ITEM NO. 5

California

CITY OF OCEANSIDE

JOINT MINUTES OF THE:
CITY COUNCIL
SMALL CRAFT HARBOR DISTRICT BOARD OF DIRECTORS
COMMUNITY DEVELOPMENT COMMISSION

SEPTEMBER 8, 2010

REGULAR MEETING 3:00 PM COUNCIL CHAMBERS

NOT OFFICIAL
UNTIL APPROVED AT SUBSEQUENT
MEETING BY CITY COUNCIL

3:00 PM - OCEANSIDE CITY COUNCIL (COUNCIL), HARBOR DISTRICT BOARD OF DIRECTORS (HDB), AND COMMUNITY DEVELOPMENT COMMISSION (CDC) - REGULAR BUSINESS

Mayor
HDB President
CDC Chair
Jim Wood

Deputy Mayor
HDB Vice President
CDC Vice Chair
Vacant

Councilmembers
HDB Directors
CDC Commissioners
Esther Sanchez
Jack Feller
Jerome M. Kern
Charles Lowery

City Clerk
HDB Secretary
CDC Secretary
Barbara Riegel Wayne

Treasurer
Gary Felien

City Manager
HDB Chief Executive Officer
CDC Executive Director
Peter Weiss

City Attorney
HDB General Counsel
CDC General Counsel
John Mullen

For this regular and joint meeting, the Council sat as all 3 governing bodies [Council, HDB, and CDC] simultaneously but took action as the respective agency for the jurisdiction covered by each item. Council titles only will be used for brevity throughout the entire meeting.

The regular and joint meeting of the Oceanside City Council (Council), Small Craft Harbor District Board of Directors (HDB) and Community Development Commission (CDC) was called to order by Mayor Wood at 3:01 PM, September 8, 2010.

3:00 PM - ROLL CALL

Present were Mayor Wood and Councilmembers Kern and Feller. Councilmember Lowery arrived at 3:03 and Councilmember Sanchez arrived at 3:06. Also present were City Clerk Wayne, City Manager Weiss, and City Attorney Mullen.

City Attorney Mullen titled the following item to be heard in closed session: 1 OPMA. Item 2 was not heard.

[Closed Session and recess were held from 3:02 to 4:00 PM]

CITY COUNCIL, HDB, AND CDC CLOSED SESSION ITEMS

Closed Session to discuss litigation, property acquisition, labor relations and personnel matters

1. **CONFERENCE WITH LABOR NEGOTIATOR ON STATUS OF NEGOTIATIONS PREVIOUSLY AUTHORIZED IN OPEN SESSION (SECTION 54957.6)**

   CONFERENCE WITH LABOR NEGOTIATOR – Negotiator: City Manager; employee organizations: Oceanside Police Officers' Association (OPOA), Oceanside Firefighters' Association (OFA), Oceanside Police Management Association (OPMA), Management Employees of the City of Oceanside (MECO), Oceanside City Employees' Association (OCEA), Oceanside Fire Management Association (OFMA), Western Council of Engineers (WCE), and Unrepresented

   Discussed OPMA; no reportable action

2. **[LITIGATION OR OTHER ADVERSARY PROCEEDING (E.G., ADMINISTRATIVE HEARING, ARBITRATION) (SECTION 54956.9)**

   CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (SECTION 54956.9(a)) Plaza Camino Real v. City et al, Superior Court Case No. 37-2008-00102065-CU-WM-NC]

   No closed session held

4:00 PM – ROLL CALL

Mayor Wood reconvened the meeting at 4:04 PM. Present were Mayor Wood and Councilmembers Feller, Kern, Lowery and Sanchez. Also present were City Clerk Wayne, City Manager Weiss, City Attorney Mullen, and City Treasurer Felien.

CLOSED SESSION REPORT

3. **Closed Session report by City Attorney**

   CITY ATTORNEY MULLEN reported on the item discussed in closed session: (See Item 1 above).

CONSENT CALENDAR ITEMS [Items 4-12]

The items listed on the Consent Calendar may be enacted by a single vote. There will be no separate discussion of any Consent Calendar items unless requested by members of the Council/HDB/CDC or the public through submittal of a Request to Speak form prior to the commencement of this agenda item.

CITY CLERK WAYNE announced that there is a public request to speak on Item 7.

COUNCILMEMBER SANCHEZ pulled Item 11 for discussion.

COUNCILMEMBER LOWERY pulled Item 6 for discussion.

The following Consent Calendar items were submitted for approval:

4. City Council/Harbor/CDC: Acceptance of Joint Minutes of the Small Craft Harbor District Board of Directors, Community Development Commission and City Council of the following meetings:
   June 2, 2010, 4:00 p.m. Adjourned Meeting
   June 23, 2010, 3:00 p.m. Regular Meeting

5. City Council/Harbor/CDC: Approval to waive reading of the text of all ordinances and resolutions considered at this meeting and provide that ordinances shall be introduced after a reading only of the title(s)

6. **Removed from the Consent Calendar for discussion – Council**

7. **Removed from the Consent Calendar for discussion – public request**

8. City Council: Approval of two one-year professional services agreements with Rancho Del Oro Landscape and Maintenance, Inc., in the amounts of $20,934 for annual landscape maintenance at the Weese Filtration Plant and Mission Basin Desalting Facility **[Document No. 10-D0698-1]**, and $40,200 for annual landscape maintenance at the San Luis Rey Wastewater Treatment Plant **[Document No. 10-D0699-1]**, for a total of $61,134; and authorization for the City Manager to execute the agreements

9. City Council: Approval of a five-year percentage property lease agreement **[Document No. 10-D0700-1]** with Charles Anderson and Charles Dodaro, dba Buccaneer Beach Club, for the premises at 1508 South Pacific Street, with revenue to the City in the minimum total amount of $37,916.40; and authorization for the City Manager to execute the agreement

10. City Council: Approval of a Memorandum of Understanding (MOU) **[Document No. 10-D0701-1]** between the City and the Oceanside Unified School District (OUSD) defining each party's responsibility for the construction and maintenance of the Oceanside Boulevard Slope Improvement project located at the southeast intersection of El Camino Real and Oceanside Boulevard; approval of plans and specifications for the project; approval of a budget appropriation in the amount of $120,000 from unallocated TransNet funds to the project account; authorization for the City Manager to execute the MOU; and authorization for the City Engineer to call for bids

11. **Removed from the Consent Calendar for discussion – Council**

12. City Council: Authorization to award a contract **[Document No. 10-D0702-1]** in the amount of $451,309 to MW Construction, Inc., of Escondido for the Oceanside Civic Center Library Renovation project, and authorization for the City Manager to execute the agreement upon receipt of all supporting documents

COUNCILMEMBER SANCHEZ moved for approval of the balance [of Consent Calendar Items 4, 5, 8-10 and 12].

COUNCILMEMBER KERN seconded the motion.

Motion was approved 5-0.

<u>Items removed from Consent Calendar for discussion</u>

6. **City Council: Approval of Amendment 1 [Document No. 10-D0696-1] to the Professional Services Agreement with Willdan Financial Services for Citywide Lighting District 2010-1 mailing expenses, increasing the contract price by $48,998; approval of a budget appropriation in the amount of $30,000 from the unassigned fund balance of Lighting District 2-1991 to fund the amendment; and authorization for the City Manager to execute the amendment**

COUNCILMEMBER LOWERY thinks this item reflects when we outsource jobs to private companies and they don't do a good job. We have to scrutinize what they are doing and this seems inappropriate. This whole job was bungled and we deserve better work than this so we shouldn't approve this.

CITY MANAGER WEISS stated the item before Council is the payment of the mailing costs that were not part of the original agreement with Willdan. In addition to the ballot mailing, there was a secondary mailing that occurred to additional neighborhoods and we're paying for the direct mailing costs, which were not part of the original contract.

COUNCILMEMBER FELLER moved approval.

COUNCILMEMBER SANCHEZ seconded the motion. She didn't approve of this in the first place. She knows it has to be paid, but under protest.

CITY MANAGER WEISS believes the direction when we brought this forward was that we were not going to be doing another request to the homeowners.

Motion was approved 4-1; Councilmember Lowery – no.

7. **City Council: Approval of Amendment 2 to the Property Lease Agreement with Crown Castle GT Company, LLC, for use of City-owned real property at Henie Hills Reservoir for telecommunications purposes, to allow Crown Castle to sublease a portion of the premises to Clear Wireless, LLC, for telecommunications purposes, with the City receiving 30 percent of all revenue received by Crown Castle from Clear Wireless, and providing for four successive five-year options to renew with Council approval; and authorization for the City Manager to execute the amendment [aka Clearwire US, LLC]**

HOLLY HARGETT, 1220 Vista Way, urged Council to address the aesthetics and the findings. She showed a computer graphic of Crown Castle Wireless towers in Oceanside that are outdated and dilapidated. Council and staff need to demand upgrades in aesthetics. We need to ask these findings of each wireless carrier added in this lease. She asked where the findings are for radio frequency (RF) compliance, for a proven significant gap in coverage for Clear Wireless and future co-locators and alternative sites. How many and who are the other wireless sites within this area. Lastly, regarding health and environment, we need to make sure that these carriers are providing compliance with the RF emissions per the FCC. If staff says these are in compliance, than who is checking the compliance and are they an expert in RF. She urged Council to address the aesthetics, significant gap in coverage, alternative sites and RF compliance for the residents.

CITY ATTORNEY MULLEN stated we do have the right to consider aesthetics; case law is very clear about that.

DOUG EDDOW, Real Property Manager, stated the agreement is for use of City-owned property. In order to put an additional cell facility at the site requires an application through the Planning Department, where they will look at the findings and address issues such as aesthetics, gaps in coverage and the other issues raised by Ms. Hargett.

CITY MANAGER WEISS believes we could put into the Lease Agreement that we would like to see an aesthetic improvement, even though it may be subject to the Planning Commission process.

CITY ATTORNEY MULLEN stated if the motion is to approve this than it would be appropriate to include a condition that it has to go through the Planning Commission for a Use Permit with all of the required findings, including aesthetics and making sure that the appropriate RF studies are prepared and reviewed by staff.

COUNCILMEMBER FELLER so **moved approval** [of Amendment 2 **(Document No. 10-D0697-1 as amended)**] subject to the conditions that were just

put forth by the City Attorney.

COUNCILMEMBER SANCHEZ seconded the motion.

COUNCILMEMBER LOWERY asked if we can also add in the condition that they demonstrate that there is a significant gap in coverage.

CITY ATTORNEY MULLEN responded that's in the discretion of the Council. They don't have to show there is a gap in coverage in order for Council to approve a cell site or wireless communications facility site. If there was a significant gap in coverage and Council denied it, that could give rise to liability under the Telecommunication Act. Our typical findings don't require them to prove that there is a gap. They do have to submit an RF study and show that they are in compliance with FCC regulations.

COUNCILMEMBER KERN stated this is a co-location agreement; we already have a cell tower at this site. It's a water tower and is probably far away from most houses. This is probably a good deal for everybody. All we are doing now is approving a lease; we don't know what the next cell tower is going to look like or where it's going to be located.

COUNCILMEMBER SANCHEZ stated if it was a new site, it would be appropriate, but this has already been there. She would support if it was suggested that we could uniformly apply this to all carriers.

CITY ATTORNEY MULLEN responded that if it's clearly stated, as the motion states, that they have to go through the Use Permit process, than the new Telecommunications Ordinance would likely be in effect by the time this application went through and all of those new standards would have to be met.

COUNCILMEMBER FELLER wants to be clear that we are just approving a lease. We've added a lot of words to the lease but that's all we're doing.

Motion was approved 4-1; Councilmember Lowery – no.

11. **City Council: Acceptance of the Treasurer's Report for the quarter and year ended June 30, 2010**

COUNCILMEMBER SANCHEZ still has issues with the Treasurer's Report and she will be voting to not accept it.

COUNCILMEMBER KERN moved approval [of acceptance of the Treasurer's Report for the quarter and year ended June 30, 2010].

COUNCILMEMBER FELLER seconded the motion.

Motion was approved 3-2; Mayor Wood and Councilmember Sanchez – no.

CITY MANAGER ITEM

16. **City Council: Approval of the base terms and conditions for a new solid waste franchise agreement with Waste Management of North County, and direction to staff to return to the October 6, 2010, Council meeting with a new Solid Waste franchise agreement**

CITY MANAGER WEISS stated staff is recommending Council approve the base terms and conditions of a new solid waste franchise agreement with Waste Management of North County. The City's current agreement provides for a 2-year Notice of Termination and that contract expires in 2012. As part of the overall process, we embarked on a process to develop a Request for Proposals (RFP) for bidding

services. As that was winding its way through the Waste Commission, the Council directed staff, with the assistance of Sloan Vazquez, to enter into negotiations on a new agreement. Those negotiations have resulted in what is before Council today, which is the outline and the basis for this new agreement. It provides a significant number of additional services, freezes our rates for the next several years, provides for a franchise fee, enhanced recycling and number of other items that are in Council's back-up material.

We do have a draft of the overall contract and, depending on what Council does today, we will then complete the work on that contract and bring it back to Council for adoption. The key today is the base terms and conditions. Once Council approves that, we will be able to expedite the actual approval of the contract.

JOE SLOAN, Sloan Vazquez, 1231 East Dyer Road #225, Santa Ana, stated Council selected Sloan Vazquez to negotiate the new service agreement with Waste Management of North County (WMNC) and we solicited input from the Council, staff and residents. We got a lot of good information from the City and staff, but we got exceptional input from the residents. We kept those in consideration as we proceeded in the negotiations.

We obtained the relevant data from WMNC and the City for development of a negotiating strategy and the benchmark proforma. When we enter into a negotiation or a procurement process we always prepare a proforma as though we were bidding on this project ourselves. We understand most of the costs that are associated with providing service in this market.

WMNC provided all of the requested information and negotiated in good faith. At every point along the way, as we needed information, it was forthcoming, almost immediate and thorough. Those things made us able to proceed at the speed necessary in order to get back with this in a timely fashion. The goals in the negotiations were to improve waste and recycling services, the creation of a municipal franchise fee, the retention of all current City services and to accomplish all of this with a minimal rate impact.

Features of the proposed agreement are that WMNC has agreed to supply 42 new compressed natural gas (CNG) collection vehicles and, in order to be able to operate those vehicles, they have to install a new CNG fueling station. The agreement provides for fully automated, color-coded residential service carts. There is also a reduced fee for small volume generators. In order to supply the 140,000 carts, 42 trucks and the CNG fueling station, there is a new capital commitment of over $17,000,000 in the first 30 months of the contract. There is a $1,000,000 signing bonus; that means upon execution of the contract, WMNC will write the City a $1,000,000 check. There is a guaranteed $1,700,000 annual franchise fee. That means for the term of the contract every year the City will receive at minimum $1,700,000 in franchise fee payment from this contract or 9% of their gross revenues, whichever is greater.

Right now WMNC retains all of the revenue from California redemption value (CRV) recycling. The program will be much more successful and there will be a lot more material that will come into the program as a result of automation. The company has agreed to hold the recycling revenue from CRV at the current baseline. That baseline was established via audit. All new revenue associated with CRV, once we roll the new program in, will come to the City 100%.

There will be a continuation of all City services. During the previous benchmark study those services were attributed quite a high value and there is an extraordinary level of free services that are provided under this contract and those will all continue. WMNC has agreed to a $200,000 annual household hazardous waste budget. That's about the benchmark they have set over the last several years in providing that service.

There will be new curbside e-waste collection. Right now if anybody wants to get rid of electronic waste, they have to go drop it off. With the new program residents can call WMNC and arrange to have a curbside pick-up. New curbside household battery and cell phone collection service will be provided as part of the new single-stream recycling collection program. There will also be a new sharps collection service; they won't be collected at the household but there will be numerous locations around the City that will be convenient to residents to drop those off and WMNC will service those collection centers.

It's a 13-year term contract. There is a little less than 3 years remaining on the current agreement. There is a major capital commitment and a lot of equipment that has to get rolled out in order to service this contract; not the least of which is that you can't provide the automated service of the recycling carts until you have the automated trucks. WMNC has committed to installing the CNG fueling system, which is going to be necessary in order to run the CNG trucks. That can take anywhere from 12 to 18 months to get permitted and constructed. In advance of that, there are many services that WMNC has committed to in the new agreement that will get started immediately upon execution of the contract.

Regarding an enhanced commercial recycling program, we and others were interested in a renewed or invigorated promotion of commercial recycling, which WMNC has proposed to do in their written proposal and agreed to do in the contract.

Regarding enhanced community education, WMNC wanted to make sure that their community education program worked in concert with what the City was already doing and was complimentary to what staff wanted to do going forward. In the discussions there was hardly anything that we asked WMNC to do in terms of community education and promotion that they weren't ready, willing and able to do.

The development of a local C&D processing operation at the City's option is not included in the rate structure because WMNC does not have a permitted C&D facility. There aren't any permitted C&D facilities locally. If the City wants to pursue that in the future, WMNC has indicated that they are willing to expend the capital in order to develop a C&D processing plant in Oceanside.

Finally, there is a 2-year rate freeze. What we set out to do initially was to have a minimal rate impact and we were actually able to accomplish all of the things listed and WMNC has agreed to hold the rates. In the last cycle they got a rate reduction so they will have gone about 4 years without a rate increase. They are going to hold it until July of 2012.

All green waste in the City will be collected and taken to the local Agri-Service, Inc., site. All of the recyclables will be transported back to Waste Management's Recycling Center for transport to a selected processor. There are a couple of those that they use right now; one is EdCo in Escondido and the other is Potential Industries, who have various processing locations throughout Southern California.

All of the refuse will be internalized by WMNC at the company's El Sobrante Landfill in Riverside County. Construction and demolition debris could be processed at the company's C&D site if the City directs the company to develop such a site.

He used a computer graphic to show an abbreviated timeline for the implementation of all services. Immediately, upon execution of the contract, there would be a $1,000,000 signing bonus, to be followed by the first year up-front franchise fee payment. In succeeding years, the franchise fee payment would be paid quarterly. The comingled commercial recycling and green waste would be rolled out throughout the spring of 2011. The green (commercial recycling, etc.) business program would be started immediately upon execution of the contract and rolled out throughout the spring of 2011. Also immediately concurrent with the execution of the contract, WMNC would

of 2011. Also immediately concurrent with the execution of the contract, WMNC would begin the permitting process for the CNG fueling station, with construction to be completed by the fall of 2011. Recycling, solid waste and green waste carts would be rolled out over an 18-month period, commencing with the recycling carts in the fall of 2011. Roll out of the new recycling CNG collection trucks would be commensurate with the roll out of the carts and the same would be true with the solid and green waste collection. Roll out of the commercial collection fleet would also begin in the fall of 2011 and would all be complete by the fall of 2013.

Those are the major business points of the negotiation. We have a draft agreement. There are some fine points that are yet to be worked out but we're very optimistic that those loose ends can be tied up in the next couple of weeks and we can bring back an agreement at Council's direction.

Public input

CHARISSA McAFEE, Waste Management, stated we have been committed to fully participating in these negotiations and have made every effort to proactively address the City's environmental and financial goals. Throughout this process our goal has been to listen to all. We wanted to bring forth a proposal that met all aspects of the City's priorities and goals.

We've identified opportunities to support Oceanside's commitment to reducing the carbon footprint, found ways to offer services that increase convenience for residents and businesses and positively impact the environment. We have done all of this without rate increases and agreed to freeze the rates through July 2012.

In this process we've been asked to make significant economic commitments. In addition to the $1,000,000 contract award fee and the $1,700,000 annual franchise fee, we will be investing more than $17,000,000 in our infrastructure. A big piece of that is bringing the CNG trucks to Oceanside. These CNG trucks will have the emission reduction equivalent of taking 3,100 cars off of Oceanside roadways every day.

We are committed to continuing to listen to the City and to work to meet and exceed those needs. We look forward to helping the City achieve the zero waste objectives, significantly enhancing our programs and services and continuing to be a good neighbor by supporting Oceanside's economic goals.

NADINE SCOTT, 550 Hoover Street, thinks this is an interesting proposal and it looks good on paper. We know that WMNC is not going broke by offering us these concessions, but everybody came to the table with good faith. She sat as Chair of the Integrated Waste Commission for 2 terms and these are exactly what we asked for 8 and 10 years ago. When WMNC was convinced that this was going to be a competitive process, they stepped up to the plate.

In the language under the large item pick up, one area says it's unlimited still and another said it was 5 times a year. There is a rate freeze even though low volume users like myself are expecting a rate reduction; are we going to get that or are the rates going to keep going up in 2012? There is still an extreme noise problem in her neighborhood and when they drop the dumpsters it sounds like a bomb going off. She is hoping WMNC will make good on replanting to reduce noise. Lastly, she is appreciative of the condition they put in there for the Loma Alta Creek cleanup, which is one of her major interests.

GARY FELIEN, 1189 Masterpiece Drive, as a Council candidate, requested that we refund the hidden trash tax as part of this contract. The $1,700,000 annual franchise fee and the $1,000,000 signing bonus are nothing more than hidden taxes. The City insults the intelligence of every taxpayer claiming that WMNC pays these so-called fees. Nothing angers him more than having hidden taxes and calling them fees. A fee by

definition represents a voluntary action in return for a specific service. A tax on the other hand is a mandatory transaction and the City is not required to provide any reciprocal service. He cannot call WMNC and pick another provider. He is forced to pay just like a tax. WMNC cannot operate in the City without paying the fee and passing it through to the taxpayers; the fee is mandatory just like a tax. Other than the cost of negotiating the contract, the City does not provide reciprocal service for these fees; just like a tax. The City needs to reimburse this hidden tax.

The residents, especially the working poor, senior citizens and those on fixed incomes need relief now. The City can provide that relief by returning the hidden trash tax. If there is a majority on the Council that believes we are under-taxed, then let them vote to place a trash tax on the ballot.

JIMMY KNOTT, 127 Sherri Lane, imagined a reduction in our sewer and future solid waste fees, solid waste biofuels for $1.00 a gallon, increasing Oceanside's employment, decreasing pollution and getting a 90% diversion rate. Edmonton, Canada is doing that. We could have that put into this contract. It would give rate payers stabilization with their sewer and trash fees.

He suggested we follow the C-Cert system used by University of California at Riverside. We could save $2,000,000 by mixing the bio-solids into the system. He doesn't want us to ship our solids to Riverside so they can use them to make the bio-fuels. Riverside will get the employment, fuels and lower rates from our trash/future bio-fuels.

LARRY BARRY, 3973 Brown Street, stated this contract is going to 2023, which is a long time. The redemption values are a big key to this. He is hoping this means that we separate at the curbside the plastics and the paper, etc.

There was a time we were talking about having a transfer station in Oceanside. He doesn't see that anywhere in this contract. Is the cap on the rate increases written in stone? The natural gas is a great thing. Transferring all of this material to Riverside County is going to be very costly. He read in the paper that we can only have one garbage can per house. He has rentals and sometimes when people move in or out they leave a lot of stuff at the curb. Are they going to be penalized for that?

Public input concluded

In response to some of the questions, **CITY MANAGER WEISS** stated the bulky items are picked up free 5 times a year and after that the resident would have to pay for it. Regarding the low volume users, once the rates go into effect, we would specifically look to reduce that rate at that time if the smaller container is used. That is part of the rate package for a low volume user and it would go into effect right away. There is not going to be any more crates for individuals separating their cans, plastic and paper. There will be one bin and all of it will go into that bin. That will address some of the scavenging that's going on because now it will be a fairly large bin that's going to be collected by automated vehicles. All of the recycling is going to be co-mingled. If you do generate significant amounts of trash, you can order additional services, whether residential or non-residential. The key that we're looking for is reducing the amount of trash and increasing the amount of recycling. In those cases where people are moving in and there are unique circumstances, we have the ability to work cooperatively with WMNC to address that.

COUNCILMEMBER SANCHEZ stated we've been talking about this seriously for the last year. What we wanted to accomplish is in this contract. She believed that with proper representation by a consultant who was equal to Waste Management, we could get a good contract. She credited Sloan Vazquez and Waste Management for this contract within the 90 days, and she is very pleased.

About the numbers; $1,000,000 up front, $1,700,000 guaranteed franchise fees and revenue sharing on the recyclables above and beyond what is benchmarked now. Single-stream recycling is going to increase recycling, new CNG trucks, reducing our environmental footprint and different colored carts are all things that she had hoped for. She would like to see the labeling clearly on the carts.

Council recently adopted a zero waste policy of 75% diversion by 2020. She'd like to see that incorporated in this contract. We don't have a plan to implement and she's sure what's built in this contract is increased recycling, which will help us get to that 75% diversion goal.

This is not a tax. Cities have been collecting a franchise fee for the right to provide a service exclusively. We could have had multiple haulers in our City; certain cities do that. We wanted to work with WMNC, who has been a good partner. The fact that we never collected a franchise fee before is perhaps because we weren't aware that we could. We talked about going out for bid and putting together a procurement process. That notion of competition was injected into these negotiations and she has no doubt that what is before Council is a result of that sense of competition. Also, economies of scale, the notion that you would have volume discounts and the fact that WMNC will be using their own landfill. These are all things that are cost-savings that are being presented to the City in the way of a franchise fee. We have for years paid out of the General Fund for programs for fixing our roads because of the wear and tear of big trucks. Now, instead of having to subsidize our hauler contract, we are actually going to have a true partnership.

She **moved approval** [of the base terms and conditions for a new solid waste franchise agreement with WMNC, and direction to staff to return to the October 6, 2010, Council meeting with a new Solid Waste franchise agreement]. She would like to see our new zero waste policy incorporated in this 13-year contract because at some point we will probably be looking at what else we can do as a partnership to get to that 75% diversion rate. She also wants to make sure that for commercial and multi-family we have the dumpsters also be blue and clearly marked.

With an increase in recycling and a decrease in our trash/environmental footprint, this is $25,000,000 to $30,000,000 to Oceanside, plus very competitive rates for our residents, with additional services at no cost.

COUNCILMEMBER LOWERY seconded the motion.

COUNCILMEMBER FELLER stated 1994 was his last year working for Waste Management and, at that time, the contract was extended to what it was when the current Councilmembers were seated. The goal all along has been to control our own destiny as far as the future of trash hauling. People don't want landfills. The idea of bio-fuels is probably something in the future, as is trash to energy.

He has had people ask what happens if they have an extraordinary amount of green waste every week; they get additional carts, correct.

CITY MANAGER WEISS responded yes.

COUNCILMEMBER FELLER has always been afraid of not having unlimited trash service because there are many neighborhoods that put out a lot of trash and they're going to need extra service. They can also get extra service at a price, correct?

CITY MANAGER WEISS responded correct.

COUNCILMEMBER FELLER doesn't think we've solved all of the problems. This contract is a good deal for the citizens. He has always been supportive of a long-term contract with Waste Management. In the short-term it was to allow the

opportunity to negotiate long-term. That's why his prior attempts were what they were. We're going to see $1,000,000 right away and then, according to the chart, the first part of January we'll receive $1,700,000. His focus all along has been to get the best deal for Oceanside residents. We've all come on different roads to get here but we're all in this to work in the best interests of the residents.

He supports this but he is struggling with what to do with the money. We're not going to decide that tonight but he believes this money is the resident's money. If it's going to be $1,700,000 a year it needs to go directly to the residents, i.e. beach/sand replenishment, roads, offsetting water and sewer increases, etc., or setting it aside for rate stabilization. If we could hold this, then when 2012 comes around we don't have to raise rates for a long time. This money is coming from the citizens so it belongs to the citizens. He supports this because it is a long-term contract. The goal is zero waste and he hopes we can all agree to move forward on that.

COUNCILMEMBER LOWERY stated each home is going to get a 96-gallon container for each of the 3 categories (trash, recycling, green waste) included in the payment they are already making. The low volume user gets three 35-gallon containers. If you have more material than that and need a second green waste container it's free. If you need more recycling material containers, that's also free. So, everyone can have 5 96-gallon containers at no additional charge. The discount that a low volume user gets is a little bit over $2.00.

One speaker said the franchise fees are a tax. He did some research and found that these franchise fees pay for street maintenance, curb and gutter maintenance, lights, drain cleaning, keep us in compliance with government issues, helps maintain green waste recycling and the billing. This money is all going back to the citizens in the form of lower costs to all the residents. That's a critical point.

Before he was elected to Council there was an offer of zero to extend the contract; then WMNC offered $1,000,000 to extend the contract; then they subsequently offered $5,000,000 to extend it. At some point the City hired a consulting company (Sloan Vazquez) and now we have this proposal, which will give us a minimum of $23,000,000. The notion that we squandered 4 or 5 months does not pencil out on this deal. He looked at all the work and the numbers. As a business person he sees this as a great business decision for all the citizens of Oceanside.

He asked how the disposal of sharps is going to be handled.

CITY MANAGER WEISS believes the intent is going to be to provide a disposal at each of the fire stations, in addition to at WM. There will be at least 9 locations to drop off sharps and WM will service those locations.

COUNCILMEMBER KERN stated this is a tax. Whether we use it for good purposes or not, people have to realize that WM isn't giving us $1,700,000 out of the goodness of their hearts. That money is coming from the rate payers. The problem is the rate payers don't have a say in it. If they thought it was a good idea for $1,700,000 to go toward sand or roads, etc., then have them vote on it. They get no say in this. We as government might think we have a better idea for that $1,700,000 than those people at home. It's not a bad idea, but he wants that $1,700,000 to stay within the trash contract and use it for rate stabilization so maybe we can forego rates increases in years 4-6. We are heading into a time where our water rates are going to go up tremendously and trash is included on the water bills; we can stabilize one portion of it for 3-5 years with the money that people are paying. He doesn't want to see this disappear into the General Fund for pension costs or employee raises. We're not voting on that tonight, we're just approving the terms of the contract. Overall it's a good deal for everybody concerned.

MAYOR WOOD is happy with this package and to continue our relationship with

WMNC. He is embarrassed for Councilmembers and our Treasurer that they would even speak up at this meeting. Back when this started there was a motion by Councilmember Feller, along with Councilmembers Chavez and Kern, to give up to a 7-year extension to WMNC for zero to the City. Now they make it sound like somehow the taxpayers are going to pay for this new deal with a 'tax'. If he hadn't said at a previous meeting that he would go to the Grand Jury and the Attorney General if they tried to push that original extension through, this probably wouldn't have happened. Today we're getting better service, air quality vehicles and keeping our friends at WMNC, and they looked at Oceanside's economy and decided to be good neighbors and sit down and talk and there was a compromise.

He's not going to say we're going to put the money in a fund for retention on rates for trash or waste; it belongs in the General Fund that's used for everyone for all of the purposes within the City. Where that money will go will be a decision made by the City Manager, staff and the Council.

This contract is going to benefit the citizens of Oceanside with the air quality, the trucks, the service, etc. We also never used to get any money for the recyclables and now we will. Prior to last July he never had any involvement with the Waste Management contract, but because it was coming up and we had information regarding the transfer station, he started looking into the other cities and SANDAG and found out about the franchise fees. Councilmember Feller worked for Waste Management for a long time; he's the one who made the motion for the extension, knowing what franchise fees were.

COUNCILMEMBER SANCHEZ stated this is a wonderful contract for the residents and the City. We need to go out and talk about recycling and how to do it. There is going to be a lot of dialogue about that. We do have a rate stabilization fund at this time; it's 5%. We probably will be able to avoid fee increases for a substantial period of time. She understands that the CNG will have to go through the process and mitigation will be discussed at that time, but she looks forward to seeing those brand new trucks in our City.

COUNCILMEMBER FELLER stated the threats about the Grand Jury had no basis so there was never a threat. We are going to have a premier service because of a long-term contract; that's the only way these things work. The issue for him is and has always been a long-term contract. He hopes we can rush that CNG station through and make it a positive influence in the community; maybe even something City vehicles can use in the future.

Motion was approved 5-0.

[Recess was held from 5:24 to 5:43 pm. Councilmember Feller was absent – arrived at 5:47 PM]

5:30 P.M. – INVOCATION – Pastor Carl Sousa

PLEDGE OF ALLEGIANCE – Ballet Folklorico Tapatio

PROCLAMATIONS AND PRESENTATIONS

[Presentation – "Pet of the Month" presented by Elkie Wills, S.D. County Humane Society, North Campus] - absent
Presentation – Mayor's Youth Sports Recognition and Appreciation Award - Soccer Club of Oceanside, GU13 Blue

Presentations were made

6:00 P.M. – PUBLIC HEARING ITEMS

Public hearing items are "time-certain" and are heard beginning at 6:00 p.m. Due to the time-certain requirement, other items may be taken out of order on the agenda to accommodate the 6:00 p.m. public hearing schedule.

23. **City Council: Consideration of a resolution amending the City's Fee Schedules for new meters and their installation and for utility services related to damaged City property, construction meters, door tags, after-hours service calls, reinstatement fees, and broken locks**

A) Mayor opens public hearing – hearing was opened.
B) Mayor requests disclosure of Councilmember and constituent contacts and correspondence – Mayor and Councilmembers reported contact with staff only.
C) City Clerk presents correspondence and/or petitions – none.
D) Testimony, beginning with:

CARI DALE, Water Utilities Director, stated these are not new fees; they are updates to existing fees that are already in place. This will correct fees for new water meters and other utility services that we provide, allows for full cost recovery for providing the service and does not exceed the City's cost of providing the service. It affects those customers receiving the service and follows the cost-of-service methodology, which means that each customer will be paying their fair share.

The first fee being proposed is an adjustment to the new water meter and installation fees. These are fees that a developer might pay to service his commercial/industrial building or a new home. These fees have not been updated since 1983. The proposed fees include the costs of the meters and the installation for meters up to 2" in size, and for meters larger than that size; it covers labor to deliver the meter to the project site. It impacts customers that are buying into the water system. She used a computer graphic to show the current fees and the proposed fees. The increase is fairly significant but we're talking about fees that were last updated in 1983. The increase for the ¾" averages out to about 5% per year from that period of time. These are fees that we are passing through to the customer. It includes our cost to purchase the meter, as well as provide the labor to install the meter for those smaller sizes.

The adjustments also include utility service fees, which mostly impact customers that are delinquent in paying their bills; starting, stopping or transferring service; or they've tampered with the meters and have caused damage to City equipment. These fees were last updated about 2 years ago.

The fee changes total approximately $177,000 in increased revenue. Staff conducted a thorough review of the components that made up all the fees that are being recommended. In some instances the set-up or removal of a construction meter, resulted in a decrease to the fee that is being recommended. This fee affects development that would need construction meters and need them to be placed on a hydrant for service.

In summary, the proposed fee adjustments would recover the full costs of providing services to those that would be receiving them. If left unchanged, we would see a net annual revenue loss of approximately $200,000. The new meter fees and installation fees impact those buying into the system and the average customer who pays their bill on time will not be affected.

Public input

JIMMY KNOTT, 127 Sherri Lane, asked about the other water infrastructure costs. Also, is this being linked to the Consumer Price Index (CPI) so it isn't such a shock next time.

Public input concluded

DIRECTOR DALE responded that because there are increases as well as decreases in the fee adjustment, that wasn't recommended at this time. Our intent is to bring the fees forward during the budget process. Our intent is to adjust these on an annual and more regular basis.

Mayor Wood closed the public hearing.

COUNCILMEMBER SANCHEZ asked if there is an estimate of how much we've lost because we had not updated these in such a long time.

DIRECTOR DALE responded the only estimate she could speak to at this time is should it not go forward, it's approximately $200,000 in annual revenue that would be lost. She doesn't have historical numbers.

COUNCILMEMBER SANCHEZ moved that Council adopt the resolution [**Resolution No. 10-R0703-1**, "...adopting fees for new water meter equipment and installation and utility services and equipment provided by the City"] to adjust fees for new meters and their installation and for utility services related to damaged City property, construction meters, door tags, after hours service calls, reinstatement fees and broken locks.

COUNCILMEMBER LOWERY seconded the motion. He thanked Director Dale for explaining to him that this would not impact the average citizen who pays their bill on time and doesn't break City property. This is an equitable way to recover costs when people who need hardware installed on their new housing project, etc.

Motion was approved 4-1; Councilmember Feller – no.

24. **City Council: Adoption of a resolution establishing the Parks & Recreation Master Fee Schedule for FY 2010-11, including increases to certain fees**

A) Mayor opens public hearing – hearing was opened.
B) Mayor requests disclosure of Councilmember and constituent contacts and correspondence – Mayor and Councilmembers reported contact with staff. Councilmember Kern reported no contact.
C) City Clerk presents correspondence and/or petitions – none.
D) Testimony, beginning with:

EILEEN TURK, Parks and Recreation Division Manager, stated consistent with last year's Council direction, staff is bringing the annual fees schedule for your consideration and approval. This is an update to our master fee schedule.

Public input

BILL RIETMAN, 5074 Corte Alacante, President of the Soccer Club of Oceanside, missed the last OAF meeting but was told that the fee increases that we are most concerned about are the light fee increases. Two years ago they were roughly $14 an hour and are being proposed at $27 an hour. That's almost a 100% increase in 2 years and last year the Soccer Club of Oceanside used almost 1,000 hours of lights. With over 100 teams there aren't enough fields to not use the lights. Our concern is that $27 an hour would add up to about $27,000. We do want to participate with the City and help out where we can. On some levels, like maintenance with fertilizer and fencing to protect the field, we have stepped up. We have recently taken over the electrical meter at the snack bar at Mance Buchanon. We currently have 1,400 members playing soccer, so that would equate to about a $10 per person increase. He asked Council to reconsider the position on this and consider lowering the rate increase on the lights.

MS. TURK responded a couple of years ago we did a survey in the County and Oceanside was the second lowest in collecting fees. We're just trying to close the gap and be closer to cost recovery. The fees that Bill is talking about were $14 in 2008-2009, went to $22 in 2009-2010 and they are going to $27 per hour for the current year, if Council approves this. Our costs continue to go up and we are trying to do more cost recovery.

MAYOR WOOD asked if there is any way we can assist the league on this or is this just the basics of keeping up.

MS. TURK responded it's just the basics.

MARGARET MALIK, 1611 Hackamore Road, asked if we are recouping what the costs are now. Would we be making money on the lights?

MS. TURK responded we are not looking to make money on the lights, we're just breaking even. Breaking even is our goal.

Public input concluded – hearing closed.

COUNCILMEMBER SANCHEZ stated the only issue brought up are the lights and asked if there is anything we can do in the short-term or long-term to bring those costs down, i.e. new technology we can invest in or more fields.

MS. TURK responded we currently use Musco Lighting System and the lights are on a timer; however, the teams are only billed for actual time utilized. They can call if they finish up early and have the lights turned off earlier than the time they had reserved. They schedule it at the beginning of each month but if they turn off the lights earlier for any reason, than they're only billed for the actual time utilized. We can see if there is any other technology.

COUNCILMEMBER SANCHEZ asked if it is cost-effective to go into solar or are we still waiting for it to become cost-effective.

CITY MANAGER WEISS responded right now going to solar wouldn't be cost-effective because of the capital increases. For street lighting we are looking at LED and induction lighting as potential, but we've not looked at that for sports field lighting simply because the height of the poles tend to not be able to use LED or induction lighting effectively. He would suggest if Council is concerned about the lighting, and that's the only thing he's heard, Council has the discretion to approve all of the other fee increases, exempt out the lighting for now and let staff look at if there are any other options in 45-60 days and bring that back.

COUNCILMEMBER SANCHEZ moved approval [of **Resolution No. 10-R0704-1**, "...amending the Parks & Recreation Master Fees schedule"] with the exception of the lighting fees to be further reviewed by staff and returned to Council. She would be interested in any new technology that we could invest in.

MAYOR WOOD seconded the motion.

COUNCILMEMBER LOWERY asked how this impacts our limited or low-income residents.

MS. TURK responded most of the rates proposed are more effecting commercial groups versus our residents; more the profit-making groups. To use our facilities after hours for a special rental or event, those fees are going up.

COUNCILMEMBER LOWERY stated the lighting fixtures are metered so we know how much it costs us. Do grounds crews charge the City for cleanup, etc.

CITY MANAGER WEISS responded no. We have parks maintenance crews and a number of contractual services that do the mowing and restroom cleaning, etc. They are on a straight contract basis, whether they have to do additional cleaning or not. Those services are outlined in those contracts.

COUNCILMEMBER LOWERY stated the only thing we can say for sure is that we know how much the electrical is costing us because there are meters on the lighting system.

MS. TURK responded correct.

COUNCILMEMBER LOWERY looked at a description form in the back-up material of the different people in the community who use the facilities and how much they will be charged and it's clear that any for City programs the participants are paying a very limited fee because it's a City program. When someone from outside the community comes in, they pay a much higher fee, so we already have a built-in sliding scale here to accommodate the needs of the residents. The limited or low-income residents receive a benefit because we've lowered the rates.

COUNCILMEMBER FELLER stated most of these organizations have scholarships for the lower income that want to play in their programs, as well as our own recreational programs. This lighting is handled by a company in Iowa and it's all done with a telephone or pre-recorded call. Sometimes he wonders why. Mance Buchanon Park usually has somebody there during their season who could handle the lights locally. He asked if it's cheaper to do it with an out-of-state company.

MS. TURK responded Musco Lighting is used by 500 cities in California for the same purpose and it's all done by computer and telephone and, overall it's been 98% effective and efficient. She didn't even know they were located in Iowa; she has an 800 number for them. It has worked out well in her experience.

COUNCILMEMBER FELLER will support this but he hopes that we look at some other way to handle the lighting.

COUNCILMEMBER KERN stated some of these are pretty substantial increases, like the gazebo rental at The Strand goes from $28 to $84. How do we come up with those and where are we in our cost recovery cycle? Will this bring us to full cost recovery on most of these items?

MS. TURK responded we are getting closer. We actually have one more year of proposed increases and then after that it would be very minimal cost-of-living increases. We've done cost comparisons with other cities around the County that have similar facilities but sometimes we do have a completely unique facility, like the Band Shell. We've done cost analysis around the County for equitability.

COUNCILMEMBER KERN asked why we would compare it to other cities when we need to cover our costs. We need to figure out what we're spending to run our facilities and get as close to full cost recovery for that.

MARGERY PIERCE, Neighborhood Services Director, stated the reason we're not getting full cost recovery on programs that have been in existence for a long time is there would have been a huge jump so we proposed last year that we do it incrementally. Council approved a certain percentage for each year and then it goes into a CPI increase. She doesn't think that we really are going to ever see a full cost recovery for a lot of the programs because there is a certain expectation that people will have a level of service based on the taxes that they pay. Any new programs that we initiate are getting an analysis on how much it costs for staff, building, maintenance, lighting, etc., and those new programs will start off with a full cost recovery so we don't

find ourselves in this position again.

COUNCILMEMBER KERN stated it's about our costs to recover like with the lights; they're metered and we know what the costs are and we should recover those fully from the groups, unless we feel that we should support it as a general community. Are we being competitive; maybe keeping it lower to attract people from Carlsbad to Oceanside? There's a lot in play here.

DIRECTOR PIERCE responded there is a lot in play here and we are trying to keep our fees competitive, but not attract based on prices so far reduced that we're not getting the full cost recovery.

COUNCILMEMBER KERN is willing to support the motion but what was the timeline of coming back with a resolution.

CITY MANAGER WEISS responded 60 days.

COUNCILMEMBER KERN stated the days will be getting shorter and they will be using those lights more. The amount of time that they use lights in the winter is probably the bulk of their costs. Hopefully it won't take the full 60 days for a resolution.

COUNCILMEMBER LOWERY stated the soccer field rates are not doubling because they are already paying $22 per hour and it is going to $27 per hour, is that right?

MS. TURK responded yes. Two years ago it was $14 per hour, but at present they are paying $22 per hour.

Motion was approved 5-0.

Mayor Wood determined to hear Item 14 at this time.

GENERAL ITEMS

14. **City Council: Adoption of new City Council Policy 200-11, Interest Earned Allocations, establishing which City funds are to receive interest allocations**

MICHELE LUND, Treasury Manager, stated this policy, when adopted, will formalize the current interest allocation process for earnings on the City's investment portfolio. The City's General Fund receives all interest earnings allocations for those funds that do not have restrictions that are set by State and Federal law, contractual agreements, pledges of revenue for bonded debt, or as otherwise directed by Council. Currently the General Fund receives allocated interest for the following unrestricted funds: all General Fund revenues, all private grant funds that are not Federal or State grants, the City's debt service fund, the General Community Facilities Capital Improvement Fund, the Solid Waste Fund, all internal services funds and all trust funds that are not endowments. She requested approval of the policy.

No public input

COUNCILMEMBER SANCHEZ moved to adopt City Council Policy 200-11, interest earned allocations establishing which City funds are to receive allocations of interest earned on investment funds.

COUNCILMEMBER KERN seconded the motion.

Motion was approved 5-0.

Mayor Wood determined to hear Item 22 at this time.

PUBLIC COMMUNICATIONS ON OFF-AGENDA ITEMS

No action will be taken by the City Council/HDB/CDC on matters in this category unless it is determined that an emergency exists or that there is a need to take action that became known subsequent to the posting of the agenda.

Advance written request to reserve time to speak: None

22. **Communications from the public regarding items not on this agenda**

J. STRYKER MEYER, 349 Vista Marazul, appeared before Council 14 months ago on behalf of Interfaith Community Services to talk about their Veteran's campaign in Oceanside, which was opened in 2008 at a cost of $4,800,000. At the beginning of this year we launched a capital campaign called "Lifting Up Your Neighbors" lifting up our heroes and that campaign is now down to under $400,000, which is a reflection on the City and the County. He requested donations from anyone interested in contributing to their system/facility.

JC PLAYFORD, 1251 Olive Street, Ramona, spoke on issues regarding the police department. He asked why officers who have been fired are still receiving unemployment and alleged that officers are using the police department for their personal agendas. He spoke about officers having DUI's and tapes being erased and asked how we are supposed to have faith in this police department. He believes the leadership of the police department is the cause of these problems.

COUNCILMEMBER SANCHEZ asked if we have any pending complaints regarding officers and, if so, are they being investigated.

CITY ATTORNEY MULLEN responded any complaints received would be investigated but he cannot comment on any specific one because that material would be protected under the Pitchess Statutes.

COUNCILMEMBER SANCHEZ asked if we are not following any rules regarding the investigation of complaints because there is a suggestion that we're not.

CITY ATTORNEY MULLEN responded we investigate any and all complaints received.

MAYOR AND/OR COUNCILMEMBER ITEMS

15. **Request by Councilmember Sanchez for status/update on Jeffries Ranch road study; direction to staff and consultants**

COUNCILMEMBER SANCHEZ has staff ready to address her request. She attended the community meeting regarding our direction to come up with another access road for the Jeffries Ranch community, inasmuch as they are being denied one of only 2 access roads. She was struck by the fact that the consultant presented 5 or 6 possibilities that were all assumed to be possible regardless of money or any other issue. Unfortunately, we do have to think about money so she wanted to get an update from staff because staff is aware of our situation and how much money we would actually have available to us via TransNet and other transportation dollars. In order to not prolong the process, we need to get the consultant to be a lot more focused on realistic solutions. What can we do in the next couple of years to bring relief to this community.

JOHN AMBERSON, Transportation Planner, stated following the first community meeting held on August 17, 2010, we got a good indication of how split the community was relative to either an alternative at Jeffries Ranch Road and Highway 76, or an alternative east of the neighborhood in the existing open space. During the

meeting we tried to convey the environmental constraints and the cost aspects associated with the easterly access. Nonetheless, people selected that as their preferred alternative. We continued to look at the environmental conditions at both locations and met with Caltrans to get a feel from them on what their attitude might be toward a specific alternative. Our intention for our next meeting, which is on September 13, 2010, is to look at the Jeffries Ranch alternative in the form of a frontage road and to also consider an easterly access from Jeffries Ranch terminus north to Highway 76. However, if the community desires, we can look at 2 alternatives at Jeffries Ranch Road; the frontage road and a right-in/right-out access at Jeffries Ranch Road and Highway 76.

He can't discount the voting that took place relative to the easterly access so he'd like to discuss this at the meeting on September 13th with everybody. Personally he would like to see 2 alternatives analyzed at Jeffries Ranch Road. As earlier mentioned, it's probably most feasible from a cost and environmental perspective in the near term as opposed to doing something east where we could effectively cost ourselves out of even doing anything there. He would like to see the focus shift to Jeffries Ranch Road and will be proposing that at the September 13th meeting.

Public input

JERRY McLEOD, 1517 Del Mar Road, stated a lot of people don't know what we went through before on some of the approvals, especially Secretariat. One option we thought was there was an option of a right-out only on Jeffries Ranch Road, but that option wasn't there. The second access is very important to the community. The extension of Melrose shouldn't be talked about as it is 15-20 years down the road and we don't have the money for it. We have to think about what's going to happen between now and then.

MARGARET MALIK, 1611 Hackamore Road, has attended all of the meetings. People don't understand that it has to be cost-effective. It has to be explained to them because the consultant described it as being anything we want, no matter what the cost. There are several things that need to be done if we open it back up but a lot of people won't bend at all. The consultant needs to make the costs of each alternative clear to people at the meetings. There were bullies at their neighborhood meeting. The residents have to be aware of the costs.

DANA CORSO, 5838 Ranchview Road, called John Amberson after the last meeting to get the numbers on what the final vote was and he told her that 277 people voted on the signal at Jeffries Ranch Road and 89 voted for the easterly access of Jeffries Ranch at Del Mar. Clearly that isn't a split. The majority of the people want Jeffries Ranch Road. There was another option for access east of the gas line via Spur that 130 people voted for. It has been brought to our attention that it is a major gas line that serves about 85% of San Diego and there is no way they're going to move it for us. The Jeffries Ranch access at Del Mar has huge environment constraints, the land has to be mitigated 2:1 and it would cost $20,000,000 to $40,000,000 and potentially even get a no in the end. She also spoke with IVI Group and confirmed the voting numbers.

She has a petition with 500 signatures of people who live in the neighborhood and go to the school; the parents, teachers and staff that are also opposed to it because the bus uses Jeffries Ranch Road to access the school. She is under the impression that the City is in violation because of the one entrance. It was stipulated at one time that they had to have 2 entrances for the elementary school. She thinks there is an urgency to go forward with this to maintain the Jeffries Ranch Road entrance. We need Jeffries Ranch Road reopened for safety purposes. The new high school at Melrose and Highway 76 is open now and there are kids crossing there without crossing signs and no warning on Highway 76 that there are kids crossing. If we put the signal at Jeffries Ranch Road, it would slow the traffic down before they get to the school.

MARIAN CAVADIAS, 1669 Seattle Slew Way, urged Council to expedite the study and move forward with a solution. We are in a situation where we have one road to get in and out for the entire community and that should never have happened. It puts all of the residents in danger. If there is an accident at that road, we will not be able to get out. She took exception to the characterization that the vote at the last meeting was split. There were some people who were louder than others but the overwhelming majority at the meeting didn't want an eastern access. The majority wanted Jeffries Ranch Road reopened. A traffic signal would be necessary for safety. A new road on the eastern side would be the less desirable choice, even though it appeared to be the second choice, but the voting was done in an uncontrolled way and didn't accurately reflect the opinion of the neighborhood. We also need signage at Melrose and Highway 76 to warn drivers that there is a school there now.

Public input concluded

COUNCILMEMBER SANCHEZ stated it was clear that the number one choice was a traffic light at Jeffries Ranch Road.

MR. AMBERSON responded that's correct.

COUNCILMEMBER SANCHEZ has an issue with choosing an alternative that is not possible because of money constraints. The consultant could have done a better job in getting us to focus on what we can do near-term, not 20 years later.

She **moved** direction to staff to quickly pursue alternatives that are possible/viable, also that staff needs to direct the consultant to talk about the viable alternatives and explain why some of those are not viable, so we can come up with a very near-term solution to the problem.

MAYOR WOOD seconded the motion for discussion. He agrees that when this 76 issue came up years ago, it was his understanding that it would be different than what it is now. We've contacted SANDAG and Caltrans and the City Manager and he met with the Caltrans director and it was his opinion the exit at Jeffries Ranch Road seems to be unlikely, if not impossible, from her. We can vote on it but it doesn't mean she will change. He thinks having a traffic light at Jeffries Ranch Road and not the produce center is the best solution. He would like staff to look at an alternative because even if everyone wants a traffic light at Jeffries Ranch Road, it doesn't make a difference to Caltrans.

He wasn't at the last meeting but he knows that sometimes tempers flare when you start changing the plan. There has to be some up-front reality that there is a cost and that it's viable. Some of the alternatives are not cost efficient so they aren't viable.

CITY MANAGER WEISS stated that Caltrans has said they would not support a signal at Jeffries Ranch but he believes there may be other alternatives. He is hearing that due to environmental costs and timing concerns, the extension of Secretariat is not a feasible alternative and, if that's the case, then Council can give direction to that and leave any other alternatives open in and around the Jeffries Ranch area. He doesn't think we want to preclude other alternatives. There are significant environmental, cost and timing issues associated with Secretariat and if Council doesn't want staff pursing that, then we don't want to spend the consultant's and staff's time pursuing an alternative that's not feasible. If direction is to drop the Secretariat alternative, that continues the dialogue with the neighborhood about other alternatives and essentially eliminates what the vote split was.

COUNCILMEMBER SANCHEZ is just asking that we be realistic. We don't want to be at the end of this and not be able to deliver what was chosen. She wants to give actual relief. She did hear staff talk about the frontage road that Caltrans is open

to discussing and she would like to encourage whatever good conversations we are having with Caltrans. Her only concern is going after something that isn't possible. Go after what is possible.

COUNCILMEMBER KERN stated we do have the option of opening Melrose. We hired a consultant to explore options and now we're cutting off those options. Next month we may be in here because somebody doesn't want the frontage road behind Old Ranch Road. If he lived along Old Ranch Road he wouldn't want a road right up against his back fence. He doesn't think the community will support the frontage road and it sounds like Caltrans doesn't support the Jeffries Ranch Road option either.

This is why he voted against having a feasibility study; we're going to do a study and find out in the end that it's not feasible so we've wasted our money. If we keep coming back and closing off options, then we are wasting our money. Melrose has almost completed the EIR process and we should have that back in the next couple of months and that is the real alternative because you're not accessing Highway 76; you're accessing Santa Fe and that is a true second alternative for safety reasons. If there is an accident on Highway 76, even if you're down at Jeffries Ranch Road, you'd have to come all the way out through Osborne. He supports Melrose and thinks that is the best option.

COUNCILMEMBER LOWERY stated a friend of his went out to Jeffries Ranch over the weekend and did a little poling and asked the people who were home a couple of questions. One question was about Melrose and 23 people he spoke to said they don't want to open Melrose and 7 said they do. They suggested that we leave it as it is and people consider doing something else. It seems that is what the residents, staff and the consultant want to do. Based on having gone to the first meeting and seeing how chaotic it was, he suggested that residents meet with staff to see what can be done with this. He would like to see them not create another rowdy meeting but a meeting where direction is offered.

Motion was approved 3-2; Councilmembers Kern and Feller – no.

Mayor Wood determined to hear Item 13 at this time.

[Councilmember Feller left the dais at 7:07 PM]

GENERAL ITEMS - Continued

13. **City Council: Adoption of a resolution revising the Policy for the Investment of City of Oceanside Funds, updating the investment parameters for certificates of deposit**

GARY FELIEN, City Treasurer, is requesting this because of the changing financial markets and the ability to hopefully improve some small business lending in the City. The interest rates in New York continue to decline. The interest rates have now dropped to the same level as certificates of deposit (CD's) in the local financial institutions. Within this plan, we are going to stay within the Federal government insurance amounts and one of the unique aspects of this recession has been the collapse of small business lending. The point of this proposal is to revise our investment policy so we can actively deposit funds in local institutions and try and spur some investment lending in our local community, so we needed to make sure we added credit unions as allowable depositories. One of the main concerns related to CD's had to do with their lack of liquidity and that's why the advice from the Citizen's Advisory Committee was to drop the percentage from 15% to 5%, while at the same time allowing the maximum flexibility as far as term, so we advise going from 3 years to 1 year.

Public input

NADINE SCOTT, 550 Hoover Street, sent an email earlier with her objections. She stated there is nothing wrong with changing terminologies - CD's or time deposits - banks use them both. There is nothing wrong with depositing in credit unions. What she objects to is the lessening of the conservative fiscal policies that the City now uses. It is ludicrous to state that this will cause economic stimulus to local banks and businesses. Most banks that fail are small local banks. We all know there is no pie in the sky magic number out there for conservative fiscal investment. The whole point is to get FDIC insured. If you go to a small bank that collapses, you've already lost your interest, they can bring you back to any level they want and they can delay repayment of that CD, or else you incur a penalty. She would like to keep the conservative policy we have at 15%. This is the people's money. This policy change is wrong for the City.

[Councilmember Feller returned to the dais at 7:09 PM]

MARGARET MALIK, 1611 Hackamore Road, agrees with Nadine Scott 100%. It scares her that our City Treasurer would put this out. She has 25 years in banking. She has also managed money and even made money during the crash. She called a man that she knows who has a Master's Degree in finance and economics and asked him if this was good and he said this is crazy. This would be a terrible mistake. We have small businesses failing all around town but it isn't the City's job to bail them out. That money has to be protected for everyone in the City, not just the businessmen.

JIMMY KNOTT, 127 Sherri Lane, disagrees with the 2 previous speakers because he believes this follows in the tracks of other municipalities throughout our State; except Mr. Felien is taking a more conservative approach than other municipalities. Mr. Felien is using the banking system and the Federal law to protect the investments. We need to help our small businesses that are on the edge of collapsing, which will cause our employment and tax base to collapse with them. This is a very creative process. He wishes this was more liberal than it is.

Public input concluded

COUNCILMEMBER SANCHEZ thinks this is outrageous. She thinks there is some kind of "funny money" going on here. She will not support this and is appalled that Mr. Felien would use his office for political gain. She's been here 10 years and has never seen anything like this before. Our citizen's money is never played with like this.

COUNCILMEMBER FELLER doesn't think Mr. Felien did this in a vacuum. He asked Mr. Felien to name the Investment Oversight Committee members and their experience.

TREASURER FELIEN responded the independent oversight committee consists of members who have decades of experience in the financial world and we've had a complete consensus on these revisions. The comments by Councilmember Sanchez are ridiculous. It's absurd to imply that there is some political game being played by making a deposit into Wells Fargo, Bank of America or Marine Credit Union, our local financial institutions covered by Federal deposit insurance. This policy had unanimous consent to go forward in this direction. The policy is virtually identical to the same type program that the County now runs with the same intent, to get local deposits into local banks that will hopefully benefit local businesses.

The Investment Oversight Committee consists of: new member Robert Gleisberg has had decades of experience in finance and accounting, as well as Ed Eyre, Gary Ernst, John Todd and Ray Kennedy.

COUNCILMEMBER FELLER moved adoption [of a resolution revising the Policy for the Investment of City of Oceanside Funds, updating the investment parameters for certificates of deposit] trusting the oversight committee and their

experience.

COUNCILMEMBER KERN seconded the motion. He stated everything is FDIC insured. We are only changing banks to more local banks to maybe stimulate the local lending rather than send our money off to Los Angeles or San Francisco; we can put it in local banks so there is access by local companies. One of the biggest criticisms we have from small business is that nobody is lending. He doesn't know if this will change their attitude because they still have to be a conservative bank. If anybody is across-the-board conservative with money it's Mr. Felien, who also has a Master's Degree in finance. This helps local banks, local companies and the City.

COUNCILMEMBER LOWERY thinks it's a creative idea but he is a little concerned about how much money we actually have to be invested right now.

TREASURER FELIEN responded the amount we have is around $175,000,000 that we're currently investing. He didn't look at the exact figure tonight; it fluctuates based on the comings and goings of what we spend versus what we're receiving.

MICHELE LUND, Treasury Manager, responded that currently the portfolio is at $147,500,000 face value. It peaks when tax receipts are received in December and April. We may reach $160,000,000 at some point during the fiscal year.

COUNCILMEMBER LOWERY spoke with Mr. Felien a few weeks ago and he said when he came on board in his appointed position that we had $225,000,000, then it was $205,000,000 and on the day we spoke it was at $195,000,000. Now he says its $175,000,000, but Manager Lund said it is around $147,000,000. He is concerned about these wide-ranging numbers and the management of our assets. Do we want to make any moves right now or just leave things the way they are so we don't have the confusion that we already have where we're spending thousands of dollars to try and resolve what happened when we tried to change banking institutions. This is not a good time to do anything with our money. He asked Manager Lund if she was comfortable with us having to hire outside people to come into the City to count our money so we can resolve issues that are happening between banks.

MANAGER LUND believes Councilmember Lowery is referring to the bank reconciliation versus the management of the portfolio and those are 2 distinct functions. One lies within Finance and one lies within the Treasurer's office. The Treasurer's office is responsible for the investment of the funds. Because we monitor the inflows and outflows of the cash and what flows through the bank, we are very confident in the level of cash that's invested. She knows that we have $147,000,000 that's fully invested. There might be cash sitting in accounts at the bank that we utilize for the daily inflows and outflows.

The answer to the question is that the investment in CD's is a viable option; it's part of our toolbox in our investment policy and has been since the policy was approved by Council in 1987. We are just updating the language for possible use. We have not invested in CD's since 1987 because it hasn't been an instrument that fit with our portfolio strategy over the years, which is not to say it isn't a viable option. It is something to be considered in the right markets and circumstances.

COUNCILMEMBER LOWERY stated having experience with multiple bank accounts in his business he feels the more locations you deal with the more confusion there is. His reference to the Finance Department versus the Treasury Department is that if something happens, the City has to come back with more money to throw at it to resolve it because we may not be able to resolve something that's been going on where we lost the money. The banks aren't interested in cooperating with us so we have to come up with the research on our own and that's frustrating. He would think the taxpayers would want to keep things close but not necessarily in local banks that would likely be more exposed to failure than large regional or multi-national banks. He would

like to keep things stable rather than looking at any change.

Motion failed 2-3; Mayor Wood and Councilmembers Sanchez & Lowery – no.

CITY COUNCIL REPORTS

17. **Mayor Jim Wood**

MAYOR WOOD announced the Wounded Warriors Chili Cook-Off is September 11th; September 11th is Patriot's Day and we usually have an event here at the flag pole on Nevada Street; Robert Maxwell passed away and his funeral was today.

18. **Councilmember Jack Feller**

COUNCILMEMBER FELLER attended the Labor Day Pier Swim; Kathleen Swigart is leaving for Colorado with 24 years of service; there is a public hearing at Oceanside High School tomorrow night to talk about how Caltrans is going to widen Interstate 5 (I-5) from Oceanside down to Via del la Valle; there is a ceremony Friday night reopening the Herb Meyers Stadium and Athletic Facility; Oceanside Rotary is holding an all-you-can-eat Crab & Barbeque Rib Fest on Friday at the Mission; Saturday is the Ivey Ranch Western Hoe-Down, etc. Bob Maxwell helped save the Oceanside airport.

19. **Councilmember Jerome Kern**

COUNCILMEMBER KERN stated when he first was on Council he walked with Bob Maxwell to save the airport. He announced that Kevin Williams, Commander of Oceanside High School's armed drill team in the Marine Corps JROTC, was selected as one of five candidates nationwide to receive the National Legion of Valor Award; he went to the mock grand opening at Oceanside Ale Works, who is going to be in a reality show called Mentor and is a great asset to Oceanside.

20. **Councilmember Esther Sanchez**

COUNCILMEMBER SANCHEZ announced the Grand Opening of La Perla Tapatia and La Perlita Mariscos Restaurant on Mission Avenue; the opening of a new lifestyle spa called Apotheque September 17th in the old Traveler's building; Oceanside Glass Tile is working with North County Lifeline and Volunteer San Diego to launch a 'stock the school bus' program for low-income students in North County; the Oceanside Historical Society and the Chamber of Commerce are holding a program on the history of the Oceanside Harbors and Harbor Days on September 18th; Harbor Days will be held on October 2nd and 3rd; Jerry Salyer is attending the opening ceremonies of the Hispanic Chamber of Commerce at the San Diego Convention Center.

Regarding the expansion of I-5, we have contacted all coastal cities as well as the County and a representative from each is attending a meeting tomorrow to discuss working together on comments to the EIR. She will provide additional information on that at the September 22nd Council meeting. She read a little from the obituary of Robert Maxwell, who passed on August 27 at the age of 88.

21. **Councilmember Charles Lowery**

COUNCILMEMBER LOWERY attended his first North County Transit District (NCTD) meeting this week; he also attended a neighborhood association meeting at Balderrama Park regarding crime in the area; Vigilucci's is closing their Oceanside restaurant; Noche Mexicana will be here at the Civic Center on September 15th.

INTRODUCTION AND ADOPTION OF ORDINANCES - None

ADJOURNMENT

After a moment of silence in memory of Robert Maxwell, **MAYOR WOOD** adjourned this joint meeting of the Oceanside City Council, Community Development Commission and Small Craft Harbor District Board of Directors at 7:50 PM on September 8, 2010. [The next regular meeting is Wednesday, September 22, 2010, at 3:00 p.m.].

ACCEPTED BY COUNCIL/HDB/CDC:

_____
Barbara Riegel Wayne
City Clerk, City of Oceanside

California

CITY OF OCEANSIDE

MINUTES OF THE:
SPECIAL MEETING OF THE CITY COUNCIL

OCTOBER 20, 2010

NOT OFFICIAL
UNTIL APPROVED AT SUBSEQUENT
MEETING BY CITY COUNCIL

SPECIAL MEETING **3:00 PM** **COUNCIL CHAMBERS**

Mayor
Jim Wood

Deputy Mayor
Vacant

Councilmembers
Esther Sanchez
Jack Feller
Jerome M. Kern
Charles Lowery

City Clerk
Barbara Riegel Wayne

Treasurer
Gary Felien

City Manager
Peter Weiss

City Attorney
John Mullen

The special meeting of the Oceanside City Council was called to order by Mayor Wood at 3:02 PM, October 20, 2010.

PLEDGE OF ALLEGIANCE – None

ROLL CALL

Present were Mayor Wood and Councilmembers Sanchez, Kern and Feller. Councilmember Lowery arrived at 3:03. Also present were City Clerk Wayne, City Manager Weiss and City Attorney Mullen.

CITY ATTORNEY MULLEN titled Item 1 to be heard in Closed Session.

[Closed session was held from 3:02 to 4:00 PM]

CITY ATTORNEY MULLEN reported on the following item:

CLOSED SESSION ITEM:

1. **CONFERENCE WITH REAL ESTATE NEGOTIATOR (SECTION 54956.8)**

Property: 32,060 SF excess State Highway Right-of-Way bounded on the east by APN 160-290-61 and on the north by the Park and Ride lot at Mission Avenue and Frontier Drive; Negotiating Parties: City of Oceanside and State Department of Transportation; Negotiator for the City: William F. Marquis, Senior Property Agent; Under Negotiations: Price and terms of sale

Discussed; no reportable action

2. **Public Communications on City Council Matters (off-agenda items) – None**

ADJOURNMENT

MAYOR WOOD adjourned this special meeting of the Oceanside City Council at 4:03 PM on October 20, 2010.

ACCEPTED BY COUNCIL:

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Barbara Riegel Wayne
City Clerk, City of Oceanside