

MINUTES OF THE SPECIAL MEETING OF THE COSTA MESA CITY COUNCIL

TUESDAY, MAY 29, 2018

CALL TO ORDER (00:00:10)

The Special City Council meeting was called to order by Mayor Genis at 5:03 p.m. in the Council Chambers at Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, California.

ROLL CALL (00:00:22)

Present: Council Member Foley (arrived at 5:04 p.m.), Council Member Righeimer, Council Member Stephens, Mayor Pro Tem Mansoor (arrived at 5:09 p.m.), and Mayor Genis.

Absent: None

Officials Present: City Manager Tom Hatch, City Attorney Thomas Duarte, Assistant City Manager Tamara Letourneau, Economic and Development Services Director Barry Curtis, Public Services Director Raja Sethuraman, and City Clerk Brenda Green.

SPECIAL ITEMS (00:01:05)

1. FISCAL YEAR 2018-19 PRELIMINARY BUDGET

Tom Hatch, City Manager, presented the staff report. (00:01:09)

Tamara Letourneau, Assistant City Manager, provided a budget video presentation from each department. (00:12:15)

Ralph Taboada, Chair of the Finance and Pension Advisory committee, spoke on the committee's recommendations on the budget. (00:49:26)

Discussion ensued on the budget and vacancy factor. (01:05:10)

PUBLIC COMMENTS (01:18:15)

Art Goddard, Costa Mesa, spoke on budgeting for vacant positions; and to include risks and opportunities. (01:18:15)

Adam Wood, representing Building Industry Association (BIA), spoke on fees; and requested a phased implementation and a six-month delay. (01:20:10)

Wendy Leece, Costa Mesa, spoke on funding for public safety; EOC simulations; strategies for City Council priorities and measured outcomes; and Sober Living Homes. (01:23:30)

Beth Refakes, Costa Mesa, spoke on strategies for City Council priorities; budget for alley improvement; Pomona Avenue improvements; removing items from the Capital Improvement that are not recommended; fire station 1 project; Transient Occupancy Tax (TOT) and inclusion of short-term rentals; and signal pre-emption. (01:26:44)

Rebecca Trahan, Costa Mesa, requested parking enforcement. (01:29:47)

Mark Hewison, spoke on homeless issues at Lions Park; public safety issues; recommended removing grass along Anaheim Avenue and 18th Street; and requested to install desert landscaping. (01:30:53)

Teresa Drain, Costa Mesa, spoke on the costs for new police canine; concerns regarding expenses outpacing revenues; and CIP funding. (01:33:20)

Robin Leffler, Costa Mesa, spoke on the budget community meetings starting later; and supports increasing the reserves. (01:35:10)

Speaker, Costa Mesa, spoke on risks at Lions Park and unintended consequences. (01:38:14)

Tom Pollitt, Costa Mesa, spoke on the recommendations by the Finance and Pension Advisory committee; City Council goals and objectives; and additional funding for technology. (01:39:42)

Speaker, spoke on funding for Sober Living enforcement. (01:42:30)

Rebecca Trahan, Costa Mesa, spoke on adding more money to the reserves. (01:44:37)

Speaker, spoke on reducing expenditures; and adding money to the reserves. (01:46:20)

Speaker, spoke on fiscal conservatism and adding more money to the reserves; reviewing City Council districts; and OC Fairgrounds revenues. (01:49:09)

Public Comments closed.

Discussion ensued on the reserves and budget for the Capital Improvement Projects. (01:52:26)

Council Member Foley spoke on including City Council priorities in the budget; separating recommended projects; including budget funding from year to year; Lions

Park implications; a fully-staffed police department; and requested quarterly updates on City Council priorities. (01:55:38)

Mayor Pro Tem Mansoor requested specifics on the FIPAC suggested reductions; information on the mobile command unit; spoke on OC Fairgrounds tax revenues; and general fund budget increase. (02:06:13)

Mayor Genis spoke on conservative budgeting; requested FIPAC to assess reserves account; spoke on the Emergency Fund; making documents available to the public; re-negotiate joint use agreements; Fairview Park restoration; crime data analysis; emergency response times; burglary clearance rates; fire department and ambulance transport; tracking state properties and activities; park fees; acquiring land for parks; fire suppression and communication funding; public safety; and planning in advance for a disaster. (02:12:10)

Council Member Stephens spoke on measurable metrics for City Council priorities; police staffing levels; homelessness and restroom survey and effects; Sober Living Homes, status on backlog and code enforcement; Capital Improvement Projects on the Golf Course; Measure X taxes; and feedback from hotels on TOT. (02:24:06)

Council Member Righeimer spoke on building permit fees; increasing appeal fees; spoke against changing the TOT; spoke on short term rentals; fire and police overtime; CAN Ordinance and funds going to the library and fire station; Special Event rates; homeless and Sober Living Home funding; business licensing for the swap meet; and Measure X. (02:37:04)

RECOMMENDATIONS: (02:52:43)

1. **Development Services Fee (02:53:25)** – City Council directed staff to proceed with the fees and to include an increase in appeal fees.
2. **Parks & Community Services Fee (02:55:09)**

Council Member Foley spoke against increasing the fees. (02:55:19)

Mayor Genis spoke on the recreation fees; senior center fees; and R.O.C.K.S fees. (03:01:25)

Justin Martin, Parks and Community Services Director, spoke on the fees. (03:03:40)

Council Member Stephens spoke on deferring the fees until feedback is received from the Parks and Recreation Commission. (03:05:04)

Council Member Righeimer spoke in support of increasing the fees. (03:08:00)

3. **Special Event Rates** (03:14:27)

Council Member Righeimer spoke against increasing the fees. (03:14:32)

Discussion ensued on fully recovered costs. (03:14:38)

4. **Transient Occupancy Tax (TOT)** (03:22:31)

Council Member Righeimer spoke against the TOT increase. (03:23:08)

Mayor Pro Tem Mansoor spoke against the TOT increase. (03:23:19)

Mayor Genis spoke on the hotel industry. (03:23:29)

Council Member Foley spoke on Travel Costa Mesa; applying to short-term rentals; transforming hotels on Newport Boulevard; and using TOT as motel conversion. (03:23:50)

Mayor Genis spoke on recovering TOT from the short-term rentals and the need for an ordinance. (03:25:42)

Council Member Foley spoke on looking at Sober Living Homes as short-term rentals as part of the analysis. (03:29:18)

COUNCIL MEMBERS' REPORTS, COMMENTS, AND SUGGESTIONS - NONE

ADJOURNMENT (03:30:34) – Mayor Genis adjourned the meeting at 8:30 p.m.

Minutes adopted on this 19th day of June, 2018.



Sandra L. Genis, Mayor

ATTEST:



Brenda Green, City Clerk