



Steven Choi
Mayor/Chairman

Jeffrey Lalloway
Mayor Pro Tem / Vice Chairman

Beth Krom
Councilmember/Boardmember

Lynn Schott
Councilmember/Boardmember

Christina Shea
Councilmember/Boardmember

MINUTES

CITY COUNCIL REGULAR MEETING AND REGULAR JOINT MEETING WITH THE CITY OF IRVINE AS SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY

June 23, 2015
City Council Chamber
One Civic Center Plaza
Irvine, CA 92606

CALL TO ORDER

The regular meeting of the Irvine City Council and regular joint meeting with the City of Irvine as Successor Agency to the dissolved Irvine Redevelopment Agency was called to order at 4:12 p.m. on June 23, 2015 in the City Council Chamber, Irvine Civic Center, One Civic Center Plaza, Irvine, California; Mayor/Chairman Choi presiding.

ROLL CALL

Present:	5	Councilmember/Boardmember:	Beth Krom
		Councilmember/Boardmember:	Lynn Schott
		Councilmember/Boardmember:	Christina Shea
		Mayor Pro Tempore/Vice Chair:	Jeffrey Lalloway
		Mayor/Chairman:	Steven Choi

City Attorney Litfin announced the following Closed Session items:

1. CLOSED SESSION

- 1.1 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - CITY OF IRVINE V. COHEN, SACRAMENTO SUPERIOR COURT, CASE NO. 34-2015-0017897 (Pursuant to Government Code Section 54956.9(a))**
- 1.2 CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION: Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: one potential case**
- 1.3 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - SAND CANYON SERVICE STATION, INC. V. ORANGE COUNTY TRANSPORTATION AUTHORITY, ET AL., ORANGE COUNTY SUPERIOR COURT, CASE NO. 30-2014-00748674 (Pursuant to Government Code Section 54956.9(a))**

There were no requests to speak to the Closed Session items.

RECESS

Mayor Choi convened the regular City Council Meeting to Closed Session at 4:14 p.m.

RECONVENE TO CITY COUNCIL MEETING

Mayor Choi reconvened the regular City Council meeting at 5:09 p.m. City Attorney Litfin, on behalf of the City Council, announced that there was no reportable action taken in Closed Session.

Mayor Choi noted that Councilmember Krom was not feeling well and left the meeting at the conclusion of Closed Session.

PLEDGE OF ALLEGIANCE

Councilmember Shea led the Pledge of Allegiance.

MOMENT OF SILENCE

Mayor Choi asked for a moment of silence in memory of Katherine Hampton and her two-year-old granddaughter Kaydence Hampton, recent victims of a hit-and-run accident; and the victims attending services at the Emanuel AME Church in Charleston, South Carolina.

INVOCATION

Mayor Choi invited Reverend Mark Whitlock from Christ Our Redeemer AME Church in Irvine to provide the invocation. Reverend Whitlock also expressed his appreciation to the Irvine Police Department for its support of the recent tragedy at its sister parish in Charleston, South Carolina.

MUSICAL PRESENTATION

Mayor Choi introduced the Irvine Canaan Christian Community Church Kids Ministry Choir, accompanied by May Shu, Coordinator, who performed "America the Beautiful" followed by "Joy on that Day."

2. PRESENTATIONS

2.1 Presentation of Special Olympics Upcoming Events

Mayor Choi introduced Lissa Pestolesi, Chairperson of the Irvine Host Town Committee, who provided details about the Korean Special Olympics Athletes, coaches and support staff who will be staying and training in Irvine prior to the 2015 Special Olympics World Games in Los Angeles. Ms. Pestolesi also noted that Irvine was the 2015 Host City and expressed her appreciation to the City Council and other sponsors for their support.

CITY MANAGER'S REPORT

There was no report.

ANNOUNCEMENTS/COMMITTEE REPORTS/COUNCIL REPORTS

Mayor Pro Tempore Lalloway encouraged community members to visit the City's website at cityofirvine.org by clicking on the message, "Drowning Prevention – Summer is NOW" to obtain information about water/pool safety and drowning prevention. He also presented an important video put together by the Orange County Fire Authority, which also contained information on pool safety.

Councilmember Shea announced that the ongoing Heritage and Aviation Exhibition is now open at the Orange County Great Park's Hangar 244, and noted that a public reception was scheduled from 1-3 p.m. on Saturday, June 27 at the exhibit to unveil a memorial to honor those who perished in the 1965 Loma Ridge crash that killed 72 Marines and 12 Airmen. She also introduced Eagle Scout Jordan Fourcher, who completed his Eagle Service Project by creating the memorial. Mr. Foucher thanked the City Council and Mya Sanders, Community Services Superintendent, for their support.

Councilmember Schott announced that she had the privilege of attending the Northwood and University High School graduation ceremonies.

Mayor Choi introduced Kyung Ah Choi, his new appointee to the Irvine Child Care Committee. He also made the following announcements:

- While attending the 83rd Annual United States Conference of Mayors in San Francisco, Mayor Choi was presented the “Most Livable” Cities in America Outstanding Achievement Award for cities with populations over 100,000 on behalf of the City’s Mental Health Outreach Team program.
- The Sizzlin’ Summer Concert Series at Mike Ward Community Park, Woodbridge begins Sunday, July 12 with “Paperback Writer: The Beatles Experience.” All five free summer concerts begin at 5:30 p.m., with gourmet food trucks available on-site. In addition, the season also includes “Symphony in the Cities,” performed by the Pacific Symphony, which will be held on Sunday, July 19 at 7 p.m. with a musical playground beginning at 5:30 p.m. For information, visit cityofirvine.org.
- Great Park Manager of Real Property and Great Park Site Administration Cliff Wallace, who played an important role in the transition of the former Marine Corps Air Station El Toro from military base to civilian public use at the Orange County Great Park, will be leaving the City to join the Nixon Presidential Library & Museum. Mayor Choi presented Mr. Wallace with a plaque in appreciation of his service to the City and lasting contributions to the Orange County Great Park at the former Marine Corps Air Station at El Toro.

ADDITIONS AND DELETIONS

There were no additions or deletions to the agenda.

CONVENE TO THE REGULAR JOINT MEETING

Mayor Choi convened to the regular joint meeting with the City of Irvine as Successor Agency to the dissolved Redevelopment Agency at 6:01 p.m.

3. CONSENT CALENDAR – CITY COUNCIL

ACTION: Moved by Mayor Pro Tempore / Vice Chair Lalloway, seconded by Councilmember / Boardmember Shea, and unanimously carried by those members present (Councilmember / Boardmember Krom absent) to approve City Council Consent Calendar Item Nos. 3.1 through 3.7 and Successor Agency Consent Calendar Item Nos. 4.1 and 4.2.

3.1 MINUTES

ACTION:

Approved the minutes of a regular meeting of the Irvine City Council and regular joint meeting with the City of Irvine as Successor Agency to the dissolved Irvine Redevelopment Agency held on June 9, 2015.

3.2 WARRANT AND WIRE TRANSFER RESOLUTION

ACTION:

Adopted RESOLUTION NO. 15-47- A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ALLOWING CERTAIN CLAIMS AND DEMANDS AND SPECIFYING THE FUNDS OUT OF WHICH THE SAME ARE TO BE PAID

3.3 WARRANT AND WIRE TRANSFER RESOLUTION - AT&T

ACTION:

Adopted RESOLUTION NO. 15-48- A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ALLOWING CERTAIN CLAIMS AND DEMANDS OF AT&T AND SPECIFYING THE FUNDS OUT OF WHICH THE SAME ARE TO BE PAID

3.4 DEFINED BENEFIT AND DEFINED CONTRIBUTION PENSION PLAN AUDITS FOR THE YEAR ENDED DECEMBER 31, 2014

ACTION:

Received and filed the Defined Benefit and the Defined Contribution Pension Plan audits for the year ended December 31, 2014.

3.5 ORANGE COUNTY GREAT PARK ENVIRONMENTAL INSURANCE RENEWAL

ACTION:

1. Approved the renewal of expiring environmental insurance coverage under the existing policy written by American International Specialty Lines (AIG).
2. Approved an appropriation and corresponding budget adjustment, as required by the Fiscal Transparency and Reforms Act, in an amount up to \$75,000 for the renewal of environmental insurance coverage.

(Unless otherwise directed by a member of the City Council, the vote on this matter will reflect the prior action of each City Councilmember when he or she sat and voted as a member of the Board of Directors of the Orange County Great Park Corporation. However, if a

Councilmember is not present at the City Council meeting, his or her vote will be reflected as absent.)

Approved 4-0 (Councilmember Krom absent)

3.6 AWARD OF FINAL DESIGN CONTRACT FOR THE UNIVERSITY DRIVE WIDENING IMPROVEMENT PROJECT FROM CAMPUS TO MACARTHUR

ACTION:

Approved the award of a professional services contract to Harris and Associates, Inc. in the amount not to exceed \$1,334,606 to provide final design and construction support services for the University Drive Widening Improvement Project from Campus to MacArthur, and authorized the Mayor to execute the contract.

3.7 AMENDMENT NO. 1 TO COOPERATIVE AGREEMENT WITH ORANGE COUNTY TRANSPORTATION AUTHORITY FOR SAND CANYON GRADE SEPARATION PROJECT

ACTION:

Approved Amendment No. 1 to the Cooperative Agreement with the Orange County Transportation Authority for the Sand Canyon Avenue Grade Separation Project, and authorized the City Manager to execute the amendment.

4. CONSENT CALENDAR - SUCCESSOR AGENCY

4.1 MINUTES

ACTION:

Approved the minutes of a regular joint meeting of the City of Irvine as Successor Agency to the dissolved Irvine Redevelopment Agency with the Irvine City Council held on June 9, 2015.

4.2 WARRANT AND WIRE TRANSFER RESOLUTION - CITY COUNCIL AS SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY

ACTION:

Adopted RESOLUTION NO. 15-04 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, AS SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY ALLOWING CERTAIN CLAIMS AND DEMANDS OF THE CITY COUNCIL AS SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY AND SPECIFYING THE FUNDS OUT OF WHICH THE SAME ARE TO BE PAID

PUBLIC COMMENT - SUCCESSOR AGENCY

There were no public comments.

ADJOURNMENT –REGULAR JOINT MEETING

Moved by Mayor Pro Tempore/Vice Chair Lalloway, seconded by Councilmember/ Boardmember Shea, and unanimously carried by those members present (Councilmember/Boardmember Krom absent) to adjourn the regular joint meeting at 6:03 p.m.

CONVENE TO THE REGULAR JOINT MEETING

Mayor Choi reconvened the regular City Council meeting at 6:04 p.m.

5. PUBLIC HEARINGS

5.1 FISCAL YEAR 2015-16 PROPOSED CHANGES OR NEW FEES FOR PROGRAMS AND ACTIVITIES AT THE ORANGE COUNTY GREAT PARK AND OTHER CITY PARKS AND FACILITIES

Mike Cribbin, Senior Management Analyst, and Kim Mahon, Management Analyst II, presented the staff report and were available for City Council questions.

Mayor Choi opened the public hearing at 6:08 p.m. There were no public comments.

ACTION: Moved by Councilmember Shea, seconded by Mayor Pro Tempore Lalloway, and unanimously carried by those members present (Councilmember Krom absent) to close the public hearing at 6:09 p.m.

There was no City Council discussion. However, Mayor Choi noted that the Orange County Great Park Board recommended approval of the proposed resolution at its meeting preceding the City Council meeting.

ACTION: Moved by Councilmember Shea, seconded by Councilmember Schott, and unanimously carried by those members present (Councilmember Krom absent), to:

Adopt RESOLUTION NO. 15-49 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, SETTING FEES FOR VARIOUS COMMUNITY SERVICES ACTIVITIES FOR FISCAL YEAR 2015-16

6. COUNCIL BUSINESS

6.1 FISCAL YEAR 2015-16 LANDSCAPE, LIGHTING AND PARK MAINTENANCE ASSESSMENT

Valaya Chitchakkol, Finance Administrator, Jay Ponce, Senior Management Analyst, and Mark Risco, representing Willdan Financial Services, presented the staff report and responded to questions.

City Council discussion included: noting that the assessment is a double tax; and approving the assessment for the ensuing year without the Consumer Price Index (CPI) adjustment.

City Attorney Litfin clarified that the recommended action included the approval of the Engineer's Report.

ACTION: Moved by Councilmember Shea, seconded by Mayor Pro Tempore Lalloway, and unanimously carried by those members present (Councilmember Krom absent), to:

Adopt RESOLUTION NO. 15-50 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, DECLARING ITS INTENTION TO LEVY AND COLLECT ANNUAL ASSESSMENTS, APPROVING THE ENGINEER'S ANNUAL LEVY REPORT AND ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS FOR THE IRVINE LANDSCAPE, LIGHTING AND PARK MAINTENANCE ASSESSMENT, FISCAL YEAR 2015-16

As amended to eliminate the proposed increase of 0.51% based on the Consumer Price Index (CPI).

6.2 CITY OF IRVINE FISCAL YEAR 2015-16 BUDGET

City Manager Joyce presented the staff report and responded to questions. Ken Brown, Director of Administrative Services, and Donna Mullally, Manager of Budget and Business Planning, were also available for City Council questions.

Don Dressler, Finance Commissioner, spoke in support of recommendations made by the Finance Commission to: 1) create a business/City task force to work with the Safety committee to evaluate losses, accident investigation and reporting procedures to reduce workers' compensation costs; and 2) evaluate actual rehabilitation spending over the past ten years, and projected needs over the next 10 years, for

rehabilitation of all City facilities outside the Great Park and providing an annual contribution into a new fund or expansion of the Civic Center Fund.

Russell Stein, Finance Commissioner, noted that funding for future rehabilitation of City facilities was random and inconsistent; and spoke in support of: 1) funding and completing half of Capital Improvement Project No. 12 (Traffic Signal LED Indicator Upgrades) in the ensuing year, with the other half completed in Fiscal Year 2016-17, to realize a better rate of return on investment; and 2) creating a business/City task force to work with the Safety committee to evaluate losses, accident investigation and reporting procedures to reduce workers' compensation costs.

Alan Bartlett, Finance Commissioner, spoke in support of adopting a balanced budget and in opposition to a recommended efficiency study for all City departments.

City Council discussion included: agendaizing for discussion city streets and overall traffic management at a future meeting in the next 30 days; compiling a priority list of all Capital Improvement Projects (CIPs), to include the Irvine Fine Arts Center and Irvine Animal Care Center, for City Council discussion in July or August; number of projects approved in the Irvine Business Complex (IBC) without commensurate road improvements; discrepancy in funding amounts for streets and drainage, and C St./8th Street improvements; revitalized business sector and recent increases in sales, hotel and property taxes; number of new hotels under construction; expenditures for the Support Our Schools Initiative of 2012 (Measure BB) and bringing forward a possible two-year extension of the initiative in the near future to remove heavy restrictions imposed upon recipients; renovations and/or replacement of the Irvine Animal Care Center; consideration of Finance Commission recommendations for funding rehabilitation of City facilities; working with a consultant on the City's workers' compensation and injury prevention program; concern about the number of proposed staffing positions being requested; conducting an efficiency study to include all City departments; reiterated that the City was not increasing taxes for Irvine residents; noting that the Fine Arts Center and Irvine Animal Care Center are not up to Irvine standards and require improvements; confirming that the Parks and Facilities Master Plan reflects amenities that members of the public would like to see at public facilities; ensuring that sports and outdoor activities run much more smoothly; forming a task force, comprised of the City and the University of California, Irvine (UCI), community experts, insurance groups, and members of the senior community to increase overall efficiency in City departments; noted that the efficiency study could incorporate technology; concern that any efficiency study be conducted by a consultant as opposed to members of the public; whether the vacancy rate was for accounting purposes only; holding annual meetings between

the City Council and each Commission; conducting a joint meeting with the Finance Commission in the fall; number of employees per capita; employee retention, recognizing Irvine as “Tech Valley” by continually investing in technology to include improved Wi-Fi and cellular coverage throughout the City; appreciation of conservative budgets and projections; top-down leadership related to CIP projects; and appreciation to the City Manager on his leadership and fiscal stewardship.

Director of Public Works Gomez noted that street rehabilitation would be included in the priority list of CIP projects, which would be brought forward to the City Council in the near future. He also noted that multi-year projects, such as the Traffic Signal LED Indicator Upgrades project, could be completed sooner if the necessary funding could be identified.

City Manager Joyce provided justification for the new positions being proposed for the ensuing year and noted that reserves were anticipated to be funded at 20% of the annual budget within the next few months. He further noted that City staff will continue to review Finance Commission Recommendation Nos. 9 and 12 related to the Traffic Signal LED Indicator Upgrades project and looking at ways to improve the city’s workers compensation program.

ACTION: Moved by Councilmember Shea, seconded by Mayor Pro Tempore Lalloway, to:

1. Adopt the Fiscal Year 2015-16 Budget and Strategic Business Plan.
2. Adopt RESOLUTION NO. 15-51 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ADOPTING AND APPROVING THE APPROPRIATIONS BUDGET AND FINANCIAL POLICIES FOR THE CITY OF IRVINE FOR FISCAL YEAR 2015-16
3. Adopt RESOLUTION NO. 15-52 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2015-16
4. Adopt RESOLUTION NO. 15-53 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, AUTHORIZING FULL-TIME POSITIONS IN ACCORDANCE WITH THE PROVISIONS OF COMPENSATION RESOLUTIONS AND THE OPERATING BUDGET FOR THE 2015-16 FISCAL YEAR, AND SUPERSEDING RESOLUTION NO. 14-100, WHICH IS INCONSISTENT THEREWITH

5. Adopt RESOLUTION NO. 15-54 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ESTABLISHING THE SALARY GRADE ORDER STRUCTURE AND SALARY RANGES FOR EMPLOYEES OF THE CITY OF IRVINE, AND SUPERSEDING RESOLUTION NO. 14-101, WHICH IS INCONSISTENT THEREWITH
6. Direct staff to take advantage of available savings by utilizing the Public Employees Retirement System's advance payment option for Fiscal Year 2015-16.
7. Adopt RESOLUTION NO. 15-55 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, AUTHORIZING EXECUTION OF STATE STANDARD AGREEMENT FOR HOUSING RELATED PARKS PROGRAM GRANT
8. Receive and file the Strategic Technology Plan 2015-2020.
9. Approve the Fiscal Year 2015-16 capital and operating budgets and anticipated contracts for the Orange County Great Park, as required by the Fiscal Transparency and Reforms Act.*
10. Authorize the execution of a sole source contract with Aeromobile for replacement of the Great Park balloon envelope and annual maintenance and operation of the balloon.

As amended to direct the City Manager to include funding in the amount of \$25,000 in the proposed Fiscal Year 2015-16 budget for conceptual design plans for the renovation and/or replacement of the Irvine Animal Care Center, and engage the subcommittee to work with staff during the initial process.

* The Orange County Great Park Board of Directors, at its meeting preceding the City Council meeting, recommended that the City Council approve with regard to appropriation, as required by the Fiscal Transparency and Reforms Act, the Fiscal Year 2015-16 Orange County Great Park capital and operating budgets and anticipated contracts, **as amended** per the errata memo dated June 23, 2015 to include a sole source contract with Flying Bull, Inc. in the amount of \$27,500 for event management services.

ACTION: A friendly amendment was made by Councilmember Schott to also include in the motion above adoption of Finance Commission Recommendation Nos. 7 through 14 noted in Attachment 1 to the staff report amending Finance Commission Recommendation No. 12 to have the business / City task force work with Human Resources instead of the Safety Committee to avoid any privacy concerns (attached as Exhibit 1 hereto).

Following discussion, Councilmember Schott withdrew her request to include adoption of Finance Commission Recommendation Nos. 7, 9 and 12. It was further noted that more information was needed with respect to Finance Commission Recommendation Nos. 9 and 12 for discussion at a later date.

ACTION: The friendly amendment made by Councilmember Schott, accepted by Councilmember Shea as the maker of the motion, and Mayor Pro Tempore Lalloway as the seconder, unanimously carried by those members present (Councilmember Krom absent) to:

ACTION:

1. Adopt the Fiscal Year 2015-16 Budget and Strategic Business Plan.
2. Adopt RESOLUTION NO. 15-51 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ADOPTING AND APPROVING THE APPROPRIATIONS BUDGET AND FINANCIAL POLICIES FOR THE CITY OF IRVINE FOR FISCAL YEAR 2015-16
3. Adopt RESOLUTION NO. 15-52 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2015-16
4. Adopt RESOLUTION NO. 15-53 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, AUTHORIZING FULL-TIME POSITIONS IN ACCORDANCE WITH THE PROVISIONS OF COMPENSATION RESOLUTIONS AND THE OPERATING BUDGET FOR THE 2015-16 FISCAL YEAR, AND SUPERSEDING RESOLUTION NO. 14-100, WHICH IS INCONSISTENT THEREWITH
5. Adopt RESOLUTION NO. 15-54 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ESTABLISHING THE SALARY GRADE ORDER STRUCTURE AND SALARY RANGES FOR EMPLOYEES OF THE CITY OF IRVINE, AND SUPERSEDING RESOLUTION NO. 14-101, WHICH IS INCONSISTENT THEREWITH
6. Direct staff to take advantage of available savings by utilizing the Public Employees Retirement System’s advance payment option for Fiscal Year 2015-16.

7. Adopt RESOLUTION NO. 15-55 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, AUTHORIZING EXECUTION OF STATE STANDARD AGREEMENT FOR HOUSING RELATED PARKS PROGRAM GRANT
8. Receive and file the Strategic Technology Plan 2015-2020.
9. Approve the Fiscal Year 2015-16 capital and operating budgets and anticipated contracts for the Orange County Great Park, as required by the Fiscal Transparency and Reforms Act.*
10. Authorize the execution of a sole source contract with Aeromobile for replacement of the Great Park balloon envelope and annual maintenance and operation of the balloon.

As amended to direct the City Manager to include funding in the amount of \$25,000 in the proposed Fiscal Year 2015-16 budget for conceptual design plans for the renovation and/or replacement of the Irvine Animal Care Center, and engage the subcommittee to work with staff during the initial process; and adopt Finance Commission Recommendation Nos. 8, 10, 11, 13 and 14 as noted in Attachment 1 to the staff report (attached as Exhibit A hereto).

* The Orange County Great Park Board of Directors, at its meeting preceding the City Council meeting, recommended that the City Council approve with regard to appropriation, as required by the Fiscal Transparency and Reforms Act, the Fiscal Year 2015-16 Orange County Great Park capital and operating budgets and anticipated contracts, **as amended** per the errata memo dated June 23, 2015 to include a sole source contract with Flying Bull, Inc. in the amount of \$27,500 for event management services.

6.3 FIRST READING OF ORDINANCE: AN ORDINANCE TO AMEND DIVISION 6 OF TITLE 4 OF THE IRVINE MUNICIPAL CODE TO REPEAL THE BUSINESS LICENSE TAX

Michael Sherwood, Deputy Director of Public Safety and Dan Jung, Special Assistant to the Chief of Police, presented the staff report and responded to questions.

Russell Stein, Finance Commissioner, spoke in support of eliminating the Business License Tax; however, he proposed that the City Council table the matter and refer it back to the Finance Commission for its review and recommendation of a new program.

City Council discussion included: future technological changes to encourage online filing of business licenses, potentially funded by any carryover funds; California as an unfriendly place to do business; Irvine's support of the business community; reducing taxes for Irvine taxpayers; noted that businesses will not be deterred by the current tax; comparison of Irvine's Business License Tax to other cities; importance of business data needed to maintain public safety; costs to administer the program without revenue to support it and the burden placed on taxpayers; importance of knowing who is doing business in Irvine; noting that returning money to Irvine taxpayers makes an important statement; benefits from sales tax revenue; encouraging as much commerce in the City as possible; amending the ordinance to add a minimum \$50 fine for non-compliance in Section 4-6-213 (Failure to file application or other documents as required); and benefits to Irvine residents from sales tax generated by business owners outside of the City.

ACTION: Moved by Mayor Pro Tempore Lalloway, seconded by Councilmember Shea, to:

Introduce for the first reading and read by title only ORDINANCE NO. 15-05 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, REPEALING THE BUSINESS LICENSE TAX

Additional City Council discussion included: increasing the penalty for non-compliance from \$25 for business license renewals to \$50 and whether the fee could be adjusted in the proposed ordinance; and the grace period to file before a business is fined.

City Attorney Litfin noted that noncompliance with the ordinance would be a code enforcement issue and would be addressed on a complaint basis, which staff would try to rectify prior to imposing a fine. He further suggested adding language into the ordinance in Sections "A1" and "B" of the ordinance that allows amendments to the penalty fees to be adjusted by resolution.

ACTION: A friendly amendment made by Councilmember Schott, accepted by Councilmember Shea as the maker of the motion, seconded by Mayor Pro Tempore Lalloway, unanimously carried by those members present (Councilmember Krom absent), to:

Introduce for the first reading and read by title only ORDINANCE NO. 15-05 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, REPEALING THE BUSINESS LICENSE TAX

As amended to reflect changes to Section 4-6-219(A)(1) and (B) as follows (noted in bold, underline and strikethrough):

Sec. 4-6-219. – Penalties for failure to apply business license.

A. *Renewal.*

- 1. Notwithstanding any other provision of this chapter, any business which fails to apply for the renewal of an existing license, and is continuing to transact or carry on business activity within the City, shall pay a penalty of ~~\$25~~ **\$50, or as otherwise amended by resolution,** for each year that the license is not renewed.

B. *No license.* Notwithstanding any other provisions of this chapter, for any business that is found to be transacting or carrying on business activity in this City without first applying for a license, following a two-month new business start-up period, a penalty of \$50, **or as otherwise amended by resolution,** will be assessed for each year or a portion thereof that the business has operated.

The motion carried as follows:

AYES: 3 COUNCILMEMBERS: Lalloway, Schott, and Shea

NOES: 1 COUNCILMEMBERS: Choi

ABSENT: 1 COUNCILMEMBERS: Krom

PUBLIC COMMENT - CITY COUNCIL

Ilya Tseglin and Robert Tseglin, Irvine residents, spoke on a domestic issue concerning an autistic family member and continued legal issues.

Michael Klubniken and an individual identifying himself as a “U.S. Citizen” spoke on behalf of their friend, Ilya Tseglin, who continues to have continued legal issues concerning his autistic son.

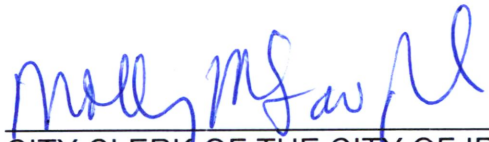
Jack Chang, Irvine resident, expressed concern about traffic safety near the entrance to University High School and urged consideration of a stop sign or traffic light at the impacted intersection.

Robert Brower, Irvine resident representing the 29th District of American Legion, expressed his appreciation to the City Council and Eagle Scout Jordan Forchet for their support of the Heritage and Aviation Exhibition, and thanked those Councilmembers who attended the grand opening event.

ADJOURNMENT - CITY COUNCIL

Moved by Councilmember Schott, seconded by Councilmember Shea, and unanimously carried by those members present (Councilmember Krom absent) to adjourn the meeting at 9:08 p.m.


MAYOR OF THE CITY OF IRVINE


CITY CLERK OF THE CITY OF IRVINE

July 14, 2015

CITY OF IRVINE
BUDGET RECOMMENDATION MATRIX
FY 2015-16 PROPOSED BUDGET

	Action	Planning Commission	City Manager Position
1	Find the proposed CIP budget consistent with the City's General Plan.	Approve 5-0 Via Resolution No. 15-3400	Agree

	Recommendation to the City Council	Community Services Commission	Senior Citizens Council	City Manager Position
2	Approve the Community Services Department's FY 2015-16 Proposed Operations (General Fund) Budget.	Approved 4-0-1 (Commissioner Carroll was absent.)		Agree
3	Approve list of facility capital improvement projects proposed for FY 2015-16.	Approved 4-0-1 (Commissioner Carroll was absent.)		Agree
4	Approve the FY 2015-16 Proposed Senior Services Budget.		Approved 5-0-1 (Councilmember Ranjbar was absent.)	Agree

CITY OF IRVINE
BUDGET RECOMMENDATION MATRIX
FINANCE COMMISSION RECOMMENDATIONS
FY 2015-16 PROPOSED BUDGET

	Finance Commission Recommendations to the City Council	Finance Commission	City Manager Position
5	Receive and file the Strategic Technology Plan 2015-20.	Approved 5-0	Agree
6	Adopt the FY 2015-16 Proposed Budget with the additional recommendations enumerated in lines 7-14 below.	Approved 5-0	The City Manager recommends adopting the FY 2015-16 Budget. The City Manager's position on each of the additional recommendations is presented below.
7	Adopt a balanced budget; if Business License revenue is reduced, recommend City Council increase the vacancy rate assumption in the budget to reflect a rate closer to the historical average to make up the revenue difference.	Approved 5-0	There are no proposed changes to the draft budget. The City Manager defers to the City Council.
8	Prior to the Fiscal Year 2016-17 budget, City Finance and Public Works staff evaluate actual rehabilitation spending over the past 10 years and projected needs over the next 10 years, compared to the value of facilities, to validate an annual contribution, estimated between 1.5 percent and 2.0 percent of facility value, for a new fund or expansion of the Civic Center Fund for the maintenance and rehabilitation of all City facilities outside of the Great Park.	Approved 5-0	This recommendation is consistent with the direct funding allocation of \$2.5 million to operationalize infrastructure rehabilitation contained in the Proposed Budget. The Strategic Business Plan forecast includes future annual allocations for this purpose in escalating amounts.
9	Accelerate funding for Capital Improvement Project No. 12, the Traffic Signal LED Indicator Upgrades project to complete at least half the project in FY 2015-16 and the remainder by FY 2016-17, for the purpose of realizing a better rate of return on investment as calculated by the Public Works Department, with staff discretion on where to obtain funding for the project.	Approved 5-0	The proposed Capital Improvement Program (CIP) prioritizes projects based on many factors, such as public health and safety, legal mandates, demand for services, and preventing deterioration. Cost-saving opportunities are sought whenever possible. The City Manager recommends evaluating funding opportunities that may become available during the year-end close out of the CIP/Special Funds and/or the General Fund.
10	A joint meeting of the Finance Commission and Planning Commission to evaluate building standards that impact maintenance costs of the City.	Approved 5-0	Defer to the City Council.

CITY OF IRVINE
BUDGET RECOMMENDATION MATRIX
FINANCE COMMISSION RECOMMENDATIONS
FY 2015-16 PROPOSED BUDGET

	Finance Commission Recommendations to the City Council	Finance Commission	City Manager Position
11	The Finance Commission undertakes a review, within the next 120 days, of the City's purchasing policies contained in the budget document to evaluate best purchasing practices for the purposes of realizing cost savings.	Approved 5-0	Agree
12	Create a business/City task force to work with the City Safety Committee to evaluate losses, accident investigation and reporting procedures and steps to be taken to set goals to reduce the reportable injury ratio and the workers' compensation costs as a percent of total personnel costs. Establish a rolling 12-month report on reportable work injuries and provide the report to the City Council and Finance Commission quarterly.	Approved 5-0	Responsibility of monitoring and managing workers' compensation claims rests with the Human Resources Division, Risk Management, of the Department of Administrative Services. Human Resources will engage a professional consultant for a comprehensive assessment of the City's workers' compensation program. A review of the City' workers' compensation program, including trends and outcomes, will be provided to the City Council, adhering to applicable confidentiality provisions.
13	Beginning in the FY 2016-17 budget, staff apply the same unit pricing measure comparisons for the Great Park as used for all other City departments.	Approved 5-0	The City Manager supports this to the extent the measures provide meaningful comparisons. The Great Park has unique features and characteristics that make comparisons to the City's other parks difficult.
14	Explore future revenue diversification opportunities for the Great Park with community members and corporations, to include sponsorship, merchandizing, concessions, parking, and other opportunities.	Approved 5-0	Agree. As the Great Park develops, the City Manager anticipates presenting revenue opportunities to the Great Park Board and City Council for consideration.