



California

CITY OF OCEANSIDE

MAYOR AND COUNCIL WORKSHOP

MARCH 25, 2009

ADJOURNED MEETING 2:00 PM COUNCIL CHAMBERS

Mayor
Jim Wood

Deputy Mayor
Vacant

Councilmembers
Rocky Chavez
Jack Feller
Esther Sanchez
Jerry Kern

City Clerk
Barbara Riegel Wayne

Treasurer
Gary Felien

City Manager
Peter Weiss

City Attorney
John Mullen

The adjourned meeting of the Oceanside City Council was called to order by Mayor Wood at 2:03 PM, Wednesday, March 25, 2009.

PLEDGE OF ALLEGIANCE – Led by Jimmy Knott

ROLL CALL – All Councilmembers were present. Also present were City Manager Weiss, City Attorney Mullen, and City Clerk Riegel Wayne.

WORKSHOP ITEM:

1. **Discussion regarding the City Manager's recommendations for reductions to the FY 2009-10 Operating Budget, and direction to staff**

PETER WEISS, City Manager, reported the item before Council is to present a recommended budget reduction plan for Council's consideration. At the close of this meeting, he will ask Council to do one of several things: 1) approve the proposed budget recommendations as presented; 2) make modifications; or 3) if Council needs to, staff has tentatively scheduled a follow-up workshop on April 8th. With the budget reductions, staff would then move forward, begin the preparation process for the actual budget, which would then come to Council in May, with final adoption in June. Staff has previously provided Council with a significant amount of information in leading up to where we are today. Given the current economic situation nationally, within the state, and locally as well, we are seeing a significant reduction in anticipated City revenues. For the first time in a long time, we are seeing a decrease in property tax revenues and stagnation in sales tax. Staff is projecting over the next few years that the overall revenue picture is remaining flat. Combined with projected increases of roughly \$3.5 million a year in on-going expenses, we are looking at Fiscal Year 2009-2010 with approximately a \$4.2 million budget gap between anticipated revenue and expenditures. That gap, left uncorrected, will continue to grow.

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He recognized all of the different departments and their employees that participated in putting the budget reduction plan together as well as the representatives from the various bargaining units, who also were invited to participate in putting together these recommendations.

Through the use of computer slides, he explained that the goals being presented to Council today will provide a balanced budget for 2009-2010 and prepare for an uncertain future. Given everything that is going on, all of the various indicators nationally and within the state indicate that there is going to be some uncertain times in the future in regards to economic recovery.

The key issues being looked at are:

- how much money is available to the City;
- how can we best serve the citizens to accomplish community priorities with the available money;
- how can we effectively provide the services that the City can afford to provide; not necessarily those that the City wants to provide.
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What he will be proposing to Council meets those overall budget goals and provides for implementing these key issues.

The City's "current 5-year forecast with no correction plan" chart was displayed showing \$4.2 million in FY 09-10 up to \$9.8 million shortfall in FY 14-15. There is a detailed forecast document that was provided to Council earlier, and is available on the City's website as well, for all of the detail of both the expenditures and revenue projections. Left uncorrected, the 2009-2010 budget gap is \$4.2 million and continues to grow. A document was provided to Council in December with the plan of moving forward to provide a correction to that. One of the issues that staff looked at, and will be recommending on April 8th, is the formal introduction of looking at several of the City's fees. If Council implements those fee increases and if Council uses the available reserves to balance the 2009-2010 budget, it will result in furthering the problem into future years. With those increases in the reserves left uncorrected, Council does not solve the budget problem long term. With the proposal that is being made today, that also does not solve the long term budget problem. It addresses the next fiscal year 2009-2010; it significantly reduces the gap for 2010-2011 but left uncorrected Council still has significant budget issues moving forward. The chart shows there will still be a modest increase in revenues. Given these economic times, should we have any large projects constructed, with the City seeing revenues from those, then that gap would close. Such developments would not be generating any significant returns to the City for at least 3 to 4 years.

What staff is proposing includes 3 primary areas for dealing with the budget issues:

- increasing certain fees - Council will have a public hearing in April to take action on those fees. What is before Council today, as staff presented to Council several months ago and actually was based on input from the Council, that staff gives Council a consolidated fee document, which staff provided to Council last year, with recommendations on modifying several of those fees. Those fee increases would generate approximately \$700,000 a year.
- reducing funding to several non-profit organizations - \$145,000 a year; and,
- reducing departments services and programs and activities - \$4,000,000.

Recommended fee increases

- Ambulance Billing \$250,000
- Parks & Recreation Fees \$150,000
- Harbor Slip Rent Fees \$100,000
- Fire Inspection Fees \$200,000

These specific fee increases have been assessed and Council has been provided information. Those are based, with one exception, on recovering the actual cost of providing services. Our ambulance billing fees have not been updated in some time and they are well below market and what is allowable for reimbursement through insurance companies. Our parks and recreation fees were last updated over a decade ago. Harbor slip fees are also below market. The number for the Harbor slip rent is the number that the City would realize, not necessarily the Harbor District.

There is an issue in regards to the Fire Inspection fees. Based on a conversation with the City Attorney, we are looking at ensuring that the basis for those costs are legally defensible and hopefully, we will be able to come to a conclusion on that for the April 8th public hearing. Therefore, it is likely that staff would recommend that it be an entirely separate item because those are new fees and not adjustments to existing fees. Regarding the reduction in non-profit funding, Council funds 3 primary agencies out of the General Fund:

- KOCT receives \$541,000 and staff is recommending a reduction of \$100,000 (19%).
- The Chamber of Commerce receives \$138,000 and staff is recommending a \$30,000 (22%) reduction.
- The Boys & Girls Club currently receives \$50,000 and staff is recommending a \$15,000 (30%) reduction.

City Manager Weiss reviewed slides that summarized the recommended budget reductions from each of the departments. Council has all that information. Also, in Council's packet is a list of all of the reductions that the departments submitted. What is before Council is the recommended reductions, not on a percentage for any specific department, but the target being the \$4,000,000 gap. There is earlier discussion about the target that he gave to the non-safety departments for 10% reductions and public safety at 5%. That was not used as a basis to come up with the \$4,000,000. Staff was looking at targets for specific dollar amounts from the departments. For example, he is recommending roughly a 5% reduction for the Harbor and Beaches Department of their total General Fund costs. It is not the 10% they submitted. He did not use that as a basis in looking at the various departments. He was looking specifically at on-going and meaningful reductions that would hit the \$4,000,000 target. With the departments' reductions as listed, that \$4,000,000 has been met. With the fee increases and the reductions in non-profit funding, there is a little bit of a contingency. He noted that for next year the budget gap is still, even with this correction, \$2,700,000. So, staff will be looking at further opportunities both on the revenue side as well as potential reductions for the next few years.

He then addressed the City's Reserves. In June 2008, the City had approximately \$44,000,000 in reserves. The projected amounts were divided into a number of

categories. He noted that under "Advances and Prepaids" there is \$3,600,000 although that money is not available to use; that is money that Council has allocated that will be paid back to the City over time. The Healthy City Reserve is \$14,500,000; however, Council's policy reserves that money for a maximum 90-day usage to develop plans to permanently adjust the City's on-going operational costs. So, if Council did want to look at that to offset the current budget issues, although it would not be a prudent use of those reserves, Council would need to adjust the policy statement as well. Council had \$5,800,000 in the Economic Stabilization Reserve, but at this point staff is projecting that to be approximately \$400,000 and that is a result of using some of that money for the Mission Vista Slope Repair. Staff is also looking at using that as a bridge based on the State informing the City that they will be withholding payments on some of those funds. Once the State pays the City back, those funds will probably return to the \$4,000,000 to \$4,500,000 range. The Capital Projects Reserve was at \$15,500,000. As we complete the projects that Council has allocated those funds to, which include the final closeout of Mance Buchanon Park, Buddy Todd Park, the Senior Center, and a number of other projects that are detailed in the staff report, there will be approximately \$2,400,000 left in that reserve. That money is there simply because it money was originally allocated to Fire Station 1 and, with the Fire Department changing their priority to Fire Station 8, that money would be available for use for that particular project or any other one-time use that Council is looking at. And, then the Undesignated Reserves that is currently available for one-time costs, there is approximately \$4,200,000 projected.

Based on the Budget Reduction Plan, staff needs to prepare the actual FY 09-10 budget update with a preliminary workshop in May and the final adoption in June. As part of that budget process, staff is in the process of developing a plan to address future budget issues. Staff has been and will continue to look at revising the budget process to reflect specific programs and activities to do a more activity-based budget to look at which ones are effective, which ones are efficient, and adjust them accordingly and then to prioritize those programs and activities based on the desired results and demand for service. So, those are going to be key issues that staff is going to bring back to Council in the near future.

He recommended that Council approve the proposed budget reductions as submitted. Council can approve them with modification, if desired. Just a word of caution, if Council decides to move money around, we still need to hit a target of \$4,000,000. So, as Council moves money from one location, they will need to find the additional source to make up that difference. Or, in the event that Council needs additional time or provide staff direction, they can do an additional workshop on April 8th. That concludes his comments.

MAYOR WOOD noted that staff and employee groups over the last year jumped in early and started to make some plans about these cut-backs and problems in the future. That has helped an awful lot. Oceanside is healthy compared to some other cities in the County that have gone through this process. He noted that if we want to move money around, there needs to be suggestions on how to replace that money.

Public Input

FRANK MERRIFIELD, 200 North El Camino Real, Space 92, said that if funding for rent control is taken away [a Neighborhood Services Department reduction – eliminates General Fund Support], what happens to rent control. He reviewed the rent control provisions. With the fees imposed by the ordinance for the residents and the park owners, the ordinance would be self-sustaining. When the owners start applying for special adjustments and the appeal process took away the operating expenses that were provided under the ordinance, the City provided the necessary funds to continue litigation and things that had happened since the park owners had asked for special adjustments.

With the appeals process, it overcame the amount of money that was set aside under the guidance of the ordinance. We thank Council for upholding their part and providing enough money to represent that. And as you know, rent control is a means of affordable housing for people on fixed incomes. Some residents in our park have been residents for over 30 years and are in their early 80's and 90's. What happens if the rents skyrocket without rent control.

JIMMY KNOTT, 127 Sherri Lane, stated Council has before them the treasurer's investment portfolio pool. And from February 12, 2009 there is \$197,335,467 in it. Out of it last year the interest earnings were \$4,577,333 which was rolled over into the fund every year. Out of it a certain amount is taken out. But, a majority of it is rolled over into the fund. That is a source of revenue that, over the years, has been building. It was established years ago by state law for emergencies just like what we are experiencing. Council needs to step back; needs to take a break; needs to seriously look at it. Take the interest and do what is right. Staff has been cut to the bone. They are doing the best job that they can. Cutting is not right. This does not serve the people well. Increasing the people's fees - no way. This is not what the people want.

CAROL DILLARD, 4084 Ivey Vista Way, has become fully aware of the difficult task that Council has as they strive to maintain fiscal stability, balance the budget, and continue to provide the services to the community. For the past 25 years, KOCT and this City Council have engaged in a partnership and collaboration which has been beneficial. She realizes that everyone must play a part in our economic recovery. She reviewed the importance of KOCT. With local newspapers and community access television stations disappearing, this is not the time to cut our community access television stations. She does understand the sacrifices and only asks that KOCT not be subject to inequitable reductions. A 10% cut for the majority of departments is more reasonable for KOCT rather than a 19% reduction.

TAMMY WALZ, CEO - Boys & Girls Club, said that regardless of the financial times, our children are still in great need if not even more so today. It goes without saying that our longevity in the community and the partnerships that we have formed have embraced Oceanside. Of the 8 cost centers that the Boys & Girls Clubs run whether it is an after school program, the noon time school program, a morning kindergarten program, there are only 2 that are losing money: Libby Lake Unit and the Junior Seau 'Fitness Center'. This year at Libby Lake we have seen 90 unduplicated children at that activity center and in the Fitness Center we have over 125 members. The Boys & Girls Club feels a responsibility to look at ways to either increase fees, look at additional programming opportunities, or ways to reduce. So, we understand what Council is going through. We are recommending that at the Fitness Center we add a \$12,000 fee increase, which will be a huge increase to the members and we are asking the City to approve the \$35,000 that has been recommended.

JODI DIAMOND, Boys & Girls Club, said that Oceanside is home to many children and families facing multiple pressures. There is poverty, language barriers, low family educational attainment, pervasive substance abuse, and all of these factors impact the child's ability to be engaged and succeed. The statistics show staggering results for juvenile delinquent behaviors. In Oceanside there was a 10% increase in juvenile arrests from the year 2006 to 2007. That was the latest statistics that they had. We know when youth are engaged in after school activities, they are more likely to stay in school; less likely to engage in drugs or substance abuse; less likely to get pregnant; and more likely to graduate. So, we see every day the benefits and impact we have on youth in our community. She gave examples of their successful programs in the lives of kids.

DAVID NYDEGGER President and CEO of the Oceanside Chamber of Commerce, understands budget cuts. We are currently experiencing economic problems and

challenges in our Country that we have not seen in 75 years. The Oceanside Chamber of Commerce has operated the Information Center in Oceanside with a fee for services contract with the City since 1988. We became a California Welcome Center, 1 of 13 in the State of California, in July 2000. Our contract with the City has increased through the years and that is necessary to meet the expanded demand and increase to visitors' information for our community. The dollars that we receive go directly to the promotion and marketing of the City and have directly contributed to that demand increase. Leslee Gaul will make a Power Point presentation on precisely what that means in revenue dollars not only to the City but to the local business community. Americans have always felt that they have the right to travel. They might not be traveling as far, but they are still out there. The Chamber would like those travelers to come to Oceanside which is becoming a wonderful vacation destination. Now, more than ever, the Chamber needs to continue efforts to track new visitors; we do not want to stop that momentum. Cutting marketing and promotion dollars does not increase revenue.

LESLEE GAUL, California Welcome Center Oceanside, highlighted the momentum we have created the last couple of years in promoting Oceanside as a destination. We are a revenue generator for the City. She made a Power Point presentation summarizing the increased visitors' inquiries over the past 5 years. Our average occupancy rate over the last 5 years has gone up significantly. Last fiscal year, we were at 60%. The 3% increase year over year represents over \$1,000,000 in hotel revenue in Oceanside. Transient Occupancy Tax (TOT) was \$3,100,000 and that went into the City's General Fund last year - up from \$2,300,000. That hotel tax is generated by the visitors, not citizens of Oceanside. She explained the \$30,000 worth of advertising we did last year generated nearly 13,000 inquiries on Oceanside. Cutting \$30,000 from our budget will bring inquiries to approximately 7,000 inquiries a year which is where we were 3 years ago. That represents approximately \$1,000,000 in visitors' spending. Looking at our current budget, we generated almost 20,000 inquiries specifically asking for information on Oceanside, representing over \$3,000,000 in visitors' spending. We had a strong Group Sales Initiative this year. With the part-time sales person working 16 hours a week generating group leads, in 7 months over \$450,000 was generated in hotel revenue. That is \$45,000 in TOT that goes into the General Fund and that represents tax dollars from the visitors not citizens. So, with that \$30,000 she wanted to be able to hire a full-time sales person generating group room nights in Oceanside. Taking the track record and applying it to a full-time sales position, that person would be booking 24,000 room nights a year - over \$2,000,000 in hotel revenue which translates into \$211,000 in TOT; that is hotel tax that goes into the General Fund. She also reviewed a slide "Return on Investment YTD; July-Dec 2008".

JAMES JENKINS, 1429 Calle Marbella, owns a slip at the harbor, spoke in opposition to the proposed slip rental fee increases. When looking at slip renters of a 26-foot slip, they are seeing proposed increases of 10.24%. A 34-foot slip renter is facing a 9.26% increase; a 43-foot slip renter is facing a 14.81% increase; a 51-foot slip renter's increase is 20.37%. These increases far exceed the cost of living increases. They were told that slip rents would not be increased much more than the cost of living increases. Also, when you look at the Livaboards down at the Oceanside Harbor, they have an extra \$2.50 fee per foot. Their fees are also going up by 100% - up to \$5.00 per foot. It is not just the proposed fee increase coming up in July, but also there is supposed to be a cost of living increase the first of January; and the City is proposing another fee in July 2010. So, they are talking about some significant increases in addition to other new fees and costs such as the City is now requiring insurance on boats. These increases do not seem to jive with the difference in the budget increases. They are talking 2-3% budget increases versus 10-20%. They will see a real detrimental impact to the Harbor. He asked Council to do a good due-diligence on this.

RICK DAVIS, 276 North El Camino Real #193, talked about the proposed cuts to health and safety and housing issues. In the past 4+ years, we have made a serious increase in Police and Fire Departments with response times in taking care of people within the community. He wants to continue feeling safe. It is important that we do not reduce or go back to the way it was 8 years ago. Gang violence and serious crime is down within the City. Rent control is vitally important. Some of these mobile home park owners would have increases in these parks so high that some of these homes could not be sold. Not only are there seniors but the largest group in our society that is becoming homeless is our military and we have a very large group of them within this community. Please do not take away our safety, security and housing. Some of these people will be on the street if rents are raised to a point where they cannot afford to live there anymore.

LEANNE POHRMAN, 312 Channel Lane, said she was the first President of the Oceanside Mobile Home Alliance (OMHA). She came from Oregon and saw what it did to her parents with the greedy park owners who raised their rents in excess of \$700 a month. Her husband and she are both displaced workers at this time due to the economy. She cannot afford to move nor does she want to. We need rent control. We need the City to supervise these park owners that are greedy. Her park owner has not done any real improvements. Please take care of the seniors.

ROBERT NEAL, 109 Avenida Las Brisas, Chairman of the Board of Directors of KOCT Television, asked for Council's consideration. KOCT took a hit in the budget within the last couple of years and eliminated some positions. KOCT ran a survey several years ago that said at least 75% of the people in the City watched KOCT at one time or another. He heard at one time that there are 62,000 cable subscribers in the City. So, it is a pretty significant number of people. The Board and staff solicit business and bring in revenue to help support KOCT. There are 9,000 non-profit organizations (501c3) in San Diego County. We are out pushing for grants and it is a very competitive market. The money supply is shrinking and it is tough to bring in a significant amount of money. KOCT is going to take a positive approach and try to move forward to come up with some good ideas and ways that we can raise some money. In the meantime he asked Council to give them equal treatment with the rest of the City.

KATHY CHRISTY, 3552 Mira Pacific Drive, executive member representing the League of Women Voters, stated KOCT has been an important part of the community working closely with the City and also with the League of Women Voters with voters service activities. Oceanside has more election coverage than any other North County city because of KOCT. And, we really do need this now because newspapers are closing and the other local access T.V. stations are having trouble. The League knows that Council has to make cuts. The League requests that Council see if there is any way that they can bring the 19% cut down to around the 10% level like the City services.

TOM REESER, Executive Director, KOCT, started working at the station as a part time employee in 1987. He does not envy Council the difficult task of trying to provide services and safety in a recession-battered economy. The City and KOCT have a 25-year relationship of shared purpose and cooperation. He understands that KOCT must play a part in the City's recovery effort. We expected a 10% cut of our General Fund money similar to what has been asked of most of the City departments. KOCT is always budget conscious. In fact, over the past 2 years, KOCT has already reduced its full time staff from 13 to 11 employees. However, the proposed 19% cut will cause great hardship. Even the 10% cut will mean the loss of one full time employee. The 19% funding cut would mean the loss of 2 or 3 KOCT staff members. This is an unfair burden. The difference between 10% and 19% in dollars is \$50,000 versus \$100,000; a small amount to ease the City's budget dilemma but a 27% reduction in his work force. Television is labor intensive. A 30 minute documentary may cost 300 hours of production labor and involve multiple employees. We are not able to provide benefits and high wages. KOCT does provide jobs

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and job training. KOCT has attracted many college interns and recent graduates. Besides training our future work force, KOCT supports the current business and tourism industry. KOCT helps the City achieve transparency and shows the public that Council believes in open government and community participation. Slashing the KOCT work force by 27% will not solve the City's budget problems. He asked Council to reconsider the proposed 19% budget cut.

KEVIN STOTMEISTER, 225 Borrego Court, spoke in support of KOCT and the Welcome Center. He is a former board member and past chairman of KOCT. KOCT is the vehicle by which the City has the greatest potential to communicate with and about the community. The City currently uses KOCT's programming, interview segments, and special features to interact with and among the citizens of Oceanside on a daily basis. In times of trouble all experienced leaders know that you communicate more, not less, and KOCT is a vehicle for the City to do just that. KOCT is certainly prepared to reduce their fair share of expenses but asking them to take almost twice the percentage reduction that other City departments are considering is draconian. More importantly the City runs the risk of reducing or possibly even losing their voice to the Oceanside citizens/community.

On behalf of the Welcome Center, he said there is a business principle relative to budgeting that holds that revenue generation is always the better thing to approach versus expense reduction. On the revenue side, you typically have an almost unlimited ability to do more. Conversely, on the expense side, a large portion of the expense side tends to be fixed. The Welcome Center is a revenue generator. It brings in tourists and generates taxes for the City and those taxes and that revenue are what we really need.

DIANE NYGAARD, 5020 Nighthawk, said that all who live in Oceanside should thank Council and staff for the fact that our budget is not nearly as bad as what many other cities have been experiencing. She is pleased to see that we are looking at adjusting fees because it is only fair that people who benefit from services are really paying their fair share of those services. We also need to provide adequate scholarships or subsidy for those increases so those who have the most difficult time paying are still able to participate. She spoke in support of KOCT and the long-term, critical investment in the community. One of the joys and challenges for all of us in Oceanside is having an active, engaged, involved citizenry. KOCT is part of the heart of that involved citizenry. She urged Council to look at a fair adjustment to fees, looking at developer impact fees as part of the picture, and reducing cuts that are really disproportionate to important things like KOCT.

DICK BARTLETT, 417 North Cleveland, spoke in support of the Welcome Center and KOCT. KOCT has a unique capability that we do not find anywhere else. If we look at other organizations in the community, there may be some overlapping, but not with KOCT. He reviewed that over 3 years ago a program was developed to allow Marines in Iraq and their families in Oceanside to video/teleconference and it was accomplished through KOCT. The program has served over 1,600 Camp Pendleton families. He appealed that as Council makes the cuts necessary that they are able to cut back from the proposed 19%. We need KOCT.

MARC KOEHLER, with Life Thru Sports, talked about the CWC and Leslee Gaul and what it has meant to his event. The first year they had over 150 teams in Oceanside from around the State; the second year they had teams from all over the United States; this year we are having international teams coming from far away as Senegal, Italy, and Japan. This event has turned into a calendar event and a destination event. The Senegal Team alone has booked approximately 15 rooms. So, it has turned into \$2,000,000 of local revenue for the City - \$75,000 to the TOT Fund - and really is a fun family event. Please consider the effects that the cuts would have on the CWC and other events.

MAN LAI TAN, General Manager, Oceanside Residence Inn by Marriott, 3603 Ocean Ranch, was here to continue our support for funding for the Chamber of Commerce and the CWC. Budget cuts are always a business decision, so let's focus on the business aspect of the decision. In 2008 alone, the hotels in the City brought in \$3,100,000 TOT for the City. These dollars did not come without help. From the Chamber, from all the activities they put on, events they do, and then the advertising and creating awareness that Leslee drives and leads helps brings in the tourism and travelers to the City. And, in turn, they will stay in our hotel and then the money comes back to the City. She asked Council if this investment of \$30,000 going back into the Chamber is worth Council's time of having millions of dollars coming back into the City.

DIANE PAL, 3175 Seabury Street, Carlsbad, supports KOCT. For all of those people who work in Oceanside but do not live in Oceanside, KOCT provides a most valuable resource. She asked Council to kindly review the budget to see if they can make it an equitable cut for KOCT.

GARY PRINGLE, 32525 South Lower Street, Winchester, spoke in opposition to the proposed fee increases at the Harbor. The proposed increases indicate that there is going to be a \$700,000 increase in fees. \$100,000 of the proposed increase is going to fall on 1,100 boat owners and that seems disproportionate. For people who actually live down at the Harbor, they are talking about a 100% increase. So, if you live in an apartment at \$1,200 and it increases to \$2,400 a month, it is preposterous. He does not believe that the harbor is a high maintenance area. The level of protection and safety services we have are sufficient. He is trying to find a comparable harbor to our harbor. They say the increases are due to other harbors having higher fees than us. Other harbors have RV Parks, pools, recreation facilities, etc. We are not trying to get any extra services. We just do not want all of these fee increases.

MICHAEL HARM, 210 Avenida Descanso, owns a boat down at the Harbor. These proposed fees are preposterous. It is going to effectively weed a lot of us out; we will not be able to afford to have a boat in the harbor. A lot of the other harbors that have been compared with Oceanside have amenities that Oceanside does not have. He is opposed.

WAYNE HILL, 1540 Harbor Drive North, has lived with his family on 'R' dock at the Oceanside harbor for 15 years. He drives by 5 harbors a day driving from Long Beach to Oceanside. The fees in Oceanside harbor have been fair to the values of houses in Oceanside. We are a blue collar harbor. It is unfair for the increases. For a 40-foot livaboard boat it is \$532 a month for him right now. In July 1st, it will go up \$163 a month that is \$1,960 a year. July 1, 2010 the fees would increase an additional \$4,266 a year. He works for the railroad and is on a fixed income and does not get any raises or overtime because of this economy. The City has a budget crunch and so does his family. He has made adjustments but has no place else to go to make additional money. He knows the City has a struggle. The values of the harbor have been fine. He pays \$100 a month to be a livaboard. He is not a problem down there and his boat is self-sufficient. He has solar panels and does not take extra electricity. We have wind generators. There has been a benefit from having livaboards; we help out. We stop and report theft to the police officers. He has stopped boats from sinking over the years, etc. We are a good contribution to the harbor and community down there. He asked Council to reconsider the increase. The percentages from now to 2010 are 60% increases of what Council is asking us to come up with.

JERRY McARDLE, 1540 Harbor Drive North, opposes the slip rent increases. His parents put a boat in Oceanside Harbor in 1965 on H Dock, where he resides now. In January 2008 there was a 6% increase: a cost of living increase; he can see that. The proposed increase for July 1st for him would be a 28% increase. And, then again on January 1, 2010 there would be another 6% increase. In a 2-year period that is a 40%

increase. This City has rent control and if one of the mobile home park owners raised rent 40% in a 2-year period, this place would be pretty full with an angry mob. There is a little less than 100 livaboards at the harbor and they are the ones being impacted the most. The money from the harbor goes to the General Fund; it does not go to the Harbor. There is an increase in DMV fees this year. The harbor is going to ask us to replace our dock boxes at a cost of approximately \$300 a piece. So, there are a lot of fees that are coming up for those people living at the harbor. There are a lot of people with fixed incomes in the harbor and during these economic times to ask anyone for a 40% increase in the cost of living to pay for rent is preposterous and Council needs to look somewhere else.

NADINE SCOTT, 550 Hoover, stated there are a couple of things she disagrees with on cuts. It is very interesting to see that the CWC wants to hire more people when everyone else is trying to cut their budget.

The cut that is recommended for KOCT is unfair. They would probably be more than willing to cut their budget by 10%. They are an unbiased news source which we don't see anywhere else with their 2 channels. They are fantastic. She is going to give KOCT \$500 of her own money as a donation and would like to see every elected official and every staff member donate to KOCT. If they get those donations from 50 City employees, including elected positions, she will increase her donation to \$1,000.

Last, she understands that KOCT's budget is partially funded by franchise fees. They are not getting all of those franchise fees from Cox Cable and a lot of that money is going into General Fund. It is just abysmal that they cannot be fully funded at current staff levels. Council needs to consider seriously not cutting KOCT's budget more than 10%. There are a lot of other things wrong. Department heads have done magnificent jobs in cutting and snipping and trimming where they could. But, don't cut us off from the public access of our local T.V.

DONNA MCGINTY, 2405 Mesa Drive, knows that staff and Council are doing the best they can with the budget. KOCT is the most productive, non-political, unbiased, good thing going on in this City that has no politics involved. Council should take that \$40,000 they are about to give to MainStreet and give it to KOCT, and take another \$40,000 out of the Chamber of Commerce's budget, who is supposed to be self-supporting, and give that to KOCT, too. And give the Police and Fire Department everything that the matrix report says is not needed everywhere else. Take all that money, get rid of all of that waste and give it to the Police and Fire Departments where they can put it to good use.

THOMAS BRUCCOLERI, 1013 Sundial Court, the 511 Program Manager with SANDAG, said that SANDAG provides 511 traveler information to KOCT and that information is displayed daily from 5:00 a.m. to 8:00 a.m. The intent of the 511 TV broadcast is to provide Oceanside commuters with real time traffic information. The feed is automated and is available to KOCT 24 hours a day, 7 days a week. Without KOCT, we would not have a service provider in the area to display this traffic information. He recommended continued support for KOCT and the 511 TV broadcast.

MATT CAULFIELD, 2023 South Pacific, slip renter in the harbor, said the fees are reviewed and raised on a regular basis. There is another raise scheduled outside of this proposal. The current fees are not low compared to other marinas, per his research. There is a tax on the slip; a lot of other marinas do include that tax in the slip rent; the marina pays the tax rather than the individual renters paying it. This proposed increase is tough on the livaboards. Many are on fixed incomes. There are not many wealthy people in Oceanside Harbor. The vast majority of those boats are quite old; 20 and 30 year old boats that families have kept there for years. Part of their slip fees come back to them in services in the harbor, but a portion goes to the General Fund. They have been paying for

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years for services outside the harbor in this community. This is just too large a hike; it is too much, too fast.

DAN FELZER, 1540 Harbor Drive North, owns a boat in the harbor and has received a letter proposing fee increases. The proposed fee increases are exorbitant as some are 100% increases, i.e. the livaboard fees. The only justification offered for the increase is to keep parity with other marinas in the region. This is like trying to compare apples to oranges. This is a government owned harbor; it is not for making a profit and it is certainly not constitutionally legal to take from the harbor residents to support other residents in Oceanside. Why is there a need for the increase since there is no budget deficit for harbor services. Let's set an example of how to be efficient, especially in this economic crisis. If it is shown that there is a real need, let us explore all options together instead of just piling excessive fees and burdens on a targeted group who may be facing hard times themselves.

CHUCK LOWERY, 812 Alberta, spoke in support of KOCT. KOCT means Oceanside community television; it is accessible to everyone as further explained. They have all heard that the newspapers are an endangered media because people use other sources for their information. He asked that Council not endanger KOCT either. As a business owner, he is always concerned about the cost of operating a project. KOCT has cut back on expenses to save money by keeping paid positions unfilled, working with a smaller staff. They have reduced their heating, cooling and lighting costs wherever possible. He suggested that the City do that at City Hall. Cutbacks as severe as those proposed for KOCT can do a lot of harm to the morale of a City, more than we can imagine. It hurts everyone. He asked Council to consider the wonderful asset of KOCT.

CLYDE WICKHAM, 1365 Cynthia Lane, Carlsbad, said we have all been hit with the budget and times are tough and everyone of us is tightening up. More than half of his friends who have boats have spouses and they are as well unemployed. They are hanging on to what they have. This hit is a real tough increase. He asked Council to do their best and consider what they can and try to just hold back as long as they can. Things are going to turn around. Running a deficit is not the worst. Government does it. On one point that has not been mentioned, the Local Coastal Plan that the City has that supports everything along the coast has a housing element in it. And, raising the rents to livaboards in Oceanside is a violation of that element. So, please hold back your increase and especially to the livaboards. The policing of our docks is a good thing with the livaboards. They are the eyes and ears of the docks. He has been at the harbor almost 30 years and he really wishes Council can cutback on cutbacks.

JOHN PUTLAK, 1908 Escondido, Vista, has a boat in the Oceanside Harbor, said the proposed increases are of great concern to him and a lot of individuals in the harbor. From last year's increase he currently pays \$370 a month for his boat to stay in the harbor. Come January there is another increase. Now we have another 2 increases which is going to bring his pricing up radically. Within a year it is going to bring it from the current \$370 up to almost \$500. Honestly, he cannot afford that. He will have to sell his boat and that would be a shame.

DAVID STONG, 5154 Wisteria Drive, is also a slip renter down at the marina. He is very concerned about the increases. He is not a livaboard. Between now and July 2010, he faces a 47% increase. In addition to the slip rental fees, the other fees are proposed to increase from 14% to 150%. It is just too much too fast. As a pleasure boat slip renter, he is being asked to subsidize the commercial fleet. That does not make sense to him. The commercial fleet slip rental rates are substantially lower than what he pays. And, their proposed increase is only 30% while his is 47%. Why are you widening the gap and asking him to subsidize them even more. It does not seem fair. Our slip rental fees have

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been increased on a regular basis and there is a CPI deal every other year. Three increases in 15 months is too much too fast.

THOMAS NUNAN, 1820 Hunsaker, has been in business over 50 years and one thing he has learned is that you really can't save your way into profitability. The best way to do it is to increase revenue. Increasing revenue is not nearly as painful as going into a cost reduction program. What needs to be done now is to increase promotion/advertising/sales. So, rather than decrease the Chamber's budget, consider hiring another sales person to bring in more revenue.

Council is interested in the quality of life, volunteerism, and cultural growth which brings in business. He has worked with Tom Reeser, at KOCT, and the Oceanside Museum of Art. He urged Council to reconsider on those 2 issues.

GERALD HAMPTON, 934 Tempera Court, spoke in support of KOCT and agrees with many of the previous speakers who have reaffirmed the asset and resource that KOCT is to this community. The 19% cut is exceedingly high and he asked Council to take another look at that.

BRUCE TAIT, Chair of the Oceanside Chamber of Commerce, said as business owners, residents, community leaders and elected officials, we all have to make tough and wise decisions about budgets, finances and investments. One thing that the CWC can provide is an opportunity for a wise investment. We have shown there is a great return on that investment. It is not based on projections; it is based on track record and recent history. He would also like to make a clarification that the funding that the CWC gets from the City, is for the CWC. As a matter of fact, the Chamber helps support the CWC. He requested that Council continue with the wise investment in the CWC.

CITY MANAGER WEISS noted that Council is scheduled for a 4:00 PM workshop with the Arts Commission today but Council has the opportunity to continue the discussion here today. It is 3:45 PM now. He asked for Council's direction.

MAYOR WOOD would like to go forward with this meeting and staff can tell the Arts Commission that this meeting is running longer than anticipated. There are a lot of speakers here and it would be inappropriate not to respond.

COUNCILMEMBER CHAVEZ suggested that staff tell the Arts Commission that Council will be there at 5:00 PM. If Council can finish this meeting by 4:30 PM, Council could be over at the Arts Commission meeting by 4:45 PM or 5:00 PM. He asked if that was agreeable.

COUNCILMEMBER KERN agreed to tell the Arts Commission that Council could possibly be there at 5:00 PM if Council can be concise. He would hate to reschedule the Arts Commission meeting.

Councilmembers concurred.

COUNCILMEMBER SANCHEZ had hoped that the structure of the workshop would be a little different since we were talking about some pretty drastic cuts that we should prioritize in importance. She has been in on-going discussions with the City Manager for over a month now. What we are probably going to do is give direction to the City Manager and then come back. So, starting off, we did receive a memo; it is pretty much the presentation.

First, regarding the fee increases, they are not completely before Council because we did not get all of the background for it. Certainly, the biggest response that we heard

from is regarding the proposed harbor slip fee. She, too, has a lot of issues and concerns about that. She requested information about the slip rent fees because she believes fees should be reasonably related to the services provided. Being on the Council for the last 8 years, she is well aware of the history of what we have been doing with the harbor. She is not convinced that these fees are reasonably related to the services provided. She did ask what the total revenue is for the harbor, what are the total expenditures. The revenues are a little over the expenditures; a little over \$6,000,000. Just because the market shows fees in other areas, we need to consider other things. She does not know exactly what the report says but just on the face value, she does not agree with what has been presented in terms of the slip fees.

Regarding both the ambulance billing and the Parks and Recreation fees she, again, did not get a total picture. This is going to come before us in a bigger picture later on. The challenge to the departments basically was to cut 10% and they were invited to review the fees for services so that each department could become more self-sufficient. Regarding Parks and Recreation fees, she did not get a total revenue report on that. Whatever happens with Parks and Recreation fees, she would like to see that they get credit for the fees and they should not get lost in the General Fund. She wants to ensure that whatever fees are considered, that they go right back into that department.

The ambulance billing has been the biggest headache for her because ambulance is the emergency transport to the emergency room by the Fire Department. And, while billing department is for the whole City, all of these funds generated by the Fire Department are going into the General Fund without giving any credit to the Fire Department. She does not agree with that. If we are going to be looking at what is the cost of each department, we need to look at the true costs and true expenditures. She never really got a total picture of what the total revenues are that come in because she has heard recently that we were in the black in terms of ambulance and we had just increased them. The idea was to make it pay for itself where it could and we are talking about charging health insurance. So, she still is not comfortable with understanding what is proposed for the Fire Department.

When the Water Department decided they needed GIS, it bought the whole program and said that for each department, whatever they use, it is going to be counted against them. So, that is like counting it once. You don't charge it and charge it and charge it until it is paid 3 or 4 times. You charge what you use. She would like to see that accounting done better so that we get a truer picture.

Moving on to the nonprofit funding, she is very familiar with all 3 organizations: KOCT, Chamber of Commerce Welcome Center, and the Boys & Girls Club. We are not getting a true picture. Of the 3, only KOCT does not use City land and a City building. KOCT pays \$6,000 a month rent. The Welcome Center and the Chamber of Commerce are not charged rent more than \$1.00 a year; the Boys & Girls Club, same thing. So, we are not given an equal picture. Also, the Chamber of Commerce is getting an additional \$138,000 from redevelopment. So, in truth, we have \$138,000 plus \$138,000, plus whatever rent, if they say it is \$6,000 per building for the Chamber and for the Welcome Center, the City is subsidizing and doing its fair share for the Chamber of Commerce.

She does have a history with the KOCT funding. When Cox Cable was renewing its franchise, the City created a citizens' committee and they came up with the commitment to the public for this franchise; that was KOCT. So, even though it sounds like KOCT is getting this money from the General Fund, it is actually getting it from the franchise fees, which is approximately \$1,500,000. So, she does not want to see any cuts to KOCT. This was an agreement with the community back in 2000 that we were going to fund KOCT as part of this franchise agreement with Cox Cable. So, she sees KOCT as valuable if not more so than the Welcome Center. KOCT provides a very valuable community service in

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terms of training, education and of communication. She is opposed to any changes to KOCT but accepts that there has been a tender to reduce it by 10% and she will accept that. The Boys & Girls Club is also receiving money from CDBG at approximately \$45,000.

Interjecting, regarding the meeting process, **COUNCILMEMBER CHAVEZ** likes the way Councilmember Sanchez is going through these items but it probably would be beneficial to start voting on these. Basically there are 3 things before us: fees, issue of nonprofits, departmental services and programs. Councilmember Sanchez has already covered the issue of fees. If we can come to closure on that, then we can go to the next issue of nonprofits and then go the reductions come to closure on that then we are done. But if we all give a speech on every one of these items, we are going to be here a long time.

MAYOR WOOD said that is what he thought.

COUNCILMEMBER CHAVEZ agrees with Councilmember Sanchez and asked her to make a motion on fees, he would second, and they would be go to the next issue.

Concurring, **COUNCILMEMBER SANCHEZ** made a motion that we give direction to staff to revise the fees in light of the comments (no cuts in KOCT and to look at the slip fees).

COUNCILMEMBER CHAVEZ said on the fees, he seconded the motion; then let's go to the nonprofit discussion next.

COUNCILMEMBER SANCHEZ wanted to go back and discuss all because they are all kind of related. Let me do this really quickly and then go back to the motion. The \$4.2 million that is recommended is actually \$4.5 million out the \$4.2 million that is recommended. So, she also has a question about that.

Going through the departments quickly she will say what she is opposed to, why and where we can make up the difference. Our priority should be public health and safety. In terms of Fire, she is opposed to the reduction of the captain's position. We have been committed to constant staffing for many years. That means we do not reduce the number of actual firefighters, firefighter/paramedics personnel in the Fire Department. To reduce it one person means lower response times, lower care, and an increase in impacts to the community in terms of lives. She is also opposed to elimination of the C.E.R.T. Program.

For Harbor and Beaches, she is opposed to closing 3 lifeguard towers. She does not know if she could live with the first kid drowning.

Police Department – she does not want to see the reduction of a police officer or dispatcher. Again, we have reduced crime 25%. She does not want to see us go back to increases in crime.

The Rent Control Ordinance is defended by the City as well as other laws that we have. That fee is not even before us so she is opposed to that.

The Youth Literacy Program at the Library – she is opposed to elimination of the Youth Literacy Program.

Regarding Development Services, we are in a time of no building construction. We are not processing plans. But, we have been telling the staff that development should pay for itself as nearly as possible. But, seeing that the Planning Department is \$3,000,000 into the General Fund above and beyond the fees they collect; Engineering Services is almost \$1,000,000 into the General Fund; and Building is another \$1,000,000 into the

General Fund, something is not quite right. We have been talking about looking at these fees over and over again. That is \$5,000,000 right there. That is where we should be looking to help cover these costs.

There is a mistake, probably clerical, on Attachment 4 Reserve Funding Advances and Prepaids. General Fund is advanced approximately \$3,300,000 to the CDC general project fund. It is actually \$9,000,000 that is owed to the General Fund. She does believe that in the last 8 years when we have talked about putting money away for an emergency, this is precisely the emergency that she envisioned. We have been talking about the economy and the City and we basically have been flat. We have done some really neat things. The economy is going to come back but when is the question. For right now she would like to at least maintain our levels of services. She does believe that in an emergency, we should dip into our reserves and we should do it now. She would add her motion regarding the fees.

MAYOR WOOD noted that each motion is going to open it up to comments.

COUNCILMEMBER CHAVEZ said Councilmember Sanchez spoke for 15 minutes and he is going to try to get Council through this quickly. We have 3 items before us. We have the departmental service and program reductions of the \$4,000,000 and recommended by the City Manager, who has given us a report on that.

He would **move approval** of the departmental service and program reductions.

COUNCILMEMBER KERN **seconded**.

COUNCILMEMBER CHAVEZ stated that the fees are being tabled because the Harbor and Beaches Committee is meeting tomorrow regarding the slip renters fees and there are issues in the Fire. The City Manager gave his brief and said he has issues to look at with the City Attorney. So, let's just continue the fees to a later date. That was Councilmember Sanchez's motion. That is his **second**.

COUNCILMEMBER SANCHEZ said so the **motion**, as proposed is that the fees go back to staff with direction that the harbor slip rent fees be related to the services.

COUNCILMEMBER CHAVEZ noted that they are having that meeting tomorrow on slip fees.

COUNCILMEMBER KERN knows that we want to readjust the fees and make them more equitable. We are playing a zero sum game here. So, to have Councilmembers say reduce these fees and we don't want to charge these fees, we have to make it up somewhere. He would direct the City Manager, with the concurrence of the Council, if there is a feeling that we want to readjust these fees to what those agencies feel is more equitable, we have to find someplace else to cut. Everybody needs to understand that. The second thing is do not earmark fees. That is not the way we should be doing that. And, we should not live off our reserves or our savings in an operating budget. He wants people to understand that this was the easier year compared to next year which is going to be the tough budget year.

Procedurally, **MAYOR WOOD** noted nobody has had the chance to really speak yet except Councilmember Sanchez and we have motions on the table. So, we are in the discussion phase only about one item (fees) right now and one motion.

COUNCILMEMBER FELLER reiterated that the Harbor and Beaches Committee is meeting tomorrow on slip fees, etc. There is going to be a recommendation from the Committee tomorrow regarding these fees. And, he would imagine that any other

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committee or commission between now and April 8th will be discussing the same thing, whether it is the library about their cuts and possible fee increases, etc.

In response, **CITY MANAGER WEISS** said a Council public hearing is scheduled on April 8th for the fee increases.

COUNCILMEMBER FELLER said it would be great if the harbor was only for Oceanside residents, but it is for everybody. He heard a statement that he wants staff to address regarding the legality of raising rents in the harbor and the comment that we have affordable housing in our Local Coastal Plan.

JOHN MULLEN, City Attorney, replied that his office will have to look into that allegation a little more closely. But, in general, we raise rents in the harbor every 2 years. So the idea of raising rents would not inherently conflict with any elements of the General Plan or the Local Coastal Plan.

MAYOR WOOD asked for a vote on this if satisfied with the discussion on just this one item.

CITY CLERK WAYNE reiterated that the **motion**, as discussed is to defer the fee discussion (for further consideration) to the public hearing on April 8, 2009.

MAYOR WOOD/Councilmembers concurred.

Motion was approved 5-0.

COUNCILMEMBER CHAVEZ restated his motion to approve the City Manager's recommendations for reductions to the FY 2009-2010 departments' (service and programs) operating budgets [as follows:

DEPARTMENT	DEPARTMENT SUBMITTED REDUCTION AMOUNT	CITY MANAGER RECOMMENDED REDUCTION AMOUNT
<u>City Clerk</u> Eliminates supplies and training costs, but retains election costs because it is not an on-going savings.	\$226,716	\$14,375
<u>City Treasurer</u> Eliminates consultant fees and conference costs and charges CFD's for costs.	\$30,600	\$30,215
<u>Development Services</u> Eliminates four building/engineering inspection positions and outside building plan check services. Retains Planner position for Oceanside Boulevard, Center City Golf Course and City Wide strategic planning efforts.	\$635,640	\$635,640
<u>Finance</u> Eliminates two full-time and one part-time positions and hourly extra help costs.	\$245,000	\$245,000
<u>Human Resources</u> Eliminates one technician position.	\$75,218	\$75,218

DEPARTMENT	DEPARTMENT SUBMITTED REDUCTION AMOUNT	CITY MANAGER RECOMMENDED REDUCTION AMOUNT
<u>Harbor and Beaches</u>	\$210,655	\$80,125
Reduces summer service staffing for three lifeguard towers. Does not recommend eliminating maintenance costs and includes a placeholder for split funding of a potential police lieutenant position.		
<u>Library</u>	\$354,105	\$292,472
Reorganizes Library staff, reduce literacy staff, reduce Mission Branch Library hours, and close community computer center (computer center services to be relocated to the Library). The library reduction eliminates two full-time and ten part-time positions. The full-time positions are vacancies resulting from retirement and reorganization in Literacy and Support Services. The part-time are filled positions.		
<u>Economic Development</u>	\$129,338	\$129,338
Eliminates one Senior Property Agent position, eliminate low-use vehicle.		
<u>City Manager</u>	\$385,000	\$298,000
Eliminates one Deputy City Manager position and underfill Secretary to the City Manager position.		
<u>Neighborhood Services</u>	\$452,744	\$392,000
Eliminates General Fund support for Mobile Home rent control, eliminate one office specialist position and privatize the existing Senior Center (eliminates three positions).		
<u>Public Works</u>	\$519,502	\$208,600
Eliminate one admin position and one building maintenance position and retain parks maintenance standards.		
<u>Fire</u>	\$760,684	\$598,160
Eliminates office supplies and tuition reimbursement, eliminates Fire SWAT program, eliminates Fire Academy for two years and eliminates one Fire Captain Position.		
<u>Police</u>	\$1,563,645	\$1,000,114
Eliminates the State booking fee payment, eliminates two General Fund police officer positions and replaces one with grant funded position, eliminates one dispatcher and one records clerk position. The proposal also includes split funding for a potential police lieutenant position due to pending merge with Harbor.		
Total Recommended Reductions		\$4.0 million

COUNCILMEMBER KERN again **seconded** the motion.

COUNCILMEMBER SANCHEZ opposed the motion. The Fire Department is not getting credit for the revenue that it produces with regard to ambulance fees. Her understanding is that there is 1 full-time person in billing that does the Fire and that is not

in the hundreds of thousands of dollars. So whatever portion that goes above and beyond the cost of the actual billing should go back into the Fire Department, just like every other thing. She is really opposed to this. She understands that what was tendered was the potential cuts to include 2 part-time and a secretary, and when that was rejected it was the captain. She is opposed to the reduction of a captain because we have constant staffing. This is going to lower the level of service to the residents. It is criminal to be eliminating a captain position. They have offered up 2 part-time and a secretary and she would rather see that rather than a level of service affected where 1 person is lost. She is opposed to reduction of a police officer. With the stimulus package, we are hoping to get 1 covered so there is 1 left. With dispatch, if that is reduced, we are reducing the chances of somebody living and she is completely against that. She believes that Fire does have revenue that covers the captain's position and more. As to the police, we have achieved a level of quality of life. She does not want to see an officer killed, etc., and that is what this means by reducing public safety.

COUNCILMEMBER FELLER questioned the \$197,000,000 in savings after 130 years of incorporation, if we are actually making \$4,000,000 a year.

CITY TREASURER FELIEN said actually our current amount as of March 21 that we have available in the Investment Portfolio is \$169,000,000. The issue on the interest income is that it is already factored into the budget in terms of the money that is available, a point that he specifically confirmed with the City Manager. So, it is not free money by any means. Obviously, it is Council's choice on whether or not to spend it, but it is already factored into the projected revenue stream.

COUNCILMEMBER FELLER noted that 3 or 4 people mentioned that rent control was somehow going to be taken away or the service was going to be discontinued. He wants to know who is telling people that. It is not going away.

CITY MANAGER WEISS confirmed that there is no proposal to eliminate Mobile Home Rent Control.

COUNCILMEMBER FELLER noted in the City Clerk's budget there is \$226,000 a year for elections. And, every other year we do not have an election. So, he would ask the maker of the motion that we free \$200,000 of that up for the City Manager's use in solving some of these other problems because we do not have, at this time, an election this (2009/10) year.

CITY CLERK WAYNE responded that the money does not roll over every off-election year. We do not have that money in the City Clerk's budget; it is in the General fund.

CITY MANAGER WEISS explained that the money would be available for a one time use. Given the comments made earlier, Council certainly has the ability to apply it to say, KOCT, but it does not solve the on-going problem.

COUNCILMEMBER FELLER acknowledged that it does not solve the problem, but it gives KOCT a year to solve their problem. He does not know if it is KOCT; how City Manager Weiss melts it down, that is his job. But he would just for discussion sake throw that out there because it is a possibility.

He did not see anything in the staff report regarding the Lobbyist Ordinance and the cost to administer that.

CITY CLERK WAYNE replied that he did not see it in the budget because when Council established the Lobbyist Ordinance they did not fund it. So, we are just making

due in our office with what we have got. We have not been able to hire additional people. It is costing us approximately \$31,000 in staff time additionally. But it was never funded. There was never any money applied to the budget to handle that program. And, that does not include what comes out of the City Attorney's budget or Code Enforcement for that program either.

COUNCILMEMBER FELLER said he would like to see if this one time use for that money could help get whatever department application through this year to help them prep for next year. It is a very real downturn out there. So, he believes that Council could do this one time knowing that it is only one time.

COUNCILMEMBER CHAVEZ noted that the City Manager has the wherewithal to move this money anywhere without Council making a motion. His motion supported the City Manager's plan with the understanding that the City Manager has the ability to float it around.

He noted that Councilmember Feller's concerns will come up on the next issue when we talk about the nonprofits. So, if we could get through this one item, then we can go to the next one without a long speech.

COUNCILMEMBER KERN noted that no one wants to make these cuts. None of us want to do that. But, we all have to share in what is going on because it is what it is; we have to cut about \$4,000,000. The cuts are tough for all. The 40-hour captain is not a line position. We are not going to pull somebody out of a fire station. So, Fire is going to do the best they can to deliver the services that are mandated. That is one thing about police and fire - they are mandated services. We have to keep them at certain levels. They came to the table with some real ideas. If you look at other cities around the State, Stockton cut 29 police officers. Some cities have some real problems and hopefully, we don't get to that point. He wants to keep reductions as far away from the street as possible. He does not want anybody on City staff to lose their job unless it is absolutely necessary because of budget constraints. So, we need to hold onto those because we are in the service delivery business and need to deliver those services to the taxpayers. We need to hold on to as many people as we possibly can. He questioned the elimination of the Fire Academy because the elimination appears to only be temporary until retirements and then staffing levels will gear back up. He asked if that was a correct assumption.

TERRY GARRISON, Fire Chief, replied yes.

COUNCILMEMBER KERN said hopefully between now and then we can come up with something. Some of the other cities are building training facilities and maybe we can combine training with other cities and realize long-term savings, etc.

MAYOR WOOD felt the crisis is not as deep in Oceanside as it is in other cities. There is no doubt there is an issue with the economy. It really comes down to getting through the next few years with common sense, understanding that you have to be cautious through this time. It is also issues like Councilmember Sanchez brought up regarding the fairness of the accounting of the ambulance fees to the Fire Department. That is important down the road because departments figure things by what is accountable to them; what they pay out, what they do and what they are billed for, etc. He was not happy about some of the cuts in a couple of categories and it was not just police and fire. Nobody wants the cuts. There has to be cuts but he thought it was simpler than that. Reserves are for rainy days and it is raining. The department heads made these cuts. Some Council may not like such as a fire captain leaving, something in the police, or lifeguard services. Those are things that are public safety minded and life saving. So, then where do we get the money from. That is difficult; do we cut from the Library to save somebody else or do we cut from Parks and Recreation to save somebody else. That is not

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what it is all about. We have \$42,000,000 in reserves. Nobody likes to use reserves. If we had sat down and discussed all of the things we had here tonight, looked at them, and at the end we did not agree on something, we might be \$1,000,000 in conflict. What is wrong with using that \$1,000,000+ from the reserves to make up the difference for this year. He is not talking about using up our reserves. The City Manager showed a chart going up and it gets worse a little further down the road in years. That is why you don't want to use your reserves up. But, we are hoping things are better. It is something we can turn to pay for items out of the slush fund reserves; just a small amount. That is where he was hoping they would get to today and not have certain cuts. This vote now is the expensive one; the \$4.2 million is really this vote and it comes down to public safety and fairness.

COUNCILMEMBER SANCHEZ agrees with the Mayor that we should be looking into our reserves but what is really glaring in this budget is that at the cost of public safety and other essential, critical services we are willing to subsidize the developer community to the tune of \$5,000,000. Now if the City wants to do some planning at a time when nothing is happening, then fine, \$1,000,000. But, we are talking about \$5,000,000. Development should pay for itself and why we are still subsidizing profits is beyond her. This is absolutely wrong that developers get \$5,000,000 and they are not even coming through the door.

Interjecting, **COUNCILMEMBER CHAVEZ** said we have heard this speech 3 times already. He called for the question.

MAYOR WOOD said Councilmember Chavez was not recognized.

COUNCILMEMBER SANCHEZ stated it is fire; it is police; it is dispatch; it is the closing of 3 towers when we are trying to get more people to come to the coast. It does not make sense at all for us to be doing this.

COUNCILMEMBER FELLER said this will continue to be a great, safe City. The one thing that we cannot forget is that the government cannot give to one or another without taking away from one or another. First and foremost public health, safety and infrastructure come first. This is the City Manager's budget. The bottom line is the City is going to continue to be a great, safe place to live. We are a big City. We have considerable money in the bank in reserves. If there is a crisis, you can't save everybody from everything; government just can't do that. The City Manager has worked hard to get to this point. Everybody has contributed. Many did not end up with 10% cuts. This should be about a City working together, hauling their share, trying to do the best for 180,000 people.

CITY CLERK WAYNE reiterated the motion and said the **motion** is to approve the City Manager's recommendations for reduction to the Fiscal Year 2009-2010 Departments' (service and programs) operating budgets.

Motion was approved 3-2, with Mayor Wood and Councilmember Sanchez voting no.

Regarding the non profit finding reductions, **COUNCILMEMBER CHAVEZ** moved to reduce the City Manager's recommendation to KOCT to a 10% reduction [\$55,000] and support his recommended reductions for the Boys & Girls Club and the California Welcome Center.

COUNCILMEMBER SANCHEZ seconded the motion.

March 25, 2009 – 2 PM

Mayor and Council Workshop

MAYOR WOOD asked if City Manager Weiss would be able to address the balancing of the budget if Council has changed the money and where it is coming from.

CITY MANAGER WEISS replied in the affirmative and will take care of that. Staff will be scheduling Council's workshop in May. The formal public hearing on fees will be on April 8th. Based on Council's and the public's input today and tomorrow, the draft staff report that he reviewed today will obviously be changing, and staff will be making appropriate recommendations at the April 8th public hearing. As we move towards Council's May budget items, staff will in advance of that, if there is a problem, forward Council appropriate recommendations and alternatives.

Motion was approved 4-1, with Mayor Wood voting no.

COUNCILMEMBER CHAVEZ said many of us have been working on this since last fall. There is no easy time to do this. He proposed to the Councilmembers to open up the dialogue one more time that everybody in the City has made some cuts with the exception of the City Council. He had proposed previously that we look at our travel budgets, cell phones, bottled water, papers, membership dues, office supplies, postage and printed material. He would like to know if there is any support on the dais to look at ourselves to make some cuts. Taking out the salary issue, it still comes out to approximately \$27,000+. It is not a lot of money but it is probably about the same amount of money that KOCT or the Welcome Center was fighting for. He puts that out for discussion. If there is no support for that, he will stop this and move on.

Hearing no input, **MAYOR WOOD** responded apparently not.

2. **Public Communication on City Council Matters (Off-agenda items)**

JIMMY KNOTT, 127 Sherri Lane, said in the interest of time, he will withdraw his request to speak.

ADJOURNMENT

MAYOR WOOD adjourned this Workshop to a Joint City Council/Arts Commission meeting at 4:00 p.m. on Wednesday, March 25, 2009 at the Oceanside Museum of Art, 704 Pier View Way. This meeting was adjourned at 4:42 PM on March 25, 2009.

ACCEPTED BY COUNCIL:

Barbara Riegel Wayne
City Clerk, City of Oceanside



California

CITY OF OCEANSIDE

MINUTES OF THE

CITY COUNCIL

TUESDAY, MARCH 31, 2009

**NOT OFFICIAL
UNTIL APPROVED AT SUBSEQUENT
MEETING BY CITY COUNCIL**

ADJOURNED MEETING 4:00 PM COUNCIL CHAMBERS

Mayor

Jim Wood

Deputy Mayor

Vacant

Councilmembers

Jerome Kern
Jack Feller
Esther Sanchez
Rocky Chavez

City Clerk

Barbara Riegel Wayne

Treasurer

Gary Felien

The adjourned joint meeting of the Oceanside City Council was called to order by Mayor Wood at 4:02 PM, Tuesday, March 31, 2009.

PLEDGE OF ALLEGIANCE -- Led by Lonnie Thibodeaux

ROLL CALL

Present were Mayor Wood and Councilmembers Chavez, Sanchez and Kern. Councilmember Feller arrived at 4:03 p.m. Also present were City Clerk Wayne, City Manager Peter Weiss and City Attorney John Mullen.

WORKSHOP ITEM:

1. **Presentation regarding proposed drought rates to be implemented in the event of mandatory water reductions, and direction to staff**

LONNIE THIBODEAUX, Water Utilities Director, provided a brief background prior to presenting the proposed drought rates. After the February 4th Council meeting they formed a focus group with two members of the Utilities Commission and several members of their previous citizens advisory committee, as well as representatives from Ocean Hills to deal with some of the issues that came up at the February 4th meeting. They held two marathon meeting sessions and they reviewed various drought rate options. There was a consensus and the Utilities Commission approved our recommendations on March 17.

He reminded the Council of the drought levels that they had previously approved last July and showed some examples of the restrictions in each of the drought levels. Level 1 is a drought watch; Level 2 is a drought alert which is up to 20% curtailment of water. Their strategy is both rate driven, with pricing signals, and restrictions on water use. He then showed a sample of restrictions that will be effective on Level 3 (Drought Critical) and Level 4 (Drought Emergency). The Council previously approved these and they are already in an ordinance. Levels 3 and 4, the most severe levels, are where we restrict water service unless a project has a building permit, it is necessary for the public's health, safety and welfare or there is a water offset. We are not anticipating that this is happening this year. This year, all notices we have had is probably for level 2. We will know on April 14th when Metropolitan Water District (MWD) votes on the allocations, and what level it is. Then the Water Authority will meet on the 23rd and vote on what level of drought they are going to implement.

There are two issues why they are presenting drought rates: one is the loss of revenue from water conservation which would happen with any restriction; and two there are MWD penalties. The penalties can be severe, up to 4 times the cost of water. If we don't recover the penalties, then everyone subsidizes those people who waste water because all the rate payer's money that has been accumulated in our reserves would go towards paying that penalty which is not equitable. He reviewed some of the drought rates that they have reviewed with the Committee and the Commission.

At the previous workshop they talked about the rates. He used the term irrigation as a key because that was the factor that triggered their going back to the table. We had an 80% increase in irrigation rates at Level 2. The reason for this initially was to impact irrigation use the most because it is considered discretionary use. We created an additional tier for a total of three tiers. The 2nd and 3rd tiers are higher because outside use is reflected in those two tiers. In the rate structure adopted by the committee and commission, 0-13 units is still the base line since 55% of our users use under that amount. So we are keeping a good base line for low-income & average families in Level 2. Irrigation rate increases at 80% (with 3 tiers), 60% and 40% which was the recommendation were reviewed. We even looked at lower percentage increases for irrigation which is about a 30% increase and with the penalty which is equivalent to twice the rate, similar to what will be implemented from MWD.

After much discussion, it was determined that the most equitable rate for irrigation and the other users would be around 40% increase for irrigation. That also increases the upper tiers, keeping the base the same at 0-13 units and single family. The upper tiers are adjusted up and the reason is we are trying to impact discretionary use which is outdoor use.

LEVEL 2 – RECOMMENDED DROUGHT RATE

Commodity Charge:	Non-Drought Rates	RECOMMENDED DROUGHT RATE	
		40% Irrigation Rate Increase	% Cost Increase
Single Family			
First Tier/0-13 units	\$1.88	\$1.88	0%
Second Tier/14-20 units	\$2.16	\$3.46	60%
Third Tier/21 + units		\$4.32	100%
Multi-Family			
First Tier/0-7 units	\$1.74	\$1.74	0%
Second Tier/8-14 units	\$2.00	\$3.10	55%
Third Tier/15+ units		\$4.18	109%
Irrigation/Per Unit	\$2.05	\$2.87	40%
Non-Residential/Agriculture/Per Unit	\$2.05	2.56	25%
Service Fee Surcharge (per account): 10% higher than current monthly service charge (per meter equivalent): \$1.29/month for single-family users			

This is the one that was chosen by the committee and commission. Looking at the increases, there are still significant increases in irrigation and increases in the upper two tiers for both single-family and multi-family. The non-residential agricultural (meaning commercial and agricultural), get a flat increase because they use water more efficiently so they have less of an ability to curtail water use if a commercial or an agricultural user; so they have a flat rate with an increase to curtail some of the water use.

We also looked at 0-10 units in tiers, an option that was voted against because it is too prohibitive.

A 4-tiered option was also looked at, which added a lower tier, but because we had a lower tier, we had to raise the higher tiers even more. The committee didn't think that was equitable.

What we did look at and what was recommended was this structure with \$1.88 as the non-drought rate for 0-13 units; that would stay the same. People in that category would not see a rate increase; people in the higher categories 14-20 units

would see significant cost increases and the Third Tier = 21 + units would see a 100% increase in water. This is based on water pricing, elasticity, formulas that the field has studied. There was several research papers written on it. Our consultant did a lot of research across the country and we had even some research done at the Water Authority locally with several agencies to look at what price we get a reduction on water use and this is in that range. This is in Level 2 which would be up to 20% reduction, worst case scenario. If for some reason we were a lot less than that, 10% or lower, we would come back with a lower rate structure at these upper tiers. With a Proposition 218 hearing, we have to consider the worst case scenario. If it comes back better with the actual allocations, we can make adjustments to this.

He showed Level 3, which we are not doing this year. This is an extreme drought with up to 40% reduction. Cost increases go up at the upper tiers corresponding to that as well as cost increases in irrigation going up.

Level 4 is an emergency and is what happens if we are over 40% and we have concurrent rate increases. There is virtually 0 irrigation tolerated in this level because only half of our supply is available, if over 40% reduction or more. So if we ever get to this level, we are in emergency mode and cannot use water outside at all. We are not anticipating that.

What we are looking at today is a rate structure for each of the levels that may come into place at some point in the future. He showed the recommended drought rates for Levels 2, 3 and 4 which are mandatory reductions. The tiers change with each of the phases of levels.

Based on the recommendation on the rate to be included in the Public Hearing Notice, we will send a notice out and will have a public hearing on May 20th. At that point we will know what level we are required to be in. We will have a resolution presented to adopt Level 2 and implement the rates in July if that is the case if we are in mandatory restriction. If something changes that won't happen. Staff requests the Council's direction on which rate option to include in the public hearing notice.

Public Input

JIMMY KNOTT, 127 Sherri Lane, stated it was a good process. One thing that came out of this process was that our district/Oceanside is going to be a dollar less per unit on most tiers than any other surrounding district. They worked very hard to make sure that our people were treated most fairly. Staff will also make sure that mobile home residents are notified via their mobile home representatives, etc.

DAVID KEY, 6025 Piros Way, Ocean Hills Country Club, appreciated being allowed to participate in this rate-setting process. Staff explained the conditions and constraints underlying the possibilities and was sympathetic to the problems that Ocean Hills Country Club (OHCC) would have in meeting the conservation demands. Though every home in OHCC has a single family meter, our primary concern is the community water that will be billed at the irrigation rate. The 25% cost increase with severe penalties was really the most attractive alternative that was discussed. Unfortunately, because of the limitations in the billing software, the City is unable to bill the aggregate of the 54 meters that we have and we have to be able to cut the water entirely in some areas and keep it going more in other areas and so the per month and per meter would not work. So they had to eliminate that. The next best alternative that was offered and discussed was the 40% increase. We recognize that the City has to achieve the mandated 20% cut off in consumption or face significant fines and that irrigation has to be a large contributor to the reductions. A 40% increase in our consumption cost is a big deal. It will force us to develop a comprehensive program to conserve which we are starting to work on. We will have to cut consumption at least 40% to stay within budget but at the same time make significant expenses to change our landscaping for the long term. This might be possible with the 40%. It was very unlikely with the 60% and impossible with an 80%. So as a result, OHCC does endorse the 40% irrigation cost version.

COUNCILMEMBER KERN commented that the latest report on the snow pack is at 90% and does not see much change in that between now and the middle of April, but the problem is getting it out of the Delta. Even if it is a 100%, we are not going to

be able to get water out of the Delta because of the Delta Smelt. The likelihood of level 2 is very high.

DIRECTOR THIBODEAUX responded that what he is hearing is between 10 to 15 now with the increased snow pack; this is last week's, so it could change again. It looks like they are raising the allocation requested from the Delta from 15% to 20%. We might benefit from it but there could be some judge rulings on the endangered species that could impact us in the other direction. Right now he is hearing that there is an increase in the allocation to 20% of our requested supply.

COUNCILMEMBER KERN asked if there is any chance that we get more than the 4.4 from the Colorado basins which are 100%.

DIRECTOR THIBODEAUX responded that he has not heard at this point that it is possible. There could be some discussion but not that he knows of.

COUNCILMEMBER KERN had heard that MWD may come back in September with a rate adjustment.

DIRECTOR THIBODEAUX responded that is a big possibility. They are discussing that and looking at 33% rate increases in the next year due to the cost of water and debt coverage. They are looking at September and January as an option.

COUNCILMEMBER KERN said that he went through all this before in the early 90s after the last big drought and they said save water, and people saved water and Metropolitan said wait a second they do not have enough money to cover their cost so that is where they came in to readjust the rates at that time. That is the only thing that concerns him is the readjustment of rates in September. He **moved** approval of staff's recommendation of the 40% on the irrigation drought rates [Level 2].

COUNCILMEMBER CHAVEZ **seconded** the motion.

COUNCILMEMBER SANCHEZ said that Nadine Scott sent an e-mail requesting information on what a 4-tier system would look like. She is assuming that a 4th tier, which probably 98% of the people wouldn't fit in in this category, that is in terms of people who have been conserving for quite some time.

DIRECTOR THIBODEAUX explained the 4-tier system. He pointed to the bottom tier, they look at 4 units. When we reduce the cost of that 4 units, we add to the cost of the higher tiers to balance the revenue stream. For that reason, the higher tiers were already impacted dramatically based on the 20% allocation so the committee voted against that as an option. We are still keeping the 13 units as the same base that is in the current rate structure so if someone is a low water user they will be under 13. As an example, two people can get by with 4 or 5 units if they really try hard. He displayed a graph showing that the majority of our users are within the 13-unit category.

COUNCILMEMBER SANCHEZ asked if staff has a diagram that breaks down the water users like single family vs. multifamily vs. landscaping.

DIRECTOR THIBODEAUX responded that he has that data and they can send that to her. They looked at the numbers of users in each of the categories and their consumption in order to analyze the rate structure.

COUNCILMEMBER SANCHEZ said that she does not want to give direction until she has that information. She commented that what this is doing is moving the cost up to residential users.

DIRECTOR THIBODEAUX clarified that it is moving costs up on the top 2 tiers, not on the base. if she meant in terms of total reductions. 92% is single family.

COUNCILMEMBER SANCHEZ asked for the percentage of agriculture.

ROBB GRANTHAM, City's consultant with FCS Group, responded that the percentage of accounts is .3%; total consumption is 6% of our water consumption for

the agricultural users. He noted that the rate structure is designed under the drought conditions to encourage people to conserve water. They are targeting discretionary usage so that indoor, winter time, average water consumption at 13 ccf or less or 4 ccf or less for multifamily, they defined that as nondiscretionary or essential water usage. So under this conditions in the rate structure, as people curtail or have conserved, they are not going to pay anymore on their bill than they would in normal conditions. The objective is during these tough times is to get that curtailment out the back end by asking large-volume users to curtail.

COUNCILMEMBER SANCHEZ understood that agriculture has lowered its use by something like 30%.

DIRECTOR THIBODEAUX said that is the Interim Agricultural Water Program (IAWP) agriculture users. Those that opted out, those that were given a choice to opt out will now come under Municipal and Industrial (M&I) and they would fall under the commercial category which is that flat rate that they give to commercial users. It is considered non-discretionary because it is commercial.

COUNCILMEMBER SANCHEZ questioned if the committee that reviewed this did not include someone from agricultural business. She also asked if this included that approval as well.

DIRECTOR THIBODEAUX said that it included an agriculture representative.. He responded affirmatively to the question regarding approval.

COUNCILMEMBER CHAVEZ requested that the next time staff comes back before the Council, show the Councilmembers how much money they pay on their water rate. They can actually see who is paying these rates. This was a very good outreach. Staff took something that is very volatile and brought it down in perspective. He asked the City Manager to do that sort of effort with the proposed increases in other fees. He liked the chart showing the percent of the accounts. The highest consumption is actually industrial, such as pharmaceuticals, etc. At a seminar he attended by Cal State San Marcos, it was how to adjust people's use of, and it talked about behavior modification. One of the most important elements of it was to have a sense of community that we are working together to accomplish this end goal. That is why he mentioned the item about Councilmembers showing their water rates. When all of the community are pulling together to accomplish a common goal for the common good is the best way to do it.

[Councilmember Sanchez left the meeting at 4:30 p.m.].

The only other comment he has is that this is not going away. This is going to be here for some years. We as a City, did a lot of things in looking at zoning and planning. We need to, as a community, look at our template. It is important to look at changing our template, with the City all around. He is in a homeowners association and he is required to have grass in the front but he would like to see stuff like that changed.

COUNCILMEMBER FELLER commented that they have not heard any comments of significance opposing what has been. For people to understand, he asked about the watering of I-5 in rainstorms, etc; how far down does that reclaimed water go. Also, is reclaimed water used at golf course(s).

DIRECTOR THIBODEAUX responded that he thinks the reclaimed water goes down to Carlsbad. Then Carlsbad he thinks uses reclaimed water on that section. Caltrans is required to use it if it is available. The City is not involved in that. Also Oceanside Municipal Golf Course uses reclaimed water. At the other, the distribution system is not in place yet.

MAYOR WOOD asked about the swimming pools. Some people with pools don't use a lot. He didn't want to have people at this stage or even in the drought stage let their pools turn into stagnant ponds with mosquitos. Pools, he has one that evaporates throughout the warm season and needs water.

DIRECTOR THIBODEAUX responded that they are not requiring that they drain the pools or not add water to the pool. It is not a lot of water; it is a few dollars a month if they keep their pool full. They recommend pool covers to cut down on

evaporation. He would not advise anyone draining their pools because they will have the issue of structural damage that could occur. At this point in any of our restrictions, we do not require draining a pool or not using a pool; that just ask for pool cover use for efficiency.

MAYOR WOOD commented that because of a lot of foreclosures, they see the pools going stagnant. He does not want people to be afraid to not fill the pool and let it go stagnant; he does not want the other disaster that comes with the mosquitos and other problems. Even with pool covers sometimes there are still problems. He also wants to make sure that people know that if they drain their pools, they risk the pool foundation popping out of the ground for major cost expenses.

CITY ATTORNEY MULLEN clarified that the motion technically was to approve the recommended rate structure, but we are actually going to do now is to go forward with the Prop 218 noticing, so this will come back to the Council in May.

CITY CLERK WAYNE clarified that the motion is direction to staff to proceed with the recommended rates to the public hearing (Proposition 218 hearing).

Motion was **approved 4-0**, Councilmember Sanchez absent.

2. **Public Communication on City Council Matters (off-agenda items)**

JIMMY KNOTT, 127 Sherri Lane, expressed concerns with the privatization of the Senior Center which was not publicly vetted and not brought before the Senior Commission prior to the recommendation. Neither was the recommendation to outsource the staff. There was no impact report or a survey of those who would be impacted by this recommendation. He asked how is this going to take place without any of these. There is a lot of people that are a little bit scared of what is going to be taking place. He encouraged the Council to rescind it, go back to the beginning, start over and do it right. There are a lot of questions legally that could impact a lot of the budget that is coming down from the State and Federal government that is involved.

CITY MANAGER WEISS responded that the issue of the Senior Center has not been decided. There has not been a selection of any outside group to provide additional services. In fact, the majority of the services and programs at the existing Senior Center are already private such as the Nutrition Program which is not a City-run program, as well as some of the other ones. The issue that the Council approved in the budget reductions was we are going to be opening a second Senior Center shortly and what is included is that there will not be any additional staff hired to run the new Senior Center. There are meetings occurring today and will continue through next week to come up with a plan to address how that is going to happen. We are looking at the potential for going through a public process to see if there are any other additional agencies that might be willing to provide additional services at the existing senior center. So the issue is we are not going to be hiring any new staff for the new Senior Center and much of what is there now is already privatized. We are just looking at expanding those opportunities; we are just looking at expanding those

COUNCILMEMBER CHAVEZ reported that there is a lot of misinformation and rumors going around on this issue. It probably will be beneficial to agendize this and talk about it. He knows that the Commissions are working on it but with misinformation and rumors driving the issue for people's own agendas, he suggested putting it on the agenda, talk about it and outline the process.

MAYOR WOOD reported that he and the City Manager sat down with the Chair of the Senior Commission yesterday regarding this issue and some of the concerns. He indicated that he would address that. The Chair of the Senior Commission got back to people who had called and explained some of the details.

CITY MANAGER WEISS said that they will try to get the item on the agenda.

ADJOURNMENT

MAYOR WOOD adjourned this adjourned meeting of the Oceanside City Council at 4:43 p.m., March 31, 2009. [The next regular meeting is at 4:00 p.m. on Wednesday, April 1, 2009.]

ACCEPTED BY COUNCIL:

Barbara Riegel Wayne
City Clerk, City of Oceanside

