

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

April 05, 2011

The City Council Meeting of the City of Costa Mesa, California met in regular session April 05, 2011, at 6:00 p.m., in the Council Chambers of City Hall, 77 Fair Drive, Costa Mesa. The meeting was called to order by the Mayor.

PLEDGE OF ALLEGIANCE - Mayor Gary Monahan

MOMENT OF SOLEMN EXPRESSION - Pastor Vince Bereford, Vanguard University

ROLL CALL

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

Council Members Absent: None

Officials Present: Chief Executive Officer Thomas R. Hatch
City Attorney Thomas Duarte
Development Services Director Kimberly Brandt
Public Services Director Peter Naghavi
City Clerk Julie Folcik

ANNOUNCEMENTS

The Mayor announced various upcoming events taking place in the city:
- April 7, 2011 at 2 p.m. - "A Class Act" community forum, celebrating student success - Coastline ROP District Office, 1001 Presidio Square
- April 9, 2011 from 8 a.m.-12 p.m. - Neighbors for Neighbors Spring Clean-Up event
- April 9, 2011 from 11 a.m.-3 p.m. - Craft Fair and Spring Boutique - Davis Magnet School
- April 14, 2011 5-9 p.m. - Costa Mesa Police Department "Tip-a-Cop" event to support Special Olympics - South Coast Plaza Claim Jumper
- April 23, 2011 at 8 a.m. - 4th Annual Costa Mesa Community Run; kick-off event on April 22 at Estancia High School

PRESENTATIONS

Peter Buffa, on behalf of the Orange County Transportation Authority, presented

a proclamation of appreciation to the City and commended the Public Services staff for their efforts regarding the Measure M1 improvements.

Council Member Mensinger presented a proclamation to Martin Pickett, president and CEO of CLA-VAL, in recognition of their 75 years of business in the city.

REPORTS

The Mayor apologized for his actions relative to news of the tragedy that took place at City Hall, expressing his condolences to the family of Huy Pham.

City CEO Thomas Hatch expressed gratitude for the outpouring of support and assistance from the community in the death of city employee Huy Pham. He reported on the City's current priorities relating to the budget and in its efforts to address the budget deficit. He noted the city's commitment for better communication and greater transparency, and distributed a question and answer sheet that was prepared in an effort to answer questions from members of the community. He noted the following four key focuses of the Council and staff: 1) to increase communications with the employees and the community; 2) to review the OCFA proposal; 3) to prepare 17 Requests for Proposal (RFP) for contracting out of various city services; and 4) to work on an organizational review of the Police Department. He reiterated Council's goal of a balanced budget without the additional use of reserves, and reassured that the RFP process would be professionally managed with a thorough review. The City CEO introduced Larry Hurst, as the Interim Finance Director, and informed of a new concept, in an effort for greater understanding and communication with the public, whereby videos of Mr. Hurst and other key members of the organization would be produced to explain how important aspects in the preparation of the budget were conducted.

PUBLIC COMMENTS

Helen Nenadal, Orange, President of the Costa Mesa City Employees' Association (CMCEA), expressed appreciation to the community for their support and recounted the events where the public provided welcomed support to the city employees in response to the tragic death of Huy Pham.

Jim Fitzpatrick, Costa Mesa, commended the Public Services staff for their involvement in OCTA's Measure M1, acknowledged CLA-VAL, expressed appreciation to the Mayor for his apology, and supported Council in their efforts for a balanced budget.

Daniel Jojola,(no city provided) requested that Council rescind all of the layoff notices.

Susan Shaw, Costa Mesa, expressed opposition in Council's actions, suggested meaningful discussion regarding pension contributions, questioned the origin of the numbers in the budget deficit as it relates to capitol improvements, and cautioned about outsourcing and what the costs would ultimately mean to the

community.

Ernie Feeney, Costa Mesa, referring to a power outage at the Costa Mesa Senior Center expressed concern regarding the safety of the seniors at the center in the event there was a need to evacuate the building, noting a lack of staff and an evacuation plan.

Robin Leffler, Costa Mesa, shared her experience with the hiring of the "lowest bidder" and asked Council to rescind the layoff notices.

Kelly Vucinic, CMCEA Board Member, speaking on behalf of the membership, read a letter that expressed concern regarding disclosure of the City's finances, and presented an offer to have conducted a complete financial audit of the City's finances that would be paid for by the association.

Kathleen Eric, Costa Mesa, thanked Council for their efforts to solve the budget problems, but was not supportive in the hiring a public relations specialist.

Bruce Lawrence, Costa Mesa, expressed support of the Council's efforts to balance the budget.

Tom Pollitt, Costa Mesa, thanked Council for their efforts, and expressed hope that the associations would be aggressive in coming forward with ideas.

Michael Wright, Costa Mesa, commented on his experience with code enforcement, including that he received a citation without warning, and recommended that all property owners be notified of ordinances pertaining to homeowners and their properties.

Susan Myer, Costa Mesa, opposed the actions of the Council Budget working group, and requested that Council rescind the outsourcing notices.

Bert Desanto, Costa Mesa, expressed appreciation of Council's efforts to address the budget.

James Cowell, Costa Mesa, supported the Council's efforts to address the budget.

Cindy Brenneman, Costa Mesa, requested that Council rescind the outsourcing notices, and recommended that the Orange County Fire Authority proposal be rejected.

Richard Riva, Costa Mesa, supported Council's efforts to balance the budget.

Sandra Genis, Costa Mesa, suggested that workshops be held to allow the public to ask questions regarding the budget, and urged Council to rescind the outsourcing notices.

Joel Flores, Costa Mesa, thanked Council Member Leece for her dissenting vote regarding the issuance of outsourcing notices, expressed concern that

outsourcing would cost the city more money, and urged Council to rescind the outsourcing notices.

Sue Lester, Costa Mesa, encouraged the Council to consider CMCEA's offer for a forensic audit, supported pension reform but not at the expense of the employees, and suggested that Council reconsider their action and accept the money from the Redevelopment Agency.

Kevin Orton, Costa Mesa, supported the priority of the Council for that of a balanced the budget.

Bill Kaiser, Costa Mesa, thanked the Council for their efforts in trying to balance the budget.

Greg Thunel, Costa Mesa, opposed outsourcing of city services, and shared his positive experience with the Costa Mesa Fire Department in which is wife's life was saved due to the quick response time when she suffered a heart attack.

Tamar Goldmann, Costa Mesa, urged Council to rescind the outsourcing notices, and recommended that an analysis be conducted first before action was taken.

Perry Valantine, Costa Mesa, commented on the recent events surrounding the noticing of employees, and questioned if the needs of the community were being addressed or that of a political agenda.

Nancy Timmons, Costa Mesa, expressed support in maintaining animal control services within the city.

Helen Evers, Costa Mesa, shared her positive experiences regarding the Police Department's excellent service and response to an incident, and expressed concern regarding the reduced quality of service resulting from contracting.

Jay Humphrey, Costa Mesa, opined that actions taken by Council have shown a lack of consideration for the community, and expressed concern in the lack of a study prior to the distribution of notices to employees for the contracting of city services.

Michelle Martell, Costa Mesa, shared her experience as a professional outsourcer, and opined that the Council's projected savings are unrealistic.

James Proctor, Costa Mesa, spoke in opposition of the United States president.

Greg Ridge, Costa Mesa, opposed outsourcing of city services, and requested that Council rescind the notices.

Eleanor Egan, Costa Mesa, expressed concern regarding the outsourcing of city services, and asked Council to "slow down" the process to allow time to gather information.

Jay Photoglou applauded Council's efforts, and addressed an issue regarding

responses to his Public Records Requests related to an incident he was involved in.

Karl Ahlf, Costa Mesa, urged Council to rescind the outsourcing notices.

Chris McEvoy, Costa Mesa, recommended that Council slow down the process to outsource services and suggested they take the time to do the research, and expressed opposition to the hiring of no-bid contractors.

Edward Carmona, Costa Mesa, shared his family's experience with company financial issues where an alternative solution was reached instead of having to lay off employees.

Debbie Koken, Costa Mesa, expressed concern in the lack of research regarding outsourcing and cost-savings.

Syndy Neyland, Costa Mesa, commended the service provided by the current employees, expressed concern regarding outsourced employees and the speed in which Council is moving forward with outsourcing.

Katie Arthur, Costa Mesa, shared her positive experiences with city employees, reminded Council that decisions need to be made in the best interests of the residents, supported a financial audit, and urged Council to provide facts and transparency and to rescind the notices.

Karen Ahlf, Costa Mesa, speaking in support of the city employees, questioned the determination of the Council to decline Redevelopment Agency money.

Herb Natal, Costa Mesa, spoke of his experience with outsourced engineers and engineering services in his profession and advised that outsourcing does not automatically result in cost-savings, and requested that Council rescind the outsourcing notices.

Xylia Willow, Costa Mesa, commented that all people should be treated humanely, including city employees.

Beth Collins, Costa Mesa, commented on the challenges with the budget and supported Council's efforts.

Dan Goldmann, Costa Mesa, recommended that Council reconsider their actions.

Pastor Sarah Halverson, Costa Mesa, encouraged the Council to take the time, consider the facts and rescind the notices.

Jeff Jones, Costa Mesa, expressed support of the Council's attempt to provide the efficiency of service for less money.

Terrell E. Koken, Costa Mesa, expressed concern regarding outsourcing.

Beth Refakes, Costa Mesa, inquired of parking and traffic control for the Newport Film Festival slated to take place at Triangle Square, and recommended that a change management expert be hired instead of a public relations specialist.

Gus Ayer, Fountain Valley, informed that CALPERS had not provided any actuals, that the projections were misleading, and suggested that outsourcing may only increase the pension problem.

Ellen Goodman, Costa Mesa, encouraged the Council to take the time to make it a "win-win" situation.

Bob Knapp, Costa Mesa, expressed concern regarding the pension costs but recommended cooperation during the process.

Amy Leece, Laguna Hills, felt that the Council "was ignoring the voices of the community" and encouraged rescinding the notices to the employees.

Frances Woods, Costa Mesa, expressed concern regarding outsourcing of city services.

COUNCIL MEMBERS' REPORTS, COMMENTS, AND SUGGESTIONS

Mayor Pro Tem Jim Righeimer clarified that the Police Department was not to be outsourced but was instead to be reviewed for potential restructuring for efficiency purposes, was supportive of an additional financial audit, explained the need for the decision to issue the six-month notice of intent to contract city services noting the concerns of the budget shortfall, its sustainability and the expense of current employee benefits, and that the time would provide for review of Requests for Proposals including that of the RFP submitted by the Orange County Fire Authority.

Council Member Eric Bever commented that previously negotiated concessions for costs savings were rushed and not enough to avoid additional lay-offs. He expressed support for a "forensic audit", pointed out that some city services were currently outsourced, and felt that in order to find solutions the general attitude must change.

Council Member Leece noted Huy Pham's passing and commented on how it had effected the community, pointed out the cooperation of the employee groups with the concessions agreed in efforts to help in reducing the budget deficit over the last couple of years, and was hopeful that the Council would continue to work together with the employee groups, felt that the appropriate manner to proceed was to do the analysis "on the front-end", was supportive of pension reform but "in a fair and reasonable manner", and suggested that the sub-committees involve the community.

Council Member Stephen Mensinger commented on ongoing problems of the budget deficit noting of the use of reserves over recent years, the deferral of maintenance, cuts in services, encouraged the re-opening of contract

negotiations and to ask for new ideas from the bargaining units; and offered his condolences in the death of Huy Pham, a city employee.

Mayor Gary Monahan reassured that the process of the RFP would be conducted in a transparent manner.

CONSENT CALENDAR ITEM NOS. 1 THROUGH 8.

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

Moved by Mayor Pro Tem James Righeimer, seconded by Council Member Wendy Leece.

The motion carried by the following roll call vote:

Ayes: Mayor Gary Monahan, Mayor Pro Tem James Righeimer, Council Member Eric R. Bever, Council Member Wendy Leece, Council Member Stephen Mensigner

Noes: None.

Absent: None.

1. Reading Folder.

ACTION: The following Claims were received by the City Clerk for processing: Kathryn C. Duggan; Lee C. Arter on behalf of Patricia L. Koster; Adan Olivera; Bill Segura.

2. Regular meeting of March 15, 2011.

ACTION: Approved.

3. Warrant Resolution 2361, funding City operating expenses for \$571,895.37.

ACTION: Adopted resolution.

4. Warrant Resolution 2362, funding Payroll No. 11-06 for \$2,234,093.53, and Payroll No. 11-05A for -\$971.42, and City operating expenses for \$415,262.75, including payroll deductions.

ACTION: Adopted resolution.

5. Warrant Resolution 2363, funding City operating expenses for \$709,816.91.

ACTION: Adopted resolution.

6. Execution of termination of the Lease Agreement, Sublease Agreement, and First Assignment Agreement between the City of Costa Mesa and Center Tower Associates, LLC, relating to full repayment of debt for Center Tower Parking Structure.

ACTION: Approved; authorized the Mayor and City Clerk to sign

7. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, AUTHORIZING AN APPLICATION FOR FUNDS FOR THE ENVIRONMENTAL CLEANUP, TIER 1 GRANT PROGRAM UNDER ORANGE COUNTY LOCAL TRANSPORTATION ORDINANCE NO. 3 FOR THE TIER 1 WATER QUALITY BMP INSTALLATION PROJECT, and authorizing the Public Services Director as the City's representative.

ACTION: Adopted Resolution No. 11-12

8. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, APPROVING THE APPLICATION FOR GRANT FUNDS FROM CALIFORNIA DEPARTMENT OF WATER RESOURCES TO OBTAIN STORMWATER FLOOD MANAGEMENT GRANT FUNDS FOR THE INDUSTRIAL WAY WATER QUALITY AND STORM DRAIN IMPROVEMENT PROJECT, and authorizing the Public Services Director as the City's representative.

ACTION: Adopted Resolution No. 11-13

PUBLIC HEARINGS

1. From the meeting of March 1, 2011, PUBLIC HEARING: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, ESTABLISHING FEES FOR THE RECREATION ON CAMPUS FOR KIDS PROGRAM.

MOTION: Continue the public hearing to the meeting of May 17, 2011.

Moved by Mayor Gary Monahan, seconded by Mayor Pro Tem James Righeimer.

The motion carried by the following roll call vote:

Ayes: Council Member Eric R. Bever, Council Member Wendy Leece,
Mayor Pro Tem James Righeimer, Mayor Gary Monahan, Council
Member Stephen Mensinger

Noes: None.

Absent: None.

OLD BUSINESS

1. Reports from City Council working groups

- (a) Economic Development and Development
- (b) Sports and Recreation
- (c) Policies, Procedures, and General Plan/Circulation
- (d) Budget and Capital Improvements
- (e) Motel Issues

NEW BUSINESS

1. AN ORDINANCE OF THE CITY COUNCIL OF COSTA MESA, CALIFORNIA, AMENDING COSTA MESA MUNICIPAL CODE SECTION 2-101, identifying the Assistant City Manager as the Assistant Chief Executive Officer.

City CEO Thomas Hatch presented the report.

Tamar Goldmann, Costa Mesa, expressed opposition in the title change, and indicated that the costs related to the name change were unnecessary.

Sandra Genis, Costa Mesa, concurred with comments of the previous speaker and opined that the title of the position did not matter.

Robin Leffler, Costa Mesa, felt the title had a different point of view from that of "City Manager or Assistant City Manager."

Council Member Leece noted her opposition to the ordinance, as she felt the effort was unnecessary.

**MOTION: Introduce Ordinance No. 11-5, read by title only, and waive further reading.
 Moved by Mayor Gary Monahan, seconded by Council Member Stephen Mensigner.**

The motion carried by the following roll call vote:
 Ayes: Mayor Gary Monahan, Mayor Pro Tem James Righeimer, Council Member Eric R. Bever, Council Member Stephen Mensigner
 Noes: Council Member Wendy Leece
 Absent: None.

2. Proposed streetwide banner locations.

The Public Services Director presented the report and responded to questions from the Council regarding the height and span of the banners, and possible use of Redevelopment Agency funds.

Robin Leffler, Costa Mesa, spoke in opposition of street banners and

indicated that banners are distracting.

Tamar Goldmann, Costa Mesa, did not support the implementation of street banners.

Perry Valantine, Costa Mesa, recommended cheaper alternatives to street banners.

Eleanor Egan, Costa Mesa, expressed concerns the aesthetics of poles without banners and potential graffiti on banner poles.

Sandra Genis, Costa Mesa, expressed opposition of the street banners.

Patrick Kelly, Costa Mesa, spoke in opposition of the street banners, and commented that it was not the right time to implement the banners when jobs were being cut.

Beth Refakes, Costa Mesa, expressed concerns regarding the aesthetics and costs of the banner poles.

Reggie Mendekis, Costa Mesa, noted her concern with the Council's consideration of such an item in such economic times.

Ann Diniz, Costa Mesa, asked how street banners generate revenue, expressed concern regarding wind and safety cuts in the banners as well as insurance and liability.

Christopher Otis, Costa Mesa, reiterated concern regarding the wind, and asked for the Mayor Pro Tem's progress in bringing in new businesses into Costa Mesa.

Sue Lester, Costa Mesa, suggested that a test site be selected instead of installing at all the locations simultaneously, encouraged Council to review the rules for banners, and asked if traffic would be stopped during banner installations.

Council Member Leece referred to the attorney fees related to the research of this item and noted her opposition to the item.

The Mayor offered that banners would provide an opportunity to promote special events such as Barrett-Jackson or the OC Marathon.

MOTION: Receive and file.

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

Staff responded to questions from the City Council regarding the material used for the polls, and the use of money from the RDA.

The motion carried by the following roll call vote:

Ayes: Mayor Gary Monahan, Mayor Pro Tem James Righeimer, Council Member Eric R. Bever, Council Member Wendy Leece, Council Member Stephen Mensigner

Noes: None.

Absent: None.

CLOSED SESSION

1. Conference with Thomas R. Hatch, Chief Executive Officer, and Labor Negotiator, Agency Negotiator: Steve Mandoki, Administrative Services Director regarding Employee Organizations: Costa Mesa City Employee Association (CMCEA), Costa Mesa Firefighters Association (CMFA), Costa Mesa Fire Management Association (CMFMA), Costa Mesa Police Association (CMPA), Costa Mesa Police Management Association (CMPMA) and Unrepresented Employees (Executive and Confidential) pursuant to Government Code Section 54957.6.
2. Conference with Legal Counsel - Anticipated Litigation: Significant exposure to litigation, one case, pursuant to Government Code Section 54956.9(b).

Robin Leffler, Costa Mesa, commented that "not all costs translate into dollars and cents" and noted that her preference to have paramedics instead of filling pot holes.

Jay Photoglou, asked for clarification of the purpose of the second closed session item.

Sandra Genis, Costa Mesa, encouraged the Council to make a good faith effort to "resolve the issues" and to work with the labor unions during negotiations.

The Mayor recessed the meeting at 10:17 p.m. to Conference Room 1B for the Closed Session.

Robin Leffler, Costa Mesa, indicated that not all costs translate into dollar and cents, and noted that she would rather have paramedics and potholes than outsourced services.

Jay Photoglou asked if the public has a right to know what lawsuit is being discussed.

Sandra Genis, Costa Mesa, encouraged Council to make a good faith effort.

CLOSED SESSION REPORT

No action was taken on the Closed Session items.

ADJOURNMENT - The meeting was adjourned at 10:35 p.m. to April 12, 2011 at

4:30 p.m. for a Study Session. Next Regular City Council Meeting: April 19, 2011.

Mayor of the City of Costa Mesa

ATTEST:

City Clerk of the City of Costa Mesa