

**REGULAR ADJOURNED/STUDY SESSION OF THE CITY COUNCIL  
CITY OF COSTA MESA**

**June 12, 2012**

The City Council of the City of Costa Mesa, California met in a Regular Adjourned/Study Session on Tuesday, June 12, 2012 at 4:30 p.m. in Council Chambers at City Hall, 77 Fair Drive, Costa Mesa.

The Mayor called the meeting to order at 4:35 p.m.

**ROLL CALL:** (00:00:15)

Council Members Present: Mayor Eric R. Bever  
Mayor Pro Tem James M. Righeimer  
Council Member Wendy Leece  
Council Member Stephen M. Mensinger  
Council Member Gary Monahan

Council Members Absent: None

Officials Present: City CEO Thomas R. Hatch  
Assistant CEO Rick Francis  
City Attorney Thomas Duarte  
Deputy CEO/Economic & Develop Dir. Peter Naghavi  
Public Services Director Ernesto Munoz  
Finance/IT Director Bobby Young  
Public Affairs Manager Bill Lobdell  
Interim City Clerk Brenda Green

**PUBLIC COMMENTS**

1. Art Goddard, Costa Mesa, expressed disappointment that the fencing around the Historical Society building was not included in the proposed budget and spoke of recent fires, attempted break-ins in the area and asked the Council to make the fence a high priority. (00:00:38)
2. Tamar Goldman, Costa Mesa, spoke of a budget priority list sent by email to the Council Members expressing concerns regarding Police Department staffing levels and asked that the Management Partners recommendations be considered and requested increased staffing for the Fire Department as well. (00:02:49)
3. Martin H. Millard, Costa Mesa, asked that the Council include improvements on the Westside and the proposed signs for 19<sup>th</sup> Street. (00:04:52)

4. Perry Valantine, Costa Mesa, expressed concern for allocating \$1.2 million for a budget contingency while cutting costs in needed areas and putting \$500,000 aside for problem properties without a study. (00:05:42)
5. Jay Photoglou, spoke on racketeering and being pulled over by Police. (00:08:08)
6. Beth Refakes, Costa Mesa, stated that keeping the street rehabilitation program was money better spent than purchasing problem properties and asked that the fencing around the Historical Society be included in the budget. (00:09:27)

## **ITEMS FOR DISCUSSION**

1. FY 2012-13 Preliminary Budget – Final Budget Balancing Recommendations (00:11:18)

CEO Hatch introduced this item and gave a brief history on the compilation of the budget document and the topics of each study session in May dealing with the budget. Finance/IT Director Bobby Young provided an overview of the general fund, CEO's final recommendations to balance the general fund, estimated revenues, appropriations and capital improvement projects by category.

Mr. Young explained the general fund deficit of \$1,191,716 and the CEO's recommendations to reduce the budget by the same amount. CEO Hatch explained the loss of Redevelopment funding and costs for the successor agency, oversight board and housing authority efforts to maintain services and agreements that must be provided due to State mandates.

CEO Hatch summarized his recommendations to balance the budget including the elimination of vacant positions, a layoff of four full-time positions occupied by staff providing various services and the suspension of the street rehabilitation program. Further details would be provided in the June 19 staff report.

Mayor Bever asked for clarification of the Redevelopment revenue losses. CEO Hatch indicated that in the Successor Agency report, the City expects to continue to receive the interest earnings from the RDA loan preventing further budget reductions.

Mr. Young summarized the balance of the report including the Capital Improvement Project budget noting a surplus of \$55,225 which would be transferred back to Fund Balance and a final budget of \$132,676,130.

Council Member Leece asked questions regarding the four positions to be laid-off and how the delivery of services will be measured when the vacant positions are eliminated. Council Member Leece expressed concern with supporting the

recommended staff reductions while allocating \$500,000 toward the purchase of problem properties and \$200,000 for trails at Fairview Park while the level of services at the city drops. Council Member Leece asked that the city use the Management Partners recommended staffing levels for the Police Department and asked about the school resource officer positions.

Mayor Pro Tem Righeimer commented on a reduction of funding for the Historical Society fencing, position reductions and the added positions possibly being offered to persons laid-off. Mayor Pro Tem Righeimer stated that he was impressed with the increased capital improvement budget and explained the need for a budget contingency and problem properties causing a drain on city resources.

Council Member Mensinger asked questions about sidewalk repair work and the number of layoffs over the last eighteen months and commented on supporting two effective school resource officer positions at the schools.

Council Member Monahan commented on what is needed to have two effective school resource officer positions at the schools.

The City Council took no action on this item.

#### **COUNCIL MEMBERS' REPORTS, COMMENTS, AND SUGGESTIONS (01:17:31)**

Mayor Bever congratulated Ethan Cochran, a Newport Harbor High School student and Costa Mesa resident who will be competing in the Shot Put and Discus competitions of the USA Junior Outdoor Championships in Indiana for to a chance to compete internationally in Barcelona, Spain.

#### **ADJOURNMENT (01:18:04)**

The Mayor adjourned the Study Session at 5:55 p.m.

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Mayor of the City of Costa Mesa

ATTEST:

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Interim City Clerk of the City of Costa Mesa