

**MINUTES OF THE REGULAR MEETING  
OF THE CITY COUNCIL OF THE CITY OF  
SANTA ANA, CALIFORNIA**

**FEBRUARY 17, 2015**

**CLOSED SESSION MEETING**

**CALLED TO ORDER**

COUNCIL CHAMBER  
22 CIVIC CENTER PLAZA  
5:15 P.M.

**ATTENDANCE**

COUNCILMEMBERS Present:  
MIGUEL A. PULIDO, Mayor (5:30 p.m.)  
VINCENT F. SARMIENTO, Mayor Pro Tem  
ANGELICA AMEZCUA  
P. DAVID BENAVIDES  
MICHELE MARTINEZ  
ROMAN A. REYNA

COUNCILMEMBERS Absent:  
SAL TINAJERO

STAFF Present:  
DAVID CAVAZOS, City Manager  
SONIA R. CARVALHO, City Attorney  
MARIA D. HUIZAR, Clerk of the Council

**PUBLIC COMMENTS** - None

COUNCIL RECESSED to Room 147 for Closed Session discussion at 5:15 p.m.

**CLOSED SESSION ITEMS** - The Brown Act permits legislative bodies to discuss certain matters without members of the public present. The City Council finds, based on advice from the City Attorney, that discussion in open session of the following matters will prejudice the position of the City in existing and anticipated litigation:

1. CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION pursuant to Paragraph (1) of subdivision (d) of Section 54956.9 of the Government Code:

Maria Gomez, et al. v. City of Santa Ana, CASE NO.: SACV06-245 DOC (RNBx).

2. CONFERENCE WITH LEGAL COUNSEL -- ANTICIPATED LITIGATION  
Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9 of the Government Code: (One Case\*)

\*Matter placed on the Agenda for legal update at the request of Mayor Pulido, pursuant to Santa Ana Charter Section 411.

3. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8:

Address of Property: Lee Property-1411 N. Bristol Street  
Zambrano Property-1417 N. Bristol Street  
Gonzalez Property-1415 N. Bristol Street  
Chavez Property-1607 N. Bristol Street

Negotiators: City Manager, David Cavazos and Director  
Public Works Agency, Fred Mousavipour

Terms: Price and Terms of Property Acquisition

4. CONFERENCE WITH LABOR NEGOTIATOR pursuant to Government Code Section 54957.6(a):

Agency Negotiators: Personnel Services Executive Director, Ed Raya

Employee Organizations: Santa Ana Police Officers Association (POA)  
Santa Ana Police Management Association (PMA)  
Service Employees' International Union (SEIU) Full-Time Employees  
Service Employees' International Union (SEIU) Part-time Civil Service Employees  
Confidential Association of Santa Ana (CASA)  
Santa Ana Management Association (SAMA)

Agency Negotiator: City Manager, David Cavazos

Employee Organizations: Executive Management (EM)

**CLOSED SESSION REPORT** - See Item 19A for any reportable actions.

**ADJOURNED THE CLOSED SESSION MEETING AT 6:05 P.M. AND CONVENED TO THE REGULAR OPEN MEETING.**

## REGULAR OPEN MEETING

### CALLED TO ORDER

COUNCIL CHAMBER  
22 CIVIC CENTER PLAZA  
SANTA ANA, CA  
6:07 P.M.

### ATTENDANCE

COUNCILMEMBERS Present:  
MIGUEL A. PULIDO, Mayor  
VINCENT F. SARMIENTO, Mayor Pro Tem  
ANGELICA AMEZCUA  
P. DAVID BENAVIDES  
MICHELE MARTINEZ  
ROMAN A. REYNA

COUNCILMEMBERS Absent:  
SAL TINAJERO

STAFF Present:  
DAVID CAVAZOS, City Manager  
SONIA R. CARVALHO, City Attorney  
MARIA D. HUIZAR, Clerk of the Council

### PLEDGE OF ALLEGIANCE

ISAAC LARRIVA AND VICTORIA MEDINA,  
TAFT ELEMENTARY SCHOOL

### INVOCATION

JANE HEATHERINGTON-RAUTH, POLICE  
CHAPLAIN

### PRESENTATIONS

**CERTIFICATE OF RECOGNITION** presented by **MAYOR PULIDO** in recognition of the TeenSpace Circle of Mentoring Program.

**CLOSED SESSION REPORT** – No reportable actions.

**PUBLIC COMMENT** - None

## CONSENT CALENDAR

**MOTION:** Approve staff recommendations on the following Consent Calendar items: Items 10A through 31A, with the following modifications:

- Per staff's request, Agenda Item 25F continued;
- Councilmember Martinez pulled Agenda Items 19D and 20A for separate action; and
- Mayor Pro Tem Sarmiento pulled Agenda Items 19E and 25B for separate action.

**MOTION:** Martinez                      **SECOND:** Reyna

**VOTE:**    **AYES:**                      Amezcua, Benavides, Martinez, Pulido, Reyna, Sarmiento (6)

**NOES:**                      None (0)

**ABSTAIN:**                      None (0)

**ABSENT:**                      Tinajero (1)

## **ADMINISTRATIVE MATTERS**

### MINUTES

10A.            MINUTES FROM THE REGULAR MEETING OF FEBRUARY 3, 2015  
                  {STRATEGIC PLAN NO. 5, 1} - Clerk of the Council Office

**MOTION:** Approve Minutes.

### BOARDS / COMMISSIONS / COMMITTEES

13A.            REAPPOINTMENT OF WORKFORCE INVESTMENT BOARD  
                  MEMBERS {STRATEGIC PLAN NO. 5, 1} - Community Development  
                  Agency

**MOTION:** Reappoint Ignacio Alegre, Brent Beasley, Patrick Korthuis, Lee McMurtray, Robert Ruiz, Robert Tucker, and Caleb Everett to the Santa Ana Workforce Investment Board for a four-year term, expiring March 1, 2019.

13B. NOMINATED BY COUNCILMEMBER AMEZCUA AS THE WARD 3 (REGULAR) REPRESENTATIVE TO THE YOUTH COMMISSION, FOR FULL TERM EXPIRING DECEMBER 13, 2016 {STRATEGIC PLAN NO. 5, 1} - Clerk of the Council Office

**MOTION:** Appoint Ivan Enriquez (Ward 3 Resident) replacing J. Madrid.

13C. NOMINATED BY MAYOR PULIDO AS THE CITYWIDE (ALTERNATE) REPRESENTATIVE TO THE YOUTH COMMISSION, FOR FULL TERM EXPIRING DECEMBER 13, 2016 {STRATEGIC PLAN NO. 5, 1} - Clerk of the Council Office

**MOTION:** Appoint Roy Rodriguez (Ward 2 Resident) replacing I. Ramos.

#### **MISCELLANEOUS ADMINISTRATION**

19A. CONFIRMATION OF CLOSED SESSION ACTION(S) – None

19B. EXCUSED ABSENCES – Clerk of the Council Office

**MOTION:** Excuse the absence of Councilmember Tinajero from the February 17, 2015 City Council meeting.

**MOTION:** Sarmiento                      **SECOND:** Benavides

**VOTE:**    **AYES:**                      Amezcua, Benavides, Martinez, Pulido, Reyna, Sarmiento (6)

**NOES:**                      None (0)

**ABSTAIN:**                      None (0)

**ABSENT:**                      Tinajero (1)

19C. QUARTERLY REPORT FOR HOUSING DIVISION PROJECTS AND ACTIVITIES OCTOBER 2014 – DECEMBER 2014 {STRATEGIC PLAN NO. 5, 3} - Community Development Agency

**MOTION:** Receive and file.

19D STRATEGIC PLAN MONTHLY REPORT FOR JANUARY 2015  
{STRATEGIC PLAN NO. 5.1} - City Manager's Office

Councilmember Martinez, would like a report on what items have been completed, to see a timeline for when tasks are performed, and a matrix provided at each Council Committee.

**MOTION:** Receive and file.

**MOTION:** Martinez                      **SECOND:** Pulido

**VOTE:**    **AYES:**                      Amezcua, Benavides, Martinez, Pulido, Reyna, Sarmiento (6)

**NOES:**                      None (0)

**ABSTAIN:**                      None (0)

**ABSENT:**                      Tinajero (1)

19E REDFLEX RED LIGHT CAMERA PROGRAM UPDATE - Police Department

Mayor Pro Tem Sarmiento, thanked staff for following Council direction; indicated that cameras at intersection of 17<sup>th</sup> and Tustin are exempt and excluded pursuant to County Board of Supervisor's decision.

Councilmember Amezcua noted that cameras will be turned off on June 17, 2015.

**MOTION:** Receive and file.

**MOTION:** Sarmiento                      **SECOND:** Amezcua

**VOTE:**    **AYES:**                      Amezcua, Benavides, Martinez, Pulido, Reyna, Sarmiento (6)

**NOES:**                      None (0)

**ABSTAIN:**                      None (0)

**ABSENT:**                      Tinajero (1)

**BUDGETARY MATTERS**

**APPROPRIATION ADJUSTMENTS**

**20A AMENDMENT TO FISCAL YEAR 2014/15 SEVEN-YEAR CAPITAL IMPROVEMENT PROGRAM (CIP) AND APPROPRIATION ADJUSTMENT TO RECEIVE ORANGE COUNTY TRANSPORTATION AUTHORITY (OCTA) MEASURE M2 GRANT FUNDING {STRATEGIC PLAN NO. 6, 1, G} - Public Works Agency**

Councilmember Martinez, asked for clarification on appropriations received from Orange County Transportation Authority.

***MOTION:***

- 1. Approve an amendment to the Fiscal Year 2014/15 Seven-CIP, to add the projects listed below, both of which are funded through the OCTA Measure M2 program, subject to non-substantive changes approved by the City Manager and City Attorney.**

AGMT NO. 2015-024 – With OCTA, Letter Agreement No. 9, C-1-2783, to add the Safe Transit Stops Project

AGMT NO. 2015-025 – With OCTA, Letter Agreement No. 10, C-1-2783, to add Residential Catch Basin Connector Pipe Screen Installation Project

- 2. Approve an appropriation adjustment. (*Requires five affirmative votes*)**

APPROPRIATION ADJUSTMENT NO. 2015-130 - Recognizing \$887,519 in Measure M2 grant funds into the Measure M Street Construction Fund revenue account, and appropriating \$687,519 for the Safe Transit Stops Project and \$200,000 for the Residential Catch Basin Connector Pipe Screen Installation Project in the Measure M Street Construction expenditure account.

**MOTION:** Martinez

**SECOND:** Sarmiento

**VOTE:**

**AYES:**

Amezcuca, Benavides, Martinez, Pulido, Reyna, Sarmiento (6)

**NOES:**

None (0)

**ABSTAIN:**

None (0)

**ABSENT:**

Tinajero (1)



annual amount not to exceed \$500,000, with provisions for one two-year renewal exercisable by the City Manager and City Attorney, subject to nonsubstantive changes approved by the City Manager and City Attorney.

- 22D. SPEC. NO. 15-006 - ASPHALT CONCRETE MATERIALS (NON-GENERAL FUND) {STRATEGIC PLAN NO. 6, 1 C} - Finance & Management Services and Public Works Agency

**MOTION:** Award a contract to Vulcan Materials Co. for a one-year period expiring February 29, 2016, in an annual amount not to exceed \$50,000, with provisions for three one-year renewals exercisable by the City Manager and the City Attorney, subject to nonsubstantive changes approved by the City Manager and the City Attorney.

- 22E. SPEC NO. 15-013 - REPAIRS TO ELEVATOR NO. 4H IN POLICE DETENTION CENTER {STRATEGIC PLAN NO. 6,1,1c} - Finance & Management Services and Police Department

**MOTION:** Award a contract to KONE, Inc. in an amount not to exceed \$32,000.00, subject to non-substantive changes approved by the City Manager and City Attorney.

## AGREEMENTS

- 25A. LANDSCAPE MAINTENANCE SERVICES {STRATEGIC PLAN NO. 6, 1B} - Parks, Recreation & Community Services Agency

**MOTION:** Authorize the City Manager and Clerk of the Council to execute amendments, subject to non-substantive changes approved by the City Manager and the City Attorney:

1. AGMT NO. 2015-026 - With Landscape West for landscape maintenance services in District 1 to adjust the scope, extend the term 11 months and provide compensation in an amount of \$284,900, which includes a 10% contingency, for the term February 1, 2015 through January 31, 2016.
2. AGMT NO. 2015-027 - With DMS for landscape maintenance services in District 2 to adjust the scope and provide compensation in an amount of \$318,331.20, which includes a 10% contingency, for the term February 1, 2015 through January 31, 201.
3. AGMT. NO. 2015-028 - With Mariposa Landscape for landscape maintenance services in District 3 to adjust the scope and reduced the

compensation to \$882,208.80, which includes a 10% contingency, for the term February 1, 2015 through January 31, 2016. **In addition**, for landscape maintenance services in District 4 to adjust the scope, extend the term 11 months and provide compensation in an amount of \$861,612.44, which includes a 10% contingency, for the term February 1, 2015 through January 31, 2016.

**25B. LOAN AGREEMENTS – 815 N HARBOR, LP {STRATEGIC PLAN NO. 5, 3} - Community Development Agency**

Executive Director of Community Development, Kelly Reenders, clarified that gap funding provided through Neighborhood Stabilization Program (NSP) and HOME Investment funds through a Request for Program process.

**MOTION: Authorize the City Manager, or designee, and Clerk of the Council to execute agreements, subject to non-substantive changes approved by the City Manager and City Attorney for 815 North Harbor Boulevard.**

1. AGMT NO. 2015-029 - Loan agreement for HOME Investment Partnership Program funds not to exceed \$380,000 with 815 N. Harbor, L.P.
2. AGMT NO. 2015-030 - Neighborhood Stabilization Program amendment to agreements, Loan Agreement with 815 N. Harbor L.P. (A-2013-158) and the Affordability Restrictions on Transfer of Property, not to exceed \$880,000 with 815 N Harbor, LP.

**MOTION:** Sarmiento

**SECOND:** Martinez

**VOTE:**

**AYES:**

Amezcuca, Benavides, Martinez, Pulido, Reyna, Sarmiento (6)

**NOES:**

None (0)

**ABSTAIN:**

None (0)

**ABSENT:**

Tinajero (1)

**25C. ON-CALL HOUSING FINANCIAL ANALYSIS AND ADVISORY SERVICES {STRATEGIC PLAN NO. 5, 3} - Community Development Agency**

**MOTION: Authorize the City Manager and the Clerk of the Council to execute agreements, subject to non-substantive changes approved by the City Manager and the City Attorney.**

1. AGMT NO. 2015-031 - With Keyser Marston Associates in an amount not to exceed \$100,000 for a two-year term.
2. AGMT NO. 2015-032 – With CSG Advisors, Inc., in an amount not to exceed \$100,000 for a two-year term.

- 25D. AGMT NO. 2015-033 - MEMORANDUM OF UNDERSTANDING TO ESTABLISH A PROCESS TO CONSIDER A POTENTIAL JOINT USE OF A PORTION OF THE SANTA ANA ZOO AND THE ELKS PROPERTY LOCATED AT ELKS LANE AND FIRST STREET {STRATEGIC PLAN NO. 3, 5, A} - Community Development Agency

**MOTION: Authorize the City Manager and the Clerk of the Council to execute a Memorandum of Understanding with the Elks Building Association of Santa Ana, subject to non-substantive changes approved by the City Manager and City Attorney.**

- 25E. AGMT NO. 2015-034 - GRAFFITI REMOVAL SERVICES (NON-GENERAL FUND) {STRATEGIC PLAN NO. 6, 1B} - Public Works Agency

**MOTION: Authorize the City Manager and Clerk of the Council to execute the fourth and final option to renew the agreement with Graffiti Protective Coatings, Inc., subject to nonsubstantive changes approved by the City Manager and City Attorney, expiring February 29, 2016, in an amount not to exceed \$600,000.**

- 25F. AGMT - ADULT CROSSING GUARD PROGRAM {STRATEGIC PLAN NO. 1, 1} - Police Department

**MOTION: Continue consideration of matter, at the request of staff.**

- 25G AGMT NO. 2015-035 - INCLUSIONARY HOUSING AGREEMENT WITH C&C N. HARBOR, LLC FOR A NEW MIXED USE DEVELOPMENT AT 1206 NORTH HARBOR BOULEVARD – {STRATEGIC PLAN NOS. 3, 2; 3, 5; 5, 3; 5, 4} - Planning and Building Agency and Community Development Agency

**MOTION: Approve an Inclusionary Housing Agreement with C&C N. Harbor, LLC and the payment of an in-lieu fee for a mixed-use development.**

## LAND USE MATTERS

### CONDITIONAL USE PERMIT/VARIANCES

- 31A.           CONDITIONAL USE PERMIT NO. 2014-47 TO ALLOW A TYPE 41 ALCOHOLIC BEVERAGE CONTROL LICENSE FOR TORTAS SINALOA LOCATED AT 701 SOUTH HARBOR BOULEVARD, UNIT A {STRATEGIC PLAN NO. 3, 2} - PARISSIS CHRISTOS, APPLICANT - Planning and Building Agency

Planning Commission approved recommended action on January 26, 2015, by a vote of 5-0 (Alderete, Gartner absent).

**MOTION: Receive and file the staff report approving Conditional Use Permit No. 2014-47.**

**\*\*END OF CONSENT CALENDAR\*\***

## BUSINESS CALENDAR

### ORDINANCES/FIRST READING

- 50A.           CODE ENFORCEMENT REMEDIES AND ADMINISTRATIVE FINES RELATING TO CODE VIOLATIONS {STRATEGIC NO. 3, 4, AND 5} - City Attorney's Office and Planning and Building Agency

Councilmember Martinez, request staff analyze fees to recover actual costs.

**MOTION:**

1. **Place ordinance on first reading and authorize publication of title.**

ORDINANCE NO. NS-2876 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA ANA AMENDING CHAPTER 1 AND CHAPTER 8 OF THE SANTA ANA MUNICIPAL CODE REGARDING CODE ENFORCEMENT PROVISIONS, INCLUDING CIVIL PENALTIES, RECOVERY OF ATTORNEYS' FEES, AND REMOVAL OF UTILITIES

2. **Adopt a resolution.**

RESOLUTION NO. 2015-007 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA SETTING ADMINISTRATIVE FINES FOR VIOLATING PROVISIONS OF THE SANTA ANA MUNICIPAL CODE

**MOTION:** Martinez

**SECOND:** Sarmiento

**VOTE: AYES:**

Amezcuca, Benavides, Martinez, Pulido, Reyna, Sarmiento (6)

**NOES:**

None (0)

**ABSTAIN:**

None (0)

**ABSENT:**

Tinajero (1)

**RESOLUTIONS**

- 55A. APPROPRIATION ADJUSTMENT TO RECOGNIZE FUNDING AND RESOLUTION TO ADD TEN MEDICAL MARIJUANA DISPENSARIES ENFORCEMENT PLAN POSITIONS (ONE POLICE SERGEANT AND FIVE POLICE OFFICER POSITIONS, TWO COMMUNITY PRESERVATION INSPECTOR POSITIONS, ONE REVENUE AND CONTRACT COMPLIANCE EXAMINER POSITION, AND ONE ASSISTANT CITY ATTORNEY POSITION) TO THE FY 2014-15 BUDGET {STRATEGIC PLAN NO. 1; 4; 5} – City Manager’s Office

Councilmember Martinez, request staff returns to City Council in five to six months to re-evaluate staffing needs and proper allocation.

***MOTION:***

- 1. Approve an appropriation adjustment. (Requires five affirmative votes)**

APPROPRIATION ADJUSTMENT NO. 2015-131 - Recognizing \$880,580 in Medical Marijuana Registration Application and Regulatory Safety Permit revenue and appropriate to various departmental budget accounts to offset the Medical Marijuana Dispensaries Enforcement Plan costs from February to June 30, 2015.

- 2. Adopt a resolution.**

RESOLUTION NO. 2015-008 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA TO AMEND AND REESTABLISH THE CITY’S BASIC CLASSIFICATION AND COMPENSATION PLAN TO ADD ONE NEW FULL-TIME

CLASSIFICATION TITLE, RESCIND RESOLUTION NO. 2015-005,  
AND TO AMEND THE CURRENT ANNUAL BUDGET TO ADD TEN  
FULL-TIME POSITIONS TO ENSURE COMPLIANCE WITH THE  
MEDICAL MARIJUANA DISPENSARIES ENFORCEMENT PLAN

**MOTION:** Martinez

**SECOND:** Amezcua

**VOTE: AYES:** Amezcua, Benavides, Martinez, Pulido, Reyna,  
Sarmiento (6)

**NOES:** None (0)

**ABSTAIN:** None (0)

**ABSENT:** Tinajero (1)

55B. RESOLUTION IN SUPPORT OF THE UNITED STATES DEPARTMENT  
OF TRANSPORTATION'S SAFER PEOPLE, SAFER STREETS  
INITIATIVE {STRATEGIC PLAN NO. 1,1E; 5,6B} - City Manager's Office

Councilmember Amezcua, staff to consider adding bike lanes.

Councilmember Martinez, circulation element and safe mobility plan will  
inventory infrastructure and include need.

Mayor Pulido, would like staff to obtain a copy of the presentation made at  
Orange County Transportation Authority and forward to Councilmembers.

**MOTION: Adopt a resolution.**

RESOLUTION NO. 2015-009 - A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF SANTA ANA IN SUPPORT OF THE UNITED STATES  
DEPARTMENT OF TRANSPORTATION'S SAFER PEOPLE, SAFER  
STREETS: PEDESTRIAN AND BICYCLE SAFETY INITIATIVE

**MOTION:** Amezcua

**SECOND:** Martinez

**VOTE: AYES:** Amezcua, Benavides, Martinez, Pulido, Reyna,  
Sarmiento (6)

**NOES:** None (0)

**ABSTAIN:** None (0)

**ABSENT:** Tinajero (1)

## REPORTS

- 65A. REVIEW COUNCIL COMMITTEES & APPOINTEES; RECEIVE AND FILE BYLAWS, AND APPROVE 2015 CALENDAR OF MEETING DATES {STRATEGIC PLAN NO. 5, 1} - - Clerk of the Council Office

Continued from the December 16, 2014 City Council Meeting by a vote of 7-0. Continued from the January 20, 2015 City Council Meeting by a vote of 6-1 (Reyna dissented). Continued from the February 3, 2015 by a vote of 7-0.

Council discussion ensued.

Councilmember Martinez noted that Clerk of the Council had prepared a list of Council interest for each committee and presented prior to the meeting. Noted that she would like to be considered on the Development and Transportation Committee; Finance, Economic Development and Technology Committee; and Legislative Committee.

Councilmember Amezcua expressed interested on the Parks, Recreation, Education & Youth (PREY) Council Committee and on the Public Safety Committee.

Councilmember Benavides expressed interest on the Parks, Recreation, Education & Youth (PREY) Council Committee; the Development and Transportation Committee; and on the Legislative Committee.

Mayor Pro Tem Sarmiento noted that Councilmember Tinajero absent. Mayor Pulido noted that item may be re-agendized, if necessary.

Mayor Pulido motion to move with changes as noted and all others remain status quo.

### ***MOTION:***

- 1. Review list of established Council Committees and recommend changes as noted in discussion.**
- 2. Receive and file bylaws for the Development and Transportation Committee; Public Safety and Neighborhood Improvement; Parks, Recreation, Education & Youth (PREY) and Joint Santa Ana Unified School District; and Finance, Economic Development and Technology Council Committees.**
- 3. Approve the 2015 calendar of Council Committee Meeting dates.**

**MOTION:** Sarmiento

**SECOND:** Pulido

**VOTE: AYES:** Amezcua, Benavides, Martinez, Pulido, Reyna, Sarmiento (6)

**NOES:** None (0)

**ABSTAIN:** None (0)

**ABSENT:** Tinajero (1)

65B. REVIEW OF REGIONAL BOARD APPOINTEES {STRATEGIC PLAN NO. 5, 1} - Clerk of the Council Office

Continued from the December 16, 2014 City Council Meeting by a vote of 6-1 (Tinajero dissented). Continued from the January 20, 2015 City Council Meeting by a vote of 6-1 (Reyna dissented). Continued from the February 3, 2015 by a vote of 7-0.

Council discussion ensued.

Mayor Pro Tem Sarmiento nominated Councilmember Reyna to the Orange County Water District and Councilmember Tinajero to serve on the Orange County Sanitation District and Councilmember Amezcua to the Orange County Fire Authority, Councilmember Martinez to the Metropolitan Water District, and Councilmember Benavides to the Transportation Corridor Agency.

**MOTION:** Review the regional appointment list and recommend changes, as necessary.

**MOTION:** Sarmiento

**SECOND:** Martinez

**VOTE: AYES:** Amezcua, Benavides, Martinez, Pulido, Reyna, Sarmiento (6)

**NOES:** None (0)

**ABSTAIN:** None (0)

**ABSENT:** Tinajero (1)

Councilmember Reyna expressed interest in serving on the Orange County Vector Control.



**MOTION: Appoint Councilmember Reyna to the Orange County Vector Control.\***

**MOTION:** Martinez

**SECOND:** Benavides

**VOTE: AYES:** Amezcua, Benavides, Martinez, Pulido, Reyna, Sarmiento (6)

**NOES:** None (0)

**ABSTAIN:** None (0)

**ABSENT:** Tinajero (1)

\*Motion was rescinded at the March 3, 2015 City Council meeting, pursuant to provisions of California Health and Safety Code section 2022.

65C. **ADOPTION OF FISCAL YEAR 2015-16 FORECAST AND REVIEW OF FOUR YEAR PROJECTIONS {STRATEGIC PLAN NO. 4, 2} - City Manager's Office**

FY 2015-16 Forecast & 4-Year Projections by David Cavazos, City Manager

General Fund(s) Unassigned Fund Balances FY 2012-13 to FY 2013-14

Fiscal Year-Ending Fund Balance:

Unassigned

2012-13	\$30,687,835
2013-14	<u>\$45,297,705</u>
Total – increase / (decrease)	\$14,609,870
Percentage Increase (%) from prior year	48%

Unassigned Fund Balance includes:

Reserve (20% of operations and surplus)	\$41,452,113
Economic Uncertainty	<u>\$ 3,845,592</u>
	\$45,297,705

FY 13-14 Year-End Results Total General Fund

GENERAL FUND	FY 2013-14 ADOPTED BUDGET	FY 2013-14 ACTUALS	VARIANCE Budget vs. Actuals	
Total Revenues	\$ 205,741,000	\$ 211,499,355	\$ 5,758,355	2.8%
Total Expenditures	\$ 205,741,000	\$ 197,715,980	\$ (8,025,020)	-3.9%

2<sup>nd</sup> quarter 2014-15 projections vs. actuals total general fund

GENERAL FUND	FY 2014-2015 2nd QUARTER PROJECTED	FY 2014-2015 2nd QUARTER ACTUALS	VARIANCE	
Total Revenues*	\$ 67,968,279	\$ 70,390,642	\$ 2,422,363	3.6%
Total Expenditures*	\$ 103,370,062	\$ 101,078,470	\$ (2,291,592)	-2.2%

### 2<sup>nd</sup> quarter - 2014-15 GF Major Revenues Projections vs. Actuals

REVENUE SOURCE	FY 2014-2015 2nd QUARTER PROJECTED	FY 2014-2015 2nd QUARTER ACTUALS	VARIANCE	
Property Tax*	\$ 14,908,195	\$ 16,108,583	\$ 1,200,388	8.1%
UUT*	10,251,432	11,658,103	1,406,671	13.7%
Sales Tax*	11,404,170	11,252,814	(151,356)	-1.3%
Hotel Visitors Tax*	3,402,742	3,774,813	372,071	10.9%
Business License*	2,310,695	2,418,032	107,337	4.6%
Property Tax In-Lieu of VLF*	203,498	150,097	(53,401)	-26.2%
<b>TOTAL*</b>	<b>\$ 42,480,732</b>	<b>\$ 45,362,442</b>	<b>\$ 2,881,710</b>	<b> 6.8%</b>

\*From July 1, 2014 to December 31, 2014

### FY 14-15 Projected Year-End Results Total General Fund

GENERAL FUND	FY 2014-15 REVISED BUDGET	FY 2014-15 FORECAST	VARIANCE Budget vs. Forecast	
Total Revenues	\$ 208,918,360	\$ 215,691,000	\$ 6,772,640	3.2%
Total Expenditures	\$ 208,918,360	\$ 204,684,000	\$ (4,234,360)	-2.0%

Projected Year-End Results: \$10M - \$12M

### Fiscal Year 2015-16 Forecast and 4-year Projections February 2015

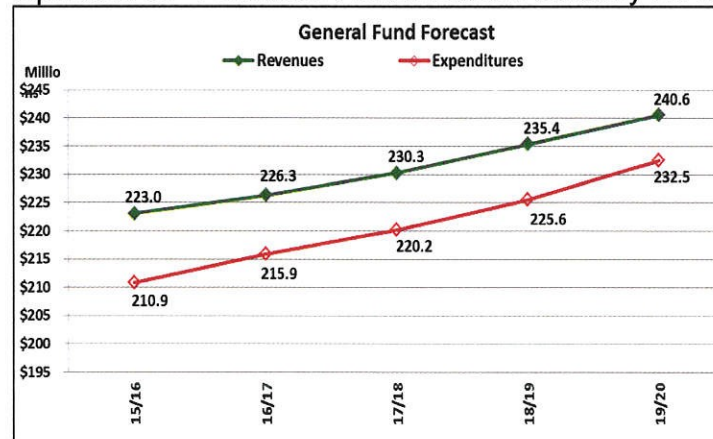
#### Major Assumptions:

- Higher than forecasted revenues (Forecast: \$201.8M vs Actual: \$211.5M) and lower expenditures (Forecast: \$200.9M vs Actual: \$197.7M) in FY 13-14.
- Includes \$6M in additional service levels such as the Strategic Plan, Civic Center Maintenance, additional inspection, permit, plan Check staff
- Increased new Jail revenue (Bureau of Prisons) in FY 14-15 by \$200K.
- Increased new Building Permit revenue in FY 14-15 by \$1.2M
- Sales Tax Revenue growth of 4% in FY 15-16.
- Increased new UUT revenue in FY 15-16 and to increase in FY 16-17 by \$2.7M.
- New measure BB forecasted revenue/costs in FY 15-16 of \$1.5M.
- Includes \$1M in matching funds associated with the COPS Grant for 10 Police Officers in FY15-16
- 1.0% ongoing innovation and efficiency savings (\$2.1M annually)
- Includes funding to implement the 5-year Strategic Plan (\$3M annually 2014/15 - 2018/19)

### Forecast Highlights & Accomplishments

- Incorporates achievement of 20% General Fund reserve level
- Forecast modifies Sales Tax growth factor from 2% to 4%
- Updated revenue projections from UUT due to the recent ordinance adoption
- Reflects new & used auto sales that have far exceeded the anticipated sales growth
- Increased development activity in FY 13-14 resulting in approx. \$772k in additional revenue
- Refinanced debt service to realize savings in financing costs:
  - Police Administration & Jail Facility (\$3M)
  - Water Bond Savings (\$1.6M) & Capital Projects Funding (\$5.9M)
  - Secured release of escrow from the Orange County Fire Authority (\$2.9M)
- Adjusted rates to recover jail costs of \$1.4M
- Forecast reflects the utilization of part-time correctional staff achieving \$386K in savings
- Includes savings with adopted FY 14-15 budget workforce changes of over \$266K
- Year-over-year overtime savings in PD (\$2.1M)
- Embedded a 7% revised health insurance growth, no changes in salary costs, and maintains adequate staffing levels
- Implemented innovative & efficiency measures, such as:
  - Installation of new parking meters with improved technology in the Downtown
  - Consolidation of all public front counter services
  - Installation of a 24-hour payment kiosk in City Hall
  - Secured \$10M in new grants

### Updated GF Forecast-W/Revisions February 2015



**MOTION:** Adopt the forecast for fiscal year 2015-16 and review of four-year projections.

**MOTION:** Sarmiento

**SECOND:** Amezcuca

<b>VOTE:</b>	<b>AYES:</b>	Amezcuca, Benavides, Pulido, Reyna, Sarmiento (5)
	<b>NOES:</b>	Martinez (1)
	<b>ABSTAIN:</b>	None (0)
	<b>ABSENT:</b>	Tinajero (1)

**PUBLIC HEARINGS**

75A. PUBLIC HEARING – RESOLUTION ADJUSTING CITY WATER AND SEWER RATES FOR 2015-2018 (NON-GENERAL FUND) {STRATEGIC PLAN NO. 6, 1, H} - Public Works Agency

The notice was also published in the Orange County Register on December 29, 2014, and December 31, 2014, in addition it was published in The Notice on February 6, 2015 and February 13, 2015.

As required by the provisions of Proposition 218, notices of a public hearing for adjusting water and sewer rates were mailed to all rate payers in the service area at least 45 days prior the Hearing (on or before December 30, 2014). The Clerk of the Council Office received 290 protest letters, as of printing of the Agenda and additional four prior to the end of the Hearing; majority protest letters were not received and the Hearing continued.

Mayor Pulido opened the Public Hearing. The following spoke on the rate increase:

- George Garcia spoke on the proposed rate increase; discussed alternative energy proposal.
- Linda Kestin, suggested recycling of water to avoid increasing rates.
- Leopold Arguello, noted that water rates have increased in past three years.

Mayor Pulido closed the Hearing.

Council discussion ensued.

City Manager Cavazos indicated that assessment performed two years ago, infrastructure improvements needed; last increase approved in 2011; 500 miles of distribution.

Councilmember Martinez concerned with transfer of funds to public safety; need to adjust before she approves any increases.

Councilmember Benavides, would like a report on proposed water/sewer infrastructure improvements.

Mayor Pulido, noted that increase is earmarked for infrastructure improvements.

**MOTION: Adopt a resolution.**

RESOLUTION NO. 2015-010 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA REVISING THE WATER AND SEWER RATES AND CHARGES

**MOTION:** Sarmiento

**SECOND:** Pulido

**VOTE: AYES:** Amezcua, Benavides, Pulido, Reyna, Sarmiento (5)

**NOES:** Martinez (1)

**ABSTAIN:** None (0)

**ABSENT:** Tinajero (1)

75B. PUBLIC HEARING-RESOLUTION APPROVING THE ISSUANCE OF TAX-EXEMPT OBLIGATIONS AND DIRECTING CERTAIN ACTIONS {STRATEGIC PLAN NO. 5, 3} - Community Development Agency

Legal Notice published in the Orange County Reporter on February 2, 2015.

Mayor Pulido opened the Public Hearing. There were no speakers and the Hearing closed.

**MOTION: Adopt a resolution.**

RESOLUTION NO. 2015-011 - RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA APPROVING THE ISSUANCE OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$16,000,000 FOR THE PURPOSE OF FINANCING OR REFINANCING THE ACQUISITION, CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF 815 N. HARBOR APARTMENTS AND OTHER MATTERS RELATING THERETO

**MOTION:** Martinez

**SECOND:** Sarmiento

<b>VOTE:</b>	<b>AYES:</b>	Amezcuca, Benavides, Martinez, Pulido, Reyna, Sarmiento (6)
	<b>NOES:</b>	None (0)
	<b>ABSTAIN:</b>	None (0)
	<b>ABSENT:</b>	Tinajero (1)

**CITY COUNCIL RECESSED AT 7:29 P.M. TO CONVENED THE SUCCESSOR AGENCY MEETING AND RECONVENED THE CITY COUNCIL MEETING AT 7:30 P.M. WITH SAME MEMBERS PRESENT.**

### COMMENTS

#### PUBLIC COMMENTS

- George Garcia, representative of Republic Homes Neighborhood Association, suggest that all bicyclist registered; bring back release time.
- Ebruahim Duel, concerned with homeless vandalizing his building located on 4<sup>th</sup> street.
- Madeleine Spencer, suggested recycling water alternatives; highlighted report by the State of California on expenses, and property and sales taxes.
- Michael Klubnikin, presented report on County of Orange social service programs.
- Ilya Tseglin, concerned with County of Orange's Public Defender level of service.
- Thomas Gordon, concerned that SB7 stipulates that Bill does not apply to existing contracts.
  - Councilmember Martinez, request memo to the City Council on SB7 as it pertains to the graffiti contract and Thomas Gordon's comments about whether or not prevailing wage is required.

#### 90A. CITY MANAGER'S COMMENTS

- Noted success of Santa Ana Love Project.
- City releasing the Shop Local, Shop Santa Ana video promoting Santa Ana.

#### 90B. CITY COUNCILMEMBER COMMENTS

Councilmember Martinez:

- Asked that staff agendize resolution of decorum; suggested that City Council allow 20 minutes of public comments at the beginning of the meeting and additional 20 minutes at the end; allows for consistency;

- Would like to agendaize for the Public Safety Committee the next steps for the homeless check-in location;
- Thanked volunteers and Councilmember Benavides for Love Santa Ana Project;
- Thanked staff and volunteers for successful Graffiti Paint Out Day; PREY Committee to agendaize mitigation of costs;
- Reported that Youth Commission appointments underway; excited about the future leaders; PREY Committee to review role and responsibilities of Commission; also discuss education/awareness of graffiti issue;
- Healthy Cities Committee convened; non-profit organization advise City Council on health related matters;
- Savor Santa Ana had soft opening of 4<sup>th</sup> Street Market; huge success;
- Environmental and Transportation Advisory Committee to review their roles and amend bylaws; and
- Invited all to Tet Festival; wished all a Chinese Happy New Year.

Mayor Pro Tem Sarmiento:

- Noted that City Council making concerted effort to start the Regular Open Session at 6 p.m.
- Thanked City Council for honor of serving and representing the City on the Orange County Water District and thanked staff for helping understand complex issues such as desalination and groundwater replenishment system; and
- Noted that City Council rotating service on regional boards every two years.

Councilmember Amezcua:

- Would like to make sure voting system is working and displayed on TV during votes; and
- Request pictures displayed of individuals and programs being recognized during Council presentations.

Councilmember Reyna:

- Urged all to conserve water;
- Attended Youth-In-Government conference in Sacramento over the weekend; kudos to youth that participated;
- American Cancer Society's Relay for Life in Santa Ana will be held on April 18-19; invited all to participate;
- Boys and Girls Club will be hosting High School Leadership Conference in March; encouraged students to register for free conference;
- Commented on upcoming Tet Festival; and
- Shop in Santa Ana; video promoting the City coming soon; request copy of video.

Councilmember Benavides:

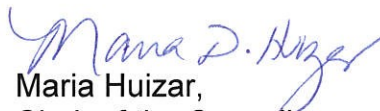
- Commented that 4<sup>th</sup> Street Market and Main Place Mall are exciting new or renovated places to shop in Santa Ana; and
- Santa Ana Project Love held on Saturday February 14<sup>th</sup> and was great success.

Mayor Pulido:

- Attended meeting in Sacramento on behalf of Orange County Transportation Authority;
- Noted that Senator Feinstein coming to Santa Ana on February 19<sup>th</sup>; will be discussing Federal funding for Streetcar project;
- OC Register article promoting the City; ½ million dollars in branding has been committed by Michael Harrah when he bought the OC Register; and
- Adjourned in Memory of Robert V. Garcia.

**ADJOURNED** - 8:45 P.M. - The next meeting of the City Council is scheduled for Tuesday, March 3, 2015 at 5:00 p.m. for the Closed Session Meeting immediately followed by the Regular Open Business Meeting at 5:45 p.m. in the Council Chamber, 22 Civic Center Plaza, Santa Ana, California.

Adjourn In Memory of  
Robert V. Garcia

  
Maria Huizar,  
Clerk of the Council

**FUTURE AGENDA ITEMS**

- Proactive Rental Enforcement Program Renewal