner Patrick Brenden's Mother, Clare Brenden, to the next regularly scheduled meeting of the Huntington Beach City Council/Public Financing Authority on Tuesday, September 6, 2016, at 4:00 PM in the Civic Center Council Chambers, 2000 Main Street, Huntington Beach, California.

Robin Estanislao

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

ATTEST:

Robin Estanislao
City Clerk-Secretary

James Katapodis
Mayor-Chair