

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

May 04, 2010

The City Council meeting of the City of Costa Mesa, California met in regular session May 04, 2010, 5:04 p.m., in the Council Chambers of City Hall, 77 Fair Drive, Costa Mesa. The meeting was called to order by the Mayor.

I ROLL CALL

Council Members Present: Mayor Allan R. Mansoor
Mayor Pro Tem Wendy Leece
Council Member Eric R. Bever
Council Member Katrina Foley
Council Member Gary Monahan

Council Members Absent: None

Officials Present: City Manager Allan Roeder
Assistant City Manager Thomas Hatch
City Attorney Kimberly Hall Barlow
City Clerk Julie Folcik

II PUBLIC COMMENTS

There was no public comment.

III CLOSED SESSION

1. Conference with Legal Counsel - Existing Litigation: Marla James, Wayne Washington, James Armantrout, Charles Daniel DeJong v. City of Costa Mesa; United States District Court, Central District, Court Case Number SACV10-00402 AG (MLGx), pursuant to Government Code Section 54956.9(a).
2. Conference with Legal Counsel - Existing Litigation: Asociacion De Jornaleros De Costa Mesa and the Colectivo Tonantzin v. City of Costa Mesa; United States District Court, Central District, Court Case Number SACV10-00128 CJC (RNBx), pursuant to Government Code Section 54956.9(a).

3. Conference with Legal Counsel - Existing Litigation: Orange County Directors Association, Herban Elements, Inc., Susan Lester, Medmar Patient Care Collective, Afshin Sharifi v. Julie Folcik, Kimberly Hall Barlow, City of Costa Mesa; Orange County Superior Court Case Number 30-201000364374, pursuant to Government Code Section 54956.9(a).
4. Conference with Real Property Negotiators - Property: 88 Fair Drive. Agency Negotiator: Allan Roeder, City Manager. Negotiating parties: State of California, Under negotiation: price, terms of payment. Pursuant to Government Code Section 54956.8.

The Mayor recessed the meeting at 5:07 p.m., to Conference Room 1B for the Closed Sessions.

The Mayor reconvened the regular meeting at 6:15 p.m.

PLEDGE OF ALLEGIANCE

MOMENT OF SOLEMN EXPRESSION

ROLL CALL

Council Members Present: Mayor Allan R. Mansoor
 Mayor Pro Tem Wendy Leece
 Council Member Eric R. Bever
 Council Member Katrina Foley
 Council Member Gary Monahan
 CDBG/HOME Coordinator Mike Linares

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
 Recreation Manager Jana Ransom
 Neighborhood Improvement Manager Muriel Ullman
 Management Analyst Alma Penalosa
 Management Analyst Dan Baker
 City Clerk Julie Folcik

CLOSED SESSION REPORT

The City Attorney reported that no action was taken on Closed Session Item Nos. 1, 2 and 4 and reported that the following action was taken on Closed Session Item No. 3:

MOTION: Authorize the City Attorney's Office to defend the City of Costa Mesa and City Attorney Kimberly Hall Barlow and City Clerk Julie Folcik in their official capacities in the lawsuit. Motion by Mayor Allan Mansoor, seconded by Council Member Gary Monahan.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Eric R. Bever, Council Member Katrina Foley, Council Member Gary Monahan

Noes: None.

Absent: None.

Mayor Mansoor noted a request was made to move New Business Item No. IX-3 earlier in the evening to provide an opportunity for those senior citizens present to address the item.

MOTION: To address New Business Item No. IX-3 at the conclusion of the Consent Calendar. Motion by Mayor Mansoor, seconded by Council Member Monahan.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Eric R. Bever, Council Member Katrina Foley, Council Member Gary Monahan

Noes: None.

Absent: None.

PRESENTATIONS

The Mayor congratulated Holly Carver, Crime Analyst, on being selected Employee of the Month for May. She was recognized for her service and efforts which led to the apprehension of a robbery suspect earlier in the year.

IV PUBLIC COMMENTS

Rick Martinez, Costa Mesa, urged Council to comply with Proposition 215 (Compassionate Use Act).

James R. White, Costa Mesa, thanked the City for the street improvements on Costa Mesa Avenue and Orange Avenue.

Chris Bunyan, Costa Mesa, representing the Banning Ranch Defenders, expressed concern of the proposed access roads to the Sunset Ridge Park project in Newport Beach, and the impacts that could necessitate more traffic on the west side of Costa Mesa, as well as the requiring of the 19th Street Bridge. He also expressed concern relative to the apparent "piece-meal" approach to the project by the City of Newport Beach and noted it was a violation of the CEQA regulations.

Eloise Ott, Costa Mesa, expressed appreciation to the Council and those

involved with the the negotiations of the Orange County Fairgrounds and for the improvement on the freeways relative to the trash issues. She suggested that a sign be placed on the freeway regarding the litter fine, and announced the upcoming National Day of Prayer on May 6, 2010.

Stan Pasqual, Costa Mesa, expressed his support in the use of medical marijuana.

Sandra Genis, Costa Mesa, encouraged the Council to be as forthcoming as possible in regards to all information about the Fairgrounds.

Kathy Hoffstetter, Costa Mesa, indicated it was difficult to hear the audio in the Council Chambers.

Terry Shaw, Costa Mesa, announced upcoming Costa Mesa Historical Society events including the fundraiser at Ruby's on 17th Street on Thursday, May 6, 2010, the Civil War reenactment at Fairview Park, and a presentation by Michael Berry regarding the "Final Resting Places: Orange County's Dead and Famous" in conjunction with the Historical Society's open house on May 23, 2010.

Sue Lester, Brea, expressed concern regarding the methods of adoption of the ordinances and how information is provided to the public. She encouraged citizens to become more informed.

Chris McEvoy, Costa Mesa, echoed the concerns of a previous speaker regarding the cut-through traffic and it's impacts on Costa Mesa residents from the proposed Banning Ranch/Sunset Ridge Park project.

V COUNCIL MEMBERS' REPORTS, COMMENTS, AND SUGGESTIONS

Council Member Bever requested that staff ask that Caltrans to evaluate the "Beach Cities" sign on the SR-55 Freeway to include "Costa Mesa"; responding to a speaker's complaint informed that the city did establish a proposal to update the audio and visual system in the Council Chambers but was unable to complete the process due to budgetary constraints; and confirmed with staff regarding the opportunities for public input and the city's review of aspects of the Banning Ranch Project in Newport Beach.

Council Member Foley encouraged a representative for the Banning Ranch Project to engage in dialogue with the interested parties regarding a tour of the Banning Ranch site; and expressed appreciation for those involved in the community events that were held recently to benefit the schools.

Mayor Pro Tem Leece requested staff to follow-up on public comment made regarding street improvements on Rochester Avenue; and thanked the Costa Mesa Historical Preservation Committee for completing the Costa Mesa Activity Book For Kids.

VI CONSENT CALENDAR ITEM NOS. 1 THROUGH 8.

MOTION: Approve recommended actions for Consent Calendar Item Nos. 1 through 8, except for Consent Calendar Item No. 2, approving the Regular Meeting minutes of April 6, 2010 and continuing the meeting minutes for Regular Adjourned Meeting/Study Session of April 13, 2010 and the Regular Meeting of April 20, 2010.

Moved by Mayor Allan R. Mansoor, seconded by Council Member Gary Monahan.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Eric R. Bever, Council Member Katrina Foley, Council Member Gary Monahan

Noes: None.

Absent: None.

1. Reading Folder.

The following Claim for Damages was received by the City Clerk for processing: Humberto Dominguez.

2. Regular Meeting of April 6, 2010, Study Session of April 13, 2010, and Regular Meeting of April 20, 2010

ACTION: Approved the minutes of the Regular Meeting of April 6, 2010 and continued the meeting minutes for Regular Adjourned Meeting/Study Session of April 13, 2010 and the Regular Meeting of April 20, 2010.

3. Warrant Resolution 2315, funding Payroll No. 10-08 for \$2,282,611.71 and Payroll No. 10-07A for negative \$3,397.80 and City operating expenses for \$1,318,103.63 including payroll deductions.

ACTION: Approved Resolution.

4. Warrant Resolution 2316, funding City operating expenses for \$428,783.13.

ACTION: Approved Resolution.

5. Award Formal Bid Item No. 1133, for asphalt grinding/cold planing to Lindy's Cold Planing, P.O. Box 385, La Habra, CA 90931, for a term of three (3) years with three (3) additional one (1)-year extensions, in an amount not to exceed \$52,500 per year.

ACTION: Approved; authorized the City Manager and City Clerk to sign; authorized the City Manager to sign for any justified rate increase and to extend the contract for three (3) additional one (1)-year terms upon recommendation.

6. Professional Services Agreement with Mike Linares, Inc., P.O. Box 3913, San Clemente, CA 92672, for a contract renewal for Community

Development Block Grant/Home Contract Staff, in an amount not to exceed \$87,000 per fiscal year, with the option to renew for up to four (4) one (1)-year terms.

ACTION: Approved; and authorized the City Manager and the City Clerk to sign.

7. Agreement with the 32nd District Agricultural Association, to provide traffic management services for all designated Interim Events of the Orange County Fair and Exposition Center, beginning April 1, 2010 through March 31, 2011, in the amount not to exceed \$70,000.

ACTION: Approved; and authorized the City Manager and the City Clerk to sign.

8. Completion of Community Development Block Grant - Recovery Act (CDBG-R) Street Improvements Project (Ralcam Place from Thurin Avenue to Cul-De-Sac and Knowell Place from Meyer Place to Maple Avenue), City Project No. 09-27, by Hardy and Harper, Inc., 1312 East Warner Avenue, Santa Ana, CA 92705.

ACTION: Work was accepted; City Clerk was authorized to file a Notice of Completion; authorization was given to release of retention monies 35 days thereafter; the Labor and Material Bond was ordered exonerated seven (7) months thereafter; and the Faithful Performance Bond was ordered exonerated twelve (12) months thereafter.

IX NEW BUSINESS

3. Agreement with Costa Mesa Senior Corporation to operate the Costa Mesa Senior Center for an initial five (5) year term, effective July 1, 2010, with an option to extend the term for up to three (3) additional five (5) year terms.

Recreation Manager Jana Ranson presented the staff report, noting a revision to Section 8 of the agreement to address arbitration for disruptive behavior at the Senior Center, and informed that it had not yet approved by the Senior Center Board of Directors.

Council Member Monahan expressed apprehension of approving the new language added to Section 8 regarding arbitration of disputes without input from the Senior Center Board of Directors.

Mayor Mansoor inquired if language could be added to the agreement to enable Council to initiate a higher level of audit, at the City's expense.

The City Attorney indicated that although the Senior Center has mandatory accounting procedures to comply with in providing an audit, affirmed that Council could add language for the option to request a higher level of audit.

Council Member Bever suggested that dispute resolution language be included in the agreement; that the number of Board Members be reduced, and that City-appointed board members be waived of the minimum donation requirement of \$500.

Council Member Monahan clarified that the Senior Center had a goal of 11 to 17 board members; informed that the Board agreed to raise the number of Council appointments to three, and that the annual donation provision served as a goal and a reminder for board members to create fundraising opportunities.

Discussion ensued regarding language for dispute resolution for disruptive behavior at the center by patrons, and board member donations.

John Goddard, Costa Mesa, spoke in support of grant funds to maintain the Social Services Coordinator at the Senior Center.

Bruce Garlich, President of the Costa Mesa Senior Center Board of Directors, expressed opposition to the proposed amendment to the agreement relative to the arbitration of disputes and the Council's option for a forensic audit. He suggested approving the agreement as submitted and reseating the task force to discuss with the Board the proposed amendments to the contract.

Aviva Goelman, Executive Director of the Costa Mesa Senior Center, expressed opposition to the proposed amendment and urged Council to approve the agreement as submitted.

Ernie Feeney, Costa Mesa, supported the City's right to conduct an audit of the Senior Center at the City's expense, and recommended that the City add language to the agreement to require a copy of IRS Form 990 income tax form filed by the Senior Center.

Council Member Monahan expressed support in approving the agreement as presented and that the proposed amendments to the contract be reviewed by taskforce and the Board of Directors.

MOTION: Approve the agreement as approved by the Senior Center Task Force and Senior Corporation Board.

Moved by Council Member Gary Monahan, seconded by Council Member Katrina Foley.

Mayor Mansoor felt it was fair for the city to ask for a "higher level of audit" at its own expense, acknowledging the the amount of money that is contributed by the city.

Council Member Foley was supportive of sending the audit proposal back to the task force to discuss.

Council Member Bever commented that he was not supportive of adopting the amended agreement without the task force having had a chance to discuss the

proposed amendments.

MOTION: To continue the item; reconvene the task force and direct staff to work with the task force and the Senior Center Board of Directors to discuss adding audit provision language at the city's cost; to add basic dispute resolution language; and to add language to the contract that indicates that Council appointees are not required to make the \$500 donation.

Moved by Council Member Eric R. Bever, seconded by Mayor Pro Tem Wendy Leece.

Mayor Pro Tem Leece expressed her support of the higher level of audit and dispute resolution language and therefore supported the substitute motion.

The City Attorney assisted the Council with language relative to a "forensic" audit noting that the amendment would need to be approved by the Senior Center Board of Directors.

Council Member Monahan withdrew the motion.

The motion failed by the following roll call vote:

Ayes: Mayor Pro Tem Wendy Leece, Council Member Eric R. Bever

Noes: Mayor Allan R. Mansoor, Council Member Katrina Foley, Council Member Gary Monahan

Absent: None.

MOTION: Approve the agreement, as amended, by adding to section 9(c) the following: "At the city's option and at city's expense a forensic audit may be conducted during the term of this agreement."

Moved by Mayor Allan R. Mansoor, seconded by Council Member Gary Monahan.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Council Member Katrina Foley, Council Member Gary Monahan

Noes: Mayor Pro Tem Wendy Leece, Council Member Eric R. Bever

Absent: None.

VII PUBLIC HEARINGS

1. PUBLIC HEARING: AN ORDINANCE OF THE CITY COUNCIL OF COSTA MESA, CALIFORNIA, AMENDING ARTICLE 8 OF THE COSTA MESA MUNICIPAL CODE REGULATING FIREWORKS, relative to the extension of the hours for the sale of fireworks, and the permitted use of handheld devices

Assistant City Manager Thomas Hatch presented the report, and indicated the ordinance would reflect the approved recommendations made at the April 20, 2010 Council meeting which included the extension of hours for the sale of fireworks until 9:00 p.m. on July 4th and

to permit the sale of handheld devices to be sold as safe and sane fireworks; he also noted the changes in the ordinance would be reflected in Council Policy 400-2 .

Terry Shaw, Costa Mesa, urged Council not to extend the hours of fireworks sales, and suggested that the customer lines at the fireworks stands be closed at 8:00 p.m. and to only permit those in-line the ability to purchase fireworks after 8:00 p.m.

Mayor Pro Tem Leece went on record to express her support in the sale of handheld devices, but did not support the extension of the hours.

**MOTION: Introduce Ordinance No. 10-6 for first reading, to be read by title only and to waive further reading.
Moved by Mayor Allan R. Mansoor, seconded by Council Member Gary Monahan.**

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Council Member Eric R. Bever, Council Member Katrina Foley, Council Member Gary Monahan

Noes: Mayor Pro Tem Wendy Leece

Absent: None.

2. PUBLIC HEARING: 2010-2011 Community Development Block Grant Public Service Grant Allocations.

CDBG/HOME Coordinator Mike Linares presented the report, and indicated the City was allocated approximately \$1.47 million in CDBG funds, in which the City could use up to 15 percent of the funds for public service programs serving low and moderate-income residents.

Richard Reinhardt, Costa Mesa, urged the Council not to cut the funding of the social worker and nurse at the Costa Mesa Senior Center.

James White, Costa Mesa, expressed his support of the social services coordinator and shared his concern for those that she assists due to the reduction of hours for the program, as a result of the reduction of the grant allocation.

Joy Cleary, Human Options, gave an overview of the organization and expressed appreciation to the Council and the CDBG subcommittee for their recommendation for funding.

Joshua Rustin, Costa Mesa, shared his personnel experience with, and expressed his gratitude and support of the Youth Employment Service program.

Patrick Reider, President of Youth Employment Services, presented an overview of the organization, and thanked the Council for their support.

Mary Dzida, Costa Mesa, expressed support in funding the social worker at the Costa Mesa Senior Center.

Dustin Manhart, Community Senior Serve, gave an overview of the program, and thanked the Council and staff, as well as the Costa Mesa Senior Center for their continued collaborative partnership.

Joan Ellis, Costa Mesa, urged Council to approve the full grant amount requested by the Costa Mesa Senior Center in order to maintain the on-site social worker.

Jan McQueen, Women Helping Women/Men To Work, thanked the Council and staff for their support, and expressed appreciation for the funding received throughout the years.

Carol Fortier, Costa Mesa, spoke in support of the Costa Mesa Senior Center and funding for the social worker.

Cheryl Ward, Costa Mesa, spoke in support of the full funding for the social worker at the Costa Mesa Senior Center.

Jean Wegener, Executive Director of SPIN, thanked Council and the committee for the support, and noted there has been an increase in substance and drug abuse stressing the importance of the program. She responded to questions and concerns of the Council regarding the locations of the home in which the patients are housed for rehabilitation informing of the strict guidelines of not only the home but also for the patients who participate in the program.

Arlene Flanagan, Costa Mesa, spoke in support for fully funding the social worker at the Costa Mesa Senior Center.

Kristy Brooks, Mika, gave an overview of the program, and thanked the 3R subcommittee for their hard work.

Speaker (name inaudible), Council on Aging representative, presented information about the program and thanked the Council for their consideration for the grant.

Council Member Monahan expressed concern in categorizing SPIN as a "special needs" program, and indicated that he would not support funding SPIN unless California Elwyn was fully funded.

Council Member Bever indicated that California Elwyn did not spend the allocated grant funds from the previous year. Mr. Linares stated that the fund allocation received by California Elwyn last year was for a different program, and noted that the this year's application was for the traditional program.

MOTION: To reduce allocations by \$200 from each applicant awarded

CDBG funds and for that money to be re-allocation to the Senior Center to fully fund their program.
Moved by Mayor Pro Tem Wendy Leece. Motion died for lack of second.

MOTION: The following allocations were approved:

1. YES - \$25,000
2. SPIN- \$20,986
3. Community Senior Serve - Home - \$20,000
4. Women Working Women - \$22,000
5. Community Senior Serve -Congregate - \$20,000
6. Mercy House - \$15,000
7. Costa Mesa Senior Center - \$20,000
8. Council on Aging - \$7,500
9. Alzheimer's Family Services \$10,000
10. Mika - \$15,000
11. Elwyn - \$24,000
12. Human Options - \$16,500
13. Community & School Collaborative - \$5,000
14. The Crossing - \$0

Moved by Council Member Katrina Foley, seconded by Council Member Gary Monahan.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Katrina Foley, Council Member Gary Monahan

Noes: Council Member Eric R. Bever

Absent: None.

3. PUBLIC HEARING: Fiscal Year 2010-2011 Funding Priorities for Community Development Block Grant (CDGB) and Home Investment Partnership Program (HOME).

(a) Recommended allocation for the Fiscal Year 2010-2011 Community Development Block Grant (CDBG) Application.

(b) Recommended allocation for the Fiscal Year 2010-2011 HOME Investment Partnership Grant.

(c) A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, AUTHORIZING FISCAL YEAR 2010-2011 COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME INVESTMENT PARTNERSHIP ACT ENTITLEMENT FUNDS APPLICATION SUBMISSION TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, authorizing the City Manager to act as the official representative of the City in order to submit the Annual Action Plan, and all certificates and assurances contained therein, and directing and authorizing the City Manager to act in connection with the submission of the Annual Action Plan, and to provide such additional information as may be required.

Management Analyst Alma Penalosa presented the report and she along

with Public Services Director Peter Naghavi, Neighborhood Improvement Manager Muriel Ullman and Management Analyst Dan Baker responded to questions from Council relative to improvements to Smallwood Park, and of the energy program/partnership with Southern California Edison for low-income residents.

Council Member Monahan asked what could be done to fully fund the Smallwood Park Project and decrease the amount spent on Neighbors for Neighbors. The Public Services Director indicated that the funds were specifically for the design of Smallwood Park, and the City could reapply for the construction costs next year. Ms. Penalosa stated that there was currently \$30,000 remaining in the Community Foundation from Neighbors for Neighbors that could be allocated to the Smallwood Park Project.

Diane Swartz, Costa Mesa, urged Council to use the funds for low-cost senior housing.

Sandra Genis, Costa Mesa, inquired as to what was being proposed for Smallwood Park. Public Services Director Peter Naghavi responded by informing of the proposed rehabilitation of existing walkways, restroom facilities, repairs of sports courts and playgrounds, and construction of new picnic shelter adjacent to the tot lot.

Ernie Feeney, Costa Mesa, expressed interest in senior housing and asked if any of the funds could be used for SROs and motel conversions.

Neighborhood Improvement Manager Muriel Ullman responded that HOME funds could be used and the City was currently working on a project coming forward for senior housing.

MOTION: Approve recommended allocations and direct that any additional program funding received be allocated to the improvements of Smallwood Park until it is fully funded.

Moved by Mayor Allan R. Mansoor, seconded by Mayor Pro Tem Wendy Leece.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Eric R. Bever, Council Member Katrina Foley, Council Member Gary Monahan

Noes: None.

Absent: None.

MOTION: Approve allocations for the Fiscal Year 2010-2011 HOME Investment Grant.

Moved by Mayor Allan R. Mansoor, seconded by Council Member Katrina Foley.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Eric R. Bever, Council Member Katrina Foley, Council Member Gary Monahan

Noes: None.

Absent: None.

MOTION: Adopt Resolution No. 10-28: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, AUTHORIZING FISCAL YEAR 2010-2011 COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME INVESTMENT PARTNERSHIP ACT ENTITLEMENT FUNDS APPLICATION SUBMISSION TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

Moved by Mayor Allan R. Mansoor, seconded by Council Member Katrina Foley.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Eric R. Bever, Council Member Katrina Foley, Council Member Gary Monahan

Noes: None.

Absent: None.

4. PUBLIC HEARING: 2010-2014 Consolidated Plan.

(a) A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, AUTHORIZING SUBMISSION OF THE 2010-2014 CONSOLIDATED PLAN TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND AUTHORIZING THE CITY MANAGER TO ACT AS THE OFFICIAL REPRESENTATIVE OF THE CITY IN ORDER TO SUBMIT THE 2010-2014 CONSOLIDATED PLAN.

CDBG/HOME Coordinator Mike Linares presented the report.

MOTION: Adopt Resolution No. 10-29.

Moved by Mayor Allan R. Mansoor, seconded by Council Member Katrina Foley.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Eric R. Bever, Council Member Katrina Foley, Council Member Gary Monahan

Noes: None.

Absent: None.

The Mayor recessed the meeting at 8:59 p.m.

The Mayor recovered the meeting at 9:13 p.m.

Mayor Mansoor noted that there was a request to take New Business Item No. IX-1 out of order.

MOTION: To address New Business Item No. IX-1 out of order. Motion by Mayor Mansoor, seconded by Council Member Monahan.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Eric R. Bever, Council Member Katrina Foley, Council Member Gary Monahan

Noes: None.

Absent: None.

IX NEW BUSINESS

1. Business Improvement Area (BIA) Reauthorization

(a) Annual report for the Business Improvement Area (BIA) for Fiscal Year 2010-2011.

(b) A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, DECLARING ITS INTENTION TO LEVY AN ANNUAL ASSESSMENT FOR FISCAL YEAR 2010-2011 FOR A BUSINESS IMPROVEMENT AREA COVERING CERTAIN COSTA MESA HOTELS AND MOTELS AND SETTING THE TIME AND PLACE FOR A PUBLIC HEARING ON PROPOSAL.

Assistant City Manager Tom Hatch presented the report.

Shaun Robinson, General Manager of the Costa Mesa Hilton and President of the Costa Mesa Conference and Visitors Bureau, reported on the Bureau's focus on the electronic media noting the improvements to the website for their marketing to promote tourism to Costa Mesa.

MOTION: Approve the BIA Annual Report for Fiscal Year 2010-2011. Moved by Mayor Allan R. Mansoor, seconded by Council Member Eric R. Bever.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Eric R. Bever, Council Member Katrina Foley, Council Member Gary Monahan

Noes: None.

Absent: None.

MOTION: Adopted Resolution No. 10-30; and set the date of the Public Hearing for June 15, 2010 at 7:00 p.m

Moved by Mayor Allan R. Mansoor, seconded by Council Member Eric R. Bever.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Eric R. Bever, Council Member Katrina Foley, Council Member Gary Monahan

Noes: None.

Absent: None.

VIII OLD BUSINESS

1. From the meeting of April 6, 2010: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY COUNCIL OF THE CITY OF COSTA MESA AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM.

MOTION: Adopt Ordinance No. 10-4, to be read by title only, and waive further reading

Moved by Council Member Gary Monahan, seconded by Council Member Katrina Foley.

The motion carried by the following roll call vote:

Ayes: Mayor Pro Tem Wendy Leece, Council Member Katrina Foley, Council Member Gary Monahan

Noes: Mayor Allan R. Mansoor, Council Member Eric R. Bever

Absent: None.

2. From the meeting of April 20, 2010: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA AMENDING TITLE I (GENERAL PROVISIONS) OF THE COSTA MESA MUNICIPAL CODE REGARDING ADMINISTRATIVE CITATIONS.

MOTION: Adopt Ordinance No. 10-5, to be read by title only, and waive further reading

Moved by Council Member Gary Monahan, seconded by Council Member Katrina Foley.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Eric R. Bever, Council Member Katrina Foley, Council Member Gary Monahan

Noes: None.

Absent: None.

3. Continued from the meeting of April 20, 2010, Summer Concert Season Planning

(a). Authorization of up to ten (10) hours of City staff time to work with the Costa Mesa Community Foundation Board of Directors to plan up to four

concerts to be held at Fairview Park in July, 2010.

(b) Authorization of up to an additional forty (40) hours of City staff time to administer the 2010 Concert Series should the Costa Mesa Community Foundation secure donated funds to cover the direct costs.

(c) Authorize the Administrative Services Director to approve up to four (4) contracts with Reality Entertainment, not to exceed \$7,000 total, to provide bands and sound services for up to four (4) concerts if funding is secured by the Costa Mesa Community Foundation sufficient to cover the full direct costs of the concerts.

Recreation Manager Jana Ransom presented the report and answered questions from Council.

Bill Turpit, Costa Mesa, clarified that the Costa Mesa Community Foundation had approved a grant of \$7,000 to the City to fund two out four concerts.

Jennifer Pritchett, Costa Mesa, supported the Concerts in the Park.

MOTION: Approve authorization of up to ten (10) hours of City staff time to work with the Costa Mesa Community Foundation Board of Directors to plan up to four concerts to be held at Fairview Park in July, 2010; approve authorization up to an additional forty (40) hours of City staff time to administer the 2010 Concert Series should the Costa Mesa Community Foundation secure donated funds to cover the direct costs; and to authorize the Administrative Services Director to approve up to four (4) contracts with Reality Entertainment, not to exceed \$7,000 total, to provide bands and sound services for up to four (4) concerts if funding is secured by the Costa Mesa Community Foundation sufficient to cover the full direct costs of the concerts.

Moved by Mayor Allan R. Mansoor, seconded by Council Member Gary Monahan.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Katrina Foley, Council Member Gary Monahan

Noes: Council Member Eric R. Bever

Absent: None.

IX NEW BUSINESS

2. Status Report on Potential Acquisition of the Orange County Fairgrounds
 - (a) Presentation of Ownership and Financing Strategy
 - (b) Presentation of Fairgrounds Management Proposals

(c) Consideration of Modification of Standard Professional Services Agreement for Volunteer Expert Advice and Consultation

The City Manager made the presentation, providing an overview of the City's efforts in maintaining public ownership of the Orange County Fair and Event Center. He noted the Council's principles in guiding of the negotiations, informing of the city's intent to purchase the fairgrounds with no utilization of local tax funds nor of putting the local tax payers at risk; making as smooth of a transition as possible for the existing state employees; that future operation must be consistent with the City's General Plan, as well as the initiative (Measure C) that was to be considered by the voters in the June Special Election. He commented that it was important to the fabric of the community and the county to do all it can to maintain, enhance and expand the opportunities of the fairgrounds. He reported that the Governor's office has been decisive in its desire to sell the OC FEC. He advised that the State had determined the price of the property to be \$96 Million Dollars; and noted that if not at that price or successfully sold for local control that the property would again be placed out to bid. He informed that the City was required to come back to the State with a credible proposal and with a private operator for the site in thirty days. He highlighted the process that was being followed in order to meet the State's requirements and timeline.

Fred Armendariz of American Fairs and Festivals, and Rick Julian of Advanced Real Estate Services presented an overview of their partnership, goals, and vision, and indicated that the Orange County Fair will remain true to historical and land use, the City will gain title and control, and the Fairgrounds will be financed without risk to the City. Mr. Armendariz reported that American Fairs and Festivals was comprised of stakeholders.

The City Manager informed that a proposal from Facilities West Management had also been received, and that it was available for the members of the public to review.

The following public speakers expressed gratitude to the Council for their efforts in preserving the Fairgrounds and spoke in support of the purchase of the Fairgrounds for local control: Joy Williams, Costa Mesa; Maria Kulminaris, Costa Mesa; Martha Henderson, Costa Mesa; Mike Robins, Costa Mesa; Lisa Sabo, Costa Mesa
Kathy Hoffstetter, Costa Mesa; Garrett Christopher, Costa Mesa; Robin Leffler, Costa Mesa; Greg Ridge, Costa Mesa.

Deborah Furber, Dana Point, spoke in support of current vendors operating the Fair, and thanked Council for their efforts to purchase the Fairgrounds.

Chris McEvoy, Costa Mesa, thanked Council and staff, and discouraged the Council to consider Facilities Management West, as he felt it should

be maintained under local control and by those that have a history of contributing to successfully operation of the fairgrounds.

Sandra Genis, Costa Mesa, thanked the Council and staff, encouraged Council to move forward with acquiring the Fairgrounds, and asked Council to clarify which parties would comprise the Joint Powers Authority.

Theresa Sears, Orange, noted that the City Council of the City Orange had passed a resolution in support of the Fairgrounds and the efforts of the Costa Mesa City Council, and expressed gratitude.

David Batistelli, owner of Papa Dan's a vendor at the fairgrounds, spoke in support of American Fairs and Festivals, and thanked Council for saving small businesses.

Beth Refakes, Costa Mesa, referencing the proposal made by Facilities Management West, expressing her concerned that the City would then not have ownership of the Fairgrounds. She expressed support for local control of the fairgrounds and encouraged the Council to continue its pursuits.

The City Manager responded to an inquiry by Mayor Pro Tem Leece relative to the make up of the Joint Powers Authority indicating there is not a predetermination of who would be involved, but that it could include both public and private entities.

The City Attorney announced that documentation and issues regarding the Joint Powers Authority would be presented at the next Council meeting. She also noted that the proposals relative to the operations of the OCFEC was being presented to majority of the Council that evening for the first time.

In response to Mayor Pro Tem Leece, the City Manager informed that there would be a Special Adjourned City Council Meeting held May 10, 2010 at 4 p.m., which would include a Closed Session and open public session regarding the ranking of the proposals and authorization to enter into negotiations with the selected firm. The City would have approximately 10 days in which an agreement of terms and conditions would be presented to the Governor's office. Council Member Monahan emphasized that approval of the agreement is ultimately subject to the Governor's office, and encouraged members of the public to keep in contact with the Governor's office.

Council Member Monahan presented a proposal to allow three volunteers to provide additional expert advise and consulting services, at no cost to the City, relative to the potential acquisition of the fairgrounds, and suggested David Ball, Richard Kapko, and James Righeimer.

The City Attorney addressed a letter received from a member of the public regarding a potential conflict of interest, and advised that Craig Realty was currently not involved with the purchase, and therefore there would not be a conflict with James Righeimer serving as a volunteer consultant.

Mayor Pro Tem Leece expressed confidence in the current team of advisors and expressed concern of bringing "more people on board."

Sandra Genis, Costa Mesa, expressed her concern regarding a potential conflict of interest.

Speaker (Name not provided) suggested that the volunteers' backgrounds be provided and the public be permitted to provide input before approving an agreement.

Kathy Hoffstetter, Costa Mesa, urged Council not to approve anything where a potential conflict may be presented.

Robin Leffler, Costa Mesa, expressed concern in the pre-selection of the volunteers without public input, and suggested that a statement of economic intent be required.

Beth Refakes, Costa Mesa, expressed concern regarding conflict of interest and liability of the City.

Council Member Monahan explained that the group of volunteers was not a committee, and that each volunteer would be required to sign a confidentiality agreement.

The City Attorney responded to questions from the Council relative to the scope of volunteer's involvement, clarification regarding liability, and assured that a perceived conflict of interest of one of the volunteers did not create a financial conflict.

Council Member Foley felt that there was not enough time to update the individuals, expressed concern regarding potential conflict, stated that she didn't know all the volunteers nor their backgrounds and therefore would not support an agreement with the volunteers.

Council Member Bever supported the proposal and indicated the importance of having volunteers with an aggressive real estate background.

MOTION: Direct staff to retain as unpaid volunteer consultants David Ball, Richard Kapko, Jim Righeimer with regards to the OCFEC negotiations and direct staff to execute the modified agreement (attachment 2 of the staff report).

Moved by Council Member Gary Monahan, seconded by Mayor Allan R. Mansoor.

Mayor Mansoor expressed his support of the motion noting the short timeframe within which to work and commented that additional assistance with a very complex issue was necessary.

Council Member Foley expressed her concern in involving the volunteer consultants and felt that the process should be kept "as clean as possible."

Mayor Mansoor reiterated his support for the motion.

Mayor Pro Tem Leece commented that she would not be supporting the motion as she felt that the consultants hired by the city were providing the expertise necessary in navigating through the process.

Council Member Foley requested the maker of the motion to include as a volunteer consultant Barney Page from C.J. Segerstrom and Sons, LLC. The maker of the motion agreed, as did the seconder.

MOTION: Direct staff to retain as unpaid volunteer consultants David Ball, Richard Kapko, Jim Righeimer and Barney Page with regards to the OCFEC negotiations and direct staff to execute the modified agreement (attachment 2 of the staff report). Moved by Council Member Gary Monahan, seconded by Mayor Allan R. Mansoor.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Council Member Eric R. Bever, Council Member Gary Monahan

Noes: Mayor Pro Tem Wendy Leece, Council Member Katrina Foley

Absent: None.

The Mayor expressed his discontent with Council Member Foley's opposition to the motion even though it was amended to include the additional consultant.

X REPORTS

No reports were given by the City Attorney or the City Manager.

XI ADJOURNMENT

The Mayor adjourned the meeting at 11:30 p.m. to May 11, 2010, 4:30 p.m. for a Study Session. The next Regular City Council Meeting will be held May 18, 2010.

Mayor of the City of Costa Mesa

ATTEST:

City Clerk of the City of Costa Mesa