

**From:** [Ben Ritter](#)  
**To:** [CITY CLERK](#)  
**Subject:** Public comments regarding mural proposal  
**Date:** Tuesday, May 27, 2025 10:36:42 AM

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Dear Members of the City Council,

I am writing to express my concern regarding an article published [May 9th in The Daily Pilot by the journalist Sara Cardine](#). Cardine states that during the May 1st meeting of the Costa Mesa Arts Commission, the Vice Chair proposed a public-private partnership in which historical murals would be painted on the walls of participating local businesses. To support this project "[Fisher Derderian] made a motion recommending \$100,000 in a previously approved art-installation fund, and an additional \$60,000 in the new budget cycle, be repurposed for the historical mural initiative." This proposal was approved 4-2 by the Arts Commission.

While on first glance these ideas may appear innovative, the proposal never addresses the question of who benefits from the redirection of funds. How exactly will these murals benefit the people of the City of Costa Mesa by being placed on private property? It assumes that partnering with private business will expedite the path to completion of these projects. While that might be possible, it also leaves open complex questions that leaves the city open to a multitude of risks.

Who decides what the content of the mural will be? Whose history will these murals depict? Who decides which artists participate? Who approves the proposals? Who owns the mural? Who maintains it ten years in the future? What happens to the mural when a business moves or goes out of business? In the effort to "get art out there tomorrow, if at all possible," the proposal risks using public funds to sponsor ephemeral advertisements for as-yet specified local businesses. Utilizing parks or civic buildings, locations that are truly public, to build works that will stand the test of time would be a much more sound policy.

Having grown up in Costa Mesa and worked for many years in visual art and design, this direction worries me. What I love about Costa Mesa is its diversity and strength of community. It's home to many passionate artists and artisans. I am deeply concerned that this proposal is being rushed through without full engagement of our community.

Sincerely,

Ben Ritter

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**From:** [Sara Bert](#)  
**To:** [CITY CLERK](#)  
**Subject:** Opposition to Redirecting Public Art Funds to Private Murals  
**Date:** Tuesday, May 27, 2025 10:26:35 AM

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Dear Honorable Mayor and City Councilmembers,

I'm writing in response to Costa Mesa Arts Commission Vice Chair Fisher Derderian's proposal to shift \$160,000 from a large-scale public art installation fund to a public-private mural initiative on private businesses.

While I support eye-catching public art, I believe this funding—originally intended for public art—should remain dedicated to public spaces.

Partnering with private businesses might seem like an efficient shortcut, but it creates unnecessary complications:

- **Who selects the businesses?** Will there be an application process, and who reviews it? This adds layers of time and oversight.
- **Who controls the content?** If businesses contribute funds, they will likely expect influence over the murals.
- **Is this equitable?** Public art should be accessible to all, not tied to private property.

Costa Mesa already has city-led public projects underway that could directly benefit from this grant—TeWinkle Skatepark is currently under renovation, and Brentwood Park and Shalimar Park are high priorities for upcoming capital improvement projects. These community-focused public spaces are ideal for murals that align perfectly with the Cultural Arts Committee's mission: "to increase opportunities for all to experience arts and culture throughout our community."

Additionally, the proposal's focus on America250 feels premature. This is a time to invite the community and artists to help shape the vision—not predefine it through a federal lens. Public art should reflect Costa Mesa's unique history, present, and future.

Please keep public art in public spaces, where it belongs—simple, transparent, inclusive, and truly accessible to all.

Sincerely,

Sara Bert

Costa Mesa Resident

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**From:** [GREEN, BRENDA](#)  
**To:** [TERAN, STACY](#)  
**Subject:** FW: June 3, 2025 City Council Meeting – Public Hearing Item No. 3 – Schedule Of User And Regulatory Fees  
**Date:** Tuesday, June 3, 2025 8:06:41 AM  
**Attachments:** [image001.wmz](#)  
[image002.png](#)  
[image003.png](#)  
[image004.png](#)  
[image005.png](#)  
[image006.png](#)

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Respectfully,

**Brenda Green**

City Clerk

City Clerk's Office | (714) 754-5221

77 Fair Drive | Costa Mesa | CA 92626



As City Hall has reopened, we encourage the public to take advantage of our appointment system. Appointments can be made at [www.costamesaca.gov/appointments](http://www.costamesaca.gov/appointments). Please note that It is required that all guests check in with our Concierge Staff, located on the 1<sup>st</sup> Floor Lobby, upon arrival at City Hall.

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**From:** Cynthia McDonald <cmcdonald.home@gmail.com>  
**Sent:** Tuesday, June 3, 2025 12:08 AM  
**To:** PETTIS, JEFF <Jeff.Pettis@costamesaca.gov>; Arlis Reynolds <arlis.reynolds@gmail.com>; CHAVEZ, MANUEL <MANUEL.CHAVEZ@costamesaca.gov>; STEPHENS, JOHN <JOHN.STEPHENS@costamesaca.gov>; Andrea Marr <andreamarr@gmail.com>; GAMEROS, LOREN <LGAMEROS@costamesaca.gov>; BULEY, MIKE <Mike.Buley@costamesaca.gov>; cecilia.garado-daly@costamesaca.gov  
**Cc:** GREEN, BRENDA <brenda.green@costamesaca.gov>; MOLINA, CAROL <CAROL.MOLINA@costamesaca.gov>  
**Subject:** June 3, 2025 City Council Meeting – Public Hearing Item No. 3 – Schedule Of User And Regulatory Fees

Mr. Mayor and City Councilmembers:

At last week's Finance and Pension Advisory Committee meeting, the consultant from Clear Choice made a presentation to the Committee about the recommended increase in fees. Besides the 3.3% CPI adjustment for certain fees, the recommendation included adoption of new fees for (a) credit card use, (b) General Plan update, and (c) technology update.

During that presentation he said that a kitchen remodel would be subject to the General Plan update fee. However, that is not correct because a kitchen remodel does not fall in

the category of “construction projects which make use of the City’s General Plan and related documents in order to determine whether the project can be constructed (e.g., new construction).” See page 3 of Agenda Report for this item. Permits for kitchen remodels to not require findings that cite a section from the General Plan.

Someone from the building department should be in attendance should a question arise about what shall or shall not be subject to these new fees.

I support these new fees. At the FiPAC meeting, Mayor Stephens said he was not interested in placing any new fees on developers, but these fees are small (only 5% of applicable permit fees) compared to the huge expense of buying land and borrowing money to finance purchase and construction of the property. They aren’t going to break the bank for any developer, and besides, developers just will ask the sellers of properties to lower purchase prices to cover them.

Because Costa Mesa is, for the most part, built out, developers are not required to provide new community benefits, such as parks, libraries, fire stations, flood control channels, etc. However, the new residents in their projects use those amenities, not to mention our roadways. The impact fees from new projects do not fully cover the cost of wear and tear, and future maintenance of our amenities. The City needs to recover costs anywhere it can.

With respect to the technology update fees, builders and developers are the ones who would benefit from improved technology since they have been complaining for years that it is too slow to get entitlements here. I laugh every time I hear that because they make the same complaint to every city.

Only the credit card fee is a complete cost recovery fee. The other two fees aren’t. If anything, the City should be charging higher fees.

Thanks for your attention.

Cynthia McDonald

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## Finance & Pension Advisory Committee

**TO: COSTA MESA CITY COUNCIL**

**FROM: FINANCE AND PENSION ADVISORY COMMITTEE**

**COPY TO: CECILIA GALLARDO-DALY - ACTING CITY MANAGER**  
**CAROL MOLINA - FINANCE DIRECTOR**  
**RAJA SETHURAMAN - PUBLIC WORKS DIRECTOR**  
**BRENDA GREEN - CITY CLERK**

**DATE: MAY 29, 2025**

**SUBJECT: RECOMMENDATIONS FOR THE PROPOSED OPERATING & CAPITAL IMPROVEMENT BUDGET - FISCAL YEAR 2025 - 2026**

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### **RECOMMENDATIONS:**

#### **Capital Improvement Budget Appropriations**

1. Do not support Staff's recommendation to fully waive the City's Capital Assets Needs (CAN) ordinance for the 2025/26 fiscal year due to an economic downturn.
2. Consider Staff's ability to manage an amount of General Fund projects as a guide to determining a reasonable portion of the CAN that could be waived.
3. Prioritize funding for critical General Fund capital infrastructure projects.
4. Re-evaluate Council's General Fund capital priorities in the context of the current financial situation.

#### **Operating Budget Appropriations**

5. Direct Staff to provide a report outlining the specific consequences to levels of service if the City were to freeze all vacant, non-public safety positions for all or part the next fiscal year.
6. Direct staff to recommend reductions in non-capital areas of the General Fund Budget as necessary to meet the spending target.

## Finance & Pension Advisory Committee

### Operating Budget Revenues

7. Direct Staff to perform a Full Cost of Service Study. Consider excluding youth & senior services.
8. Support Staff's proposal to increase some fees by 3.3% to reflect a Consumer Price Index adjustment.
9. Support Staff's proposal to establish a Credit Card Transaction Processing Fee.
10. Do not support Staff's proposal to establish a General Plan Update Fee.
11. Do not support Staff's proposal to establish a Technology Enhancement Fee.
12. Evaluate options to revise the City's Transient Occupancy Tax (TOT) with a focus on local area market rate.
13. Evaluate options to revise the Business License Tax (BLT) rates and structure to increase revenues, enhance administrative simplicity and ensure a progressive approach that minimizes the burden on small businesses.
14. Significantly reduce permit processing times to boost sales tax revenues currently lost due to delayed business openings.
15. Explore new revenue sources not previously considered.

### Reserve Funds

16. Evaluate using a portion of Reserve Funds to reduce the amount needed for a partial CAN waiver.

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### **BACKGROUND:**

On May 14, 2025, FiPAC members met to discuss the Proposed Operating and Capital Improvement Budget, FY 2025/26. There was dialogue with Staff about the plan to balance the budget in the face of anticipated reduced revenues.

There were questions about staffing reductions, revenue opportunities, the Capital Assets Needs ordinance, and proposed reductions of Capital Improvement Projects.

## Finance & Pension Advisory Committee

With insufficient time to explore these topics, it was determined that a second meeting would be necessary.

On May 29th, FiPAC members received a FY 25/26 user and regulatory fee update from Terry Madsen of Clear Source Financial Consulting. Staff proposed a 3.3% increase for some fees to reflect a CPI adjustment. Staff also proposed three new fees be established. Members asked questions of Mr. Madsen and Staff and a discussion followed.

FiPAC spent the next 2 hours discussing the FY 2025/26 Proposed Budget with valuable feedback from Council Liaisons Stephens and Buley along with Finance and Public Works Staff.

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### **ANALYSIS:**

FiPAC used a balance approach when considering these recommendations. The Committee looked at Capital Improvement Appropriations, Operating Appropriations, Operating Revenues, and Reserve Funds. While the economic future is uncertain, FiPAC feels it is prudent to prepare for a continuing downturn.

### **Capital Improvement Appropriations**

Reductions in Capital Improvement appropriations need to be analyzed and compared to current levels of service, existing revenues and the use of reserves in a way that considers all of these factors.

FiPAC Members expressed serious concerns when it comes to reducing critical infrastructure projects. There was consensus that allowing infrastructure to deteriorate can lead to safety issues and higher long-term costs. While the members do not possess the information or expertise necessary to identify specific projects, we encouraged staff to revisit previous recommendations for reductions to ensure the focus remains on critical and priority projects that protect the community and the City's valuable assets.

We encourage Council to review previous priorities to determine if they align with the current financial situation and staff capacity.

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### Operating Appropriations

Effectively evaluating appropriations in a municipal budget requires a structured, criteria-driven process that aligns spending with strategic goals, legal mandates, community needs, and fiscal health.

FiPAC has not had the necessary time to perform such an evaluation. Staff is proposing to eliminate and freeze a number of positions that are currently vacant. When asked why Staff was not proposing to eliminate or freeze more of the current 50+ vacant positions, information was shared that was helpful in understanding the rationale.

### Operating Revenues

Approaching municipal revenue increases requires a balanced, strategic, and community-aware plan. Raising revenue is politically sensitive and economically impactful, so the process should maximize fairness, efficiency, and transparency. Costa Mesa has a heavy reliance on sales tax revenue and needs to diversify its revenue streams.

The purpose of some fees is to recover the cost of service. Council can determine if full cost recovery is desired in some cases or if a subsidy is appropriate. Youth and senior programs are good examples of potential subsidies.

Regular updates are important to ensure the fees are keeping up with inflation. A CPI adjustment is a fair way to determine how much fees should be raised.

While adding a new Credit Card Transaction Processing Fee is a good example of a cost recovery fee, this fee could be avoided if the City added an eCheck option for customers.

FiPAC had concerns with adding a General Plan Update Fee and a Technology Enhancement Fee. These fees would add an additional 10% to the cost of a permit at a time when the City is trying to encourage development.

The Transient Occupancy Tax is below market and the Business License Tax is extremely low and unfair to the business community and the residents. Changes to these revenue sources require voter approval and FiPAC believes there is a good case to be made that increases are justified.

A thriving business community is essential to a well functioning city. Reducing the time it takes to get a permit could result in attracting new businesses and generating sales tax sooner.



## Finance & Pension Advisory Committee

While FiPAC has not explored other revenue generating proposals, we encourage the City to do so. We standby to assist if requested.

### **Reserve Funds**

FiPAC does not recommend an overuse of the Reserve Fund to compensate for projected revenue reductions in FY 2025/26. With that said, use of the Facility Reserve and Economic Reserves might be appropriate if it doesn't have a negative effect on the City's credit rating.

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### **CONCLUSION:**

These recommendations are the product of 2 meetings and are in no way a comprehensive look at the entire FY 2025/26 Operating and Capital Improvement Budget. If the council wishes FiPAC to provide a more complete review of future budgets, the committee will have to have access to more information and get involved in the budget process much earlier. FiPAC members are willing and able to assist at whatever level the Council wishes.

Below, please find a link to the recording of the March 29 FiPAC Meeting.

[05-29-2025 FiPAC Meeting.](#)