

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

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

**COUNCIL MEMBER STEPHENS ATTENDED THE MEETING VIA
TELECONFERENCE FROM:**

Hyatt Regency Chicago
151 East Wacker Drive
Gallery Boardroom 3
Chicago, IL 60601

Phone Number:
1-312-565-1234

Special Closed Session meeting
commenced at 7:07 p.m. Illinois time.

**TUESDAY, JUNE 20, 2017
CITY COUNCIL CHAMBERS, 77 FAIR DRIVE
SPECIAL CLOSED SESSION – 5:00 P.M.
REGULAR MEETING – 6:00 P.M.**

KATRINA FOLEY
Mayor

SANDRA L. GENIS
Mayor Pro Tem

JOHN B. STEPHENS
Council Member

JAMES M. RIGHEIMER
Council Member

ALLAN R. MANSOOR
Council Member

City Attorney
Thomas Duarte

City Manager
Thomas R. Hatch

SPECIAL CLOSED SESSION

CALL TO ORDER

The Special Closed Session was called to order by the Mayor at 5:07 p.m. in the Council Chambers at Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, California.

ROLL CALL

Present: Council Member Mansoor, Council Member Righeimer, Council Member Stephens via teleconference, Mayor Pro Tem Genis, and Mayor Foley.

Absent: None

FOR INFORMATIONAL PURPOSES ONLY

The City Council recessed to Conference Room 5A at 5:10 p.m. for Special Closed Session to consider the following items:

1. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to Subdivision (d)(1) of Section 54956.9, California Government Code
Name of Case: Ming Cheng Chen; Hsiang Chu Shih Chen v. City of Costa Mesa, United States District Court, Central District of California, Case No. 8:16-cv-01624-JCG.

2. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to Subdivision (d)(1) of Section 54956.9, California Government Code
Name of Case: City of Costa Mesa, et al. v. New Harbor Inn, an unincorporated entity, et al., Orange County Superior Court of California, Case No. 30-2016-00848149-CU-OR-CJC.

**3. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
SIGNIFICANT EXPOSURE TO LITIGATION**

Pursuant to Subdivision (d)(2) of Section 54956.9, California Government Code for 1 potential case.

The City Council reconvened at 6:00 p.m.

REGULAR MEETING OF THE CITY COUNCIL, HOUSING AUTHORITY, AND SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY

CALL TO ORDER

The meeting was called to order by the Mayor at 6:00 p.m. in the Council Chambers at Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, California.

ROLL CALL

Present: Council Member Mansoor, Council Member Righeimer, Council Member Stephens via teleconference, Mayor Pro Tem Genis, and Mayor Foley.

Absent: None

CITY ATTORNEY CLOSED SESSION REPORT – City Attorney Duarte reported on Closed Session #3, in which the City Council on a vote of 5-0, entered into a settlement agreement with Solar City to resolve all disputes and claims and to terminate the Solar Power purchase agreement with payment of \$225,000.00 to Solar City. The settlement is a result of the projected savings not being achieved due to the scheduled demolition of the Neighborhood Community Center which will be replaced by a new library building designed to achieve leads certification without solar panels.

COIN: Ex Parte Communications pursuant to Municipal Code Section 2-238 (b) – Mayor Foley inquired with Mr. Gagne regarding the procedure of voting by the membership on contracts.

CONSENT CALENDAR:

MOVED/SECOND: Council Member Righeimer/Council Member Mansoor

MOTION: Approve recommended actions for Consent Calendar Item Nos. 1 through 14 except for **2, 7, 11, 13, and 14.**

The motion carried by the following roll call vote:

Ayes: Council Member Mansoor, Council Member Righeimer, Council Member Stephens, Mayor Pro Tem Genis, and Mayor Foley.

Nays: None

Absent: None

Motion carried: 5-0

1. READING FOLDER

Claims received by the City Clerk: California Automobile Insurance Company, as subrogee for Karl Ozinga.

ACTION:

City Council received and filed.

3. MINUTES OF THE REGULAR CITY COUNCIL, HOUSING AUTHORITY, AND SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY MEETING OF APRIL 4, 2017

ACTION:

City Council approved the minutes of April 4, 2017.

4. HALECREST NEIGHBORHOOD PARKWAY CONCRETE REPAIR PROJECT-CITY PROJECT NO. 15-03

ACTION:

1. City Council accepted the work performed by C.J. Concrete Construction Inc. and authorized the City Clerk to file the Notice of Completion; and
2. Authorized release of the Labor and Material Bond seven (7) months after the filing date; release of the Faithful Performance Bond one (1) year after the filing date; and release of the retention monies 35 days after the Notice of Completion filing date.

FOR INFORMATIONAL PURPOSES ONLY

5. EASTSIDE NEIGHBORHOOD PARKWAY CONCRETE REPAIR PROJECT (ZONE #3 AND ZONE #12) - CITY PROJECT NO. 15-02

ACTION:

1. City Council accepted the work performed by C.J. Concrete Construction Inc. and authorized the City Clerk to file the Notice of Completion; and
2. Authorized release of the Labor and Material Bond seven (7) months after the filing date; release of the Faithful Performance Bond one (1) year after the filing date; and release of the retention monies 35 days after the Notice of Completion filing date.

6. WEST BAY STREET IMPROVEMENTS - CITY PROJECT NO. 17-06

ACTION:

1. City Council adopted plans, specifications, and working details for the West Bay Street Improvements, City Project No.17-06, funded by the Community Development Block Grant (CDBG) program; and
2. Awarded a construction contract to Copp Contracting, Inc., 6751 Stanton Ave. Buena Park, CA 90621, in the amount of \$179,149.00; and
3. Authorized the Mayor and the City Clerk to execute the Public Works Agreement.

8. PURCHASE OF THE BATTERIES AND CHARGERS FOR THE MOBILE RECEIVER RADIOS FOR ORANGE COUNTY 800 MHZ COUNTYWIDE COORDINATED COMMUNICATIONS SYSTEM UPGRADE

ACTION:

City Council approved and authorized the City Manager to execute a purchase order with Power Products for the purchase of batteries and chargers for the mobile receiver radios designed to interface with the existing Orange County ASTRO 25 System in the amount of \$53,535.43.

FOR INFORMATIONAL PURPOSES ONLY

9. PROFESSIONAL SERVICES AGREEMENT PROVIDING ENVIRONMENTAL CONSULTING SERVICES WITH FIRSTCARBON SOLUTIONS FOR AN INITIAL STUDY/MITIGATED NEGATIVE DECLARATION (IS/MND) FOR MASTER PLAN PA-17-11 IN CONJUNCTION WITH FUTURE EXPANSIONS OF VANGUARD UNIVERSITY AT 55 FAIR DRIVE

ACTION:

1. City Council approved and authorized the Mayor and the City Clerk to execute a one (1) year Professional Services Agreement (PSA) for environmental consulting services with FirstCarbon Solutions, 250 Commerce, Suite 250 Irvine, CA 92620, for an Initial Study/Mitigated Negative Declaration (IS/MND) for Master Plan PA-17-11 in conjunction with future expansions for Vanguard University at 55 Fair Drive, Costa Mesa, CA 92628, in the amount not to exceed \$83,860.00, effective date June 21, 2017 – June 20, 2018; and
2. Authorized the City Manager and the City Clerk to renew the agreement for two (2) additional one-year terms, upon mutual agreement of both parties.

10. SENIOR TRANSPORTATION PROGRAMS (STP) AWARD OF CONTRACT

ACTION:

1. City Council approved and authorized the City Manager and the City Clerk to execute a three (3) year Professional Service Agreement (PSA) for the Senior Transportation Programs (STP) with Keolis Transit Services, LLC at 6053 W. Century Blvd., Suite 900, Los Angeles, CA 90045 in the annual amount not to exceed \$197,020.00, effective date July 01, 2017 – June 30, 2020; and
2. Authorized the City Manager and the City Clerk to renew the agreement for two (2) additional one-year terms, upon mutual agreement of both parties.

12. RENEWED MEASURE M (M2) ELIGIBILITY

ACTION:

1. City Council approved the City's Maintenance of Effort (MOE) for Fiscal Year 2017-18; and
2. Approved the City's Local Signal Synchronization Plan (LSSP); and
3. Approved the City's Seven-Year Capital Improvement Program (CIP) for Fiscal Year 2017-18 through Fiscal Year 2023-24; and
4. Adopted Resolution No. 17-45, for the Master Plan of Arterial Highways Conformance, mitigation fee program, and LSSP.

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

FOR INFORMATIONAL PURPOSES ONLY

ITEMS REMOVED FROM THE CONSENT CALENDAR:

2. **WARRANT RESOLUTION NO. 2579 OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, ALLOWING CERTAIN CLAIMS AND DEMANDS, INCLUDING PAYROLL REGISTER NO. 17-11 FOR \$2,207,148.95; AND CITY OPERATING EXPENSES FOR \$4,234,358.19; AND SPECIFYING THE FUNDS OUT OF WHICH THE SAME ARE TO BE PAID**

MOVED/SECOND: Council Member Righeimer/Mayor Pro Tem Genis

The motion carried by the following roll call vote:

Ayes: Council Member Mansoor, Council Member Righeimer, Council Member Stephens, Mayor Pro Tem Genis, and Mayor Foley.

Nays: None

Absent: None

Motion carried: 5-0

ACTION:

City Council approved Warrant Resolution No. 2579.

7. **CLOSE OFF ARTERIAL WALL OPENINGS AT VARIOUS LOCATIONS PROJECT, CITY PROJECT NO. 17-05**

MOVED/SECOND: Mayor Pro Tem Genis/Mayor Foley

MOTION: To approve the recommended actions and incorporate landscaping into the project.

The motion carried by the following roll call vote:

Ayes: Council Member Mansoor, Council Member Righeimer, Council Member Stephens, Mayor Pro Tem Genis, and Mayor Foley.

Nays: None

Absent: None

Motion carried: 5-0

ACTION:

1. City Council rejected all bids; and
2. Authorized staff to re-advertise the project; and
3. Authorized staff to incorporate landscaping into the project.

FOR INFORMATIONAL PURPOSES ONLY

11. PROFESSIONAL ENGINEERING SERVICES TO PROVIDE AS-NEEDED STAFF SUPPORT FOR VARIOUS CAPITAL IMPROVEMENT PROGRAM PROJECTS

MOVED/SECOND: Council Member Righeimer/Mayor Pro Tem Genis

The motion carried by the following roll call vote:

Ayes: Council Member Mansoor, Council Member Righeimer, Council Member Stephens, Mayor Pro Tem Genis, and Mayor Foley.

Nays: None

Absent: None

Motion carried: 5-0

ACTION:

1. City Council approved Amendment No. 2 to the Professional Services Agreement with Interwest Consulting Group, Inc., 15140 Transistor Lane, Huntington Beach, California 92649, to increase the maximum compensation by \$388,000.00, to \$1,027,500.00, and extended the term of the Agreement through March 31, 2018; and
2. Authorized the City Manager to execute Amendment No. 2.

13. AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH W.G. ZIMMERMAN ENGINEERING, INC.

MOVED/SECOND: Council Member Righeimer/Mayor Pro Tem Genis

The motion carried by the following roll call vote:

Ayes: Council Member Mansoor, Council Member Righeimer, Council Member Stephens, Mayor Pro Tem Genis, and Mayor Foley.

Nays: None

Absent: None

Motion carried: 5-0

ACTION:

1. City Council approved Amendment No. 1 for the Professional Services Agreement with W. G. Zimmerman Engineering, Inc., 17011 Beach Boulevard, Suite 1240, Huntington Beach, CA 92647, increasing the consultant fee by an amount of \$75,000 to \$124,470; and
2. Authorized the City Manager to execute the Amendment.

14. FIRST AMENDMENT TO LEASE AGREEMENT WITH STC ONE LLC

MOVED/SECOND: Mayor Pro Tem Genis/Mayor Foley

MOTION: To continue the item to a future City Council meeting.

The motion carried by the following roll call vote:

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

Nays: None

Absent: None

Abstain: Council Member Righeimer

Motion carried: 4-0-0-1

ACTION:

City Council approved to continue the item to a future City Council meeting.

The City Council recessed into a break at 8:07 p.m.

The City Council reconvened at 8:18 p.m.

PUBLIC HEARINGS – 7:00 p.m. (Resolution No. 05-55):

1. ADOPTION OF FISCAL YEAR 2017-2018 APPROPRIATIONS LIMIT

MOVED/SECOND: Council Member Righeimer/Mayor Pro Tem Genis

The motion carried by the following roll call vote:

Ayes: Council Member Mansoor, Council Member Righeimer, Council Member Stephens, Mayor Pro Tem Genis, and Mayor Foley.

Nays: None

Absent: None

Motion carried: 5-0

ACTION:

City Council adopted Resolution No. 17-42, establishing the Fiscal Year 2017-2018 Appropriations Limit for the City of Costa Mesa at \$223,567,465 by using the County of Orange's population growth for population adjustment, and the California per capita income growth for inflationary adjustment.

2. FISCAL YEAR 2017-2018 BUDGET ADOPTION

MOVED/SECOND: Mayor Foley/Mayor Pro Tem Genis

The motion carried by the following roll call vote:

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

Nays: Council Member Mansoor and Council Member Righeimer.

Absent: None

Motion carried: 3-2

ACTION:

1. City Council approved Resolution No. 17-43, adopting the City of Costa Mesa FY 17-18 Operating and Capital Improvement Budget including all items listed on the Budget Addendum.

MOVED/SECOND: Mayor Foley/Mayor Pro Tem Genis

The motion carried by the following roll call vote:

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

Nays: Council Member Mansoor and Council Member Righeimer.

Absent: None

Motion carried: 3-2

ACTION:

2. City Council approved Resolution No. 17-44, adopting the Fire and Park services cost recovery fees.

MOTION/SECOND: Council Member Mansoor/Council Member Righeimer

MOTION: Direct staff to research establishing an Internal Revenue Code (IRC) Section 115 irrevocable trust account for pensions and other accounts.

The motion carried by the following roll call vote:

Ayes: Council Member Mansoor, Council Member Righeimer, Council Member Stephens, Mayor Pro Tem Genis, and Mayor Foley.

Nays: None

Absent: None

Motion carried: 5-0

ACTION:

- 2a. City Council approved staff to research establishing an Internal Revenue Code (IRC) Section 115 irrevocable trust account for pensions and other accounts.

FOR INFORMATIONAL PURPOSES ONLY

MOVED/SECOND: Mayor Foley/Mayor Pro Tem Genis

The motion carried by the following roll call vote:

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

Nays: Council Member Mansoor and Council Member Righeimer.

Absent: None

Motion carried: 3-2

ACTION:

3. City Council directed staff to work with the Finance and Pension Advisory Committee on future options for the Business License fees and Transient Occupancy Tax rate.

MOVED/SECOND: Mayor Foley/Mayor Pro Tem Genis

The motion carried by the following roll call vote:

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

Nays: Council Member Righeimer

Absent: None

Motion carried: 4-1

ACTION:

4. Authorized the City Manager and Finance Director to make annual CalPERS prepayments for all bargaining groups if cash flow and cash balances permit.

MOVED/SECOND: Mayor Foley/Mayor Pro Tem Genis

The motion carried by the following roll call vote:

Ayes: Council Member Mansoor, Council Member Righeimer, Council Member Stephens, Mayor Pro Tem Genis, and Mayor Foley.

Nays: None

Absent: None

Motion carried: 5-0

ACTION:

5. Approved job descriptions and recommended salary resolutions for the following:

- a. Assistant Fire Marshal – Resolution No. 17-46
- b. Community Improvement Manager – Resolution No. 17-47
- c. Parks and Community Services Director

FOR INFORMATIONAL PURPOSES ONLY

MOVED/SECOND: Mayor Foley/Council Member Righeimer

MOTION: Staff to review the following: current budgeted amounts for the Jack Hammett Sports Complex; the 1.6 million dollar fund allocated for the lighting of various fields including Kaiser, Pomona, and Rea Elementary Schools; bleachers for Costa Mesa High School; Davis field improvements; and funding for the next phase of the skate park expansion.

The motion carried by the following roll call vote:

Ayes: Council Member Mansoor, Council Member Righeimer, Council Member Stephens, Mayor Pro Tem Genis, and Mayor Foley.

Nays: None

Absent: None

Motion carried: 5-0

ACTION:

City Council directed staff to review the following: current budgeted amounts for the Jack Hammett Sports Complex; the 1.6 million dollar fund allocated for the lighting of various fields including Kaiser, Pomona, and Rea Elementary Schools; bleachers for Costa Mesa High School; Davis field improvements; and funding for the next phase of the skate park expansion.

3. APPEAL OF THE DENIAL OF SPECIAL USE PERMIT SL-15-0014 TO OPERATE A SOBER LIVING HOME SERVING SIX RESIDENTS AT 2152 RALEIGH AVENUE

MOTION/SECOND: Mayor Foley/Council Member Righeimer

MOTION: To continue the meeting past midnight.

The motion carried by the following roll call vote:

Ayes: Council Member Mansoor, Council Member Righeimer, Council Member Stephens, Mayor Pro Tem Genis, and Mayor Foley.

Nays: None

Absent: None

Motion carried: 5-0

ACTION:

City Council approved to continue the meeting past midnight.

SUBSTITUTE MOTION/SECOND: Mayor Pro Tem Genis/Council Member Stephens

SUBSTITUTE MOTION: To reverse the Planning Commission's denial of Special Use Permit SL-15-0014 and grant the applicant a reasonable accommodation and approve this application. The resolution will be drafted and adopted at the July 18, 2017 City Council meeting.

The motion carried by the following roll call vote:

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

Nays: Council Member Mansoor and Council Member Righeimer.

Absent: None

Motion carried: 3-2

FOR INFORMATIONAL PURPOSES ONLY

ACTION:

City Council reversed the Planning Commission's denial of Special Use Permit SL-15-0014 and granted the applicant a reasonable accommodation and approved this application. The resolution will be drafted and adopted at the July 18, 2017 City Council meeting.

OLD BUSINESS: NONE

NEW BUSINESS:

1. APPOINTMENTS TO VARIOUS COMMITTEES

City Council made no appointments to the Access Building Fire and Housing Board of Appeal.

Historical Preservation Committee

City Council liaison – Council Member Mansoor

MOVED/SECOND: Council Member Mansoor/Mayor Pro Tem Genis

MOTION: Appoint Joshua Hutchinson for a one-year term.

The motion carried by the following roll call vote:

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

Nays: None

Absent: Council Member Righeimer

Motion carried: 4-0-1

ACTION:

City Council appointed Joshua Hutchinson to the Historical Preservation Committee, for a one-year term.

Housing and Public Service Grants Committee

City Council liaison – Mayor Pro Tem Genis

MOVED/SECOND: Mayor Pro Tem Genis/Mayor Foley

MOTION: Appoint Michael Habitz and Lauren Weiss as regular members and Richard Rainey as an alternate, all for one-year terms.

The motion carried by the following roll call vote:

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

Nays: None

Absent: Council Member Righeimer

Motion carried: 4-0-1

FOR INFORMATIONAL PURPOSES ONLY

ACTION:

City Council appointed Michael Habitz and Lauren Weiss as regular members and Richard Rainey as an alternate member to the Housing and Public Service Grants Committee, all for one-year terms.

Traffic Impact Fee Ad Hoc Committee

City Council liaison – Council Member Mansoor

MOVED/SECOND: Council Member Mansoor/Mayor Pro Tem Genis

MOTION: To appoint Derek Givens as small developers' representative, Jason Kensey and Scott Porterfield as at-large members, and George M.K. Sakioka as major developers' representative, all for four-year terms.

The motion carried by the following roll call vote:

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

Nays: None

Absent: Council Member Righeimer

Motion carried: 4-0-1

ACTION:

City Council appointed Derek Givens as small developers' representative, Jason Kensey and Scott Porterfield as at-large members, and George M.K. Sakioka as major developers' representative to the Traffic Impact Fee Ad Hoc Committee, all for four-year terms.

Fairview Park Steering Committee

City Council liaison – Mayor Pro Tem Genis

MOVED/SECOND: Mayor Pro Tem Genis/Council Member Mansoor

MOTION: To appoint Andy Campbell, Larry Courter, Steve Smith, and Anna Vrska as regular members and Bill McCarty as an alternate member, all for four-year terms; Cindy Black, Kim Hendricks and Alex Reich as regular members and Cynthia McDonald as an alternate member, all for two-year terms.

The motion carried by the following roll call vote:

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

Nays: None

Absent: Council Member Righeimer

Motion carried: 4-0-1

ACTION:

City Council appointed the following members to the Fairview Park Steering Committee: Andy Campbell, Larry Courter, Steve Smith, and Anna Vrska as regular members and Bill McCarty as an alternate member, all for four-year terms; Cindy Black, Kim Hendricks and Alex Reich as regular members and Cynthia McDonald as an alternate member, all for two-year terms.

FOR INFORMATIONAL PURPOSES ONLY

REPORT – CITY MANAGER - NONE

REPORT – CITY ATTORNEY – NONE

ADJOURNMENT - The Mayor adjourned the meeting at 1:30 a.m.