

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

MARCH 17, 2015

CLOSED SESSION MEETING

CALLED TO ORDER

COUNCIL CHAMBER
22 CIVIC CENTER PLAZA
5:07 P.M.

ATTENDANCE

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

COUNCILMEMBERS Absent:
MIGUEL A. PULIDO, Mayor
ANGELICA AMEZCUA
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 5:07 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:

John Garcia v. City of Santa Ana; Workers' Compensation Appeals Board case #ADJ3095501; ADJ2240895; ADJ1161236

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 LEGAL COUNSEL -- ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) or (4) of subdivision (d) of Section 54956.9 of the Government Code. Sycamore Parking Garage Concepts

4. CONFERENCE WITH LEGAL COUNSEL—PENDING LITIGATION pursuant to Section 54956.9(d) of the Government Code: (One Case)

5. CONFERENCE WITH LEGAL COUNSEL--PENDING LITIGATION pursuant to Section 54956.9 (d) (4) of the Government Code: (One Case) United States v. Texas, Case No. B-14-254

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

Address of Property: YMCA Property--205 West Civic Center Drive
Santa Ana, CA 92701
Negotiators: City Manager, David Cavazos
Terms: Price and Terms of Property Disposition

7. 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 6:03 P.M. AND CONVENED TO THE REGULAR OPEN MEETING.

REGULAR OPEN MEETING

CALLED TO ORDER

COUNCIL CHAMBER
22 CIVIC CENTER PLAZA
SANTA ANA, CA
6:09 P.M.

ATTENDANCE

COUNCILMEMBERS Present:
VINCENT F. SARMIENTO, Mayor Pro Tem
P. DAVID BENAVIDES
MICHELE MARTINEZ
ROMAN A. REYNA
SAL TINAJERO (6:25 P.M.)

COUNCILMEMBERS Absent:
MIGUEL A. PULIDO, Mayor
ANGELICA AMEZCUA

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

PLEDGE OF ALLEGIANCE

LAKERS YOUTH BASKETBALL TEAM

INVOCATION

DR. CURTIS E. SMITH, POLICE CHAPLAIN

PRESENTATIONS

SPECIAL PRESENTATION - Orange County Human Relations Commission Annual Report presented by Commissioner Leticia Mata.

CERTIFICATE OF RECOGNITION presented by **COUNCILMEMBER BENAVIDES** in recognition of the Volunteers in Police Service (VIPS) Program.

CERTIFICATE OF RECOGNITION presented by **COUNCILMEMBER BENAVIDES** in recognition of the Santa Ana Response Team.

PROCLAMATION presented by **COUNCILMEMBER MARTINEZ** recognizing Donate Life.

PROCLAMATION presented by **COUNCILMEMBER MARTINEZ** recognizing National Women's History Month.

CERTIFICATES OF RECOGNITION presented by **COUNCILMEMBER REYNA** to the Celtics, Lakers, and Sixers Youth Basketball teams for winning the championship tournament.

Celtics

Coaches: Ed Raya, Ignacio Salazar; Players: Roman Arcos, Victor Gonzalez, Giovanni Gutierrez, Oscar Molina, Damian Pasillas, Alex Rodriguez, Ignacio Salazar, Anthony Sandoval, Jonathon Torres, Kyler Torres

Lakers

Coaches: America Robledo, Mario Alvarado; Players: Nathan Aldana, MJ Alvarado, Ethan Contreras, Isaiah Loya, Jason Machuca, Jordan Martin, Brian Reyes, Hunter Robledo, Jordan Robledo, Denzel Santamaria

Sixers

Coaches: Oscar Azucena, Nick Sanchez; Players: Lenny Acevedo, Joshua Azucena, Kevin A. Baltazar, David Burgos, Jessie Cuevas, Hilario Flores, Mark Gerson, Jeremy Roman, Elias Salas, Andy Zanabria

CLOSED SESSION REPORT - See Agenda Item 19A for Closed Session Report.

PUBLIC COMMENT

- Sandra Peña, thanked City Council for considering Agenda Item 25B – arts and culture grant program; also spoke in support of parking enhancement plans in downtown without parking increasing tickets and fees, proposed cultivation of strategic plan for bed tax increases; reported that Los Lobos recording their next album in the City.
- Victor Payan, supports wellness initiative and the many programs in the community; commented that song writers inspired here in town; also, opined that businesses should not rely on alcohol to survive, City needs to celebrate quality of life.
- Madeleine Spencer, noted that many businesses have closed in the months of January and February.
- Philip Escobedo, thanked all for recent improvements throughout the City; concerned that proposed wellness corridor negatively impacts free open market economy - may alienate certain markets and should consider gentrification; other areas of the City should be examined as well.
- Michael Kublinkin, thanked City Council for considering public comments at the beginning of the meeting; submitted report and requested that it be filed with County on corruption issues.
- Smitty, member of the Civic Center Roundtable, noted that on February 20th sent out Request for Proposal for establishment of Check-In Center servicing in the Civic Center area, March 15th was deadline; April 7th will present recommendations; appreciate City's invitation to participate in process.

CONSENT CALENDAR

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

- Councilmember Martinez pulled Agenda Items 19C, 19D, 23A, 23C, and 25A for separate action.
- Councilmember Reyna pulled Agenda Item 25B for separate action
- Councilmember Tinajero pulled Agenda item 13D for separate action; and
- Mayor Pro Tem Sarmiento request excuse absence of Mayor Pulido and Councilmember Amezcua from said meeting.

MOTION: Martinez

SECOND: Benavides

VOTE: AYES: Benavides, Martinez, Reyna, Sarmiento, Tinajero (5)

NOES: None (0)

ABSTAIN: None (0)

ABSENT: Amezcua, Pulido (2)

ADMINISTRATIVE MATTERS

MINUTES

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

MOTION: Approve Minutes.

BOARDS / COMMISSIONS / COMMITTEES

13A. COUNCIL COMMITTEES – AGENDA MINUTES {STRATEGIC PLAN NO. 5, 1}
- Clerk of the Council Office

MOTION: Receive and File

NAME

Development and Transportation

Finance, Economic Development & Technology

MEETING DATE

9/30/2014, 11/6/2014, 2/26/2015

1/27/2015

13B. NOMINATED BY MAYOR PULIDO AS THE CITY-WIDE REPRESENTATIVE TO COMMUNITY REDEVELOPMENT AND HOUSING COMMISSION MEMBER {STRATEGIC PLAN NO. 5, 1} – Clerk of the Council

MOTION: Reappoint Monica O. Garcia to the Community Redevelopment and Housing Commission for a two-year term, expiring December 13, 2016.

13C. NOMINATED BY COUNCILMEMBER REYNA AS THE WARD 5 REPRESENTATIVE TO THE YOUTH COMMISSION (REGULAR MEMBER) FOR A FULL TERM EXPIRING DECEMBER 13, 2016 {STRATEGIC PLAN NO. 5, 1} – Clerk of the Council

MOTION: Appoint David Barnes Martinez to the Youth Commission (Regular Member) for a full term expiring December 13, 2016.

13D. CONFIRM APPOINTMENT TO THE CODE OF CONDUCT AND ETHICS COMMITTEE - Clerk of the Council

Councilmember Reyna rescinded consideration of appointment.

MISCELLANEOUS ADMINISTRATION

19A. CONFIRMATION OF CLOSED SESSION ACTION(S) – City Attorney’s Office

MOTION: Approve as follows:

1. CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION pursuant to Paragraph (1) of subdivision (d) of Section 54956.9 of the Government Code: John Garcia v. City of Santa Ana; Workers’ Compensation Appeals Board case #ADJ3095501; ADJ2240895; ADJ1161236; Settlement Agreement in the amount of \$148,000. (Approved by a vote of 4-0, Amezcua, Pulido, and Tinajero absent).

2. CONFERENCE WITH LEGAL COUNSEL--PENDING LITIGATION pursuant to Section 54956.9 (d) (4) of the Government Code: (One Case) United States v. Texas, Case No. B-14-254; Council approved City of Santa Ana joining as Friends of the Court brief. (Approved by a vote of 4-0, Amezcua, Pulido, and Tinajero absent).

19B. EXCUSED ABSENCES – Clerk of the Council Office

MOTION: Excuse the absence of Mayor Pulido and Councilmember Amezcua from the March 17, 2015 City Council meeting.

MOTION: Martinez **SECOND:** Reyna
VOTE: **AYES:** Benavides, Martinez, Reyna, Sarmiento, Tinajero (5)
 NOES: None (0)
 ABSTAIN: None (0)
 ABSENT: Amezcua, Pulido (2)

19C. STRATEGIC PLAN MONTHLY REPORT FOR FEBRUARY 2015 {STRATEGIC PLAN NO. 5, 1} - City Manager's Office

MOTION: Receive and file.

MOTION: Martinez **SECOND:** Reyna
VOTE: **AYES:** Benavides, Martinez, Reyna, Sarmiento, Tinajero (5)
 NOES: None (0)
 ABSTAIN: None (0)
 ABSENT: Amezcua, Pulido (2)

19D. GENERAL PLAN HOUSING ELEMENT ANNUAL PROGRESS REPORT {STRATEGIC PLAN NO. 5, 3B} - Planning and Building Agency

MOTION: Authorize submittal of the General Plan Housing Element Annual Progress Report to the State of California Housing and Community Development (HCD).

MOTION: Martinez **SECOND:** Tinajero
VOTE: **AYES:** Benavides, Martinez, Reyna, Sarmiento, Tinajero (5)
 NOES: None (0)
 ABSTAIN: None (0)
 ABSENT: Amezcua, Pulido (2)

19E. AUTHORIZATION TO RELEASE A REQUEST FOR PROPOSALS FOR STREET TREE MAINTENANCE SERVICES {STRATEGIC PLAN NO. 6, 1, B & F} - Public Works Agency

MOTION: Authorize the Public Works Agency to release a Request for Proposals for Street Tree Maintenance Services for parkway and street median trees.

BUDGETARY MATTERS

PROJECTS/CHANGE ORDERS

23A AWARD CONTRACT FOR CONSTRUCTION OF TRAFFIC SIGNAL AT RAITT STREET AND ADAMS STREET, AND CLASS II BIKE LANES ON NEWHOPE STREET AND FIRST STREET (PROJECTS 126761, 146814, & 146818) {STRATEGIC PLAN NO. 6, 1, B & G} - Public Works Agency

MOTION:

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

APPROPRIATION ADJUSTMENT NO. 2015-155 - Recognizing \$110,700 in Bicycle Transportation Account grant funds into the Select Street Construction revenue account and appropriating the same to the Select Street Construction Expenditure account.

2. Award a contract to California Professional Engineering, Inc., the lowest responsible bidder, in accordance with the bid in the amount of \$684,671 for the construction of a traffic signal at Raitt Street and Adams Street; a Class II bike lane on First Street from Newhope Street to Harbor Boulevard; and a Class II bike lane on Newhope Street from Westminster Avenue to Fifth Street.

3. Approve the Project Cost Analysis for a total estimated project delivery cost of \$855,800.

MOTION: Martinez **SECOND:** Benavides

VOTE: AYES: Benavides, Martinez, Reyna, Sarmiento, Tinajero (5)

NOES: None (0)

ABSTAIN: None (0)

ABSENT: Amezcua, Pulido (2)

23B REQUEST FOR TIME EXTENSION OF MEASURE M2 COMPREHENSIVE TRANSPORTATION FUNDING PROGRAM FUNDS FOR BRISTOL STREET

**IMPROVEMENTS (PROJECT NO. 116740, NON-GENERAL FUND)
{STRATEGIC PLAN NOS. 6, 1, G, & 3, 2, C} - Public Works Agency**

MOTION: Authorize the Public Works Agency to request a two-year time extension of the construction funding deadline to June 30, 2017 for the Measure M2 Comprehensive Transportation Funding Program/Project O for the Bristol Street Improvements between Washington Avenue and Seventeenth Street.

MOTION: Martinez **SECOND:** Reyna

VOTE: AYES: Benavides, Martinez, Reyna, Sarmiento, Tinajero (5)

NOES: None (0)

ABSTAIN: None (0)

ABSENT: Amezcua, Pulido (2)

**23C. REQUEST FOR TIME EXTENSION OF MEASURE M2 GRANT FUNDS FOR
SAFE TRANSIT STOPS PROJECT (PROJECT NO. 156343, NON-GENERAL
FUND) {STRATEGIC PLAN NO. 6, 1, G} - Public Works Agency**

MOTION: Authorize the Public Works Agency to request a one-year time extension of the Measure M2 Project W construction funding deadline to June 30, 2016 for the Citywide Safe Transit Stops project.

MOTION: Martinez **SECOND:** Tinajero

VOTE: AYES: Benavides, Martinez, Reyna, Sarmiento, Tinajero (5)

NOES: None (0)

ABSTAIN: None (0)

ABSENT: Amezcua, Pulido (2)

AGREEMENTS

**25A. AGMT NO. 2015-039 - COMPREHENSIVE FINANCIAL AUDIT SERVICES
{STRATEGIC PLAN NO. 7, 5, f} - Finance & Management Services**

MOTION: Authorize the City Manager and Clerk of the Council to execute an agreement with Macias Gini & O'Connell, LLP (MGO), subject to non-substantive changes approved by the City Manager and City Attorney, to exercise its option for MGO to provide comprehensive financial audit

services to include fiscal year ending June 30, 2015; for MGO to perform the necessary audit service relating to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68; and for MGO to provide an agreed upon procedure audit of the City's Indirect Cost Allocation in accordance with the Office of Management and Budget (OMB) Final Guidance on Grant Reform.

MOTION: Tinajero **SECOND:** Benavides

VOTE: **AYES:** Benavides, Reyna, Sarmiento, Tinajero (4)

NOES: Martinez (1)

ABSTAIN: None (0)

ABSENT: Amezcua, Pulido (2)

25B AGMT NO. 2015-040 - ARTS AND CULTURE ARTIST GRANT PROGRAM AND AGREEMENTS {STRATEGIC PLAN NO. 5, 5B} - Community Development Agency

Arts and Culture Commission approved recommended action on February 26, 2015, by a vote of 7-0.

MOTION:

1. Authorize the Community Development Agency to release the Investing in the Artist Grant Opportunity application and the Arts and Culture Commission to evaluate and select applications for awards in the amounts of \$5,000 and \$10,000.

2. Authorize the City Manager and the Clerk of the Council to execute grant agreements with the selected applicants, subject to non-substantive changes approved by the City Manager and the City Attorney.

MOTION: Reyna **SECOND:** Benavides

VOTE: **AYES:** Benavides, Reyna, Sarmiento, Tinajero (4)

NOES: Martinez (1)

ABSTAIN: None (0)

ABSENT: Amezcua, Pulido (2)

LAND USE MATTERS

CONDITIONAL USE PERMIT/VARIANCES

- 31A. CONDITIONAL USE PERMIT NO. 2014-50 TO ALLOW A TYPE 41 ALCOHOLIC BEVERAGE CONTROL LICENSE FOR EL POLLO NORTEÑO RESTAURANT LOCATED AT 1327 EAST FIRST STREET - EDUARDO HERNANDEZ, APPLICANT {STRATEGIC PLAN NO. 3, 2} - Planning and Building Agency

Planning Commission approved recommended action on February 23, 2015, by a vote of 6-0 (Alderete absent).

MOTION: Receive and file the staff report approving Conditional Use Permit No. 2014-50.

- 31B. CONDITIONAL USE PERMIT NO. 2014-53 TO ALLOW A TYPE 41 ALCOHOLIC BEVERAGE CONTROL LICENSE AT 828 PHO RESTAURANT AT 220 WEST FIRST STREET, SUITE 103 - YEN DANG, APPLICANT {STRATEGIC PLAN NOS. 3, 2; 3, 4} - Planning and Building Agency

Planning Commission approved recommended action on February 23, 2015, by a vote of 6-0 (Alderete absent).

MOTION: Receive and file the staff report approving Conditional Use Permit No. 2014-53.

- 31C. CONDITIONAL USE PERMIT NO. 2015-02 TO ALLOW A TYPE 41 ALCOHOLIC BEVERAGE CONTROL LICENSE AND CONDITIONAL USE PERMIT NO. 2015-03 TO ALLOW AFTER-HOURS OPERATION UNTIL 2:00 A.M. AT EQEKO CAFE LOCATED AT 309 WEST THIRD STREET - KAHROBA AYAZI, APPLICANT {STRATEGIC PLAN NOS. 3, 2; 3, 4} - Planning and Building Agency

Planning Commission approved recommended action on February 23, 2015, by a vote of 6-0 (Alderete absent).

MOTION: Receive and file the staff report approving Conditional Use Permit No. 2015-02 and Conditional Use Permit No. 2015-03 as conditioned.

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

BUSINESS CALENDAR

COUNCIL AGENDA ITEMS

Pursuant to Santa Ana Charter Section 411, any member of the City Council may place items on the City Council Agenda to be considered by the City Council.

- 85A. DIRECT STAFF TO PREPARE A RESOLUTION CALLING ON CONGRESS TO UPDATE SECTION 4 OF THE CIVIL RIGHTS ACT TO ENABLE THE DEPARTMENT OF JUSTICE TO REVIEW CHANGES IN VOTING LAWS THAT THREATEN THE ABILITY OF CITIZENS TO CAST A BALLOT FOR CANDIDATES OF THEIR CHOICE – Councilmember Martinez, Mayor Pro Tem Sarmiento and Sal Tinajero

MOTION: Direct staff to prepare a resolution for Council consideration at the April 7, 2015 City Council meeting.

MOTION: Martinez **SECOND:** Tinajero

VOTE: **AYES:** Benavides, Martinez, , Sarmiento, Tinajero (5)

NOES: None (0)

ABSTAIN: None (0)

ABSENT: Amezcua, Pulido and Reyna (3)

WORK STUDY SESSIONS

- WS-A. CITY MANAGER TRIAL BUDGET FOR FISCAL YEAR 2015/2016 {STRATEGIC PLAN NOS. 4, 2A} - Finance & Management Services and City Manager's Office

Community Budget Outreach - Presented by: David Cavazos, City Manager

Topics that will be covered

- City Governance
- Importance of the Sunshine Ordinance
- Importance of a Budget
- Budget Process
- Structure of the budget and funds
- Fiscal Year 2014-2015 2nd Quarter review
- Fiscal year 2015-2016 Trial Budget
- Strategic Plan Update
- Capital Improvement Program

City Governance

- Mayor and City Council
- Appointed City Attorney
- Appointed Clerk of the Council
- Appointed City Manager
- Department Heads appointed by City Manager, ratified by City Council

Importance of the Sunshine Ordinance

- Overall goal is Transparency
 - Updated the City Website:
 - 9 years of budget information
 - 10 years of audited financials
 - Capital Improvement Program
 - Quarterly budget updates
 - Miscellaneous Fee Schedules
 - All presentations on-line
- Conduct Budget Outreach meetings
 - Includes Trial Budget Review, Strategic Plan Update and Capital Improvement Program
- Strategic Plan monthly updates on-line
- All RFPs & bids are posted on-line
- 2014-15 New initiatives: Monthly Financials & Online Open Checkbook

Importance of a Budget

- A budget helps understand the choices we make with money.
- Preparing a budget is an important step and tool towards financial stability.
- Always more programs & services than what the allocated funds can sustain.

City Charter Requirement (*Santa Ana City Charter*)

- Sec. 604 - Budget Preparation by the City Manager. In preparing the proposed City budget, the City Manager shall review the financial plans submitted, hold conferences thereon with the office, agency and department heads, respectively, and revise such plans as he may deem advisable.
- Sec. 605 – Submission to the City Council. On or before the fifteenth (15th) day of June of each year, the City Manager shall recommend and submit to the City Council a proposed budget for the next ensuing fiscal year and a proposed appropriation ordinance as prepared by him
- Sec. 607 – Further Consideration and Adoption. On or before the thirty-first (31st) day of July the City Council shall adopt the budget with revisions, if any, by the affirmative votes of at least a majority of its members. Upon final adoption, the budget shall be in effect for the ensuing fiscal year.

How long does it take to prepare a budget?

7-8 Month Process

- November to December – Development & distribution of assumptions
- January to March – Departmental budget meetings, Trial Budget development and Preliminary Capital Improvement Program (CIP), & conduct outreach meeting
- April to May – Community Trial Budget hearings, City Manager's proposed Budget Work-Study Session, & budget presentation
- June - Budget & CIP adoption

Definitions

- Revenues – Money that comes in (i.e., income)
- Expenses – Money that goes out (i.e., payments/costs)
- Fund – Checking account where revenues & expenditures are monitored and recorded (City has over 100 funds)
- General Fund – Account which the City has the most discretion on spending (least restrictions)
- Reserves – Savings account (to be used primarily for emergencies)
- Budget – Plan that tells us how much money we will receive and how we will spend it
- Fiscal Year – 12 month budget calendar (From July 1st to June 30th)

What are the basic services in a typical City budget?

- Public Safety – Police & Fire Services
- Quality of Life – Parks, Recreation, Community Services, Library, Cultural Arts, etc.
- Utilities – Water, Sewer, Trash pick-up, etc.
- Building & Development - Planning, Housing, Community Development, etc.
- Streets & Lights – Public Works, Capital Improvement Program, etc.
- General Services – City Manager's Office, Finance, Human Resources, City Attorney's Office, etc.

Fund Structure

- A fund is similar to a checking account where revenues & expenditures are monitored and recorded.
- Within our budget, we group over 100 various funds into five major categories.

We manage over 100 funds

General Fund: City has the most discretion

Governmental Fund Categories

- ☞ General Fund
- ☞ Community Development
- ☞ Special Revenue Funds
- ☞ Capital Funds
- ☞ Enterprise Funds

Innovation & Efficiencies

- Installation of new parking meters with improved technology in the Downtown
- Refinanced Police Department, jail and water enterprise debt service to save millions in financing costs
- Consolidated all public front counter services to the 1st floor of City Hall to improve customer service experience
- Adjusted rates to recover millions in jail cost savings.

Economic Outlook

- Advancing in Every Key Area:
- Property Values are up (20%)
- Increased Sales Tax (22% since 2011 in the Downtown)
- Increased number of Business Licenses (8%)
- Lower Unemployment rate (down from 10.7% to 8.2%)*
- Reduction in crime (8% decrease)
- Met our Reserves goal
- City operating with a \$14M surplus

Success with Grants

RECENT GRANT AWARDS		
Partnerships to Improve Community Health	Centers for Disease Control and Prevention (CDC)	\$ 4,000,000
Memories of Migration	National Institute for Museum and Library Services	\$ 495,000
Community Oriented Policing Services (COPS)	Department of Justice	\$ 1,250,000
Memory Lane Santa Ana River Park Site	Housing and Community Development- California	\$ 1,030,800
Active Transportation Program (ATP)	California Transportation Commission	\$ 3,300,000
		\$10,075,800

- Fiscal Year 2015-16 Community Development Block Grant:
- Estimated allocation for Non-profit Organizations: \$340,000

FY 15-16 City Manager's Budget Message

Thank You to the Santa Ana Community!!!

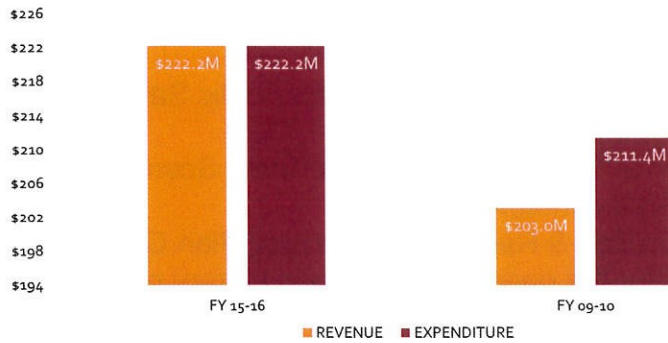
- Mayor and City Council
 - Outstanding Leadership
 - Adoption of and continued implementation of Strategic Plan
- Long-term vision
 - Adoption of one-year Forecast and four-year financial projection

FY 15-16 City Manager's Budget Message

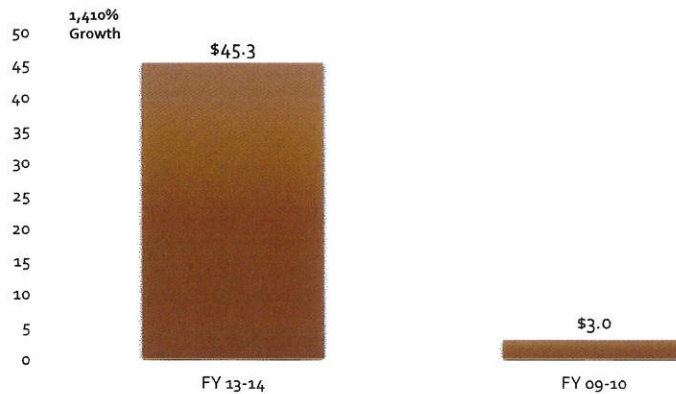
- Innovation and Efficiency
 - Establishment of Receivership program to assist neighborhoods and allow for cost recovery of incurred legal fees and staff costs
 - Installation of 24-hour payment kiosk at City Hall
 - Online application for CDBG, ESG, building permits, and business license fees
- Information Technology Assessment
 - Funding in the amount of \$3.6M recommended through FY 14-15 surplus

FY 15-16 General Fund Trial Budget

- Presenting a Balanced Trial Budget of \$222.2M
- GF Budget Comparison FY 15-16 vs. FY 09-10



Unassigned Fund Balance



FY 15-16 Baseline Elements

- Allocates \$2.5M for the implementation of the Strategic Plan
- Successfully obtained \$1.25M in COPS Hiring Grant Funds for ten additional Police Officers & allocated \$1.0M in matching City funds
- Additional Planning & Building staff-\$1.1M
- Medical Marijuana Dispensaries (MMD) Enforcement Plan:
 - 5 Police Officers & 1 Police Sergeant-\$1.5M
 - 2 Community Preservation Inspectors-\$253k
 - 1 Revenue & Contract Compliance Examiner-\$125k
 - 1 Assistant City Attorney & additional funding for contractual services-\$252k
 - In total, the City added over \$2.0M in funding for the MMD Enforcement Plan
- Includes revised health insurance rates of 7%
- Includes FY 15-16 actuarial PERS rates:
 - Safety: 46.5%
 - Miscellaneous: 28.5%

Police Officer Comparison

FY 15-16 City Manager's Trial Budget

- Public Safety-Strategic Plan Goal 1:

- Addition of (7) Police Officers to improve response times and community policing efforts
- Upgrade of County-wide 800 MHz Public Safety Communications system-partnership costs
- Provide for the replacement of a Crime Scene Investigation van and 2 Police Traffic motorcycles
- Youth, Education & Recreation-Strategic Plan Goal 2:
 - Provide for the opening of the Main Library on Sundays
 - Increase the purchase of new books for Library circulation
 - Develop a Zoo Master Plan
 - Provide for utility cost adjustment to support fields, lighting, and facilities
 - Funding to support City sponsored events:
 - Fiestas Santa Ana
 - Fourth of July
 - Plaza Primavera
 - Plaza Founders
 - Shakespeare in the Park
 - Cinco de Mayo
 - Dia de los Niños
 - Plaza Navideña
 - Plaza Wellness
- Economic Development-Strategic Plan Goal 3:
 - Provide funding to support Economic Development & Neighborhood Improvement staff
- City Financial Stability-Strategic Plan Goal 4:
 - Fund an Employee Pension Rate Stability reserve
 - Establishment of an internal audit program
- Community Health, Livability, Engagement, & Sustainability-Strategic Plan Goal 5:
 - Provide base funding for the development of a Safe Mobility Program to address vehicle and pedestrian safety in the Santa Ana community
 - Allocation of funds for 52 neighborhood associations
 - Provide for a City Council Liaison
 - Purchase of mobile technology for Code Enforcement
- Community Facilities & Infrastructure-Strategic Plan Goal 6:
 - Allocate funding for Park deferred maintenance
 - Provide funds for deferred maintenance projects at the Southwest Senior Center, New Hope Library & Corbin Center
 - Replacement of a roof at the Corporate Yard
 - Funding for fire station improvements
 - Funds for Civic Center capital projects
- Team Santa Ana-Strategic Plan Goal 7:
 - Continue funding for Information Technology assessment to improve workforce efficiency and provide effective customer service to external customers
 - Employee Compensation & Miscellaneous:
 - Consideration of a potential cost of living increase for employees

FY 15-16 Deferred Maintenance Projects

- Total of \$500k allocated for Deferred Maintenance:
 - \$130k-Roof restoration of the Corporate Yard
 - \$100k-Address various park facility deferred maintenance
 - \$100k-1 Crime Scene Investigation van & 2 Police Traffic Motorcycles
 - \$60k-Fire station improvements
 - \$40k-Front door upgrades to be ADA compliant & exterior painting of the South West Senior Center
 - \$40k-Rebuilding of air handler at New Hope Library
 - \$30k-Install commercial commodes & exterior painting of the Corbin Center

FY 15-16 Technology Projects

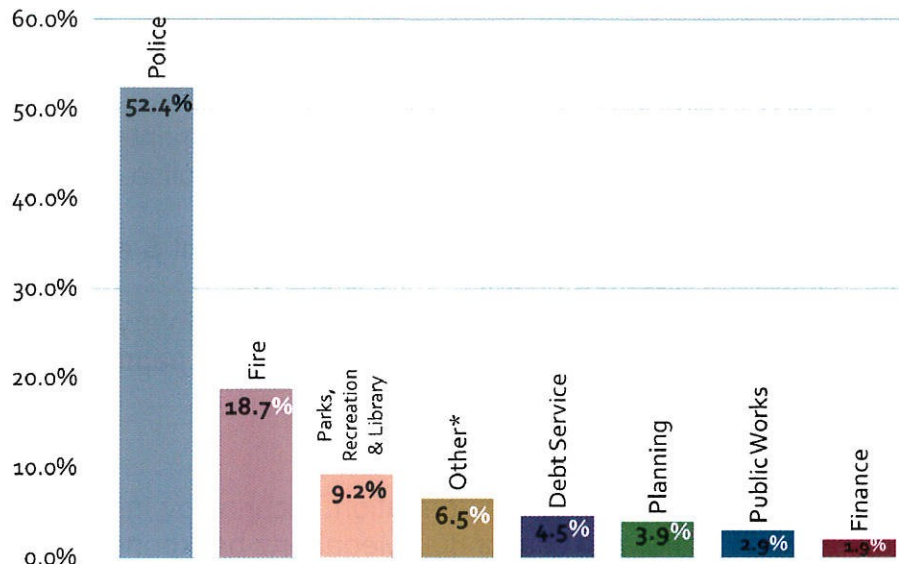
- Total of \$500k allocated for Information Technology Initiatives:
 - \$225k-Partnership cost of 800 Megahertz backbone
 - \$150k-Ongoing IT Assessment
 - \$125k-Purchase mobile technology for Code Enforcement Officers

FY 15-16 GF Trial Budget Expenditures

TOTAL ANNUAL GENERAL FUND BUDGET BY DEPARTMENT

EXPENDITURES BY DEPARTMENT	Proposed FY 15-16	% of Total
Police Department	\$116,417,565	52.4%
Fire Department	41,450,486	18.7%
Parks, Recreation & Community Services	20,499,180	9.2%
Debt Service	10,079,155	4.5%
Planning & Building Agency	8,566,191	3.9%
Public Works Agency	6,501,051	2.9%
Non-Departmental	5,009,050	2.3%
Finance & Management Services	4,247,767	1.9%
City Attorney's Office	2,368,829	1.1%
City Manager's Office	2,045,910	0.9%
Bowers Museum	1,474,540	0.7%
Personnel Services	1,156,355	0.5%
Community Development	1,125,000	0.5%
Clerk of the Council Office	732,006	0.3%
Legislative Affairs	511,915	0.2%
TOTAL DEPARTMENTAL EXPENDITURES	\$222,185,000	100.0%

FY 15-16 GF Trial Budget-Expenditures: \$222.2M



*Includes Non-Departmental, City Attorney's Office, Bowers Museum, HR, City Manager's Office, Community Development, Clerk of the Council, & Legislative Affairs

FY 15-16 Additional Funding Priorities NOT Included in Trial Budget

- Community Development Agency
 - Economic Development Aide-\$88k
 - Two Administrative Aides-Bilingual (Part-Time) positions-\$52k
 - Fixed Charges & Miscellaneous Operations-\$54k
- Clerk of the Council
 - Add Assistant Clerk of the Council-\$31k
 - Add 50% of Senior Legal Management Assistant-\$63k
 - Reallocate Sr. Deputy Clerk of the Council to Deputy Clerk of the Council-\$(13k)
- Parks and Recreation
 - Provide Additional Recreational Classes-\$165k
 - Funding for Custodial Services-\$100k
 - Funding to provide landscape maintenance at City parks-\$620k
- Police Department
 - Four Downtown Police Officers-\$502k
 - Two Domestic Violence investigators-\$251k
- Planning and Building
 - Add one Associate Planner and one Assistant Planner-\$210k
 - Reallocation of Assistant Planner I to Assistant Planner II-\$10k
 - Vehicles for new Building Safety Inspection Staff and Code Enforcement Officers-\$21k
- Public Works
 - Graffiti Abatement Services for Parks & Rec-\$180k
 - SARTC Deferred Maintenance & Property Management-\$613k
- Finance
 - Add one Senior Budget Analyst-\$120k
 - Add one Accountant II-\$130k

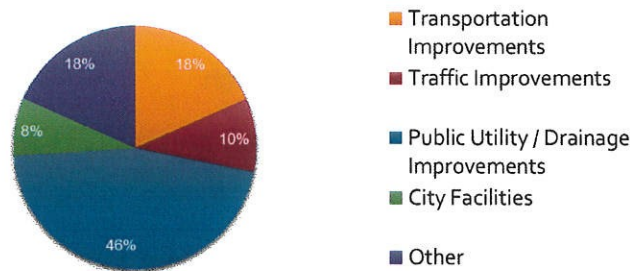
- CAO
 - Add 50% of Senior Legal Management Assistant-\$63k
 - Reallocation of Legal Secretary to City Attorney Office Executive Assistant- \$10k
 - Funding for modernization of equipment & furnishings-\$50k

Additional Budget Information

<http://www.santa-ana.org/finance/budget/default.asp>

CAPITAL IMPROVEMENT PROGRAM

Transportation Improvements = \$15,076,655
 Traffic Improvements = \$7,903,580
 Public Utility / Drainage Improvements = \$37,442,120
 City Facilities = \$6,175,103
 Other Programs = \$15,050,000



Street Resurfacing 8 – Projects = \$9,043,730

- Alley Improvements
- Arterial Preventative Maintenance
- Arterial Street Rehabilitation:
 - Bristol: 17th to Santa Clara
 - Edinger: Raitt to Pacific
 - Fairview: Alton to Segerstrom
 - Lawson: Memory to NCL
- Local Preventative Maintenance
- Residential Street Repair

Street Widening 3 – Projects = \$385,100

- Fairview Widening: 9th to 16th
- Project Development
- Right-of-Way Management

Sidewalk/Non-Motorized 6 – Projects = \$5,647,825

- Omnibus Concrete
- W. Edinger Sidewalk Improvement: Mohawk to Santa Ana River
- Citywide Sidewalk Repairs
- Bike Lanes- Newhope, Civic Center and Grand
- Bishop-Pacific-Shelton Bike Boulevards
- Maple Bike Trail Safety Enhancements

- Bike Lane Project Development

Planning 4 – Projects = \$510,0000

- Citywide Speed Limit Study
- Complete Streets Plans
- Traffic Management Plans
- Traffic Safety Project Development

Streetcar

- Continue partnership with OCTA
- Design Oversight

Mobility/Safety 6 – Projects = \$7,393,580

- Heninger Elementary SRTS
- King Elementary SRTS
- Monte Vista Elementary SRTS
- South Main Corridor Improvements
- Washington Elementary SRTS
- Westminster Ave/17th ST Corridor Signal Synch

Sewer Main Improvements 5 – Projects \$5,132,600

- Citywide Sewer Main Improvements
- Columbine Sewer Main Improvements
- Parton, Garnsey, Van Ness, 15th Streets Sewer Main Improvements
- Sewer Main Repairs & Replacements
- Warner Industrial Park Sewer Main Improvements

Water Main Improvements 7 – Projects = \$16,143,430

- Bristol Phase 3B Water
- Neighborhood Water Main Projects
 - Centennial
 - Riverview
 - West Grove Valley
- S. Bristol Water Main Improvements
- Warner Industrial Park Water Main Improvements

Facility Improvements 5 – Projects = \$12,063,000

- SA-5 MWD Turnout Vault Relocation
- Segerstrom (San Lorenzo) Sewer Lift
- S. Station Perimeter Wall
- Well No. 32 Rehabilitation

Technology 1 – Project = \$3,278,200

- SA-5 MWD Turnout Vault Relocation
- Segerstrom (San Lorenzo) Sewer Lift
- S. Station Perimeter Wall
- Well No. 32 Rehabilitation

- Storm Drain/Water Quality 4 – Projects = \$824,890
- Drainage Master Plan Supplement
- First St. Undercrossing Lift Station
- Residential Catch Basin Connector Pipe Screen Installation
- Santa Ana Delhi Channel Diversion

Transit Facilities 2 – Projects = \$958,519

- Safe Transit Stops
- SARTC ADA Improvements

Recreation Improvements 9 – Projects = \$3,091,584

- Playground Equipment:
 - Centennial Park
 - Delhi
 - Lillie King
 - Madison
 - Rosita
 - Thornton
- Dan Young Soccer Complex – Turf
- Pacific Electric Park Improvements
- Santa Ana River/ Memory Lane Park

Park Facilities 8 – Projects = \$2,098,919

- Centennial Lake Circulation Study
- Morrison Park LID Improvements
- Sandpoint Paseo Security Lighting
- Santa Ana Stadium Structural Repairs
- Santiago Park Gas House Landscape
- Thornton Park Electrical / Restroom / Lighting
- Willits Sullivan Community Beautification

Zoo Facilities 2 – Projects = \$2,125,000

- Amazon's Edge Giant River Otter
- Master Plan

PMP Program = \$200,000

- Pavement Management Program

Pavement Management Program \$250,000

- Safe Mobility Santa Ana
- Address Transportation System Safety

Street Light LED Conversion = \$8,600,000

Warner Assessment District = \$6,000,000

CIP Outreach Plan

CIP Project Tracking

Budget/CIP Calendar-Next Steps

- March 30, 2015: Community Budget Outreach-Budget, Strategic Plan & CIP Updates
- April 2015:
 - Community Budget Hearings
 - Preliminary Seven-Year Capital Improvement Program presentation to the Planning Commission
- May 2015:
 - City Council one-on-one meetings-Review of Trial Budget & CIP
 - City Manager's Proposed FY15-16 Budget Work Study Session includes CIP, Miscellaneous Fees & Personnel Resolutions
- June 2, 2015: Tentative Budget/CIP Ordinance Adoption
- June 16, 2015: Final Budget/CIP Ordinance Adoption
- July 1, 2015: Start of the New Fiscal Year

WS-B. COMMUNITY PROPOSAL FROM BUILDING HEALTHY COMMUNITIES FOR A WELLNESS DISTRICT - City Manager's Office

At the request of the City Council, continued matter to the April 7, 2015 City Council meeting.

COMMENTS

90A. CITY MANAGER'S COMMENTS

- City Manager Cavazos reported that City Manager's Office able to meet with any individual or group requesting presentation on proposed budget; encouraged all to be involved in the process.

90B. CITY COUNCILMEMBER COMMENTS

Councilmember Martinez:

- Oral Report on Regional Boards:
 - Southern California Association of Government (SCAG) – moving forward with Regional Transportation Plan on Regional Housing Needs Assessment, staff has reviewed Plan and will meet on March 18th; will bring back reports on Regional Transportation Plan.
 - South Coast Air Quality Management District's Mobility Source Air Pollution Reduction Review Committee – reported that City receives about \$418,000 in vehicle registration fees, will participate in meeting in Sacramento to consider the \$13 million Work Plan that will share and match funds with cities throughout the State.

- Metropolitan Water District – attended first Board meeting; will participate in over five committees and representing the City.

COUNCILMEMBER MARTINEZ LEFT THE MEETING AT 8:28 P.M. AND DID NOT RETURN. A QUORUM OF THE SANTA ANA CITY COUNCIL WAS NOT PRESENT.

ADJOURNED: 8:34 P.M. the Regular Meeting was adjourned due to lack of quorum. The next meeting of the City Council is scheduled for Tuesday, April 7, 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
Allan Fainburg

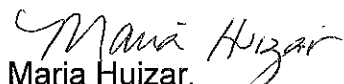
90B. CITY COUNCILMEMBER COMMENTS (Cont.)

Councilmember Tinajero:

- Congratulated all of the Leagues in the City as they begin the new season; and
- Reflected on all the improvements throughout the City, balanced budget and positive feedback received.

Mayor Pro Tem Sarmiento:

- Concurred with Councilmember Tinajero's comments;
- Thanked the Police Chief and leadership in addressing concerns raised at the previous City Council meeting;
- Disappointed with recent news reports that Mexican Consulate had lumped incident in the City with others in other States that were negative and some wrong doing; encouraged continued open dialogue with the police department to dispel wrongdoing;
- Wished all a Happy St. Patrick's Day; and
- Adjourned in memory of Allan Fainburg.


Maria Huizar,
Clerk of the Council

FUTURE AGENDA ITEMS

- 2015-2016 Budget Adoption
- Mater Dei High School Parking Structure and School Expansion Project
- Community Development Block Grants (CDBG)
- Park Ranger Ambassador Program Update