



REGULAR CITY COUNCIL AND HOUSING AUTHORITY JUNE 3, 2025 – 6:00 P.M. - MINUTES

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

ROLL CALL

Present: Council Member Buley, Council Member Gameros, Council Member Marr, Council Member Pettis, Council Member Reynolds (arrived at 4:05 p.m.), Mayor Pro Tem Chavez, and Mayor Stephens.

Absent: None.

PUBLIC COMMENTS

Roberto Herrera, Resilience Orange County, spoke in support of the previous City Manager.

CLOSED SESSION ITEMS:

1. **PUBLIC EMPLOYEE APPOINTMENT**
Pursuant to California Government Code Section 54957(b)(1)
Title: Interim City Manager
2. **PUBLIC EMPLOYEE APPOINTMENT**
Pursuant to California Government Code Section 54957(b)(1)
Title: City Manager
3. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATION OF LITIGATION - TWO CASES**
Pursuant to California Government Code Section 54956.9(d)(2), Potential Litigation.

City Council recessed at 4:04 p.m. for Closed Session.

Closed Session adjourned at 5:47 p.m.

CALL TO ORDER - The Regular City Council and Housing Authority meeting was called to order by Mayor Stephens at 6:00 p.m.

NATIONAL ANTHEM AND PLEDGE OF ALLEGIANCE – Led by St. John the Baptist School Choir.

MOMENT OF SOLEMN EXPRESSION – Led by Council Member Marr.

ROLL CALL

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

Absent: None.

CITY ATTORNEY CLOSED SESSION REPORT – Ms. Hall Barlow stated that pertaining to item number 1 on the closed session agenda, City Council voted on a 7-0 vote with Mayor Pro Tem Chavez making the motion and Council Member Gameros seconding, to appoint Cecilia Gallardo-Daly as Interim City Manager.

PRESENTATIONS:

City Council honored NMUSD Class of 2025 Graduates who have committed to Military Service.

City Council presented a proclamation to Bryan Terry and Angel Bonilla, representatives of OC Pride in honor of Pride Month.

PUBLIC COMMENTS – MATTERS NOT LISTED ON THE AGENDA

Juana Trejo thanked Police Chief Lawrence for his service and spoke on individuals working out of their garages late at night.

Carmen Ramirez, Costa Mesa, spoke on parking issues on Baker Street and Fillmore Way and that vehicles are parked permanently and not being moved, and spoke on living in Costa Mesa.

Speakers, spoke on standing with and supporting the immigrant community, spoke on hanging a banner on the 405 freeway and on receiving positive feedback and support, and spoke on humanity.

Roberto Herrera, Resilience Orange County, spoke on immigration and that he is the Co-Founder of Rapid Response Network, spoke on the importance of the public being aware of data on arrests happening in the City, spoke on a legal defense fund, and requested support for the Latino community.

COUNCIL MEMBER COMMITTEE REPORTS, COMMENTS, AND SUGGESTIONS

Council Member Buley congratulated Estancia High School Baseball team for winning the CIF Southern Section Division 6 title, spoke on homeless issues on 19th Street and requested resources for the area, and encouraged community engagement at the Fairview Developmental Center meeting on June 11th at 6:00 p.m.

Council Member Gameros praised the Police and Fire Departments for their response to activities in the City and requested staff to agendize removing public comments on Zoom.

Council Member Marr spoke in support of public participation in person and remotely and congratulated Ms. Gallardo-Daly on being appointed as Interim City Manager.

Council Member Reynolds congratulated Ms. Gallardo-Daly on being appointed as Interim City Manager, spoke in support of creating opportunities for people to participate, spoke on attending the Employee Service Awards, attending the Costa Mesa Historical Society Spring luncheon, attending the Memorial Day event, attending Senator Stephens Choi's non-profit of distinction event honoring Trellis, spoke on the Mendez case being the catalyst for integration in schools, and combating fear in the community by smiling more.

Council Member Pettis spoke on service and working at the VA Hospital and spoke on Memorial Day is a day of reflection.

Mayor Pro Tem Chavez congratulated high school graduates, congratulated the Estancia High School Baseball team for winning the CIF Southern Section Division 6 title, and congratulated Ms. Gallardo-Daly on being appointed as Interim City Manager, spoke on attending the Costa Mesa Soccer Classic Tournament and the unity and power that sports bring to a community, spoke on joining Supervisor Foley at the County of Orange young supervisors program where students from around the County complete a capstone project, and that the program included three students from Costa Mesa, spoke on attending two outreach meetings regarding the Randall Preserve, spoke on free lunches for students in the community during the summer, spoke on the homeless issues on 19th Street and requested a study session, requested staff to investigate a TOT for next year's ballot, requested staff to agendize the OC Power Authority, and requested staff to research a contract disclosure ordinance.

Mayor Stephens congratulated Ms. Gallardo-Daly as Interim City Manager, congratulated the Estancia High School Baseball team for winning the CIF Southern Section Division 6 title, congratulated the Costa Mesa High School Mustangs who won their league, spoke on attending the SOY Gala, spoke on the State of the City will be on June 25th, spoke on Priceless Pets and how they positively handled an incident and provided statistics, spoke on attending a Memorial Day event and praised Captain Fred McDowell for playing the bugle, and spoke on adjourning the meeting in honor of Shannon Santos, Executive Director at Someone Cares Soup Kitchen.

REPORT – CITY MANAGER – Ms. Gallardo-Daly Congratulated the Public Works Department on receiving the “2025 Outstanding Bikeways and Trails” award for the Adams Avenue and Pinecreek Drive project, spoke on the Information Technology Department is kicking off Phase II of their Master Plan with a public meeting on Monday June 16th at 5:30 p.m., spoke on the monthly statistics from Economic and Development Services Department that are posted on the city website, responded that staff will look into the concerns on the neighbor working on vehicles in the garage, and thanked City Council for her appointment to Interim City Manager.

REPORT – CITY ATTORNEY – Ms. Hall Barlow spoke on the Torch Run Special Olympics in Orange County and spoke on the Special Olympics.

CONSENT CALENDAR

MOVED/SECOND: Mayor Stephens/ Mayor Pro Tem Chavez

MOTION: Approve the Consent Calendar.

The motion carried by the following roll call vote:

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

Nays: None.

Absent: None.

Abstain: Mayor Stephens recused himself on item 3 the Warrant Resolution due to campaign contributions received from Ware Disposal.

Motion carried: 7-0

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

ACTION:

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

2. **READING FOLDER**

ACTION:

City Council received and filed Claims received by the City Clerk and authorized staff to reject any and all Claims: AAA (Rebecca Morales), State Farm Mutual Auto Insurance Company (David Berri), Esther Farr, Kyle Samuelson, Debra Von Trapp.

3. **ADOPTION OF WARRANT RESOLUTION**

Mayor Stephens recused himself on the item due to campaign contributions received from Ware Disposal.

ACTION:

City Council approved Warrant Resolution No. 2735.

4. **MINUTES**

ACTION:

City Council approved the minutes of the regular meeting of May 6, 2025.

5. **SB 1205 COMPLIANCE REPORT FOR 2024 STATE-MANDATED ANNUAL FIRE INSPECTIONS**

ACTION:

City Council adopted Resolution No. 2025-09 to accept this Compliance Report as its report on the status of all 2024 state-mandated annual fire inspections in the City as required by California Health and Safety Code Section 13146.4.

6. ADOPT ORDINANCE NO. 2025-03 DESIGNATING LOCAL RESPONSIBILITY AREA FIRE HAZARD SEVERITY ZONES IN THE CITY OF COSTA MESA, AS IDENTIFIED BY THE CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 51178

ACTION:

City Council adopted Ordinance No. 2025-03 designating moderate and high Local Responsibility Area Fire Hazard Severity Zones by map within the jurisdiction of the City of Costa Mesa.

7. RENEWED MEASURE M (M2) ELIGIBILITY

ACTION:

1. City Council approved the City's Maintenance of Effort (MOE) for Fiscal Year (FY) 2025-26.
2. Approved the M2 Seven-Year Capital Improvement Program (CIP) which consists of the City's Five-Year and future year CIP for FY 2025-26 through FY 2031-32.
3. Adopted Resolution No. 2025-10, for the Master Plan of Arterial Highways Conformance and Mitigation Fee Program.
4. Authorized staff to submit documents to meet M2 Eligibility requirements.

8. RESOLUTION ADOPTING A LIST OF PROJECTS FOR FISCAL YEAR 2025-26 FUNDED BY SENATE BILL 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017

ACTION:

City Council adopted Resolution No. 2025-11, approving the Harbor Boulevard Roadway Rehabilitation Project (from MacArthur Boulevard to South Coast Drive and from Gisler Avenue to Baker Street) for funding with Road Maintenance and Rehabilitation Account (RMRA) revenues for Fiscal Year 2025-26.

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

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

PUBLIC HEARINGS:

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

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

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

Public Comments: None.

MOVED/SECOND: Council Member Reynolds/Council Member Marr

MOTION: Approve staff recommendation.

The motion carried by the following roll call vote:

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

Nays: None.

Absent: None.

Abstain: None.

Motion carried: 7-0

ACTION:

1. City Council conducted a public hearing regarding the Business Improvement Area (BIA) reauthorization and levy of the annual assessment for Fiscal Year 2025-2026.
2. Adopted Resolution No. 2025-12, confirming the annual report filed by Travel Costa Mesa and levying an annual assessment for Fiscal Year 2025-2026 for the Business Improvement Area covering certain Costa Mesa hotels and motels.

2. APPEAL OF THE PLANNING COMMISSION'S DECISION TO UPHOLD THE DIRECTOR OF DEVELOPMENT SERVICES' DETERMINATION THAT CONDITIONAL USE PERMIT (CUP) PA-21-23 TO ESTABLISH A CANNABIS STOREFRONT LOCATED AT 1687 ORANGE AVENUE (KING'S CREW) HAS EXPIRED

Presentation by Veronica Donovan, Attorney with Jones & Mayer.

Applicant presentation by Dan Thompson and Ray Dorame, Gold Flora Costa Mesa.

Public Comments: None.

MOVED/SECOND: Mayor Stephens/Council Member Gameros

MOTION: Overrule the decision of the Planning Commission and provide the applicant a 180-day extension to obtain the CUP and permits needed.

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

SUBSTITUTE MOTION: Uphold the Planning Commission's decision that Conditional Use Permit (CUP) PA-21-23 has expired pursuant to Costa Mesa Municipal Code Sections 13-29(k)(2) and CUP Condition of Approval No. 2.

Council Member Marr withdrew the motion.

ORIGINAL MOTION/SECOND: Mayor Stephens/Council Member Gameros

ORIGINAL MOTION: Override the decision of the Planning Commission and provide the applicant a 180-day extension to obtain the CUP and permits needed.

The motion carried by the following roll call vote:

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

Nays: Council Member Buley, Council Member Marr, and Council Member Pettis.

Absent: None.

Abstain: None.

Motion carried: 4-3

ACTION:

City Council Overruled the decision of the Planning Commission and provided the applicant a 180-day extension to obtain the CUP and permits needed.

City Council recessed into a break 8:24 p.m.

City Council reconvened at 8:41 p.m.

3. SCHEDULE OF USER AND REGULATORY FEES

Presentation by Terry Madsen, Clear Source.

Public Comments:

Cynthia McDonald spoke on cost recovery and supports higher fees.

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

MOTION: Approve staff recommendation which includes a 3.3% CPI adjustment, a credit card transaction processing fee, a General Plan Update fee, and a technology enhancement fee.

Council Member Reynolds requested to add to the motion to direct staff to bring back an item to also allow payments by American Express and to potentially increase the cost recovery of the credit card transaction processing fee to 3%.

Mayor Pro Tem Chavez (1st) and Council Member Marr (2nd) agreed to the addition.

Council Member Reynolds requested to add to the motion to direct staff to seek input from the Parks and Community Services Commission on fees related to programs and community facility rentals.

Mayor Pro Tem Chavez (1st) and Council Member Marr (2nd) agreed to the addition.

SUBSTITUTE MOTION/SECOND: Council Member Buley/Mayor Stephens

SUBSTITUTE MOTION: Approve only the 3.3% CPI adjustment and the 2.7% Credit Card fee.

Mayor Pro Tem Chavez requested to add Council Member Reynolds previous requests.

Council Member Buley (1st) agreed to the additions.

Mayor Stephens (2nd) agreed to the additions and to also allow the Finance and Pension Advisory Committee and the Parks and Community Services Commission to review and discuss the fees related to programs and community facility rentals.

SUBSTITUTE MOTION/SECOND: Council Member Buley/Mayor Stephens

SUBSTITUTE MOTION: Approve only the 3.3% CPI adjustment and the 2.7% Credit Card fee, direct staff to bring back an item to allow American Express and potentially increase the cost recovery to 3%, and direct staff to seek input from the Parks and Community Services Commission and the Finance and Pension Advisory Committee on fees related to programs and community facility rentals.

The motion carried by the following roll call vote:

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

Nays: Council Member Gameros and Council Member Marr.

Absent: None.

Abstain: None.

Motion carried: 5-2

ACTION:

1. City Council opened a Public Hearing and took testimony.
2. Adopted Resolution No. 2025-15 of the City Council of the City of Costa Mesa, California, approving only the CPI adjustment and the Credit Card charges as recommended by the Finance and Pension Advisory Committee.
3. Directed staff to bring back an item to also allow payments by American Express and potentially increase the cost recovery of the credit card transaction processing fee to 3%.
4. Directed staff to seek input from the Parks and Community Services Commission and the Finance and Pension Advisory Committee on fees related to programs and community facility rentals

4. FISCAL YEAR 2025-26 PROPOSED OPERATING AND CAPITAL IMPROVEMENT PROGRAM AND HOUSING AUTHORITY BUDGET INCLUDING ANNUAL REPORTING FOR EQUIPMENT USE POLICY PER AB 481 AND VACANCY STATUS AND RECRUITMENT STRATEGIES PER AB 2561

Presentation by Ms. Molina, Finance Director.

Public Comments:

Christian Lopez, Resilience Orange County, spoke in support of the addition of a crosswalk at Center Street and Placentia Avenue and spoke in support of rental assistance programs.

Ralph Taboada, Costa Mesa, spoke on the replenishment of the current year CAN amount that was waived, spoke on the three Capital Asset Needs funding options, requested clarification on including the 2.2 million use of Capital Assets Account Fund Balance, and expressed concern on deferring funds in the IT budget.

Juana Trejo spoke on the bike trail at the Paularino Channel and requested an update on the project.

MOVED/SECOND: Mayor Stephens/Mayor Pro Tem Chavez

MOTION: Approve staff recommendations items 6 through 9 and continue the public hearing to June 10th for discussion and potential adoption of items 1 through 5.

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

SUBSTITUTE MOTION: Approve all staff recommendations items 1 through 9 and use option 1 for the Capital Asset Needs Funding.

Finance Director Molina suggested a 4th option: do not utilize reserves, redirect the 1.2 million IT budget for the Capital Asset Needs Funding, and utilize \$600,000 from the Fund 401 balance.

Council Member Reynolds adjusted the substitute motion to include bringing back the CAN ordinance with options to amend as part of the mid-year budget discussion, Council Member Marr (2nd) agreed.

Council Member Reynolds adjusted the substitute motion to include option 4 as suggested by Finance Director Molina, Council Member Marr (2nd) agreed.

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

SUBSTITUTE MOTION: Approve all staff recommendations items 1 through 9 and use option number 4: do not utilize reserves, redirect the 1.2 million IT budget for the Capital Asset Needs Funding, and utilize \$600,000 from the Fund 401 balance, and bring back the CAN ordinance with options to amend as part of the mid-year budget discussion.

The motion carried by the following roll call vote:

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

Nays: Mayor Stephens.

Absent: None.

Abstain: None.

Motion carried: 6-1

ACTION:

1. Approved Resolution No. 2025-16, adopting the Proposed Fiscal Year 2025-26 Operating and Capital Improvement Program (CIP) Budget; and
2. Approved Joint Resolution No. 2025-17 adopting the Housing Authority Budget including Economic and Community Development expenditures for Fiscal Year 2025-26; and

3. Authorized the “Emergency Exception” clause of the Capital Asset Needs Ordinance under Section 2-209.2 (a)(2), Economic Downturn, for Fiscal Year 2025-26; and
4. Approved a financial plan to reinstate \$6.9 million from Fiscal Year 2025-26 in deferred projects by:
 - a. Reinstating the funding over a 10-year period to ensure a fiscally sustainable General Fund budget.
5. Authorized and approved staffing for the following full-time positions: increase of 1.0 FTE for Custody Officer for Police Department, decrease of 1.0 FTE for Human Resources Analyst, decrease of 1.0 FTE for Programmer Analyst I, decrease of 1.0 FTE for Senior Management Analyst (CON), and a decrease of 1.0 FTE for Community Outreach Worker as presented at the May 13, 2025 Study Session; and
6. Approved Resolution No. 2025-18 establishing the Fiscal Year 2025-26 Appropriations Limit for the City of Costa Mesa at \$330,924,446, by using Orange County’s growth for population adjustment, and the California per capita income growth for inflationary adjustment; and
7. Approved the City of Costa Mesa’s Revised Special Event Rates; and
8. City Council received and filed the 2025 Annual AB 481 Report and took public comment; and
 - a. Approved Resolution No. 2025-19 Renewing Ordinance No. 2022-03, the AB 481 Equipment Use Policy of the City of Costa Mesa, California, governing the use of police safety equipment.
9. Received and filed the job vacancy status information required by AB 2561.
10. Approved option number 4: do not utilize reserves, redirect the 1.2 million IT budget for the Capital Asset Needs Funding, and utilize \$600,000 from the Fund 401 balance, and bring back the CAN ordinance with options to amend as part of the mid-year budget discussion.

OLD BUSINESS: NONE.

NEW BUSINESS:

1. **ONE YEAR USE AGREEMENT FOR JACK HAMMETT SPORTS COMPLEX WITH UNIVERSITY OF CALIFORNIA, LOS ANGELES (UCLA) FOOTBALL ATHLETICS, FOR 2025 PRE-SEASON TRAINING CAMP**

Presentation by Ms. Reyes, Deputy City Manager.

Public Comments: None.

MOVED/SECOND: Mayor Stephens/Mayor Pro Tem Chavez

MOTION: Approve staff recommendation.

The motion carried by the following roll call vote:

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

Nays: None.

Absent: None.

Abstain: None.

Motion carried: 7-0

ACTION:

City Council approved and authorized the Acting City Manager to execute a Use Agreement for the City's Jack Hammett Sports Complex for a portion of UCLA's 2025 Summer Training Camp and related community benefits.

2. RESOLUTION FOR EXCEPTION TO THE 180-DAY WAIT PERIOD PURSUANT TO GOVERNMENT CODE SECTIONS 7522.56 AND 21224, FOR THE REHIRE OF FINANCE OFFICER ANNA DOLEWSKI

Presentation by Ms. Lee, Human Resources Manager.

Public Comments: None.

MOVED/SECOND: Mayor Stephens/Council Member Gameros

MOTION: Approve staff recommendation.

The motion carried by the following roll call vote:

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

Nays: None.

Absent: None.

Abstain: None.

Motion carried: 7-0

ACTION:

City Council adopted Resolution No. 2025-14 to make an exception to the 180-Day Wait Period pursuant to Government Code Sections 7522.56 and 21224 to retain the services of retired Finance Officer Anna Dolewski.

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

ADJOURNMENT – Mayor Stephens adjourned the meeting at 11:30 p.m. in memory of Shannon Santos.

Minutes adopted on this 15th day of July, 2025.

John Stephens, Mayor

ATTEST:

Brenda Green, City Clerk

DRAFT