

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

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

TUESDAY, MAY 7, 2019

**COSTA MESA SENIOR CENTER
695 W. 19TH STREET, COSTA MESA, CALIFORNIA
CLOSED SESSION – 4:00 P.M. (ROOM 102)
REGULAR MEETING – 6:00 P.M. (GRAND HALL 1)**

KATRINA FOLEY
Mayor

MANUEL CHAVEZ
Council Member

JOHN B. STEPHENS
Mayor Pro Tem

ANDREA MARR
Council Member

ARLIS REYNOLDS
Council Member

ALLAN R. MANSOOR
Council Member

SANDRA L. GENIS
Council Member

City Attorney
Kimberly Hall Barlow

Acting City Manager
Tamara S. Letourneau

CALL TO ORDER

The Closed Session was called to order by Mayor Foley at 4:00 p.m. in Grand Hall 1 of the Costa Mesa Senior Center, 695 W. 19th Street, Costa Mesa, California.

ROLL CALL

Present: Council Member Chavez, Council Member Genis, Council Member Mansoor (arrived at 5:07 p.m.), Council Member Marr, Council Member Reynolds, Mayor Pro Tem Stephens, and Mayor Foley.

Absent: None

FOR INFORMATIONAL PURPOSES ONLY

The City Council recessed to Room 102 at 4:05 p.m. for Closed Session to consider the following items:

1. PUBLIC EMPLOYEE APPOINTMENT

Pursuant to Subdivision (b)(1) of Section 54957 California Government Code: 1 matter

Title: City Manager

2. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Subdivision (a) of Section 54957.6, California Government Code
Agency Designated Representatives: Lance Nakamoto, Human Resources Manager, Lamont Ewell, Senior Consultant for Ralph Andersen and Associates and Kimberly Hall Barlow, City Attorney.

Unrepresented Employee: City Manager

3. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

Pursuant to Subdivision (d)(1) of Section 54956.9 California Government Code
Name of Case: Todd Palombo v. City of Costa Mesa, et al., Superior Court of the State of California, County of Orange, Case No. 30-2018-01016671-CU-OE-CJC.

4. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

Pursuant to Subdivision (d)(1) of Section 54956.9 California Government Code
Name of Case: Eric McVey v. City of Costa Mesa, et al., Superior Court of the State of California, County of Orange, Case No. 30-2019-01064038-CU-OE-CJC.

5. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Subdivision (d)(1) of Section 54956.9, California Government Code
Name of Case: County of Orange, Orange County Flood Control District, City of Costa Mesa, City of Orange, and City of Anaheim v. California Department of Public Health; Karen L. Smith, in her official capacity as Director and State Public Health Officer, Orange County Needle Exchange Program, Superior Court of the State of California, County of San Diego, Hall of Justice Center Courthouse, Case No. 37-2018-00039176-CU-MC-CTL.

6. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TO LITIGATION – TWO POTENTIAL CASES

Pursuant to Subdivision (d)(2) of Section 54956.9, California Government Code

7. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION INITIATION OF LITIGATION – NINE POTENTIAL CASES

Pursuant to Subdivision (d)(4) of Section 54956.9, California Government Code

8. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Subdivision (d)(1) of Section 54956.9, California Government Code
Name of Case: City of Costa Mesa v. Casa Capri, LLC, a California limited liability corporation; Casa Capri Recovery Center, LLC, a California limited liability corporation; Irani Zackary, an individual; Timothy Carr, an individual; Melissa Holmes Goodmon, an individual; Jeremy Broderick, an individual, Superior Court of the State of California, County of Orange, Central Justice Center, Case No. 30-2018-01006156-CU-OR-CJC.

9. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Subdivision (d)(1) of Section 54956.9, California Government Code
Name of Case: City of Costa Mesa v. Clean Path Recovery, LLC, a California limited liability company; Lee Heligman, an individual; Lucy Lee Holdings, LLC, a California limited liability company; Pomona Associates CM, LLC, a California limited liability company, Superior Court of the State of California, County of Orange, Central Justice Center, Case No. 30-2018-01015745-CU-OR-CJC.

10. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Subdivision (d)(1) of Section 54956.9, California Government Code
Name of Case: City of Costa Mesa v. Ohio House, LLC, a California limited liability corporation; Richard Perlin, Nancy Perlin, Dolores Perlin, and Brandon Stump as individuals, Superior Court of the State of California, County of Orange, North Justice Center, Case No. 30-2018-01006173-CU-OR-NJC.

11. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Subdivision (d)(1) of Section 54956.9, California Government Code
Name of Case: City of Costa Mesa v. SoCal Recovery, Inc., a California corporation; Darryl Shinder, an individual; Kenneth Norwood, an individual; Ian Grimley, an individual, Superior Court of the State of California, County of Orange, North Justice Center, Case No. 30-2018-01022764-CU-OR-NJC.

12. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Subdivision (d)(1) of Section 54956.9, California Government Code
Name of Case: Casa Capri Recovery, Inc. v. City of Costa Mesa, United States District Court, Central District of California – Southern Division, Case No. 8:18-cv-00329-JVS-PJW.

13. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Subdivision (d)(1) of Section 54956.9, California Government Code
Name of Case: National Therapeutic Services, Inc. dba Northbound Treatment Services, a Nevada corporation; RAW Recovery LLC, a California limited liability company v. City of Costa Mesa, United States District Court, Central District of California, Case No. 8:18-cv-01080-JVS-AGR.

FOR INFORMATIONAL PURPOSES ONLY

14. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Subdivision (d)(1) of Section 54956.9, California Government Code
Name of Case: Pacific Shores, LLC, a California corporation v. City of Costa Mesa,
United States District Court, Central District of California, Case No. 8:18-cv-01170
JVS-PJW.

15. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Subdivision (d)(1) of Section 54956.9, California Government Code
Name of Case: SoCal Recovery, LLC, a California limited liability company v. City
of Costa Mesa, United States District Court, Central District of California, Case No.
8:18-cv-01304-JVS-PJW.

16. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Subdivision (d)(1) of Section 54956.9, California Government Code
Name of Case: Summit Coastal Living, Inc., a California corporation v. City of
Costa Mesa, United States District Court, Central District of California, Case No.
8:18-cv-01369-JVS-PJW.

CALL TO ORDER

The meeting was called to order by Mayor Foley at 6:10 p.m. in Grand Hall 1 of the
Costa Mesa Senior Center, 695 W. 19th Street, Costa Mesa, California.

ROLL CALL

Present: Council Member Chavez, Council Member Genis, Council Member
Mansoor, Council Member Marr, Council Member Reynolds, Mayor Pro
Tem Stephens, and Mayor Foley.

Absent: None

CITY ATTORNEY CLOSED SESSION REPORT – Ms. Barlow stated there were no
reportable actions taken in Closed Session but direction was given to staff.

REPORT – CITY MANAGER – Ms. Letourneau spoke on the Library opening on May
24th at 10 a.m.; Council Chambers remodel project; and the removal of the 25 trees at
Lions Park.

REPORT – CITY ATTORNEY – Ms. Barlow reported on the OC Needle Exchange
case.

CONSENT CALENDAR:

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

MOTION: Approve recommended actions for Consent Calendar Item Nos. 1 through 8 except for 3 and 8.

The motion carried by the following roll call vote:

Ayes: Council Member Chavez, Council Member Genis, Council Member Mansoor, Council Member Marr, Council Member Reynolds, Mayor Pro Tem Stephens, and Mayor Foley.

Nays: None

Absent: None

Motion carried: 7-0

1. **PROCEDURAL WAIVER: MOTION TO APPROVE THE READING BY TITLE ONLY OF ALL ORDINANCES AND RESOLUTIONS. SAID ORDINANCES AND RESOLUTIONS THAT APPEAR ON THE PUBLIC AGENDA SHALL BE READ BY TITLE ONLY AND FURTHER READING WAIVED**

ACTION:

City Council and Agency Board waived reading of Ordinances and Resolutions.

2. **READING FOLDER**

Claims received by the City Clerk: Sean Clark and Heidi Kleft.

ACTION:

City Council received and filed.

4. **MINUTES OF THE REGULAR CITY COUNCIL AND SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY MEETINGS OF FEBRUARY 19, 2019 AND MARCH 5, 2019**

ACTION:

City Council approved the minutes of February 19, 2019 and March 5, 2019.

5. **SITE ACCESS AND LICENSE AGREEMENT WITH THE ORANGE COUNTY SANITATION DISTRICT AND THE COSTA MESA SANITARY DISTRICT FOR THE INSTALLATION OF AN ODOR CONTROL TREATMENT SYSTEM ON CITY-OWNED PARCEL 141-221-26**

ACTION:

1. City Council approved the Site Access and License Agreement with the Orange County Sanitation District and the Costa Mesa Sanitary District for an odor control treatment system on City-owned property; and
2. Authorized the Mayor and the City Clerk to execute the Agreement; and
3. Authorized the City Manager to execute future amendments to the Agreement.

6. APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT FOR COMMUNITY DEVELOPMENT BLOCK GRANT/HOME CONTRACT STAFF

ACTION:

1. City Council approved the Professional Services Agreement with Mike Linares, Inc., for Community Development Block Grant/Home contract staff in an annual amount not-to-exceed \$90,000, with the option to renew for up to four one-year periods; and
2. Authorized the City Manager and the City Clerk to execute the proposed Professional Services Agreement and future amendments to the agreement and allow up to an additional 10% contingency amounting to \$9,000.00, as needed for unforeseen costs.

7. INSTALLATION OF EMERGENCY GENERATORS AT THE POLICE FACILITY, FIRE STATION. NO. 4, AND THE CORPORATION YARD PROJECT – CITY PROJECT NO. 17-11

ACTION:

1. City Council accepted the work performed by Global Power Group Inc., for the subject project and authorize the City Clerk to file the Notice of Completion; and
2. City Council authorized the City Manager to release the Labor and Material Bond one year after the filing date; release the Faithful Performance Bond if appropriate, at the conclusion of the one-year warranty period; and release the retention monies immediately after the Notice of Completion filing date.

ITEMS PULLED FROM THE CONSENT CALENDAR

3. WARRANT RESOLUTION NO. 2618 OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, ALLOWING CERTAIN CLAIMS AND DEMANDS, INCLUDING PAYROLL REGISTER NOS. 19-07 “A” FOR \$-414.00 AND 19-08 FOR \$2,608,252.12; CITY OPERATING EXPENSES FOR \$2,482,404.30; AND SPECIFYING THE FUNDS OUT OF WHICH THE SAME ARE TO BE PAID

MOVED/SECOND: Council Member Marr/Council Member Chavez

MOTION: Approve Warrant Resolution No. 2618.

The motion carried by the following roll call vote:

Ayes: Council Member Chavez, Council Member Genis, Council Member Mansoor, Council Member Marr, Council Member Reynolds, Mayor Pro Tem Stephens, and Mayor Foley.

Nays: None

Absent: None

Motion carried: 7-0

ACTION:

City Council approved Warrant Resolution No. 2618.

8. BUSINESS IMPROVEMENT AREA (BIA) REAUTHORIZATION, RESOLUTION OF INTENTION, AND REVIEW OF ANNUAL REPORT

MOVED/SECOND: Council Member Marr/Council Member Reynolds

MOTION: Approve recommended actions.

The motion carried by the following roll call vote:

Ayes: Council Member Chavez, Council Member Genis, Council Member Mansoor, Council Member Marr, Council Member Reynolds, Mayor Pro Tem Stephens, and Mayor Foley.

Nays: None

Absent: None

Motion carried: 7-0

ACTION:

1. City Council approved the 2018/19 Annual Report for the Business Improvement Area (BIA); and
2. Received and filed audited financial report for Fiscal Years 2017 and 2018; and
3. Adopted Resolution No. 19-20, declaring the City's intention to levy an annual assessment for Fiscal Year 2019-20 for business improvement area covering certain Costa Mesa hotels and motels and setting the time and place for a public hearing on the proposal for June 4, 2019 at 7:00 p.m., Costa Mesa Senior Center, 695 W. 19th Street, Costa Mesa.

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

PUBLIC HEARINGS – 7:00 p.m. (Resolution No. 05-55): NONE

OLD BUSINESS: NONE

City Council recessed into a break at 8:01 p.m.

City Council reconvened from a break at 8:13 p.m.

NEW BUSINESS:

1. CITY MANAGER EMPLOYMENT AGREEMENT

MOVED/SECOND: Mayor Pro Tem Stephens/Mayor Foley

MOTION: Approve recommended actions.

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

Nays: Council Member Mansoor

Absent: None

Motion carried: 6-1

FOR INFORMATIONAL PURPOSES ONLY

ACTION:

1. City Council considered and approved the agreement with Lori Ann Farrell Harrison to serve as City Manager commencing July 1, 2019, or earlier if Ms. Harrison is available; and
2. Approved Salary Resolution No. 19-19.

2. CITY POSITIONS ON STATE LEGISLATION: SCR 21 (CAPTAIN KREZA MEMORIAL HIGHWAY), SB 450 (MOTEL CONVERSIONS), AND AB 1273 (TOLL ROADS)

SCR 21 (CAPTAIN KREZA MEMORIAL HIGHWAY)

MOVED/SECOND: Council Member Marr/Council Member Chavez

MOTION #1: Adopt a support position for SCR 21 (Captain Kreza Memorial Highway)

The motion carried by the following roll call vote:

Ayes: Council Member Chavez, Council Member Genis, Council Member Mansoor, Council Member Marr, Council Member Reynolds, Mayor Pro Tem Stephens, and Mayor Foley.

Nays: None

Absent: None

Motion carried: 7-0

ACTION:

City Council adopted a support position for SCR 21 (Captain Kreza Memorial Highway)

SB 450 (MOTEL CONVERSIONS)

MOVED/SECOND: Council Member Marr/Council Member Chavez

MOTION #2: Adopt a support position for SB 450 (Motel Conversions).

The motion carried by the following roll call vote:

Ayes: Council Member Chavez, Council Member Marr, Council Member Reynolds, Mayor Pro Tem Stephens, and Mayor Foley.

Nays: Council Member Genis, Council Member Mansoor.

Absent: None

Motion carried: 5-2

ACTION:

City Council adopted a support position for SB 450 (Motel Conversions).

AB 1273 (TOLL ROADS)

MOVED/SECOND: Council Member Marr/Council Member Reynolds

MOTION #3: Receive and File.

The motion carried by the following roll call vote:

Ayes: Council Member Chavez, Council Member Genis, Council Member Mansoor, Council Member Marr, Council Member Reynolds, Mayor Pro Tem Stephens, and Mayor Foley.

Nays: None

Absent: None

Motion carried: 7-0

ACTION:

City Council received and filed.

3. ADOPTION OF A CITY COUNCIL FLAG DISPLAY POLICY AND A RESOLUTION AUTHORIZING THE ANNUAL DISPLAY OF THE PRIDE FLAG AT CITY HALL

CITY COUNCIL POLICY 000-15

MOVED/SECOND: Council Member Chavez/Council Member Marr

MOTION #1: Adopt Resolution No. 19-21, which implements City Council Policy 000-15 relating to the display of flags at City facilities.

The motion carried by the following roll call vote:

Ayes: Council Member Chavez, Council Member Marr, Council Member Reynolds, Mayor Pro Tem Stephens, and Mayor Foley.

Nays: Council Member Genis, Council Member Mansoor.

Absent: None

Motion carried: 5-2

ACTION:

City Council adopted Resolution No. 19-21, which implements City Council Policy 000-15 relating to the display of flags at City facilities.

ANNUAL DISPLAY OF THE PRIDE FLAG

MOVED/SECOND: Council Member Chavez/Council Member Marr

MOTION #2: Adopt Resolution No. 19-22, which authorizes the annual display of the Pride Flag at City Hall from May 22 to June 30.

The motion carried by the following roll call vote:

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

Nays: Council Member Mansoor.

Absent: None

Motion carried: 6-1

ACTION:

City Council adopted Resolution No. 19-22, which authorizes the annual display of the Pride Flag at City Hall from May 22 to June 30.

ADJOURNMENT – Mayor Foley adjourned the meeting at 10:33 p.m.