



MINUTES

CITY COUNCIL REGULAR MEETING AND SPECIAL JOINT MEETING WITH THE ORANGE COUNTY GREAT PARK BOARD

June 13, 2017

City Council Chamber
One Civic Center Plaza
Irvine, CA 92606

CALL TO ORDER

The regular meeting of the Irvine City Council was called to order at 4:05 p.m. on June 13, 2017 in the City Council Chamber, Irvine Civic Center, One Civic Center Plaza, Irvine, California; Mayor Wagner presiding.

ROLL CALL

Present:	5	Councilmember:	Melissa Fox
		Councilmember:	Jeffrey Lalloway*
		Councilmember:	Christina Shea
		Mayor Pro Tempore:	Lynn Schott
		Mayor:	Donald P. Wagner

* Councilmember Lalloway arrived at 5:33 p.m.

1. CLOSED SESSION

City Attorney Melching announced the following Closed Session item:

- 1.1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to Government Code Section 54956.9, subdivision (d)(1): one case – Irvine Community News and Views v. City of Irvine, United States District Court Case No. 16-cv-00208 AG**

RECESS

Mayor Wagner convened the regular City Council meeting to Closed Session at 4:06 p.m.

RECONVENE TO THE CITY COUNCIL MEETING

Mayor Wagner reconvened the regular City Council meeting at 4:46 p.m. City Attorney Melching, on behalf of the City Council, announced that no reportable action was taken in Closed Session.

PLEDGE OF ALLEGIANCE

Mayor Wagner led the Pledge of Allegiance.

INVOCATION

Mayor Wagner provided the invocation.

2. PRESENTATIONS

- 2.1 Proclaim June 19-25, 2017 as “Amateur Radio Week.”**

Mayor Wagner introduced members of the Irvine Disaster Emergency Communications (IDEC) team and presented a proclamation in recognition of “Amateur Radio Week.”

CITY MANAGER'S REPORT

There was no report.

ANNOUNCEMENTS/COMMITTEE REPORTS/COUNCIL REPORTS

Councilmember Fox referenced recent payments made for additional structures at Adventure Playground, which were reflected in the Register of Demands and Warrants; and provided a brief summary of her recent trip to Denver, Colorado, where she had the opportunity to visit botanical gardens in exploration of similar ideas for the Orange County Great Park.

Mayor Wagner made the following announcements:

- The public is invited to the Grand Opening of the first phase of the Sports Park at the Orange County Great Park from 2-9 p.m. on Saturday, August 5, with a ribbon-cutting ceremony at 2 p.m., and a special free concert at 7 p.m. For information, visit cityofirvine.org.
- The Greater Irvine Chamber of Commerce's annual luncheon with the Mayor will take place on Thursday, June 22 at 11 a.m. at the Irvine Marriot Hotel. Local businesses will be recognized that have demonstrated the principles of community service, volunteerism, and the best traditions of good corporate citizenship. The City's achievements to date and an update on efforts to address transportation issues will also be shared. For information, visit irvinechamber.org.
- The City of Irvine's largest group swim lesson will take place on Friday, June 23 at William Woollett Jr. Aquatics Center. The Super Swim Lesson is an effort to educate parents and children about water safety and spread the message that "Swimming Lessons Save Lives." Children three years of age and older of all swimming abilities can participate in the free lesson. Check-in begins at 5:30 p.m. with the lesson starting at 6 p.m. Registration is required. For information, visit cityofirvine.org/superswim.
- The popular "Movies on the Lawn" series is underway at the Orange County Great Park. Enjoy classic films on Fridays and blockbuster hits on Saturdays as part of this free summer pastime. This weekend's films include "The Princess Bride" on Friday night and "Sing" on Saturday night. Movies begin at dusk. For information and the full schedule of films, visit ocgp.org.

ADDITIONS AND DELETIONS

City Manager Joyce noted that at the request of Councilmember Shea, Item 5.1 (Consideration of Councilmember Shea's Request for an Update on USA Water Polo Negotiations) would be removed from the agenda and continued to a date to be determined; and also noted an errata memo with respect to Item No. 3.8 (Parks Master Plan).

3. CONSENT CALENDAR

ACTION: Moved by Councilmember Shea, seconded by Councilmember Fox, and unanimously carried by those members present (Councilmember Lalloway absent), to approve Consent Calendar Item Nos. 3.1 through 3.10, with the exception of Item Nos. 3.3, 3.7 and 3.8, which were removed for separate discussion.

3.1 MINUTES

ACTION:

Approved the minutes of a regular meeting of the City Council held on May 23, 2017.

3.2 WARRANT AND WIRE TRANSFER RESOLUTION

ACTION:

Adopted RESOLUTION NO. 17-40 - 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 TREASURER'S REPORT FOR THE QUARTER ENDED MARCH 31, 2017

This item was removed by Councilmember Shea, who inquired about the City's investment policy and methodology for investment diversification.

Don Collins, City Treasurer, presented a brief report and responded to questions.

City Council discussion included: comparing Irvine Community Land Trust investment options with the City's investment portfolio; questioned state and City restrictions on investment options; and suggested regular quarterly updates from the City Treasurer.

ACTION:

Received and filed the Treasurer's Report for the quarter ended March 31, 2017.

3.4 APPROVAL OF THE 2017 ANNUAL UPDATE TO THE CONSULTANT TEAM

ACTION:

Approved the City's 2017 annual update to the Consultant Team for professional consultant services for a two-year period from July 1, 2017 through June 30, 2019, as set forth in the Consultant Team Recommendations List; and authorized department directors to execute master contracts with the recommended Consultant Team firms.

3.5 ORANGE COUNTY CITIES ENERGY LEADER PARTNERSHIP

ACTION:

Adopted RESOLUTION NO. 17-41 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, DECLARING SUPPORT FOR AN ENERGY PARTNERSHIP, THE ORANGE COUNTY CITIES ENERGY LEADER PARTNERSHIP, BETWEEN SOUTHERN CALIFORNIA EDISON COMPANY AND SOUTHERN CALIFORNIA GAS COMPANY TO BE KNOWN AS “ENERGY PARTNERSHIP”

3.6 SBA STEEL II, LLC COMMUNICATIONS SITE LEASE AMENDMENT

ACTION:

- 1) Approved an Amendment to Communications Site Lease Agreement with SBA Steel II, LLC substantially in the form as attached to the staff report and authorized the City Manager or his designee to execute the Amendment to Communications Site Lease Agreement and all implementing documents. **(Contract No. 3722B)**
- 2) Approved an Antenna Site Agreement, a sublease agreement, between SBA Steel II, LLC and Verizon Wireless substantially in the form as attached to the staff report and authorized the City Manager or his designee to execute the Antenna Site Agreement and all implementing documents.

3.7 ORANGE COUNTY HOMELESS SHELTER PROPOSAL ON 100 ACRE PARCEL

This item was removed for separate discussion at the request of Mayor Pro Tempore Schott, who requested additional information about the proposed temporary homeless shelter with respect to its location and potential impacts to the City of Irvine.

Joel Belding, Principal Planner, presented the staff report and responded to questions.

City Council discussion included: reiterating that the site proposed by Orange County Supervisor Nelson was not within his district; noted recent phone calls received from concerned residents; and stated that collaborative efforts with the City of Tustin were ongoing to address the issue of homelessness.

Sean Joyce, City Manager, noted his continued conversations with the Chief Executive Officer of the County of Orange reflecting the City Council's position with respect to the development of the 100-acre parcel; and further noted that staff would seek City Council direction once additional information was received.

ACTION:

Received and filed an update on the County of Orange homeless shelter proposal located adjacent to the Orange County Great Park.

3.8 PARKS MASTER PLAN

This item was removed for separate discussion at the request of Councilmember Shea, who noted the addition of swings as a priority for City parks; and suggested language be clarified in the Parks Master Plan with respect to prioritization of parks within the Irvine Business Complex.

There was no City Council discussion.

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

Adopt RESOLUTION NO. 17-42 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, APPROVING A CITY-INITIATED PARKS MASTER PLAN **as amended** per the errata memo dated June 13, 2017 concerning a dog park at Gateway Park; and providing further clarification on the prioritization of parks within the Irvine Business Complex.

3.9 NOTICE OF FINAL APPROVAL FOR A TRACT MAP IN GREAT PARK NEIGHBORHOODS (HERITAGE FIELDS EL TORO, LLC)

ACTION:

Received and filed.

3.10 COMMUNITY PARTNERSHIP FUND GRANT NOMINATIONS

ACTION:

- 1) Approved Councilmember Lalloway's requests for Community Partnership Fund Grant nominations to the following organizations in support of program costs:
 - a) Friends of Harbors, Beaches and Parks - Crime Victim's Monument (\$2,500) **(Contract No. 9810)**
 - b) Illumination Foundation (\$1,000) **(Contract No. 9811)**

- c) Myford Elementary Parent Teacher Organization (\$1,000)
(Contract No. 9812)
 - d) Orchard Hills School Parent Teacher Organization (\$1,000)
(Contract No. 9813)
 - e) Temple Beth Sholom (\$1,000) **(Contract No. 9814)**
- 2) Approved Councilmember Shea's request for Community Partnership Fund Grant nomination to Orange County Veterans Memorial Park Foundation in the amount of \$650 in support of the endowment for operations and maintenance funding and to provide support to veterans and families. **(Contract No. 9815)**
 - 3) Authorized the City Manager to prepare and sign the funding agreements listed in Actions 1-2.

CONVENE TO THE SPECIAL JOINT MEETING

Mayor/Chairman Wagner convened to the Special Joint Meeting with the Orange County Great Park Board at 5:20 p.m. All Councilmembers and Great Park Board Directors present**.

** Councilmember/Director Lalloway arrived at 5:33 p.m.

4. CITY COUNCIL / BOARD BUSINESS

4.1 CITY OF IRVINE FISCAL YEAR 2017-18 BUDGET

Sean Joyce, City Manager; Kristin Griffith, Director of Financial Services; Manuel Gomez, Director of Public Works; and Pete Carmichael, Director, Orange County Great Park, presented the staff report and responded to questions.

City Manager Joyce noted the inclusion of an errata memo dated June 14, 2017 regarding Capital Improvement Financial Policies.

Russell Stein, Finance Commission Chairman, spoke about concerns raised by the Finance Commission and reiterated its recommendations to the City Council.

Ilya and Robert Tseglin spoke in support of funding an advocacy assistance program.

City Council/Board discussion included: acknowledging review of the proposed budget by the Finance Commission and its recommendations; expressed concern about using one-time funds to fill budget gaps; noted recent trends in consumer behavior based on flat sales tax revenue and suggested future budgets be reflective of these trends; expressed concern about underestimating the opening dates of new hotels; noted the

increase in cost for services and need for additional infrastructure based on population growth; suggested increasing the threshold recommended by the Finance Commission for return-on-investment (ROI) analysis for large projects; expressed concern that the Asset Management Plan (AMP) and Systems Development Fund were not being funded; inquired about Orange County Great Park expenditures exceeding revenues in Fiscal Year 2022-23; suggested the City Manager work with staff to prioritize expenditures; discussed the application of generally accepted accounting principles (GAAP) to the City's budget process; questioned the appropriate level of contingency reserves; recommended study sessions to discuss the budget and existing policies in further detail; inquired about anticipated revenue from new hotels and sales tax; questioned allocation of sales tax from internet sales; suggested exploring new revenue streams to avoid higher taxes or reductions in services; noted the incorporation of school support, contingency reserves and pension liability funding in the proposed budget; reiterated upcoming transportation improvements; questioned the existing balance of Great Park Fund 180; requested a review of the City's Investment Policy; and noted that the budget could be modified at any time throughout the year by the City Council.

Sean Joyce, City Manager, responded to each of the Finance Commission recommendations; noted the advantages of consultant services to determine the City's proper allocation of sales tax; and addressed questions related to debt service at the Orange County Great Park.

Pete Carmichael, Director, Orange County Great Park, and Kristin Griffith, Director of Financial Services, provided additional clarification related to debt service at the Orange County Great Park.

ACTION: Moved by Councilmember/Director Lalloway, seconded by Mayor Pro Tempore/Director Schott, to:

- 1) Adopt the Fiscal Year 2017-18 Budget and Strategic Business Plan.
- 2) Adopt RESOLUTION NO. 17-43 - 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 2017-18
- 3) Adopt RESOLUTION NO. 17-44 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2017-18

- 4) Adopt RESOLUTION NO. 17-45 – 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 2017-18 FISCAL YEAR, AND SUPERSEDING RESOLUTION NO. 16-52, WHICH IS INCONSISTENT THEREWITH
- 5) Adopt RESOLUTION NO. 17-46 – 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. 16-53, 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 2017-18.
- 7) Receive and file the 2017-2022 Strategic Technology Plan.
- 8) Acting as the Orange County Great Park Board, recommend the City Council approve the Fiscal Year 2017-18 capital and operating budgets and anticipated contracts for the Orange County Great Park, as required by the Fiscal Transparency and Reforms Act.
- 9) Acting as the Irvine City Council, approve the Fiscal Year 2017-18 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 Aerophile California LLC for the annual maintenance, operation, and repair of the Great Park balloon.

As amended per the errata memo dated June 13, 2017 clarifying language in the City's Capital Improvement Finance Policies.

ACTION: A substitute motion was made by Councilmember/Vice Chairwoman Fox, seconded by Councilmember/Director Shea, to:

Defer the item to the June 27, 2017 meeting to include the recommendations from the Finance Commission, excluding Recommendation Nos. 5 (Technology Fund 579 Funding) and 8 (Return on Investment (ROI)/Cost Benefit Policy).

The motion failed as follows:

AYES: 2 COUNCILMEMBERS: Fox and Shea

NOES: 3 COUNCILMEMBERS: Lalloway, Schott and Wagner

ABSENT: 0 COUNCILMEMBERS: None

ACTION: Moved by Councilmember/Director Lalloway, seconded by Mayor Pro Tempore/Director Schott, and unanimously carried to:

- 1) Adopt the Fiscal Year 2017-18 Budget and Strategic Business Plan.
- 2) Adopt RESOLUTION NO. 17-43 - 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 2017-18
- 3) Adopt RESOLUTION NO. 17-44 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2017-18
- 4) Adopt RESOLUTION NO. 17-45 – 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 2017-18 FISCAL YEAR, AND SUPERSEDING RESOLUTION NO. 16-52, WHICH IS INCONSISTENT THEREWITH
- 5) Adopt RESOLUTION NO. 17-46 – 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. 16-53, 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 2017-18.
- 7) Receive and file the 2017-2022 Strategic Technology Plan.
- 8) Acting as the Orange County Great Park Board, recommend the City Council approve the Fiscal Year 2017-18 capital and operating budgets and anticipated contracts for the Orange County Great Park, as required by the Fiscal Transparency and Reforms Act.

- 9) Acting as the Irvine City Council, approve the Fiscal Year 2017-18 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 Aerophile California LLC for the annual maintenance, operation, and repair of the Great Park balloon. **(Contract No. 9816)**

As amended per the errata memo dated June 13, 2017 clarifying language in the City's Capital Improvement Finance Policies.

ADJOURNMENT - SPECIAL JOINT MEETING

Moved by Councilmember/Director Lalloway, seconded by Councilmember/Director Shea, and unanimously carried to adjourn the special joint meeting with the Orange County Great Park Board of Directors at 7:27 p.m.

RECONVENE TO THE REGULAR CITY COUNCIL MEETING

Mayor Wagner reconvened the regular City Council meeting at 7:28 p.m.

5. COUNCIL BUSINESS

5.1 CONSIDERATION OF COUNCILMEMBER SHEA'S REQUEST FOR AN UPDATE ON USA WATER POLO NEGOTIATIONS

This item was removed from the agenda at the request of Councilmember Shea to a date to be determined. See Additions and Deletions.

PUBLIC COMMENT - CITY COUNCIL

Michael Klubniken spoke in support of his friend, Ilya Tseglin, reiterating a domestic issue related to his autistic son.

The following individuals expressed their appreciation to the City Council for its support in working with Southern California Edison to relocate the proposed Safari Substation on Wald Street:

Jane Klassen
Paul Wang
Daniel Kim
Michael Aguirre

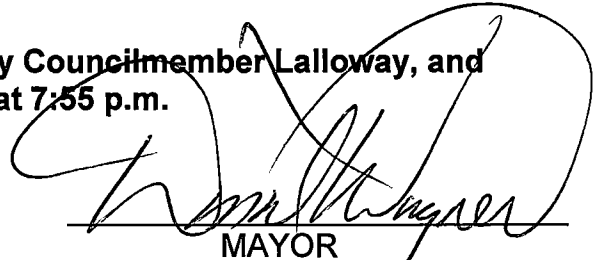
The following individuals spoke in support of a town hall meeting with Congresswoman Mimi Walters:

Joe McLaughlin
Rebecca Whitehead
Debbie Salah
Debra Kam

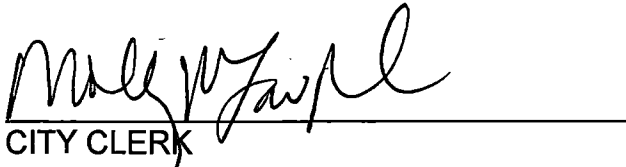
Ilya and Robert Tseglin submitted a Request to Speak slip but did not speak.

ADJOURNMENT

Moved by Councilmember Shea, seconded by Councilmember Lalloway, and unanimously carried to adjourn the meeting at 7:55 p.m.



MAYOR



CITY CLERK

June 27, 2017