

**SPECIAL MEETING OF THE CITY COUNCIL
CITY OF COSTA MESA**

June 22, 2010

The Special City Council Meeting of the City of Costa Mesa, California met in special session June 22, 2010, at 5:45 p.m., in the Council Chambers of City Hall, 77 Fair Drive, Costa Mesa. The meeting was called to order by the Mayor.

ROLL CALL

Council Members Present: Mayor Allan R. Mansoor
Mayor Pro Tem Wendy Leece
Council Member Eric Bever
Council Member Katrina Foley
Council Member Gary Monahan

Council Members Absent: None

Officials Present: City Manager Allan Roeder
Assistant City Manager Thomas Hatch
City Attorney Kimberly Hall Barlow
Recreation Manager Jana Ranson
Police Chief Christopher Shawkey
Budget and Research Officer Bobby Young
Human Resources Administrator Lance Nakamoto
City Clerk Julie Folcik

PUBLIC COMMENT

Mondo (no last name given) presented a video that highlighted some of Costa Mesa's attributes and valued community programs.

Judith Legon, Costa Mesa, representing the South Coast Apartment Association, asked Council to postpone making a decision about the Fire Inspection fees for multi-family properties.

Julia Schwarzmann, Costa Mesa, expressed support of the R.O.C.K.S (Recreation on Campus for Kids) Program.

Mareen Guyot, Costa Mesa, suggested that the City increase the Transient Occupancy Tax (TOT) to the County average or to that of neighboring cities, and further recommended that language be added to that would deter parolees from staying in the motels.

Emily Osterberg, Costa Mesa, representing the Apartment Association of Orange **S**

County, opposed the proposed increase to the apartment inspection fees.

Beth Refakes, Costa Mesa, spoke in support of reducing non-essential services and personnel, and opposed the increase of animal licensing fees and the proposed Emergency Medical Services fee subscription.

Sandra Schwarzman, Costa Mesa, argued that the afterschool care [R.O.C.K.S.] program was a necessary program but if eliminated from the budget urged Council to consider a phasing approach.

Helen Evers, Costa Mesa, spoke in support of the responsibilities of Animal Control.

Council Member Foley asked for the number of reductions in part-time Recreation employees. The Budget and Research Officer indicated the reductions were in hours, but not necessarily personnel.

PUBLIC HEARINGS

1. PUBLIC HEARING: Continued from the meeting of June 15, 2010, City Budget for Fiscal Year 2010-2011.

(a) A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, DETERMINING AND ADOPTING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2010-2011, IN ACCORDANCE WITH ARTICLE XIII-B OF THE CONSTITUTION OF THE STATE OF CALIFORNIA, AS AMENDED BY PROPOSITION 111 AND SENATE BILL 88.

(b) A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, ADOPTING A BUDGET FOR THE FISCAL YEAR 2010-2011.

(c) A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, DETERMINING AND ADOPTING THE GENERAL FUND OPERATING RESERVE FOR FISCAL YEAR 2010-2011, IN ACCORDANCE WITH TITLE 2, CHAPTER V, ARTICLE 6, OF THE COSTA MESA MUNICIPAL CODE.

The Budget and Research Officer provided a summary of the documents produced which included a memo in response to questions and comments from the Costa Mesa City Employees Association (CMCEA), a summary of revenue options, follow-up memo to Council Member Monahan's questions and comments, follow-up memo to Mayor Pro Tem Leece's questions and comments, and updated lists of personnel reductions.

Mayor Pro Tem Leece referred to the list of full-time recommended reductions and asked if the elimination of positions was permanent. The

City Manager responded that the elimination of positions was permanent, and any additions to personnel in the future would require Council approval.

Council Member Monahan asked for clarification regarding the residential solid waste franchise fees. The City Attorney stated that City is unique in the sense there is a separate sanitary district and that the franchise fee currently imposed on waste haulers is due to the wear and tear on the streets. She clarified that the City is not prevented from imposing franchise fees on waste haulers that serve other public entities, but imposing a fee would require that the City work with the Sanitary District to potentially revise the contract.

Mayor Pro Tem Leece requested an update regarding any meetings with the employee associations. The City Manager indicated that the employee associations were briefed on and aware of the budget situation, the proposed personnel reductions, and Council's interest in further reductions in employee compensation.

MOTION: Direct staff to bring back for consideration the formation of an Economic Development Committee, and for the charge of the committee to make recommendations regarding the business license fees, outreach, and to discuss the business license fees and related topics with the business community.

Moved by Council Member Gary Monahan, seconded by Mayor Allan R. Mansoor.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Katrina Foley, Council Member Gary Monahan

Noes: Council Member Eric Bever

Absent: None.

MOTION: Direct staff to bring back for consideration increasing the solid waste franchise fees for non-residential up to 16 percent.

Moved by Council Member Gary Monahan, seconded by Council Member Katrina Foley.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Council Member Eric Bever, Council Member Katrina Foley, Council Member Gary Monahan

Noes: Mayor Pro Tem Wendy Leece

Absent: None.

MOTION: Direct staff to open dialogue with the Costa Mesa Sanitary District and CR&R regarding establishing a solid waste franchise fee for residential and for consideration of street sweeping services.

Moved by Council Member Gary Monahan, seconded by Council Member Katrina Foley.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Council Member Eric Bever, Council Member Katrina Foley, Council Member Gary Monahan
Noes: Mayor Pro Tem Wendy Leece
Absent: None.

MOTION: Direct the City Manager to meet with the Mesa Verde Partners to raise green fees.

Moved by Council Member Gary Monahan, seconded by Council Member Katrina Foley.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Council Member Eric Bever, Council Member Katrina Foley, Council Member Gary Monahan
Noes: Mayor Pro Tem Wendy Leece
Absent: None.

MOTION: Direct staff to bring back for consideration the raising of animal licensing fees to the county average.

Moved by Council Member Gary Monahan, seconded by Council Member Katrina Foley.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Eric Bever, Council Member Katrina Foley, Council Member Gary Monahan
Noes: None.
Absent: None.

MOTION: Direct staff to bring forward increases to the civil citations for violations of the Municipal Code as recommended by the Planning Commission.

Moved by Council Member Gary Monahan, seconded by Council Member Eric Bever.

SUBSTITUTE MOTION: Leave the first violation at a fine of \$75 and increase the balance as recommended by the Planning Commission.
Moved by Council Member Katrina Foley. Motion died for lack of second.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Council Member Eric Bever, Council Member Gary Monahan
Noes: Mayor Pro Tem Wendy Leece, Council Member Katrina Foley
Absent: None.

MOTION: Direct staff to come back with a parking metering study.

Moved by Council Member Gary Monahan, seconded by Council Member Katrina Foley.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Council Member Eric Bever, Council

Member Katrina Foley, Council Member Gary Monahan
Noes: Mayor Pro Tem Wendy Leece
Absent: None.

The City Manager clarified that animal licensing is authorized under State law for rabies control, and is the basis and reason why the City has the ability and authority to require an animal license fee.

In response to Mayor Pro Tem Leece, the City Manager recapped the discussion at the June 15, 2010 City Council meeting relative to the future of the R.O.C.K.S. program in which interest was expressed for a phasing effort for the R.O.C.K.S. program, as well as a limited number of other afterschool recreation programs.

MOTION: Suspend the elimination of the following items: Youth Sports Program; Playground Program, except during the summer; Recreation Coordinator position; and the School Year Teen Program, keeping them in the budget to provide time for staff to worked with the community to create a matching fund program with all the school sites that benefit from the R.O.C.K.S program, with the city matching 50 percent; and to find alternative funding sources for the programs, with the caveat that if by the second meeting in August funds are not secured then the program(s) will be eliminated.

Moved by Council Member Katrina Foley, seconded by Mayor Pro Tem Wendy Leece.

Mayor Mansoor asked for clarification regarding where City's matching 50 percent amount would come from. Council Member Foley explained that the funds could come from grants, corporate matching programs, and school fundraisers.

The City Manager informed that the action would keep the program in the budget, although it would not fund the program to prior years' levels, but would create the opportunity for outside funding to overwrite the costs of the program.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Katrina Foley, Council Member Gary Monahan

Noes: Council Member Eric Bever

Absent: None.

MOTION: Approve recommended reductions for personnel except for those positions slotted for lay-off.

Moved by Council Member Katrina Foley, seconded by Mayor Pro Tem Wendy Leece.

Discussion ensued amongst the Council regarding clarification of the proposed motion and the possible funding mechanism; Council Member Foley suggesting the use of fund balance.

The City Manager requested time to discuss the feasibility of proposed motion with staff.

The Mayor recessed the meeting at 6:44 p.m.

The Mayor reconvened the meeting at 7:00 p.m.

Relative to the motion, the City Manager that process would require meeting with the labor unions, renoticing of the employees which would take approximately 60 days and would be at an estimated cost of \$500,000 to maintain current staffing levels.

In response to a question of the net effect and impact Budget and Research Officer Bobby Young indicated that to maintain the positions in the budget for the year would be \$2.7 Million dollars and thereby increasing the budget deficit to \$10.7 Million for the fiscal year.

Council Member Foley expressed opposition to the proposed layoffs, voicing her concern of "decimating the infrastructure of the organization" when reducing to personnel to such levels as well as the level of qualifications of hired personnel if salaries and compensation are reduced to levels that are below average.

Council Member Bever expressed that he would not be supporting the motion due to "fiscal responsibility," pointing out that staffing costs were 110 percent of the revenue generated in the previous year.

Mayor Pro Tem Leece commented that while she originally was interested in looking at ways to fund the Emergency Medical Services (EMS) Coordinator, she had her concerns that the proposed option would protect residents in hardship cases.

Council Member Monahan commented that while it was a very difficult decision to make expressed his opposition of the motion commenting that it would be "financially irresponsible."

Council Member Foley opined that additional revenue generating options were being considered that could help to create the necessary revenue for the positions.

The motion failed by the following roll call vote:

Ayes: Council Member Katrina Foley

Noes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Eric Bever, Council Member Gary Monahan

Absent: None.

MOTION: Suspend for one month to August 1, 2010, the elimination of the part-time Video Production Aide Position to provide staff an opportunity to find a corporate sponsorship to fund that position.

Moved by Council Member Katrina Foley, seconded by Council Member Gary Monahan.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Eric Bever, Council Member Katrina Foley, Council Member Gary Monahan

Noes: None.

Absent: None.

In response to Council Member Foley's question regarding the Animal Control Officer position the City Manager indicated that both an aggressive licensing program and an increase in the fees would be required to fully fund the position.

MOTION: Direct staff to implement a canvassing program for dog licensing for greater compliance.

Moved by Council Member Katrina Foley, seconded by Council Member Gary Monahan.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Eric Bever, Council Member Katrina Foley, Council Member Gary Monahan

Noes: None.

Absent: None.

Recreation Manager Jana Ransom responded to Council Member Foley's inquiry, in providing an update regarding the potential of the YMCA operating the pool and also responded to Council Member Bever informing that the cost for operating the pool was primarily labor.

MOTION: Direct staff to prepare a Request for Proposal (RFP) for the operation of the Downtown Community pool.

Moved by Council Member Katrina Foley, seconded by Mayor Pro Tem Wendy Leece.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Eric Bever, Council Member Katrina Foley, Council Member Gary Monahan

Noes: None.

Absent: None.

MOTION: Hold in ambience the reduction of Field Ambassadors hours to weekend only, until the 2nd week in July to provide Costa Mesa United and the Costa Mesa Youth Sports Council to meet and consider funding of the \$10,000 amount.

Moved by Council Member Katrina Foley, seconded by Council

Member Gary Monahan.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Katrina Foley, Council Member Gary Monahan

Noes: Council Member Eric Bever

Absent: None.

MOTION: Eliminate the quarterly Community News Publication unless corporate sponsorship can be found.

Moved by Council Member Katrina Foley, seconded by Mayor Allan R. Mansoor.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Katrina Foley, Council Member Gary Monahan

Noes: Council Member Eric Bever

Absent: None.

Mayor Pro Tem Leece asked for an update regarding the future of the programs at the Balearic Center. The Recreation Manager clarified that, thanks to the generosity of the Newport-Mesa Unified School District, the Balearic Center will remain open. However, staffing levels will be at a minimum and the center will not be opened to the public.

MOTION: Suspend the elimination of the funding, equal to \$90,000, for the staffing and operations of Balearic Community Center, and direct staff to include in their efforts to work with the community to find alternative funding sources for the programs, with the caveat that if by the second meeting in August funds are not secured then the funding will be eliminated.

Moved by Council Member Katrina Foley, seconded by Mayor Pro Tem Wendy Leece.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Katrina Foley

Noes: Council Member Eric Bever, Council Member Gary Monahan

Absent: None.

Mayor Pro Tem Leece referred to the elimination of police officer positions and asked for a report on the potential impacts on staffing and public safety. The Police Chief noted changes in staff assignments and changes in hours.

MOTION: Adopt Resolution No. 10-42, as amended and reflected in motions adopted relative to the budget: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, ADOPTING A BUDGET FOR THE FISCAL YEAR 2010-2011.

Moved by Mayor Allan R. Mansoor, seconded by Council Member

Eric Bever.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Eric Bever, Council Member Gary Monahan

Noes: Council Member Katrina Foley

Absent: None.

MOTION: Adopt Resolution No. 10-43: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, DETERMINING AND ADOPTING THE GENERAL FUND OPERATING RESERVE FOR FISCAL YEAR 2010-2011, IN ACCORDANCE WITH TITLE 2, CHAPTER V, ARTICLE 6, OF THE COSTA MESA MUNICIPAL CODE.

Moved by Mayor Allan R. Mansoor, seconded by Council Member Eric Bever.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Eric Bever, Council Member Katrina Foley, Council Member Gary Monahan

Noes: None.

Absent: None.

REGULAR AGENDA ITEM

1. Proposed Ballot Measure relative to an increase to the Transient Occupancy Tax (TOT) and adding the measure to the General Municipal Election to be held on November 2, 2010.

(a) A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, CALLING AND GIVING NOTICE OF THE HOLDING OF A MUNICIPAL ELECTION ON NOVEMBER 2, 2010 FOR THE SUBMISSION OF A BALLOT MEASURE RELATING TO AND INCREASE IN THE CITY'S TRANSIENT OCCUPANCY TAX.

(b) A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF ORANGE TO CONSOLIDATE THE GENERAL MUNICIPAL ELECTION ON THE TRANSIENT OCCUPANCY TAX INCREASE WITH THE GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 2, 2010 PURSUANT TO CALIFORNIA ELECTIONS CODE SECTIONS 10400, ET SEQ.

(c) A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, SETTING PRIORITIES FOR FILING WRITTEN ARGUMENTS REGARDING CITY MEASURE AND DIRECTING CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS FOR A GENERAL MUNICIPAL ELECTION TO BE CONSOLIDATED WITH THE GENERAL MUNICIPAL ELECTION AND OTHER ELECTIONS TO BE HELD ON TUESDAY, NOVEMBER 2, 2010

(d) A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, PROVIDING FOR THE FILING OF REBUTTAL ARGUMENTS REGARDING A CITY MEASURE FOR A GENERAL MUNICIPAL ELECTION TO BE CONSOLIDATED WITH THE GENERAL MUNICIPAL ELECTION AND OTHER ELECTIONS TO BE HELD ON TUESDAY, NOVEMBER 2, 2010

(e) A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, PROPOSING A TRANSIENT OCCUPANCY TAX INCREASE, REPEALING AND REPLACING SECTION 16-68 OF THE COSTA MESA MUNICIPAL CODE

The City Manager provided a brief overview of the report, and the City Attorney presented a general timeline of the necessary steps to proceed with the expectation that the item will be on the November ballot.

MOTION: Direct staff to move forward to increase the TOT by 2 percent and adopt Resolution No.10-44: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, DETERMINING AND ADOPTING THE GENERAL FUND OPERATING RESERVE FOR FISCAL YEAR 2010-2011, IN ACCORDANCE WITH TITLE 2, CHAPTER V, ARTICLE 6, OF THE COSTA MESA MUNICIPAL CODE; Resolution No. 10-45: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF ORANGE TO CONSOLIDATE THE GENERAL MUNICIPAL ELECTION ON THE TRANSIENT OCCUPANCY TAX INCREASE WITH THE GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 2, 2010 PURSUANT TO CALIFORNIA ELECTIONS CODE SECTIONS 10400, ET SEQ.; Resolution No. 10-46: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, SETTING PRIORITIES FOR FILING WRITTEN ARGUMENTS REGARDING CITY MEASURE AND DIRECTING CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS FOR A GENERAL MUNICIPAL ELECTION TO BE CONSOLIDATED WITH THE GENERAL MUNICIPAL ELECTION AND OTHER ELECTIONS TO BE HELD ON TUESDAY, NOVEMBER 2, 2010; Resolution No. 10-47: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, SETTING PRIORITIES FOR FILING WRITTEN ARGUMENTS REGARDING CITY MEASURE AND DIRECTING CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS FOR A GENERAL MUNICIPAL ELECTION TO BE CONSOLIDATED WITH THE GENERAL MUNICIPAL ELECTION AND OTHER ELECTIONS TO BE HELD ON TUESDAY, NOVEMBER 2, 2010;and Resolution No. 10-48: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, PROPOSING A TRANSIENT OCCUPANCY TAX INCREASE, REPEALING AND REPLACING SECTION 16-68 OF THE COSTA MESA MUNICIPAL CODE.

Moved by Council Member Gary Monahan, seconded by Council Member Eric Bever.

SUBSTITUTE MOTION: Increase the percentage by 3 percent to be consistent the County average.

Moved by Council Member Katrina Foley. Motion died for lack of second.

Council Member Foley expressed support for increasing the TOT and felt that there was support for the three percent.

Council Member Gary Monahan noted that the TOT is a factor when booking the conventions.

Mayor Pro Tem Leece supported the increase and asked Council Member Monahan to clarify if there would be an increase to the BID. Council Member Monahan stated that the TOT would increase from six percent to eight percent, and the BID would increase from two percent to three percent on a voluntary basis.

The motion carried by the following roll call vote:

Ayes: Mayor Pro Tem Wendy Leece, Council Member Eric Bever,
Council Member Katrina Foley, Council Member Gary Monahan

Noes: Mayor Allan R. Mansoor

Absent: None.

ADJOURNMENT - The Mayor declared the meeting adjourned at 8:15 p.m.

Mayor of the City of Costa Mesa

ATTEST:

City Clerk of the City of Costa Mesa