

City reports \$4.3 million surplus and \$83 million reduction in pension liability

The City of Costa Mesa announced a \$4.3 million General Fund surplus for the fiscal year ending June 30, 2022, despite three years of an ongoing global pandemic and without the use of reserves.

On Tuesday, Feb. 7, the City Council was presented with the City's audited Annual Comprehensive Financial Report that also reflected a sharp decline of almost \$83 million in the City's net pension liability.

"This positive financial report is a truly a team effort," Mayor John Stephens said. "I want to thank my City Council colleagues for their shared dedication to Costa Mesa's financial health. The City Manager and the Finance Director also deserve a lot of credit. This is the type of performance you can expect when you hire the right people, put them in the right positions and give them the freedom to do what they do best."

According to the report prepared by the City's Finance Department, the City showed revenues of \$165.7 million compared to expenditures of \$161.4 million. The surplus was attributed mostly to sales tax revenue increasing by \$13.5 million year over year, and the transient occupancy tax (hotel tax) increasing by \$4.1 million over the prior fiscal year, as travel restrictions implemented during the pandemic were lifted.

"I am excited about the outstanding financial results achieved for FY 2021-22," City Manager Lori Ann Farrell Harrison said.

“This outcome proves that Costa Mesa, under the leadership of the City Council, and under the direction of Carol Molina as the City’s Finance Director, is serious about its long-term financial sustainability. I could not be more proud.”

As of June 30, 2022, the City has a total General Fund Balance of reserves of \$57.8 million. This exceeds the City Council’s adopted General Fund Reserve goal of \$55.0 million by almost \$3 million, a noteworthy achievement.

“This achievement is a result of a strong leadership team dedicated to outstanding public service while remaining financially prudent” Finance Director Molina said. “I would like to thank the City Council for their vision and commitment to sound financial practices that make strong fiscal results possible.”

New applications are being accepted for Community Development Block Grants for 2023-24

The City of Costa Mesa is accepting applications from interested, tax-exempt nonprofit organizations operating within its jurisdiction that provide public services that benefit low- and moderate-income Costa Mesa residents and are eligible for grant funding under the U.S. Department of Housing and Urban Development’s Community Development Block Grant (CDBG) program for Fiscal Year 2023-2024.

HUD has not notified the City of its actual 2023-2024 grant;

however, for planning purposes, an estimated \$140,000 in CDBG funds may be available on a competitive basis for public services for fiscal year 2023-2024. The application and related instructions are available on the City's website here: [Public Service Grants Program | City of Costa Mesa \(costamesaca.gov\)](#).

Applications must be submitted to the City of Costa Mesa Housing and Community Development by 2 p.m., Monday, Feb. 13, 2023. Late applications will not be accepted.

If you have any questions, please feel free to contact me at mikelle.daily@costamesaca.gov or (714) 754-5678 prior to the application deadline.

Sandbags available for residents at Costa Mesa City Hall

As a big winter storm approaches, Costa Mesa and the region, the city's maintenance service crews have made sandbags available at City Hall in case of flooding.

Sand bags are available for free to Costa Mesa residents in the southeast corner of the City Hall parking lot at 77 Fair Drive. The location is self-service and bringing your own shovel is suggested as supplies could be limited. The number of sandbags is limited to 15 sandbags per household.

No commercial use please.

[Click here for instructions.](#)

Also, the Costa Mesa Sanitary District will have a sandbag station at the Robin Hamers Yard, 1741 W. Wilson Street. Sand and bags are provided, but residents will need to bring their own shovel.

City crews will patrol potential flooding spots to make sure catch basins are clear of debris and operational. Crews are also ready to respond to other weather-related incidents.

Please report flooding issues to 714-754-5252.

Costa Mesa residents sought to Serve On City Commissions

The Costa Mesa City Council is currently seeking residents to serve on the following City Commissions:

Parks and Community Services Commission: This Commission meets monthly, and advises and makes recommendations to the City Council on matters pertinent to public parks, recreation programs, equipment, facilities and improvements in operation and administration for the benefit of the residents of the City.

The City is recruiting for three members (Appointments by Council Members Andrea Marr, Manuel Chavez, and Arlls Reynolds), each for a four-year term and one member (Mayor John Stephens' appointment) for a two-year term.

For further information, contact Executive Assistant Laura Fautua at (714) 754-5009.

Arts Commission: This Commission meets monthly, and consists of seven Council-appointed positions. Selection for the Arts Commission is at large, with a minimum of four Costa Mesa

residents, and/or up to three non-residents involved with the Arts. Interested candidates will be required to complete an Arts related questionnaire highlighting their individual interests and/or accomplishments related to the Arts.

The Arts Commission represents the Council's desire for ongoing policy focus, along with responsible oversight of the City's investments in the Arts.

To align with the motto of "City of the Arts", the City acknowledges the vital role the Arts play in the community. The general objectives of the Arts Commission shall be to ensure that the City of Costa Mesa is a place where creativity can flourish; a place where imagination, inspiration and innovation are held in high regard; a place where Arts Education is essential to all; and a place where Arts and Culture can promote civic pride and enrich the daily lives of the Costa Mesa community.

The City is recruiting for one member for a four-year term (Appointment by Council Member Don Harper).

For further information, contact Arts Specialist Laurette Garner at (714) 754-5300.

Planning Commission: The Commission meets on the second and fourth Monday of each month and advises on planning, land-use, and development matters. The Commission is the final decision-making body for certain discretionary land-use approvals such as design review and conditional use permits.

The Commission also functions as an advisory body to the City Council for Zoning and General Plan amendments.

The City is recruiting for three members (Appointments by Council Members Marr, Chavez, and Reynolds), each for a four-year term and one member (Mayor Stephens' appointment) for a two-year term.

For further information, contact Administrative Assistant Anna Partida at (714) 754-5612.

Application Process – Residents who are interested in getting involved in local government are encouraged to complete a Commission Application Form from the City Clerk’s Office or from the City’s website (www.costamesaca.gov/apply).

The completed application may be submitted online; mailed to Costa Mesa City Clerk at Post Office Box 1200, Costa Mesa, California, 92628-1200; emailed to cityclerk@costamesaca.gov; or hand-delivered to the City Clerk’s Office at City Hall, 77 Fair Drive, Costa Mesa.

The deadline is 5 p.m., Thursday, Jan. 5, 2023. Appointments are tentatively scheduled for the Jan. 17, 2023 City Council meeting.

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IT veteran Robert Gonzalez presented with the City Manager Leadership Award

City Manager Lori Ann Farrell Harrison presented IT Network Administrator Robert Gonzalez with the monthly City Manager Leadership Award.

“I am grateful to have Robert as strong a leader in our IT Department,” Farrell Harrison said. “I appreciate his positive

attitude and how he treats everyone with respect, and he is known for collaborating with his colleagues on a variety of projects. I am honored to present him with this award.”

Gonzalez joined the City of Costa Mesa in July 2014 as a Network Administrator. His current projects include the Windows Server Update, implementing a secure server for the Police Department for their confidential internal affairs files, Monthly Security Updates and Patches, Mobile Data Computer deployment, RIPA integration, and New Desktop PC Deployment.

He is currently assigned to the Police Department.

Prior to joining the City of Costa Mesa, Gonzalez worked in the I.T. industry for small and large corporations, including Environmental, Engineering, and Software Development.

He was born and raised in Orange, California. He earned a Bachelor’s Degree in Business Administration from Vanguard University, where he lived in the dorm rooms behind City Hall. When he is not working, he enjoys playing sports, being outdoors and spending his time with his three children, and coaching their sports teams.

**Costa Mesa voters approve
Measure K to support
affordable housing for local**

families and revitalize commercial areas

With the certification of the Nov. 8, 2022, General Municipal Election by the Orange County Registrar of Voters and the Costa Mesa City Council, Costa Mesa residents have voted to approve Measure K, the Ordinance to Revitalize Commercial and Industrial Areas and Protect Residential Neighborhoods.

Measure K protects residential neighborhoods while enabling the revitalization of major commercial and industrial corridors such as Newport and Harbor Boulevards. It also promotes future opportunities for additional affordable housing for working and middle-class families.

With the approval of Measure K, Costa Mesa will have the zoning and land use framework to allow for the development of affordable housing, an essential component to maintaining Costa Mesa's core value of inclusion and the City Council's goal to diversify, stabilize, and increase housing to reflect community needs.

"It's our duty to provide an opportunity for current and future generations to find housing in the community they grew up in," said District 3 Council Member Andrea Marr, who helped author the ballot measure. "Revitalizing Harbor and Newport Boulevards will help to create much-needed housing while also improving critical parts of our city."

Measure K was placed on the November ballot by a majority vote of the City Council to address housing affordability and to enhance economic development along major commercial corridors in need of revitalization.

Improving economic development and housing opportunities within Costa Mesa strengthens residents' quality of life and keeps the City thriving and vibrant, reinforcing that Costa

Mesa is the ideal place to live, raise a family, and run a business for generations to come.

With new housing mandates by the State of California, Measure K helps to ensure that Costa Mesa's have a say in how the community develops, and maintains local control in land-use planning.

Measure K requires that new development projects pay their fair share of the improvements needed to mitigate potential traffic increases, including engineering and construction costs of roadway, bike paths and pedestrian facilities and traffic signal upgrades.

Measure K also enhances community involvement and oversight through design charrettes, workshops, and community surveys of any land use plans adopted or amended for any part of the defined commercial and industrial corridors.

For more information on Measure K, please visit www.CostaMesaMeasureK.com.

Costa Mesa voters return Mayor Stephens, Council Members Marr, Chavez and Reynolds to the City Council

A new Costa Mesa City Council was sworn in Tuesday, Dec. 6 with voters electing John Stephens as Mayor and re-electing Mayor Pro-Tem and District 3 Council Member Andrea Marr, District 4 Council Member Manuel Chavez and District 5 Council

Member Arlis Reynolds.

“It’s not often that the voters show their confidence in the city and re-elect our full City Council,” Mayor Stephens said. “I’m honored to be working with this team to move Costa Mesa forward and grateful to everyone who supported my campaign for Mayor. Our future is bright in Costa Mesa.”

Stephens has served as Mayor since March of 2021, when he was directly appointed by the City Council to replace former Mayor Katrina Foley, whose seat was vacated when she was elected to the County Board of Supervisors to serve the Second District.

Stephens was originally elected as a City Council Member at Large on Nov. 8, 2016 collecting the second highest number of votes in a field of seven candidates. He was sworn in on Dec. 13, 2016 and served until his term ended in December 2020.

As a resident of Costa Mesa since 1989, Mayor Stephens has deep community ties and has served on the City’s Finance and Pension Advisory Committee, the Costa Mesa High School Foundation, Costa Mesans for Responsible Government and is a founding member of the St. John the Baptist Finance and Pastoral Councils.

Mayor Stephens was born in Pasadena, and raised in San Gabriel and attended San Gabriel High School. He earned a bachelor’s degree in Business Administration and Marketing from Cal Poly Pomona, where he graduated Magna Cum Laude in 1986. He received his law degree from the UC Davis Law School in 1989 and has been a practicing trial attorney for 33 years.

For more information please visit **Mayor Stephens’ webpage here.**

Andrea Marr was first elected to City Council District 3 in 2018, becoming one of the first three Council Members along with Chavez and Reynolds to be elected by district.

"I'm thankful to the voters of District 3, who entrusted me to continue to represent them for four more years," Marr said. "We have accomplished so much to date, with the goal of making Costa Mesa a place where all residents can thrive. I look forward to continuing to collaborate with my council colleagues in the years ahead."

Prior to serving on the council the last four years, her involvement included a stint on the City's Cultural Art Committee, where she helped spearhead a number of different community art projects and events and the completion of the first-ever Arts and Cultural Master Plan. She also previously served on the Bikeway and Walkability Committee where she focused on cyclist and pedestrian safety.

Marr is a graduate of the U.S. Naval Academy of which she was nominated to attend by Vice President Al Gore. During her time at the Academy, she held multiple leadership positions and competed with the Academy Karate team. She was recognized for her leadership by the Naval Academy Superintendent and graduated with a degree in Aerospace Engineering.

Marr also holds an M.S. in Engineering Management from Old Dominion University where her coursework focused on the Leadership in Energy and Environmental Design (LEED) Green Building program. She was a 2013 recipient of the White House Champion of Change award for her work in energy as a veteran. She is a licensed professional engineer.

For more information click **Council Member Marr's webpage here.**

Council Member Chavez ran unopposed for his District 4 seat. When he was first elected in 2018, he was 23 and the youngest person to ever serve on the Costa Mesa City Council.

I am honored to once again, be elected as the Costa Mesa District 4 Council Member," Chavez said. "The fourth district is the heart of Westside Costa Mesa and I look forward to continue advocating for infrastructure improvements, more open

space, and housing opportunities and assistance.”

Chavez, who is currently the Constituent Services Manager for Orange County Supervisor Katrina Foley, grew up on the Westside of Costa Mesa and attended local public schools through high school. While a student at Estancia High School, he became heavily involved with the Save Our Youth program (SOY).

After graduating from Estancia High School, Chavez attended UC Irvine where he double majored in political science and religious studies and became very involved with both the UCI College Democrat Club, where he was elected President his senior year, and the Orange County Young Democrats.

For more information click **Council Member Chavez’s webpage here.**

District 5 Council Member Reynolds was also re-elected to her second four-year term.

“I’m proud to have been re-elected to continue to serve the Fifth District,” Council Member Reynolds said. “This is going to be a great year. We have a lot of work in progress and a great team assembled to get the job done. I’m excited to continue our work on safe streets, providing more parks and parks access, and I look forward to the visioning process to help us address the housing challenges in this city.”

Prior to being on the Council, Reynolds served as Vice Chair of Costa Mesa’s Parks and Recreation Commission and as Commission liaison to the Fairview Park Steering Committee.

Reynolds grew up in the Freedom Homes neighborhood of Westside Costa Mesa where she attended local schools. After graduating from Estancia High School, she went on to attend the prestigious Massachusetts Institute of Technology where she earned a Bachelor of Science degree in Mechanical Engineering. She also earned a Master’s Degree in Business Administration

from the Paul Merage School of Business at UC Irvine.

She currently is an engineer in the clean-energy industry, specializing in evaluation of energy efficiency and clean energy projects and technologies. She is a strong advocate of the City's bikeway and walkability efforts and has been instrumental in increasing the City's activities to encourage community outreach and engagement.

For more information click **Council Member Reynolds' webpage here.**

Street sweeping to be paused for Thanksgiving Holiday

Due to the observation of the Thanksgiving Holiday, there will be no residential street sweeping Thursday Nov. 24 and Friday Nov. 25.

No citations should be written on those days.

Street sweeping will resume back to normal schedule, starting the week of Nov. 28.

Deputy City Clerk David Nguyen latest recipient of City Manager Leadership Award

At the November Meet and Greet, City Manager Lori Ann Farrell Harrison presented Deputy City Clerk David Nguyen with the City Manager Leadership Award.

“I am happy to present David with this much-deserved award,” Farrell Harrison said. “He is much appreciated as a behind the scenes employee who quietly does his work, processing approximately 1,000 public records request a year. He is always assisting other departments when needed and is dedicated to his job. We are grateful to have him on the Costa Mesa team.”

Nguyen handles the large number of public record requests the city receives and certifying compliance with the Public Records Act. While he works diligently behind the scenes, he is very instrumental in ensuring Costa Mesa is at the forefront of transparency by providing documentation to the public.

During COVID, he assisted building and planning and completed requests for 215 building permits and plans. He also assists code enforcement by providing documentation to the officers for their cases. He has uploaded approximately 6,100 pages of historical plans into Laserfiche for Code Enforcement to access in support of their cases.

Nguyen is the lead on providing responses to subpoenas and litigation. He has reviewed approximately 4,000 emails in response to subpoenas and litigation requests. He has assisted Costa Mesa attorneys by providing documents in support of our cases.

Nguyen was born and raised in Costa Mesa, attended Costa Mesa High School. His father worked for the City for 20 years in the print shop. Nguyen got his first job in the City in 2004 in the Parks and Recreation Department. For 12 years he did just about everything including youth sports, after school programs, and Camp Costa Mesa. In 2016 he came over to City Hall as a concierge. Since then he has continued to advance first as an Administrative Secretary, and now Deputy City Clerk.

City of Costa Mesa Earns Highest Award in Government Accounting and Financial Reporting

The City of Costa Mesa celebrated another financial accolade this week from the Government Finance Officers Association (GFOA) of the United States and Canada for its Excellence in Financial Reporting award, the highest form of recognition in the area of governmental accounting and financial reporting a City can receive.

The Certificate of Achievement award, which the City of Costa Mesa has received for 24 consecutive years, is for the City's Annual Comprehensive Financial Report for the fiscal year ending June 30, 2021.

"I thank the GFOA for this prestigious recognition," Mayor John Stephens said. "This further demonstrates that we fulfilled our stated City Council goal to achieve long-term fiscal sustainability. I'm proud of my City Council colleagues

as well as our City staff for making tough decisions at the right time to ensure Costa Mesa has a bright financial future.”

The Government Finance Officers Association of the United States and Canada praised the City for achieving this excellence award.



“This represents a significant accomplishment by Costa Mesa and its management,” said Michele Mark Levine, Director of Technical Services for the GFOA. “The report has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive “spirit of full disclosure” to clearly communicate the City’s financial story.”

The Achievement of Excellence Award is one of many financial wins by the City of Costa Mesa, which was one of only two cities in the county to balance its budget without the use of reserves during the COVID-19 pandemic. In fact, not only did the City not use its General Fund reserves, it increased its reserves due to strong internal controls and ongoing financial prudence. With a General Fund reserve balance of \$53.5 million, Costa Mesa has emergency reserves equaling 36 percent of its General Fund expenditures, almost three times the industry baseline of 10 percent.

And the news continues to be bright as the preliminary fiscal year end numbers for the fiscal year ending June 30, 2022 shows the City will post a surplus of approximately \$3.6 million. Additionally, \$1.5 million was deposited into a Section 115 Trust Fund to help prepay the City’s pension

liabilities earlier this year.

Standard & Poor's Global Ratings reaffirmed the City's AA+ long-term rating on the Costa Mesa Financing Authority lease revenue bonds in December of 2020. Standard & Poor's cited the City's very strong economy, management, financial policies and practices, budgetary flexibility, liquidity with total governmental available cash at 60.9% of total governmental fund expenditures, and strong institutional framework as contributing factors to its outstanding credit rating.

S&P is considered the largest of the country's Big Three credit-rating agencies, which also include Moody's Investors Service and Fitch Ratings.

FEMA team meets with Fire & Rescue and Finance teams on Grant Management Monitoring

Recently Costa Mesa Fire & Rescue and the City of Costa Mesa Finance team received a site visit from two members of the Grants Management Team from the Federal Emergency Management Agency (FEMA).

The Costa Mesa Fire & Rescue Department was the recipient of the FY 2020-21 Assistance Firefighter Grant. The department applied and met the criteria of this extensive application process, consequently receiving funding for the purchase of new Self Contained Breathing Apparatus.

As part of the grant management process, FEMA sent two representatives from the Grants Management Division for an

onsite meeting and grant progress review.

CMFR and City Staff were pleased to welcome Sandra Tripp (Fire Grants Management Specialist) and Connie Casto (Acting Preparedness Program Branch Chief) to the City of Costa Mesa.





After an insightful joint meeting at City Hall, the FEMA partners were provided a tour of the Costa Mesa Fire & Rescue Regional Training Facility were introduced to City personnel, and highlighted with a hands-on experience with all of the new SCBA's that the grant provided the department.

"It was a pleasure and a valued opportunity to meet with our FEMA Region 9 grant management partners (Ms. Tripp and Ms. Casto) and discuss the progress and monitoring of our successful AFG grant management," said Costa Mesa Fire Chief Dan Stefano. "Our city team did an exceptional job collaborating for the onsite visit, inclusive of Finance Director Carol Molina and her entire team (Anna Baca, Cathleen Serrano and Jeannie Fortune), combined with the impressive work and leadership of CMFR Division Chief Jason Pyle and CMFR Senior Management Analyst/CMFR's Grant Programs Lead Kristin Stevens. We appreciate our strong partnership with FEMA and we will continue our active efforts in seeking out future grant funding opportunities."

Costa Mesa Television takes top honors at STAR Awards for second consecutive year

Costa Mesa Television (CMTV 3) was presented eight First Place and two Third Place awards including the top Overall Excellence In Government Programming honor for the second consecutive year at the 25th Annual STAR Awards announced on September 29.

The STAR Awards are a regional competition sponsored annually by SCAN/NATOA, which is the States of California and Nevada chapter of the National Association of Telecommunications Officers and Advisors.

The STAR Awards recognize excellence in government programming by agencies serving California and Nevada communities. Entries are judged on the basis of creativity in achieving stated objectives, technical proficiency and diversity of programming.

CMTV 3 scored the most First Place wins in the competition for the second year in a row, earning top honors in eight video production categories. Winning entries and links to the videos include:

Overall Excellence In Government Programming – First Place

CMTV Costa Mesa Television, City of Costa Mesa

Diversity/Equality/Inclusion – First Place

“Fighting For The Right To Fight – African American Experiences In WWII”

– <https://www.youtube.com/watch?v=exoaEtcklV&t=278s>

Documentary – First Place

“Mariachi Juvenil Herencia Michoacana – Costa Mesa’s First

Mariachi Youth Group”
– <https://www.youtube.com/watch?v=3vArZcKW9ds&t=18s>
Documentary – Social – First Place
“Fighting For The Right To Fight – African American
Experiences In WWII”
– <https://www.youtube.com/watch?v=exoaEtcklVv&t=278s>
Food and Travel – First Place
“Costa Mesa EATS! – Taco Mesa”
– <https://www.youtube.com/watch?v=HosRV1BLYgQ&t=13s>
Lifestyle – First Place
“Costa Mesa Vintage Homes – Arts And Craftsman”
– <https://www.youtube.com/watch?v=0GUhLiJBxEI&t=575s>
Military – First Place
“Fighting For The Right To Fight – African American
Experiences In WWII”
– <https://www.youtube.com/watch?v=exoaEtcklVv&t=278s>
Parks And Recreation – First Place
“OCME Trestle Rebuilding Project At Fairview Park”
– <https://www.youtube.com/watch?v=qTCFRQHddDY&t=14s>
Human Interest – Third Place
“ARTventure 2021 – Jennifer Bloomfield”
– <https://www.youtube.com/watch?v=tkYgFmfSkoA&t=26s>
Documentary – History – Third Place
“Early Days Of The Costa Mesa Police Department As Told By
Chief Roger Neth
– https://www.youtube.com/watch?v=CfBq7F_DYAY&t=37s
A complete list of this year’s STAR Award winners can be found
at: <http://www.scannatoa.org/2022StarWinners.html>.
You can watch the STAR Award Presentation Ceremony
here: <https://www.youtube.com/watch?v=2Hk4TWw2nBE>.