

January 17, 2007

Joint Meeting Minutes
Council, HDB and CDC

were City Clerk Wayne, Interim City Manager Martin, City Attorney Mullen and City Treasurer Jones.

Pastor Carl Souza gave the Invocation. Members of the Camp Pendleton Young Marines led the Pledge of Allegiance.

PROCLAMATIONS AND PRESENTATIONS - None

CLOSED SESSION REPORT

5. Closed Session report by City Attorney

CITY ATTORNEY MULLEN reported out on the following items previously heard in Closed Session:

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

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

No closed session was held on this item.

2. **PUBLIC EMPLOYEE APPOINTMENT, PUBLIC EMPLOYMENT, PERSONNEL EVALUATION AND DISCIPLINE (SECTION 54957(b))**

[A] PUBLIC EMPLOYEE APPOINTMENT
Title: City Manager]

No closed session was held on this item.

B) PUBLIC EMPLOYEE PERSONNEL EVALUATION
Title: City Attorney

There was no reportable action.

3. **CONFERENCES WITH REAL ESTATE NEGOTIATOR (SECTION 54956.8)**

Property: City-owned building at 4925 Oceanside Boulevard (portion of APN 161-501-07); Negotiating Parties: City of Oceanside and Hobie Cat Company; Negotiator for the City: Douglas E. Eddow, Real Property Manager; Under Negotiations: Price and terms for a lease extension of the subject property

There was no reportable action.

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

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

Page v. City of Oceanside, Superior Court Case No. GIN048539

There was no reportable action under the Brown Act.

At this time, Mayor Wood determined to hear Item 15.

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MAYOR AND/OR COUNCILMEMBER ITEMS

- 15. **Request by Mayor Wood for presentation by Major General Michael R. Lehnert regarding operations of predatory lenders within the City of Oceanside, and direction to staff**

MAJOR GENERAL MICHAEL LEHNERT, Camp Pendleton Marine Corps Base, discussed the impact of the recently passed Talent-Nelson amendment contained in the Defense Appropriations Bill, which establishes a cap of 36% on all loans to military members. The bill goes into effect on October 1, 2007. This legislation was passed because military commanders across the country saw more of their military members experiencing serious financial difficulties after being caught in a debt spiral due to predatory lending practices.

Locally, they have watched the numbers of marines who voluntarily reported financial difficulties increase as a consequence of taking out a series of short-term payday loans, carrying annual interest rates in excess of 460%. Their best indicator of the size of the problem is the Navy Marine Corps Relief Society. Marines go to Navy Relief when they have hit the financial wall. The numbers he will be presenting are the floor, since they consist of only those marines who came forward to state that they have a serious problem.

They have clearly identified that the problem is the result of predatory lending activity. In this particular case, they are equating these numbers to the payday lending industry. These numbers do not include the individuals who have elected means other than the Navy Marine Corps Relief Society to dig out of their financial problem. These are the numbers of people that they can absolutely document. Many of those who do not report their financial difficulties look for other means to pay off the loans; that includes taking a second job at night or asking their extended family to help them.

[Councilmember Sanchez arrived at 5:13 PM]

In 2003, Mike Hire, Director of the Camp Pendleton Navy Marine Corps Relief Society (NMCRS), had 284 clients--Marines who reported financial insolvency resulting from these high-interest, short-term loans. In 2004, the number was 118 Marines. In 2005, it was 191; and last year it was 190 Marines. Mr. Hire's counselors work with these Marines to put them on a budget and address their financial woes. The first thing they have to do is pay off the loans because the interest rates being charged eat up everything that Marine has. The NMCRS provides the funds to pay off the principle and the interest, either as a grant or loan to the Marine in trouble. The money from the NMCRS comes from charitable contributions from other Marines. The irony is that, while most Marines do not use payday loans, it is their charitable contributions that add to their profits.

Oceanside has the highest density of payday lenders in California and possibly the highest density in the country. The military cannot investigate or enforce the laws off their bases. They have no authority and the Posse Comitatus Act [federal law] strictly prohibits them from doing so. They must rely on their neighbors outside their gates. However, they can talk to each other and talk to other organizations that are investigating predatory lending practices.

Last week the California Reinvestment Coalition came to talk to him, and they visited 10 of the 22 payday lenders in Oceanside. They found that 30-day interest rates for a \$255 payday loan ranged from 460% annual percentage rate to 2,147%, and 8 of the 10 establishments did not have the required notice posted disclosing the rights of borrowers against criminal procedures and triple damages. When asked if there were additional fees to extend the term of the loan from 2 weeks to 1 month, 4 of the 10

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provided ambiguous answers; 2 were unwilling to answer the question; 1 illegally charges an additional fee for an extension even though the loan permits extensions up to 30 days; and 3 of the 10 did not permit an extension of the loan. Additionally, 1 of the 10 lenders did not permit consumers to bring the loan amount back and have their fee returned if they changed their mind about the loan, although the law permits a refund if the total amount is returned within 24 hours from the time that the loan was taken out.

Major General Lehnert stressed that this practice is common throughout the industry, not just Oceanside. His Navy counterpart, Rear Admiral Len Herring, has seen the same situation with the military members aboard his bases and the lending institutions surrounding his bases. Mayor General Lehnert is not trying to shut down payday lenders but wants to stop predatory lending practices. Given that Congress has set a limit of 36% APR, they now have the sense of Congress and a definition of what Congress views as predatory lending practices, which are those where APRs exceed 36%.

Predatory lending practices are not limited to payday lenders. Payday lenders do not have to engage in predatory lending if they are willing to change their practices. The states have certain responsibilities to regulate banking and lending institutions, and this is an issue he intends to take up with the Governor and the State Assembly during this current legislative session.

The military also has responsibilities. He has challenged their leaders to work with Marines and their families from the point that they enter boot camp throughout their military career to make them more financially sophisticated. For many of these Marines, this is the first steady paycheck they ever had. They explain to their marines what APRs are and tell them that if they encounter an APR in excess of 36%, it is predatory lending.

Since APRs in excess of 36% are not technically illegal, he is not allowed to place any establishment off limits. He can establish a category they refer to as areas of concern. They cannot tell the marines to stay out of these places, but they can tell the marines that if they go there they are acting irresponsibly. The base commanders are also encouraging delayed gratification. A few purchases are essential such as food, shelter and transportation. Everything else can wait for the next payday. They are encouraging savings over debt.

They have told the California Department of Corporations that, if they encounter illegal activity by predatory lenders, they are going to report it and will cooperate on any legal action. Our Inspector Generals and legal offices on all 7 of the bases he commands have been given these instructions. They have put numerous stories in their base newspapers warning troops of the dangers of predatory lending. They have contacted each of the base Credit Unions and told them that they need to provide educational counseling for their Marines. They have also encouraged the Credit Unions to develop a quick consumer loan product. Feedback has been positive. They have included training to our mid-grade leaders, staff and non-commissioned officers, so they will be able to encourage sound financial planning in their Junior enlisted. With their Navy partners, they have formed a task force to address responsible financial planning and work with the State Legislature and Governor Schwarzenegger. The Governor has demonstrated genuine concern and leadership on this issue, with support on both sides of the aisle. Assemblyman Lieu, who worked on this issue last year, now heads the Banking Committee.

Major General Lehnert valued Camp Pendleton's relationship with the City. Many of the Marine families live within the City limits, and when they leave the Corps, many of the Marines are hired by the City. He wants to work together cooperatively to address predatory lending. Ultimately, our nation expects Marines to be mentally, physically and tactically fit. They also need to be financially fit so they have their heads in the game when we send them to war. Iraq or Afghanistan is not the place where they should be

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MEETING BY CITY COUNCIL**

trying to figure out how to pay the next month's rent. Financial readiness is a military readiness issue, and we appreciate your help.

MAYOR WOOD is appalled about this. It is Council's job to make recommendations or send something back to staff to address these predatory lenders. The average citizen would think that figures like 400% to 2,000% interest is a joke; however, it exists. Young military personnel coming back from combat have a check, and they want to spend it. It is hard for them to get an account here in the banks. The people defending our country should be the last ones to be victims of predators.

COUNCILMEMBER FELLER agreed and recalled a household finance loan 40 years ago that he thought was outrageous at 19-20%. It took him several years to pay it off as a young Navy guy. These numbers are unbelievable. They must do something as a Council to help these military. If the banks in our city would collectively pull together, they would be a great resource for these young people to figure out ways to get accounts in the banks or ways of cashing their checks without difficulty.

He hopes that what he is hearing is that the Marine Corps is doing what they can to educate the Marines to not overspend their means. As well, Council needs to do what they can. He will wait for suggestions from staff; maybe changing zoning or requiring that fewer of these establishments be built.

MAJOR GENERAL LEHNERT stated that the California Department of Corporations, the Center for Responsible Lending, and the California Reinvestment Coalition have established a series of recommendations that seem to work in some communities. The laws are loose right now, so the challenge is that the City has to follow the law.

Our military federal credit unions and the local banks need to look at some type of product. He noted that, with a \$300 loan, unless they can get huge interest rates, they do not make a lot of money off of these guys by the time they do the processing.

COUNCILMEMBER FELLER agrees 100% that there have to be some solutions. Loan sharking is illegal.

CITY ATTORNEY MULLEN said the City has the ability to regulate in the area of land use. That is where they are safest in regulating. He has worked for another community, where they adopted a moratorium on these types of businesses, but that can only last for a defined period of time. They developed comprehensive zoning to deal with payday lenders and check cashing establishments. One of the things that makes it so easy for these institutions to go into business is that all they have to do is obtain a business license, and they are permitted by right in many commercial zones. This is why they see a proliferation of them throughout the community.

One of the things Council may want to consider is directing staff to look at potential zoning alternatives that we could present to the Planning Commission and the Council for their consideration in the future. That could involve the development of a conditional use permit process, which puts a little more scrutiny on these businesses. Council could examine a variety of factors, in their discretion, whether or not they would want to permit these on a case-by-case basis. That may be something they want to take a look at.

He does not believe the City has the ability to directly regulate the fees and the rates that the payday lenders charge. The good news is that the annual percentage rate is limited to 36% for members of the Armed Forces. That does not help the population as a whole, but it may work as a defacto moratorium to some extent.

MAJOR GENERAL LEHNERT thinks there is going to be some economic Darwinism once that 36% comes into play.

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CITY ATTORNEY MULLEN has spoken to industry members, and some of them believe that we may see fewer of these businesses in Oceanside. However, they may spin off and try to engage in other business practices that the base is not comfortable with. The long term solution could be looking at our zoning regulations.

COUNCILMEMBER SANCHEZ attended a meeting where there was a discussion about the possibility of a community bank coming to Oceanside. It was because there is a perceived market that we have loan shark type businesses in the City of Oceanside. The discussion was about the need for doing something because of the military. Two other markets that potentially could support a community bank, which would be a responsible thing for the financial institutions to come up with, would be small business owners and the Latino community. There was a marketing study done, and it would be something that could come to Oceanside. Hopefully the residents would support such a thing.

There had been some talk about doing a public works project on San Diego Street at Mission Avenue since the City owned the land at the corner for a brief period of time and then lost it. Three months ago another check cashing went up there with no notice to the community. People in the community were outraged. There now are 3 of these businesses within half a block. That is completely outrageous.

The City needs something like a Conditional Use Permit, which would have given notice to the community. It is irresponsible for us to keep allowing these kinds of things to happen in our city. Hopefully, we can come up with something. The direction would be to give the City Attorney time to see what we can come up with, such as a Conditional Use Permit or changes in our zoning to limit these lenders.

MAJOR GENERAL LEHNERT responded that he can provide the City Attorney with a number of folks that have been doing studies on what other communities have tried to do. Also, we can put the City in touch with folks from those 3 or 4 organizations previously mentioned who would work with you on that. That might be some useful help.

DEPUTY MAYOR CHAVEZ has spent 27 years dealing with Marines on this issue. It is not something new. In his experience at Camp Pendleton there are institutions that do provide opportunities for Marines to use other money. Pacific Marine Credit Union is one of them, as well as the Navy-Marine Corps Credit Union. Credit unions are there. The problem, to a large degree, is that the young Lance Corporal on a weekend will think that he could get \$265 now [from payday lenders] of his \$300 check to go have dinner, drinks and party. That is sometimes more overpowering than the thoughtful process of going to the Pacific Marine Credit Union.

COUNCILMEMBER SANCHEZ moved to direct staff to look at the Conditional Use Permit (CUP) process, particularly zoning and land use to curtail this sort of activity.

DEPUTY MAYOR CHAVEZ seconded the motion and said a lot of us were making a statement on this over a year ago in front of a payday lender. He was at an event some months ago where he met with the regional manager for the payday lenders organization. The National Director contacted him at another event to also ask why he was taking such a strong argument against this activity. He and others have been looking at this for many years.

He would ask staff to move on this quickly. All Councilmembers will receive visits by a number of people who are interested in this because there is a lot of money involved. We need to be vigilant, persistent and not stop until we have this conditional use permit in a way so it can hold up in court.

COUNCILMEMBER KERN inquired if there was a bill number on the legislation mentioned by Major General Lehnert.

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MEETING BY CITY COUNCIL**

MAJOR GENERAL LEHNERT responded it is the Defense Appropriations Act. He will get the exact language into the Mayors office by tomorrow morning.

COUNCILMEMBER KERN stated that as a follow-up, Council could send a letter of support at a later date once we see what the final legislation wording is. Citizens can also send letters of support once they know what the bill title is.

MAJOR GENERAL LEHNERT reported that both Governor Schwarzenegger and Assemblymember Lieu sponsored legislation last year, which was unsuccessful, but he was told that they are going to put forward legislation again this year. As Deputy Mayor Chavez mentioned, the industry is very strong and very vocal. However, we have the moral high ground and tectonic forces behind us right now. If we are going to do something about it, now is the time to do it.

They are not opposed to Marines spending money in Oceanside; however, we do not want excessive interest rates. We will continue to be good neighbors. It is your base as well, and you are always welcome there too.

MAYOR WOOD noted that every Councilmember agrees with the Major General. He is surprised they have taken this long to do something about it. The City will take some immediate action on this and get involved. The sad part is that there is a need for the payday lenders and payday check cashing, and there should not be. He questioned why the banks or credit unions do not handle these issues with military personnel. They are the easiest people to collect from. This community has to do something to have a bank that is willing to make loans to these young Marines. We are going to work with the Marines, Navy, etc. He is sorry to hear stories that Oceanside has the largest number of payday predator lenders.

COUNCILMEMBER SANCHEZ modified her motion to direct the City Attorney/staff to come back with an ordinance that would limit the number of these kind of lending institutions and a Conditional Use Permit process. With the permission of the second, she would ask that staff also look into a moratorium.

DEPUTY MAYOR CHAVEZ believes there is some legal language they need to be careful on. That is why he made the comment to allow a Conditional Use Permit and look at land use and zoning. They do not want to highlight an activity or items, because they are going to get into trouble. They need to leave it open with the Conditional Use Permit for land use and zoning. He is sure the City Attorney understands their direction and can then craft the appropriate language.

CITY ATTORNEY MULLEN responded that staff can review whether a moratorium would hold up under the State Planning and Zoning laws. An evidentiary record would have to be created and findings made to establish a moratorium. He is hesitant today to say that they could do that, but staff would certainly look at it.

COUNCILMEMBER SANCHEZ mentioned the moratorium because there is another place just down the block that could potentially be another check cashing business built on the same street. That is not what the community wants.

Motion was **approved 5-0**.

PUBLIC COMMUNICATIONS ON OFF-AGENDA ITEMS

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

Advance written request to reserve time to speak: None

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

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DINA SMITH, North River Road resident, offered her condolences for the 2nd policeman killed within 1 year. She would like to see zero crime in this City. She asked the City to support the teens. Churches in the City would support this. Some of the churches are already set up to help teenagers have a place to go after school and have tutors.

When she was in school, they had the Ten Commandments taught to them. That no longer occurs in school. There are the few that go to church, but the majority does not. She is asking if the City, through grants, City money, etc., can look into some type of program where the police and the churches can work together with teens so that they can have something to go do, such as, churches, etc.

She does not want to see any children killed, nor any more policemen killed. She would like to see if the City can look into something that would be beneficial to all.

MAYOR WOOD assured Ms. Smith that every member on the Council has ideas that they are going to bring up. One of the things we always wanted was to bring organizations under one umbrella and work for the same goal. We are trying to get churches and non-profits all together to do the right thing.

NADINE SCOTT, 550 Hoover Street, talked about no notice to people when impacting uses are coming into their neighborhoods, such as concrete plants, heavy industry, etc. The notice was only 300 feet. We need to enlarge the notification area when there are major projects that affect major arterials, or in the case of the Capistrano Drive area where they are building an 8-unit housing division, and the residents only have one way in and out of that community. All neighborhood communities should be advised, whether by mail or public meetings. Every neighborhood group that is organized should be advised of every project that is beyond a certain number. This has been talked about with the Planning Department. She really would like Council to move forward with this concept.

Otherwise, it puts too big of a burden on the community. Once Planning approves a project and it has gone to a quasi-judicial hearing, the public is left with a tremendous burden to overcome. We did not know about it or hear about it since no one really reads the legal notices in the paper. Please consider enlarging the notification area for all uses that will impact our neighborhoods.

COUNCILMEMBER SANCHEZ inquired what Ms. Scott thought would be reasonable, considering the requirement is now 300 feet.

MS. SCOTT responded that in the case of a heavy industrial business that would affect a major arterial, she thinks it should go at least 1 mile. If not, it should go to every neighborhood group and have several public meetings. In this case we have a particular project off Oceanside Boulevard, and it affects practically every citizen who uses El Camino Real, Oceanside Boulevard or Interstate 5. We all want to support each other and have the best things come in our neighborhoods, not just piecemeal. It needs to be a coordinated effort coming out of the Planning Division to let citizens know.

CONSENT CALENDAR ITEMS [Items 7-10]

All items listed on the Consent Calendar are considered to be routine matters or formal documents covering previous City Council/HDB/CDC instructions. The items listed on the Consent Calendar may be enacted by a single vote. There will be no separate discussion of any Consent Calendar items unless requested by members of the City Council/HDB/CDC or the public through submittal of Request to Speak form prior to the commencement of this agenda item.

The following consent calendar was submitted for approval:

January 17, 2007

Joint Meeting Minutes
Council, HDB and CDC

7. Council/Harbor/CDC: Approval to waive reading of the text of all ordinances and resolutions considered at this meeting and provide that ordinances shall be introduced after a reading only of the title(s)
8. Council: Approval of a Joint Use Agreement with San Diego Gas & Electric Company, at no cost to the City, for the joint use of areas in common to both SDG&E and the City for the construction, operation and maintenance of facilities, affecting a portion of Rancho del Oro Drive and Ocean Ranch Boulevard; and authorization for the Mayor to execute the document [**Document No. 07-D0017-1**]
9. Council: Approval of a memorandum of agreement associated with grant funds in the amount of \$238,500 awarded to the City of Oceanside by the United States Environmental Protection Agency for infrastructure improvements to the Mission San Luis Rey Waterline, and authorization for the Mayor to execute the agreement [**Document No. 07-D0018-1**]
10. Council: Authorization to award a contract in the amount of \$368,380 to Newest Construction Company, Inc., of San Diego for the Libby Lake Drainage Pumps project; approval of a budget appropriation in the amount of \$100,000 from the unallocated fund balance of Drainage Fund 514 to the project account; and authorization for the City Manager to execute the agreement upon receipt of all supporting documents [**Document No. 07-D0019-1**]

DEPUTY MAYOR CHAVEZ moved approval [of items 7 through 10].

COUNCILMEMBER KERN seconded the motion, which was **approved 5-0**.

At this time the Mayor determined to hear item 21.

INTRODUCTION/ADOPTION OF ORDINANCES

21. **Council: Readoption of Ordinance No. 07-OR0021-1, “. . . amending Chapter 29 of the Oceanside City Code by Adding Article IX, regulation of commercial kitchen grease disposal” (adopted 12/6/06, 5-0 vote), in order to comply with Government Code Section 36933 requirements for publishing the ordinance in summary form**

Following the reading of the title, **DEPUTY MAYOR CHAVEZ moved** to readopt the ordinance. **COUNCILMEMBER KERN seconded** the motion; motion was **approved 5-0**. [This replaces Ordinance No. 06-OR0684-1.]

CITY COUNCIL REPORTS

16. **MAYOR JIM WOOD**

MAYOR WOOD had asked that Council have a listening tour, going to different locations regarding gangs and youth. The first one will be held on February 12, 2007 at 6:30 PM at the Melba Bishop Recreation Center. It is a time for questions and answers. He hopes to have the Chief of Police there and maybe somebody from the School District, etc. If necessary, a meeting will be set so the entire Council can be there. They will listen to concerns and give feedback to the neighborhood and how they are empowered to do things in their community.

There were 12 worthy nominees for the annual Martin Luther King, Jr. Civic Awards. The winner was Ronald Daniels, who has been an Oceanside resident since 1971. He was chosen for his work with veteran-related programs. Twenty-five years ago, Mr. Daniels helped start the North County Retired Military Association. Congratulations are in order for Mr. Daniels and the nominees for all the work they have done for the community.

January 17, 2007

Joint Meeting Minutes
Council, HDB and CDC

A Community Emergency Response Team (CERT) training program is beginning soon. The program is taught by members of the Fire Department and covers being prepared for emergency situations, helping neighbors in need, basic first aid and rescue techniques, etc.

17. **DEPUTY MAYOR ROCKY CHAVEZ**

DEPUTY MAYOR CHAVEZ stated he and Councilmember Kern met with Bonsall Union School District President Lou Riddle and Superintendent Mr. Jeffrey Felix to discuss how they can work together. There will be periodic meetings.

He attended an event where Vickie Prosser, President of the Oceanside Rotary, received an award from Susan Hall of Angels Depot, for her work with them. The City now has 220 seniors receiving food through this program. We are the largest in San Diego County.

The Youth Speak Out will be held tomorrow in the Civic Center Community Rooms.

He met with Project REACH [Recreation, Employment Readiness, Academic Assistance, Communication Skills, and Healthy Lifestyle] youth who go to the Libby Lake Community Center after school every day for tutoring and working together. It is a great program. We are looking at prevention to keep kids away from gangs.

He met with Diane and Michael Summers, who are starting a program called Parent Project. If you are a parent/grandparent raising children with concerns, look into this Parent Project. It is a great program provided by Oceanside Unified School District.

There has been a lot of discussion about suppression of gangs. Two years ago an ad hoc committee put together a presentation with 3 elements: 1) suppression, which are police officers; 2) intervention and moving kids who are involved in it; and 3) prevention, keeping young people out of gangs. He finds it interesting but understandable that there are so many people doing prevention programs, but we are not getting a synergistic effect, not knowing what everybody else is doing. He is working with staff on this, and they will make a future presentation to Council on the prevention aspect of gangs.

18. **COUNCILMEMBER JACK FELLER**

COUNCILMEMBER FELLER referred to the Coalition for Clean Water and a Healthy Economy flyer that was received in the mail. This is a massive inspection program that will cost cities and businesses millions of dollars. The flyer asks people to urge the San Diego County Board of Supervisors to postpone their decision because the State has not made their recommendation. It can be done individually, but he thinks we could have a stronger message if we sent it from the Mayor's office to ask them to postpone action. This has to be done by the 24th. He would like to see that go forward. If the City Manager can do this and send it, that would be fine.

CITY ATTORNEY MULLEN sees no reason why the City Manager could not raise the issues.

COUNCILMEMBER FELLER would like to see that happen as soon as possible.

19. **COUNCILMEMBER JEROME M. KERN**

COUNCILMEMBER KERN stated he and Councilmember Feller were in Sacramento for the League of California Cities last week. Being new to the Council, he found it to be really helpful.

January 17, 2007

Joint Meeting Minutes
Council, HDB and CDC

His ethics training is done, and he filed his certificate with the City Clerk. He is good for 2 years.

He commented on the event for the Martin Luther King awards.

20. **COUNCILMEMBER ESTHER SANCHEZ**

COUNCILMEMBER SANCHEZ has been working with staff, the community and different organizations for the last 18 months to get them to work together. They have found additional programs that are available through the Probation Department. She will be bringing that forward.

She has been to Project REACH and feels it is a great project. They are talking about proposing REACH for the San Luis Rey Resource Center because they were there first before moving to the Libby Lake Community Center.

Lifeline is working through the Probation Department to break the cycle. The program addresses 2 different juvenile groups: one group that is on probation and another group that is a preventative measure and includes intensive counseling.

A program called CHOICE Program was cut this past year. She is asking for support to get it funded. CHOICE is an intensive case management program that had been in Oceanside and offered to juvenile probationers through the Probation Department. This program is highly supported by the probation department, law enforcement communities and the courts. The County will be getting another \$1,000,000, and we are asking everyone to contact the Board of Supervisors, particularly Supervisor Bill Horn, to get the funding for the next calendar year. \$100,000 would restore the services to Oceanside. Her understanding is that it is up to 800 students.

She attended a funeral for Wilbur Eugene Remington, an Oceanside resident for 50 years, who was very involved with politics. He had been in the Army and received some severe injuries which plagued him all of his life.

6:00 P.M. – PUBLIC HEARING ITEMS [Items 11-14]

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

11. **[City Council/CDC: Adoption of resolutions approving the appropriation of funds by the Community Development Commission for the expansion of the Oceanside Museum of Art, and making certain findings in connection therewith]**

This hearing, continued from January 10, 2007, has been removed from the agenda and will be re-noticed for a public hearing at 6:00 PM on January 24, 2007

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- 12. **[Council: Approval of a five-year professional services agreement with Accela, Inc., of Dublin, California, in the amount of \$1,463,087, for software lease/purchase and annual maintenance of a development management enterprise software system, the Accela Project; approval of the Municipal Lease-Purchase Agreement with Government Capital Corporation, a Texas corporation, to finance the lease/purchase of the software and five years of annual maintenance (at 2.99 percent interest); authorization for the City Manager to execute the agreements; approval of a loan in the amount of \$300,000 (at 5 percent interest) from General Fund Unallocated Fund Balance, which was available as of June 30, 2006, for hardware purchase, technical support, and project manager support, to be repaid over a five-year period; approval to add a provisional management analyst position to serve as the City's project manager funded through the loan; and adoption of a resolution adding a 6.2 percent surcharge to all permits and related development fees within Planning, Building, Engineering and Redevelopment]**

This hearing, continued from December 13, 2006, has been pulled from the agenda and will be re-noticed for a future date.

- 13. **CDC: Consideration of a resolution approving a Conditional Use Permit (C-203-05), Variation (V-207-06) and Regular Coastal Permit (RC-204-05) to allow for the installation of a telecommunication facility on an existing residential building located at 999 North Pacific Street – Coast Village Sprint – Applicant: Sprint PCS L.L.S.**

MAYOR WOOD opened the public hearing.

Regarding disclosure of constituent contact, all Councilmembers reported receiving e-mails from residents and discussion with staff.

CITY CLERK WAYNE reported receipt of e-mails from Pamela Myers, Tessara Anchaes, Sharon Lucarelli and a note from Shirley Smith. Council has copies.

SHAN BABICK, Associate Planner, reported this item is the consideration of a telecommunications facility, which is considered a co-op facility, located at 999 North Pacific Street. The applicant, Sprint PCS is proposing to construct, operate and maintain a repeater site consisting of 2 sectors, with 1 antenna per sector, and located on the side and roof of the existing residential building at North Coast Village, which consists of 550 units. [He pointed out the location of the antennas with the use of computer slides.] One of the antennas will be flat and located on the roof of the building and painted to match the exterior of the existing building. The other antenna will be flush mounted on the mansard parapet. The equipment will be wall-mounted inside a roof-mounted utility room.

Section 3025 of the Zoning Ordinance requires that there be a Conditional Use Permit for this particular facility. This is typically administrative because it is a co-op facility, meaning it is not a stand-alone telecommunication. In this case it is on a residential building. However, because it is in the appealable area of the Local Coastal Plan (LCP), it requires a Regular Coastal Permit as well as a Conditional Use Permit.

The applicant is also proposing a variation. Last May, Council approved a reduction of the height to 27 feet; it was previously 35 feet. One of the stipulations of that change in the Zoning Ordinance was that no apparatus, i.e., mechanical apparatus, is allowed above the 27-foot height limitation. This project proposes an antenna on top of the roof that will exceed the height limitation. The proposed facility has been designed in such a way as to be aesthetically appealing in the sense that it matches the exterior of the building and will be painted the colors to substantially match that building. Again, the project needs a variation to go above the height limitations, since the Zoning Ordinance does not allow for any extension above the height limitation. The project projections will be 2½ feet above the roof parapet and approximately 1 foot

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wide. These projections will not be visible to pedestrians from any of the roadways, i.e. North Pacific Street, The Strand and Breakwater Way. Due to this fact, staff believes the project does not bring a negative effect to the surrounding area.

They looked at this project in relation to the Local Coastal Plan (LCP) and do not believe that the 2½ feet by 1-foot wide antenna flush-mounted on the side and the antenna on the roof substantially block any public view corridors.

This project was reviewed by the Redevelopment Design Review and Redevelopment Advisory Committees. Both bodies approved the project unanimously. Staff recommends adoption of the resolution.

Applicant

TREVOR FINK, representing Sprint Nextel, stated this is a unique site they have been working on for 1½ years. He has been in charge of this project since December 2006. When he took on this site, there were a lot of issues. They were aware that Oceanside was going to be augmenting the height restrictions. It was a problematic site. Sprint is only interested in coverage along the beach at this specific location. The disadvantage is that they want to get as close to the water as possible. It is incredibly sensitive when talking about the public and the City and appeasing everybody in that way. One of the pros of only looking to cover the beach area is that, in a typical cell site, they would be looking to install 9-12 antennas. Instead, for this particular site they are proposing a piggy-back site. They are only looking to transmit with one antenna. They do not need a full-blown site or a tower. They only want to improve coverage for the beach for people carrying cell phones.

They surveyed the area. They chose this building because there is a 17-foot change between the beach area and the street above. In order to put in a smaller site, they needed to communicate with the other site. Looking at the topography and the Holiday Inn Hotel, they needed to be able to see off the roof. They were aware of the fact that they wanted to make their transmitting antennas as pleasing as possible to the City, public and residents. They actually designed it inside of the wall. They are going to remove the outside of the wall, recess the antenna and rebuild with fiberglass over the top of the wall. That antenna will be completely hidden from the public.

The only outstanding issue was how to get the signal in and out from the top of the building. This is the reason they had to apply for the variance. Knowing that the height restriction was in place, they tried to get away with the smallest antenna possible, putting it on the roof where there is existing apparatus that is 4-6 feet above the existing roofline. Then they could tuck it in the middle of the roof so it could not be seen from the street. They thought this was the best solution for all.

Public Input

PAMELA MYERS, 910 North Pacific Street #35, said the height reduction approved last year included no exceptions to this height rule regarding telephone wires or anything above this height limit. Sprint is asking for a variance, a Conditional Use Permit, a Local Coastal Program, etc. She does not think it fits in their neighborhood. She is representing a lot of folks in her neighborhood that could not make it to the meeting.

Regarding the Certificate of Exemption for the California Environmental Quality Act (CEQA), she referenced a statement that the proposed development occurs on a project site of no more than 5 acres substantially surrounded by urban uses. However, this is not surrounded by urban uses. It is substantially surrounded by high density residential. In her opinion, they cannot have this exemption. It will have a significant, accumulative effect in her neighborhood.

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The LCP states that special communities should be protected. She feels her neighborhood is a special community; it is in the Coastal Zone. According to what she has researched, a cell facility cannot be in this area. It falls under utilities major, which states that above ground electrical transmission lines are not permitted unless determined to be consistent with a utility corridor plan and approved by the Planning Commission. She requested that a better place be found for this, such as on a city building or one that is not in a high-density residential neighborhood like hers.

SHARON LUCARELLI, 910 North Pacific Street #4, is against erecting any cellular phone facility or antenna on a residential building. There is a height issue. There are supposed to be no exceptions whatsoever. The antenna is going to be 2½ feet above the parapet area on the building. The residents have received 2 or 3 different papers. One of the papers says there is going to be 1 antenna; another paper says there is going to be 2 antennas; and another paper says there is going to be 3 antennas.

There is a lot of conflict regarding radiation levels. There is a non-thermal radiation. When an antenna is put on top of a roof where people eat, sleep and reside on a 24/7 basis, they do not really know what this radiation is going to do. The antennas send and receive signals to and from cellular phones using RF radiation. Anyone trying to sell a home has to disclose the cellular phone communication antenna equipment with radiation frequencies. It is a subject that downgrades any of our properties.

It can be seen from the skyline, boats in the ocean and the pier. It looks ugly, and she does not want it. Please do not pass this.

[Public input concluded]

Applicant's Rebuttal

MR. FINK said he is an intermediary and his job is to let Sprint know they need to be fair and respect the design, the City and people who live there.

He typically builds full-section sites, meaning 10+ antennas and large robust equipment. This site is designed specifically for Oceanside and for being on the beach. He personally designed it, and the antenna cannot be seen from the street. He buried the antenna in the wall for the residents. If the residents were not notified of this installation, they would never know that it happened. They would just notice that their phone works a lot better. They took a lot of care and concern in designing this.

As far as the radiation is concerned, they are governed by the Federal Communications Commission. They have no interest in harming anybody. He understands where the residents are coming from; however, they do not do what he does everyday. His job is to lay some of those concerns to rest by saying they are doing the best they can. This is a great design. The community will benefit from this, and it would be fantastic if every company took as much care and concern as Sprint Nextel did on this site. There was a great deal of care in the design. They spent a long time getting something that was effective and efficient for the community and the public. They are proud of the design, and they think it fits perfectly.

They are playing by the City rules, and they need 3 things to make this happen. If there was a way to do it without the variance, this would have been staff approved and it never would have come before this body. Unfortunately, the easiest way to get this site on air and the most unobtrusive way is to have this height variance. If they eliminate the height variance, they are talking a freestanding structure with the antennas right on the beach or somewhere within close proximity. This alleviates all of those issues at once.

MAYOR WOOD closed the public hearing.

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MAYOR WOOD has had many complaints over the years getting his Nextel phone to work in many dark spots in Oceanside. He has had repeated complaints from federal agencies for the same reason in Oceanside. This is one of those dilemmas where he wants his phone and all the other phones to work in town, and there are many dark spots in the area. On the other hand, Sprint wants a waiver of the 27-foot limitation. He wants to know if this is going to be beneficial to the City and the cell phones, etc. and whether all of the other spots out there are going to be addressed.

MICHAEL SHERWOOD, Chief Information Officer, said this one site will not address all of the issues of cell coverage throughout the City. It will improve the beach corridor area where it is located. Regarding different options, they are building grand structures with large poles that would be highly visible, etc. They can camouflage it with palm trees and so forth. In this case, it is a very small site compared to their normal cell sites throughout the City. The coverage, without knowing the actual mathematical coverage, probably would improve in that area by 30-40%. We have extremely weak coverage along the coast due to Coastal Commission rules and the placement of antennas. Most of them are set inland, not in or along the coastal area.

Oceanside's topography with the hills and mountains provides lots of pockets with inadequate coverage. Sites like this are repeater sites, which takes a signal and boosts it a little bit longer, farther out from the main antenna. They do help in improving coverage. The City currently uses Sprint Nextel for public safety, Police and Fire. That is their primary cellular communications, other than their 800 MHz radio. The majority of their cell phones are Sprint Nextel phones. They do have some Cingular cell phones as well, but those are on the general staff side.

MAYOR WOOD stated his thoughts are to deny this because Council has voted on height limits in this neighborhood. However, he is tired of the problems he, public safety and the community have with the Nextel cellular phone coverage, especially, on College Boulevard, Mesa Drive, etc. They have had continuous complaints for years, and it has not been fixed. He wants it fixed, but he does not want to step on the neighborhood. Council just said they would not do this. If they are approving these variations every Council meeting and are putting these cellular sites all over the town for many companies, it seems that the companies could all get together and put one aerial in the whole City. Then this would be resolved. He also wanted to know if Sprint Nextel are paying for this site and if that pay goes to the building owners.

MR. SHERWOOD responded that the payment side is a property management function. Co-location of sites is done throughout California. There are several sites within Oceanside now that are joint ventures, where what was Cingular is now being switched to AT&T and Sprint Nextel sharing a location. It is possible. The problems that arise is that neither company likes having co-locations. They do not want the competitor having access to their equipment and visa versa. It is possible to cut down the amount of locations within a city and provide multi co-location centers. It falls over to property management using that as a model for future sites. There are some new companies coming into town that are smaller offsets of large cellular companies.

MAYOR WOOD said they are authorizing these cellular sites hand over foot throughout the entire community. He wants to know if this cell site is going to be a benefit or a detriment to this community. He agrees this is a minimal impact on this neighborhood, but it is an impact on something Council recently voted not to do.

MR. FINK understands the Mayor's concern. Cingular likes co-locations. They have no problem sharing sites with other carriers. It is astronomically cheaper for them to go where somebody else already had set up and brought in the phone and the power. They would not have to pay for those services again.

The perfect cell site would look like a honeycomb. Every site propagates a perfect hexagon. Ten years ago, they could build a site that spanned a 5-mile diameter.

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There could be people within 5 miles of that, and everybody could use their cell phone. The cell site only handles 100 people on a phone. Now there are 300 people with cell phones. Maybe they are within that 5 mile radius, but the tower can no longer handle the quantity of phones. Therefore, they have to put in 2 more towers to handle 100 phones or beef up the antennas. Each antenna can only handle so many phones in each area. As more people use cell phones, we need more infill.

[Deputy Mayor Chavez left the dais at 6:30 PM]

The technology is getting better. Antennas are getting smaller, and they are getting more discreet with their design. Telecom is getting more intelligent, but they are racing that curve of intelligence meets design. For this site, he understands that they are asking for a height variance. It is like a height variance versus a monster. The tradeoff is incredibly beneficial to the neighborhood. It is not damaging to the community; it is the best thing they could propose for them as opposed to a new standing cell site. He understands that they want to protect the community and he thinks that is what they are doing. The variances are there for intelligent exceptions. This is an intelligent exception that helps serve, not hurt, the community.

COUNCILMEMBER FELLER has heard this is something they cannot do. He asked if this is something Council can do.

MR. BABICK responded affirmatively. Section 3025 does allow for communication facilities with a Conditional Use Permit or an Administrative Conditional Use Permit. They do have such facilities already in existence in the Coastal Zone. Ms. Myers is referencing telecommunication facilities, which are not allowed i.e. overhead transmission facilities. Big power stations are not allowed in the redevelopment area.

COUNCILMEMBER FELLER inquired if the top of the parapet is 40 feet.

MR. BABICK responded affirmatively. He showed a representation 1 foot wide and 2½-feet tall that would be sticking out. The distance from the Aegian, which is where the residents who spoke live, is approximately 150 feet building to building.

[Deputy Mayor Chavez returned to the dais at 6:33 PM]

COUNCILMEMBER FELLER moved for approval [of the resolution]. With the variance, he thinks a lot of precautions have gone into this; it is pretty simple. They are not endangering lives with radiation, and the view is not changing.

COUNCILMEMBER KERN seconded the motion and asked for clarification as to the actual number of antennas.

MR. FINK explained that there is 1 transmission antenna, which affects the actual cell coverage. There is a second antenna that gets the signal and boosts it. Therefore, there is a total of 2 antennas. One is the discreet one that they are building inside the wall and actually will be the transmission. That would be at the height level where the public could see it so they buried it in the wall. There is also the variance antenna, which is the one on the roof.

COUNCILMEMBER KERN clarified that there will be 2 antennas, with only one being visible.

MR. FINK responded affirmatively.

COUNCILMEMBER SANCHEZ stated there are alternatives to this and Council should send it back and look at those. She does not think they have to violate the new ordinance to be able to accomplish the needs. Balancing the needs and looking at alternatives, they can come up with a better solution.

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Motion to adopt **Resolution No. 07-R0020-3**, ". . . approving a conditional use permit, variation and regular coastal permit for the installation of a telecommunications facility on an existing multi-family residential building located at 999 North Pacific Street – Applicant: Sprint PCS Assets, LLC" was **approved 3-2**, with Mayor Wood and Councilmember Sanchez voting no.

- 14. **Council: Introduction of an ordinance of the City Council of the City of Oceanside adding Chapter 9B to the Oceanside Municipal Code establishing franchise and PEG fees and customer service penalties for state franchise holders providing video service within the City of Oceanside.**

MAYOR WOOD opened the public hearing.

Regarding disclosure of constituent contact, Councilmember Feller reported contact with staff. Mayor Wood and Deputy Mayor Chavez reported contact with staff and the public. Councilmembers Sanchez and Kern reported no contact.

MICHAEL SHERWOOD, Chief Information Officer, introduced a change to the Oceanside Municipal Code, adding Chapter 9 establishing franchise and Public, Educational and Government (PEG) fees and customer service penalties for State franchise holders providing video service within the City.

The Digital Infrastructure and Video Competition Act of 2006 was signed into law on September 28, 2006. It became effective January 1, 2007. That means the Public Utilities Commission will be the sole franchising organization or authority for video service providers in the State of California. The Act does delegate certain rights and responsibilities to local authorities. Certain rights and responsibilities must be established by local ordinance before they may become effective and enforceable against state video franchise holders.

The ordinance establishes a 5% gross revenue for each state video franchise which operates within the City for use of public rights-of-way or rentals of the right-of-way areas. Currently, 5% is what Cox Communication pays for the use of the right-of-way. There is an additional 1% fee of gross revenues for each state video franchise that operates within the City, which is for PEG access.

The City Manager's Office will monitor the compliance of the state video franchise holders with respect to state and federal customer service and protection standards. New providers coming into the City of Oceanside must abide by the same set of rules and regulations we already have in place.

Public Input

TOM REESER, Executive Director for KOCT-TV, 3038 Industry, Suite #101, supports staff's recommendation and this ordinance. If the new state law that had prompted a need for this ordinance had been in effect 25 years ago, it is doubtful that there would be a KOCT today. There would be no documentaries about the pier, Civic Center, or Mission San Luis Rey; no high school football games, children's dance recitals, programs about our seniors; no election programs and no City Council meetings that viewers could watch in the comfort of their homes.

AT&T and the other telecommunication giants were masterful in pushing AB 2987 through the State Legislature in an election year. That is why it is so fraught with problems. This ordinance ensures that new players in the television business operate on a level playing field with Cox Communication, provide channel space for public, educational and government channels and contribute to PEG channels like KOCT. Labor and production costs continue to go up, and this ordinance could provide KOCT with a revenue stream from some of the biggest telecommunications giants in the world. They will be using public rights-of-way to make a profit. This ordinance in essence is a form of rent for the privilege of using our public streets. Their contribution is a small

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MEETING BY CITY COUNCIL**

percentage of their profit but could provide a big contribution to KOCT, your community television channel. Mr. Reeser urged support for this ordinance.

[Public input concluded]

MAYOR WOOD closed the public hearing.

COUNCILMEMBER FELLER sought clarification as to what the 5% consists of now and what it would consist of with any new application.

MICHELLE LAWRENCE, Deputy City Manager, clarified that it is 5% of gross revenues, and it is gross revenues as currently defined in their franchise with Cox as well as in the new legislation with state franchises. It is very comparable.

COUNCILMEMBER FELLER wanted to know if that is for any service they provide.

MS. LAWRENCE clarified it is for video service.

COUNCILMEMBER FELLER asked if Cox also pays the City for the internet and phone connections.

MS. LAWRENCE responded affirmatively. Cox pays the City 5% of their gross revenues.

COUNCILMEMBER FELLER asked if the City makes money on the phone or anything Cox does.

MS. LAWRENCE explained that the City makes money on the Cox bundled services.

MR. SHERWOOD clarified that AT&T pays a right-of-way or rental fee for use. When they are using the right-of-way for video, they are using that same right-of-way to send telephone signals and broadband or high speed internet. In fact, the 5% encompasses all services that go through our public right-of-ways or that use the right-of-way. They are not paying additionally. The 5% incorporates the use of the right-of-way for repairs and maintenance.

CITY ATTORNEY MULLEN said the new legislation AB 2987 defines gross revenues as all revenue received by the holder of a state franchise that is derived from the operation of the holder's network to provide cable or video service within the jurisdiction of the local entity. That would include consumer charges, all charges billed to the consumer as a subscriber for any and all cable or video services including programming revenue, equipment rentals, late fees, franchise fees, home shopping network fees and revenue derived from infomercial companies. They are talking about revenue derived from video services.

COUNCILMEMBER FELLER understood that it does not include telephone or any additional.

MR. SHERWOOD explained that if he were to subscribe just to broadband services, he would see no item on the Cox bill for state franchises. Only when you purchase video services, i.e., cable TV, would you see the line item for the franchise fee. If you were to order just phone or internet and phone and no video, there would be no state franchise fee.

Following the reading of the title, **COUNCILMEMBER FELLER moved** to introduce the ordinance.

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COUNCILMEMBER SANCHEZ seconded the motion. She stated that when Cox Communications came in, there was a series of community meetings talking about the needs of the community and how to get this out to schools, and how some of the school districts overlap. This is extremely important to our community, and she wholeheartedly supports this.

COUNCILMEMBER KERN expressed concern. If a new player comes in and they have to put in a new infrastructure, he questioned if AT&T is going to use the existing lines or would dig up the streets to put in cable.

MR. SHERWOOD indicated that they will have to do some infrastructure improvement. He is not privy to AT&T's design and placement, but there will be infrastructure improvements in order for them to provide video service to residential customers. He does not know the actual locations in the City. They will have to make improvements, and that will mean using right-of-ways in order to build that infrastructure out.

COUNCILMEMBER KERN is concerned about the recovery, wear and tear on the streets. We want to know if the City will recover that cost up front or over a period of time and if that is paid through the franchise fee.

MR. SHERWOOD responded affirmatively. The additional 1% is for PEG access, which is KOCT. The 5% is for the use of the City's right-of-way to repair the street when they dig it up or for maintenance.

LESLIE GALLAGHER, Deputy City Attorney, said this is one of those situations where we have legislation that overlaps between the federal and the state. The City is at the bottom of that, so our regulation area is very small. This new legislation has made our world even smaller. With regard to franchise fees or a fee for a permit to dig up our street, that is not something we are allowed to do by federal legislation. The state legislation does not change it that much. What they are changing is the fact that the City cannot issue the franchises any more. We used to be a franchising authority; however, we are no longer allowed to do that. In compensation for that in this bill, cities are granted up to 5% of gross revenue as gross revenue is defined in this piece of legislation and that is to cover all uses of the rights-of-way. Whether or not that actually covers it, whether it goes higher or lower, it is not a discussion that we can have because we cannot change it. The most we can get under this legislation is the 5% franchise fee, and that is supposed to take care of all of that, which is overlaid by the federal legislation that says you cannot operate cable without a franchise. The companies will get their state franchise, come into this City, and do what they need to do. That is not to say that the City cannot issue permits. We are issuing permits for that, and the companies have to go through that whole process and make sure that the objects they are putting into the street still comply with our standards. That is a separate issue from the fee issue.

COUNCILMEMBER KERN said the problem that he has is that technology changes so rapidly. He knows Cox is updating and upgrading their equipment all of the time. It seems that on Douglas Drive they had to dig it up at least 3 times in the last 4 years. He does not know if the wear and tear on the road is covered by the 5%. He is beginning to understand that as a City government we are at the bottom of the food chain when it comes in relationship to the state and federal government. He asked what happens if they decide to go wireless and if the franchise fee would still be applicable if they start to go into dish networks instead of land lines.

MS. LAWRENCE responded that it would be applicable.

MAYOR WOOD stated that we opposed this as a City. They sent letters out saying they did not want this to happen, but it did. This is the result, and we are trying to agree to get this fee. They do not have much choice. This is one of those situations where they are trying to get the best that they can get out of this.

January 17, 2007

Joint Meeting Minutes
Council, HDB and CDC

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MEETING BY CITY COUNCIL**

DEPUTY MAYOR CHAVEZ has met with staff today on this issue. He is going to support this. He disagrees philosophically with the franchise because originally the franchise fee was established for a monopoly, like a cable industry within a community. They had a public good going down a public access, and it is being paid for twice by the citizens. Once they owned the road, and now they are paying to use cable to the area. They had a monopoly. However, the City had some restrictions and expected certain standards.

Now with technology, there is AT&T competing with Cox, etc. It is no longer a monopoly; it is a competition. He sat in the League of Cities votes 2 years ago, and the big issue on government at Sacramento and the other cities was that if this new technology came in, the cities would lose their franchise fees. In the case of Oceanside, that amounts to \$2,000,000. In the case of all the cities across the State of California, it is hundreds of millions of dollars. All of these city governments were upset that they were going to lose hundreds of millions of dollars that they have always received for the General Fund and other processes. We lost. Philosophically, to continue to put bureaucratic structures on a competitive process in a free market in our country does not seem appropriate. Although he has a tradition of pushing down every fee he can think of, this one he will let go through because it has already been decided. As technology comes, the whole deal of a franchise fee is not a good idea because they are taxing the citizens twice.

Motion to **Introduce** the **Ordinance** "...adding Chapter 9B to the Oceanside Municipal Code establishing franchise and PEG fees and customer service penalties for state franchise holders providing video service within the City of Oceanside" was **approved 5-0**.

ADJOURNMENT

MAYOR WOOD adjourned this joint meeting of the Oceanside City Council, Community Development Commission and Small Craft Harbor District Board of Directors at 6:53 PM on January 17, 2007.

ACCEPTED BY COUNCIL/HDB/CDC:

Barbara Riegel Wayne
City Clerk, City of Oceanside