

**ACTION REPORT
CITY OF COSTA MESA
REGULAR CITY COUNCIL, HOUSING AUTHORITY, AND
SUCCESSOR AGENCY TO THE REDEVELOPMENT
AGENCY* MEETING**

*NOTE: ALL AGENCY AND AUTHORITY MEMBERSHIPS ARE REFLECTED IN THE TITLE "COUNCIL MEMBER."

**TUESDAY, MARCH 7, 2017
CITY COUNCIL CHAMBERS, 77 FAIR DRIVE
CLOSED SESSION – 4:00 P.M.
REGULAR MEETING – 6:00 P.M.**

KATRINA FOLEY
Mayor

SANDRA L. GENIS
Mayor Pro Tem

JOHN B. STEPHENS
Council Member

JAMES M. RIGHEIMER
Council Member

ALLAN R. MANSOOR
Council Member

City Attorney
Thomas Duarte

City Manager
Thomas R. Hatch

CALL TO ORDER

The Closed Session meeting was called to order by the Mayor at 4:00 p.m. in the Council Chambers at Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, California.

ROLL CALL

Present: Council Member Mansoor, Council Member Righeimer, Mayor Pro Tem Genis, and Mayor Foley.

Absent: Council Member Stephens

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The City Council recessed to Conference Room 5A for Closed Session to consider the following items:

1. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

Pursuant to Subdivision (d)(1) of Section 54956.9, California Government Code
Name of Case: Stephanie De La Cruz v. City of Costa Mesa, et al., Orange County Superior Court of California, Case No. 30-2016-00830354-CU-PO-CJC.

2. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Subdivision (a) of Section 54957.6, California Government Code
Agency Designated Representative: Thomas R. Hatch, City Manager
Name of Employee Organization: Costa Mesa Firefighters Association (CMFA).

3. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Subdivision (a) of Section 54957.6, California Government Code
Agency Designated Representative: Thomas R. Hatch, City Manager
Name of Employee Organization: Costa Mesa Division Managers Association.

4. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Subdivision (a) of Section 54957.6, California Government Code
Agency Designated Representative: Thomas R. Hatch, City Manager
Name of Employee Organization: Unrepresented Executive Employees.

5. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Subdivision (a) of Section 54957.6, California Government Code
Agency Designated Representative: Tamara Letourneau, Assistant City Manager
Name of Employee Organization: Unrepresented City Manager.

The City Council reconvened at 6:00 p.m.

REGULAR MEETING OF THE CITY COUNCIL, HOUSING AUTHORITY, AND SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY

CALL TO ORDER

The meeting was called to order by the Mayor at 6:00 p.m. in the Council Chambers at Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, California.

NATIONAL ANTHEM Council Member Stephens

PLEDGE OF ALLEGIANCE Mayor Foley

MOMENT OF SOLEMN EXPRESSION - Rabbi Reuven Mintz, Chabad Jewish Center

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ROLL CALL

Present: Council Member Mansoor, Council Member Righeimer, Council Member Stephens, Mayor Pro Tem Genis, and Mayor Foley.

Absent: None

CITY ATTORNEY CLOSED SESSION REPORT - NONE

COIN: Ex Parte Communications pursuant to Municipal Code Section 2-238 (b) - **NONE**

CONSENT CALENDAR

MOVED/SECOND: Council Member Righeimer/Council Member Stephens

MOTION: Approve recommended actions for Consent Calendar Item Nos. 1 through 7 except 6.

The motion carried by the following roll call vote:

Ayes: Council Member Mansoor, Council Member Righeimer, Council Member Stephens, Mayor Pro Tem Genis, and Mayor Foley.

Nays: None

Absent: None

Motion carried: 5-0

1. **READING FOLDER** - Claims received by the City Clerk: Gabriela Lopez-Brown, Sharla Smith, and Tracy Willson.

ACTION:

City Council received and filed.

2. **WARRANT RESOLUTION NO. 2572 OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, ALLOWING CERTAIN CLAIMS AND DEMANDS, INCLUDING PAYROLL REGISTER NO. 17-03 "A" FOR \$-1,338.63 AND 17-04 FOR \$2,160,951.64; AND CITY OPERATING EXPENSES FOR \$1,603,301.49; AND SPECIFYING THE FUNDS OUT OF WHICH THE SAME ARE TO BE PAID**

ACTION:

City Council approved Warrant Resolution No. 2572.

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3. MINUTES OF THE SPECIAL CLOSED SESSION, REGULAR AND SPECIAL CITY COUNCIL, HOUSING AUTHORITY, AND SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY MEETINGS

ACTION:

City Council approved the minutes of January 10, 2017, December 13, 2016, and December 6, 2016.

4. REFUND OF CASH DEPOSIT IN CONNECTION WITH ENCROACHMENT PERMIT NO. PS16-00216 FOR PARKWAY IMPROVEMENTS AT 2366 ORANGE AVENUE, COSTA MESA, CALIFORNIA

ACTION:

City Council authorized the refund of cash deposit in connection with Encroachment Permit No. PS16-00216 in the amount of \$18,330 to 2366 Orange LLC, 12 Strawberry Farms Road, Irvine, CA 92612.

5. PROFESSIONAL SERVICES AGREEMENT FOR NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) COMPLIANCE INSPECTIONS

ACTION:

1. City Council awarded a contract to Amec Foster Wheeler, 121 Innovation Drive, Suite 200, Irvine in an amount not to exceed \$68,860.00 for professional services for inspection of priority industrial and commercial businesses for compliance with the National Pollutant Discharge Elimination System (NPDES) permit program; and
2. Authorized the Mayor and the City Clerk to execute the Professional Services Agreement.

7. HISTORICAL SOCIETY LEASE AGREEMENT

ACTION:

City Council approved the lease agreement between the City and the Costa Mesa Historical Society, for an initial 5-year term beginning January 1, 2017 and ending on December 31, 2022, and authorized the Mayor to sign the agreement on behalf of the City and the City Manager to sign any subsequent extensions.

----- **END OF CONSENT CALENDAR** -----

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ITEMS REMOVED FROM THE CONSENT CALENDAR:

6. **MPS CONSULTING, INC. PROFESSIONAL SERVICES CONTRACT AMENDMENT**

MOVED/SECOND: Mayor Pro Tem Genis/Council Member Stephens

The motion carried by the following roll call vote:

Ayes: Council Member Mansoor, Council Member Righeimer, Council Member Stephens, Mayor Pro Tem Genis, and Mayor Foley.

Nays: None

Absent: None

Motion carried: 5-0

ACTION:

1. City Council approved Amendment One to the existing Professional Services Agreement with MPS Consulting, Inc. to perform development-related project management consulting services in an additional amount not to exceed \$50,000; and
2. Authorized the City Manager and City Clerk to execute the agreement; and
3. Authorized the City Manager and City Clerk to accept and execute future amendments to the agreement.

PUBLIC HEARINGS – 7:00 p.m. (Resolution No. 05-55):

1. **CIVIC OPENNESS IN NEGOTIATIONS (COIN) ORDINANCE SECOND PUBLIC HEARING OF THE APPROVAL AND ADOPTION OF THE 2016-2020 MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE CITY OF COSTA MESA AND THE COSTA MESA CITY EMPLOYEES ASSOCIATION (CMCEA). THE ADOPTION OF THE ACCOMPANYING SALARY RESOLUTIONS, WHICH INCLUDE THE ESTABLISHMENT OF THE NEW CLASSIFICATION OF FAIRVIEW PARK COORDINATOR; AND ADOPTION OF THE CONFIDENTIAL SALARY RESOLUTIONS, WHICH INCLUDE THE ESTABLISHMENT OF THE CONFIDENTIAL OFFICE SPECIALIST**

ACTION:

1. City Council held the second Public Hearing as required by COIN.

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MOVED/SECOND: Council Member Stephens/Mayor Pro Tem Genis

The motion carried by the following roll call vote:

Ayes: Council Member Stephens, Mayor Pro Tem Genis, and Mayor Foley.

Nays: Council Member Mansoor and Council Member Righeimer.

Absent: None

Motion carried: 3-2

ACTION:

2. City Council approved and adopted the 2016-2020 Memorandum of Understanding between the City of Costa Mesa and the CMCEA through the pay period inclusive of June 30, 2020.

MOVED/SECOND: Mayor Foley/Mayor Pro Tem Genis

The motion carried by the following roll call vote:

Ayes: Council Member Stephens, Mayor Pro Tem Genis, and Mayor Foley.

Nays: Council Member Mansoor and Council Member Righeimer.

Absent: None

Motion carried: 3-2

ACTION:

3. City Council adopted Resolution Nos. 17-11, 17-12, 17-13, and 17-14, which implement salary range increases for CMCEA represented employees. The resolutions also include the establishment of the new classification of Fairview Park Coordinator.

MOVED/SECOND: Council Member Stephens/Mayor Foley

The motion carried by the following roll call vote:

Ayes: Council Member Stephens, Mayor Pro Tem Genis, and Mayor Foley.

Nays: Council Member Mansoor and Council Member Righeimer.

Absent: None

Motion carried: 3-2

ACTION:

4. City Council adopted Resolution Nos. 17-15, 17-16, 17-17, and 17-18, which implement salary range increases for Confidential employees. The resolutions also include the establishment of the Confidential classification of Office Specialist II.

OLD BUSINESS:

1. FINANCIAL UPDATE REPORT INCLUDING REVIEW OF JUNE 30, 2016 CAFR, FY 16-17 MID-YEAR BUDGET REPORT AND UPDATED FIVE-YEAR FINANCIAL PLAN

MOVED/SECOND: Council Member Stephens/Mayor Pro Tem Genis

The motion carried by the following roll call vote:

Ayes: Council Member Righeimer, Council Member Stephens, Mayor Pro Tem Genis, and Mayor Foley.

Nays: Council Member Mansoor

Absent: None

Motion carried: 4-1

ACTION:

1. From the June 30, 2016 CAFR:

- a. City Council received and filed the FY 15-16 Comprehensive Annual Financial Report; and
- b. Approved FY 16-17 budget adjustments for the carryover of certain FY 15-16 encumbrances and other items as detailed in the FY-16-17 General Fund Carryover Purchase Orders attachment; and
- c. Approved recommended uses of the FY 15-16 net change in General Fund balance (surplus) and authorize the CEO to make the necessary budget adjustments related to those recommendations as detailed in the Recommended Use of FY 15-16 General Fund Surplus attachment.

MOVED/SECOND: Council Member Stephens/Mayor Pro Tem Genis

The motion carried by the following roll call vote:

Ayes: Council Member Stephens, Mayor Pro Tem Genis, and Mayor Foley.

Nays: Council Member Mansoor and Council Member Righeimer.

Absent: None

Motion carried: 3-2

ACTION:

2. From the FY 16-17 Mid-year Budget Report:

- a. City Council received and filed the report; and
- b. Approved the allocation of the General Fund contingency account as listed in the 2016-17 Allocation of General Fund Contingency Account attachment; and

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- c. Approved recommended FY 2016-17 budget adjustments as listed in the Mid-year Budget Adjustment Detail attachment and Special Funds Carryover Purchase Orders attachment; and
- d. Provided direction on de-obligation of FY 13-14 funds for Fairview Park parking lot lighting in the amount of \$650,000, and allocation of this for other Master Plan improvements in Fairview Park.

MOVED/SECOND: Council Member Stephens/Mayor Pro Tem Genis

The motion carried by the following roll call vote:

Ayes: Council Member Stephens, Mayor Pro Tem Genis, and Mayor Foley.

Nays: Council Member Mansoor and Council Member Righeimer.

Absent: None

Motion carried: 3-2

ACTION:

3. From the Updated Five-year Financial Plan:

- a. City Council received and filed the Five-year Financial Plan; and
- b. Requested staff to provide various calculations in connection with the Five-year Financial Plan and future priorities.

NEW BUSINESS:

1. COSTA MESA COMMITTEES AND BOARD

1. Access Building, Fire and Housing Board of Appeal

MOVED/SECOND: Council Member Righeimer/Mayor Pro Tem Genis

The motion carried by the following roll call vote:

Ayes: Council Member Mansoor, Council Member Righeimer, Council Member Stephens, Mayor Pro Tem Genis, and Mayor Foley.

Nays: None

Absent: None

Motion carried: 5-0

ACTION:

1.1. City Council approved to keep the Committee of five members and two alternates, each serving four year terms, to maintain a separate board of appeals to hear cases related to accessibility, building, fire and housing code determinations. The meetings shall be held on an as needed basis at City Hall. The staff liaison to the board should be the building official and the fire chief.

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1.2. Approved the following minimum qualifications for members of the board of appeals to ensure they possess the education, training and expertise necessary to review determinations of the building official and fire marshal. Minimum qualifications of board members should include:

- a. Civil engineers
- b. Structural engineers
- c. Fire protection engineers
- d. Electrical/mechanical engineers
- e. Architects
- f. Certified Access Specialists (CAsp) - required member
- g. Related state or federal licensed professionals, such as fire marshals and attorneys.

2. Military Affairs Committee

SUBSTITUTE MOTION #3/SECOND: Mayor Foley/Mayor Pro Tem Genis
SUBSTITUTE MOTION #3: To continue the item to the April 4 City Council meeting and bring back suggestions.

The motion carried by the following roll call vote:

Ayes: Council Member Mansoor, Council Member Righeimer, Council Member Stephens, Mayor Pro Tem Genis, and Mayor Foley.

Nays: None

Absent: None

Motion carried: 5-0

ACTION:

City Council continued the item to the April 4 City Council meeting.

3. Finance & Pension Advisory Committee

SUBSTITUTE MOTION/SECOND: Council Member Righeimer/Council Member Stephens

SUBSTITUTE MOTION: To approve the recommended actions but changing the Mayor's designee to a non-voting member.

The motion carried by the following roll call vote:

Ayes: Council Member Mansoor, Council Member Righeimer, Council Member Stephens, Mayor Pro Tem Genis, and Mayor Foley.

Nays: None

Absent: None

Motion carried: 5-0

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ACTION:

3.1 City Council approved merging the Finance Advisory Committee and the Pension Oversight Committee and naming the merged committee the Finance & Pension Advisory Committee, to consist of eleven members serving staggered terms, 6 two-years terms and 5 one-year terms. Four of the new members shall have pension knowledge. The Mayor's designee shall be a non-voting member. The other members shall be residents or individuals that conduct business within the City and have a background that includes experience in securities trading, financial planning, banking, auditing, accounting, or a closely related and relevant field.

3.2 Approved the following criteria, and scope of the Finance & Pension Advisory Committee:

- a. Provide advice to the City Council regarding events and issues which may affect the financial status of the City.
- b. Review short and long range financial planning and funding.
- c. Review the City's financial documents and statements.
- d. Serve as the review panel during the selection of the City's auditor.
- e. Make recommendations to the City Council regarding amendments to financial and budgetary policies and processes.
- f. Review and make recommendations regarding City support or opposition to proposed state or federal legislation which impacts the City's finances.
- g. Meet at least quarterly to review the City's investment portfolio to ensure compliance with the approved investment policy.
- h. Annually review the City's investment policy and recommend changes to the City Council.
- i. Evaluate annual and long-term pension and financial impacts from changes in CalPERS contribution rates and/or actuarial schedule changes.
- j. Evaluate alternative, sustainable retirement benefit solutions.
- k. Review existing and tentative labor contracts as they relate to pension and compensation packages, including any impact to the Unfunded Pension Liability.
- l. Review alternative financing methods potentially available to the City for the Unfunded Pension Liability.
- m. Review retiree medical programs and costs.
- n. Perform such other duties or studies as may be directed by City Council.

REPORT – CITY MANAGER - NONE

REPORT – CITY ATTORNEY

- **Litigation Update** – The City Attorney's office prepared a litigation summary, which will be posted on the city website and updated quarterly, that summarizes all existing litigation cases identifying the case name, venue, date of the incident, legal fees, cost, pleadings, and upcoming court dates.
- **Group Homes Update** – Code Enforcement continues to monitor all properties in the city to ensure compliance with nuisance and code regulations. Proposed revisions to the city's group home ordinances will be presented to the Planning Commission on March 27 and these revisions focus on strengthening the protections of the occupants as well as streamlining the permit procedures and hearings. Pending appeals from the Planning Commission will be brought to City Council for their consideration.

ADJOURNMENT

The Mayor adjourned the meeting at 9:27 p.m. to Closed Session and stated there was nothing to report out.