

City Council Minutes
Special Joint Meeting with the Finance Committee
May 25, 2021

I. CALL MEETING TO ORDER - 4:00 p.m.

II. ROLL CALL

Present: Mayor Brad Avery, Mayor Pro Tem Kevin Muldoon, Council Member Noah Blom, Council Member Joy Brenner, Council Member Diane Dixon, Council Member Duffy Duffield (arrived at 4:56 p.m.), Council Member Will O'Neill, Finance Committee Member William Collopy, Finance Committee Member John Reed (via Zoom), Finance Committee Member Joseph Stapleton, Finance Committee Member Larry Tucker (via Zoom)

III. CURRENT BUSINESS

1. Review of the Proposed Fiscal Year 2021-22 Operating Budget [100-2020]

Finance Director Catlett utilized a presentation to review guiding principles, key messages, timeline, opportunities for public review, third quarter update recap, tiered budget balancing framework, three revenue sources: property tax, sales tax, and Transient Occupancy Tax (TOT), General Fund (GF) expenditures, transfers, internal service fund charges, changes in full-time staffing, and proposed additional staff in various City departments, key GF program enhancements, unfunded pension liability (UAL) accelerated PERS payment history and impact of payments, proposed GF surplus allocation, GF sources and uses, and highlighted what was not included due to Federal funds.

Council Member O'Neill noted the difference between where the City is today and where it was last year, appreciated the use of one-time funds on a one-time basis, believed UAL discussions are important, indicated the City's UAL is approximately the same despite the aggressive nature of discretionary pay downs, related that other cities' increasing UALs are reducing their services, and thanked Finance Committee members for their work during an extraordinarily difficult year.

Council Member Dixon expressed appreciation to City Manager Leung and staff during a difficult year and noted the City is doing exceptionally well. In response to her questions, Finance Director Catlett indicated the 17% property tax increase was provided by the City's consultant. City Manager Leung reported new full-time employees will likely be subject to PEPRA, staff is mindful of new State laws pertaining to contract employees, staff submits reimbursement requests for overtime and COVID-related expenditures and is reviewing adjustments to the requirements. Finance Director Catlett added that the City has not received reimbursements from the Federal Emergency Management Agency (FEMA) at the current time. Council Member Dixon congratulated staff for keeping a tight ship and doing the right things.

Mayor Pro Tem Muldoon noted that other cities are struggling and thanked staff and Finance Committee members. He expressed the opinion that the future is promising, but the \$200,000 for the Boardwalk Ambassador Program is unnecessary.

In response to Council Member O'Neill's question, City Manager Leung related that staffing for the Harbor Department is funded from the Tidelands Fund rather than the GF.

Mayor Avery indicated that the report reflects that Newport Beach is an extraordinary city and how well the private sector runs their businesses in the City, expressed his satisfaction with staff's good decision-making and the granular review of contract staffing, and stated that the Permit Technician position for the Harbor Department is critical for ensuring boats have insurance. In response to his questions, Finance Director Catlett reviewed the ratio and philosophy of contingency funds and ratios for other cities.

Council Member Dixon requested staff add Harbor Department staffing as a footnote to the report.

Council Member Brenner congratulated City staff and the Finance Committee for a great job during a challenging year and appreciated the achievements of opening a homeless shelter and balancing the budget with a surplus.

In response to Charles Klobe's question, Finance Director Catlett indicated the jurisdiction that receives automobile sales tax depends on the type of sale.

Jim Mosher understood that the fraction of property tax that goes to the City is based on ratios contained in Proposition 13, the number may be different for each property, and 17% is probably a Citywide average. He noted the City Clerk's budget seems to fluctuate by 10% annually, expressed the opinion that the online budget detail book is challenging to use, the Open Budget website needs to be updated with the current budget, and questioned whether the policy for ordering supplies locally should be extended to Professional Services Agreements (PSA).

2. Review of Resources and Service Levels to Maintain City Beaches [100-2020]

City Manager Leung utilized a presentation to discuss beach activity and service request statistics.

In response to Council Member Dixon's question, City Manager Leung noted parking lot closures.

Community Development Director Jurjis utilized a presentation to discuss code enforcement activity, citations, and staffing options.

In response to City Manager Leung's question, Community Development Director Jurjis indicated that the code enforcement contractor began work in January 2021.

In response to Council Members' questions, Community Development Director Jurjis reported approximately ten citations for Short-Term Lodging (STL) violations were issued on Newport Island, the majority of citations were issued for the Peninsula area, citations for work without permits were issued throughout the City, cases are generally located in dense communities, the citation process includes a warning letter except for STL violations, and the majority of code enforcement activity is reactive. He added that the cost for an additional contract employee is \$100,000, and the intent is to proactively enforce permitting for commercial picnics and unlicensed vendors. He noted that there are numerous unlicensed vendors selling novelties, beach supplies, and food, the vendors compete with retail establishments, vendors may be stationary in certain areas of the City, two or three street vendors have permits, vendors cannot block the sidewalk and have to provide a 4-foot clearance, and residents should call code enforcement to report street vendors.

Council Member Dixon related that many residents complained about picnic activities bringing alcohol onto beaches and taking business away from local restaurants and businesses.

In response to Mayor Avery's questions, Community Development Director Jurjis advised that noise complaints are handled by code enforcement and the Police Department, the normal case load is about 1,300 cases, and about 40% of citations have been paid.

Fire Chief Boyles utilized a presentation to discuss current lifeguard service levels and enhanced lifeguard service options between June 12 and September 6.

In response to Council's questions, Chief Boyles described staffing between April and June 12, 2021, stated that staffing depends on the school schedule, staffing for Memorial Day weekend is based on projected weather patterns, lifeguard staffing at Marina Park and the Wedge increases based on population and big wave days, and budget is not a factor in lifeguard staffing. He added that assigning a CERT volunteer to monitor the Newport Island bridge might be a good idea in order to provide

education to bridge jumpers and act as a deterrent, citations can be issued for bridge jumping and the potential for injuries exists although there were no injuries in 2020. City Manager Leung indicated staff can look at using CERT volunteers for the upcoming season.

Council Member Duffield suggested that staff begin issuing citations for bridge jumping.

Mayor Avery concurred with Council Member Duffield's comment and believed monitoring bridge jumpers is a waste of money and staff time. City Attorney Harp indicated bridge jumping is a misdemeanor and bridge jumpers can go to jail. Mayor Avery believed the Lido Bridge is particularly dangerous because of the traffic.

Council Member Dixon noted there is signage indicating that bridge jumping is prohibited, and social media seems to drive people to jump. She indicated that she wants to discourage jumping without installing a physical barrier. In response to her questions, City Attorney Harp advised that the fine is a maximum of \$1,000, the City Attorney's Office prosecutes the violation and negotiates the fine amount, the fine is typically \$100 plus court costs for a total of about \$500, and the City Attorney's Office has discretion in prosecuting as a misdemeanor and setting the fine amount. Council Member Dixon agreed with Council Member Duffield's comment. Chief Boyles added that an incident needs to be witnessed by a full-time officer in order to initiate a citation.

Mayor Avery stated the issue is increased by children watching and cheering bridge jumping on for hours.

Police Chief Lewis utilized a presentation to discuss the Boardwalk Ambassador Program, enhanced service opportunities, and current status.

In response to Council Member O'Neill's questions, Chief Lewis reported ambassadors provide education and address quality of life issues, visitors are not necessarily aware of prohibitions, most people comply with verbal warnings, staff hopes violations decrease as the program continues, the data covered only seven weeks, and the program could be discontinued if it is not effective.

Mayor Avery suggested fining the owners of businesses renting surreys. Chief Lewis noted the program has identified problematic businesses.

Council Member Blom shared his observation of an Ambassador interacting with a family in a surrey, related that Newport Beach favors education over citation and the program is working, and appreciated the great work.

Council Member Dixon stated the program is the result of trying to figure out how to control the speeding problem, appreciated the gentle touch, understood that residents are pleased to see the Ambassadors, and noted Boardwalk safety is the point of the program. She expressed the opinion that businesses would rather not rent surreys, the Coastal Commission does not allow the City to prohibit surreys in the coastal area, and education is the only path forward right now.

Public Works Director Webb utilized a presentation to discuss beach, boardwalk, street and area staffing, cleaning, landscape services, and porter services; volunteer organization cleaning efforts; public sidewalk, plaza, and area pressure washing locations, schedule, and costs; beach cleaning and maintenance constraints; and options for service level enhancements.

In response to Council Members' questions, Public Works Director Webb indicated the Corona del Mar (CdM) plaza refers to the area around Marguerite Avenue, staff can look into more pickups in the evening, one issue with early morning pickups is complaints about the noise of trucks, staff is cleaning areas around outdoor dining, spot cleaning is also done, CdM is not regularly steam cleaned, steam cleaning includes light posts, bridges, and dog areas, most services are provided by contract resources, Council increased the budget two years ago, cleaning is needed for traffic, homelessness,

outdoor dining, and the special concrete in Balboa Village, merchants along Newport Pier clean their sidewalks while the City cleans the plazas, and Council has the discretion to place the responsibility on merchants associations.

Council Member Blom indicated businesses need to take pride of ownership and clean the sidewalks around their business, and related that businesses support enhancements in their areas. In response to his questions, Public Works Director Webb advised that additional beach cans can be added to the contract, additional cans may reduce complaints about trash, and the cost estimates include both cans and services.

In response to Council Member O'Neill's questions, City Manager Leung reported that Council may adjust the Ambassador Program and its cost, and it would be an enhancement to the prior budget.

Hoiyin Ip thanked Public Works, believed the rate of citations for trash is too low, noted Laguna Beach increased fines for littering, and inquired about Newport Beach's fines.

Council Member Dixon thanked staff for an excellent presentation, expressed the opinion that the key is addressing trash overflow, porter service, and sidewalk cleaning, noted the McFadden Square leases contain a provision for cleaning, but cleaning is not consistent because they are public sidewalks, proposed holding the \$288,000 because funds are in the Balboa Village Area Benefit District, indicated the resolution includes enhanced maintenance of the beach area and Council should access those funds, suggested Council review the issues item by item, and suggested using sales tax revenues generated by visitors for cleaning.

Council Member Blom supported stationing lifeguards on beaches and the Bay rather than at bridges, continuing the Ambassador Program as-is before adding more resources, maintaining code enforcement as-is, adding more trash cans and pickups, and looking for the least expenditures with the largest results.

Council Member O'Neill did not support the code enforcement staffing increase, proposed decreasing funding for the Ambassador Program by half and seeing if speed violations decrease, noted trash increased because dining was take-out only, and wanted to figure out if this is the right approach for this year.

In response to Council Member Brenner's question, City Manager Leung advised that generally staff would reduce trash pickups and staffing if they were not needed, but actual reductions depended on the item. Council Member Brenner suggested Council vote once on staff's recommendations and if Council did not adopt the recommendations, Council could vote on each line item. City Manager Leung stated that a line-by-line straw vote could be more expedient based on comments.

Mayor Pro Tem Muldoon supported Council Member O'Neill's comments.

Mayor Avery, Council Member Brenner, and Council Member Dixon expressed support for additional code enforcement staffing.

Council Member Dixon expressed support for enhanced lifeguard services.

Mayor Avery, Council Member Brenner, Council Member Dixon, and Council Member Duffield expressed support for the Boardwalk Ambassador Program.

There was a unanimous straw vote to support the proposal for additional beach trash cans.

Mayor Avery, Council Member Brenner, Council Member Dixon, Council Member Duffield, and Council Member O'Neill expressed support for additional porter services.

There was a unanimous straw vote to support an increase in the frequency of afternoon street trash pickups.

Mayor Avery, Council Member Brenner, and Council Member Dixon expressed support to formalize and increase volunteer cleanup efforts.

In response to Council Members' Dixon's question, City Manager Leung reported staff will be stationed at bridges when needed and explore the use of volunteers. Council Member Dixon noted people jumping from the Newport Island bridge have been injured on rocks exposed during low tide.

In response to Mayor Avery's question, City Manager Leung indicated the direction to staff is clear, and the Council will vote on these items again during the proposed budget discussions.

IV. PUBLIC COMMENTS

Vicky shared her experiences with a local plastic surgeon which involved police officers and provided a handout.

Avery Counts, Constituent Services Manager for Orange County 2nd District Supervisor Foley, provided an update regarding Supervisor Foley's activities on behalf of Newport Beach and invited everyone to the events.

Craig Sheets discussed the effects of radiating oceans, forbidden cat walks on oil rigs, hot shot freight trains, chemical warfare, the effects of oil spills, methamphetamine labs, green cards and AK-47 serial numbers, and marquee lighting.

V. ADJOURNMENT – 6:21 p.m.

The special meeting agenda was posted on the City's website and on the City Hall Electronic Bulletin Board located in the entrance of the City Council Chambers at 100 Civic Center Drive on May 20, 2021, at 4:00 p.m.

Brad Avery
Mayor

Leilani I. Brown
City Clerk