

MINUTES - DRAFT

City of Orange

Orange City Council

May 12, 2026

The City Council of the City of Orange, California convened on Tuesday, May 12, 2026, at 5:00 p.m. in a Regular Meeting in the Council Chamber, 300 E. Chapman Avenue, Orange, California.

5:00 PM CLOSED SESSION

1. CALL TO ORDER

Mayor Slater called Closed Session to order at 5:00 p.m.

1.1 ROLL CALL

Present: Bilodeau, Barrios, Dumitru, Gutierrez, Tavoularis, Gyllenhammer, and Slater

Absent: None

2. PUBLIC COMMENTS ON CLOSED SESSION ITEMS

None

3. RECESS TO CLOSED SESSION

The City Council recessed to Closed Session at 5:01 p.m. with all Members present to discuss the following:

a. Conference with Legal Counsel – Anticipated Litigation

Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2)

(One potential case)

City Attorney Adhourian announced the City Council would meet in Closed Session to discuss potential litigation against the City as set forth in the correspondence dated April 9, 2026, from Erick J. Benink, Esq. on behalf of his clients John Nelson and Christy Futak sent to the City of Orange City Attorney's Office. A copy of the April 9, 2026, correspondence is available for inspection at the City Clerk's Office located at 300 E. Chapman Ave., Orange, California 92866.

4. CLOSED SESSION REPORT

None

5. ADJOURNMENT

Closed Session was adjourned at 5:35 p.m.

6:00 PM REGULAR SESSION

1. OPENING/CALL TO ORDER

Mayor Slater called the meeting to order at 6:00 p.m.

1.1 INVOCATION

Given by Rabbi Cassi Kail from Fish Interfaith Center, Chapman University.

1.2 PLEDGE OF ALLEGIANCE

Led by Mayor pro tem Denis Bilodeau.

1.3 ROLL CALL

Present: Bilodeau, Barrios, Dumitru, Gutierrez, Tavoularis, Gyllenhammer, and Slater

Absent: None

1.4 PRESENTATIONS/ANNOUNCEMENTS

El Modena High School Student Liaison Dylan Platfoot provided Council with a final update on school happenings. The City Council presented Dylan with a Certificate of Appreciation.

Orange High School Student Liaison Jacob Gonzalez provided Council with a final update and presented a video about the Orange High School Community Service Project. The City Council presented Jacob with a Certificate of Appreciation.

Economic Development Strategy for West Katella Orange Yards presentation by Chapman University Leatherby Center students.

Celebrate Orange Awards were presented to the award winners for the May Parade and Taste of Orange.

1.5 REPORT ON CLOSED SESSION ACTIONS

None

2. PUBLIC COMMENTS

Public Speakers:

Greg Arrowsmith commented on the City's budget status.

Curt Peterson spoke about City expenditures and needed additional budget cuts.

Ric Olsen, Sons of the American Revolution, presented an overview of U.S. History focused on events of the American Revolutionary War during the Spring of 1776.

Chuck Walstead spoke in support of the skate park and inquired about construction schedule.

Christabelle Garcia introduced herself as a contestant for the 2026 Jarupa Valley Pro Rodeo Queen pageant and stated she is seeking community partners and sponsorships from local businesses.

Ethan Duong, Boy Scout Troop 543, spoke about concerns with homelessness at Hart Park.

Written Comments

Janice Brownfield emailed about the importance of protecting the environment and the promotion of public transportation.

Adrienne Gladson submitted an eComment in support of attracting Costco to Orange.

3. CONSENT CALENDAR

All items on the Consent Calendar are considered routine and are enacted by one motion approving the recommended action listed on the Agenda. Any member of the City Council, staff, or the public may request an item be removed from the Consent Calendar for discussion or separate action. Unless otherwise specified in the request to remove an item from the Consent Calendar, all items removed shall be considered immediately following action on the remaining items on the Consent Calendar.

3.1. Waive reading in full of all ordinances on the Agenda.

ACTION: Approved.

3.2. Confirmation of accounts payable warrant registers dated April 2, 9, 16, 23 and 30, 2026 and payroll check registers dated April 10 and 24, 2026

ACTION: Ratified the accompanying registers.

3.3. Approval of minutes of the City of Orange City Council Regular Meeting held on April 14, 2026

ACTION: Approved minutes as presented.

3.4. Agreement with Willdan Financial Services, Inc. for special district administration services and Community Facilities District No. 06-1 (Del Rio) refunding support

ACTION: Approved the agreement with Willdan Financial Services, Inc. in the amount of \$199,385 for special district administration and to support of the Community Facilities District refunding process; and authorized the Mayor and City Clerk to execute on behalf of the City.

3.5. Agreement with California Forensic Phlebotomy, Inc. for evidence collection services through June 30, 2028

ACTION: Approved the two-year agreement with California Forensic Phlebotomy, Inc. in the amount of \$164,000 for evidence collection services; and authorized the Mayor and City Clerk to execute on behalf of the City.

3.6. First Amendment to Memorandum of Understanding with Milan REI X, LLC

ACTION: Approved the first amendment to the Memorandum of Understanding with Milan REI X, LLC; and authorized the Mayor and City Clerk to execute on behalf of the City.

3.7. Second Amendment to Agreement with Liebert Cassidy Whitmore, A Professional Law Corporation to provide legal services relating to labor negotiations

ACTION: Approved the Second Amendment to Agreement with Liebert Cassidy Whitmore, A Professional Law Corporation for finalization of labor negotiations; and authorized the Mayor and the City Clerk to execute on behalf of the City.

3.8. Transfer of \$1,860,000 from Water (600) CIP current budget for the construction of a new 16-inch transmission water main along Orangewood Avenue from the Santa Ana River to Eckhoff Street

ACTION: Authorized the following budget transfers in Water (600):

From: 600-5802-85107-265081-20-	Well 29 Construction	\$1,600,000
From: 600-5803-85106-265099-20-	Reservoir Recoating	\$260,000
To: 600-5803-85103-265085-20-	Pipeline Renewal Projects	\$1,860,000

3.9. Award of Contract to Owen Walstead LLC, a California limited liability company, dba U.S. Door, Inc. for Replacement of Rolling Garage Doors at Fire Station 7 and Corp Yard (Continued from April 28, 2026)

A speaker card was submitted for Item 3.9; therefore, the item was removed from the Consent Calendar for separate consideration.

Public Speaker:

Laura Thomas stated that she had written the incorrect item number on her speaker card and intended to speak in opposition to Item No. 3.6, First Amendment to Memorandum of Understanding with Milan REI X, LLC.

Councilmember Barrios stated that she had requested continuation of the item at the April 28 meeting to allow time to inquire about the procurement process and confirmed that her questions had been answered.

ACTION: A motion was made by Councilmember Dumitru, seconded by Councilmember Barrios, to approve the contract with Owen Walstead LLC, a California limited liability company, dba U.S. Door, Inc. in the amount of \$394,884 representing the original amount of \$358,985, plus a 10% contingency of \$35,899 for Replacement of Rolling Garage Doors at Fire Station 7 and Corp Yard; and authorize the Mayor and City Clerk to execute on behalf of the City. The motion carried by the following vote:

Ayes: Bilodeau, Barrios, Dumitru, Gutierrez, Tavoularis, Gyllenhammer, and Slater

Noes: None

Absent: None

3.10. Second Reading and adoption of Ordinance No. 02-26 amending Chapter 8.13 of the Orange Municipal Code to impose strict liability on social hosts for allowing, facilitating, or failing to prevent the use or discharge of illegal fireworks, and establishing enforcement penalties and administrative fines

ACTION: Adopted Ordinance No. 02-26.

3.11. Authorization of payment to Big Ben Engineering, Inc. for emergency water main repair and pavement restoration at various locations throughout the City

ACTION: Authorized the payment of \$128,435.81 to Big Ben Engineering, Inc. for the repair of water main breaks, service leaks, and pavement restoration at various locations.

3.12. Authorize purchase of Plaza Park Protective Bollards from Marshalls LP USA as a single source vendor

Note: Councilmember Tavoularis registered a no vote.

ACTION: Approved the purchase order of parts from Marshalls LP USA, a single source vendor, for \$26,191.38.

3.13. Authorize purchase of Winchester law enforcement ammunition from Dooley Enterprise, Inc. as a sole source vendor

ACTION: Approved the sole source purchase of ammunition from Dooley Enterprise, Inc. in the amount of \$153,000.

3.14. 2025 General Plan Annual Progress Report

Item 3.14 was removed from the Consent Calendar for separate consideration by Councilmember Gutierrez.

Staff confirmed the Santiago Creek Strategic Plan was approved in 2026; and therefore, not a part of the 2025 report.

ACTION: A motion was made by Councilmember Gutierrez, seconded by Councilmember Barrios, to receive and file report. The motion carried by the following vote:

Ayes: Bilodeau, Barrios, Dumitru, Gutierrez, Tavoularis, Gyllenhammer, and Slater

Noes: None

Absent: None

3.15. Investment Portfolio Update for January, February and March 2026

ACTION: Received and filed.

3.16. Annual Military Equipment Report per California Assembly Bill No. 481

Note: Councilmember Tavoularis registered a no vote.

ACTION: 1) Received and filed annual Military Equipment Report; and 2) Adopted Resolution No. 11676 renewing Ordinance No. 03-22 and adopting the newly revised policy in accordance with Government Code § 7071. A Resolution of the City Council of the City of Orange, renewing its military equipment policy.

3.17. Approval of the Landscape Maintenance Districts 86-2 (Santiago Hills) and 15-1 (Santiago Hills Overlay) Preliminary Engineer's Report for Fiscal Year 2026-2027

Note: Councilmember Gyllenhammer recused himself from Item 3.17 due to a potential conflict with a nearby property interest.

ACTION: 1) Adopted Resolution No. 11677. A Resolution of the City Council of the City of Orange regarding Landscape Maintenance Assessment Districts 86-2 (Santiago Hills), and 15-1 (Santiago Hills Overlay) declaring its intention to provide for an annual levy and collection of assessments for Fiscal Year 2026-2027; set a time and place for a public hearing to receive public testimony on the foregoing matters; and give preliminary approval of the certified Engineer's Report for Landscape Maintenance Assessment Districts 86-2 (Santiago Hills) and 15-1 (Santiago Hills Overlay).

2) Declared the intent to levy an annual assessment, and establish June 9, 2026, at 6:00 p.m. in the Council Chamber, 300 E Chapman Avenue, Orange, CA 92866, as the time and place for the Public Hearing on the assessments.

3.18. Approval of the Landscape Maintenance Assessment District 94-1 (Sycamore Crossing) Preliminary Engineer's Report for Fiscal Year 2026-2027

ACTION: 1) Adopted Resolution No. 11678. A Resolution of the City Council of the City of Orange regarding Landscape Maintenance Assessment District 94-1 (Sycamore Crossing) declaring its intention to provide for an annual levy and collection of assessments for Fiscal Year 2026-2027; set a time and place for a public hearing to receive public testimony on the foregoing matters and give preliminary approval to the certified Engineer's Report for Landscape Maintenance Assessment District 94-1 (Sycamore Crossing).

2) Declared the intent to levy an annual assessment, and establish June 9, 2026, at 6:00 p.m. in the Council Chamber, 300 E Chapman Avenue, Orange, CA 92866, as the time and place for the Public Hearing on the assessment.

3.19. Authorization for the Director of Public Works to sign a grant agreement and related documents with the State Coastal Conservancy for the OC River Walk-Upland Habitat Restoration Design Project

ACTION: Adopted Resolution No. 11679. A Resolution of the City Council of the City of Orange approving the grant of funds from the State Coastal Conservancy for the Upland Habitat Restoration Design Project and authorizing the Director of Public Works to sign a grant agreement and related documents.

3.20. Letters of Understanding between the City of Orange and the Orange City Firefighters, Inc. Local 2384 of the International Union of Fire Fighters AFL-CIO, the Orange City Fire Management Association, the City of Orange Police Association, and the City of Orange Police Management Association

ACTION: 1) Adopted Resolution No. 11680. A Resolution of the City Council of the City of Orange establishing a Letter of Understanding between the City of Orange and the Orange City Firefighters, Inc. Local 2384 of the International Association of Fire Fighters, AFL-CIO effective July 1, 2026 through and including June 30, 2027.

2) Adopted Resolution No. 11681. A Resolution of the City Council of the City of Orange establishing a Letter of Understanding between the City of Orange and the Orange City Fire Management Association effective July 1, 2026 through and including June 30, 2027.

3) Adopted Resolution No. 11682. A Resolution of the City Council of the City of Orange establishing a Letter of Understanding between the City of Orange and the City of Orange Police Association effective July 1, 2026 through and including June 30, 2027.

4) Adopted Resolution No. 11683. A Resolution of the City Council of the City of Orange establishing a Letter of Understanding between the City of Orange and the City of Orange Police Management Association effective July 1, 2026 through and including June 30, 2027.

Approval of the Consent Calendar

Items 3.9 and 3.14 were removed from the Consent Calendar and heard separately. Councilmember Tavoularis registered a no vote on Items 3.12 and 3.16. Councilmember Gyllenhammer recused from Item 3.17. All other items were approved as recommended.

A motion was made by Mayor pro tem Bilodeau, seconded by Councilmember Dumitru, to approve the Consent Calendar as recommended. The motion carried by the following vote:

Ayes: Bilodeau, Barrios, Dumitru, Gutierrez, Tavoularis, Gyllenhammer, and Slater
Noes: None
Absent: None

END OF CONSENT CALENDAR

4. REPORTS FROM MAYOR SLATER

None

5. REPORTS FROM COUNCILMEMBERS

Other Councilmember Reports

Councilmember Dumitru reported he attended the Southern California Association of Governments (SCAG) annual conference as the Regional Council District 17 Representative. City funds were not used.

5.1. Highlight Local Business (Gutierrez)

Item removed from agenda.

5.2. Budget Analysis (Gyllenhammer)

Councilmember Gyllenhammer reviewed the City's budget for the past 12 years and suggested that a sales tax measure is not necessary.

6. AB 1234 REPORTS

None

RECESS: The City Council recessed at 8:15 p.m. and reconvened at 8:31 p.m. with all Members present.

7. REPORTS FROM CITY MANAGER

7.1. Historic Preservation Status Update

Michelle Dulia provided an update on the Mills Act Program and Historic Preservation Ordinance.

8. PUBLIC HEARINGS

8.1. Public Hearing to consider the introduction and First Reading of an ordinance to update regulations for Residential Care Facilities and Daycare Homes to ensure consistency with State Law

A motion was made by Councilmember Gutierrez, seconded by Councilmember Gyllenhammer, to continue the Public Hearing to the May 26, 2026, Regular City Council Meeting. The motion carried by the following vote:

Ayes: Bilodeau, Barrios, Dumitru, Gutierrez, Tavoularis, Gyllenhammer, and Slater

Noes: None

Absent: None

8.2. Public Hearing to consider the Fiscal Year 2026-2027 Annual Action Plan for the Community Development Block Grant and HOME Investment Partnerships Programs

Mayor Slater opened the Public Hearing at 8:45 p.m.; there being no speakers, Mayor Slater closed the Public Hearing at 8:45 p.m.

A motion was made by Councilmember Gutierrez, seconded by Councilmember Tavoularis, to: 1) Approve the draft Fiscal Year 2026-2027 Annual Action Plan and authorize the City Manager or his designee to execute the Fiscal Year 2026-2027 Memorandum of Understanding with City departments, Subrecipient Agreements with non-profit agencies, and all related U.S. Department of Housing and Urban Development documents; and 2) Authorize staff to incorporate comments received at the Public Hearing and make non-material corrections to the Annual Action Plan, if required, before submitting to the Department of Housing and Urban Development. The motion carried by the following vote:

Ayes: Bilodeau, Barrios, Dumitru, Gutierrez, Tavoularis, Gyllenhammer, and Slater

Noes: None

Absent: None

8.3. Public Hearing to discuss and consider a draft City Charter

Deputy City Manager Jack Morgan provided the staff report utilizing a PowerPoint Presentation and responded to Council questions regarding matters considered "municipal affairs" versus those of "statewide concern."

Mayor Slater opened the Public Hearing at 8:59 p.m.

Public Speaker:

Reggie Mundekis spoke in opposition.

Written Public Comment

Adrienne Gladson submitted an eComment in support of considering a charter if reviewed by a resident committee.

Mayor Slater closed the Public Hearing at 9:00 p.m.

Council discussed term limits, potential benefits of becoming a Charter City, and the sale of City assets.

A motion was made by Councilmember Tavoularis, seconded by Councilmember Dumitru, to direct staff to move forward with scheduling the second public hearing on June 23, 2026. The motion carried by the following vote:

Ayes: Bilodeau, Barrios, Dumitru, Tavoularis, Gyllenhammer, and Slater

Noes: Gutierrez

Absent: None

9. ADMINISTRATIVE REPORTS

9.1. Consider revenue measures to address ongoing structural General Fund deficits and provide direction for the November 2026 General Municipal Election

Deputy City Manager Morgan reviewed potential revenue options, including a sales tax increase, Transient Occupancy Tax (TOT) increase, utility user tax, vacant property tax, cannabis gross sales tax, parking operator tax, documentary transfer tax, sale of the City's water and sewer utility, and business license tax modernization. Staff reiterated that placing a revenue measure on the ballot requires approval by at least 2/3 of the City Council.

Public Speakers:

Curt Peterson spoke in support of a sales tax and TOT measure and stated residents should be informed how the revenue would be used.

Reggie Mundekis spoke in support of a sales tax and TOT measure, limited number of cannabis shops, and business license tax modernization.

Chip Ahlswede spoke in opposition of a vacant property tax.

Jason Anderson spoke in opposition of a vacant property tax.

Julia Araiza spoke in opposition of a vacant property tax.

Oscar Rodriguez spoke in opposition of a vacant property tax.

Victor Cao spoke in opposition of a vacant property tax.

David Kissinger spoke in opposition of a vacant property tax and documentary transfer tax.

Doug Vogel spoke regarding the pension obligation bond and the need for a plan beyond a sales tax measure.

Written Public Comments

Sarah Ireland submitted a letter opposing a vacant property tax.

Erik Weigand, Orange County Taxpayers Association, submitted a letter opposing a vacant property tax.

David Cordero, Apartment Association of Orange County, submitted a letter opposing a vacant property tax.

During deliberation, Council discussed support for a sales tax measure, TOT measure, business license tax modernization, and allowing cannabis dispensaries.

A motion was made by Councilmember Tavoularis, seconded by Councilmember Dumitru, to direct staff to prepare a resolution adding a potential measure to the November 3, 2026, ballot that would increase the TOT tax rate from 10% to 15%.

During further discussion, Councilmember Dumitru requested to amend the motion to direct staff to prepare a resolution adding a TOT measure potentially increasing the tax rate up to 15%. Councilmember Tavoularis accepted the amendment and further amended the motion to provide that hotels with 10 rooms or fewer would remain at the 10% rate. Councilmember Dumitru accepted the amendment.

An amended motion was made by Councilmember Tavoularis, seconded by Councilmember Dumitru, to direct staff to prepare a resolution adding a potential TOT measure to the November 3, 2026, ballot that would increase the tax rate up to 15% for hotels with 11 or more rooms and hotels with 10 rooms or fewer would remain at the 10% rate. The motion carried by the following vote:

Ayes: Barrios, Dumitru, Gutierrez, Tavoularis, Gyllenhammer, and Slater

Noes: Bilodeau

Absent: None

Council discussed percentage and terms for adding a potential sales tax measure on the November 3, 2026, ballot.

A motion was made by Mayor Slater, seconded by Councilmember Dumitru, to direct staff to prepare a resolution adding a potential 1 cent sales tax measure to the November 3, 2026, ballot ending after 10 years and returning to the voters after 8 years for a 10 year extension and to draft a Contract with Orange for Council consideration.

During further discussion, staff confirmed that the term can be adjusted based on Council direction. Although the motion on the floor was to prepare a resolution with a 10 year term, Council can adjust the term before adopting a resolution adding the measure to the ballot. The Mayor called for the vote on the original motion.

A motion was made by Mayor Slater, seconded by Councilmember Dumitru, to direct staff to prepare a resolution adding a potential 1 cent sales tax measure to the November 3, 2026, ballot ending after 10 years and returning to the voters after 8 years for a 10 year extension and to draft a Contract with Orange for Council consideration. The motion carried by the following vote:

Ayes: Barrios, Dumitru, Gutierrez, Tavoularis, and Slater

Noes: Bilodeau, and Gyllenhammer

Absent: None

Staff was directed to return with a proposal and scope of work from HDL regarding the business license tax modernization process. Staff advised that the item would not be ready for the November 2026 election, but could potentially be considered for the November 2028 election if Council wished to proceed.

Council then discussed the potential allowance of cannabis dispensaries.

A motion was made by Councilmember Dumitru, seconded by Councilmember Gutierrez, to direct staff to prepare and present information at a future council meeting regarding zoning, operations, fee structures, and development agreements related to potential cannabis dispensaries. The motion carried by the following vote:

Ayes: Barrios, Dumitru, Gutierrez, Tavoularis, and Slater

Noes: Bilodeau, and Gyllenhammer

Absent: None

10. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:03 p.m.

The next Regular City Council meeting will be held on Tuesday, May 26, 2026, at 6:00 p.m., in the Council Chamber, with Closed Session beginning at 5:00 p.m., if necessary.

PAMELA COLEMAN
CITY CLERK

DANIEL R. SLATER
MAYOR