



California

CITY OF OCEANSIDE

MINUTES OF THE

CITY COUNCIL

January 15, 2009

ADJOURNED MEETING **9:00 AM** **San Luis Rey Wastewater**
Treatment Plant
 3950 North River Road

Mayor

Jim Wood

Deputy Mayor

Vacant

Councilmembers

Rocky Chavez

Jack Feller

Jerome M. Kern

Esther Sanchez

City Clerk

Barbara Riegel Wayne

City Treasurer

Vacant

The adjourned meeting of the Oceanside City Council was called to order by Mayor Wood at 9:00 AM, January 15, 2009, for the purpose of a Mayor and Council Workshop/Retreat. Mayor Wood led the Pledge of Allegiance.

Present were Mayor Wood and Councilmembers Chavez, Feller and Kern. Councilmember Sanchez was absent. Also present were Assistant City Clerk Holly Trobaugh, City Manager Peter Weiss and City Attorney John Mullen.

WORKSHOP ITEMS:

1. **Establishment of Citywide Goals and Priorities**

Various items were discussed. The facilitator for this Mayor and Council Workshop/Retreat was Jeff VanderWielen. For the results of the discussions, see the attached report, as prepared by the facilitator.

2. **Public Communication on City Council Matters (Off Agenda Items)**

DONNA MCGINTY, 2405 Mesa Drive, briefly discussed the previously proposed asphalt plant, which she said was badly handled. She noted that if the public understood the money that could be saved, it might have been different. The goals discussed were a wish list.

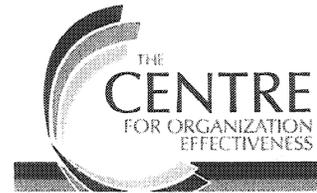
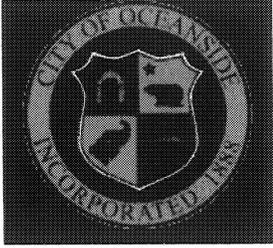
ADJOURNMENT

MAYOR WOOD adjourned this meeting of the Oceanside City Council at 11:31 AM on January 15, 2009.

The next regularly scheduled meeting is at 4:00 PM on Wednesday, January 21, 2009.

ACCEPTED BY COUNCIL:

Barbara Riegel Wayne, CMC
 City Clerk, City of Oceanside



City of Oceanside

City Council Goal Setting Meeting

Summary of Ideas

Facilitated by:
Jeff VanderWielen, Ph.D.

The CENTRE for Organization Effectiveness

January 15, 2009

Overview

On January 15, 2009, the Oceanside City Council convened a high-level goal setting meeting to share and discuss long range planning issues for the City. The council engaged in an open discussion to address the question, “Given the growth projections that show the City of Oceanside will grow to a population of 220k people by the year 2030, what will the City will look like 15-20 years out; what do you think are important issues that we need to consider as we plan for growth? The goal of the meeting was to share and discuss ideas. The goal was NOT to set priorities, come to agreement on issues or solutions, to plan details or next steps.

Within the context of looking ahead 15-20 years, six broad topic areas were posted for discussion:

- Housing
- Water
- Energy
- Land use
- Growth Management
- Transportation

The ideas and opinions of the council were recorded on chart paper. This document represents a transcription of the information charted during the discussion. The information is presented by topic area.

Housing

- Affordable housing
- Diversity of housing to meet the needs of every economic level
- Consider – should we pull in more of the higher income groups?
- We need to ask the public, what direction do you want to go? How diverse do you want us to be?
- Need to think through the implications for zoning, streets, etc.
- Density in-fill projects – Need to ask, what does the neighborhood want?
- We have opportunities in some of the corridors
- Sustainability of housing – after the 9th year in their home, homeowners then become net user of services. How do we pay for housing with increased housing or existing houses?
- Residential and hospitality will drive development in the coast highway corridor
- SANDAG Smart Growth Plan will drive our planning
 - Transportation corridor
 - Mixed use and increased density
- We have a large transient society – would like to know the numbers – how many people, what demographics, flow in and out of Oceanside?
- First time home buyers do not come here/ 50 years plus are coming. They are not looking for big houses and want to be near the beach because of the rail system, and will not need to use their car
- What is the change of incoming demographics?
 - Beach areas
 - Other areas

Water

- Do we want to be 50% water independent by the year 2030? This seems to be an attainable goal. Or do we need a different target? We agree that we need to have a target, but need more information before we set a reasonable goal
 - We need a strategic plan based on a reasonable target
 - Have the city staff validate a reasonable water self-sufficiency goal by the year 2030
- How do we get there?
- Water is the key to everything else. We have little control over it, and there is a big cost to it
- What percentage of usage goes to residential, what percentage to agriculture, business, and industry?
- It should be known that the City has been addressing water and other issues. Everyone knows water is a key issue. We go to Washington DC every year and water is on the list. We are going this year to get stimulus package money from the Feds.
- We have desalination capability now. We could sink a well in the harbor and desalinate
- Water and sewer rate increases need consideration. We need to think about people on fixed incomes. So, again the dollar signs pop up again. How will we pay for the water supply and new options?
- Right now we can do water re-use, recycle water, and water desalination to cut water usage and stretch our resources
- We need to look at the new technologies that are out there, and leverage these
- We need a multiple pronged plan that includes immediate, short and long term solutions
- We can get support from the government stimulus package. We should aim to be the star example for other cities. Be the role model

Energy

- Do we want to be self-sufficient?
 - Sustainability model
 - Solar panels
 - City of Berkeley has a good plan we can look at
 - City of San Diego has an energy plan
 - Could have a revolving loan plan to put solar panels on the roof
 - Bring solar to the household level. Make it easy, have an approved system like we do with hot water heaters
- Main issue is that we are a coastal community. Therefore, some energy sources are just not compatible. Windmills for example, or nuclear power are not viable. Need to ask, what energy sources are compatible with our community?
- Transportation of energy. Lot of technology changes. Look at what energy production systems can we sign-up for?
- What is the maximum we can gain from going solar? Esther has addressed this in the past.
- The sewage treatment plant is one of the biggest users of energy – how can we reduce this?
- We need to stay on top of the changing technologies. We need more than solar alone. Nuclear may need to be an option
- Consider promoting efficient use of energy such as systems that deliver immediate hot water in homes, windows, create standards that will result in more energy efficiency for homes and industry
- Ordinate-based solutions that will improve efficiency of what we have
- Be aware of the “not in my backyard” response to energy solutions, especially to those other than solar. People will not want power lines in their neighborhood. Hard to sell the idea of power plant to locals – need to look at adjacent areas
- We cannot sell the idea of a power plant in Oceanside. Look at the military base. They have nuclear, have power lines; we can leverage this
- Also, the cost of land is too high to build
- Have a peaker plant at Pendleton
- Consider, how can we pay for the operational costs for new energy?
- There may be an opportunity with Pendleton, we can help by taking on the operational costs
- Consider a Regional sharing model
 - Peaker plants
 - New plants will be needed for all in the region
 - Federal support
 - Camp Pendleton

Land Use

- We have a diverse community, so we need to consider our diversity when planning land use
 - Consider transportation needs
 - Economic and cultural neighborhoods. Newer and older communities
 - Young start-up families and young college students
 - Agriculture & Morrell Hills
 - We need to recognize that we are a large city with diverse members such as older people, younger families, high-end, coastal, communities
- We need a General Plan update that fits with the economy. This needs to happen as a vehicle to get us where we want to go
- We may be able to find money for the General Plan update through our land use policies
- Let's agree or make it a goal to provide a way to let the free market drive land use. Allow for the market process to take place. Zoning could be part of this
- We need to look at redevelopment opportunities because the city is built up
- Smart Growth Plan and cross boundary issues will impact land use
- How do we finance these now? It is hard to plan ahead with the budget crisis on us now
- We will not get money from the state
- We need to ask the general public what are their goals? What do you want?
- Do planning all at once, not one region or zone at a time
- We need to consider other regional areas in our planning process
- We need to have a regional perspective – Vista, Carlsbad, etc. how they plan growth and land use impacts us. Need to work together, look at partnering. Have a regional vision for the greater San Luis Rey valley
- Outside boundaries - land use by other areas impact us. We need to get past “I” and “me” with other cities and Camp Pendleton

Growth Management

- We are not driving growth. Growth is driven by internal forces according to SANDAG. We will grow regardless of what we do.
- Consider starter homes
- Growth is tied closely to land use
- To sustain growth we need revenues coming in to support growth. How much money should the City put out across diverse groups – age, income, etc.
 - What is the cost benefit of stimulating growth of a particular demographic group?
- We need a diverse community – question is what % of various populations do we need to make the City viable? For example, do we have too many older people, too many younger, not enough of this or that?
 - Who should we attract here?
 - What are the revenue implications?
 - What job base do we need?
 - Housing?
- Baby boomers are drivers of land use
- Create incentives for growth and investment
- Growth mixture – we are already moving in this direction – Military is our blue-chip, tourist town, etc.
- Set land aside for job generation
- Need to consider costs because build-out is near
- How do we pay for services once build-out occurs? Can we afford to pay for build-out?
 - Consider re-development areas
 - Upgrading areas
- Jobs – we need to fill the spaces we already have in office and commercial
- Number 1 is to provide services
- Priority - residential housing does not pay for itself, jobs and industry pay the most
- Quality of life is important and we need to keep this along with growth
- We will have 220k people by the year 2030. How should Oceanside look?
 - Need to ask the citizens this question
 - How do you want us to make this happen? For example, do you want more starter homes, more retirement communities, etc?
- How do we reach 220k population and maintain the quality of life for our citizens?
 - What we build will have an impact on neighborhoods
 - Need to listen to the people
- Need to look past the 2-3 years of the down cycle and look at long range goals too.

Transportation

- Mass transit is not well planned in this region. What is the cost and how can we pay for this?
- We need to do better job of planning for mass transit. Think through, how can people get from one point to another – by rail, bus, etc., and how well do they connect with each other? Not well planned-out at this point.
- Who, and how do we pay for transportation costs? HOV lanes, etc.
- We need a diversity of transportation. Transportation will be a large need and how do we do this?
 - 45-55 year olds want to get there now. Widen I-5 and other roads
 - We need to plan – Money will come in from the Regional level when we sell the value and need
 - Alternate modes of transportation like mopeds, bikes, etc
 - We need a mind-shift, for example younger kids use bikes with motors – how can we accommodate this?
- Consider the Euro model – mopeds. Also, consider how to design the roadways to accommodate different modes of transportation.
- Study shows we need 43 people per acre to make public transportation work
- Move housing, such as senior housing closer to public transportation centers and areas of easy access to public transportation
- We have done things already to address transportation needs, for example we have senior vouchers and received a bike award for the City
- Look at Portland Oregon as an example
- Cost is an issue
- We have commuters coming in from outside of the City using our roadways and transportation systems. Charge them to use the roads.
- Airport transportation needs more consideration. We need reasonable solutions here.
- The price of fuel will drive our plans
- Need to consider parking needs



California

CITY OF OCEANSIDE

MINUTES OF THE

JOINT CITY COUNCIL/PLANNING COMMISSION

THURSDAY, JANUARY 22, 2009

ADJOURNED MEETING 4:00 PM Library Community Rooms

Mayor

Jim Wood

Deputy Mayor

Vacant

Councilmembers

Jerome Kern

Jack Feller

Esther Sanchez

Rocky Chavez

City Clerk

Barbara Riegel Wayne

Treasurer

Vacant

The adjourned joint meeting of the Oceanside City Council and Planning Commission was called to order by Mayor Wood at 4:00 PM, Thursday, January 22, 2009. Chair Troisi called the Planning Commission to order at 4:00 PM.

PLEDGE OF ALLEGIANCE -- Led by Mayor Wood

COUNCIL ROLL CALL

Present were Mayor Wood and Councilmembers Chavez, Sanchez and Kern. Councilmember Feller arrived at 4:05 PM. Also present were Assistant City Clerk Holly Trobaugh, City Manager Peter Weiss and City Attorney John Mullen.

PLANNING COMMISSION ROLL CALL

Present were Chair Claudia Troisi and Commissioners Louise Balma, Stanley Paul Bertheaud, Dennis Martinek, Robert Neal, Richard Parker and Tom Rosales

WORKSHOP ITEM:

1. **Discussion concerning green building, land use, economic sustainability, and mixed-use development standards**

GEORGE BEULL, Development Services Director, reviewed that Council had approved the Planning Commission workplan last July. The workplan contemplated a number of special study subjects and included a call for a joint meeting between the Council and the Planning Commission. This is to ensure that there is unity in what the City Council has in mind for the Planning Commission to do. Hopefully, this will result in good discussion and, if appropriate, direction to staff.

CHAIR TROISI stated the Planning Commission was looking for some direction. The Planning Commission is to guide and promote responsible development. To that end, we felt that a dialogue between the Council and the Planning Commission would help the Commission in their decision-making process by clarifying some items and helping them to make appropriate trade-offs when making the bridge between rules we are governed by, the vision by residents and the reality of running a city. To start off, she stated that their subcommittees had produced relevant and timely topics for this year: mixed-use, design guidelines, Citywide parking standards, regulated uses and looking at the Commission bylaws. She asked that the Council give specific direction on any of these topics as a start to this discussion.

MAYOR WOOD stated that a list had been provided to the Councilmembers on issues of water, green building, land use mainly west of I-5, etc.

COUNCILMEMBER CHAVEZ felt this meeting is very important. We as a City need to determine what we want to be 30 years from now, and that won't happen if the Planning Commission is not involved. Transportation, energy, and land standards are all important, but the greater picture of what we want to be is first. We need to go macro before we go micro.

COUNCILMEMBER SANCHEZ stated that when she first got on the Council, there were no standards. We were getting a commercially zoned project called mixed use where we were lucky if it was 3% non-residential. It bothered her that we were giving up development of revenue-producing land for residential use. It was because it was a policy. The Council does policy, and the Commission interprets that policy and applies it. If we do not have a policy and do not have those kinds of rules in place, then the Commission is left with a project that appears to follow all the rules. However, if it satisfies all the rules, why do we have a roomful of community upset about it? There needs to be more definition and looking at both sides to see how we can get more to the middle so that, when we do get to a hearing at the Planning Commission or Council, it is not so much black and white but is done in the interest of good development that is going to benefit the City.

Economic development is also critical. It is not building a lot of residential as much as providing for the future. It is a loss of land. Issues include defining ourselves, sustaining ourselves, etc. I do not want to be a bedroom community. The City should be vibrant, economically sustainable and feasible, as well as environmental because we are a coastal city, including the businesses that rely on a clean beach and clean waters. For her there are 2 things. First, we need to bring the top-rate projects into the community - so the developer community has as much notice as possible on what we want, and so that we don't have these projects that come in and meet every standard and yet end up with a roomful of people. Second, we need economic sustainability. The Economic Development Commission came up with a sustainability study and talked about doing a project checklist, including water, on whether it satisfies all of these things. So defining mixed-use and sustainability are the main things, along with the maximum amount of notice to everyone.

MAYOR WOOD felt it was hard to address all of the concerns in one meeting. There are people who want to see an update of the General Plan, but we can do that in the future. Now we get more projects up for review by Council, and we need to fill the standard gaps. The whole issue of the City moving forward came to a grinding halt with State issues. Now is a good opportunity to bring beneficial projects forward, at least the paperwork part, so they are ready when the economy improves. He wanted to see the downtown area move forward. There are high- and mid-rise condos and town houses right on the beach, but it is not a balanced community; there are not a lot of shops or nice restaurants, etc. when people are tired of the harbor and beach. They have to drive somewhere else to shop. They like having the Transit Center in the area to travel, but still need to have a car to get to a supermarket.

He also hears from the people in the valley, who feel everyone cares about downtown redevelopment but not the valley. For the proposed mall in the valley and after a lot of conversations, the developer was convinced to go high-end. The Highway 76 corridor is a priority for SANDAG, and it will bring people from Riverside, etc.

Common sense is what we want in neighborhoods for quality of life issues. We have to be concerned about energy, water, etc. The Planning Commission has to look at those impacts when they look at a project. Residential impacts services more than commercial. There is nothing more frustrating than to have a project and a room filled with people against it.

COMMISSIONER NEAL focused on the City's asset – the ocean – and did not feel they were taking advantage of that with development in the downtown area, such as having a good restaurant with an ocean view. We are getting heavy on residential and not capitalizing on the ocean. We need to have elevated restaurants. People are asking for those, vacation rentals, etc. We are not meeting those requirements

sufficiently. We have only a little commercial and a lot of residential in the mixed uses. We need to draw people for both extended stays and short stays. Both will spend significant money.

COMMISSIONER MARTINEK felt they all had the same objectives for the City - to improve the quality of development and make it sustainable over the long term. A lot of our problems arise when we try to rely on a system that is imperfect, such as having a zoning ordinance or general plan and expecting that to solve all of our problems. It doesn't. When we get a project before us that conforms to those rules but we have a chamber full of people opposing it, it brings out some problems that the general plan or zoning ordinance did not address. From the Planning Commission view, we try to see if it truly is the situation that there are problems that were not recognized and whether the neighbors are correct. Being the eyes and ears of the community, we try to send our recommendations forward. I think the system works pretty well. We are in agreement with staff and with Council over 90% of the time. There are going to be situations where we are going to be making decisions that seem to go against what the rules say. In some situations, we size up what the neighbors say and try to make modifications/conditions or try to recommend changes for a development and send that forward in the hope that the developer will then come back to us. Sometimes they don't; they go right to the Council.

The idea of sustainability is really critical. Maybe our city is faring better than others because of past actions Council has taken. It is not only economic sustainability; it has to be environmental and social, where neighborhoods can exist and are encouraged by not having incompatible development. Those are a lot of issues that we look at. So for those recommendations that don't seem to be consistent with what the rules are, this is some of the thinking that goes on.

COUNCILMEMBER KERN only wanted due diligence from the Planning Commission. The commissioners have to make up their own minds, ask those questions that they feel are relevant and fully vet the project.

We are in a very reactive job; we wait for people to bring us projects. I think we get the sense that we need to be more proactive in what we try to bring in. So we need to have this clear definition of what we want to be, and then present to the public that we want restaurants or hotels, etc. For example, have zoning and say this is a hotel zone. Then if someone brings a hotel into this spot, they could have approval within 30 days because it fits all the criteria that is set up.

What we are doing today is the first step toward a change in the General Plan. Our General Plan was done in 1986 and therefore has no reference to transit-oriented development, which is now a hot topic. Going forward we need to consider those new ideas that have developed over the last 20 years, being more proactive in the General Plan, streamlining the process to move more quickly and not be strung out over a period of 6-24 months.

MAYOR WOOD thought one of the reasons for having this meeting was to try to get answers. We could go around the room on the issues to determine what percentage should be commercial or residential to sustain the project, the green building, water issues, etc. We need to look at transit, high density on corridors, etc. However, there is no money to build much right now. A lot of things we want to look at are regional, but we should be involved. Affordable housing is going to be a factor. If we don't pay attention to the small issues, the Coastal Commission will come back and bite us on the big ones.

COMMISSIONER BERTHEAUD , as one of the newer members, feels the process works well with citizen involvement. He asked if Council noticed if there has been more involvement.

MAYOR WOOD stated it is good to have citizen involvement early on. The developers don't want to pay money only to find out they have a bad project halfway through or at the end.

COUNCILMEMBER SANCHEZ has listened to the frustration. If a developer

didn't like what staff said, they went straight to Council. She asked if there was something we could do to encourage developers to go through the process and have it be less politicized, or having a forum where there is a discussion on issues to make a better project. That is something we can encourage. I would rather do that. Going through due process is something that Council needs to encourage. Maybe Council is making it easy for developers to go to them.

She also addressed planning for the future. She wants to see growth in the urban areas where our services are. It is much easier to provide additional services with existing infrastructure. She does not want to see high rises in eastern Oceanside, where it would be more expensive. She is talking about smart growth for better businesses or to have extra funds by working with the school districts.

COUNCILMEMBER CHAVEZ stated that for some reason, something negative happening to your neighbor or something going wrong really sparks interest; however, everyone on the Council and the Planning Commission serves a leadership role. We communicate to the public how the system actually works. Some of the public say people are being bought, but that is not true. We can have a disagreement over what should be there, but to surmise there is a hidden agenda or that there is a deal in the back room, that is not the reality.

Two weeks ago the Council had a retreat, and we talked about our strategies on big picture items, such as water, sustainable economy, energy, etc. He sees us using solar. We talked about how much housing we need, transportation and the environment. Surprisingly, the Council present [Councilmember Sanchez was absent] agreed on every one of the issues.

Too many times we start to give solutions when we haven't even decided what the problem is. We need to have a vision and a metric to see if we are reaching the vision. The metrics we are looking at are economic sustainability, energy production, and 50% of water use within 30 years. We as a group should talk about what the major components are and what the metrics are. Once we agree on that, the Planning Commission can look at whether a project meets the metrics, if it is environmentally friendly, etc.

COMMISSIONER ROSALES noted the proposed asphalt plant and the interest that brought. He was concerned with the vision of Oceanside and felt it should be encouraging. He would like to have it set in policies for the Planning Commission to look at.

COUNCILMEMBER KERN reported that at the Council retreat he had asked if the City should be 50% water independent by 2030. Council had a meeting the week before and had talked about the San Diego County Water Authority putting a 100,000,000 gallon desalination plant on Camp Pendleton; that is twice the size of Poseidon [Carlsbad]. So do we become water dependent by buying into that system; do we provide our own water, etc. We talked about the wells near the beach for desalination and if that is a goal worth pursuing. He has also talked about being 25% energy independent by 2030. Is that a goal that the City should work for? These are big picture items; it is a goal to shoot for.

CHAIR TROISI said an example of some of her struggles is that we are looking for more jobs and to be more economically sustainable. A developer may have a project he has been processing for a year that fits all of the requirements – zoning, land use etc.. The person is doing what is called for. However, is that part of the vision, with land being eaten up by uses that are not generating the kind of opportunities we want. It is disconcerting. If there were a vision, and the vision had underlying rules, then the developer could look at the rules ahead of time to see the vision and how that and his project go together. Then they would not have someone standing at the podium saying that we never told him how we saw the City. There was a rather large project that had no requirement for recycled water because there is no recycled water plan in the City. When are we going to have that as a requirement to get the City to its vision incrementally?

On an individual project basis, she finds it challenging because they may be

asked to vote on a project that is incompatible with the vision, but the developer is within his rights. It is a disconnect, is disconcerting and is what creates the public angst. We need to change some policies; we need to put our foundation in order. Then it all goes together. She wanted to have this meeting to get a sense of what is important. It needs to start at the beginning; it needs to start with staff; and the Planning Commission needs to be consistent with Council. That way the applicant hears from the beginning, and no matter who they go to, the story is the same. She wants to be on the same page. Whatever the Commission can do regarding their workplan to provide Council with statistics, data or examples of any of the issues, they could then have some factual information in order to pass resolutions, policies, etc. to get it on the books so that consistency is present for everyone.

COUNCILMEMBER SANCHEZ would like to see the economic sustainability dashboard used and would like staff to use the same thing.

COMMISSIONER MARTINEK felt that would be helpful. To some extent the policies put parties in conflict, where obviously a developer is trying to make as much money as he can, but we are also trying to make it so that the City is not being harmed by these projects. There are some projects that down the road could result in financial or social harm. Looking at these costs and benefits up front would be helpful. When we deny projects, frequently we deny them without prejudice and make recommendations for certain changes that would make the projects compatible. We try to reduce the conflict but try to make it so it benefits the City. Staff has helped a lot. We are development oriented and understand the problems associated with getting projects approved in time. Staff has been working in the last 2 years on a processing guide, which has made things more transparent. Someone wanting a project knows what they are going to be faced with. There has been a lot more exchange of information so the process is clear. However, we still have to expect some problems because it is an imperfect system. When we try to make a mixed-use ordinance that applies to the whole City, it just doesn't work. That is why our recommendation is to throw out the one that we have and deal on a parcel-by-parcel basis. Hopefully that is the way that problem will be addressed in the future.

COUNCILMEMBER SANCHEZ said there is some question on what Council has agreed on. For her, ignoring a minority opinion is a symptom of the problem. It was said we agreed on all these things, but what things? We need economic sustainability at the very least.

CHAIR TROISI stated that Oceanside is blessed with a transit-oriented stand. We already have Sprinter stations. That is another example of a vision project as opposed to a project that someone brings in today. That kind of planning should be looked into now so that when the developer arrives at staff, we have a vision of what we want our transit centers to look like. We are so busy dealing with the day to day that we can't get to the effort necessary to get ahead and set up what the vision boils down to – whether it is mixed use, no parking, etc. When will we know something is good when we see it? Otherwise, a developer works on a project for a year or two, and the Commission says yes or no. At that point, he is so vested in it that he is not receptive to a lot of input.

COMMISSIONER NEAL stated what he is hearing is that flexibility is needed. If someone wanted to build a project in Oceanside, the first thing that should happen is for them to listen to this discussion. Right now, the government body makes a set of rules, and the person tries to go by those rules, but then we want to change the rules. He did not disagree, but how can we be that flexible?

COMMISSIONER BALMA stated that was exactly what was brought up to her. She did not feel this was a consensus. Whether we have this discussion or a developer is listening to this, I would not be walking away saying that it was all clear now.

COMMISSIONER NEAL would not expect them to be clear; however, he would expect them to have all of the discussion before they planned the project. When we talk about green buildings, there is so much technology that we have to be careful that we don't stick them with some antiquated technology. Regarding the water issue, we want to recycle water, but before long there won't be recycled water since it will be put back

into the system and used. Flexible planning is something we want to do, but let the developer do that in advance.

MAYOR WOOD commented that when we leave here tonight, we won't have the answers. We are not any different from any other city. Developers are out to make the biggest profit. They will come to us and try to get the best project. We are trying to find what is best for the City. We also have to provide the services for the project. There are not many developers who build in this region that do not know what each city council wants. They go to staff. If they don't get the right answer, they go to Council to try to circumvent it. We are doing the best we can with what we have. We have tried to accommodate the developer by having a streamlined system. They still come up to Council. If the world were perfect, we would have a Master Plan and a General Plan that has been reviewed. But those cost millions of dollars. At the Council retreat, we had goal setting for the future. They were wonderful issues, but it would cost a lot of money. Staff has a pretty good understanding of the direction of Council on some of these issues. However, there is a great big dollar sign attached. These are economic tough times, and master plans, etc. take up a lot of staff time, which is dollars. We have to be cautious. It has to be project by project.

COUNCILMEMBER SANCHEZ stated that regarding transit-oriented development on Oceanside Boulevard, there are 2 conflicting policies – businesses and offices. Now we have the Sprinter and have to worry about producing jobs. Her concern is that the development community will want more residential, and commercial will not be the quality we want. How do we achieve the balance? We have not addressed this since the Sprinter is new and so is transit-oriented development. She would like both accommodated and would prefer that it be planned by the City, that the City make the policy and not the developers.

MAYOR WOOD stated that with a 3-2 Council, it makes it tough on staff to determine where things are going. It is tough on Council when someone comes up with a project that looks like it fits, but we don't want it.

COUNCILMEMBER CHAVEZ stated he was at a meeting with the Tourism Council and a lot of downtown businesses. What struck him was the attitude that we all need to be positive because of these tough economic times. All of us are working together. We need to be mutually supportive and see the opportunities. The North County Transit District (NCTD) is looking at the same budget cuts. Everything is changing. The way we look at how transportation is today is not how it is going to be tomorrow. This board needs to understand that there are opportunities out there and that we need to partner with other entities, not just looking at ourselves. When someone comes to the door, it is not the first line of defense but the first line of opportunity. When people come here, we should welcome them. We want them to invest in the City. That is a completely different message, and we are seeing that in the private sector. If we do not, no one is going to bail us out.

He then stated that there is value to a long-range strategic plan for our future. We need to invest in our opportunities. We have to plan for the future. If the Planning Commission's workplan can help get us there by establishing the metrics to becoming more energy efficient, that will be a key to success.

COUNCILMEMBER FELLER noted the size of the City; it is the 124th largest city in the country. This is not a sleepy paradise. We have a great quality of life here. When you have that combined with predictions of more people moving into the City, there is not enough housing for those people. The General Plan is 30 years old. When that plan was adopted, College Boulevard was one lane, and there were no homes on those hills. The General Plan is an investment and a road map for the future. There may be things we could do to provide that plan. El Corazon is 460 acres of commercial and industrial, and we are turning that into open space. He was glad to hear Councilmember Sanchez say she wanted development in the urban areas and not the rural areas. That will allow us to, instead of having 250 acres of open space and protected habitat in the middle of the City, have the strip on Oceanside Boulevard open for office and industrial. He is for turning El Corazon into a park because of quality of life. We are a large city with different needs from other cities. He would be excited about desalination. The Planning Commission heard the asphalt project, and that was just a conditional use

permit for a 5-year use that could have generated quite a bit of money for the City. There is the need for asphalt. Those are needed industries, and we have industrial areas. We have a mixed-use project in La Mision, but no one is interested in the commercial part. The market is going to drive a lot of the mixed-use standards. We are looking for people to invest in our community.

COUNCILMEMBER KERN thinks it goes back to vision. We only have 178 acres of general industrial land in a city of 42 square miles. When someone brings forward a general industrial project, we have people coming out of the woodwork saying they don't want it. However, we need asphalt, concrete, and wrecking yards.

We are not promoting growth; we are trying to accommodate growth in a long-term vision. Some items will be defining mixed use, transit-oriented development, which is not just residential and density of housing but is also density of jobs, etc. We need a daytime population that supports that.

COUNCILMEMBER FELLER noted that in the economic sustainability study, it says the only thing that will sustain downtown right now is residential and tourism. We have to look at that. In Santa Barbara, there is a recycling plant right next to the freeway almost downtown. Also, we used to have a system where it took Councilmembers to vote on a call for review. Maybe we should go back to that system.

MAYOR WOOD stated that part of our problem in Oceanside is the State budget. It is hard to run the City and come up with a budget, when the State says they may take \$8,000,000 from us, because they have a \$17,000,000,000 deficit. Then they come back and say maybe it is a \$40,000,000,000 deficit. It is frustrating when we don't know what is coming. We will be going back to Washington, D.C. soon. If you don't go to ask for money, you will not get anything. When you talk about a new General Plan, etc., you will have to decide how much to get into the reserves or provide a list of what departments you want to cut. We have to consider our priorities in order to provide the services the citizens expect from us. It will be tougher.

COMMISSIONER BALMA felt that when they go to Washington, D.C., they need to lobby for a water project that works not just for Oceanside but for the whole state. We are a huge food producing state. We are in a really bad place right now. The farming community has already been realizing it for the past year, and it may hit the residential community in June. Most people are not even cutting back yet. Maybe we could lobby Washington, D.C. to get some of the infrastructure project money to be put into the Delta. Getting it fixed would help Oceanside, too. I think we need to think on a bigger picture right now.

MAYOR WOOD responded we will court the staff of our three representatives. They do know the problems in California and are looking at a stimulus package, but if you are not ready to put a shovel in the ground, they will not listen to you. We are going back there to explain a few things about water. Whether the stimulus package will trickle down to the cities or remain in the Governor's office, we don't know. Camp Pendleton is looking at putting in a desalination plant twice the size of Carlsbad's. It is not just for them but for us.

COUNCILMEMBER FELLER stated that if the Planning Commission and Council are treating the people coming in front of us well, we should try to figure out how to help them with their projects. They are the ones that have the money to invest. Oceanside needs investment; we should be as accommodating as we can. It is not up to us to design projects; we do not belong in that arena. It is their project, not ours.

COMMISSIONER BALMA pointed out that a lot of times the designs they come up with are not environmentally correct or sustainable. We do not have to tell them the style of the building, but we can recommend that they place the building a certain way to get a better project and save energy. There are things we can do to influence the design.

COUNCILMEMBER FELLER said that is different than designing. However, designing is not our job; our job is to help them through the process.

COMMISSIONER BALMA noted that Redevelopment has the Design Review Committee that helps them before the project goes very far. We have that in staff with the developer conference. Maybe at that point, we could put some community people to sit on that. We get the project at the very end, and we can't say go back to the drawing board. When we do, it is very ugly, and then the developer goes to Council. Her comment is to get in before the process goes too far and think about all of Oceanside. Every neighborhood comes to do their lobbying, but we have to think about if it is good for all of Oceanside.

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

ADJOURNMENT

MAYOR WOOD adjourned this meeting of the City Council at 5:40 AM, January 22, 2009. Chair Troisi adjourned the Planning Commission meeting.

[The next regularly scheduled Council meeting is at 4:00 p.m. on Wednesday, February 4, 2009.]

ACCEPTED BY COUNCIL:

Barbara Riegel Wayne
City Clerk, City of Oceanside



California

CITY OF OCEANSIDE

MAYOR AND COUNCIL WORKSHOP

MAY 20, 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 2:04 PM, Wednesday, May 20, 2009.

PLEDGE OF ALLEGIANCE – Councilmember Sanchez

ROLL CALL – All Councilmembers were present. Also present were City Manager Weiss, City Attorney Mullen, City Treasurer Felien and Assistant City Clerk Holly Trobaugh.

WORKSHOP ITEM:

1. **Presentation of proposed FY 2009-10 Operating and CIP Budgets, and direction to staff**

PETER WEISS, City Manager, reported there are 2 separate items before Council: 1) the operating budget and 2) the draft Capital Improvements Program (CIP) budget.

TERI FERRO, Financial Services Director, stated staff is bringing forward a request for an additional \$2,700,000 reduction to the FY 2009-2010 General Fund operating budget and for Council to consider scheduling a workshop sometime in July or August, at which time they will be able to review their strategic goals, review any reserve policies and set future spending priorities. She reviewed how we got to this point. On March 25, we brought a \$4,000,000 budget reduction plan to Council. That was based on preliminary information that we had going into the FY 2009-2010 budget. Fortunately, the FY 2008-2009 budget that we are in and that ends June 30 is still on track. Since the time that Council adopted the budget reduction plan, we have received additional information. Unfortunately, revenues continue to erode. In particular, we had preliminary numbers from the San Diego County Assessor regarding assessed valuations being reduced and had also received our Christmas sales tax figures to show where the retail sales were going.

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UNTIL APPROVED AT SUBSEQUENT
MEETING BY CITY COUNCIL**

At that time, we realized that there was an additional \$2,700,000 needed. That is based on a snapshot in time. There has since been additional information received. We know that the national and state economy has continually been very volatile; as a result it is affecting our local budget.

The City has been very proactive in addressing the issue head on. We are one of the few cities that has not had to make any reductions for the existing budget year. All of the planning we are doing now is forward thinking for July 1. The goal that the City Manager has directed for all department heads/staff was to work on minimizing any impact to core services. We tried to look at all of our programs, services, etc. to determine what the core essential functions were versus what was nice to have and enhances the City. However, when it comes to making reductions, we have to focus on core services. The process was conducted in complete openness and transparency with all staff and bargaining units.

Our revenues are continuously volatile, and things are constantly changing. Last Friday we received notification from the County Assessor's Office that our original projections on the property taxes were perhaps a little too optimistic. We do know they will continue to decline. While we don't have the final results on our sales tax for the first quarter, our consultations with the experts have told us that retail continues to decline. We also know that the ballot measures for the State failed yesterday. As a result, there is a threat that the State could possibly take up to \$5,000,000 from the City's property taxes. We plan on having a workshop in July or August that will help us strategize where we want to go in the future.

Using a power point chart, she showed the economic trend in our neighboring cities in San Diego County. We anticipate that Oceanside property taxes are going to be about 6.5% less than last fiscal year. That information was provided by the County Assessor. San Marcos, Escondido and Chula Vista have also experienced significant reductions in property tax valuations. Regarding sales tax in the fourth quarter, which is the Christmas sales numbers, there was an almost 11% reduction for Oceanside. Other cities were significantly impacted as well.

She then showed the projected revenues for FY 2008-2009 and where we look to be in FY 2009-2010. Our revenues for FY 2008-2009 were about \$120,500,000, and we are looking at about a \$3,000,000 reduction. The break-up of the pie showing where the money comes from pretty much remains the same. Unfortunately, the pie is smaller. Property and sales taxes together represent almost 60% of the General Fund budget. When those 2 big revenue sources get reduced, there is a significant reduction to our budget. In other taxes, which would include business licenses, TOT hotel tax, cardroom tax, etc., we are seeing declines, but they are not as large as the other items. For all the other revenue sources, the biggest reduction we are seeing is development related, such as permits, plan checks, etc.

The City's investment portfolio as of March 31 had about \$187,000,000, and the interest earned is included in the revenue projections. Within the revenue category "all other," \$2,000,000 is forecasted to come in from interest earnings on the City's portfolio. All of our unexpended cash is invested on a daily basis and is pooled together to get the best bang for our buck.

She then showed a 2-year history and 2-year forecast of where the General Fund revenues were and are foreseen to be in the next couple of years. They seem to have peaked in FY 2008-2009; we know that they are going to go down in FY 2009-2010; and we know that they will continue to go down in FY 2010-2011, having just received more information from the County on property taxes.

In contrast, she addressed the City's personnel costs, which were about \$70,000,000 in FY 2007-2008. That has increased to \$74,000,000 in the current fiscal year. Based on the budget reduction plan that the Council approved on March 25, there was about \$2,000,000 worth of positions eliminated. What is before Council today is another \$1,100,000, for a total of about \$3,100,000. However, the increase in personnel going forward represents existing bargaining contracts that we have. As much as we are trying to contain the personnel costs, we do have existing obligations for adjustments.

There have been questions/discussion about available funds or use of reserves. She showed the \$14,500,000 that is restricted per the Council Policy for Healthy City Reserves, which identifies that if there is a 5% reduction in revenues, Council may use those funds for a 90-day period until staff has a chance to restructure and bring back a recommendation for a reduced budget. The policy also calls for a mechanism to replenish those funds. We did have some funds set aside and identified for capital projects; however, since those projects are already underway and those monies are going out the door, there are none available. We had some money set aside for economic stabilization. We already know that the State has said that they were going to defer gas tax and Proposition 42 payments, so we are utilizing those funds to tide us over. The unrestricted available unassigned amount could be an additional \$4,100,000. Therefore, the available dollars is about \$19,000,000. She cautioned that these are just one-time dollars. If the Council were to choose to utilize any of those funds to bridge the budget deficit, once the funds are gone, they are gone. There is no mechanism to replace them.

CITY MANAGER WEISS addressed where the money goes and what it is used for. Out of the General Fund dollars that Council allocates, approximately 26% goes to support services, which include a number of functions that are required to be provided. Although we are continuing to look at efficiencies within them, these are fixed costs that Council has little discretion to eliminate. They include the services listed on the power point chart (debt service, building maintenance, etc.). Council has to continue providing the service. The costs are broken out of each department's budget. Typically, most of these costs are built into the interfund charges and are then reallocated to each department. What is left of the money is approximately \$75,000,000, which funds the operating programs. Of that, almost \$60,000,000 goes to police and fire services. The balance is with Development Services, Economic Development, Harbor and Beaches (primarily lifeguards, beach and pier maintenance), Library, Neighborhood Services, and Public Works. As Council looks at the continuing erosion of the property and sales taxes for next year, the increase in operating costs and identifying programs for potential service impacts/reductions, they are left with these dollars. While we can find some efficiencies in some of the support programs, it is not going to be enough. We are effectively managing what we have for FY 2009-2010, but moving forward we have the potential of another \$7,000,000 problem for the following year.

He then addressed the proposal for reductions as shown on the power point summary as follows:

City Attorney	\$ 36,000
Development Services	503,000
Eliminate pay increase for Unrepresented/ Management (above PERS commitment)	90,000
Fire	370,000

Harbor and Beaches	16,000
Human Resources	40,000
Library	20,000
Neighborhood Services	403,000
Non-Departmental	200,000
Police	508,000
Public Works	395,000
Reallocate staff costs to Redevelopment	<u>135,000</u>
TOTAL	\$2,700,000

For a number of departments, the reductions are miscellaneous items where we are eliminating materials and supplies or other miscellaneous type issues. However, the key ones are in Development Services where there are a number of positions that are being eliminated either through attrition, layoffs, or a reduction in full-time to part-time positions. Additionally, for the unrepresented management class employees, we are eliminating the pay increase above the PERS contribution. We are asking those individuals to pick up what will amount to one half of the employees' costs of their PERS contribution. That will occur for all unrepresented/management employees.

Within the Fire Department, there are currently 5 divisions, and we will be looking at reducing that to 4, as well as unfunding a staff captain's position. In Harbor and Beaches, after the last round of reductions, he met with Ray Duncan and Don Hadley. Due to some staffing augmentation and modifications and other creative mechanisms, Harbor and Beaches has increased the amount of their reductions but has also restored the summer lifeguard services to the 3 towers. The key reduction in Neighborhood Services is going to be the closure of the John Landes Recreation Center. We are at a point where we are looking at reducing those programs that are nice to have and retaining those services that we have to have. In dealing with Neighborhood Services and the programming, the cost of the one center versus the programming it provides to the broader community is such that it warrants consideration. The Police Department is also reducing a number of staff. In the Public Works Department, we are looking at eliminating the City's tree crew. We have met with their bargaining unit and are going to look at alternate opportunities; however, at this point a majority of those services are contracted out. That would impact our day-to-day/complaint response if that service were eliminated. Again, it is one that is nice to have but is not an absolute necessity.

Today, we are asking Council to approve the additional \$2,700,000 reductions to the budget, and we will be scheduling a workshop in late July or August when we will have enough information for Council to review their goals, look at their reserve policies and set some future spending priorities. If we get into having to look at another \$5,000,000 - \$7,000,000 impact next year, it will significantly affect how we do business. We need to have early opportunities to have those conversations with Council.

Public Input

MARGARET DAILEY, 900 North Cleveland Street #133, in the Mira Mar Mobile Community, stated that many remembered the old Oceanside with streets overrun with prostitutes and gang members, homeless people, etc. As a Neighborhood Watch commander, it appeared to her that Council understood what Oceanside needed and provided enough services to ward off the negative reputation. Oceanside has become a fine city; it is clean and safe for families to live and play. When fire threatens, Oceanside firefighters are there protecting against loss of life and property. Now it is time for us to protect our firefighters, our law

enforcement and our Emergency Medical Technicians (EMTs). In her contacts with them, the Police Department, Fire Department and EMT services have responded with excellence; their response time is now less than 15 minutes. I have had to dig into my emergency fund to pay my rising costs of insurance. She asked Council to dig into Oceanside's emergency fund for the safety of the citizens and property. Please maintain our current level of training and staffing for our firefighters, EMTs and enforcement agencies.

BILL PARKS, 2376 Back Nine Street, stated the City, State, County, United States and World have noticed a huge financial crisis descending. It creates great stress for people; it is a difficult time. The good news is that Oceanside is prepared. For years, this and preceding Councils have set aside money in a rainy day fund for such exigencies as we now have. We have \$180,000,000 in a rainy day fund. Services are needed by the people more than usual because of the difficulties. This is the time to spend the money. It was taken from the taxpayers with the idea that, should there be financial difficulties, services would not have to be withdrawn. Let's draw on this rainy day fund; it is a time of special need, for which we have a fund.

SHARON SIENS, 900 North Cleveland Street #75, spoke on behalf of the firefighters. We are fortunate to have dedicated firemen and need to make sure they are available when we call. She would use the reserve fund or any other fund for that matter. We need to continue to have the fine firemen we have now. The City can say that the cuts will not affect service levels, but she knows it will; that difference would not be positive. She cares about safety and is asking Council to keep the Fire Department as it is.

ARLENE HOOKS, 900 North Cleveland Street #103, spoke on behalf of the Fire Department. The firefighters are constantly training at a facility on Jones Road, and they train for every possibility. The City is planning to let the trash company buy the training facility, and she asked why Council would even consider that. Where would the firemen train? Vote to protect our Fire Department and keep it fully staffed.

JIM SULLIVAN, 900 North Cleveland Street #159, asked Council to consider using the reserves. It is not as important to him and others to have services other than public safety. Police and fire are critical to the safety and well-being of our community. When the City Manager showed his chart, there was \$400,000 being asked to be taken from the Fire Department and \$500,000 from the Police Department. Senior citizens and Neighborhood Services were asked to remove \$400,000 from their budgets. He did not see anything where Council, as public servants, were sacrificing anything personally. It is an affront that they would not use funds that are available to them to preserve families and the people and the protection of the citizens of this community. If they take anything away, they should first take their salaries. They can try to convince us that they don't have the money, but the interest alone on their rainy day fund is more than twice what they are asking in cuts. He asked them to think about the impact on the families and the people who look to Council for leadership and guidance in this City.

SUZANNE WILLIAMS, 3895 Shenandoah Drive, representing the Friends of the Oceanside Public Library, stated that the library is the cornerstone of the community and meets the needs of children, teens and adults. People are flocking to the library especially in these tough times in far greater numbers than ever. The Friends is a voluntary, nonprofit organization with over 750 members that promotes and serves library services. We raise money through book sales, various events and the membership of the Friends. We do not and cannot cover library staff salaries or other basic costs. The Friends have helped to pay for a lot of the little fringe

benefits; help pay for the Bookmobiles; have given over \$40,000 this year for books and materials; etc. We are doing as much as we can to try to help out. Right now the library usage is increasing dramatically, but the library is facing reductions in staff and money for books and materials. These resources are being stretched to the breaking point. The library hours are being reduced; the youth literacy program is gone. If there is any way that Council can see fit to maintain things the way they are, please do so.

ROBERT WILLIAMSON, 121 Parnassus Circle, spoke not in favor or against anyone. The City has a doomsday fund, and they also have people in Sacramento, who with the passage of a bill can take that money and it's gone. Use it or lose it. After yesterday [the election], the State will be looking every place they can for money that Council has not identified as critical to their operation. Second, there is an underlying feeling among some people in the City that organizations like the Friends of the Library or the Library Foundation should take over City responsibilities. That is a magnificent idea, and Council should push that. However, before they do that, he told them to be sure there is equity in it; make sure the friends of the cops pick up their fair share of the cost of the bullets; make sure the friends of the firefighters pick up their fair share of the hoses; etc. Otherwise, don't go there. Lastly, considering what the people told the State yesterday, this state is bankrupt. We are in really tough shape, and it isn't going to get better until we get some more responsible people in Sacramento. If Council continues to look at ways to substitute and stops making the hard decisions, then they have abrogated their responsibilities to the people of this City; it is what is best for the City that must come first, not what is best for a segment of the population.

ADRIANNE HAKES, 1630 Lopez, Library Trustee, spoke on behalf of the library. Times are tough, and we are in big trouble in this state. She reminded Council of the value they have in the library. When times are tough, people give up their cable, Internet, DVDs, etc. and go to the local library. We have a wonderful library with wonderful librarians. We have people who literally camp out there; our teens find a safe haven there; people come to do job applications and keep in contact with their families across the nation by using our computers. She reviewed various resources available. She wanted to remind Council that they have a lot in the library that helps the citizens every single day. This community has a history of being resilient, but she believed that one of the reasons they are so resilient is because of the resource they have in the library. We will take our hit with everyone else but do not want to be treated unfairly.

CHARLENE WILLIAMSON, 121 Parnassus Circle, President of the Library Board of Trustees and President of the Library Foundation, said we talked a lot about the horrible cuts we have to make and having to keep core things. The feeling was that they would get rid of the fluff. The library is not fluff; it is an integral part of this community. This last month alone, we had 60,000 people come through our door. That is a large portion of the City's population. They came in to learn how to write resumes and to check job availability; children and young adults are in the library doing research or checking out materials, so they are not on the streets causing problems. Libraries will get people through times of no money better than money will get you through times of no libraries.

JIMMY KNOTT, 127 Sherri Lane, noted the City Manager wanted to implement the Healthy Reserves Policy; however, this Council refused to.

The bargaining units have not come forward to the public to give their alternatives in the budget. Another thing is that fines and forfeitures are down because people are not paying. There is also a question on the numbers for

potential impacts from projected retirements. There are a lot of questions in this budget that have not been discussed or clarified. There are questions of overlaps with other districts, such as the Oceanside Unified School District, North County Transit District, etc. Maybe we could pair with them and cut down some of our budget with shared operations. There are a lot of things that we can look at.

MARIE ENGLISH, 3902 Vista Campana North #34, member of the Library Board of Trustees, spoke in support of the library. Oceanside is a wonderfully diversified City, and library services cut across all lines of that diversification for youngsters, the homebound and disabled people. It cuts across all lines – ethnic, socio-economic, age, gender, etc. When the first adjustments to the budget were considered, the library was very proactive and did what it could to cut. We hope Council will keep in mind what a great service the library is to the community.

MIKE RUSSELL, 4314 Auklet Way, is current Vice Chair of CERT Oceanside [Community Emergency Response Team]. They currently have 188 graduates within the City and have a new class starting in June. While we can only accommodate 35 people at a time, 80 people have signed up. We need to continue utilizing CERT. We talk about trying to gain something for nothing; here we are giving Council a lot of man hours in case the City has an emergency, and that costs the City nothing. When they consider the cost of the 8-week class, even if we get 50% turnout of the full CERT membership, those are going to be free man hours helping neighbors. He asked that Council continue to support the Fire and Police Departments.

DONNA MCGINTY, 2405 Mesa Drive, said she is looking at the lost revenue stream. There are lots of funds that are not being collected, and there are funds being spent, i.e. Council Aides, to the tune of about \$250,000 a year that could be done away with for the time being. There are bank owned foreclosures on properties; are those banks are paying the property tax timely, or are they just sitting with liens placed on the properties.

She had attended the Planning Commission meeting, where they talked about the houses where 7-8 rooms are being rented per house. She calls that a cottage industry and income to the City, and it is a revenue source being missed. There is a major hidden lost revenue source right there in the rental properties and rooms for rent. The new Senior Center as approved has no kitchen. They are going to have bag lunches and salads, but there is a revenue source being left out because she would be willing to buy her lunch there. Council is cutting into the Police and Fire Department, the people we rely on every day. Council should not cut into them without cutting out their own Aides.

ART MANDELBAUM, 3890 Vista Campana, member of the Library Board of Trustees, spoke in support of the library. Council is aware of the library's role in this community. The library plays a unique role in attracting an often overlooked segment of the population – the teenager. The library has been very successful in providing a positive choice for teenagers after school. They present an option to hanging around in the streets. He further reviewed the resources at the library. For these reasons and many more, we are asking that the library receive ample consideration during the present budget adjusting process.

CHUCK LOWERY, 812 Alberta, said that we are in a crisis of conscience, not a crisis of money. Council has already approved cuts to police, firefighters and paramedic services. He understood the need to cut back on unnecessary spending in order to keep the City operating, but to cut our fire protection by \$968,000 is inappropriate and dangerous. The City must retain the high quality emergency

services we have been paying for. For many years the City has put aside money in the rainy day account, and it could be that day today. In fact, the City just got \$5,000,000 from the sale of Marina Towers, and it wasn't included in the report. The City Manager told us a few minutes ago that they somehow found money to retain lifeguard services so they would not be cut. That is good news.

In addition, he has recently attended City committee meetings, observing where our money is being spent. One ad hoc committee meeting included 22 people; at least 15 of them were paid employees and consultants. He estimated that just that one meeting cost \$7,000 - \$10,000, and it was only 2 hours long. It could have all been done by email. Council can direct staff to stop squandering our remaining money. What about time spent by staff preparing and printing agendas and support documents for these many meetings? In one, he received 78 pages of financial reports. This material could simply be posted online, then if people want to review it, they can do it at a zero cost to the City. He suggested that Council be creative and devise additional revenue streams if money cannot be found elsewhere. The City needs to continue to fund the emergency needs of residents; that includes police, fire and paramedic services at the level required for our safety and security.

GREG DeAVILA, President of the Oceanside Firefighters Association (OFA), clarified some statements made by the City Manager on the current budget reduction proposal that is before Council. The document states that public safety services provided will not be compromised with the reductions as proposed; that statement is false. The administrative captain's position that was eliminated on March 25 is responsible for our current GIS mapping program, which is essential for our units to respond accurately on a daily basis to the emergency calls received. It is also the manager of the communications link between North Com Dispatch and the Fire Department. Eliminating another administrative captain puts an increased strain on our already slim staff. He read Section 3.1.1 in the Standard of Cover Plan and Strategic Services Plan [also called Citygate Study], which stated there are barely enough management and office support personnel for the workload and assigned duties. The department has many unmet administrative needs, and there must be an understanding that they cannot go unfunded or unnoticed any longer. All of these positions are occupied by firefighters. He reviewed and the Juliet Fire at the back gate of Camp Pendleton in 2008. Any fire captain reduction would result in fewer engine companies available for response, affecting service to the community. If the proposed budget reduction plan is approved, your Fire Department's ability to provide service will be weakened. He strongly urged Council to exhaust every financial option before they cut into these critical public safety positions.

Public input concluded

MAYOR WOOD stressed that there is support for all services. His job is to provide the services the citizens expect; most of those are public safety. That does not mean that the libraries, parks and recreation, streets, etc. aren't just as important. They are, but in critical times Council gets more input from the citizens on public safety. At the last budget hearing, we addressed things that were nice to have and those that we need to have. Some of the nice to haves were not totally cut, and he wanted to address some of those issues. He did not support the last budget reductions because there were some cuts in what he considered a crucial public safety arena. This budget crisis seems to be from the State level, not our level. The economic slow down hurt our City for obvious reasons, with reductions in sales and property taxes. Even with that, we have done better than most cities, with Escondido, Chula Vista and San Diego in a disaster mode. We should try to make cuts that will provide all of those services, with priorities being public safety.

We need to address the cuts and how deep they will be. We hope the economy turns around, but next year will be tough; there may be deeper cuts or not. If we use some of the reserves now, will we need them for the next year - probably, but that is what the reserves and emergency funds are for, which is why he asked to use some of it, but not all of it.

Our City has been preparing for a long time for a potential of 500 employee reductions in 2010 due to the baby boomer retirements. Many are probably leaving. That is a benefit to balancing the budget in 2010. If we don't fill the positions, that is a potential savings. He would like to address this when it happens, which is next year and not this year. The City Manager is doing the best job he can, dealing with the employee groups and department heads to make these cuts.

Mayor Wood would like to see the use of some of these reserve funds, which are just for this use, to try to continue to provide the services, especially in public safety. He did not want to cut public safety as the summer comes up. He **moved** to allow the City Manager to use the reserve funds in the appropriate fashion necessary to retain the services necessary for the City to assist in balancing this budget. We will have another budget hearing in July or August. That gives time for everybody to address some of these needs. We will still have to address the budget in 2010, but let's address it when the time comes.

COUNCILMEMBER SANCHEZ seconded the motion. She listened carefully to the presentation, and 2 things stuck in her mind. One is that staff decided to come up with defining what core services are for the City – not the Council. However, in July or August there will be a workshop. So it is either a policy issue for Council, or it is not. She had asked for a workshop several times over the last 4-5 months, but did not get it. These are policy issues, and the issues are based on history and why cities are incorporated in the first place. The first thing and the most important of these is public safety.

She addressed libraries because many people spoke today about libraries. In her experience, she could say what the most critical services were for her as a child and her parents and neighbors. It was police and fire, public safety. In the poorest neighborhoods, you can see what is the most critical and life-threatening. Police and fire are number one. For a person who came from a working class family and whose first language was Spanish, it was the library that was the second most critical for her. School was the other thing most important in her life. She continues to feel very strongly about these. Bringing up the standards in every single neighborhood is very important to her. As she grows older and having a dad who is on dialysis and for whom she has had to call the paramedics, again the priority is public safety. A few minutes will mean life and death.

[Councilmember Feller left the meeting at 3:18 PM.]

We do have a state fire apparatus here in Oceanside. Since it is here, we must respond. We all remember the fires [in 2007], and that was when we had every single firefighter out working.

[Councilmember Feller returned to the meeting at 3:21 PM.]

She questioned the memorandum received from the City Manager, asking the Fire Chief about the line that read, “. . . public safety services provided to the community will not be compromised with the reductions as proposed. Although there are several public safety positions included in the recommendations, the positions will not directly impact response times for calls for service to the

community.” She asked if these proposed reductions affect services in the community and how it would affect the Fire Department’s response, profile and safety to the citizens.

TERRY GARRISON, Fire Chief, stated there has been a theme over the past couple of weeks that because we lose staff positions, it does not affect our ability to respond. One Councilmember stated it would be okay because it was a staff person and not a firefighter in the field. It does affect the field operations.

We have two more captain positions on staff. One is the Deputy Fire Marshall, who is responsible for fire prevention activities, working with the building inspectors, etc., which is a big deal; we need to make sure buildings are safe on the front end. The other position is a training captain position, which is critical. We work in a high risk, low frequency environment. That means that every fire we go on, we could get hurt or injured. We have to train all the time. If we lose that captain’s position, it could have a direct impact on firefighters’ safety and customer survivability. It is a big deal for us.

All of the staff captains and chief officers respond to every fire second alarm or greater. The reason we do that is because we are short staffed in the City. In 1990, we had 28 firefighters on duty; today we have 32-33 firefighters on duty. We are not growing with the City. So it requires his staff people to respond to fires; when they get there, they are not in staff positions, they are assigned to the fire ground. These are critical positions, so yes there will be an impact.

The reason those positions were selected is because he felt they needed to participate in the City reduction process. He did not want to lay off secretaries or close down an engine company. He looked at what would affect them the least. It is the least invasive thing we can do in the reductions. The consolidation of the divisions was not his idea. That idea came somewhere through the side door and got stuck in the third floor. That is something that he did not agree to early on. He agrees to it now. Based on everything he sees, it is the least invasive for our City. However, he was concerned that we are dropping the staffing level down to where it will affect us in the streets. We are already at decreased staffing.

COUNCILMEMBER SANCHEZ referred to the list of recommended budget reductions, which under the Fire Department stated it would collapse the organizational structure to 4 divisions. She asked how that would impact response times.

CHIEF GARRISON stated it would not affect response times; however, the collapse is a euphemistic term for saying we are going to lose a division chief position, which will result in a demotion of a division chief and the demotion of a captain, so that will roll down through the organization. He is not as concerned about the demotions as he is with the response capability. When we open up an Emergency Operations Center (EOC) with the staffing we have now, we barely fill the positions in the EOC that we need from the Fire Department perspective. He feels these staff positions are critical. In talking with the City Manager, we came up with this plan; however, he would rather not see anything gone from the Fire Department.

In response to Councilmember Sanchez, Chief Garrison concurred that in 1990 they had 28 firefighters on duty. There were fewer fire stations, with 4-person staffing. We gained more fire stations and have 3-person staffing now. There are State and federal-mandated laws that say before 2 firefighters can go inside a working fire, you have to have 2 firefighters standing outside. We don’t do that very

well with 3-person staffing. We require resources from a lot of different directions. We have mandated training. There is no out-of-service training, and everybody responds to a fire. We need everybody when we get that fire, and he is talking about the day-to-day structural operations, not the large wild land conflagrations.

COUNCILMEMBER SANCHEZ stated that in 1990 when we had 28 firefighters on duty, the population of the City was 128,398. We added 4 firefighters. Now in 2009 we have 179,681 citizens. That is a difference of 51,333 people, and only 4 firefighters were added during that time. To say that 4 more firefighters are able to address the needs of 51,000 people just doesn't make sense.

Regarding some of the other items on the reduction list, under Housing and Neighborhood Services is the recommendation to close John Landes Recreation Center. We as a community and the Police Department have known for a long time that the Tri-City area has been targeted as the next gang/crime area. To take away a resource to the kids growing up in an area where there are gangs is to say that later on we are going to pay more. It is really irresponsible to close John Landes Recreation Center. We have been trying to figure out how to do something more there because of the increased crime.

For the Police Department, it is proposed to eliminate the custody transport contract for \$288,000. She did not know how that saves money because it means that officers will be doing the transport. We are going to be taking them off the streets, which will impact the level of service. That is very disturbing. Also, she understood that the school district is unable to fund the School Resource Officers. It is irresponsible and not acceptable to cut those officers. We need to work with the schools and kids consistently. If we let up, the crime goes up; a life is taken.

She does not support any of these cuts. What she continues to see is that we have had an increase for services in every place except for Development Services. Construction has literally stopped. She is very concerned that we are not getting our projects that we have approved. That means that those services can be cut; there is no demand by the residents for those services. Every other service has a higher demand. Therefore, she supports maintaining our level of service, maintaining all of our staffing except for Development Services, and supports taking from the reserves and undesignated funds. Any suggestion that a Council policy prevents us from doing that is disingenuous. We can absolutely use these funds. We can vote to delete the policy, so there is nothing stopping us from using these funds. We need to dip into these rainy day funds.

COUNCILMEMBER CHAVEZ stated the State election in the past 24 hours clearly shows that the California citizens want responsible leadership to efficiently and effectively run government. A few years ago there was a large effort to restructure the prisons and education. When Governor Schwarzenegger brought that forward, he had brought in a high-powered team to look at California's budget and get it on the right track. After the voters turned the plan away, that team left because they knew that in the down years, California would have a huge deficit that would continue to grow. Last night showed the voters saying they want the programs but don't want to pay for the programs; now we have a conflict. That is essentially what we have in our City.

It is important that Councilmembers deal up front with the issues and the facts. Comparing the amount of fire personnel to population is like comparing how many miles you can drive on a gallon of gas since we are doing significantly better due to technologies. He has had conversations with fire personnel, and he imagined that in 30 years we have changed quite a bit, such as building codes and how we

build things to protect ourselves from fires. It is also important to note that no department is saying there would not be some reduction in services. Therefore, the Fire Chief is right in saying that the services are not going to be as good as they were before. Each of the departments will say the same thing – they are not going to give the same services that were provided before. The question is how to make reductions. The reason we are having this discussion is because of money.

The salient point on the discussion at the dais is whether we should use the reserves or not, the \$19,000,000. In March when there was a movement by the minority to use the reserves, it was for \$4,000,000. Today we are looking at another \$2,700,000, which totals nearly \$7,000,000. Our staff told us that because of the election results yesterday and the adjustments in sales tax and property tax, in the summer we are going to be looking at another \$7,000,000; that would total \$14,000,000. If we use the reserves as the motion wants, that is \$14,000,000 out of the \$19,000,000 just to get through this year. Then next year, we will probably see beyond that \$14,000,000 up to as much as \$15,000,000 to \$20,000,000. The difference is that we would only have \$4,000,000-\$5,000,000 left; you can't close that gap. In addition, structurally it will continue to grow. The \$4,000,000 you pay for today will be here tomorrow. It is like living on a credit card, and we can't do that. He would not support the motion on the floor.

The goal as noted is to minimize the impact to core services. Those core services were discussed in detail at Council's January workshop, which one Councilmember did not attend, and Council set the standards. It is also important to note that Department Directors and the City Manager worked collectively to create reductions along the core services that Council established. That was a collective decision. One of the first things in an organization when there are budget issues is that you downsize; you go to the organization and ask for the people to buy into the adjustment. It is called the bottom-up review.

Again, the salient issue is whether to use the reserves or not; he would not support using the reserves. The plan that has been worked out collectively is a very good plan, and in July or August we will be back here again to close that additional gap. He hoped it would be \$3,000,000, but it could be \$7,000,000. That is probably when we are going to be looking at the reserves.

COUNCILMEMBER KERN could not support using the reserves at this time. If we use it all now, we have nothing to fall back on. The State is going to borrow \$5,000,000 of our property tax going forward. If we use all the money now, and the State takes that \$5,000,000, there will be immediate layoffs without choice. We need to hold onto our reserves as long as we possibly can and see what the State is really going to do. He did not doubt that within the next year or so we will have to dip into those reserves. In July or August, seeing what the State is going to do, we will be back here having this same discussion about what we are going to do.

We are here because of the problem with the State and the economy; we are here because we are losing money; we don't have the money to spend on these services; and we have to figure out how to do it. This budget was a collaborative effort on everybody's part to really look at their departments and see what they can cut. Some departments really took a big hit, such as the library; however, they stepped forward and came up with a plan, and all of the other departments did as well, some willingly and some reluctantly.

The next round is going to be worse than this round. He is willing to listen if there are ideas on how we can save money in departments. The people who are

actually delivering a service can tell us where to cut. Right now we need to hold onto those reserves so that we can see what we can do. We have already been put on notice that the State would take \$5,000,000. If we spend everything now just to maintain our current level, when we get to that point there will be no choice. It is going to be a big axe coming down because we won't have any money to do anything else. We are backed into a corner and are doing the best we can with what we have. Everybody wants to maintain a level of service that we can afford. What we really need to do is have everybody start pulling in the same direction to accomplish these goals instead of trying to attack each other and pull each other apart. He could not support spending any of the reserves at this time, but we will probably be back here within 60 days having the same conversation.

COUNCILMEMBER FELLER asked if there was a percentage available for each department to show personnel.

CITY MANAGER WEISS responded that they could get that to Council. For most of the departments, the majority is personnel. However, the current numbers includes the maintenance and operations costs within the departments.

COUNCILMEMBER FELLER noted that revenue was going down and personnel costs were going up. The State may raid \$5,000,000 in property tax. He asked if that was a one-time hit.

CITY MANAGER WEISS believed the State has the ability to do that twice in a 10-year period, but they have to pay you back within 3 years before they can take it again.

COUNCILMEMBER FELLER stated that since it would be repaid, we could use one-time money. The front page of the memo the City Manager sent to Council says that the overall economic outlook for the next few years is not optimistic. The City is faced with an ongoing structural budget problem that requires a balanced approach and demands that the City reduce spending. That was pretty much stated yesterday in the election. He had heard that the County Assessor has said that the property tax is being reduced, with people applying to get reassessed. That is going to be one of our more serious hits as we go forward.

MS. FERRO replied that the County Assessor has notified Oceanside that overall property values are being reduced to 4.2% collectively; that does not mean individual homes are being reduced to that. However, when they take into consideration various appeals and look at neighborhood blocks, they are actually rolling property tax values back to the year 2003. We still have a list of close to 1,800 appeals that are out there; the County has thousands of them to process and are also facing budget reductions and a staffing issue. Consequently, some of those appeals might be processed 2-3 years from now and will be rolled back at that time.

Responding to Councilmember Feller's question on whether we will ever get back to where we were 2-3 years ago, she said that is a sign of the economy and the market. Economists are saying it will be at least 5 years before we are even at a 2004 level. We are being rolled back to 2003 now, and while there is an increase in home sales, they are selling at very low values.

COUNCILMEMBER FELLER asked if in any conversation the City Manager has had, he had ever recommended using reserves for the operating budget, and **CITY MANAGER WEISS** responded no, not to balance an ongoing structural deficit.

COUNCILMEMBER FELLER stated we heard about the \$180,000,000. He asked how that is used and whether we generate interest from it.

CITY TREASURER FELIEN replied that we are generating interest off the \$188,000,000 that is in the investment portfolio; that is factored into the revenue projections that the City Manager uses to come up with the budget. It is not some slush fund that is not being counted.

COUNCILMEMBER FELLER said that in his opinion no one in their right mind who has ever been in charge of financial management would recommend using reserves for operating an ongoing structural budget. Reserves are for disasters, acts of God, uninsured and unintended consequences, but not for operating. He can't see how we would get there with reserves and questioned what we would have in 2-3 years if this continues. He then questioned whether the State can take reserves.

CITY ATTORNEY MULLEN replied that the State could not appropriate your reserves, but they could adopt legislation or take other budgetary action that reduces future property tax revenue.

MS. FERRO further explained that any revenues that are funneled through the State could be at risk. We already know that the gas tax, while not taken away from us, has been deferred for nine months. The State has also deferred payment on the Proposition 42 bond money. Property tax, sales tax and VLF are protected per Proposition 1A, but the State can still borrow from those. There are other revenues that the State funnels through, such as COPS grants, public library funds, etc. There is a host of revenues that can be withheld if they come through the State. She had never heard that the State could actually come in and take your money; however, they can withhold anything future they would give us.

COUNCILMEMBER FELLER came to Oceanside a little over 22 years ago, and from the beginning there has been a faction that has obstructed where we needed to go, such as having a trash material recovery facility, a beach hotel, etc. The obstruction has to stop. We are cutting our nose off everywhere to spite our face just in the opinion that we do not really want other jobs and opportunities here. We really have to think about how we make money here. He was very optimistic about the Planning and Development Service Department and the direction they are heading. While it doesn't sound very good today, there are people out there willing to invest in the community with incentives. That is where we need to be looking for this money. He asked how many businesses have closed in the last 18 months.

MS. FERRO responded that the only information they have at this time is from January through April, and there were about 100 small businesses that closed.

COUNCILMEMBER FELLER stated that was tough, and business is hard to do. That is what we are doing here – operating a business. The same people that are asking for us to not cut anything are willing to spend \$500,000 at a recall. He did not appreciate that fact either.

MAYOR WOOD noted that next year when things are tougher and we make deeper cuts, he is more concerned about the cuts that will be people. Using the reserves this year or next year is what it is all about, whenever the need is there. He leans toward keeping people in services more than he does in cutting them.

CITY MANAGER WEISS requested clarification on the motion, which was to use reserve funds as necessary to retain public safety services. Based on what is before Council, that would be \$370,000 for the Fire Department and \$508,000 for the Police Department, for a total of about \$878,000. He did not think that the motion was to use reserve funds to balance the entire proposed budget.

MAYOR WOOD said, to be fair to the City Manager, it was an option. We realize that he sets the budget. He felt the City Manager was pressured not to use reserves by a voting majority of this Council. He wanted them to either confirm that or give the City Manager the option to use it any way he can to try to satisfy this particular budget. City employees are looking at this action as their jobs and their future. The use would be mainly for public safety, but it is for any use along the lines to try to help in this budget situation.

MAYOR WOOD announced they would take a 5-minute break.

[Recess was held from 4:05 – 4:14 PM.]

COUNCILMEMBER SANCHEZ called for the question.

COUNCILMEMBER CHAVEZ seconded the call for the question.

The call for the question **was approved 5-0.**

The main motion [to use reserves as needed] **failed 2-3**, with Councilmembers Chavez, Feller and Kern voting no.

COUNCILMEMBER CHAVEZ moved approval of the recommended additional \$2,700,000 reductions to the FY 2009-2010 General Fund budget as presented by the City Manager.

COUNCILMEMBER KERN seconded the motion; the motion was **approved 3-2**, with Mayor Wood and Councilmember Sanchez voting no.

SCOTT SMITH, City Engineer, gave an overview of the Capital Improvements Program (CIP), stating the brief presentation would focus on specific projects within the overall program [excluding the water utility projects – to follow]. The CIP budget has been reviewed by various commissions/committees. This year's current CIP has a \$93,000,000 budget, with 182 projects approved Citywide within 12 major programs.

Regarding projects that were completed this year, they are: Pacific Street Bridge; Fire Station 7; skate parks at Martin Luther King, Jr. Park and Melba Bishop Park; Mance Buchanon Park, Sunset Market Street Lights Project; traffic signals installed at Lake Boulevard and Esplanade Street, as well as one at Buena Hills Drive and Vista Way, Melrose Drive and Sagewood Drive and Frazee Road and Oleander Drive; the El Camino Real Median Project between Mesa Drive and Highway 76; installed trash collectors at the golf course; constructed a carport to house 2 bookmobiles; and the San Luis Rey River Trail was upgraded from College to North Santa Fe. The maintenance projects were significant, including 25 lane miles of roadway overlay, 75 lane miles of slurry seal, 220,000 square feet of potholes repaired, over a mile of sidewalk replaced, 6,000 trees trimmed, and reduced water consumption in parks by 10%.

For the upcoming years, he highlighted the El Corazon Senior Center's June opening. The Oceanside Boulevard Corridor Enhancement project was supposed to

go this past year; however, the force main under Oceanside Boulevard was done. We did not want to do the 2 projects at the same time due to possibly damaging the newly installed improvements. Progress was made on the San Luis Rey River cleaning, with the first phase of mowing completed. The Army Corps of Engineers needs to finish the maintenance and operations manual. Ultimately, the plan is for them to turn the project over to the City.

Other notable projects for FY 2009-2010 include the following:

- Coastal Rail Trail parking lot (extension of Lot 26)
- the downtown storm drain
- updating the Circulation Element
- 3 projects on College Boulevard - widening study from Vista Way to Olive Drive, widening study and sidewalk on the College Boulevard Bridge, and the Melrose Drive extension EIR public comment period, which will happen between August and October
- 1617 Mission Avenue remodel, which is where the Veterans' Association North County will be housed
- Loma Alta Creek Basin at El Camino Real.

Mr. Scott then reported on the recognition received for completed projects, with the City receiving a total of 7 awards from various organizations. The projects receiving awards were Pacific Street Bridge, Fire Station #7, the skate parks and the Bicycle Master Plan.

Regarding the Water CIP, **GREG BLAKELY**, Water Utilities Division Manager, highlighted some of the projects that are currently under construction, including the Weese Treatment Plant regulatory update/conversion from a direct filtration to conventional filtration plant; the San Luis Rey Reclamation Facility expansion is under design, and we should be ready to go to bid this coming fiscal year. The Seawater Desalination Plant is currently operating in the east harbor parking lot. We should start receiving information as to the viability of ocean desalination from there to our plant at the Reverse Osmosis Facility sometime in the next few months. We will be undergoing reservoir structural analysis on some of our older reservoirs. We are currently going out for a Request for Proposal (RFP) on a Water Strategic Master Plan and are currently underway with a Water Conservation Master Plan. For sewer, we are currently undergoing construction at La Salina. Regarding the Land Outfall off Oceanside Boulevard, we hope to have that project paved out by next week. The Myers Street/Oceanside Boulevard/Tait Street sewer line project is extremely important for the downtown area and will need to be constructed within the next couple of years to keep up with the development of downtown, such as the hotel. We are also working on the water/wastewater technology improvements.

He further expanded on some of the projects. The Weese Water Treatment Plant currently treats 25 million gallons per day (mgd) and is an \$18,000,000 project for the upgrades. The San Luis Rey Reclaimed Water Facility expansion is the first of 4 phases and is a 1.5 mgd expansion, expandable to 7.5 mgd. The first expansion will deliver water to our own plant since we are using potable water for irrigation and process, the Oceanside Municipal Golf Course and Whelan Lake. The Seawater Desalination Pilot and Feasibility Study is a one-year pilot study in the east harbor parking lot. The pipeline alignment study from the parking lot to the Mission Basin Desalting Facility will be quite an undertaking. We hope to have the results shortly. The production capacity for that plant is estimated to be 5-10 mgd. The La Salina Plant upgrades project requires that this plant built back in the 1940s have extensive work done on the digester. The project is approximately half

completed. The Land Outfall emergency repair project is concluding, and we hope to have it paved out next week.

For the upcoming fiscal year, we are requesting funding for water projects of about \$9,800,000 and \$1,600,000 for sewer projects.

COUNCILMEMBER KERN stated that yesterday at the Utilities Commission meeting, it was mentioned there was a \$500,000 grant from the San Diego County Water Authority (SDCWA) to help with the desalination. He asked if that offsets any of these figures.

MR. BLAKELY replied that the grant would offset the figures. We received a local assistance grant from SDCWA for the Seawater Desalination Pilot project in the amount of \$500,000.

COUNCILMEMBER KERN stated there had been some talk about Vista's participation in the Weese Plant. He asked if that was factored in and if Vista wanted us to add to the plant and would then pay for that addition.

MR. BLAKELY replied it was not. There are some ongoing discussions. However, we are trying to focus on the regulatory upgrades to the project and not an expansion component at this time.

In response to Councilmember Chavez, **CITY MANAGER WEISS** stated the issue before Council is to review the CIP budget. We will bring it back to Council at a public hearing in June.

COUNCILMEMBER SANCHEZ stated the CIP budget being requested shows \$80,000,000 for FY 2009-2010; \$33,000,000 for FY 2010-2011; \$38,000,000 for FY 2011-2012; \$42,000,000 for FY2012-2013; and \$46,000,000 for FY 2013-2014. This is presumably based on what continues to happen from this budget. She did not want to see a 5-minute presentation when we are talking about \$80,000,000. She is certainly against the Melrose Extension and the College Boulevard widening. She has heard so many complaints on what staff is doing out there in terms of the meetings and wasting people's time and wasting dollars for something that will never happen. She also addressed the quiet zones. When we look at this and look at what is important, these things seem to be out of whack. We need to come back and look at these a lot better than just a 5-minute presentation.

2. **Public Communication on City Council Matters (Off-agenda items)** - None

ADJOURNMENT

MAYOR WOOD adjourned this Workshop at 4:36 PM on May 20, 2009.

ACCEPTED BY COUNCIL:

Barbara Riegel Wayne
City Clerk, City of Oceanside