



California

CITY OF OCEANSIDE

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

FEBRUARY 24, 2010

REGULAR MEETING 3:00 PM COUNCIL CHAMBERS

**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**
Jerome M. Kern
Jack Feller
Esther Sanchez

**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 at 3:00 PM, February 24, 2010.

ROLL CALL

Present were Mayor Wood and Councilmembers Feller, Kern and Sanchez. Also present were City Clerk Wayne, City Manager Weiss, and City Attorney Mullen.

COUNCIL, HDB AND CDC CLOSED SESSION ITEMS

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

CITY ATTORNEY MULLEN titled the following agendized items to be heard in Closed Session: Items 1, 2, and 3A and 3B.

NOT OFFICIAL
UNTIL APPROVED AT SUBSEQUENT
MEETING BY CITY COUNCIL

Closed Session and recess were held from 3:00 PM to 4:01 PM. [See the report out on these items at 4:00 PM, Item 4.]

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

Discussion; no reportable action

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

Property: Approximately 2.74 acres at Cleveland Street and Mission Avenue (APNs 147-350-18 & 19); Negotiating Parties: Community Development Commission of the City of Oceanside and CityMark Oceanside, LLC; Negotiator for the Commission: Douglas Eddow, Real Estate Manager; Under Negotiations: Price and terms for the lease of land owned by CityMark Oceanside, LLC

Discussion and direction; no reportable action

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

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (SECTION 54956.9(a))

- A) Valdez v. City, Superior Court Case No. 37-2009-00083096-CU-PO-NC
- B) Plaza Camino Real v. City et al., Superior Court Case No. 37-2008-00102065-CU-WM-NC

For both items, updates were provided; no reportable action

4:00 PM

Mayor Wood reconvened the meeting at 4:01 PM. Present were Mayor Wood and Councilmembers Feller, Kern and Sanchez. Also present were City Clerk Wayne, City Treasurer Felien, City Manager Weiss and City Attorney Mullen.

4. **CLOSED SESSION REPORT**

CITY ATTORNEY MULLEN reported out on the items heard in closed session. See Items 1- 3 above for reports.

CONSENT CALENDAR ITEMS [Items 5- 17]

All items listed on the Consent Calendar are considered to be routine matters or formal documents covering previous City Council/HDB/CDC instructions. 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 City Council/HDB/CDC or the public through submittal of Request to Speak form prior to the commencement of this agenda item.

CITY CLERK WAYNE reported that a request to speak from the public had been received for Items 9, 10, and 11.

The following Consent Calendar items were submitted for approval:

5. 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 4, 2003, 10:00 a.m. Adjourned City Council Workshop
October 20, 2004, 4:00 p.m. Regular Meeting
October 15, 2008, 4:00 p.m. Regular Meeting
December 2, 2009, 4:00 p.m. Regular Meeting
6. 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)
7. CDC: Approval of plans and specifications for undergrounding the overhead utilities located along Myers Street between Seagaze Drive and Pier View Way, in addition to the upgrade and construction of new storm drains generally located on Myers and Pacific Streets between Seagaze Drive and Pier View Way
8. City Council: Approval of Change Order 2 (**Document No. 10-D0138-1**) in the amount of \$23,006.21 to Doherty Concrete Inc., for construction of the Eastside Neighborhood Sidewalk project, for additional work requested by the City; and authorization for the City Engineer to execute the change order
9. **Removed from the Consent Calendar for discussion**—public request [trailed]
10. **Removed from the Consent Calendar for discussion**—public request [trailed]
11. **Removed from the Consent Calendar for discussion**—public request [trailed]
12. City Council: Approval of Amendment 4 (**Document No. 10-D0142-1**) in the amount of \$16,555 to the professional services agreement with Rick Engineering Company for preparation of plans and specifications for the Loma Alta Creek Detention Basin at El Camino project, for revision of plans and calculations to lower the detention basin weirs for the project; and authorization for the City Manager to execute the amendment
13. City Council: Approval of a professional services agreement (**Document No. 10-D0143-1**) with RvL Associates of Costa Mesa in the amount of \$55,400 for the Wastewater Treatment Facilities Technically Based Local Limits study, and authorization for the City Manager to execute the agreement
14. City Council: Approval of a real property acquisition agreement (**Document No. 10-D0144-1**) with Fredrick H. and Mary Lou Beltran in the amount of \$20,570 for the City's acquisition of a portion of the property located at 4513 Mission Avenue needed for the Mission Avenue Widening at Francisca Drive project; and authorization for the Mayor to execute the agreement and the City Clerk to accept and file the grant deed (**Document No. 10-D0145-1**) with the County Recorder
15. City Council/Harbor: Approval of the revised bylaws for the Harbor and Beaches Advisory Committee, to allow for biannual work plans; and approval of the FY 2009-2011 work plan
16. City Council: Approval to accept \$20,000 in grant funds from the National Endowment for the Arts awarded to the City of Oceanside for the Big Read Program, and approval to appropriate these funds to the Library Department
17. City Council/Harbor: Acceptance of the improvements constructed by NEWest Construction Company of San Diego for the Oceanside Municipal Pier Brace Replacement project, and authorization for the City Clerk to file the Notice of Completion (**Document**

No. 10-D0146-1) with the San Diego County Recorder

COUNCILMEMBER SANCHEZ moved approval of the balance [Items 5-8 and 12-17] of the Consent Calendar.

COUNCILMEMBER KERN seconded the motion.

Motion was approved 4-0.

The Mayor determined to hear Item 23 at this time.

MAYOR AND/OR COUNCILMEMBER ITEMS

23. Request by Councilmember Esther Sanchez for a presentation by JoAnn Fields, U.S. Census

COUNCILMEMBER SANCHEZ went to the opening for the Office of the U.S. Census in San Marcos. She met a lot of dedicated people who are excited about getting the most accurate count for North County. We all know how critical the census is; monies that come back to our region depend on the numbers collected by the census. We need to have an accurate count because California runs the risk of losing one of its congressional seats to a different state. This is critical to make sure that the funds the City pays out come right back to the region and to us and that we don't lose one of our representatives in Washington. JoAnn Fields, with the U.S. Census Office in San Marcos, has been assigned to Oceanside.

JOANN FIELDS, U.S. Census Office, said the U.S. Census is very excited to be working with Oceanside for the decennial census, which is taken once every 10 years. This means we have one shot to get it right so that we can plan and receive the allocations that our communities deserve from the federal government. She said that \$400,000,000,000 is at stake, and we have been working with the City's CDBG coordinator and staff and with Joanne Rush, San Luis Rey Community Resource Center Assistant. We have also been working in the community to outreach and hear from them where we need to look for the hard-to-count communities that may not speak English or that may be new in Oceanside. What is different from Census 2000 is that now we have only 3 partnership specialists working for the entire San Diego and Imperial Counties. For this Census she has been able to hire 4 residents from Oceanside. She asked them to introduce themselves, provide a little background, and the languages they will be providing for constituents in Oceanside.

Jantima Danford, Thai Partnership Assistant 2010; Aua Segi, Samoan Partnership Assistant; Lucia Jimenez, Spanish/Oaxacan Communities Partnership Assistant; and Gwen Sanders, African American Communities Partnership Assistant, spoke in their native languages, encouraging everyone to accurately complete and return the 10-question Census survey by April 1st.

The deadline for the count is April 1. Everyone should expect to receive their questionnaire by mid-March. We will also have "Questionnaire Assistance Centers" set up throughout the City, with staff available to speak in languages for anyone that needs help. There will also be "Be Counted Centers" where people can pick up a questionnaire in case they did not receive it in the mail or if they have more than 12 people residing in their household. With the economic downturn and foreclosures, some families have to live together with maybe 1 - 3 generations. So, if there are more than 12 people in a household, people can pick up an extra questionnaire at the various locations.

The next operation is what is called "Non-Responsive Follow Up." The Census representatives will not knock on your door if you return your questionnaire by April 1st. The next operation is when the Census will send enumerators. It is exciting to have a team from Oceanside, who know the nuances. With City staff giving us advice, support and guidance, we will get a complete count. Then our Community Development Block

Grant (CDBG) funds and applications become stronger because we know the needs of the community. For example, she had never known that there is an emerging Oaxacan community in Oceanside or that West Africans are migrating here or where the shift of neighborhoods are where people are moving. With the census, we can identify the needs and plan for schools, hospitals, etc. Again, \$400,000,000,000 is at stake. She noted that they are still in the process of releasing the special initiative funds, which will be coming from the census.

MAYOR WOOD stressed that the Census is very important and how we get our funding from different sources to help the community. It comes down to counts, numbers, and figures. If somebody out there is worried that they filled this form out and are here illegally, that is not the point. The point is we still have to service those people in this community. If we do not have those head counts, we do not get the money from the state and/or federal government. So, this is very important for the City to get funding and provide services.

MS. FIELDS said for anyone who is representing a community-based organization or creates sponsorship packages, the marketing dollars that you apply for from corporate entities or government agencies all come from the Census numbers. The Census is only once every 10 years, will take only 10 minutes to fill out, but the impact is over the next 10 years.

COUNCILMEMBER SANCHEZ said that, from infrastructure to public safety to roads, the Census is critically important.

This item was for information only, and no Council action was required or taken.

The Mayor determined to hear Item 20 at this time.

GENERAL ITEMS

20. **City Council: Public testimony regarding the establishment of a Tourism Marketing District, pursuant to CA Government Code Section 54954.6**

JANE MCVEY, Economic and Community Development Director, stated that per California law, this is a public meeting to allow the community an opportunity to speak about the Tourism Marketing District (TMD). Council approved the resolution of intention to create the TMD earlier this year. At this time the vote is 81.13% in favor of the TMD. We have received 8 written protests against the TMD which equals about one-half of 1% of the Transient Occupancy Tax (TOT). So, the vote is strongly in favor of the TMD. This is a self-assessment that the tourism industry would place upon themselves to be put into a fund to be used for the newly created Visit Oceanside organization that would be managed and staffed by the hotel industry. We have many people in the hotel industry with us today including a number of our local hoteliers. Council has seen this report before and will be taking final action on March 17th. This is the time for Council to hear any additional public comment.

Public Comment

JOHN DALEY, 631 South Coast Highway, said tourism is important to him. Their restaurant, the 101 Café, was built 82 years ago and was the oldest café on Highway 101 on the entire west coast. He supports the TMD. In this difficult economic time, financially we need to look at different models to operate some of the things in our community. He encouraged Council to support the TMD.

JOHN McDONALD, 5064 Corte Alacante, representing Partners for Innovative Community, said they are working very closely with the Arts /Technology District project with the City, which is important to the City. We support the TMD fully as being a balance to the whole idea of bringing other high-paying industries into the City as well.

LESLEE GAUL, California Welcome Center - Oceanside, acknowledged the hoteliers in the lodging industry and allied business in the industry that support the TMD, and she thanked them for their support. Tourism is a big economic engine for the City and is one of the sources of revenue for the City. Last year the hotel industry alone generated \$3,100,000 in hotel tax to the City's General Fund. The Welcome Center influenced over \$600,000 in tax revenues and supported 400 jobs in Oceanside. This is crucial to our lodging industry because we are made up of small businesses that rely on programs like this to help generate leads to help bring group business to the area, especially in the off-season. So, it is crucial for them, as well as businesses looking to invest in Oceanside. They need to know that there are programs in place and that we are doing things to create a demand to help build their businesses.

From the tourism standpoint, visitors are also seeking an authentic California experience, and they will find that in Oceanside. We are truly an authentic Southern California beach town, and that is what people are looking for. We have a great story to tell, and our history tells us that the economy will turn around. Things will get better, and the TMD will allow us the opportunity to be poised for when the economy does turn around. Oceanside deserves to have the funds to tell our story, to bring people here, and to generate visitor spending just like our competition is doing.

DIRECTOR MCVEY said the next step will be a Council Public Hearing on March 17th to bring all of the final documents to Council for approval of the TMD.

This item was for public input only. No Council action was required or taken.

The Mayor determined to hear Item 19 at this time.

19. **City Council: Acceptance of the 2009 Solid Waste Benchmark Study; approval of a 5.4 percent rate reduction in solid waste rates paid by the City to Waste Management of North County, pursuant to the study; approval to appropriate the 5.4 percent rate reduction savings to the Rate Stabilizing Fund to offset future rate increases; approval of Amendment 4 to the Solid Waste Franchise Agreement with Waste Management of North County to reflect the rate reduction; and authorization for the City Manager to execute the amendment**

JOE ARRANAGA, Deputy Public Works Director, stated this is a request for Council to accept the 2009 Solid Waste Benchmark Study, approval of a 5.4% rate reduction in solid waste rates paid by the City to Waste Management of North County, and approval to appropriate the 5.4% rate reduction savings to the Rate Stabilization Fund. He introduced the consultant who prepared the Benchmark Report - Richard J. Simonson, HF&H Consultants.

A benchmark study is a process undertaken by an independent third party to analyze and compare Oceanside's trash rates with other San Diego County cities. For a true comparison of rates, you need to know what non-hauling fees are built into each city's published trash rate. Mr. Simonson is here to break down those rates and explain why, for example, 1 city would pay \$13 a month and another city would pay \$15 a month. We are contractually obligated to conduct a benchmark study every 5 years to see what Oceanside residents pay in comparison to other cities for comparable services for the express reason that Oceanside residents continue to pay a rate equal to the 3rd lowest rate of those cities surveyed.

So, the benchmarking process is one that both the hauler and the City are contractually obligated to follow. This evening we will be presenting to Council the results of the study, with the recommendation from both staff and the Integrated Waste Commission that Council accept the findings of the benchmark study.

RICHARD J. SIMONSON, Vice President, HF&H Consultants, stated the benchmark study was conducted in accordance with the franchise agreement between the City and Waste Management. The benchmark study is required to level the rates

among comparable jurisdictions. If you solicit gross rates from each of the haulers, you will see varying differences, but there are reasons for those rates to be different - either service is different or city fees embedded in the rates are different. So with the benchmark study every 5 years during the term of this agreement, we are trying to remove those city fees for other services to compare apples to apples for the compensation each of the haulers is receiving. Again, it is to ensure the best combination of rates and services during the terms of this agreement, which was 12 years. It is a contractual obligation, and the last study was completed in 2005.

A question that has been asked is whether this ensures competitive rates. The agreement states that you shall have rate increases based on the change in the Consumer Price Index (CPI) except for during the benchmark study where you try to level those rates. To get a true competitive rate, you must go out and test the market. Oceanside is near the end of the 12-year period, so you will be able to test that market and get some true, competitive rates, which can be undertaken through a competitive procurement process.

He understood the City is currently seeking a consultant to do the competitive procurement. That process typically takes 18-36 months, and you can typically receive 3-5 competitive bids specific to the City. The reason why it may differ from a benchmark study is that the City's specific hauler may be able to provide services at a reduced rate based on if they are providing services to a neighboring jurisdiction, they may be able to save on some fixed costs by coming into Oceanside and spreading those out. They may have a processing facility for yard waste recycling or a disposal facility closer to Oceanside than some of the other jurisdictions that they are serving. So, there is an opportunity to have even better rates than what you may find in a benchmark study, and that is why it is a good idea to go out to bid usually between 7-15 years.

The benchmark study compares the City's rates to those in the County of San Diego, excluding the City of San Diego since their situation is unique. When the contract was written, they were excluded from that as part of the Franchise Agreement. This methodology is broken into 2 phases. First it is to adjust the rates for City fees that are embedded within the jurisdictional rates, and approximately 17 jurisdictions are looked at. After adjusting for the city fees, it is narrowed down to the lowest 5 to save time. It takes extensive research in order to understand all of the variances between the jurisdictions. Undertaking 17 would be a greater burden, so the Franchise Agreement limits Phase 2 adjustments to the lowest 5.

That brings us to Phase 2 where we look at the lowest 5 jurisdictions and then adjust their rates by the differences in the services being provided to each of the jurisdictions. They do vary; one jurisdiction might have weekly collection and another might have bi-weekly collection.

Phase 1 methodology is that first we collect the gross rates, which include any city fees. Then we adjust those rates and remove the franchise fees. If it is 10%, then we would reduce the rates by 10%. There are other city fees such as AB 939. Again, these are reduced from those gross rates because they are not retained by the hauler. Again, we are trying to look at what the hauler is being compensated. In addition, Oceanside does their billing. Therefore, any jurisdiction where the hauler does the billing, we will reduce their rates to compensate for that also. We are trying to get to the same cost and services and what the hauler is receiving for those services.

For the Phase 1 results, Waste Management (WM) does submit their analysis and stated that the rates in the City are 10.6% on average higher than the 3rd lowest in the County. HF&H looked at those numbers, called individuals, researched the franchise agreements, made some adjustments to WM's analysis and found Oceanside to be approximately 12.6% higher than the 3rd lowest.

He provided a breakdown of why you cannot look just at the gross rates. Again, for Oceanside \$19.44 per month is what we are calling the gross rate, the rate the

ratepayer sees for solid waste services. In San Marcos it is \$19.65 a month. You could look at those and say they are comparable. However, within those fees are embedded some city fees. Oceanside has a minimum of \$1.22 for storm water and contract administration embedded in their gross rates. In San Marcos they have a \$.51 AB 939 fee, and the hauler does the billing equating to approximately \$.12 per month per resident. There is a \$2.18 storm water fee and a 6.5% franchise fee. Once you reduce the gross rates for that, you get a different picture. Oceanside's gross rate is \$18.22 while San Marcos is \$15.74. This just illustrates why we go through the process. The franchise agreement laid out this process to reduce gross rates by any city fees that are being charged and embedded in those rates.

That brings us to Phase 2. Once we have determined the gross rates for all the jurisdictions within the County, the Franchise Agreement states that you will take the 5 lowest and adjust for extraordinary costs as laid out in the agreement. WM submitted those costs and said it is costing them approximately \$2,200,000. HF&H looked at those numbers, asked questions, researched, compared industry standards and found it was actually \$1,900,000; we adjusted that accordingly.

WM's extraordinary costs are then allocated on a per month basis to each of the different service levels – single family, multi family, commercial service levels, and 3 cubic yard/1 time a week services. There are many different service levels and rates within each of the jurisdictions. The cities and other jurisdictions' rates are then adjusted, if the extraordinary services being supplied to Oceanside are also being supplied to some of the other jurisdictions. After doing that, we found that the City's rates were 5.4% higher than the 3rd lowest, which equates to approximately \$950,000 a year.

Extraordinary services include unlimited bulky item collection. Oceanside residents are provided with unlimited bulky item collection. Couches and mattresses can be placed out for collection at no charge. Typically within the industry you see maybe 1 to 4 bulky item collections at no charge, and then they are charged for anything greater than that. Therefore, the unlimited nature is deemed extraordinary, as are clean-up events such as yard waste, Christmas tree pick-ups, and spring and fall clean ups for each residence. Extraordinary services also include beach and City litter container collection over and above what is provided to the residents and commercial. There are also City cans collected by WM, and roll off services are provided to the City. There is also Household Hazardous Waste Services and the contractor supplying green waste and recycling containers instead of the residents supplying those containers. WM is then tasked with disposing of the street sweeping material that is collected from the City's street sweeping operations.

The last extraordinary service is for the multi-family stinger truck collection. Within the recent 5 years, the City has included some multi-family developments, which are tight with regard to getting a large collection truck onto the property to collect the material from the bins. WM has found they need a smaller truck to collect that. So, within their submittal they asked to be reimbursed for that truck. This is a disallowed cost according to the Franchise Agreement and was not included in the extraordinary services.

He then explained a breakdown of what was supplied from WM with their annual cost to provide these services. Looking at a computer slide of that breakdown, the first column shows what was allowed in 2005, which was the last time the benchmark study was conducted, and what was submitted in 2009, which was \$2,200,000. HF&H reduced that amount based on their audit to approximately \$1,900,000.

Phase 1 adjustments show that Oceanside is paying approximately \$18.22 net of City fees, and San Marcos is paying \$15.74 net of City fees. They looked at the extraordinary costs for those services provided to the residents and businesses of Oceanside. This gives you an idea of those costs to each resident on a per month basis. For instance, the unlimited bulky collection is costing residents \$.90 per month

regardless of the number of bulky items that are disposed. Clean up is costing residents \$.18 per month. So, this is what is reduced from the adjusted rate of \$18.22 to get a comparable rate for the services being provided to each of the jurisdictions. This is done for the lowest 5 cities. He just showed San Marcos to give Council an idea of the methodology.

There are many different service levels. What is looked at during the benchmark study are the residents, a commercial business receiving 1 day a week service from a 3 cubic yard bin or 2 days a week service from a 3 cubic yard bin or 3 times per week from a 3 cubic yard bin. These are the results of those Phase 1 and Phase 2 adjustments. He highlighted the 3rd lowest jurisdiction within each of the categories. Each jurisdiction sets rates differently; therefore, you have a different 3rd lowest depending on which rate you are looking at. At the conclusion of their analysis, National City was the 3rd lowest when considering everything combined. However, if you look just at each of the individual service levels, you will see they are never specifically the 3rd lowest. Taken as a whole, they are the 3rd lowest. The 5.4% reduction to Oceanside's rates on average will tie with National City's rates.

He discussed what is involved in doing the process. First there is data collection and discussions with City staff. They also looked at rate schedules published on an annual basis, and the rates they looked at were July 1, 2009. They reviewed current Franchise Agreements with each of the other member jurisdictions. They also looked at recent surveys that have been conducted by HF&H and others. They reviewed cities' websites to verify some of the information, making sure it is current. They also had discussions specifically with the haulers during Phase 1 and sent questionnaires to get more detailed information from the haulers for Phase 2 to understand the cost and services being provided by the other haulers.

That is just a brief run down, and Council has a report stating that at the end of Phase 2, the 3rd lowest jurisdiction is National City. To get Oceanside on average, Oceanside's rates should be reduced by 5.4% or \$950,000 a year.

Public Input

JIMMY KNOTT, 127 Sherri Lane, attended all of the Integrated Waste Commission hearings and had asked questions. This study could have been done for free through the County. San Diego County has a Technical Advisory Committee (TAC), and Oceanside has a representative on that committee. They studied all of the same elements that this report by HF&H has in it. He was surprised that our City decided to use money to pay for this report. Also during the process, staff seemed precluded from putting the TAC study into evidence. The TAC information seemed to be diminished even though it was superiorly valid.

Other missing revenue generation items in this study need to be taken into consideration. After observing the Hazardous Waste area for a number of hours, other communities seem to be using our facilities with little or no monitoring and no charging of the other communities for using this facility. Businesses are not being charged, like the Green Waste facility in our City, by weight or load. Bulk items include metal. We have a metal recycler. There is money to be made that way. Why is that revenue not being considered? Electronic waste revenue can be generated, which is part of this study as well. Why isn't that revenue being considered? These are offsets. The City is also doing the billing. Why is this not being considered? There is a lack of competition. Why is competition and free enterprise not allowed in Oceanside? Why are we exclusively using WM; this is a monopoly.

Public input concluded

COUNCILMEMBER SANCHEZ was present at the Integrated Waste Commission meeting where the presentation was made and had an opportunity to ask a lot of questions. There was a lively debate among the Commissioners. This benchmark

study probably 5 years ago did the same thing by raising a lot of questions about our contract and things we can do better in terms of having a long term contract. She had asked where they got the information to create this document and whether the documents were in possession of the City or the hauler; she was told both. There were certain things having to do with hauler information that could not be shared with the public, so to her there is a sense of lack of transparency in how we really determine the true costs of each of the things that we currently have in our contract and what it would cost us in a different contract. She did note the \$300,000 reduction that was made by the consultant in terms of the numbers. One of the Commissioners asked why we have to do pickups for green waste and/or recyclables every week vs. every 2 weeks, to bring our costs down. If you look at absolute numbers, Oceanside resident rate payers are paying the highest in the County. These are things that were discussed. At this point, this is the information that we have.

COUNCILMEMBER SANCHEZ moved approval of staff's recommendations that the City Council accept this benchmark study; approve the 5.4% rate reduction paid by the City to Waste Management pursuant to the study; approve the appropriation of the 5.4% savings to the Rate Stabilization Fund; approve Amendment No. 4 (**Document No. 10-DO147-1**) to the Solid Waste Franchise Agreement with Waste Management to reflect the rate reduction, and authorize the City Manager to execute the amendment.

MAYOR WOOD seconded the motion.

COUNCILMEMBER SANCHEZ had a lot more questions after the presentation than she did before. It just speaks to the changes that we have had in the last 5 - 15 years since we started this contract.

COUNCILMEMBER FELLER said we are now accused of accepting waste from other cities. He would like to clear that up before we go further. If hazardous waste, green waste, recycling, etc. is being brought to Oceanside from other cities, are they paying for it?

He noted that Oceanside's streets are very clean, and it is in part due to the relationship that we have with our hauler to accomplish many of the things you brought up in the benchmark study. It has everything to do with what would happen if we did not have all of these things. At this point, he is willing to accept what we have here, but he wants the questions answered.

KEN RYAN, District Manager, Waste Management, said the specific question was regarding household hazardous waste coming from other cities. The City of Carlsbad does bring some to the Oceanside Center, and they pay for that. The benefit that accrues to Oceanside is that because there is more volume coming in, the City of Oceanside gets a better unit price. There is a MOU with the City of Carlsbad, and all of the environmental approvals are in place. It does help to amortize the cost of household hazardous waste across a greater number of customers. He believes Carlsbad pays \$72 per car.

PETER WEISS, City Manager, noted that Councilmember Feller also asked about green waste. The answer is the same as for household hazardous waste. The facility takes in green waste from other agencies, but they pay a different tipping fee than Oceanside pays.

COUNCILMEMBER FELLER said that is a benefit because only residents of the Oceanside can take that mulch out of there for their own use on their own properties.

COUNCILMEMBER SANCHEZ asked what the rate stabilization funds are used for.

CITY MANAGER WEISS responded that under the current agreement, WM is

entitled to a CPI adjustment that goes into effect in July of each year. For example, if the CPI adjustment were 4%, in order to avoid passing on a 4% rate increase to our residents, when we did the benchmark study, those funds were deposited into the Rate Stabilization Fund so that we could either eliminate the need for a rate increase at all or reduce that need. Last year the CPI was 3.8%, and we did a 1.4% rate increase because we used the Rate Stabilization Fund to reduce that rate increase to our residents. So, rather than do 1 large rate increase after 3 - 5 years, we essentially buy down that rate increase with these funds.

COUNCILMEMBER SANCHEZ said we will have an opportunity sometime soon to discuss what would be good to have in a long-term contract. For now, what we have is simply this item before us having to do with a study that was done comparing rates with others, trying to match apples to apples to really see how we could get to the 3rd lowest. There are a lot of questions that have been raised again. For example, weekly sweeps of some neighborhoods including East Side and Crown Heights. She does not see a reason for that. That is a very expensive proposal and is something she hopes we will eventually look at. Rather than do something like that, we should be doing more code enforcement. There needs to be a real looking at this contract. We are having people pay for things that perhaps we are not getting the best level of service for all of our residents. We will have that opportunity.

MAYOR WOOD noted this is the largest contract in the City. He has had nothing but wonderful dealings with everybody from WM. However, Ken Ryan's job is to get the best deal he can for WM. Mayor Wood said his job is to get the best deal he can for the residents of Oceanside. This is confusing, and there are a lot of ins and outs of the contract and deals. We have to work together.

On the other hand, what he did not like was that when information came up about a Transfer Station, that is the first time he took it upon himself to try to learn a few things. He asked people about it. As he asked more questions, he found out that he obviously did not know very much about this particular field with the major costs and some of the issues. He started calling around to other cities, talked to other people who had some knowledge, and went out and visited some sites including Transfer Stations. There is 1 in Carlsbad, 1 in Fallbrook, and 1 in Escondido. So, the thought was do we need one. Do I want to give up our Fire Department training ground for one? That is what started him looking and asking questions. With that in mind, it is a business deal that needs to be looked at.

WM has done an excellent job. Citizens call Council and ask why we have the highest rates in the County. That is sometimes hard to answer unless you look into it. That is what it is really all about - to look into what is best for the City. The Franchise Agreement states that we will have an independent consultant do the study and not necessarily somebody from the County. It is important that during this process, we ask questions. If we can have a win-win situation for WM and the City, let's do that. This is really the first response back in trying to deal with WM on a future contract. When he looks at other cities and sees that they get 15% from a franchise deal or more than \$1,000,000 or there are other fees that they don't pay and we do, you have to start looking into the small print and the details; that is what this study is all about. He has other concerns, but that is not for right now because this agenda item is strictly regarding the benchmark study and we have already made a motion.

COUNCILMEMBER FELLER pointed out that street sweeping is not part of the WM contract.

Motion was approved 4-0.

The Mayor determined to hear Item 18 at this time.

18. **City Council: Introduction of an ordinance amending Chapter 6, Section 6A.4 of the Oceanside City Code to allow the Chief of Police to grant exemptions**

from the requirement that all alarms, including those at Police facilities, be monitored by a private vendor and then forwarded to the Police Communications Center, thus enabling the Police Communications Center to directly monitor intrusion alarms at Police facilities.

FRANK McCOY, Police Chief, stated the Police Department currently has 3 facilities being monitored by a private alarm company. When there is activation to the alarm at one of these facilities, the signal goes to a private company, and they in turn call the Police Dispatch Center to have a police response. It would be more secure, efficient, and save the City approximately \$195 a month to have these alarms monitored directly by our Communications Center. Therefore, staff and the Police and Fire Commission request that Council introduce an ordinance to amend Chapter 6A.4 of the Oceanside City Code to exempt alarms installed at the police facilities from the prohibitions contained in said ordinance.

Following titling of the ordinance, **COUNCILMEMBER SANCHEZ** moved to introduce an ordinance, "...amending Section 6A.4 of Chapter 6 of the Oceanside City Code to add an exemption from the alarm monitoring prohibitions contained in the ordinance for police facilities"].

COUNCILMEMBER FELLER seconded the motion.

Motion was approved 4-0.

The Mayor determined to hear Item 24 at this time.

CITY MANAGER ITEM

24. Update on current City Budget situation

CITY MANAGER WEISS said this item is to give Council a brief overview of the City's budget situation. Council has in their packet memos that were sent out a week and a half ago. The memos outline the current status in regard to sales tax revenues, the fact that we have used reserves in this current fiscal year to balance the budget, and what we are looking at for the Fiscal Year 2010-2011 budget. This is an information only item for Council. Teri Ferro, Financial Services Director, will make the initial part of the presentation and then he will go over what we will be looking at in regards to departmental process and the overall City process for putting together additional plans to address the budget situation.

TERI FERRO, Financial Services Director, gave a snapshot of what we think the General Fund Revenues collected for Fiscal Year 2009-2010 will be. We had a budget reduction plan brought before Council in October 2009 where we brought forth a reduction of approximately \$5,000,000 in revenues. Unfortunately, they continue to erode and decline. At this time we are projecting that our revenues to the General Fund will be approximately \$110,000,000. Of the various categories, property tax represents approximately 42%, and sales tax is approximately 15%. Between those 2 revenue sources, which are eroding quickly, it does affect available funding.

Unfortunately for this fiscal year, our expenditures are going to be almost \$115,000,000, and that includes the budget reduction plan that Council adopted in October. At that time there already was a deficit, and the fact that the revenues are eroding is just adding to the deficit. She said 68% or \$78,000,000 of the budget is personnel; we are a service agency. There is approximately 12% or \$14,000,000 for the day-to-day operational supplies, maintenance agreements, etc. Internal service is all of the various support services to the General Fund and includes debt service, fleet, operation of the City facilities, Risk Management, and Information Technology.

She displayed a computer slide showing where the \$114,700,000 expenditures are going, broken down by the types of services we provide. She said that \$68,800,000

(60%) is spent for public safety. That is a priority with Council, and that is where a majority of the funding goes.

We have public works, development services, various community and cultural services, general government (administrative support), and some non-departmental expenses. She used a computer graph that is showed where we were in Fiscal Year 2008-2009. We had the auditor out in January to present the Comprehensive Annual Financial Report (CAFR), and at that time the report showed that we used almost \$3,000,000 in reserves. We had a deficit we had to bridge in Fiscal Year 2008-2009. For current Fiscal Year 2009-2010, we have another \$4,400,000 deficit, and that will be funded from reserves. Going forward, the deficit is growing without corrective action plans. These are preliminary numbers, and we are still going to be fine tuning the 5-year forecast that will be released to Council in March. Right now we are looking at an \$8,000,000 deficit for Fiscal Year 2010-2011.

CITY MANAGER WEISS said we are preparing for the shortfall, as was done last year. Departments are working with staff and bargaining units to put together a plan to address that shortfall. The focus is going to be on providing those core services to the community that are absolutely necessary. We are also looking at some potential revenue enhancements, such as our downtown parking meter rates. We are at a point where the services we are providing to the downtown beach and harbor areas are significantly higher than some of the recovery rates. Our parking meter rates are also one of the lowest in the county. So we are looking at bringing those back to Council at some point. They will not generate significant amounts of money to solve the budget problem, but at this point as we look at every \$100,000, it is the equivalent of a fully loaded position. In some cases it is a little higher and in some cases a little less, but that is just a rough average.

We are also looking at some fire prevention cost recovery. We are currently providing a number of services within fire prevention to a select group of multi-family users and other inspection services that at this point are being subsidized by the general public. Since there is a direct benefit to a small group of users, we are looking at coming forward with a recovery fee for that effort. We have also talked to Council in the past about the community garden property on Bush Street, which is owned by the City. The Housing Department is interested in the potential of over the long term to convert that into an affordable housing project. We have the ability as a City to sell the property on an installment basis to the Community Development Commission, which would generate roughly a 5-6 year revenue stream.

The other thing we are looking at as an exploratory issue is the potential of a City-wide sales tax that was discussed with Council during a goal setting session last year. At this point it is tough to look at things like that, but we are going to look at other cities that have had a city-wide sales tax passed, the potential, and do some sampling to see if that is even something that the community is interested in. The reality, as we start looking at some of those reductions to close an \$8,000,000 gap, is that it is going to significantly impact the services that we provide to the community.

We have sent to Council a recommendation that a number of lower priority projects be suspended. Those include the design of the beach restrooms, the Harbor Aquatics Center, the design of the amphitheater, the College Boulevard landscaping project, and the Oceanside Boulevard Specific Plan. The Specific Plan is a direct benefit to the General Fund as a source of one-time money and on-going costs, which results in the reduction of a position. There was also an issue of doing the City-Wide General Plan update. Because of the cost and effort to do that now, we are recommending it be a low priority in comparison to the potential for a reduction of public safety and/or other critical positions. We are continuing to look at the other capital projects, but there are a number of those that are job related where there will be streets, storm drains, sewer, water projects that we do need to move forward on. We are going to evaluate all of those as we bring them forward.

What we are looking at is not a short-term problem. The projections that we have seen from SANDAG indicate that there may be some modest recovery, but that recovery is not going to grow as rapidly as we saw growth in the early 2000's through the 2007 period.

Our key is essentially that we have to reduce our costs. There are essentially 2 ways to do that: by reducing our expenditures and reducing the cost per employee or the number of employees. In order to reduce employee costs, one of the things that have been suggested in the past is looking at furloughs, pay reductions, and greater employee participation in the City's retirement portion. The employees' package is roughly 8-9%. If all of the employees paid the employees' share, that amounts to approximately \$3,500,000 a year. However, any of those options require the employees' and their bargaining units' participation and agreement. We are actively meeting with several of those bargaining units in negotiations, and as those move forward, we will certainly keep Council apprised. Short of that, we have to look at what to do as a City to participate with our employees and look at the service reductions we need to meet. If we get into reducing the number of employees, that directly impacts the programs and services we provide to the community.

We have started a process to look at and evaluate the potential cost savings if we outsource certain services, rather than eliminate them. Those would include our ambulance billing services, custodial services, street sweeping, recreation services, library services, certain maintenance functions, and potentially the El Corazon Senior Center. We do not know if those are feasible alternatives at this point; we are just exploring them to see if those have any valid options.

Something that was brought to his attention, the City of Escondido is looking at the County taking over their libraries because they can do it cheaper. Deborah Polich, Library Director, has been proactive in that regard and has put together a limited study to look at what those costs would be. From what we saw in the newspaper of what the County's cost would be for Escondido, our costs are cheaper than those at this point in time. However, that does not mean that we are comparing apples to apples. We are going to need to see what those are and at least do an assessment of those to see if there are services we can keep providing to the community that can be done cheaper by some other entity or group. As we develop those, we will certainly let Council know.

As he mentioned, that \$8,000,000 shortfall is significant. Staff will bring Council a plan that will address that shortfall. Our goal is to focus on providing those services that are absolutely necessary, and we will look at reducing or eliminating those that are not. We have provided each department a target. That target right now to meet the \$8,000,000 shortfall is a 5% reduction in public safety which includes police, fire, lifeguards, and code enforcement; and a 20% reduction for all non-public safety departments. We expect to have a draft plan prepared by mid-April and plan to schedule a Council Workshop on April 28 to present those. We are going through a discussion process internally, and then we are also looking at doing some additional outreach to the community.

Tonight staff is not asking Council to take any action or provide any direction regarding where you would like to see those reductions. We are going to bring that back to you in April.

Public Input

JIMMY KNOTT, 127 Sherri Lane, said it is unfair for the City Manager to do this alone without the citizens having input. The citizens should be bringing the plan to Council; it should be mutually developed between us. Another thing is that not all sources of income are being considered or collected. On-line he put out a questionnaire to some of his people. They asked why all of the Transient Occupancy Tax (TOT) is not being collected, such as the beach rentals. We are not investigating that.

Also, there are unfunded mandates. In numerous areas duties have been transferred to our City from other agencies. Why aren't they paying for those duties? Agencies within our City have to pay those costs.

Finally, regarding the Oceanside Boulevard Specific Plan, a majority of those people on the committee volunteered to come back. The City Manager has on his desk a volunteer plan to take that over. It will cost basically minimal to nothing. We would be willing to spearhead that. Listen to the volunteers.

COUNCILMEMBER FELLER said some of the leadership in communities in the State from City Managers to directors are taking pay cuts. Has our City considered that at this point?

CITY MANAGER WEISS replied yes we have. We have had a meeting with a number of folks. It would still require the Council to approve a contract change for the unrepresented employees. I believe that is something still open for discussion with a number of those folks.

COUNCILMEMBER FELLER said this is an important precedent to set. The City Manager has given Council a dollar amount that we have to make up. This is \$8,000,000 that the City does not have and will not have for the next year. The City Manager has offered the \$4,000,000 that is left in the reserves. What happens if somebody wanted to use the reserves going forward?

CITY MANAGER WEISS replied that the \$4,400,000 essentially exhausts your reserve balance. There is still approximately \$14,000,000 in your Healthy Cities Reserve that would be available. Should you want to use that, he would recommend that some of that money be set aside specifically for potential emergencies such as potential lawsuits, damage, or facility damage that would not be an emergency for recovery of those costs.

COUNCILMEMBER FELLER said we have to move toward meeting halfway on this because we are facing a huge problem. The City Manager has told us the story, and the citizens of Oceanside need to know that if we keep going in this direction, we are going to be in a position where we will have no money left. We may not have a recreation department, libraries, swimming pools, and certainly not sand on the beach. This is pretty much universal; the whole United States is struggling. If we do not resolve a fix, we are going to be broke. He challenged anyone who thinks we are hiding something; the City does not have hiding places that big. The funds are just not there. He referred to the 5% public safety and the 20% reduction in other departments. He asked if that solves our \$8,000,000 deficit for next fiscal year (2010-2011) and \$10,000,000 deficit for the fiscal year after that (2011-2012).

CITY MANAGER WEISS said it solves the \$8,000,000 for next fiscal year (2010-2011). It does not address the problem beyond that.

COUNCILMEMBER SANCHEZ already talked to the Mayor about his Blue Ribbon Committee. She intends to work with the Mayor and City Manager in coming up with a budget that is going to address our residents' needs. We understand our critical needs. We have been getting a lot of emails over the last few months regarding what we have looked at for cuts in the past. She is looking to the Mayor's leadership and believes that together as a community, we will come up with what is best.

MAYOR WOOD will work very closely on a daily basis with the City Manager trying to address the shortfalls for the City. We are here to provide services to the citizens. He will make sure that essential services are always addressed. This agenda item is for informational purposes only. We will have more public meetings regarding this. He was looking into a Blue Ribbon Committee to address some of these concerns to get people "outside of the box" coming here to talk to us. Council will try to drive more revenues to our City and address these concerns that are not only Citywide, but County-

wide, state-wide and nationally.

This agenda item was for information only. No Council action was required or taken.

[Recess was held from 5:32 to 5:44 PM.]

5:30 P.M. – INVOCATION

Pastor Carl Souza gave the Invocation. The Color Guard and Members of Cub Scout Pack 787 led the Pledge of Allegiance.

PROCLAMATIONS AND PRESENTATIONS

Presentation – "Pet of the Month" presented by Elkie Wills, San Diego Humane Society North Campus

Proclamation -2010 America Saves Week, February 21-28

Recognition of Dennis and Diana Cleary, recipients of the 2010 City of Oceanside – Martin Luther King, Jr., Community Service Award

Presentation – Mayor's Youth Sports Recognition and Appreciation Award -- Park and Recreation's "Dragons" basketball team

Off agenda – presentation to MLK nominee Zondra Greene

Presentations were made

The Mayor determined to hear Item 32 at this time.

6:00 PM - PUBLIC HEARING ITEMS

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

32. City Council: Approval of the Crown Heights/Eastside Neighborhood Revitalization Strategy Area Plan, and authorization for the City Manager to submit the Plan to the U.S. Department of Housing and Urban Development for approval (*hearing continued from January 6, 2010*)

- A) Mayor opens public hearing – Public hearing was opened.
- B) Mayor requests disclosure of Councilmember and constituent contacts and correspondence – Mayor Wood had staff contact; Councilmembers Feller and Kern had staff and public contact; and Councilmember Sanchez had staff contact and attended community meetings and talked to public.
- C) City Clerk presents correspondence and/or petitions – no correspondence
- D) Testimony, beginning with

MARGERY PIERCE, Neighborhood Services Director, stated this is the final plan for the revitalization strategy for the Crown Heights Neighborhood.

We adopted a strategy area in 1998 in what was called the Calle Montecito Neighborhood and is now known as the Libby Lake Neighborhood. It is a geographic area that Housing and Urban Development (HUD) requires us to define and determine what kinds of things we would like to do. In Calle Montecito we did a geographic strategy to improve that neighborhood, which included development of the community center, park improvements, construction of a new childcare facility, and the Habitat for

Humanity homes.

Based on that model, we have now put together the Crown Heights Revitalization Strategy. That basically is the Crown Heights Neighborhood with boundaries from Bush Street by the Ron Ortega Park and then across to San Diego Street and down to Lemon Street. It encompasses the Joe Balderrama Recreation Center. We wanted to do a strategy because it gives us a work plan to focus our resources toward making improvements in that neighborhood. The strategy has been developed over a number of years, so some of those improvements have already been made such as alley and sidewalk improvements. A new major component that Council did not see in the Libby Lake Neighborhood is the opportunity to do some economic development type projects. With the business owners along San Diego Street, we hope to be able to do some undergrounding of utilities, some façade improvements in the gateway into the neighborhood, and to work with some of the residents in micro-enterprise type businesses. Council has heard about this plan a number of times and has attended community meetings. It is very similar to the Libby Lake Neighborhood, with different elements to fit this neighborhood.

We want to empower the residents to make improvements to their own neighborhood and to focus resources and attention in this area. We would like to send the plan to HUD for their approval. We believe that the bottom line result is that it will bring income to Oceanside. It will improve property values in the area that we have designated, which will result in additional property tax and revenues to the City. She recommended that Council approve the plan and direct staff to submit it to HUD for their approval.

Public Input

JOAN BROWN, 511 Rockledge Street, said according to the 2007 Comprehensive Annual Financial Report, in 2007 the City began development of the Crown Heights Neighborhood Revitalization Strategy, to assess economic viability, needed improvements and neighborhood density issues with the goal of improving neighborhood safety and liability. She is all for that. To prepare this report, Community HousingWorks was granted approximately \$100,000 for this study. Somewhere along the way, Councilmember Sanchez brought the Eastside into this, and Council approved adding the Eastside to the Neighborhood Revitalization Strategy Area (NRSA) plan. As of now she is not in agreement with this plan; it is too generic. She does not agree with the demographics. She does not see this as a revitalization strategy, but rather a health and social service program. It is focusing too much on the affordable housing.

Crown Heights is west of Interstate 5 and a 10-minute walk to the beach. It now is probably the most affordable housing on the California coast. This is a neighborhood that is segregated to remain what it has been - over 90% Hispanic low income. Health services are within walking distance to the North County Health Services on Mission Avenue. Now there are 12 non-profit corporations in these 2 neighborhoods. Community Development Block Grant (CDBG) funds are to be used for desegregating. If you truly want to separate, use the arc that was suggested in this program to use to the Eastside and bring the Center Street Gang to the Posole Gang at the new resource center that is being proposed at Balderrama Park to the tune of \$5,000,000. It has already cost \$240,000 for the study. Close the resource center in Crown Heights for the purpose it is being used for now and convert it to arts and crafts and music use as suggested on Page 14 of the report, as the residents suggested, and a preschool for the whole surrounding neighborhood, not just Crown Heights.

The same problems in this report were the same things that were suggested in the 2005-2010 report, and not much has changed. In the last 5 years, some alleys have been resurfaced, and 5 new street lights have been erected, along with many wires adding to blight and many square feet of artificial grass that she was so against because it is not sustainable. The weeds are already on top, and not one tree has been planted. Now, they are talking lighting up the Brooks Street Bridge. Open up overpopulated

Crown Heights by planting grass/trees on the brown fields in Ortega Park. Enhance Brooks Street to San Diego Street, and maybe the rest of the City will come to these 2 areas

MARIA RUSSELL, President of the Eastside Neighborhood Association, said they are very excited to participate in the application for funds for the new Balderrama Park. As an association they try to improve their neighborhood. They bring resources to the community and see what the community needs. They work closely with their Neighborhood Police team and bring in events like Dia Del Nino, National Night Out, and Las Posadas. This park will create an anchor in our community. Our community has grown tremendously, and one of our greatest challenges has been to provide a place where our youth can come to participate in afterschool activities, participate in sports, art and workshops, and be inspired to want more in their lives. We really need Council support.

[Public input concluded]

COUNCILMEMBER FELLER noted that a speaker just mentioned the brown fields, which is the landfill. He asked if it is possible to put grass on the property and could it be part of this plan?

In response, **DIRECTOR PIERCE** did not know if grass would grow on the former landfill property, but staff could check. This is not the plan; it evolves over the life of the plan and so it is something that we will be adding to as funding becomes available. It is very fluid. We can look into creating more green space.

COUNCILMEMBER FELLER said it is used now by soccer groups. They can do a lot with landfills now. We have a great facility out there with a lot of green waste and mulch that can mix in with the dirt.

He **moved** approval of staff's recommendation [that Council approve the Crown Heights/Eastside Neighborhood Revitalization Strategy Area Plan (**Document No. 10-D0148-1**) and authorize the City Manager to submit the Plan to the U.S. Department of Housing and Urban Development for approval].

COUNCILMEMBER SANCHEZ **seconded** the motion. She asked staff to address some of the issues that were raised.

JOHN LUNDBLAD, Management Analyst, clarified that the total funding to Community HousingWorks was \$50,000 for the development of the plan. They do receive CDBG funds each year for ongoing work in the neighborhood.

DIRECTOR PIERCE added that Community HousingWorks is an integral component to this whole plan because HUD requires the City to work with a certified community development organization, which they are.

COUNCILMEMBER SANCHEZ questioned the concept of the area to study.

DIRECTOR PIERCE said the area was done by a previous Parks & Recreation Director as they were looking at all of the facilities such as the Brooks Street Pool, the Boys & Girls Club, Ron Ortega Park all the way over to Balderrama. There was a synergy and connection between those neighborhoods and all of those facilities. That is how that area got incorporated into this strategy.

COUNCILMEMBER SANCHEZ cannot take credit for including the Eastside Neighborhood, although she sees the rationale. Both neighborhoods share similar socio-economic factors and both are primarily residential. There is that strip of commercial. Her understanding, at least prior to the affordable housing project that was placed there, was that Crown Heights especially is a very high density area, but the rents are actually market rents and it is not affordable housing.

DIRECTOR PIERCE said some do not understand that, although low-income people live in the Crown Heights Neighborhood, the rents there are market rate rents. There are actually now 2 affordable housing complexes in that whole area that we have identified. One complex, owned by SER Jobs for Progress, is apartments next to the Americanization School. The second is that Interfaith opened a transitional housing development for veterans. Those are the only 2 affordable housing projects in that whole neighborhood. Everything else is market rate. Obviously, there are a lot of issues that get associated with market rate rents when people are not making a living wage, and then you end up having families living with families. We are hoping that by creating other opportunities for them, we will not have that overcrowding and all of the social problems associated with overcrowding.

Motion was approved 4-0.

The Mayor determined to hear Item 21 at this time.

MAYOR AND/OR COUNCILMEMBER ITEMS (cont.)

21. **Request by Councilmember Feller for presentation by Catherine Hill, League of California Cities, regarding "Local Taxpayers, Public Safety and Transportation Protection Act of 2010"**

COUNCILMEMBER FELLER said this is important because there are initiatives out there that are coming forward with sponsorship by the League of California Cities. It is important that we work with the League in trying to understand the issues that the entire State is going through. He introduced Catherine Hill, who is knowledgeable about the threat to local governments in California.

CATHERINE HILL, Regional Public Affairs Manager, League of California Cities, presented an overview of an initiative, speaking in support of that resolution. She provided background information on why we are where we are now.

In a typical city, most funds (2/3rds) are already restricted because there is already a designated use for them. Discretionary funds come from property tax, sales tax, and other taxes, all of which have been declining in recent years with the decline in that tax revenue and from other governmental subventions, especially from the State. In a typical City, when you are looking at only 37% of that money that is discretionary, you spend approximately 60% of it on your public safety. The other quality of life products for the community are the parks, libraries, maintenance of streets and roads, and planning.

In recent years shifts of funds from your local government by the State for their designated uses have caused voters to pass measures to protect these funds. Proposition 42 is used for local streets and roads; it is the sales tax on gasoline for transportation and transit use. The Coaster uses that funding as well. In 2002 the voters wanted to dedicate that gas tax to transportation and transit improvement. In 2004 we wanted to protect your property tax, sales tax, and redevelopment funds from State raids. In 2006 there was a further protection for the gas tax for streets and roads, because 84% of the streets and roads throughout the State of California are operated and owned by counties and cities. We were working to prohibit the State from taking that for non-transportation uses.

Unfortunately, the State has grappled with a structural \$9,000,000,000 deficit over many years. Over the past 20 years, the structural deficit has not been addressed and remedied. This year alone we are looking at close to \$21,000,000,000 deficit in the State budget, and they look to local government for assistance in balance the budget to your detriment. The threat last year came to the tune of \$5,000,000,000. This is \$2,000,000,000 from your property taxes, \$2,000,000,000 from redevelopment tax increment funds, and \$910,000,000 from Transit Funds. Fortunately, we were able to secure ties to the \$2,000,000,000 in the property tax shift. Unfortunately, should the

State take that money again in 3 years when they can, we probably do not have that opportunity to secure ties or allow you to keep that money; that money would then go away in several years. The \$2,000,000,000 from redevelopment funds is what we are questioning in Superior Court because the taking of that is an illegal taking. They won a court case last year where the State tried to take \$350,000,000, came back again this year and tried to take \$2,000,000,000. What happens when this money goes out of your city budgets and goes up to the State--you have very few choices because you must deliver a balanced budget to your constituents year after year. So, cities are looking at cuts to law enforcement and fire protection, which has always been something that has been very much a last resort. Some cities have to resort to layoffs, cuts, or are just not hiring because of retirement and attrition. Road maintenance and infrastructure delays not only exacerbate the problems, they cost more money down the line. Many cities face closures of their libraries, parks, and other community facilities. And, then almost every city throughout the state has had layoffs, furloughs, and reductions in city services, with city employees doing twice as much work as they have done before because there are not enough staff members as there were before.

Local government has come forward with a solution to close the loopholes on the State's ability to borrow funds dedicated to local jurisdictions. That is going to be the Local Taxpayers' Public Safety and Transportation Protection Act, the resolution before Council today, and is headed for the November 2010 ballot. This measure would prohibit the State from taking local property tax revenues that are now dedicated to cities and counties. While we are told that Community Redevelopment Funds are protected, they are still being raided. This Act would put a constitutional protection there so your tax increment (redevelopment dollars) would stay in your community. Proposition 42, the gas tax she spoke about earlier, that maintains streets and roads, would go to that purpose alone.

A tax the State tried to take last year is the Highway User Tax. It is a federal tax that also comes through the gas tax that goes to the state and to local jurisdictions. What the State attempted to do last year was to take your local portion of the Highway User Tax to pay their state Transportation Bond. They were going to take 25%, which they can pay up to 25% on their bond. However, they did not want to take state money; they wanted to take local money to repay their debt. Public transit is continually jeopardized, and this would protect public transit. An issue that we have not addressed yet but fear might come in the future is that the State has the ability to determine where your locally levied taxes need to be spent within your city or transfer it over to a state mandate that they have put forward. It would not go to the purpose that your local voters passed and expect it to be spent on.

What we are doing this year is looking at ways in which we can protect and close some loopholes. We feel that the Legislature is looking at a \$21,000,000,000 deficit and will be looking at further cuts and raids of local governments. So, for anything that they pass in this budget cycle, when this measure passes in November, that provision in their budget would be repealed. It would repeal any actions they take between October and November. It protects the taxpayers because you are more accountable to the taxpayers with those local tax dollars. They can come down and talk to you about the use of those funds, and you have dialogue with your constituents so they know how you are spending the tax dollars locally. We believe that is also an accountability issue that local jurisdictions have with their communities that might not be as present in Sacramento or in the relationship with the State. The biggest issue we need to address is the dysfunction of the state/local relationship and reform the State budget. In order to do that, we have to stop the raids and the borrowing.

The proponents are currently collecting signatures. They are at the halfway point and have received 500,000 signatures to put this on the November ballot. We need about 1,000,000 to make sure it qualifies. We are encouraging community members and anyone on their own personal free time who wants to either sign the petition or circulate it to protect their city's dollars to contact her or the campaign.

Public Input

JIMMY KNOTT, 127 Sherri Lane, agrees with Councilmember Feller's efforts. Oceanside Manufactured Home Alliance cannot take an official stance, but each of the board members and officers have personally endorsed this effort and are collecting signatures. We are encouraging each member to sign this petition because it is so important to this City and State. The Golden State Manufactured Home League is endorsing this effort. So, the manufactured home community stands with you on this. He asked Council to endorse this effort.

COUNCILMEMBER FELLER knows that Ms. Hill will continue to have contact with us regarding updates. Locally, he will attend the meetings in San Diego and provide updated information.

MAYOR WOOD said all the Mayors in the San Diego region have attended meetings and are adamantly opposed to the State taking our taxpayers' money that is supposed to come back to the cities. We are looking at a deficit here, and that is because we had to pay \$14,000,000 back to the state, which was money we were supposed to get. However, the State kept that money. This is important to local cities. They had Proposition 1A, but it was full of loopholes. He is hoping that when this Act passes, all of the loopholes are plugged up because that is how the State gets around it every time. All the crises we have here, you cannot blame any one person or any one party. However, the State seems to be the hindrance here, and we all are looking at major cuts and deficits because of this. It is a very important item that we need to discuss and support. This is our budget and your tax money. Be very attentive to this particular issue.

This item was for information only.

The Mayor determined to hear Item 33 at this time.

6:00 PM - PUBLIC HEARING ITEMS - continued

33. **City Council: Approval of the 1) Joe Balderrama Park and Community Center Master Plan Report; 2) adoption of a resolution authorizing application to the Proposition 84 Statewide Parks grant program for funds in the amount of \$5,000,000 for the Joe Balderrama Park and Community Center project; 3) adoption of a resolution authorizing the submission of an application to the U.S. Department of Housing and Urban Development for a Section 108 Loan Guarantee in an amount not to exceed \$6,500,000 for development of the project; and authorization for the City Manager to negotiate and execute all associated documents (hearing continued from January 6, 2010)**

- A) Mayor opens public hearing – Public hearing was opened.
- B) Mayor requests disclosure of Councilmember and constituent contacts and correspondence – Councilmembers Feller and Kern had contact with staff and the public; Mayor Wood met with staff, public and the school district; Councilmember Sanchez met with staff and the public and attended some community meetings.
- C) City Clerk presents correspondence and/or petitions – no correspondence.
- D) Testimony, beginning with:

MARGERIE PIERCE, Neighborhood Services Director, stated this has been a dream to bring a new community center to the neighborhood and replace an old community center. In 2007 Council approved a Professional Services Agreement with Schmidt Design Group to start working with the neighborhood and receive input to design a Master Plan for the Joe Balderrama Park and Community Center. That happened, and it has been sitting relatively dormant; we were waiting for the opportunity when funding would be available so that we could apply for it. When the State announced that Proposition 84 monies were going to be awarded, it was

determined that this is the project that had the best chance of receiving grant funding.

Staff recommends that in order to complete the project, that Council authorize staff to apply for a Section 108 loan with the Department of Housing and Urban Development. This was on your agenda a few weeks ago, but Councilmember Sanchez suggested that we do some additional outreach to improve our opportunity to be awarded points for the application for the grant funds. We conducted some additional surveys and community meetings. That validated what the architect and the planning group had done regarding the needs and the desires of the community. It also brought to light that the community had somewhat of a division on the architectural style and we needed to do some work regarding that.

Therefore, rather than focusing on one design, we are asking Council to approve it with an option of one or the other. As we get more community input and can define exactly what the community wants in terms of architecture, then we will move forward with the final design. She introduced Jeff Justice, Schmidt Design Group, to give details of the Master Plan and Manuel Oncina, the architect working on the design.

JEFF JUSTICE, Schmidt Design Group, used a computer graphic to show the existing site plan. Currently there are many obstructions to the views of the park. There is only one major location with a view into the park for safety. That was the basis that we looked at in how to reorganize and reorient the park as a whole. In doing so, the building on the north side of the project is still the barrier, but we have opened the park virtually on all sides, providing views at the intersection of Bush Street and San Diego Street, directly at San Diego Street, and at the south end of the building along San Diego Street. We have opened the view directly into the park at the parking lot to provide some security and openness to the park.

One of the main elements that we have retained is the green that is intended to be a village green, open space, central organizing element for events, passive recreation, with plenty of benches, and a pathway that encircles the entire green with shade trees to provide some relief. It also provides active recreation in the form of soccer, which is currently there. One of the other things we have looked at is events on the green, with access to the green from the parking lot. In addition, we have looked at the active use for the courts that are there. Currently, there are tennis courts. We have looked at providing a basketball court and tennis in the same location. We have opened the corner at Bush Street and San Diego Street to create a plaza area to create some views for safety and inviting the community into the park. Basketball is the primary use as well as tennis in that area.

Picnicking was also a major element from the community input process. We have provided 3 large picnic structures with picnic tables, barbeques, and trash for that passive use within the park. Another element discussed was the children's playground. In the final tally from the community, we put it closer to the residential area, where it currently is. Allowing the views into the park from across the open green was the area that was most desirable. In an effort to cut down on long-term maintenance, we are looking at new playground equipment and a softscape surfacing below so there is not wood chips or sand or other materials there that are long-term maintenance issues. Another element that was discussed at last month's community meeting was exercise courses for the community and a walking/jogging trail that would be within the site. Because we already have the pedestrian walk that circulates the entire green, we have staged 5 additional par course stations. He explained how those par course stations would be laid out and utilized.

Another element that was important to the community was the Joe Balderrama Memorial, which will remain. Then 2 other important locations were for public art at the corner of Bush Street and San Diego Street. In the plaza is an opportune location to display public art. Along the northern wall along Lemon Street on the new building, depending on which building architectural scheme is chosen, there is an opportunity for public art there as well.

Improved security and lighting was a major topic. We are looking at providing security lighting on the building. There are 3 alternative lighting styles; the lighting style is yet to be determined along with the building selection since they are integrated. Lighting will also be integrated into the sports field as well. We have retained the existing 50 parking spaces in an effort to comply with the current City Code. We have expanded the parking by adding trees and planter islands for some relief and to make it a more inviting area instead of a harsh environment on the western end.

MANUEL ONCINA, Architect, has been working with Schmidt Design Group, staff, and the community. He showed computer slides describing different schemes they have worked on. When they first approached the community, they had a modern approach to the building. The 2 plans he will show Council are exactly the same in terms of programming and size. What that means is that all of the functions are the same from one or the other. The only thing that would be different is the aesthetics of the building. He showed the modern style building, which would be more of a contemporary design. On the north elevation on Lemon Street, there is a large mural that would be a great addition for the community. It also has a large entrance and a common lobby that goes through the entire building and ties it to the park in the back.

He next showed a computer slide of the view of the entrance to the building, which could also be adorned with a skeleton clock, that connects to that lobby that goes all the way to Lemon Street. From the west looking towards the east, large glass doors open onto the stage-like room so that you could have presentations outdoors.

The mission style building is identical in terms of its program. It has the same amount of square footage. As in the modern building, we are shooting for a state-of-the-art sustainable building. In terms of the programming, it will also have a 2-story resource center. In other words, when we are taking the Chavez Center down, we are going to be replacing that space on the second floor of this building just as we were on the modern building. The building will have a fairly nice gymnasium and several multi-purpose rooms and cultural activities rooms.

It was apparent during a public meeting that a Mission Revival Style building would be acceptable to the community. So we came up with a design with some of the look of the San Luis Rey Mission. At the top we see a view from the park as you approach the beautiful lane that Schmidt designed with bordered trees. There is a large green opening for the stage area that would open up into the park. For the Mission Revival Style building looking from the southwest, we took a little license for the colonnade and made the colonnade a little larger for more of a processional type of space. There could be some issues with maintenance because of the amount of space, but it also has a very grand Mission Style about it and provides a lot of shade and places to play for kids.

Public Input

MARIA RUSSELL, President of the Eastside Neighborhood Association, said the Eastside Neighborhood Association worked really hard, and she asked Council to help them get this park.

GEORGE HERNANDEZ, 1507 Dubuque Street, said a survey was taken, and the community wants Mission style buildings. There are questions regarding a name for this park and that other names be added to it. The community center started with Lucy Chavez in 1950. Lucy Chavez was on the City Council after her name was put on the community center. There are a lot of people who should have their names on the community center along with Lucy Chavez or Marie or the whole Chavez family. Because there was not enough room, the community has to come up with a name to honor all people.

Balderrama Park has a legacy of community input. What the people would like is what we are looking at. He has been in touch with teachers, and there are state grants

that we can apply for to put some of these teachers back to work in preparing kids for kindergarten. The center is to basically meet the community's needs. He heard that the Mission style does not meet the police department's security requirements.

JOAN BROWN, 511 Rockledge Street, stated a beautiful park like this cannot help but enhance the neighborhood. She has used this park several times. She was sorry to see they would eliminate the tennis courts.

JIMMY KNOTT, 127 Sherri Lane, encouraged Council to approve staff's recommendations.

CARLOS GARCIA, a member of the Eastside Neighborhood Association, said a lot of people have provided their input in this. The comments on the name change was the way rumors got started; no one was trying to change the name. They also were not going to remove the tennis courts. He asked for Council's unanimous support.

Public input concluded

COUNCILMEMBER KERN noted there are 2 designs and asked how the decision will be made as to what design will be used.

DIRECTOR PIERCE explained that the community was basically split. There was some leaning towards the Mission, but it was not clearly defined. Right now we will be looking to getting the grants. If the money gets here, then we will continue to go to the community groups and the neighborhood to define the architecture. Not everybody has heard about the benefits of one over the other and what each design provides to the neighborhood in its own unique way. We just need to do more outreach. That will happen after we get the grant award; then we can get a team together and hire somebody who is actually going to do the final design of the park.

COUNCILMEMBER KERN said the Mission style reminds him of the fire station, and it seems that we keep repeating that style over and over. He likes the one rendering with the mural on the wall, and that could tie the park into the community more than just a bunch of arches. He asked about the funding and the timeline.

DIRECTOR PIERCE said first is to submit the grant application for the Prop 84 funds by March 1st, with the award probably not until September, and we move on from there. In the meantime we have submitted a letter to HUD letting them know that we anticipate submitting a Section 108 loan application upon Council's approval. However, the actual loan needs to come back to Council for approval. So we are looking at not even starting construction for over a year and a half.

COUNCILMEMBER SANCHEZ said this is Part A of a dream coming true. Part B will be when we get the money. She grew up just 2 houses down from this park, and the recreation center was a small building and a slab of cement surrounded by a fence. There are lots of kids on the Eastside and it seems like a lot more than what we see on the Census Tract. Some of the discussion has been about economic development and empowering the neighborhood and making this a better place for people to live. As a Council and a City, we have done a number of things in this corridor, and people have noticed. The farther away you get from the park, the less it seems that people are informed about some of these improvements. But people living around the park did feel it was safer and did feel that there needs to be a continued presence of police. She received comments about police community relations, lighting, and the having more activities for the kids. This is all about giving opportunities to kids for alternatives so that we continue to have kids making the right choices and not going into a life of crime, being drop-outs, or being a statistic.

She moved approval of staff's recommendation [that the City Council approve the Joe Balderrama Park and Community Center Master Plan Report (**Document No. 10-D0149-1**); adopt a resolution (**Resolution No. 10-R0150-1**, ". . . approving the

application for Statewide Park Program Grant funds in the amount of \$5,000,000 for the Joe Balderrama Community Center); adopt a resolution (**Resolution No. 10-R0151-1**, "... approving the submission of an application to the U.S. Department of Housing and Urban Development for a Section 108 Loan Guarantee up to \$6,500,000 for construction of Joe Balderrama Park and the Community Center; and authorization for the City Manager to negotiate terms and conditions, and to sign and execute required application forms and certifications").

COUNCILMEMBER FELLER seconded the motion.

In response to Councilmember Feller's query on the time line, **DIRECTOR PIERCE** said if we were awarded the funds in September, then we would start making plans to get a development team and negotiate. It would take a while to get the plans approved and then get construction started. She estimated that we could potentially start groundbreaking in 18-24 months and then another year for construction.

CITY MANAGER WEISS said we would certainly expedite that, but this would qualify, should Council have that inclination, as a design build project.

COUNCILMEMBER FELLER said this happens to be in the Eastside Neighborhood, but it is a community park for everyone. People will be there from Rancho del Oro, from the Back Gate, from Calle Montecito, and Tri-City area. He is excited about getting something going in 18-24 months.

Motion was approved 4-0.

INTRODUCTION AND ADOPTION OF ORDINANCES

The Council/HDB/CDC have adopted a policy that it is sufficient to read the title of ordinances at the time of introduction and adoption, and that full reading of ordinances may be waived. After the City Attorney has read the titles, the Council may introduce or adopt the ordinances below in a single vote. There will be no discussion of the items unless requested by members of the Council or the public.

34. **City Council: Adoption of an ordinance of the City of Oceanside amending Chapter 29A of the Oceanside City Code by amending Section 29A.8 relating to berthing vessels and by the addition of 29A.19 relating to the impoundment of items stored or placed in violation of Chapter 29A (introduced on 1/20/10, 4-0 vote)**

Following the reading of the title, **COUNCILMEMBER FELLER** moved adoption of **Ordinance No. 10-OR0152-1**, "...amending Chapter 29A of the Oceanside City Code by amending Section 29A.8 relating to berthing vessels and by the addition of 29A.19 relating to the impoundment of items stored or placed in violation of Chapter 29A."

COUNCILMEMBER SANCHEZ seconded the motion.

Motion was approved 4-0.

The Mayor determined to hear Item 22 at this time.

MAYOR AND/OR COUNCILMEMBER ITEMS - continued

22. **Request by Councilmember Kern to discuss an overall Citywide organizational assessment by a professional consulting company, and direction to staff**

COUNCILMEMBER KERN said earlier this evening we heard a little bit about the budget, and currently we are looking at efficiencies in the Water Utilities Department. His idea is to integrate looking at efficiencies Citywide, department by

department. This is a useful tool to help provide for an ongoing financial and strategic plan for the City and its operations. All of this should be done not only to close the \$8,000,000 gap that we are looking at but also to identify and map out how we can meet the financial challenges that lie ahead of us.

Identifying possible areas of improvement is one of the suggestions. It is the idea of work force efficiencies, organizational and structural services provided City-wide, identifying management and productivity efficiencies. Identifying efficiencies in fleet management include decreasing or eliminating some of the take-home vehicles, the under-used construction equipment, car sharing between departments, major equipment rental versus purchases, reducing maintenance costs, and eliminating or reducing vehicles. He finds reducing vehicles and some of these other costs preferable to eliminating people. If we can find efficiencies, we hold onto some of the staff just by being more efficient at what we do. When we did the matrix study in the Planning and Building Divisions, we really streamlined the process. This is not going to happen overnight; this is something as we go forward. We talk about the following year being a \$10,000,000 gap. We need to look at how we can become more efficient so we can actually save dollars down the road.

It is his understanding that we can utilize existing consultants for this project, the ones currently on our list, allowing us to expedite this matter forward, which can assist in some degree of identifying the efficiencies during the budget process. There was some talk earlier about a committee on the budget. This would give them information to actually implement some of the efficiencies and do long-term budgeting and strategic planning. By implementing an overall Citywide organizational assessment, we can identify how we can improve and provide City services more efficiently and more effectively, allowing us to maximize the services we are able to provide to our citizens while minimizing the impact to our employees. As elected officials, it is incumbent upon us to be good financial stewards for all of the people who elected us.

COUNCILMEMBER KERN moved that staff return to Council on March 17th with a recommendation for a consultant from existing sources and necessary funding to implement an overall Citywide organizational assessment.

COUNCILMEMBER FELLER seconded the motion. He asked the cost of the consultant for the Water Utilities Department.

CITY MANAGER WEISS responded we have not gone through the selection process for the consultant, but we do have several consultants as a result of a Citywide Request for Proposal process for Financial Services and one of those firms does organizational assessments. They are under contract. However, we would have to negotiate with them on this, and that contract would have to come back to Council.

Public Input

JIMMY KNOTT, 127 Sherri Lane, thanked Councilmember Kern for clarifying what this is going to cover. However, they are missing a huge component if you compare what other cities are doing. Other cities are integrating their public and private sectors and using other agencies and government entities in their matrices with their abilities to carry out services. If you are going to look at expanding out your matrix and look at organizational patterns, you have to consider those elements as well. What happens is we are layering duplicate services potentially among different agencies. The school district, etc. are doing certain things that we are doing here in the City. If we could have a master matrix for organizations, it would help out all of the agencies including the County. Then it would cut every one of the agencies' costs and benefit the taxpayers at large. If we broaden our scope, it would be helpful to everyone.

CHUCK LOWERY, 812 Alberta Avenue, said it might be time to do a study like this to see about reorganizing and what is going on in the City. It might be something that we can do right away. The City has highly qualified staff, and he suggested that we

ask them to do this study at no added cost to the taxpayers. He is confident they can do the study and give us an insider's view of what is going on within the City organization. They are also qualified to give us a future view of what we can do to streamline this operation. The City Manager knows we must save money, and we cannot afford to continue spending money on consultants.

He noticed several expensive items were approved earlier this evening. Meanwhile, we are cutting back on City services like the public library, youth programs, community centers and at-risk neighborhoods. Our street maintenance and public safety have all been cut. He suggested that we cut consultants.

He does not understand how the City can continue to pay thousands of dollars hiring outside consultants when we are trying to save money. In fact, it appears that the City is living on our savings account right now. We cannot save money if we spend it.

We as a City must use the assets and investments we have already in hand. City staff is our greatest asset. We should not hire any more consultants until we have a positive cash flow coming in from the State. We have to save the money we still have in our City coffers.

COUNCILMEMBER KERN said as far as integrating public/private, if that comes back from the study, we should be able to do that. We talked a little bit tonight about using some other sources to do City projects. Regarding duplicating services, we just passed the Master Plan for Balderrama Park. Previously the school district was going to build a full-size gym 2 blocks away, so it would have been a duplication of services to build a full-size gym at Balderrama. However, they have dropped that from their plans and now it makes sense for us to build a full-size gym at Balderrama. The school district and the Boys & Girls Club will probably do more things like soccer fields over at Jefferson. So we are working with other agencies to provide non-duplicated services.

He agrees that we have a highly qualified staff, but they have an insider's view of their own departments. You need somebody to step back and take a look at the duplication of services on their own. Are we doing something in Public Works that we are duplicating in Water Utilities? Can we combine those services? Are we doing something in Public Works that we are doing in the Finance Department? Can we combine those services? Staff is very qualified and understanding about what happens within their own department. You need that 3rd party view. It worked out very well with the matrix study. Staff was doing an excellent job, but you need somebody to come in and take that 3rd party look and say this is the way we can streamline the process. The problem with just having staff do it is that they have a lot to do on their day-to-day operations without giving them one more thing that they have to look at now, especially since we are cutting staff and each person has to work harder at their current job. He preferred having somebody come in and walk through the process to see what is happening in the City Operations Center (COC) and what is happening in City Hall. Some of these people never talk; that is why we need that 3rd party view.

COUNCILMEMBER SANCHEZ would like the opportunity to first look at what we are doing and what we can do to make the first cuts. That is going to take discussions with the public. We are talking about having 2 libraries, for example, and possibly going to 1 library. We are talking about cutting back on things. She wants to look at contracts. She wants to look at all the consent items to see if there is a way of renegotiating some of these things. Some of these things perhaps may not be as important as we thought they were when we had a lot more money. The idea here is to prioritize. Once we do, then we will be ready to decide if we can do things more efficiently. These are things that we have agreed upon as a community are the core services that we need to continue to provide because of the need and demand for the services. We want to address this in a positive way; in a way that is going to deal with the kinds of things that would get to employees last and deal with those contracts. What are those contracts? Is there a way of renegotiating some contracts so that perhaps we can continue them at some other time, hopefully, in the near future? There are ideas

such as the Mayor's Blue Ribbon Committee and looking at the finances. Whatever we decide to do with the library, we are going to continue to pay debt service. These are things we have to look at first before we start dealing with efficiencies. She would like to entertain this at that later time.

She does not know if we can do that by the time that the City Manager would bring forth his budget in April. We only have a month really, and we cannot do all of these assessments of efficiencies within a month. This is probably going to be ongoing and will take more than a couple of months because we have to try to get to the most cost savings and efficiencies, which is going to have to include the public process.

MAYOR WOOD said we have an \$8,000,000 shortage, and what are we going to do? Our priorities have to be essential services, and that is it. We did talk about outside consultants, and he indicated that he does not want anymore unless we had to have them for an essential issue. Some of the projects that are ongoing need to be stopped now; it comes down to money. If something can be done later on when the economy changes or the budget is improved, we will look at those projects. The list was shown earlier from the City Manager about things that are not a high priority. We did discuss those.

He is not interested in hiring a consultant who is going to take quite a while to look into all of the aspects of the City. We, as the Council, are kind of the CEO over the budget, and we set policy. The City Manager needs to look into the staff and the operations of the City, money, and how he runs it. The City Manager is going to do this.

We are hurting, but we are better off than a lot of other cities. So at the City Managers' meetings for the County and for other cities that are going through the same process from the California League of Cities, you will find out from all of their staff and experts, along with ours, that they are going to get together and say how are we going to address our shortages? Between all of them, they will come up with something that will address our financial issues and the State issues that does not cost us anything through a consultant. The other thing is that when we start looking at layoffs of personnel and essential services that are going to be left, it is hard to really do an independent study of what is going to have to be put off but on the other hand that might change if the economy changes. The City Manager and the staff and other city managers and people within the County and region are going to have to discuss that and how they are going to address their issues. Hopefully, between all of those high-paid officials we will get an answer that will not cost us.

He is interested in right now. We need to go through this and let the City Manager do his job before we go out and hire anybody. We should not hire any consultants unless it is a necessity at the max.

COUNCILMEMBER KERN said as far as prioritizing spending, that is our job. With the matrix study, the consultant came in and asked us individually what we thought was most important in each department. They also asked staff in departments what their priority was. Everybody needs to be part of the process. This is somebody coordinating how our staff and our employees can come up with efficiencies. It is not overnight; it will not happen in April. In April we will have a Budget workshop to come up with something to cover that \$8,000,000 gap. He is concerned about the \$10,000,000 gap in the following budget cycle. If we do not start looking at those efficiencies now, we will be sitting here next year with the same dilemma. We will be cutting jobs and cutting library hours because he does not see it coming back any time soon. We should have prioritized our spending and what efficiencies we could get probably 3 years ago. Eventually we are going to have to step back and say what do we do, how do we do it, what do we want to do, and how do we get there. The idea is to look at our priorities, which are set by us because we are the elected officials and we represent the people in the community that use our services.

If we just cut back to our core services and keep cutting back and it is always

core services, this time next year we will be closing both libraries. We just approved a recreation center that may not be operational because we do not have the staff to operate it. He understands that is a priority, but how do we get to that point? We need to start looking at these other efficiencies now so that in a year from now we have a clear path. We need to step back and find a clear path forward. If we just keep doing what we are doing, next year we will be doing this the same way. We will have the same issues and will talk about the same things. At a certain point in time we need to step back and take a look at our strategic goals and strategic plan for getting out of this mess. That was the reason he brought this forward, because at a certain point in time we are going to have to do this. If this doesn't get support, it will probably be revisited. It may be something that we put into the budget for next year.

COUNCILMEMBER FELLER said we were just told we spent a lot of money tonight already, but it is regarding items that we approved many months and even years ago. They are amendments to contracts and change orders. We did not spend a lot of money tonight, and most of it is regarding the well being of the community and efficiency for the computer and accounting systems within the City.

The City Manager gave us a budget overview that says we are \$8,000,000 out. He has asked his staff to reduce their budgets by 5% for Police, 5% for Fire, and 20% for all other departments. We do not have anything else we can do between now and then to balance that budget. A Blue Ribbon Committee is not going to be able to come forward with any substantial suggestions in a month. In planning for the future and the year coming up after this (Fiscal 2011-2012), we have to figure out where that \$10,000,000 is going to come from to fill the budget gap. This economy is not going to turn around in the next year.

Motion failed 2-2, with Mayor Wood and Councilmember Sanchez voting no.

The Mayor determined to hear Items 9, 10, and 11 at this time.

Items removed from the Consent Calendar for discussion

9. **City Council: Approval of Change Order 5 (Document No. 10-D0139-1) in the amount of \$64,265 to Doherty Concrete for the San Luis Rey River Trail Extension Project Phase II, for additional chain link, concrete post, and rail fencing; and authorization for the City Engineer to execute the change order;**
10. **City Council: Approval of Amendment 2 (Document No. 10-D0140-1) in the amount of \$191,920 to the professional services agreement with CPSG, Inc., of Irvine (dba Partners Consulting) for various Oracle EnterpriseOne 8.12 financial system software enhancements and training; approval of funding in an amount not to exceed \$215,000 for a new cashing system; approval of a purchase order in the amount of \$11,000 to Dell, Inc., for the purchase of application software and hardware; approval of funding in an amount not to exceed \$15,000 for overall project contingencies; authorization for the City Manager to execute the amendment and software agreements; and authorization for the Financial Services Director to execute the purchase order; AND**
11. **City Council: Approval of Amendment 1 (Document No. 10-D0141-1) in an amount not to exceed \$59,559.50 to the professional services agreement with JT Krueer & Company for the Mesa Garrison Force Main project for construction management and inspection services, for additional work requested by the City, and authorization for the City Manager to execute the amendment**

CITY CLERK WAYNE reported that Zack Beck had pulled Items 9, 10, and 11 from the Consent Calendar. In the meantime staff has answered his questions so he has withdrawn his request to pull these items for discussion.

COUNCILMEMBER FELLER moved approval of Items 9, 10, and 11.

COUNCILMEMBER KERN seconded the motion.

Motion was approved 4-0.

CITY COUNCIL REPORTS

25. **Mayor Jim Wood** – commented on events and items.
26. **Councilmember Jack Feller** – no comments
27. **Councilmember Jerry Kern** – commented on events and items.
28. **Councilmember Esther Sanchez** – commented on having gone to Washington, DC to lobby our representatives for some of our projects. She will give a report next week.

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.

30. **Advance written request to reserve time to speak:**

WOODROW HIGDON, 2544 Rudder Road, commented on alleged corruption and expressed concern that a citizen was removed from the last Council meeting.

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

JIMMY KNOTT, 127 Sherri Lane, referred to Item 12 regarding the Loma Alta Creek Detention Basin and said when the flooding situation started in his community, they were promised that by the year 2007 they would have 100-year flood protection and that the detention basins would be complete by then. He asked when the Loma Alta Creek Detention Basin will be completed. He expressed concern that the residents in that area have to pay for extra insurance.

MELBA NOVOA, Government Relations and Community Affairs Specialist, North County Transit District, 810 Mission Avenue, announced that on Saturday, February 27th the Coaster Train will celebrate 15 years of service. We have provided transportation to over 15,000,000 people during the 15 years of the Coaster service.

THOMAS DEMPSEY, 3641 Esplanade Street, expressed his opposition to the proposed charter.

POLICEWATCH.ORG stated that Council is building the lawsuit, which might be resolved in a year or two, but this actually is a lawsuit against a private party concerning free speech.

MICHELLE BRAY DAVIS, 306 South Pacific, representing Soroptimist International Oceanside-Carlsbad, invited everyone to the 30th Annual Salad Luncheon on March 11th.

CATHY NYKIEL, representing MainStreet Oceanside, spoke about several events: the Sunset Market and the Farmer's Market, the Veterans' Association fundraiser and the Elks Club Poker Run.

February 24, 2010

Joint Meeting Minutes
Council, HDB and CDC

ADJOURNMENT

A moment of silence was held in memory of Alex Kapitanski and Jim Evans.

MAYOR WOOD adjourned this joint meeting of the Oceanside City Council, Community Development Commission and Small Craft Harbor District Board of Directors at 8:11 PM on February 24, 2010.

[The next regularly scheduled meeting is at 3:00 p.m. on Wednesday, March 3, 2010.]

ACCEPTED BY COUNCIL/HDB/CDC:

Barbara Riegel Wayne, CMC
City Clerk, City of Oceanside