

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

**January 11, 2011**

The City Council of the City of Costa Mesa, California met in a regular Study Session on Tuesday, January 11, 2011 at 4:30 p.m. in Conference Room 1A of City Hall, 77 Fair Drive, Costa Mesa.

The Mayor Pro Tem called the meeting to order at 4:30 p.m.

**ROLL CALL:**

Council Members Present: Mayor Gary Monahan (arrived at 4:37 p.m.)  
Mayor Pro Tem Jim Righeimer  
Council Member Eric Bever  
Council Member Wendy Leece  
Council Member Stephen Mensinger

Council Members Absent: None

Officials Present: City Manager Allan Roeder  
Assistant City Manager Thomas Hatch  
City Attorney Kimberly Hall Barlow  
Development Services Director Kimberly Brandt  
Public Services Director Peter Naghavi  
Budget & Research Officer Bobby Young  
City Clerk Julie Folcik

**PUBLIC COMMENTS**

1. Martin H. Millard, Costa Mesa, commented on sports fields being freely allocated to non-profits which in turn charge their players a fee. He asked for stricter rules for assigning and charging for sports fields. (00:00:29)
2. Mike Berry, Costa Mesa, referenced Attachment A of the budget specifically inquiring regarding the shortfalls listed. (00:02:39)
3. Judy Berry, Costa Mesa, expressed concerns regarding sales tax projections, the budget for the City Attorney other budget issues discussed in Closed Sessions. (00:03:37)

**ITEMS FOR DISCUSSION**

1. Mid-Year Budget Review (00:05:33)

City Manager Roeder provided a PowerPoint presentation addressing background, staff reductions, and program cuts over the past years, elements needing attention, infrastructure and transportation improvements, funding and local matches and facility reinvestments as well as investments in information technology.

Discussion followed regarding starting a process to adopt a new Council policy that requires budgeting 15% per capita in any given year's budget.

Budget and Research Officer Bobby Young addressed Fiscal Year 2009/2010 fund balances, Fiscal Year 2010/2011 projections, cash-for-clunkers program percentages, sales tax receipts over the first six months of the Fiscal Year, historical revenues, historical expenditures, twelve year trends, historical fund balance, drop in assets, definition of fund balance and historical trend, general fund/cash balance trend, "Big 3" historical revenues and quarterly sales tax analysis.

Discussion followed regarding sales tax revenue comparisons with the County and State, the impacts of South Coast Plaza on revenues and automobile sales.

Mr. Young addressed the quarterly Transient Occupancy Tax analysis, Fiscal Year 2010-2011 budgeted expenditures by departments, property tax revenue and adjustments to expenditures.

Mr. Young continued detailing recommended adjustments to expenditures and noted that currently, all of the departments are reviewing their budgets. Updates will be presented at future City Council meetings. He addressed the City Attorney's budget noting that some of the work done by the City Attorney's office may have been chargeable to other departments and that staff is currently reviewing the issue.

Ensuing discussion followed regarding a previous vote for decreasing the City Council salary/budget by 5% after the election. Mr. Young reported it will take effect this month.

Assistant City Manager Hatch thanked Council for appointing him as City Manager and addressed issues to consider going forward. He addressed the roles and responsibilities of City Managers and how they apply to the City of Costa Mesa. It was noted additional detail will be presented at the next regular meeting of the City Council.

Discussion followed regarding the fund balance and replenishing reserves, establishing priorities, plans going forward, cash balances, the importance of having enough cash to fund capital improvement programs, status of the equipment replacement fund and the need for significant net revenue.

It was noted that significant net revenue is needed for the next several years to get back on good footing at a minimum of \$3 million per year. Discussion followed regarding finding a way to bring the percentage of budget going to staff and costs more in line with state averages. A suggestion was made that Council consider adopting a policy where 15% of every budget is appointed to capital, rebuilding cash position, establishing

statutory policies, establishing what the fund balance should be as a percentage of gross, revenue enhancements and generation. Mr. Young reported additional pension and personnel costs will be presented at a future study session.

Public Services Director Peter Naghavi presented a brief background regarding Public Works and specific public right-of-ways. He stated the Department is responsible not only for roads, but parkways, parks, facilities and equipment. He added that everything other than transportation and roadway improvements is funded by General Funds and that fund for transportation and roadway improvements are based on grants. He addressed challenges with shortages to meet future transportation enhancement demands and stated approximately \$10 million is needed per year to maintain roads and maintain the status quo.

Discussion followed regarding technology related costs, equipment replacement, , the need for road/street improvements and additional adjustments needed. Direction was given to staff to return with details on CalPERS and related increases over the next three years as well as Fire Department retirement enhancements, an updated Capital Improvement program schedule and implementation of public suggestions regarding the budget.

Discussions followed regarding the possibility of appointing a Council budget sub-committee and including community members to help with consideration of the budget.

## 2. City Council Organization and Opportunities (01:30:09)

City Manager Roeder introduced the item stressed the importance of setting policies and goals and deferred to staff for a report.

Discussion followed regarding establishing a Council sub-committee to consider policies and practices and policies dealing with different elements of Economic Development.

City Attorney Kimberly Hall Barlow reported distributing copies of the existing ordinance regarding hearings, appeals and the review process. She addressed the importance of clarity of motions and Council direction. Ms. Barlow reported that under the Municipal Code, Members are not to abstain from voting on an item unless there is a declared conflict of interest. She added that if there is an abstention, it follows the majority. She addressed reconsideration requests by someone voting in favor of an item under Robert's Rules and noted that distinctions are made between decisions that involve specific permits, entitlements, etc., and those that are purely matters of legislative policy.

Ms. Barlow addressed the various kinds of meetings, noticing requirements for each, public comments and the ability to take action and/or give direction. Regarding public hearings, Ms. Barlow addressed noticing requirements and the obligation of Council for due process. She presented information regarding the Brown Act in terms of refraining from Ex Parte communications outside the meeting with other members of Council other

than one. She added that the goal is to make sure that the public is completely informed about what Council is considering at all times and that a consensus is not being developed outside of the public meeting. Ms. Barlow addressed the parties that are able to call the various types of meetings.

City Clerk Julie Folcik presented an overview of the agenda process and addressed goal planning, review of reports and due dates and distribution of agenda packets. She addressed timelines for study session agendas and reported she is currently investigating the use of electronic agendas through iPads.

Mr. Roeder addressed the continuous changes that are possible throughout the process. He addressed placing items on agendas for consideration noting that any Council Member has the right to place anything he or she chooses, within the City's jurisdiction on any Council agenda. What's most important is that staff has a good understanding of what the Member is seeking to accomplish by placing an item on an agenda. Mr. Roeder distinguished between an item that requires action and one that is for discussion only.

Mr. Roeder addressed Council Policy 300-6 in terms of the relationship between Council Members and staff relative to requests for information and what resources it will take to provide the information. Mr. Roeder referenced a four-hour rule and asked that requests happen as early in the process, as possible.

Discussion followed regarding clarification of the four-hour rule.

Assistant City Manager Hatch addressed the process of responding to public comments and complaints. He reported that the ability to address these comments or complaints has become challenging because of low staffing. He stressed the need to continue providing a high quality of responsiveness and service to the public.

Mayor Monahan reported distributing a list of committees where Council Members serve as liaisons or with which there is interaction. He indicated responses were received and announced the assignments and Council Liaisons.

Discussion followed regarding a prior designation of the City Council as the Airport Advisory Committee participation, the Youth Sports Council, the OCTA Special Advisory Committee and the Sewer and Water Shed Council.

Mr. Roeder reported on the possibility of Council participating in setting priorities and strategic planning and referenced past related actions. He stressed the importance of setting aside time for discussing the establishment of a limited set of priorities and identifying key issues of importance to Members.

Assistant City Manager Hatch commented on setting clear direction and expectations. He stated that if it is Council's desire, staff can prepare a report setting several options as to how that can be accomplished.

Mayor Monahan listed areas of focus including developing a five (5) year budget plan, appointing a Council Budget Subcommittee, expanding economic development, improving information technology (IT), park use, youth sports and recreation programs and formation of a homeless taskforce. He added the later could address motel crime issues and prisoner and sexual predator issues.

Council Member Bever agreed with the need to improve IT in order to maximize staff efficiency and formation of a homeless taskforce. He offered to take the lead on the issue and requested a report from staff.

Ms. Barlow suggested placing the establishment of Council subcommittees for specific issues on a formal agenda. She recommended providing general direction on priority items at this time.

Council Member Bever addressed the possibility of working on policies and practices with Mayor Pro Tem Righheimer.

Council Member Leece indicated she agreed with forming a homeless taskforce, but felt it should not be in charge of considering motel-related crimes. She expressed agreement with setting a separate study session to discuss Council priorities.

Development Services Director Kim Brandt presented the General Plan update. Ms. Brandt reported there is a State guideline that the General Plan should be updated every ten (10) years. She addressed review of the Housing, Circulation and Land Use elements and stated the City has a good General Plan that could be refined but does not an overhaul.

Ensuing discussion followed regarding reviewing overlays.

Council Member Leece asked that a review of overlays be included in the list of priorities and suggested that park use, youth sports and recreation programs be delegated to the Parks and Recreation Commission.

Council Member Bever agreed with distinguishing between the homeless issue and the motel crime issue. He indicated he has no interest in reviewing overlay zones at this point and felt the Circulation Element would fall into the policies and practices area.

Council Member Mensinger requested clarification regarding direction to staff at this time.

Mayor Monahan stated staff is requesting a list of priorities from Council to bring back with discussion regarding the formation of applicable subcommittees to a future Council meeting.

Mayor Pro Tem Righeimer listed the budget process with a five (5) year plan as a priority in addition to economic development, IT, homeless task force, motel drugs and crime and policies and practices.

3. Discretionary Review Procedures for Cellular Telephone Mono Poles and other private improvements in Public Parks (02:28:29)

Development Services Director Kim Brandt reported staff is requesting direction on processing permits for cellular telephone facilities in public parks. She addressed the current Zoning requirements, review authority, existing cell towers and whether the item should be reviewed by the Parks and Recreation Commission. She referenced a recent application, related public comments and withdrawal of the application. Ms. Brandt noted the Parks and Recreation Commission have no authority and stated options available to Council at this time.

Discussion followed regarding other possible requests for cellular towers in parks. Ms. Brandt addressed working with vendors on improved stealth and complaints received on existing facilities.

Ensuing discussion followed regarding the ability of the Zoning Administrator to forward a related item to the Planning Commission and the efficiency of the current process.

Members of Council commented that the current process works and did not feel the need for review by the Parks and Recreation Commission.

4. Employee of the Month (02:37:04)

The City Council reviewed applications submitted for Employee of the Month; a preference was indicated, absent any objection. Announcement of the Employee of the Month would be made at a subsequent City Council meeting.

**COUNCIL MEMBERS REPORTS, COMMENTS, AND SUGGESTIONS (02:35:17)**

Discussion followed regarding the possibility of setting a study session for discussing priorities and subcommittees. It was noted that staff will bring a report to the next regular Council meeting and the need for further study can be determined at that time.

Mayor Monahan asked staff to look into the need for a Redevelopment meeting.

**ADJOURNMENT**

The Mayor adjourned the Study Session at 6:57 p.m.

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Mayor of the City of Costa Mesa

ATTEST:

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Interim City Clerk of the City of Costa Mesa