

REGULAR MEETING OF THE CITY COUNCIL
CITY OF COSTA MESA

JUNE 21, 2004

The City Council of the City of Costa Mesa, California, met in regular session June 21, 2004, at 6:30 p.m., in the Council Chambers of City Hall, 77 Fair Drive, Costa Mesa. The meeting was called to order by the Mayor, followed by the Pledge of Allegiance to the Flag led by Mayor Monahan, and a moment of solemn expression lead by Joan Iden Bowie, First Church of Christ Scientist.

ROLL CALL

Council Members Present: Mayor Gary Monahan
Mayor Pro Tem Allan Mansoor
Council Member Libby Cowan
Council Member Chris Steel
Council Member Mike Scheafer

Council Members Absent: None

Officials Present: City Manager Allan Roeder
Acting City Attorney Tom Wood
Development Services Director
Donald Lamm
Transportation Services Manager
Peter Naghavi
Finance Director Mark Puckett
Recreation Manager Jana
Ransom
Senior Deputy City Attorney
Marianne Milligan
Technical Services Commander
Sheralee Ford
Associate Planner Mel Lee
Deputy City Clerk Julie Folcik

MINUTES

April 19 and June 7,
2004

On motion by Council Member Cowan, seconded by Mayor Pro Tem Mansoor, and carried 5-0, the minutes of the regular meetings of April 19 and June 7, 2004, were approved as distributed.

ORDINANCES AND
RESOLUTIONS

A motion was made by Mayor Pro Tem Mansoor, seconded by Council Member Cowan, and carried 5-0, to read all ordinances and resolutions by title only.

PRESENTATION

Employee Reservists

Mayor Monahan recognized employee reservists who served in the war in Iraq: Police Officers Victor Bakkila, Susan Krauth, and Glorioso Manigbas; Police Cadet Frank Castorena; and Fire Captain Kirk Dominic (represented by Deputy Fire Chief Gregg Stewart). He acknowledge the accomplishments of each reservist, and presented them with a plaque in honor of their service.

PRESENTATION

Recreation and Parks
Month Proclamation

Mayor Monahan read a proclamation naming July, 2004, as Recreation and Parks Month in the City of Costa Mesa, and urged all residents to enjoy, recognize, and take part in the benefits derived from quality public and private recreation and park resources. He presented the document to Mark Harris, Chairperson of the Parks and Recreation Commission.

PRESENTATION

Life Saving Award

Matt Moloci, President of South Coast Acura and Harbor Boulevard of Cars, presented the Costa Mesa Chamber of Commerce first

Life Saving Award to Police Officer Tony Yannizzi, in recognition of his quick response and heroic efforts on the night of May 31, 2004. Mr. Moloci announced that \$1,000.00 will be donated to the American Cancer Society in Mr. Yannizzi's name.

PRESENTATIONS
Proclamations

Mayor Monahan announced that proclamations had been prepared in June, 2004, for Anton Segerstrom, in recognition of his support of the Someone Cares Soup Kitchen; and Andre Sommersell, being honored as Mr. Irrelevant XXIX during Irrelevant Week, June 20 through 26, 2004.

PUBLIC COMMENT
Shereshevsky Inquiries

Anne Hogan-Shereshevsky, Costa Mesa, thanked staff for responding to her inquiries from the meeting of June 7, 2004. She reiterated her request to convert the No. 3 eastbound lane on 17th Street to an optional left hand turn onto Newport Boulevard/straight ahead on 17th, as occurs on 19th Street and Newport Boulevard. The Transportation Services Manager replied that there is less traffic on East 19th Street, and referred to his written response outlining the details of the issue. Ms. Hogan-Shereshevsky reported that a fireworks stand has been erected in the parking lot of the Stater Bros. market on 22nd Street, and asked Council to consider a ban next year.

John Wayne Airport

Heather Somers, east side Costa Mesa resident, asked Council to forward a letter to the Board of Directors or the Manager of John Wayne Airport referring to the guidelines outlined by the City of Newport Beach/County of Orange for the allowable pathway for flights and the acceptable amount of variable degrees. She requested that departures from JWA no longer utilize a "fan out" pattern.

Fireworks

Lori Hammarlund, Costa Mesa, thanked Council for allowing the sale of safe and sane fireworks which encourages family traditions and provides funding to schools. She reported that the school her children attend, Vineyard Christian School, were denied a permit for a fireworks booth this year based on the new requirement for an 80 percent Costa Mesa membership base. She indicated that with no advance warning about this restriction, and because they were denied the right to sell fireworks, budgeted funding for this year's projects would not be available. Mrs. Hammarlund offered to coordinate cleanup activities within the City utilizing Boy and Girl Scouts to clean up the debris left by less responsible fireworks users. She urged Council to reconsider their decision.

In reply to a question from Mayor Monahan regarding discussion of the fireworks ordinance, the Acting City Attorney clarified that a provision of the Brown Act allows adding an item to the current agenda if Council finds that there is a need to take immediate action tonight, and the need to take that action tonight came to the Council's attention after the agenda was posted last Friday. He advised that the action would require a four-fifths vote.

MOTION/To Add
Fireworks Failed to
Carry

A motion was made by Mayor Monahan, seconded by Mayor Pro Tem Mansoor, to add fireworks to the agenda for an urgency action.

Mayor Pro Tem Mansoor observed that he had originally opposed adoption of the fireworks ordinance because he did not want church and school organizations to be left without fundraising options at the last minute. Council Member Steel supported the motion, believing that the action adopting the ordinance had been "hasty" and "arbitrary" in its restrictions. He proposed advising

every household in the City of the penalties and repercussions regarding the use of illegal fireworks.

Council Member Cowan opposed the motion believing that it does not fit the spirit of the Brown Act exceptions. She noted that letters requesting that Council reconsider the fireworks issue were received prior to last Thursday, and any Council Member could have placed this item on the agenda. Council Member Scheafer opposed the motion questioning the fairness of catering to certain groups.

The motion required a four fifths vote and failed to carry 3-2, Council Member Cowan and Council Member Scheafer voting no.

Lori Hammarlund asked if the ordinance took effect on June 17, 2004, and the fireworks stand applications were due on June 1, 2004, were not the standards for the previous year still in effect. The City Manager explained that when second reading of the ordinance and the Council Policy were presented to Council, it was intended that those were the rules which would apply to 2004 applications. The Acting City Attorney indicated that applicants may not have been aware of the provision in the Policy that the stand operator would qualify for a permit if they could show that 80 percent of the proceeds would benefit City residents. Mayor Monahan suggested that Ms. Hammarlund contact the City Attorney's office for clarification of the ordinance.

Legal Issues

Igal Israel, Costa Mesa, alleged that he is involved in a "legal battle" with the City based upon the fact that none of the City's ordinances have been enacted correctly. Mayor Monahan reiterated the Acting City Attorney's opinion after reviewing the ordinances that the City is in compliance with regulations. Mr. Israel maintained that the ordinances have not been properly published.

Police Department Volunteer

Olive Maxwell, Costa Mesa, reported that she has been a volunteer in the Costa Mesa Police Department, Traffic Division, for two to three hours on Monday each week, and filled in at other times when she was needed. She stated that the area in which she worked was not accessible to the public yet she was required to wear a Police Department uniform which she considered a waste of taxpayer's money. She advised the Chief of Police that she would not put the City to the expense of providing her with a uniform, but noted that she had proudly worn a uniform when serving during World War II. Mrs. Maxwell said that it had been a pleasure to serve as a volunteer but the uniform requirement had forced her to tender her resignation.

Bilingual Signage

Martin Millard, Costa Mesa, showed a photograph of Paularino Park, illustrating the trucks which illegally park there overnight. He pointed out two signs in the picture which define the fireworks ban, one sign in English and one in Spanish, and reported that 12 of the 29 parks in the City contain bilingual signage. He thought that the City is racially profiling neighborhoods and preferred that the signs be in one language, preferably English. The City Manager confirmed for Council Member Steel that, in accordance with Council Policy 400-2, the fireworks manufacturers are responsible for the cost of the signs, as well as the flyers. He agreed with Mr. Millard that the signage should be consistent in each park.

Charlene Ashendorf, Costa Mesa, member of the Cultural Arts

Cultural Arts Committee	Committee, commented on the youth art gallery at City Hall. She reported that the gallery and the City of Costa Mesa Artist Directory, which is now being distributed throughout the City, are on the City's website, www.ci.costa-mesa.ca.us . She thanked Recreation Supervisor Richard Brunette and Recreation Manager Jana Ransom for their support of the Committee, and announced that on Sunday, October 30, 2004, the Cultural Arts Committee will sponsor its first Chalk Art Festival, 9:00 a.m. to 3:00 p.m., at Balearic Park.
John Wayne Airport	Robert Graham, Costa Mesa, commented on the anticipated population increase in the South County area, and believed that eventually there will be 5 million residents in Orange County, all using the one runway at John Wayne Airport when they travel. He mentioned an opportunity to benefit the County by encouraging representatives in Washington D.C. to consider the possibility of constructing a small airport in South County. Referring to Talbert Park, Mr. Graham reported that Huntington Beach residents actually have better access than Costa Mesa residents. He supported a lower parking lot for Fairview Park.
Talbert Park	
Park Signage	Sam Clark, Costa Mesa, concurred with Martin Millard's sign comments, and supported having all the signs in City's parks in English.
CONSENT CALENDAR	The following items were removed from the Consent Calendar: Item No. 4, Award of professional landscape and turf maintenance contract to Azteca Landscape; Item No. 5, Agreement with Albert Grover & Associates for engineering services for the Costa Mesa/Huntington Beach Signal Coordination Project; and Item No. 6, Amendment to the contract with Hernandez City Services, Inc. for shopping cart retrieval program.
MOTION/Approved Except Item Nos. 4, 5, and 6	On motion by Council Member Steel, seconded by Council Member Scheafer, and carried 5-0, the remaining Consent Calendar items were approved as recommended.
READING FOLDER Alcoholic Beverage Control License	The following Reading Folder item was received and processed: Request for Alcoholic Beverage Control License from Sunshine Retailer, 751 Baker Street, for a fiduciary transfer of a Type 21 ABC License (off-sale general).
WARRANTS	The following warrants were approved:
Approved Warrant 2009/Payroll 412 and 411A	Warrant Resolution 2009, funding Payroll No. 412 for \$1,928,766.37, Payroll No. 411A for \$88.08, and City operating expenses for \$994,802.20, including payroll deductions.
Approved Warrant 2010	Warrant Resolution 2010, funding City operating expenses for \$2,261,532.79.
ADMINISTRATIVE ACTIONS/Accepted Improvements at 1475 South Coast Drive by C. J. Segerstrom, EP PS-02-00185	Street improvements associated with the widening of the Greenville-Banning Channel, located at 1475 South Coast Drive, were completed to the satisfaction of the Public Services Director by C. J. Segerstrom and Sons, 3315 Fairview Road, Costa Mesa, in connection with Encroachment Permit No. PS-02-00185. The work was accepted, and the bonds were ordered exonerated.
Approved Final Map for Tract No. 16476; Approved Subdivision	Final Map was approved for Tract No. 16476, located at 2553 and 2559 Santa Ana Avenue, to subdivide two (2) lots into ten (10) lots for single-family residential uses and one lot for access purposes and common open space, the subdivision agreement was

Agreement	approved, and the Mayor and Deputy City Clerk were authorized to sign on behalf of the City.
	The following action was taken regarding Measure "M" Eligibility:
Measure "M" Approved Maintenance of Effort	Maintenance of Effort for Fiscal Year 2004-2005 was approved.
Approved CIP Approved Program	Seven-year Capital Improvement Program was approved. Pavement Management Program was approved.
Adopted Resolution 04-39 Re Circulation Element	Resolution No. 04-39 was adopted: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, CONCERNING THE STATUS OF THE CIRCULATION ELEMENT FOR COSTA MESA, in conformance with the Master Plan of Arterial Highways.
Approved MOU with Newport-Mesa Unified School District for School Resource Officer Program	A Memorandum of Understanding was approved with the Newport-Mesa Unified School District for the extension of the School Resource Officer Program for two officers, one to be assigned to work with Costa Mesa High School, grades 7 through 12, and the other to divide his schedule between Estancia High School, grades 9 through 12, and TeWinkle Middle School, grades 7 through 8; and the Mayor and Deputy City Clerk were authorized to sign on behalf of the City.
Adopted Resolution 04-40 for Redevlop- ment Agency Records Destruction	Resolution No. 04-40 was adopted: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, AUTHORIZING RECORDS DESTRUCTION FOR THE REDEVELOPMENT AGENCY PURSUANT TO ORDINANCE NO. 75-60.
MOTION/Moved Consent Calendar Item Nos. 4 and 6 to after the Budget Hearing	A motion was made by Mayor Pro Tem Mansoor, seconded by Council Member Cowan, and carried 5-0, to discuss the following items after the public hearing regarding the budget as they are funded from fiscal year 2004-05 funds: Item No. 4, Award of professional landscape and turf maintenance contract to Azteca Landscape; and Item No. 6, Amendment to contract with Hernandez City Services, Inc. for shopping cart retrieval program
Agreement with Albert Grover for Costa Mesa/Huntington Beach Engineering Services	Item No. 5 on the Consent Calendar was presented: Agreement with Albert Grover & Associates for engineering services for the Costa Mesa/Huntington Beach Signal Coordination Project. Robert Graham, Costa Mesa, suggested coordinating the traffic signals on West 19 th Street should it be extended to Huntington Beach. Mayor Pro Tem Mansoor commented that this project will ease traffic on Adams Avenue and Victoria Street. The Transportation Services Manager replied to a question from Mayor Pro Tem Mansoor by stating that there will be approximately a 20 percent improvement in traffic signal efficiency.
MOTION/Approved Agreement	On motion by Council Member Cowan, seconded by Mayor Pro Tem Mansoor, and carried 5-0, the agreement was approved with Albert Grover & Associates, 211 East Imperial Highway, Suite 208, Fullerton, for \$55,000.00, for engineering services for the Costa Mesa/Huntington Beach Signal Coordination Project, and the Mayor and Deputy City Clerk were authorized to sign on behalf of the City.
PUBLIC HEARING PA-04-08/ZA-04-07 St. Joachim's Parish	The Deputy City Clerk announced that this is the time and place set for the public hearing to consider an appeal from Council Member Chris Steel of the Planning Commission's approval of PA-04-08 and ZA-04-07 for Steve Nevills, authorized agent for Joseph

Novoa, Roman Catholic Bishop of Orange, for a conditional use permit to construct a new two-story, 19,127 square-foot classroom building and a new 8,412 square-foot gymnasium/multi-purpose building, in conjunction with minor conditional use permits to provide ten (10) compact parking spaces and to allow seven (7) temporary modular buildings, totaling 6,168 square feet, for use by the school during construction, for St. Joachim's Parish, 1964 Orange Avenue, in an R1 (single-family residential) zone. Environmental Impact: Exempt. The Affidavits of Publishing and Mailing are on file in the City Clerk's office. Communications were received from Dr. James Gardner, Costa Mesa, expressing concern over several issues surrounding the proposed project and offering possible solutions to remedy the problems; and William Kelley, Costa Mesa, requesting Council's special attention to various issues of concern to the neighborhood. Mayor Monahan announced that the Acting City Attorney has confirmed that he, Mayor Monahan, does not have a conflict of interest regarding this issue.

Council Member Steel stated that he was seeking a continuance of this item because it would allow Mr. Kelley and his neighbors to work out their differences with the church and eliminate some of the issues, that several of the neighbors were on vacation and could not attend the hearing, and more time would be allowed for the remainder of the agenda items. He commented that he is making the appeal on behalf of William Kelley whose property is adjacent to the church, and enumerated the relevant issues such as the vehicle access between the Walnut Street parking lot and the parking lot in the interior of the site; the area between the multi-purpose building at the Walnut Street resident's property, asking that it not be used for pedestrian or vehicle traffic, trash collection, or storage; the condition of approval regarding trash which was approved by the Planning Commission; "all representations of the Church made in Commission or Council meetings shall be reduced to writing and become conditions of this conditional use permit"; and guidelines in the establishment of residential permit parking.

The Associate Planner reviewed the Agenda Report dated June 10, 2004, and he and the Transportation Services Manager responded to questions from Council.

Mayor Pro Tem Mansoor supported "resident only" parking on Walnut Street; and confirmed with the Associate Planner that Council could not overturn the Planning Commission's approval of the project based on the noise and litter issues.

Chuck Kluger, Kluger Architects, 111 West Ocean Boulevard, Suite 1050, Long Beach, architect for the project, agreed with staff's findings on the additional conditions of approval.

Michael Lawler, Attorney at Law, 901 Dover Drive, Newport Beach, representing William Kelley, supported the project but questioned the conditions of approval. He focused on the issues previously mentioned by Council Member Steel, opposed moving the trash enclosures next to Mr. Kelley's property, asked that all representations made by the applicant at the Planning Commission and City Council hearings be put into writing and made a part of the conditions of approval, opposed the increase of maximum student enrollment to 350, supported adding undergrounding of utilities to the conditions of approval, and encouraged parking in the athletic field. He complained that 120 feet of the property on Walnut Street, from the parking lot to the church, lacks a sidewalk which

forces parishioners to walk across his client's lawn. He asked that church services be limited to Sundays. The Associate Planner replied that undergrounding utilities is a requirement of the building code but applies only to the overhead utilities servicing the new buildings. The Transportation Services Manager confirmed for Mayor Monahan that sidewalk repairs through programs such as "Safe Route to Schools" and "Missing Link" takes a list of the missing sidewalk areas throughout the City and awards the work under one contract which is more economical. Mr. Lawler reported that Mr. Kelley is willing to dedicate that area in front his home to the City.

Mark Abrams, Costa Mesa, thought that 10:00 p.m. was a reasonable time to terminate activities at the church, supported using the athletic field for parking, and suggested that the City address the traffic issue on East 19th Street.

Lori McDonald, Costa Mesa, reported that she and her neighbors on Walnut Street had signed a document to "opt out" of participating in the sidewalk project. She asked to include as legal points against the St. Joachim's project the statements which she had made in her three previous appearances on this subject. She asked that this hearing be continued to the meeting of July 6, 2004, to allow time to compile traffic studies and for neighbors who were not able to attend tonight to be allowed the opportunity to speak. Ms. McDonald asked Council to deny the project in its current state, and asked the Mayor to excuse himself from the vote.

Mike Kehoe, Costa Mesa, a St. Joachim parishioner, noted that the plan will improve the school and create a better facility. He reported that the athletic field is used for parking during church services, and thought that the project will benefit the entire community.

Beth Refakes, Costa Mesa, indicated that this is a major project which will have significant impact on the neighborhood. She objected to the noise, traffic, parking, trash, and other impacts on residents generated by churches. She thought that the current church parking requirements are antiquated, the surrounding residents should not have to bear the brunt of the burden of over-expansion, the Planning staff does not appear to be sensitive to the needs of the residents and does not work with residents and developers to ensure protection of property rights, felt that stationary noise reduction windows should be required in the multi-purpose building, doors should remain closed during high noise activities, shade and shadow effect on surrounding properties should be reviewed, special events permits should be required for additional activities outside of normal operations, resident only parking permits should be approved and enforced, no outdoor amplified sound should occur without a special events permit, the impact of hazardous materials on surrounding residents during demolition should be addressed, a traffic management plan should be prepared, and construction banners should be banned in residential neighborhoods.

A Newport Beach resident, indicated that his children attend St. Joachim's Parish, and thought that the project addresses the needs of students at the school.

Steve Gaitan, Costa Mesa, reported that his four children will attend St. Joachim's next year. He advised that they are currently

enrolled at Victoria School, which is six blocks from his home in a residential neighborhood, and the school rings their bell even on weekends. He stated that the St. Joachim's gymnasium is inset from the street and would not create shadows on adjacent residential property.

Anne Hogan-Shereshevsky, Costa Mesa, supported the project, stated that she is an active parishioner, and observed that most schools are in residential neighborhoods. She thought that most parents join in a carpool which relieves some of the traffic.

Rachel Perez-Hamilton, Costa Mesa, approved of the plans for the project, and observed that this is not an expansion but that current structures are being replaced. She reported that the fair held yearly at St. Joachim's does not extend beyond 10:00 p.m., and encouraged Council to approve the project.

The owner of property at 241 Walnut Street, Costa Mesa, asked that a curbside sidewalk be extended from the parking lot to Westminster Avenue.

Dr. James Gardner, Costa Mesa, representing himself and three of the four homeowners whose property directly faces the church, reported that members of the church attend functions every day of the week, at all hours usually starting at 7:00 a.m. He indicated that parishioners do not use the parking lot and park on the street which severely impacts resident parking, and the United States Post Office has refused to deliver mail in their neighborhood because they cannot access the homes. He added that street sweeping is virtually impossible.

Elizabeth Lynn, Costa Mesa, reported that her child attends St. Joachim's Parish school, and supported the project. She added that the project does not affect the church but revamps the current school facilities. She asked Council to approve the project.

Mark Paulhus, Costa Mesa, supported the project, stating that he had purchased his property because it was close to the church and he could walk his children to school. He was surprised that residents express concern that the church is in a residential neighborhood since it has been in its current location since 1950.

Bill Kelley, Costa Mesa, thanked Council on behalf of the Walnut Street neighbors for the time they have taken to study this project, stating that the church and school have an abnormal intensity of use which causes a severe impact in the neighborhood. He opposed a new vehicle access between the Walnut Street parking lot and the interior of the property as well as allowing a pedestrian access behind the 220 Walnut Street property.

The resident at 235 Walnut Street, Costa Mesa, supported the project, stating that her son attends the school.

There being no other speakers, the Mayor closed the public hearing.

A motion was made by Council Member Cowan, seconded by Mayor Monahan, to uphold the Planning Commission's approval by adopting Resolution 04-41: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, APPROVING PLANNING APPLICATIONS PA-04-08 AND ZA-04-07.

MOTION/Adopted
Resolution 04-41,
Approving PA-04-08
and ZA-04-07

Mayor Monahan asked the Transportation Services Manager to review the sidewalk situation at this location when funding is available for the next round of sidewalk repairs.

Mayor Pro Tem Mansoor supported the motion, observing that the project meets the City's requirements in accordance with the General Plan, and expressed a willingness to work with the community, along with Code Enforcement and the Police Department, to address the issues of parking, noise, litter and trash. He believed that undergrounding the utilities and sidewalk repair are City responsibilities. Council Member Scheafer supported the motion and encouraged the church to use the athletic field for parking. Council Member Steel opposed the motion believing that issues of concern to the neighbors should be addressed.

The motion carried 4-1, Council Member Steel voting no.

The Mayor declared a recess at 9:05 p.m., and reconvened the meeting at 9:15 p.m.

RECESS

The Deputy City Clerk announced that this is the time and place set for the public hearing to consider the City Budget for fiscal year 2004-2005:

PUBLIC HEARING
2004-2005 City Budget

Resolution determining and adopting an appropriations limit of \$132,103,689.00 for fiscal year 2004-2005, in accordance with Article XIII-B of Proposition 4 of the Constitution of the State of California, as amended by Proposition 111 and Senate Bill 88.

Resolution adopting a budget for fiscal year 2004-2005.

Resolution determining and adopting the General Fund operating reserve for the 2004-2005 fiscal year in accordance with Title 2, Chapter V, Article 6, of Costa Mesa Municipal Code.

Consideration of Prioritization of Programs and Service Efforts.

Policies and Practices Related to "walling off" Revenues for Specified Uses.

City Employee Home Buyer Program.

The Finance Director reviewed Agenda Report VII-2(a) dated June 1, 2004, regarding the appropriations limit.

Appropriations Limit

Terry Shaw, Costa Mesa, thanked the City Manager and the Finance Director for the Budget meeting held for the public. He suggested that school crossing guards should be funded by the Newport-Mesa Unified School District, not the City.

There was no further public comment.

The City Manager reported that 14 years ago, the City of Costa Mesa was one of the first cities in the State of California that out of necessity put before the voters an override of the spending limit. He compared that to the fact that today the City is 53.3 percent below the appropriations limit.

On motion by Mayor Pro Tem Mansoor, seconded by Council Member Scheafer, and carried 5-0, Resolution 04-42 was adopted:

MOTION/Adopted
Resolution 04-42

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, DETERMINING AND ADOPTING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2004-2005, IN ACCORDANCE WITH ARTICLE XIII-B OF THE CONSTITUTION OF THE STATE OF CALIFORNIA, AS AMENDED BY PROPOSITION 111 AND SENATE BILL 88.

Prioritization of Pro-
gram and Service
Efforts

The Finance Director reviewed Agenda Report VII-2(d) dated June 16, 2004, regarding prioritization of programs and service efforts, and responded to questions from Council.

Robert Graham, Costa Mesa, suggested that the City be more active in enticing commercial business into the City.

Beth Refakes, Costa Mesa, thanked staff for the public Budget study session. Referring to the Costa Mesa Newsletter and the Recreation Newsletter, she suggested placing the information on Costa Mesa Television, Channel 24, or the City's website, www.costa-mesa.ca.us, in order to save printing, mailing and distribution costs. For the Concerts in the Park, she suggested soliciting sponsorship from local businesses or charging a nominal fee. She agreed that the School District should fund crossing guards, and did not think the City should be in the "birthday party" business. The Finance Director addressed Ms. Refakes' concerns.

Katrina Foley, Costa Mesa, agreed that many of the items being reviewed were nominal in scope of the overall budget were family-oriented activities. She recommended sharing the costs with business or other public agencies to create better partnerships and strengthen community services without eliminating programs, focusing on sponsorships for activities such as Concerts in the Park and the Mobile Skateboard Park. Mrs. Foley suggested combining the City and Recreation newsletter, and selling advertisement in order to eliminate all cost to the City.

Lori McDonald, Costa Mesa, agreed with Ms. Refakes on all points except the Costa Mesa Newsletter. She suggested that a portion should be written by Costa Mesa citizens. She advocated reinstating the 5-minute time limit for speakers under Public Comment.

Sam Clark, Costa Mesa, was concerned that the items which have the largest impact on the budget were not being reviewed.

There was no further public comment.

Mayor Pro Tem Mansoor appreciated the comments about retaining some of the City's programs but felt that it was fiscally irresponsible for the City to spend more than it takes in. He addressed turning over the cost of crossing guards to the School District which would save the City \$196,000.00 per year; the recently approved \$56,000.00 for repair of the Balearic Center roof owned by the School District; and mentioned several other expendable programs which total \$652,000.00. He believed that it was appropriate for the City to focus mainly on infrastructure repair, street repair, and public safety. According to his information, Mayor Pro Tem Mansoor stated that this was the fourth consecutive year that the City would spend more than it has received in revenues, and the agenda report states that, "Absent a long-term solution, a significant risk of creating a structural imbalance between expenditures and available resources exists." He supported building up the City's reserves.

MOTION/To Place Job Center on November 2, 2004, Ballot Died	A motion was made by Council Member Steel to place the issue of the Costa Mesa Job Center on the November 2, 2004, ballot. The motion died for lack of a second.
MOTION/To Limit Dayworkers to Residents Died	A motion was made by Council Member Steel to limit the use of the Job Center to Costa Mesa resident dayworkers, as well as Costa Mesa based businesses. The motion died for lack of a second.
MOTION/Approved Combining City and Recreation Newsletters	A motion was made by Mayor Monahan, seconded by Mayor Pro Tem Mansoor, and carried 4-1, Council Member Cowan voting no, to combine the City Newsletter with the Recreation Newsletter.
MOTION/Approved Review of Committees	Mayor Monahan concurred with Mayor Pro Tem Mansoor regarding the fund imbalance. He observed that as programs become more efficient, the demand on staff time decreases which translates to a decrease in the demand on salaries and benefits. He believed that streamlining some of the programs would relieve the pressure from City staff. A motion was made by Mayor Monahan, seconded by Mayor Pro Tem Mansoor, and carried 5-0, to review changing the status of the Council standing committees to ad hoc.
MOTION/Motion to Eliminate Parties Failed to Carry	Mayor Pro Tem Mansoor mentioned the potential cost reduction with this action. Council Member Scheafer encouraged a “partnering” arrangement for Concerts in the Park, possibly with the Orange County Fairgrounds, proposed a yearly fee for Group One users to utilize the City’s ball fields, asked that the Field Ambassador Program be reviewed by the Parks Commission, the School District, and the City, and suggested better utilization of programs such as the Mobile Recreation and Skateboard. A motion was made by Mayor Pro Tem Mansoor, seconded by Council Member Steel, to eliminate the Birthday Party Activity (Item No. 22). The Recreation Manager indicated that the Birthday Party Program is not utilized therefore no revenue is generated, and the City budgets \$8,200.00 for the program. She reported that the cost for a party is \$250.00 which includes staff costs, cake, and supplies. The Finance Director responded to questions from Mayor Pro Tem Mansoor regarding “go-away” costs. Council Member Cowan opposed the motion because the program covers its own costs, allows residents to have children’s birthday parties at the park, and is a good program. Council Member Steel withdrew his second to the motion. Mayor Monahan seconded the motion. The motion failed to carry 3-2, Council Member Cowan, Council Member Steel, and Council Member Scheafer voting no.
MOTION/Approved Future Discussion of Mobile Playground and Mobile Skate Park Programs	A motion was made by Mayor Monahan, seconded by Mayor Pro Tem Mansoor, and carried 3-2, Council Member Cowan and Council Member Scheafer voting no, to have future discussion on the Mobile Playground Program and the Mobile Skate Park Program (Item No. 20). Council Member Cowan was pleased with both the Mobile Playground and Mobile Skate Park Programs which reach out to

children in areas where there may not be many amenities. Mayor Pro Tem Mansoor indicated that the City will be constructing a state-of-the-art skateboard park, and thought that private families, neighborhood communities or private organizations could provide the activities which the Mobile Playground offers. Council Member Cowan believed that providing supervised activities for children after school benefits the community, noting that there are far too many unsupervised children.

MOTION/Approved
Future Discussion on
Family Programs

A motion was made by Mayor Monahan, seconded by Mayor Pro Tem Mansoor, and carried 3-2, Council Member Cowan and Council Member Scheafer voting no, to have future discussion on Family Programs (Item No. 21).

MOTION/Approved
Future Discussion on
Appeals Process

A motion was made by Mayor Monahan, seconded by Mayor Pro Tem Mansoor, and carried 3-2, Council Member Cowan and Council Member Steel voting no, to have future discussion on the Appeals process (Item No. 13).

MOTION/Approved
Future Discussion on
Development Permit
Appeals Process

A motion was made by Mayor Monahan, seconded by Mayor Pro Tem Mansoor, and carried 3-2, Council Member Cowan and Council Member Steel voting no, to have future discussion on the Development Permit appeals Process (Item No. 14).

MOTION/Approved
Future Discussion on
Permit Processing
Regulation

A motion was made by Mayor Monahan, seconded by Mayor Pro Tem Mansoor, and carried 4-1, Council Member Cowan voting no, to have future discussion on the Permit Processing Regulation (Item No. 15).

Mayor Monahan indicated an interest in reviewing the Permit Processing Regulation with a view to streamlining.

MOTION/Approved
Future Discussion on
Concerts and Events

A motion was made by Mayor Monahan, seconded by Mayor Pro Tem Mansoor, and carried 3-2, Council Member Cowan and Council Member Scheafer voting no, to have future discussion on Concerts and Events (Item No. 18).

Mayor Monahan indicated his interest in reviewing the programs and the costs, investigating possible partnerships, deciding if certain programs are still relevant, and possible streamlining and making minor adjustments.

MOTION/To Further
Discuss D.A.R.E. Died

A motion was made by Council Member Steel to have future discussion on the Drug Abuse Resistance Education (D.A.R.E.) Program. The motion died for lack of a second.

MOTION/Received
and Filed

On motion by Mayor Monahan, seconded by Mayor Pro Tem Mansoor, and carried 5-0, the balance of the report was received and filed.

Policies and Practices
Related to "Walling
Off" Revenues

The Finance Director summarized Agenda Report VII-2(e), dated June 16, 2004, regarding Policies and Practices related to "walling off" revenues for specified uses.

Katrina Foley, Costa Mesa, suggested that if the revenue generated by the Red Light Cameras is six figures or above, the proceeds should be used to fund crossing guards. She could appreciate both sides to "walling off" revenues for specific uses, but agreed with the City Manager's report which indicated that it is a bad practice in terms of budgetary planning. But at the same time, she felt that it was also a means of securing revenue sources for particular improvements or programs.

Sam Clark, Costa Mesa, opposed the “walling off” practice at this time.

There was no further public comment.

A motion was made by Mayor Pro Tem Mansoor, seconded by Mayor Monahan, to eliminate the policy and practice related to “walling off” revenue for specific uses.

MOTION/Eliminated
“Walling Off”
Revenues

The Finance Director advised that the motion is limited to the practice of net revenue as identified in the City Manager’s supplemental report dated June 18, 2004, and addresses those items which are not limited in terms of State and Federal law.

A substitute motion was made by Council Member Cowan, seconded by Council Member Scheafer, to continue this item to enable further discussion. The motion failed to carry 3-2, Mayor Monahan, Mayor Pro Tem Mansoor, and Council Member Steel voting no.

SUBSTITUTE
MOTION/To Continue
Failed to Carry

Mayor Monahan did not support “walling off” during times of budgetary concern.

The original motion carried 3-2, Council Member Cowan and Council Member Scheafer voting no.

The Finance Director reviewed Agenda Report VII-2(f) dated June 15, 2004, City Employee Home Buyer Program.

City Employee Home
Buyer Program

Beth Refakes, Costa Mesa, believed that the program should be at least temporarily eliminated since it is not being utilized by the employees and additional funding would be required to fund homes in the area.

Sam Clark, Costa Mesa, and Lori McDonald, Costa Mesa, concurred with Ms. Refakes.

There was no further public comment.

A motion was made by Mayor Pro Tem Mansoor, seconded by Mayor Monahan, and carried 5-0, to suspend the City Home Buyer Program beginning FY 2004-2005.

MOTION/Approved
Suspension of Pro-
gram

The Finance Director summarized Agenda Report VII-2(b) dated June 15, 2004, adoption of City budget.

City Budget

Terry Shaw, Costa Mesa, thought that salaries and benefits need to be addressed either through cost containment measures or a decrease in employees.

Beth Refakes, Costa Mesa, commented that if residents would be willing to pay increased fees to maintain the current level of service, and if not, the service level should be reduced. She reported that 75 percent of City expenditures are for salaries and benefits, and was unaware of a plan to control personnel costs. She proposed a reduction in staff through attrition and early retirement, plus a reduction in medical costs. As a resident, she could not support tax or fee increases unless the Council was ready to do some serious “belt tightening”.

Lori McDonald, Costa Mesa, noted a lack of effort to reduce the

concrete in the City, which is expensive to install and maintain. There was no further public comment.

MOTION/Adopted
Resolution 04-43,
Budget

On motion by Mayor Monahan, seconded by Council Member Scheafer, Resolution 04-43 was adopted: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, ADOPTING A BUDGET FOR THE FISCAL YEAR 2004-2005.

Council Member Steel opposed the motion because of service costs which are in the budget for every department, especially Police, Fire, Code Enforcement, and Recreation. He defined "service cost" as those incurred by City Council in decisions such as those to support the Costa Mesa Job Center, Share Our Selves, and the Someone Cares Soup. He felt that these groups negatively impact the City.

Council Member Cowan supported the motion, commented that the budget document was responsible and well done, and felt that Council has an obligation to investigate utilizing the fund balance to help balance the budget. She thought that the residents in the community should be valued, yet understood the need for infrastructure on which the City has spent an incredible amount of money in the last several years.

Mayor Pro Tem Mansoor opposed the motion for the reasons he provided previously, and thought that the City's primary focus should be on infrastructure and public safety. He indicated that he valued people and thought that there should be as little regulation in their lives as possible.

Council Member Scheafer thought that the City should go beyond having good roads, stating that recreation is important for the residents. He addressed the appeals, and commented by having a Council Member appeal the matter, the appellant was spared having to pay the fee which would have covered the City's costs. Mayor Monahan and each Council Members thanked the City Manager, Finance Director, and staff for their work on the budget.

Mayor Monahan clarified that he did not necessarily think that the programs which he motioned to bring back for discussion should be eliminated, only reviewed.

The motion carried 3-2, Mayor Pro Tem Mansoor and Council Member Steel voting no.

The Finance Director summarized Agenda Report No. VII-2(c), General Fund Operating Reserve.

General Fund Operating Reserve

Mayor Monahan commented that Costa Mesa has is a \$14.1 million reserve which is a compliment to City leadership.

MOTION/Adopted
Resolution 04-44

On motion by Mayor Monahan, seconded by Mayor Pro Tem Mansoor, and carried 5-0, Resolution 04-44 was adopted: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, DETERMINING AND ADOPTING THE GENERAL FUND OPERATING RESERVE FOR FISCAL YEAR 2004-2005, IN ACCORDANCE WITH TITLE 2, CHAPTER V, ARTICLE 6, OF THE COSTA MESA MUNICIPAL CODE. Consent Calendar Item Nos. 4 and 6 were presented:

Item No. 4, Award of professional landscape and turf

CONSENT
CALENDAR
Landscape and Turf
Maintenance Contract

maintenance contract to Azteca Landscape.

Item No. 6, Amendment to contract with Hernandez City Services, Inc. for shopping cart retrieval program.

Shopping Cart Retrieval Program

Sam Clark, Costa Mesa, addressed the shopping cart retrieval program which he pointed out is being paid for the by citizens of Costa Mesa, not the owners of the carts.

Lori McDonald, Costa Mesa, opposed the City funding the cart retrieval program, suggesting that the money could be better utilized in repairing roads.

MOTION/Awarded
Contract for Land-
scape and Turf
Maintenance to Azteca

On motion by Council Member Cowan, seconded by Council Member Scheafer, and carried 3-2, Mayor Pro Tem Mansoor and Council Member Steel voting no, the contract for professional landscape and turf maintenance was awarded to Azteca Landscape, 1910 Archibald, Ontario, for an annual amount of \$454,200.00, with an initial term of three-years contingent upon budgeted funds for Fiscal Year 2004-2005, and subsequent years; staff was authorized to execute up to three (3) annual renewals, beyond the initial three-year term, if renewal amount does not exceed the contract amount plus the relevant Consumer Price Index (CPI) for the previous year; and the Mayor and Deputy City Clerk were authorized to sign on behalf of the City.

Mayor Pro Tem Mansoor was concerned about the three annual renewals, suggesting that they be brought to Council for approval. He expressed concern about the money the City spends on landscaping, noting that the City of Newport Beach, also part of the Newport-Mesa Unified School District, does not pay for landscape maintenance for field use.

MOTION/Approved
Contract Amendment
with Hernandez for
Shopping Cart
Retrieval

On motion by Council Member Cowan, seconded by Council Member Steel, and carried 3-2, Mayor Pro Tem Mansoor and Council Member Steel voting no, an amendment was approved to renew and extend the contract with Hernandez City Services, Inc., 1808 Lincoln Boulevard, Venice, until June 30, 2005, for services provided in the shopping cart retrieval program, and the Mayor and Deputy City Clerk were authorized to sign on behalf of the City.

OLD BUSINESS
Special Events Permits
and Block Parties

The Deputy City Clerk presented from the meeting of June 7, 2004, second reading and adoption of Ordinance 04-7, regarding special event permits and block parties; a resolution establishing standard conditions for special events; and a resolution establishing pre-designated dates for block parties. The Senior Deputy City Attorney summarized the Agenda Report dated June 14, 2004.

Council Member Steel thought that churches and schools should be included in the ordinance. Mayor Pro Tem Mansoor observed that if the special events permit ordinance was rejected tonight, the entire process must be started again.

Council Member Cowan proposed eliminating Section 9-207(c) on Page 4 of the ordinance, stating that it is covered in (a) of the same section. The Senior Deputy City Attorney replied that Section 9-207(c) exempts certain entities which are not required to obtain a special event permit. Mayor Pro Tem Mansoor indicated that the language in this section was intended make the ordinance fair and equitable for everyone. He added that to remove this section would involve a substantial change and the ordinance would have to be reheard.

Richard Gillock, Costa Mesa, had concerns regarding Section 9-207(c), stating that there is a mix of two different types of uses in that part of the ordinance. He objected to exempting private schools and churches from the ordinance, and stated that the fees outlined in Section 9-216 are not set as a regulated, predictable fee structure.

Lori McDonald, Costa Mesa, concurred with Mr. Gillock.

Terry Shaw, Costa Mesa, supported retention of Section 9-207(c) with some restriction on the number of events permitted during the year. He thought that schools, private or public, should be subject to the same regulations but opted to exempt churches. He favored a mandated rotation of parade routes.

Beth Refakes, Costa Mesa, opposed exempting churches and schools and was concerned that allowing canopies would override the City's ordinance on that subject.

Mayor Pro Tem Mansoor pointed out that the City did not previously require a special events permit for churches, and opposed adding another layer of "bureaucracy".

A motion was made by Mayor Pro Tem Mansoor, seconded by Mayor Monahan, the following action was taken

MOTION/Adopted
Ordinance 04-7

To give second reading and adopt Ordinance 04-7: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, REPEALING AND REPLACING ARTICLE 11 ½ OF TITLE 9 OF THE COSTA MESA MUNICIPAL CODE REGARDING SPECIAL EVENT PERMITS AND ADDING A NEW ARTICLE 11 ¾ TO TITLE 9 OF THE COSTA MESA MUNICIPAL CODE REGARDING BLOCK PARTIES.

To adopt Resolution 04-45: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, ESTABLISHING STANDARD CONDITIONS FOR SPECIAL EVENTS.

To adopt Resolution 04-46: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, ESTABLISHING DATES FOR BLOCK PARTIES IN THE CITY OF COSTA MESA.

Adopted Resolution
04-45, Special Events

A substitute motion was made by Council Member Steel to include churches in the ordinance. The substitute motion died for lack of a second.

Adopted Resolution
04-46, Block Parties

A substitute motion was made by Council Member Cowan, seconded by Council Member Steel, to adopt Ordinance 04-7, with the deletion of Section 9-207(c).

SUBSTITUTE
MOTION/To Include
Churches Died

Mayor Pro Tem Mansoor clarified with the Acting City Attorney that adoption of the above substitute motion would require that the ordinance be given another first reading. Mayor Pro Tem Mansoor opposed the motion, as did Mayor Monahan. The substitute motion failed to carry 3-2, Mayor Monahan, Mayor Pro Tem Mansoor, and Council Member Scheafer voting no.

SUBSTITUTE
MOTION/Failed to
Carry

The original motion carried 3-2, Council Member Cowan and Council Member Steel voting no.

The Deputy City Clerk presented the appointment of new members to the Local Law Enforcement Block Grant (LLEBG) Advisory Committee. The Technical Services Commander reviewed the Agenda Report dated June 9, 2004.

NEW BUSINESS
LLEBG Advisory
Committee

On motion by Mayor Monahan, seconded by Mayor Pro Tem Mansoor, and carried 5-0, the following appointments to the LLEBG committee were approved: Lt. Craig Frizzell, Newport Beach Police Department; Orange County Deputy District Attorney Mike Fell; Judge Susan Shaw, Harbor Justice Center; Jane Garland, Newport-Mesa Unified School District; and Leda Albright, Families of Costa Mesa.

MOTION/Approved
Appointments

Pursuant to subdivision (a) of Section 54956.9 of the California Government Code, the Acting City Attorney announced that a closed session was scheduled for the City Council to confer with legal counsel regarding existing litigation: Lindsay vs. City of Costa Mesa, Case No. 03CC05973 (Orange County Superior Court). The Acting City Attorney indicated that his confidential memorandum recommends certain actions, and stated that if Council concurs, a closed session is unnecessary.

CITY ATTORNEY'S
REPORTS
Lindsay vs. City of
Costa Mesa

On motion by Mayor Monahan, seconded by Council Member Cowan, and carried 5-0, the recommendations contained in the Acting City Attorney's confidential memorandum dated June 16, 2004, were approved.

The City Manager thanked Council and the public for their positive comments regarding the budget process.

MOTION/Approved
Recommendations

Council Member Scheafer thanked the Costa Mesa National Little League for taking their banners down quickly after closing ceremonies. He commented that the State Farm Insurance building, 3333 Hyland Avenue will close June 30th, and wondered what business will take its place. He reported that there may be Federal legislation in the future that will ban fireworks, and offered to meet with the fundraising groups to explore alternate ideas.

CITY MANAGER'S
REPORT

COUNCIL
COMMENTS/Banners

Referring to Olive Maxwell who spoke during Public Comment, Council Member Cowan asked the Chief of Police to review the situation stating that she would not like to lose a quality volunteer.

State Farm

The Mayor declared the meeting adjourned at 11:45 p.m.

Fireworks

Police Volunteer

ADJOURNMENT

