



REGULAR CITY COUNCIL AND HOUSING AUTHORITY JUNE 2, 2026 - MINUTES

CALL TO ORDER – The Closed Session meeting was called to order by Mayor Stephens at 4:00 p.m.

ROLL CALL

Present: Council Member Buley, Council Member Gameros (arrived at 4:03 p.m. and recused himself at 5:47 p.m. due to a conflict on item no. 8), Council Member Marr (arrived at 4:10 p.m.), Council Member Pettis, Council Member Reynolds, Mayor Pro Tem Chavez, and Mayor Stephens.

Absent: None.

PUBLIC COMMENTS – NONE.

CLOSED SESSION ITEMS:

1. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to California Government Code Section 54957.6, (a)

Agency Designated Representative: Cecilia Gallardo-Daly, City Manager

Name of Employee Organization: Costa Mesa City Employees Association (CMCEA)

2. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to California Government Code Section 54957.6, (a)

Agency Designated Representative: Cecilia Gallardo-Daly, City Manager

Name of Employee Organization: Costa Mesa Confidential Unit

3. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to California Government Code Section 54957.6, (a)

Agency Designated Representative: Cecilia Gallardo-Daly, City Manager

Name of Employee Organization: Costa Mesa Police Association (CMPA)

4. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to California Government Code Section 54957.6, (a)

Agency Designated Representative: Cecilia Gallardo-Daly, City Manager

Name of Employee Organization: Costa Mesa Police Management Association (CMPMA)

5. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to California Government Code Section 54956.9 (d)(1)

Name of Case: City of Costa Mesa v. Ohio House LLC

Orange County Superior Court, Case No. 30-2020-01146835-CU-OR-CJC

6. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to California Government Code Section 54956.9 (d)(1)

Name of Case: City of Costa Mesa v. Ohio House, LLC, a California limited liability corporation; Richard Perlin, Nancy Perlin, Dolores Perlin, and Brandon Stump as individuals, Orange County Superior Court Case No. 30-2018-01006173-CU-OR-NJC.

7. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to California Government Code Section 54956.9 (d)(1)

Name of Case: Ohio House, LLC v. City of Costa Mesa, United States District Court, Central District of CA, Case No. 8:19 cv 01710 DOC (KESx)

8. CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION – ONE CASE

Pursuant to California Government Code Section 54956.9 (d)(4), Potential Litigation.

City Council recessed at 4:02 p.m. for Closed Session.

Closed Session adjourned at 5:55 p.m.

CALL TO ORDER - The Regular City Council and Housing Authority meeting was called to order by Mayor Stephens at 6:02 p.m.

NATIONAL ANTHEM AND PLEDGE OF ALLEGIANCE – A video was played of the National Anthem and the Mayor led the Pledge of Allegiance.

MOMENT OF SOLEMN EXPRESSION – Led by Council Member Buley.

ROLL CALL

Present: Council Member Buley, Council Member Gameros, Council Member Marr, Council Member Pettis, Council Member Reynolds, Mayor Pro Tem Chavez, and Mayor Stephens.

Absent: None.

CITY ATTORNEY CLOSED SESSION REPORT – Ms. Hall Barlow reported that action was taken on Closed Session item No. 8 regarding potential initiation of litigation. City Council approved the termination of the agreement with Priceless Pet Rescue in lieu of litigation and directed staff to enter into an emergency procurement with Westminster Adoption Group and Services (WAGS), and the City Council also directed staff to prepare a Request For Proposals for a permanent provider.

MOVED/SECOND: Mayor Pro Tem Chavez/Council Member Marr

MOTION: Approve the termination of the agreement with Priceless Pet Rescue in lieu of litigation and direct staff to enter into an emergency procurement with Westminster Adoption Group and Services, and direct staff to prepare a Request For Proposals for a permanent provider.

The motion carried by the following roll call vote:

Ayes: Council Member Buley Council Member Marr, Council Member Pettis, Council Member Reynolds, Mayor Pro Tem Chavez, and Mayor Stephens.

Nays: None.

Absent: None.

Abstain: Council Member Gameros.

Motion carried: 6-0

PRESENTATIONS: NONE.

PUBLIC COMMENTS – MATTERS NOT LISTED ON THE AGENDA

Katy Wright, representing Toastmasters District 100, invited the City Council to attend an event on June 3, 2026.

COUNCIL MEMBER COMMITTEE REPORTS, COMMENTS, AND SUGGESTIONS

Council Member Buley spoke on attending a Memorial Day event at Harbor Lawn Mt. Olive Memorial Park and praised Cornell Iliescu for his contributions to the community.

Council Member Gameros spoke on the 3rd of July event.

Council Member Marr wished everyone a Happy Pride Month.

Council Member Reynolds spoke on visiting Cambridge Massachusetts and their walkability in the City, spoke on their urban green program and signage, spoke on a 3D replica of the entire city in their Planning Department, spoke on attending ribbon cutting ceremonies and supporting local businesses, and spoke on the Transient Occupancy Tax and researching Air B&B's for new revenue.

Council Member Pettis spoke on attending the Memorial Day events at Harbor Lawn Mt. Olive Memorial Park and Newport Harbor High School, spoke on his Eastside Exchange pop up event at Brentwood Park, thanked staff for moving the boulders in the park, requested staff to look into repairs of a gazebo at the park, the next pop up event will be at Jordan Park on June 20th, and thanked staff for promptly resolving incorrect parking tickets issued on 16th Place.

Mayor Pro Tem Chavez wished everyone Happy Pride Month and spoke on attending the Shalimar Park Groundbreaking.

Mayor Stephens spoke on attending the Shalimar Park Groundbreaking, attending a ukulele sing along event, and spoke on Voices In Unity and the 250 people in the choir to celebrate the Country's 250 anniversary, and spoke on an event on June 27th at the Barclay Theater called Gospel Voices.

REPORT – CITY MANAGER – Ms. Gallardo-Daly recognized the Shalimar Park groundbreaking and spoke on Sargent Lee’s retirement.

REPORT – CITY ATTORNEY – Ms. Hall Barlow encouraged everyone to vote and wished everyone a Happy Pride Month.

CONSENT CALENDAR

MOVED/SECOND: Mayor Pro Tem Chavez/Council Member Marr

MOTION: Approve the Consent Calendar.

The motion carried by the following roll call vote:

Ayes: Council Member Buley, Council Member Gameros, Council Member Marr, Council Member Pettis, Council Member Reynolds, Mayor Pro Tem Chavez, and Mayor Stephens.

Nays: None.

Absent: None.

Abstain: None.

Motion carried: 7-0

1. PROCEDURAL WAIVER: WAIVE THE FULL READING OF ALL ORDINANCES AND RESOLUTIONS

ACTION:

City Council and Housing Authority approved the reading by title only and waived further reading of Ordinances and Resolutions.

2. READING FOLDER

ACTION:

City Council received and filed Claims received by the City Clerk and authorized staff to reject any and all Claims: Jay Dunkelberger, Kevin Smith, Gary Sokolich, Thomas Schneider (Interinsurance Exchange of the Automobile Club).

3. ADOPTION OF WARRANT RESOLUTION

ACTION:

City Council approved Warrant Resolution No. 2755.

4. MINUTES

ACTION:

City Council approved the minutes of the regular meeting on April 7, 2026.

5. RENEWED MEASURE M (M2) ELIGIBILITY

ACTION:

1. City Council approved the City’s Maintenance of Effort (MOE) for Fiscal Year (FY) 2026-27.

2. Approved the M2 Seven-Year Capital Improvement Program (CIP) consisting of the City's Five-Year and future year CIP for FY 2026-27 through FY 2032-33.
3. Adopted Resolution No. 2026-18, for the update of the Pavement Management Plan.
4. Adopted Resolution No. 2026-19, for the update of the Local Signal Synchronization Plan.
5. Authorized staff to submit documents to meet M2 Eligibility requirements.

6. RESOLUTION ADOPTING A LIST OF PROJECTS FOR FISCAL YEAR 2026-27 FUNDED BY SENATE BILL 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017

ACTION:

City Council adopted Resolution No. 2026-20 approving a list of projects for funding with the Road Maintenance and Rehabilitation Account (RMRA) revenues for Fiscal Year (FY) 2026-27.

7. RESOLUTIONS RELATING TO THE CALLING OF THE GENERAL MUNICIPAL ELECTION ON NOVEMBER 3, 2026

ACTION:

City Council took the following actions:

1. Adopted Resolution No. 2026-21, to be read by title only and waive further reading, calling and giving notice to conduct a General Municipal Election on November 3, 2026 for the purpose of electing a Mayor for the full term of two years; and election of three members of the City Council from the Third, Fourth, and Fifth districts, for the full term of four years.
2. Adopted Resolution No. 2026-22, to be read by title only and waive further reading, requesting the Orange County Board of Supervisors to consolidate the General Municipal Election with the Statewide General Election and to issue instruction to the Orange County Registrar of Voters Elections Department to provide specific services in the conduct of the consolidated election.
3. Adopted Resolution No. 2026-23, to be read by title only and waive further reading, adopting regulations pertaining to Candidate Statements submitted to the voters at a General Municipal Election to be held on November 3, 2026.

AT THIS TIME COUNCIL WILL ADDRESS ANY ITEMS PULLED FROM THE CONSENT CALENDAR

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

NEW BUSINESS:

1. AWARD OF CONTRACT TO RENOVATE JACK HAMMETT SPORTS COMPLEX FIELDS 1 AND 2

Presentation by Mr. Sethuraman, Public Works Director.

Public Comments: None.

MOVED/SECOND: Mayor Stephens/Mayor Pro Tem Chavez

MOTION: Approve staff recommendation.

The motion carried by the following roll call vote:

Ayes: Council Member Buley, Council Member Gameros, Council Member Marr, Council Member Pettis, Council Member Reynolds, Mayor Pro Tem Chavez, and Mayor Stephens.

Nays: None.

Absent: None.

Abstain: None.

Motion carried: 7-0

ACTION:

1. City Council awarded a Public Works Agreement (PWA) for the renovation of Jack Hammett Sports Complex Fields 1 and 2 to Scapepros Landscaping, 1100 E Orangethorpe Avenue, Suite 252-F, Anaheim, CA 92801, in the amount of \$469,478.
2. Authorized a ten percent (10%) contingency in the amount of \$46,948 for unforeseen costs related to the project.
3. Authorized the City Manager and the City Clerk to execute the PWA and future amendments for the agreement within Council authorized limits.

City Council recessed into a break at 6:46 p.m.

City Council reconvened at 7:02 p.m.

PUBLIC HEARINGS:

(Pursuant to Resolution No. 05-55, Public Hearings begin at 7:00 p.m.)

1. BUSINESS IMPROVEMENT AREA (BIA) REAUTHORIZATION TO LEVY ANNUAL ASSESSMENT

Presentation by Ms. Jakher, Assistant to the City Manager and Paulette Lombardi Fries, President of Travel Costa Mesa.

Public Comments: None.

MOVED/SECOND: Council Member Reynolds/Council Member Marr

MOTION: Approve staff recommendation.

The motion carried by the following roll call vote:

Ayes: Council Member Buley, Council Member Gameros, Council Member Marr, Council Member Pettis, Council Member Reynolds, Mayor Pro Tem Chavez, and Mayor Stephens.

Nays: None.

Absent: None.

Abstain: None.

Motion carried: 7-0

ACTION:

1. City Council conducted a public hearing regarding the Business Improvement Area (BIA) reauthorization and levy of the annual assessment for Fiscal Year 2026-2027.
2. Adopted Resolution No. 2026-24, confirming the annual report filed by Travel Costa Mesa and levying an annual assessment for Fiscal Year 2026-2027 for the Business Improvement Area covering certain Costa Mesa hotels and motels.

2. FISCAL YEAR 2026-27 PROPOSED OPERATING AND CAPITAL IMPROVEMENT PROGRAM AND HOUSING AUTHORITY BUDGET INCLUDING ANNUAL REPORTING FOR EQUIPMENT USE POLICY PER AB 481 AND VACANCY STATUS AND RECRUITMENT STRATEGIES PER AB 2561

Presentation by Ms. Gallardo-Daly, City Manager; Mr. Okereke, Financial Consultant; Mr. Khou, Budget and Purchasing Manager; Ms. Acosta-Reyes, Finance Manager; Police Lieutenant Barnes; Mr. Sethuraman, Public Works Director; Ms. Tai, Economic and Development Services Director; Mr. Matsuura, Principal Human Resources Analyst; Ms. Acosta, Human Resources Administrator.

Public Comments:

Ralph Taboada, Costa Mesa, spoke on the Finance and Pension Advisory Committee vote and that it was not unanimous, suggested quarterly reviews of the budget, spoke on the 52 vacancies, prior years salary savings and funding the overtime, spoke in opposition to eliminating the park ranger position, spoke on continuing the item to speak with the Finance and Pension Advisory Committee for more information on salary savings and attrition, and spoke in opposition of waiving CAN.

Cynthia McDonald, Costa Mesa, spoke on certification of the Housing Element, grant funding, and in opposition of eliminating the park ranger position.

MOVED/SECOND: Mayor Pro Tem Chavez/Mayor Stephens

MOTION: Approve staff recommendation.

SUBSTITUTE MOTION/SECOND: Council Member Marr/Council Member Reynolds

SUBSTITUTE MOTION: Continue the item to the June 16, 2026 City Council meeting and request staff to bring back an explanation on the vacancies, frozen positions, the 2% vacancy rate, and recommend an additional \$2,000,000 in budget cuts.

Council Member Buley spoke in opposition to the substitute motion citing a preference to rely on staff's recommendation and revisiting the budget every three months.

SUBSTITUTE MOTION/SECOND: Council Member Marr/Council Member Reynolds
SUBSTITUTE MOTION: Continue the item to the June 16, 2026 City Council meeting and request staff to bring back an explanation on the vacancies, frozen positions, the 2% vacancy rate, and recommend an additional \$2,000,000 in budget cuts.

The motion failed by the following roll call vote:

Ayes: Council Member Marr and Council Member Reynolds.

Nays: Council Member Buley, Council Member Gameros, Council Member Pettis, Mayor Pro Tem Chavez, and Mayor Stephens.

Absent: None.

Abstain: None.

Motion failed: 2-5

Mayor Pro Tem Chavez amended the original motion and added a review of the budget every three months.

Mayor Stephens (2nd) agreed to the change.

ORIGINAL MOTION/SECOND: Mayor Pro Tem Chavez/Mayor Stephens

ORIGINAL MOTION: Approve staff recommendation and review of the budget every three months.

The motion carried by the following roll call vote:

Ayes: Council Member Buley, Council Member Gameros, Council Member Pettis, Mayor Pro Tem Chavez, and Mayor Stephens.

Nays: Council Member Marr and Council Member Reynolds.

Absent: None.

Abstain: None.

Motion carried: 5-2

ACTION:

1. City Council approved Resolution 2026-25, adopting the Proposed Fiscal Year 2026-2027 Operating and Capital Improvement Program (CIP) Budget.
2. Approved Joint Resolution 2026-26 adopting the Housing Authority Budget including Economic and Community Development expenditures for Fiscal Year 2026-2027.
3. Authorized and approved staffing as follows: decrease of 1.0 FTE for Park Ranger as presented at the May 12, 2026, Study Session.
4. Approved Resolution 2026-27 establishing the Fiscal Year 2026-2027 Appropriations Limit for the City of Costa Mesa at \$346,047,694, by using Orange County's growth for population adjustment, and the California per capita income growth for inflationary adjustment.
5. Approved the City of Costa Mesa's Revised Special Event Rates.

6. City Council complied with AB 481 Police Equipment Report and Resolution as follows:
 - a. Received public comment on the 2026 Annual AB 481 Report.
 - b. Approved Resolution 2026-28 renewing Ordinance No. 2022-03, the AB 481 Equipment Use Policy of the City of Costa Mesa, California, governing the use of police safety equipment.
7. Approved renaming of the Economic and Development Services Department to the Community Development Department and approved Resolution 2026-29, renaming the Economic and Development Services Director and updating benefits information for Executives.
8. Approved Resolution 2026-30 renaming the Assistant Development Services Director.
9. Received and filed the job vacancy status information required by AB 2561.

OLD BUSINESS: NONE.

ADDITIONAL COUNCIL/BOARD MEMBER COMMITTEE REPORTS, COMMENTS, AND SUGGESTIONS – NONE.

ADJOURNMENT – Mayor Stephens adjourned the meeting at 10:09 p.m.

Minutes adopted on this 16th day of June, 2026.

John Stephens, Mayor

ATTEST:

Brenda Green, City Clerk

DRAFT