



California

CITY OF OCEANSIDE

MAYOR AND COUNCIL WORKSHOP

JUNE 2, 2010

ADJOURNED MEETING 4:00 PM COUNCIL CHAMBERS

Mayor

Jim Wood

Deputy Mayor

Vacant

Councilmembers

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 at 4:02 PM, Wednesday, June 2, 2010.

4:00 PM - ROLL CALL

Present were Mayor Wood and Councilmembers Kern, Sanchez and Feller. Also present were City Manager Weiss, City Attorney Mullen, City Treasurer Felien and City Clerk Wayne. Mayor Wood led the Pledge of Allegiance.

WORKSHOP ITEM

1. **Budget Reduction Plan**

CITY MANAGER WEISS stated this workshop is a prelude to what is scheduled for Council's final budget adoption on June 23, 2010, at a public hearing. On April 28th Council had a workshop and provided direction to staff in regard to balancing the City's budget. At that time Council had addressed a couple of issues. One of those was to provide a balanced budget based on current revenue projections. If you recall, the budget that was developed was based on revenue projections from end of January/early February. He used a computer graphic to present Council with an update of that. As part of our revenues we did include approximately \$200,000 in what we had anticipated were fire inspection recovery fees. We've now eliminated those from the revenue projections. We also, at that point in time, had recommended a \$500,000 reduction to KOCT's budget. They had asked for additional time to submit a proposal to Council, which they have now done.

For the next fiscal year, and this includes the reductions that Council did and the increases in fees that Council reviewed in April, our overall revenues are approximately \$112,924,000 and our expenditures are just over \$113,000,000 for a shortfall of about \$164,000. With the fire inspection cost recovery fees, that General Fund shortfall is approximately \$364,000. Those are based on current projections.

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UNTIL APPROVED AT SUBSEQUENT
MEETING BY CITY COUNCIL**

In April staff recommended a reduction to KOCT of approximately \$500,000. KOCT's current proposal is a reduction of \$110,000. Should Council accept that, it would leave a shortfall of approximately \$390,000, which brings our total General Fund shortfall to \$754,000.

What staff is proposing to Council today to balance that budget is that all management-level employees, which are the equivalent of a B-step for Division Manager and above, would pay their full employee share of the PERS, which is 8%. That equates to about \$156,000 savings. Staff would look at consolidating from 4 divisions to 3 in the fire department and that would be done through attrition, through pending retirements later on in this year. Staff is also recommending that the Council's aides be reduced from 40 to 32 hours per week. The total savings with those is approximately \$490,000, which is slightly more than you need to balance the General Fund. The additional savings shown on the computer graphic will be carried over shortly as we look at the KOCT proposal.

Should Council support KOCT's proposal, staff would be recommending elimination of some additional positions, which is all we have left at this point, to balance the budget. We are recommending a Senior Management Analyst position in Recreation, the Community Resources Center Assistant at the San Luis Rey Community Resource Center, an Economic Development Coordinator position and eliminating the Planning Commission stipends. That totals about \$273,000. The total reductions, therefore, come to about \$764,000. When you re-adjust revenues and expenditures, what that comes down to is a \$112,000,000 budget with a \$10,600 surplus.

Public input

RON THURLOW, 4559 Stratford Circle, spoke in support of KOCT and its development for the last 15 years. His wife is the Executive Assistant and he has watched the development, growth and the importance that KOCT has brought to the community. It makes sense that Council continues this service. To cut KOCT's budget by \$500,000 and virtually eliminate this wonderful resource is penny wise and pound foolish. This is too big a resource and too important to the community.

TOM REESER, Executive Director for KOCT, 3038 Industry Street #101, thanked Council for allowing KOCT to submit a counter-proposal. He is here to persuade Council that KOCT's counter-proposal is the right business decision because it helps the City to balance its budget, protects the citizens' \$4,100,000 investment in KOCT's infrastructure and does not deprive our community of valuable local information.

We have been told that the proposed \$500,000 budget cut should have come as no surprise. KOCT is painfully aware of the ongoing recession. We lost 2 employees after the 18% cut last year and we had planned for a similar reduction this year. But we did not expect a recommendation that would basically eliminate KOCT; eliminating so many staff is to render worthless your investment in the mobile studio, television studio, editing bay and digital cablecast system.

A recent newspaper headline shouted that the loss of City jobs is KOCT's fault, when actually the reverse is true because what triggers the re-opening of KOCT's contract is economic crisis and City job loss. The City's problem is not KOCT. We are a lean organization. We do not have an unsustainable pension problem; we don't have pensions at all.

Some say KOCT receives a gift of public funds. In truth, KOCT abides by a 27-page contract detailing a daunting list of programs the City requires us to perform. The City sponsors Green Week, Water Awareness, Parks and Recreation programs and The Big Read and asks KOCT to cover them. KOCT captures and replays these event for the 49 out of 50 residents who were not there in person. We maximize your investment in Oceanside services by bringing them to a wider audience of residents. If these City

services are valuable and worth funding, then the service KOCT provides by promoting them to the community is also valuable and worth funding.

As candidates for public office KOCT offers a free service – television airtime. He imagines Council received many votes from the people who watched your candidate statements on KOCT and election programs and interviews. Sandy Thurlow's job will be one of those cut in our counter-proposed \$110,000 funding reduction and he will lose at least 2 more valuable full-time employees. Losing 3 out of our 9 KOCT employees is as painful to us as losing 37 of your 950 City employees is to you.

He requests that Council adopt the City Manager's KOCT alternative cited in his May 26, 2010, memorandum, which would preserve jobs both at KOCT and the City. Additionally, please instruct staff to work with KOCT to explore a funding solution via local or State franchise agreements.

GWEN PRICE, 868 Muirfield Drive, Chair of the Board of Directors for KOCT, is here to support their non-profit public access station and express her desire to keep it at its current operating levels for the benefit of all of the members of our community. On behalf of the Board of Directors, she asked that Council please buy them some additional time to leave no stone unturned regarding any additional funding sources.

NADINE SCOTT, 550 Hoover Street, supports KOCT but she does not support the City Manager's suggestions. She thanked the management level employees who stepped up to the plate. She would like to scold the general employees who are represented who refused to reopen their contract and give something back. We're talking about cutting 4 vital people to fund KOCT. Why don't the general employees reopen. Council has given back, Council aides are being reduced, and management employees are giving back. General employees have not one done thing while they watch their co-workers get laid off. That is disturbing.

What are the consequences for reduction from 4 to 3 fire divisions. She doesn't know if that's a brown-out. If it is only one position and that brown-outs a team, she would not be in favor of that cut. She thinks we would lose our mutual support with the other cities.

She would like Council to look at the CIP budget. There are General Fund items in the CIP budget. She went to the workshop last night. We have pier maintenance in the CIP budget that's coming out of General Fund. We have \$55,000 coming out for Pala Road, \$57,000 for El Corazon, \$50,000 in entitlements, \$280,000 for the design for Fire Station 8, etc. That's big bucks coming out of the General Fund. The City could easily offset those amounts by taking out the new funding for Melrose, which is \$500,000 for something that will never get built. She is asking Council, before you agree to the City Manager's suggestions that you look at CIP and do not look at them in a vacuum.

JIMMY KNOTT, 127 Sherri Lane, emailed a letter earlier. He was disappointed with the current budget and the way it was structured. It pits one group against another group and that's not fair. He has been advocating a 3-stage budget for years. The report put out could not be understood by the public and needed some more information. He urged Council to review the 10 points laid out in his email.

DONNA McGINTY, 2405 Mesa Drive, suggested anything that can be cut should be cut. If we can save jobs by closing City Hall one more day a week, then close it until we are through with this crisis. The libraries could cut their hours. Job sharing needs to be re-examined. Why are any of the CIP projects coming out of the General Fund. If they are not necessary at the moment why can't we delay them? She is a fan of KOCT. She commented on Council giving money away to non-profits previously and asked if their discretionary funds have been terminated.

Public input concluded

COUNCILMEMBER FELLER would like to know if staff has any responses regarding some of the questions.

CITY MANAGER WEISS thinks there were a couple of issues raised by several speakers regarding CIP projects funded by the General Fund. We had given Council earlier this year a memorandum outlining which Capital projects are funded by the General Fund. That does include a placeholder for a grant match for Fire Station 8. We are in design for that. We did submit for a grant through the stimulus program, but we did not get that so there is money set aside for that. You also have minor money still set aside for deferred building maintenance. That was money that historically was funded much higher, over \$100,000 a year and we're down to \$30,000 a year, to take care of some buildings that don't receive routine maintenance.

Council also set aside \$225,000 per year for fire apparatus replacement. We don't fund on a standard cycle the replacement of the large fire apparatus, so we budget on an annual basis a reduced amount and save that money up over time so we can replace those engines and other apparatus when they are due for replacement.

There is \$100,000 set aside for pier maintenance. If you recall, we had a study done on the pier in regards to the bracing. We did one large project with \$1,000,000 to do as much of the bracing as we can and, based on that recommendation, we've been setting aside \$100,000 a year to replace some of the bracing underneath. He would recommend not eliminating that because particularly with the pier if you don't put that money into replacing those braces on a systematic basis, you run the risk of having a catastrophic issue later on.

The money on Pala Road is money that's been carried forward for a number of years. We had a neighborhood issue in regards to using part of that property for open space and part of the property for potential development. That money has just been set aside to do additional biology studies when the time comes that we can re-engage with that neighborhood to evaluate that. That's about \$50,000 and that's available to Council if needed.

COUNCILMEMBER FELLER stated lots of people are really affected – KOCT jobs, City employee jobs, etc. Some employees have huge medical needs for family members, some have children in school; everybody is affected in this crisis that the whole country is in. He believes we are in negotiations with Waste Management and if we can at least negotiate that \$1,000,000 back, that will help offset some of the needs as we go into the future. Along with that, there will be changes in benefits and the whole employee package. The State has got us in a wreck and all of us are suffering from that.

As the City Manager just said, we had \$1,000,000 set aside for a grant for Fire Station 8. We don't have that money coming to us in a grant form. That money is sitting there. It is General Fund money; it's not CIP money. It was for the out years if we had the matching funds. So, he proposes that we take KOCT and pay that \$390,000. That is a one-year deal. We give KOCT a year to figure this out, adjust and be self-sufficient in the next year. He would like to see the other \$610,000 of that \$1,000,000 used to run the City but would like to maintain jobs for the next couple of years if at all possible.

COUNCILMEMBER SANCHEZ stated this has been a difficult time for all of us to figure out how to address the budget. We know at the dais that this is a fluid situation. If this were 3 or 6 months from now, she thinks we would be looking at a different picture and we would not be even talking about cuts.

We know that we are in the process of negotiating a long-term hauler contract. Conservatively, and example is Chula Vista was able to get with \$1,000,000 up front and then franchise fees that she believes are up to \$3,000,000 per year while maintaining

their rates. In fact, their residents pay lower rates than we do.

The City Manager and his team are in the process of negotiating with certain employee associations. She has heard some good things in terms of where we're heading to. She understands that, for example, the City Manager has requested, on top of the \$1,000,000 from the fire department, that the Firefighter's Association come up with \$1,000,000 in reductions/benefits and that they have been working with staff to try and figure out how to do that.

There will be changes in 6 months or less on how/what our funds will generally be. Looking beyond that, she knows that in 2015 is when we start looking at payments back to the General Fund from Redevelopment who borrowed \$9,000,000 or \$11,000,000 from the General Fund. We do have things that we've set up for the not-too-distant future. We are looking at improving our situation financially. We are looking at a different way to do business.

She **moved adoption** of the first budget that was presented by the City Manager and with respect to the shortfall that we take the funds from the \$1,000,000 that were set aside, but that we come back in say 6 months and re-adjust. She doesn't want to impact what we've been doing as a city in terms of going forward.

MAYOR WOOD seconded the motion for discussion.

COUNCILMEMBER KERN stated budgets constantly change; income drops and goes up; costs go up, etc. We will probably revisit this budget in 3 or 4 months as we know what our revenues and sales tax adjustments are over the summer. Coming back to the budget is going to be an ongoing item not just for us but for the State and everybody else because everybody is on a razor's edge now that every change in revenue or cost is something we're going to have to evaluate almost weekly. He will support Councilmember Feller's idea of the one-year glide path to zero for KOCT like we did for the Chamber last year. If can use that money from Fire Station 8, he can see doing that glide path to zero. We have \$45,000 sitting in an account for Charter education that we're obviously not going to use since the election is next week, so there are funds that we can probably use.

Our General Fund unallocated reserve is \$738,000 on a \$112,000,000 budget. That is not much. He would hope to see the plan going forward to pay back our reserves in the next 30 days or so. Also, whenever we have money coming back in, we're probably going to have to establish some type of pension stabilization fund. That's going to be the tsunami that's going to hit us hard because our pension costs are going to go up \$10,000,000 in the next 3 years.

The only other thing he has talked about is eliminating some of the take-home vehicles, except the on-duty take-home vehicles, subject to the meet and confer requirements, if any. He would like to direct the City Manager to really review every cost we have. Some people say it's not going to save much money but right now every little bit helps. If we can save \$30,000 or \$40,000 over a year, that might be the difference of laying off somebody or keeping somebody. We are close to the edge.

He's not clear what the motion was.

MAYOR WOOD stated our main goal as a Council is to provide services to the citizens and that usually means employees. You get services by having a good group of employees. We're the largest city in North County and 3rd largest in the County itself and we're talking about a \$10,600 surplus if we go for this budget. We also have more money in reserves and he's always thought reserves were for rainy days and should be used instead of cutting employees.

People want to save KOCT and he doesn't blame them, but it comes down to KOCT cutting people or the City cutting people. Councilmember Feller made a comment

and Councilmember Sanchez made a motion and he has to agree if we really go along with that, we can probably get out of this thing fairly quickly, eliminating some cuts for personnel and keeping KOCT with the understanding that we still have to look at the budget for the future. He believes the big elephant in the room is the State. They still have a \$21,000,000,000 deficit. If they come back and tap the cities again, we'll have a problem. For tonight's budget and for the employees who sit out there with pink slips, he thinks we can resolve this.

The only thing he would add is that the motion was for the original first budget by the City Manager but he wants to make sure that he speaks up for the Council aide's reduction from 40 to 32 hours. He's been a Councilmember and a Mayor. The Mayor does a ton more things regarding social activities/meetings and he is gone all the time. He finds it hard to function without a full-time aide, but maybe that's just him. If the City Manager would consider that, he would like to support this.

He asked the City Manager to explain what we are talking about. He thinks we will move forward in a positive direction. It would be wonderful to get a good Waste Management contract. He thinks we might be looking at a better budget 3 or 6 months down the road. He wished to have a full-time aide.

CITY MANAGER WEISS stated what he understands to be the motion is that we're going to accept KOCT's proposal of the \$110,000 reduction, with the goal of ongoing discussions to reduce the City subsidy. We would use the money set aside for Fire Station 8 over a 2-year period, which equates to about \$500,000 a year. The impact of that would be it would restore all of the positions that are identified in the May 26th memo under KOCT consideration, so we would restore those positions. He heard some discussion of keeping the Council aides at full time. If you do that, it would balance our budget using that Fire Station 8 money.

MAYOR WOOD stated we aren't cutting Fire Station 8; we asked for funding for it and didn't receive it so that money isn't going to be used for that project.

CITY MANAGER WEISS replied we currently have a Fire Station 8 at the Operations Center. The City acquired a piece of property in the business park in Rancho del Oro for a future fire station. We had submitted a grant proposal through one of the stimulus grants to get money for the construction of Fire Station 8 and that grant required a match. We did not get that grant. It does not appear that there's going to be a subsequent stimulus package coming forward in the near future so that money would be available. Should there be another stimulus, we would either look for matching funds or submit our grant application without it.

CITY CLERK WAYNE clarified the motion as stated by the City Manager is direction to staff to bring back the modified budget to Council at its public hearing on June 23rd.

COUNCILMEMBER FELLER wanted to clarify that he wants to be able to use that \$390,000 one time and that leaves \$610,000. If the \$390,000 is reinstated, it covers the employees, is that correct?

CITY MANAGER WEISS responded it would cover those employees that are under the KOCT consideration, yes.

COUNCILMEMBER FELLER is referring to the third page of the City Manager's memo under KOCT consideration. The \$610,000 that's left he would hope to use that for saving jobs.

CITY MANAGER WEISS had previously stated that if you do \$300,000 per year and you restore these positions and do the aides, that will give you 2 years of that.

COUNCILMEMBER FELLER is saying that the \$390,000 is a one-time thing for

KOCT. If they are self-sustained after one year, there is no change in the staff as he sees it going forward. So you still have \$600,000 to have for a couple of years because he thinks that \$600,000 is an opportunity to look at other employees that were even in the first budget.

CITY MANAGER WEISS will look to see, with these restorations, what's left and make sure we include the money for 2 years and if there are additional positions we can include, we will and we will try to do that fairly quickly.

COUNCILMEMBER FELLER doubts having a budget that's easier to handle within 3 to 6 months; he would bet not on that being 2 years.

The reason Chula Vista gets better residential rates is because their commercial rates are 15% to 20% higher. That's how they can afford to get that \$3,000,000.

Motion (for that direction to staff) was approved 4-0.

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

RUTH JAMESON, 3940 San Pablo Avenue, asked Council to halt the demolition of a project that has been slated for June 11th. She asked that it be put on the docket for consideration at Council's next meeting so they could give Council a better view of what this could be. The property [MoorCo] is in a bad state. She has 2 artists that want to come down tomorrow and walk the site. This could be a whole new idea of what environmental parks and art can be. She asked to stop demolition before June 11th so they can come up with a much more detailed plan for Council.

GARY FELIEN, 1189 Masterpiece Drive, speaking as a private citizen, attended the CIP yesterday. He is publicly requesting a further breakdown from City staff regarding the \$186,000,000 budget that was presented. He'd like to see the budget broken down to separate projects that are funded with 100% local money versus any money funded by State or Federal government. He'd like to see the State and Federal funded projects listed separately and he'd like to see labor costs and non-labor costs separated on each of those items. He was told at the workshop that roughly 90% of the \$186,000,000 will be 100% locally funded. If that is correct, that represents a huge amount of money and a huge potential savings in prevailing wage costs if the City Charter passes. He believes the voters deserve an accurate breakdown from an authoritative source so they can make an informed decision on Election Day.

JIMMY KNOTT, 127 Sherri Lane, wanted to compliment staff for the CIP workshop and working with the community.

COUNCILMEMBER FELLER asked how many people were at the workshop.

MR. KNOTT responded there were about 30 citizens.

ADJOURNMENT

MAYOR WOOD adjourned this meeting at 4:57 PM on June 2, 2010. [The next regularly scheduled meeting is Wednesday, June 23, 2010, at 3:00 PM.]

ACCEPTED BY COUNCIL/HDB/CDC:

Barbara Riegel Wayne
City Clerk, City of Oceanside



California

CITY OF OCEANSIDE

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

JUNE 23, 2010

REGULAR MEETING 3:00 PM COUNCIL CHAMBERS

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

Mayor
HDB President
CDC Chair
Jim Wood

Deputy Mayor
HDB Vice President
CDC Vice Chair
Vacant

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

City Clerk
HDB Secretary
CDC Secretary
Barbara Riegel Wayne

Treasurer
Gary Felien

City Manager
HDB Chief Executive Officer
CDC Executive Director
Peter Weiss

City Attorney
HDB General Counsel
CDC General Counsel
John Mullen

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

The regular and joint meeting of the Oceanside City Council (Council), Small Craft Harbor District Board of Directors (HDB) and Community Development Commission (CDC) was called to order by Mayor Wood at 3:02 PM, June 23, 2010.

3:00 PM - ROLL CALL

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

City Attorney Mullen titled the following items to be heard in closed session: 2A and 2B.

CITY COUNCIL, HDB, AND CDC CLOSED SESSION ITEMS

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

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

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

No closed session was held

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

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

A) ARB v. City et al., Superior Court Case No. 37-2009-00062422-CU-BC-NC

Discussed and direction given; no reportable action [Document 10-D0466A-1]

B) County of San Diego v. City et al., Superior Court Case No. GIN036570

Discussed and direction given; no reportable action

[Closed session and recess were held from 3:04 PM to 4:02 PM]

4:00 PM – ROLL CALL

Mayor Wood reconvened the meeting at 4:02 PM. Present were Mayor Wood and Councilmembers Feller, Kern and Sanchez. Also present were City Clerk Wayne, City Manager Weiss, City Treasurer Felien and City Attorney Mullen.

CLOSED SESSION REPORT

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

CITY ATTORNEY MULLEN reported on the items discussed in closed session. (See Items 2A and 2B above).

CONSENT CALENDAR ITEMS [Items 4-25]

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

The following Consent Calendar items were submitted for approval:

4. City Council/Harbor/CDC: Acceptance of Joint Minutes of the Small Craft Harbor District Board of Directors, Community Development Commission and City Council of the following meetings:
 - September 1, 2004, 4:00 p.m. Regular Meeting
 - September 15, 2004, 4:00 p.m. Regular Meeting
 - March 3, 2010, 3:00 p.m. Regular Meeting
 - March 17, 2010, 3:00 p.m. Regular Meeting
5. City Council/Harbor/CDC: Approval to waive reading of the text of all ordinances and resolutions considered at this meeting and provide that ordinances shall be introduced after a reading only of the title(s)

6. City Council: Approval of a purchase order in the amount of \$21,596.66 to VISILINK Law Enforcement and Public Safety of Massachusetts for the purchase of video downlink system for the Police mobile command center vehicle; approval of a purchase order in the amount of \$2,240.25 to TW Mobile Engineering Technologies, Inc., of Santee for installation of the downlink system; authorization for the Financial Services Director, or designee, to execute the purchase orders; approval of a budget transfer in the amount of \$23,837 from the Police Asset Seizure Fund Machinery and Equipment account to the capital outlay account to fund the purchases; and approval to accept reimbursement for the expense from the 2008 Homeland Security Grant Program
7. City Council: Approval of Change Order 1 [**Document No. 10-D0466-1**] in the amount of \$180,026 to HMS Construction, Inc., of Vista for additional work requested by the City for the Five Traffic Signals at Various Locations project; and authorization for the City Engineer to execute the change order
8. City Council: Approval of a two-year maintenance services agreement [**Document No. 10-D0467-1**] with Executive Landscape of Fallbrook in the amount of \$921,948 for the landscape maintenance and upkeep of the City's 11 Landscape Maintenance Assessment Districts, and authorization for the City Manager to execute the agreement
9. City Council: Approval of a three-year professional services agreement [**Document No. 10-D0468-1**] with West Coast Storm, Inc., of San Bernardino in the annual amount of \$120,975 for the Annual Citywide Storm Drain Inspection and Cleaning Program, and authorization for the City Manager to execute the agreement
10. City Council/CDC: Approval of a one-year professional services agreement [**Document No. 10-D0469-1**] with Visit Oceanside, Inc., in the amount of \$108,000 for FY 2010-2011 marketing services and operation of the California Welcome Center-Oceanside; and authorization for the City Manager to execute the agreement
11. City Council: Approval of a one-year property use agreement [**Document No. 10-D0470-1**] with New Vision Theatre Company for the use of the Sunshine Brooks Theater located at 217 N. Coast Highway and the space at 219 N. Coast Highway, with revenue to the City in the amount of \$14,400 and authorization for the City Manager to execute the agreement
12. City Council: Approval of a ten-year Management and Operating Agreement [**Document No. 10-D0471-1**] with Oceanside Golf, LLC, in the annual amount of \$155,000 for the management of the Oceanside Municipal Golf Course; termination of the existing Renovation and Operating Lease Agreement with Oceanside Golf, LLC; approval of an additional Contract Coordinator position; and authorization for the City Manager to execute the agreement
13. City Council: Approval to issue a Request for Qualifications for the development of an affordable-housing, mixed-use project on the City-owned 14.5-acre Mission Avenue parcel located just east of Mission Avenue and Carolyn Circle
14. City Council: Adoption of **Resolution No. 10-R0472-1**, "...pursuant to Public Contract Code Sections 20168 and 22050 authorizing exemption from competitive bidding requirements for the remediation and restoration of French Field aka former Vista Burn Dump", for exemption from competitive bidding for the Remediation and Restoration of French Field project located at the 1300 block of Lee Avenue, APNs 161-501-09-00 and 161-501-10-00; approval of a Design-Build Agreement [**Document No. 10-D0473-1**] with Brickman Chargers, Inc., of San Diego for the project in an amount not to exceed \$2,608,616, to be funded with existing grant funds and proceeds from litigation settlement; and authorization for the City Manager to execute the agreement upon receipt of all supporting documents
15. City Council: Acceptance of the improvements constructed by Avi-Con, Inc., dba CA Construction of Riverside for the 1617 Mission Avenue Remodel project, and

- authorization for the City Clerk to file a Notice of Completion [**Document No. 10-D0474-1**] with the San Diego County Recorder
16. City Council: Acceptance of the Treasurer's Report for the quarter ended March 31, 2010, and adoption of **Resolution No. 10-R0475-1**, "...approving the Policy for the Investment of City of Oceanside Funds" [no changes to policy]
 17. City Council: Adoption of **Resolution No. 10-R0476-1**, "...approving and adopting the compensation plan for unrepresented employees"; **Resolution No. 10-R0477-1**, "...establishing the compensation of the City Manager"; and **Resolution No. 10-R0478-1**, "...establishing the compensation of the City Attorney", implementing the modified Compensation Plan for Unrepresented Employees effective June 23, 2010, to require (non-safety) management-level positions to pay the full employee share of their PERS costs
 18. City Council: Adoption of **Resolution No. 10-R0479-1**, "...authorizing the City to participate in the State of California Franchise Tax Board City Business Tax Program and authorizing the Financial Services Director to execute the agreement", which will authorize the State and the City of Oceanside to exchange data related to businesses operating within City limits; approval of a related three-year Reciprocal Data Exchange Agreement [**Document No. 10-D0480-1**] for the City's participation in the Program at no cost to the City; and authorization for the Financial Services Director to execute the agreement
 19. City Council: Approval of Amendment 3 [**Document No. 10-D0481-1**] to the Professional Services Agreement with American Logistics Company for senior shuttle services, increasing the contract price by \$158,280, and authorization for the City Manager to execute the amendment
 20. CDC: Adoption of **Resolution No. 10-R0482-3**, "...approving the revised Administrative Plan for the Section 8 Housing Choice Voucher Program", [Administrative Plan; [**Document No. 10-D0483-3**].
 21. City Council: Adoption of **Resolution No. 10-R0484-1**, "...approving the application for Nature Education Facility Program, Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 grant funds in the amount not to exceed \$2,500,000 for the El Corazon Habitat Trail Project", authorizing application to the Proposition 84 Nature Education Facilities Grant Program for funds in an amount not to exceed \$2,500,000 for the El Corazon Habitat Discovery Trail, and authorization for the City Manager to execute all grant application documents
 22. City Council: Adoption of **Resolution No. 10-R0485-1**, "...determining assessment district surplus and ordering disposition thereof Improvement District No. 1-1986 (Morro Hills updated)" transferring the surplus fund balance [\$720,144] to the General Fund and close the District
 23. City Council: Adoption of three resolutions relating to the General Municipal Election to be held on Tuesday, November 2, 2010: **Resolution No. 10-R0486-1**, "...calling and giving notice of the holding of a General Municipal Election to be held on Tuesday, November 2, 2010, for the election of two members of the City Council, as required by the provisions of the laws of the State of California relating to general law cities"; **Resolution No. 10-R0487-1**, "...requesting the Board of Supervisors of the County of San Diego to consolidate the General Municipal Election with the Statewide General Election to be held on Tuesday, November 2, 2010, pursuant to Section 10403 of the Elections Code; and **Resolution No. 10-R0488-1**, "...adopting regulations for candidates for elective office, pertaining to materials submitted to the electorate and the costs thereof for the General Municipal Election to be held in the City on Tuesday, November 2, 2010"
 24. City Council: Authorization to award a contract [**Document No. 10-D0489-1**] in the

amount of \$115,278.50 to Rutledge, Inc., of Spring Valley for the Rockledge Alley Improvement project, and authorization for the City Manager to execute the agreement upon receipt of all supporting documents

25. City Council: Authorization to reject all bids for the Oceanside Civic Center Library Renovation project, and authorization for the City Engineer to re-bid the project

COUNCILMEMBER SANCHEZ moved for approval [of Consent Calendar Items 4-25].

COUNCILMEMBER KERN seconded the motion.

Motion was approved 4-0.

GENERAL ITEMS

26. **City Council: Consideration of an appeal of the Transient Occupancy Tax assessment in the amount of \$6,333 submitted by Marina Del Mar**

TERI FERRO, Financial Services Director, stated this is an appeal by Marina Del Mar regarding their Transit Occupancy Tax (TOT), penalties and interest. Staff commenced an audit in January of 2009, auditing the time period from March of 2006 through February of 2009. In June of 2009 we completed the audit in a 6-month time period, which is a little excessive but we had granted Marina Del Mar several extensions in order to provide us with some documentation. In September of 2009 they met with our auditor and staff and requested an additional extension, which was granted. By January of 2010 the Tax Administrator (Ms. Ferro) had determined that the tax was justified. In February of 2010 they had a hearing with Director Ferro with a request to provide additional documentation and nothing new was provided. Therefore, we are at this point this evening where they have requested a formal hearing with the Council.

This has been justified to be a valid tax because the operator took a deduction from checks on room rents that were unpaid. The City Code clearly states that rent means any consideration charged whether received or not. We felt the tax was justified.

The operator claimed an exemption for long-term stay twice. We do allow long-term stay once but we don't count it twice.

The third exemption they tried to take was for government stays, which is valid, but they did provide government stays to non-government military friends and family. That was a frequent and erroneous extension. They had no documentation to support that. Using auditor standards, we determined that 10% of those were erroneous and improperly supported.

The tax that is due to the City is \$4,591; the remaining amount consists of penalties and interest, totaling \$6,333. The interest and penalties were only for the audit period, March of 2006 through February of 2009. We have not been incurring or charging any additional penalties or interest since that time.

Appellant not present

COUNCILMEMBER SANCHEZ moved to deny an appeal of the Transient Occupancy Tax assessment in the amount of \$6,333 submitted by Marina Del Mar.

MAYOR WOOD seconded the motion.

Motion was approved 4-0.

CITY COUNCIL REPORTS

27. **Mayor Jim Wood** - no report.

28. **Councilmember Jack Feller**

COUNCILMEMBER FELLER announced the following events:

Last week was a week of graduations; there was a grand opening of The Montego at Sportfisher Drive and Pacific Street; he attended the Chamber installation and awards luncheon today and Chuck Ward was awarded businessperson of the year.

29. **Councilmember Jerry Kern**

COUNCILMEMBER KERN announced the following:

He went with the Economic Development Commission (EDC) for a site visit to Steico, who just bought their 3rd building and whose annual growth rate is 35% a year for the last 3 years; and he attended the luncheon for the 22nd Agricultural District at the Fair.

30. **Councilmember Esther Sanchez**

COUNCILMEMBER SANCHEZ congratulated all of the graduates in Oceanside.

Mayor Wood determined to hear Item 38 at this time.

ADDENDUM ITEM

38. **Approval for staff to respond to the San Diego County Water Authority (SDCWA) General Manager in support of the SDCWA directly negotiating a Water Purchase Agreement with Poseidon Resources (Channelside) LLC, in lieu of executing an Amended and Restated Water Purchase Agreement with the City of Oceanside**

CARI DALE, Water Utilities Director, stated in 2007 the City entered into a Water Purchase Agreement (WPA) with Poseidon Resources. There are other agencies in addition to the City that have entered into similar WPAs. Collectively these agencies are known as the Desal Partners. Oceanside's contract calls for the delivery of between 0 acre-feet of water and 5,000 acre-feet of water per year. It's what we call a fringe contract, so we would not get water unless another agency did not take all of their water. The plant is currently over-subscribed.

The WPA had several assumptions. Some of those were that Poseidon would receive incentives from Metropolitan Water District (MWD) and from SDCWA to offset the cost of the plant. The MWD Incentive Agreement was recently executed by Mayor Wood and it had some integrity clause language in it that stated if there was a legal challenge to MWD's rates by the SDCWA, the subsidy would be cancelled. The MWD subsidy was also an area where investors felt there was risk and they had asked someone to back-stop or provide an insurance policy should MWD not be able to honor their agreement.

The Desal Partners were not willing to go forward with funding of the agreement and had informally asked the SDCWA to provide the back-stop. The SDCWA was not willing to provide the back-stop and they were also only willing to partially fund the subsidy that they offer. What this does to the project is it makes it financially not viable without the SDCWA's participation. Subsequent to that, on June 6th the SDCWA Board did vote to sue MWD over their rate structure. It did interrupt that subsidy that would have been received by MWD.

The region is very much dependent on this project for local supplies, and the

long-term outlook for the region is very bleak in the coming years. We are also at a level 2 supply condition, which requires reductions of up to 20% from the SDCWA. The good news is that the SDCWA would be willing to directly negotiate a purchase agreement from Poseidon if the Desal Partners were able to set aside their contracts and their requests for the subsidies. In order to do so, she is asking Council to direct staff to notify the SDCWA that Oceanside will be holding the WPA in abeyance during negotiations between SDCWA and Poseidon, and that the funding requests for the SDCWA Local Water Supply Development Program subsidy and the MWD Seawater Desalination Program Agreement subsidy are taken off the table during negotiations between the SDCWA and Poseidon. The SDCWA has asked for a unified request from the Desal Partners and at this time she believes we are the only Desal Partner to yet take this action. At such time that an agreement is reached between the SDCWA and Poseidon a formal action will be brought forward to relinquish the City's rights in the WPA.

Public input

SARA HONADLE, 1140 South Coast Highway 101, Encinitas, on behalf of the Coastal Environmental Rights Foundation, recommended that Oceanside send a representative to tomorrow's SDCWA meeting. The City's interests need to be protected in this matter. As Council has been advised in the City Manager's report, tomorrow's proposals stand to add at least \$50 per acre-foot of water. What's also being considered is that Carlsbad stands to receive a disproportionate amount of benefits should the SDCWA approve the financial back-stop that MWD has now most likely removed and possibly even if the SDCWA takes over the desal plant from Poseidon.

The most fiscally responsible way to move forward is to wait until this project dies of its own financial infeasibility. Then all the members of the SDCWA can share equal benefits to a plant located in this County. Additionally, it would be best to table any consideration of taking on the burden of the Carlsbad plant until it is clearer what will be done at Camp Pendleton. The shared cost to all SDCWA members would likely be far more economical on an economy-of-scale if the 56,000 acre-feet of water per day promised by Poseidon were added to the Pendleton project.

Poseidon has made false promises regarding this desalination project to every permitting agency. They've claimed carbon neutrality, complained if forced to fully mitigate all environment impacts and for years they've claimed that there would be no taxpayer risk for this private project. Before committing to any acquisition or additional subsidies, Oceanside's interests should be protected by reviewing all binding agreements and financials. It's best to keep away from this bad investment; we collectively owe Poseidon nothing. There is also little value in their entitlements if that argument is going to be made. Some of their permits are up for multi-year reviews. Next year their National Pollutant Discharge Elimination System (NPDES) is up for review and she believes a number of issues will be found at that stage.

JIMMY KNOTT, 127 Sherri Lane, is glad to see SDCWA standing up to MWD. For decades the citizens of Oceanside have been contributing out of their pockets to MWD as part of the rate we pay. Now MWD is pulling the rug out of finally getting a desal plant going. It's time to support the SDCWA in standing up to MWD.

Public input concluded

COUNCILMEMBER SANCHEZ got this memo and had a lot of questions. Is this going to impact our rates? Obviously we need to continue to find other sources of water. We have our own desal plant project and would like to ensure future supplies of water. She doesn't understand Poseidon's new role here. Are they going to be stepping out or are they going to be adding in or letting us know what the profit margin is? This seems to be becoming more of a public/private. We need to know as much as possible to be able to tell our rate payers. What is the future of Poseidon's role in this? Is the SDCWA going to be taking over this project? What is the role with respect to Camp

Pendleton? How is that all going to impact the region and us?

DIRECTOR DALE replied we don't know Poseidon's role in this project yet. They haven't entered negotiations with the SDCWA. We are hopeful that it is a similar role to the Desal Partners, which is just a direct purchase agreement. She heard from the SDCWA that they are also interested in potentially some capital interests in the plant at the end of the term because they are investing in it. We don't know what that will look like and we're thinking that's several months away with the SDCWA.

In terms of water supply reliability and the cost to the rate payers, the SDCWA is estimating that the desal plant will add an additional \$50 per acre-foot. Whether that comes in the form of a desalination plant, purchasing additional supplies in other areas or developing other local supplies, the cost of new water is going to be expensive.

She hasn't heard much about the Pendleton project, but the Carlsbad desal plant is a permitted, ready-to-go facility whereas the Poseidon project still has to go through the lengthy permitting process, so this is a ready-to-go project for the region. If it weren't for this project being added to the region, it would most likely be another project. Either way the rates would most likely be going up. The estimate is approximately \$50 per acre-foot increase.

COUNCILMEMBER SANCHEZ asked if there is a possibility that in the end this will become a SDCWA project. That is to say that in the end the corporation will have reaped whatever benefits and then move on.

DIRECTOR DALE replied that could be one of the negotiated options.

COUNCILMEMBER SANCHEZ questioned if staff was asking for Council's permission to enter into negotiations and at some point we are going to be getting something back.

DIRECTOR DALE responded no; she is asking that Council direct staff to notify the SDCWA to enter into negotiations directly with Poseidon and in doing that the City would be setting aside its WPAs, as well as any requests for subsidies. There are 2 requests for subsidies; one being with the SDCWA and one with MWD. Those would be held in abeyance until such time that the SDCWA reached agreement with Poseidon.

COUNCILMEMBER SANCHEZ asked what happens in the event that no agreement is reached.

DIRECTOR DALE hopes we don't get there but we don't know what will happen at that point.

COUNCILMEMBER SANCHEZ asked if in the event there is an agreement, does that agreement come back to Council.

DIRECTOR DALE responded yes. We would be coming back to Council with a formal action to relinquish the City's right in the WPA that's been executed. There will be another action coming forward to Council.

COUNCILMEMBER SANCHEZ asked if any other details would be coming back to Council for discussion? For example, we have the Ocean Hills community that is concerned about impacts to their community if the pipeline were to be sited near their community.

DIRECTOR DALE responded it could be. Her understanding of the pipeline alignment is it's entirely within Carlsbad, Vista and San Marcos and won't be entering Oceanside.

COUNCILMEMBER SANCHEZ stated Ocean Hills is contiguous to Carlsbad and

impacts may occur even if we say it's within Carlsbad. Is this something that we then would have an opportunity to speak on?

DIRECTOR DALE believes so. We could make an opportunity available.

COUNCILMEMBER SANCHEZ moved approval [for staff to respond to the San Diego County Water Authority (SDCWA) General Manager in support of the SDCWA directly negotiating a Water Purchase Agreement with Poseidon Resources (Channelside) LLC, in lieu of executing an Amended and Restated Water Purchase Agreement with the City of Oceanside].

COUNCILMEMBER KERN seconded the motion. Basically what we're doing is withdrawing our agreement with Poseidon and turning over full negotiations to SDCWA. When the SDCWA comes to some conclusion with Poseidon, it's going to be returned to us and we're going to vote on that. Hopefully by that time we'll have somebody that actually sits on the SDCWA Board that can vote about how they want to handle that.

The timing was terrible about the SDCWA suing MWD, but it's been festering for years. It's about their transportation rates coming into the County; something that they charge San Diego County only and not their other partners in the basin of Los Angeles or San Bernardino. It's not quite fair but part of the agreement when Poseidon came forward was that if SDCWA sued Poseidon, then MWD would withdraw their \$250 per acre-foot subsidy of Poseidon.

Poseidon is a big deal; it would cover 10% of our water in the region and it's a needed project. He's been out to the Camp Pendleton potential sites. They haven't even decided on the site yet so we're probably 15 years away from anything happening out there. That will more than likely be a SDCWA project. In essence what we're doing now is SDCWA is going to negotiate on behalf of the whole region, not just the Desal Partners, and come to some conclusion. He thinks it's a good move for us. He would guess this would be a design-build-operate agreement with Poseidon and the SDCWA and at the end of that 25-30 years, it will probably revert back to the SDCWA with some capital costs being submitted or maybe just up the operation of the desal plant after that 30 years. This gets the plant built and gets water into the region. If we relinquish our claim, then we don't have a vested interest so we can vote going forward on Poseidon. This is an approved project that can move forward quickly.

COUNCILMEMBER FELLER stated a speaker from the public said that Carlsbad would disproportionately benefit from the possibility of this going forward. How can that happen?

DIRECTOR DALE replied Carlsbad presently has a disproportionately advantageous contract because they were more actively involved with starting up the project and with the negotiations, pushing it forward. They have the ability to purchase the plant; they have first right to purchase it should Poseidon withdraw or go bankrupt. They have other provisions that are distinctly different from the other Desal Partners. Whether or not they would gain any other advantage going forward in the future, she doesn't have any information on. It is her understanding that regionally all agencies would benefit equally.

COUNCILMEMBER FELLER thinks we can't let this die. This is something that is very necessary; 10% of the region's water. That's probably why it's going to take about 15 years on Pendleton because the same groups are going to be wandering around trying to thwart every desal plant or anything.

He was in Northern California last weekend and all of the reservoirs are full; Shasta, Oroville, Folsom, etc. They're releasing millions of gallons into the Sacramento River and other tributaries because they don't have enough storage. We are getting no benefit down here and they're wasting our water. Somebody has to fix that.

MAYOR WOOD feels this is short notice to try to figure out something that is probably the most valuable asset in Southern California. We hear about it more when we try to do rate increases. There is a fight going on between MWD and SDCWA. We have representatives from our City watching it. The main concern with Poseidon for a long time was its too expensive. However, it's a benefit considering the water shortages that are important to our region. We originally didn't get on board because of the cost. We got on board when we found out the cost would be the same. It bothers him a little that if we vote for this, it is really to see what happens. They can come back on any issue. He got a call from Mayor Bud Lewis from Carlsbad that he couldn't answer regarding Poseidon, so he doesn't know what the details are. He wouldn't mind continuing this to find out what he wanted and if there is more information available out there. He asked the City Manager and City Attorney if this is going to be something that benefits us in the long run.

CITY MANAGER WEISS thinks the opportunity for whatever direction the SDCWA goes in is going to come back to Council. He couldn't tell Council today what the result of all of this is going to be. The result that we do know is that we're going to suspend our WPA with Poseidon. Similar to other large water projects throughout the State, Council will have a separate opportunity to deal with this later. As you are aware, we have been working for the last several years on a pilot program ourselves to develop a local supply and we're still going to pursue that. That's as important for our local supply as Poseidon is for the region. We still do have a seat at the SDCWA and we're still going to be part of that solution. The water from Poseidon has a benefit to the region, but if you really want to look at Oceanside itself, our project is as important to us as Poseidon is to the region.

CITY ATTORNEY MULLEN understands this item is not terminating the agreement with Poseidon, but that could be an action that comes back to you if there is another agreement that SDCWA is able to negotiate directly. You are not necessarily waiving any of your rights now; you're holding your rights in abeyance under the existing agreement, so you're not being prejudiced in any way.

MAYOR WOOD stated we actually do desalination here and it's not in the beach region or the Coastal Commission region, which is always a battle. We do it out by the Valley Drive-In from wells that we sink out there. We have one pending at the Harbor area, doing a mixture of downstream water and salt water, which would decrease the cost of doing desal. All of the desal membranes are made in Oceanside.

We've gone to Washington D.C. for 5 or so years in the hopes of expanding our ability to make our own water and not rely on Poseidon, the County or the State. We are one of the few cities that do it. We've been pushing our desal center being inland away from the Coastal Commission and not at the beach where all of the problems occurred. We want to have a well drilled and bump it back up to our facility to do desal with the same membrane. It's been something we've worked on for years. For now any time we can bring more water into the region, it's important. This is the most valuable commodity we have here.

Motion was approved 4-0.

[Recess was called from 4:43 PM to 5:30 PM]

5:30 PM - INVOCATION – Pastor Carl Souza

PLEDGE OF ALLEGIANCE – OBGC Members

PROCLAMATIONS AND PRESENTATIONS

Presentation – "Pet of the Month" presented by Elkie Wills, North County Humane Society & SPCA

Presentation – Teen Pregnancy Prevention Video Contest Winners -- OBGC

Presentation – Senior Transportation Volunteer Driver Recognition

Presentation – Mayor’s Youth Sports Recognition and Appreciation Award – P & R Girls Softball team “Oceanside Attitude – 16U”

Presentations were made

Mayor Wood determined to hear 6:00 PM hearings at this time.

6:00 P.M. – PUBLIC HEARING ITEMS

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

33. **City Council/CDC/Harbor: Adoption of a resolution approving the Appropriation Limitation as required by Article XIII-B of the State Constitution, as modified by Proposition 111 for FY 2010-2011 as calculated in the [attached] resolution; adoption of a resolution approving the FY 2010-2011 City of Oceanside Operating Budget; adoption of a resolution approving the FY 2010-2011 Community Development Commission Operating Budget; adoption of a resolution approving the FY 2010-2011 Community Development Commission and Redevelopment [CIP] Projects Budgets; adoption of a resolution approving the FY 2010-2011 Harbor District Operating Budget; adoption of a resolution approving the FY 2010-2011 Harbor District Capital Improvements Program Budget; and adoption of City Council Policy 200-10, Revenue Control and Management, establishing proper control over all receipts and receivables; adoption of a resolution approving the FY 2010-2011 City of Oceanside Capital Improvements Program Budget**

- A) Mayor opens public hearing – hearing was opened.
- B) Mayor requests disclosure of Councilmember and constituent contacts and correspondence – Mayor and Councilmembers reported contact with staff and public.
- C) City Clerk presents correspondence and/or petitions – copies of emails.
- D) Testimony, beginning with:

TERI FERRO, Financial Services Director, reviewed Council’s action items. The resolution regarding the appropriation limit [aka the Gann limit] is a constitutional requirement to adopt an annual appropriation calculation, which is actually based on data that the State provides us regarding growth in per capita income and City population. That resolution shows the City is about 74% below the limit, so we are safe on that level.

The 6 resolutions regarding the balance, operating and capital budgets total approximately \$373,000,000 combined. It does include the action items that the Council has taken over the last several months. It actually started in October of 2009 when the Council adopted an initial Budget Reduction Plan for the current fiscal year and all of those reductions have been carried forward into 2010-2011. There was an April 28th workshop, a May 26th Council meeting for the CIP budgets and a June 2nd workshop. All of those Council directions and consideration are in the balanced budget that’s before Council tonight.

We are also presenting a Council policy for revenue control and management. This establishes the proper control of all City receipts and receivables and insures sound financial management practices.

In the short term the budget before Council tonight is based on currently known City revenue and expenditure projections. We still don’t know what the State impacts will be, nor do we know if there is any ripple-down effect that the County may impose on us. We still don’t know increases to health insurance or if there are any short-term increases to the PERS retirement plans. Staff will continue to monitor the revenues on a monthly basis and provide quarterly reports to Council of any significant changes.

CITY MANAGER WEISS highlighted that as a result of Council's workshop, staff did hold a separate community workshop specifically on the CIP and just to clarify, the Jeffries Ranch Road access study has been added to the City's CIP in the Streets Program in the amount of \$75,000. The award of that contract to a consultant firm will be at Council's first meeting in July. There were a couple of other adjustments as a result of the impacts to the General Fund. On the policy, since an issue has come up, staff will be bringing some additional policies to Council in the near future as a result of some Grand Jury recommendations after looking into the City of San Diego and the County, which will also result in some additional policies that will be coming before you. Council has one here on revenues, and others will be coming forward and he wanted to let Council know that that is all part of that whole process. He believes all other issues that came up in Council's workshops have been addressed and included in the documents before you.

Public input

DONNA MCGINTY, 2405 Mesa Drive, has watched a lot of waste occur from meeting to meeting and the Consent Calendar this evening is also guilty of some of that waste element. One of the biggest problems that all of the Councilmembers have is saying no to more requests that are nice-to-haves when we really can't afford them.

Public input concluded

Mayor Wood closed the public hearing.

COUNCILMEMBER SANCHEZ thinks this is a document that will be changing in the next few months. She is actually a little more optimistic about some things that we are doing as a City. Also, the negotiations are ongoing and she hopes that they will conclude soon; some of the employee negotiations and hopes they will be positive to the City.

She **moved approval** of the budgets as presented with the resolutions, excluding the [City's] Capital Improvements budget, with the condition that City Hall custodians and the Information Technology (IT) positions be restored.

MAYOR WOOD seconded the motion for discussion and asked if the City Manager had any issues on the motion.

CITY MANAGER WEISS stated if that's the Council's desire to restore those, we will do what we need to do to make that happen.

CITY ATTORNEY MULLEN asked if the resolution being pulled in the motion is just the City CIP budget and not the Harbor or the CDC CIP budgets.

COUNCILMEMBER SANCHEZ clarified it is just the City's CIP to be heard separately.

COUNCILMEMBER KERN can't support the motion. We went through a long process to get to this point and at the last minute we're going to try to add stuff back in without any offsets. If you want to add positions back in and spend more money, you will have to figure out some way to get it out of the budget. We're going to have to go forward with this budget that we worked months on and not come up at the last minute and make a motion to add positions back in. He can't support it as presented unless you can come up with some offsets to take the money from someplace and put it back in these positions.

COUNCILMEMBER FELLER would like to know where this money is going to come from that Councilmember Sanchez has come up with here.

CITY MANAGER WEISS stated at this point if you want to restore those

positions, we would need to use some more of the Fire Station 8 money, which would be his recommendation to Council. That still preserves some for the following year. Council has already allocated a portion of that to restoring other positions.

COUNCILMEMBER FELLER asked what kind of dollar amount is this.

CITY MANAGER WEISS doesn't have the total amount, but for the custodians the net effect was around \$100,000 to \$115,000 and the IT positions would be around \$100,000 to \$110,000. You still have the funding from Fire Station 8 that would cover that.

COUNCILMEMBER FELLER stated we've made considerable cuts in this budget and there are a lot of people left hanging out there. We didn't touch legislative aides going to 32 hours, which is a possibility for us. He's not optimistic at all that this is going to be a joy ride in 2 or 3 month or even 2 or 3 years. What is the budget projection?

CITY MANAGER WEISS believes that as we start looking at the budget for the following fiscal year, we're still going to be looking at having a structural problem. We already know that our unemployment insurance rates are going significantly higher than what we projected and we know health insurance is going to go up. We are still going to be challenged, but he thinks it will be manageable. Restoring the positions with use of the Fire Station 8 money will need to be addressed moving forward but with some opportunistic revenue projections, we do know they are looking to break ground on a new hotel this year, and as those things move forward there are some opportunities. We are going to need to be cautious and there will probably need to be additional consideration given to further reductions moving forward.

COUNCILMEMBER FELLER has heard pension and benefits being discussed at 2% throughout the community recently and that isn't going to make up anywhere near what we need. We need all employees to pay 100% of their benefits, not just the managers/directors. That is a necessity. We are talking about saving a couple of jobs, which is something that he would like to do, but he doesn't know how we will do this going forward if we are talking about 2% when it needs to be 9%.

CITY MANAGER WEISS added that we are still in negotiations with 2 of the bargaining units. He believes the bargaining units that represent the employees you are looking at here, the custodians and the IT positions, those contracts will expire next June and we have had some informal discussions and they are going to need to participate and come to some agreement or the reality is, in the absence of that occurring, additional positions will need to be eliminated. Even with saving these positions, that may be enough motivation to get some of them to the table to participate further.

COUNCILMEMBER SANCHEZ can't say a whole lot at this point because negotiations are ongoing. She is aware that there has been an initial offer, giving up \$800,000. She wishes certain things were completed by now but they're not.

When she thought about the janitorial services, she got a chance to speak to staff and they are probably the lowest paid in the City. She has gone through the notion of contracting out and having different people show up and she doesn't think that will be a positive thing. Who we have and what we have is not a high cost and for her it's a level of confidence that is important.

As to how we move on from here, she's been talking to staff and there are certain things she wants to see go forward. Costco needs to be built in Oceanside. We need to have things happen in our City. She is excited that we are going to be focusing on businesses. There is a lot of hard work ahead of us, but with respect to what we have now, we can afford this and she feels positive enough that we are providing a level of service that people need in terms of public safety, parks, after-school programs, etc.

COUNCILMEMBER KERN is bothered that we have a Councilmember involved in negotiations with our police and fire safety unions when it was a Council policy not to be involved. Now she is coming out with \$800,000. He doesn't know where that number is coming from. He asked for clarification.

We had a \$10,000,000 hole. One of the things we have to do is stop spending money. The public is thinking all we are is a pay, benefits and pension generator and with what money is left over we'll provide services for them. They are tired of that. One of the reasons the Charter passed is because of that very issue. They are tired of spending money on things that are not our core services. He appreciates the job that these people do but if we can get someone to do the same job at a cheaper price, that's taxpayer's dollars; that is not our money that we're spending. We're going to have to have the attitude up here that it is not our money.

If there is money to restore the positions then fine, but he would rather restore library hours/services. We can't support this. We have to go forward with a budget that we have worked on for months and not come at the last hour and try to restore positions on some hope that we're going to have a contract with a couple of the unions later on that is \$800,000. \$800,000 won't even cover our pension costs. Our pension costs are going from \$20,000,000 to \$30,000,000 in the next 3 years. We are drowning here and we are trying to throw lifelines to people that he knows work hard but we have to make hard decisions and take control of our budget and pension costs. We can't do it by adding back in positions that we've cut already. He will be glad to listen if you can come up with an offset out of this budget to save those positions but not on something like the Costco or the hotel that won't be getting us any money in this budget year. Maybe next year if times are better we can add these positions back, but we can't grow government again. Our responsibility on the dais is to the taxpayers, not to the employees. He will support the budget that we worked on for months but he will not support adding something in at the last minute.

COUNCILMEMBER SANCHEZ requested a point of personal privilege. She is not involved in the negotiations with the employees. It was a conversation she had with the City Manager who is involved with the negotiations, simply looking into how we're going to be able to pay for our future needs.

She is the first person to say that these funds belong to the taxpayers and she is committed to making sure every penny is spent well on behalf of the taxpayers. All of the decisions that have been made with respect to employee benefits have been a unanimous vote that has been presented as a recommendation from the City Manager's office. The situation we are in now certainly isn't any one person's blame.

These funds that we're talking about are funds that were originally in the General Fund that were set aside in order to see if we could qualify for a grant for funding. It was \$1,000,000 that we set aside. She doesn't think there is a big issue before us; it's a challenge and things are going to be changing in the next few months for the positive.

COUNCILMEMBER KERN stated this is what he's talking about. We found money in the budget (in Fire Station 8) so let's go spend it. That's the one thing we cannot do. That is the attitude of government that we can't perpetuate anymore. That's what happened to Sacramento. He's not blaming anybody but we have the responsibility to fix our problem ourselves. What is proposed here is not fixing the problem; it's adding to it.

[Recess was called from 6:31 to 6:41 PM]

COUNCILMEMBER FELLER stated this is exactly what Councilmember Kern said - a lesson in when do we stop spending. There is always going to be the opportunity to plead somebody's case throughout this process. We've dealt with that for the last 6 months, it's very uncomfortable and a lousy position to be in but the City is

not unique in this state. He is not optimistic that there is a lot of hope soon as was stated. If everything that was mentioned (i.e. Costco, etc.) was started tomorrow, it would not happen in time for this budget.

His son-in-law has been out of work for 6½ months with 7 kids, so he knows the exact pain that people are going through and it's an unfair pain in a country that should be the land of plenty. If the bargaining units don't come to the table with 9% or 8% of their own benefits package, this City is going to go broke. It's unsustainable to be paying the full share of these benefits. He doesn't know that he can rely on the bargaining units to come to the table to pay for that, so he doesn't know how to make that point. There are nearly 1,000 employees and so far only a small handful are paying their full share. The public safety unions, OCEA and all have to pay their full share.

We did find some money that he thought was appropriate to use when we were dealing with this 3 weeks ago and he doesn't know if he wants to use that money anymore. His heart goes out to all of the people who have been struggling with their own personal needs. This is life-changing. If we don't stop the spending and make the appropriate cuts that we're not going to survive as a City. He doesn't think that anyone working with the finances thinks there is a picnic at the end of this year. It's probably many years. This is probably the time to stand strong and keep moving forward with reductions and changes for survival.

[Recess was called from 6:48 to 6:50 PM]

Motion failed 2-2; Councilmembers Kern and Feller – no.

COUNCILMEMBER SANCHEZ moved approval of adoption of the CIP Budget, excluding the Melrose extension.

MAYOR WOOD seconded the motion.

COUNCILMEMBER SANCHEZ attended the meeting regarding the Melrose extension. There were a lot of negatives for the residents on College Boulevard. The hope was that it would help. She had discussions with SANDAG's Executive Director who said that Oceanside residents need to know that these are regional projects and they have to expect a lot more traffic. She thinks it's time we put our residents first before the rest of the County.

It's a travesty what's happening to the residents of Jeffries Ranch; increased traffic and no secondary access. We are being told that they don't care about us; they care more about people coming from all other places except Oceanside. She has had numerous discussions with the new Executive Director of Caltrans and it's very discouraging to deal with bureaucrats who don't give a darn about your community. This was an ill-conceived plan and it's time we stop it.

Motion failed 2-2; Councilmembers Kern and Feller - no.

MAYOR WOOD moved to go with the agreement that Council had at the last Council meeting regarding the budget, minus the City CIP budget [including adoption of **Resolution No. 10-R0490-1**, "...determining and adopting an appropriation limit for the fiscal year 2010-2011 in accordance with Article XIII-B of the Constitution of the State of California"; adoption of **Resolution No. 10-R0491-1**, "...approving the operating budget for the fiscal year 2010-2011"; adoption of **Resolution No. 10-R0492-3**, "...approving the operating budget for the fiscal year 2010-2011", Community Development Commission Operating Budget; adoption of **Resolution No. 10-R0493-3**, "...approving the Capital Improvements Program Budget for fiscal year 2010-2011", Community Development Commission and Redevelopment Projects Budgets; adoption of **Resolution No. 10-R0494-2**, "...approving the Operating Budget for the fiscal year 2010-2011", Harbor District Operating Budget; adoption of **Resolution No. 10-R0495-2**, "...approving the Capital Improvements Program Budget for fiscal year 2010-

2011", Harbor District Capital Improvements Program Budget; and adoption of City Council Policy 200-10, Revenue Control and Management, establishing proper control over all receipts and receivables]

COUNCILMEMBER KERN seconded the motion.

COUNCILMEMBER SANCHEZ stated every vote that has to do with the budget had been a unanimous vote in terms of employee benefits. These have been recommendations by the City Manager. We have ongoing discussions with our employee groups. She believes strongly that our employee groups are willing to help us tackle these issues.

She has worked really hard to find out what is going on. She has gotten complaints about our Finance Department and about whether or not the City is top-heavy and she is looking into those. She understands that the Planning Department didn't get any cuts at all. All other departments got severe cuts, including a reduction in police. She will be looking into that as well.

MAYOR WOOD clarified that he made a motion and there was a second on it regarding the last Council meeting that the City Manager and Council agreed with. We've made moves and changes and have used some money from Fire Station 8. We have to have a budget approved to move forward. He would like to save as many employees as possible. Nobody wants to cut public safety in any form. He agrees that there might be some light at the end of the tunnel but the State may come and take another dip into the City. If they do that we'll have problems but if they don't we might be moving a little bit in a positive direction. For purposes of this meeting tonight, we had an agreement last time. Council's number one job is providing services to the citizens and that generally involves people to provide those services.

CITY CLERK WAYNE clarified the motion includes adoption of all of the resolutions and the Council policy, with the exception of the CIP resolution for the City.

MAYOR WOOD concurred.

COUNCILMEMBER FELLER asked the Mayor if his motion is for the recommendations of the City Manager.

MAYOR WOOD yes, including using the money from Fire Station 8.

Motion was approved 4-0.

COUNCILMEMBER KERN moved to adopt the City Manager's recommendation of the CIP, the same budget that we worked on for the last 4 months and to keep everything in the CIP. He knows there are some questions about Melrose but all we are doing is finishing up the EIR.

COUNCILMEMBER SANCHEZ just spoke to the City Manager and this could be done without the Melrose extension.

CITY MANAGER WEISS stated the motion is to approve the CIP and he believes there were already 2 no votes on Melrose so if you vote on the balance of the CIP program, the City Clerk would just show a 2-2 vote on Melrose.

COUNCILMEMBER KERN clarified that his motion is to adopt the full resolution, including Melrose.

COUNCILMEMBER FELLER seconded the motion.

Motion failed 2-2; Mayor Wood and Councilmember Sanchez – no.

MAYOR WOOD asked for suggestions from staff.

COUNCILMEMBER FELLER stated that is \$25,000 of the CIP.

CITY MANAGER WEISS stated that Melrose is in the CIP for more than \$25,000. Council's next item, TransNet, has \$25,000 to recover costs from the EIR. The EIR process is almost complete. We have closed the public review period; we have comments; we are in the process of responding to those comments and it is our hope that probably in September or October we will have the EIR back in front of the Transportation Commission.

COUNCILMEMBER KERN asked how much we have invested in Melrose right now.

MAYOR WOOD asked if there was any input because we are at a stalemate here.

CITY MANAGER WEISS stated the only option staff could come up with is for Council to approve the minimal funding necessary to complete the EIR and any other money for design or property acquisition staff would bring back as a separate item once we complete the EIR process.

COUNCILMEMBER KERN could live with that. We need to complete the EIR. How much do we have invested in that EIR?

GARY KELLISON, Senior Civil Engineer, responded \$1,100,000 with Helix Environmental.

COUNCILMEMBER KERN thinks with that investment we need to complete the EIR, otherwise we are throwing away \$1,100,000 and that is a huge waste of taxpayer's money. Let's complete the EIR and when we get to the next stage we can figure it out from there, but we need to protect that \$1,100,000 investment.

COUNCILMEMBER SANCHEZ attended the meeting and it was neighbor versus neighbor and it was a huge problem. They didn't even include, in the traffic studies, the impacts of the new high school. It is not up to par and not worth that and she is embarrassed by the contractor to finish this. She doesn't think it is a viable project and she doesn't want to throw good money after bad money. It needs to end here with this Council.

CITY MANAGER WEISS stated we have executed contracts with the consultants to complete the EIR. Therefore, even if you eliminated all future funding from Melrose, we're still contractually obligated to complete that contract. Council could adopt the CIP without additional funding for Melrose but we are still contractually obligated to complete the EIR at this time.

MAYOR WOOD stated this Melrose extension was pushed through by a previous Council. We didn't agree on it and it impacted that neighborhood. We also know it was important to the City of Vista to put in another 1,000 condominiums. We weren't happy about it and the reason it has died a slow death is that it was just cut-through traffic for them. He thinks it should be done at some time in the future. However, he didn't like the fact that the EIR and all of the reports contained faulty information. If the EIR is going to include all the facts about the schools, etc., he would be interested in that.

CITY MANAGER WEISS recommended Council approve the CIP with no additional funding for Melrose.

COUNCILMEMBER SANCHEZ thinks the City Manager is saying that he's deleted it from his request and we're acting on his request; he's withdrawn Melrose for

funding. She would **move approval** of that.

MAYOR WOOD seconded the motion.

COUNCILMEMBER FELLER asked if in that motion you are allowing for the contract to be finished on the EIR.

CITY MANAGER WEISS responded yes, we are contractually obligated. That would not be new funding for that. As long as Council doesn't approve any new funding, the EIR would be completed, but Council would not have any money for design or anything further than the EIR.

COUNCILMEMBER FELLER hopes we have a clear picture of what's actually happening here as we go forward. This is a regional road.

COUNCILMEMBER SANCHEZ wanted to make sure that Melrose is being deleted from the CIP.

CITY MANAGER WEISS stated staff would change the CIP to show no new funding for Melrose. There would still be the carry-forward money to complete the EIR because that was from last year. All of the new money that was attributed to Melrose would be removed.

Motion approved 3-1; Councilmember Kern – no.

COUNCILMEMBER FELLER's intention is to get that EIR funded. If the motion is to delete Melrose completely, he is not in favor of that. Somewhere along the line we have to get some resolution on Melrose. We haven't acted on any other item yet so if the motion is to delete, Melrose he's not in favor of it.

CITY ATTORNEY MULLEN's understanding of the practical effect of the motion is that the EIR will still be completed pursuant to a contract that the City already has. It will be brought forward for Council's consideration when it's completed. That will be paid for and is authorized to be paid for. However, there is no new funding in the CIP budget for anything additional, absent future action from the Council.

COUNCILMEMBER SANCHEZ concurred; after that it is no longer going to be a CIP project.

COUNCILMEMBER FELLER stated that isn't what he said.

COUNCILMEMBER SANCHEZ's motion was to delete it as part of the CIP.

CITY MANAGER MULLEN stated the draft that the Manager recommended had \$25,000 in it towards Melrose, is that correct?

CITY MANAGER WEISS replied that in the CIP there is much more than \$25,000. In the next item, the TransNet item, there is \$25,000. In the CIP there are significant amounts of money to start the design and property acquisition process for Melrose.

COUNCILMEMBER FELLER stated if Councilmember Sanchez's motion is to delete this from a CIP project for the future then he is opposed.

COUNCILMEMBER SANCHEZ believes the City Manager said that it would have to come back as a separate motion, but this basically means no more funding for Melrose.

With the clarification, **CITY CLERK WAYNE** stated that Councilmember Feller **changed his vote** and the **motion failed 2-2.**

MAYOR WOOD stated this needs to be continued to another date. We're not going to resolve this tonight. We need some feedback.

CITY MANAGER WEISS suggested the other option Council has is to approve the CIP without consideration of Melrose in the current CIP. That way you at least have a Capital Improvements budget that we move forward to on all of the other projects. The net effect of that is the same; you still have carry-forward money to complete the EIR.

COUNCILMEMBER KERN is willing to do that but he wants to be sure that we will just take Melrose off the table for now. There is carry-forward money to complete the EIR. So, right now we won't take a vote on Melrose one way or the other. We will take a vote on the balance of the CIP budget.

CITY ATTORNEY MULLEN stated Council would essentially be tabling the discussion on Melrose and approving the balance of the CIP budget. You could do that.

COUNCILMEMBER KERN moved to adopt the balance of the CIP budget [adoption of **Resolution No. 10-R0496-1**, "...approving the Capital Improvements Program Budget for fiscal year 2010-2011"], as modified to table the Melrose extension at this time.

MAYOR WOOD seconded the motion.

Motion was approved 4-0.

34. **City Council: Consideration of a resolution adopting the TransNet Local Street Improvement Program of Projects for Fiscal Years 2011 through 2015**
(continued from May 26, 2010)

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

GARY KELLISON, Senior Civil Engineer, stated this item is a 5-year authorization plan directed towards SANDAG. Council is requesting SANDAG to make pots of money available on the list of projects shown on a computer graphic. It does not authorize the City specifically to spend money; that was done in the CIP budget. It just makes the money available on request from SANDAG to the City using the ½ cent TransNet Sales Tax Program. Even more than the CIP budget, this item is actually time-critical. SANDAG establishes a hard deadline of June 30th for cities to provide them with a Council resolution outlining their plan. Without the resolution, they will not pay us the \$7,200,000 (which was the total at the bottom of the computer graphic).

The first item was Melrose; it was budgeted at \$25,000 to allow us to recoup the current money we're spending just to finish the EIR. The same holds true of the College Boulevard widening and the College Boulevard bridge over San Luis Rey River. Those are sums we've spent in previous CIP budgets that we'd like to recoup over the next 2 years from the TransNet program, but there is no activity in the CIP budget that was just approved for either project.

Everything else tracks pretty well with the CIP budget. What is missing is the Jeffries Ranch second access point. We were unable to include it in this request because SANDAG requests more of a preliminary design, which is the point of the engineering study that we'll be going forward with. They do an air quality study, so it depends on the configuration of the second entrance into the Jeffries Ranch community

before we can request the money. We actually have to provide SANDAG with a sketch of where the entrance will be located, the number of lanes and how it fits with Highway 76. Once we have that information known as the consultant produces that, we will come back to Council with a request to approve a TransNet amendment that would allow us to recoup the money we've spent on Jeffries Ranch.

There are also two carry-over items from previous years. This is an example of having excess money on those 2 projects. We'll take advantage of that by reprogramming the additional funds for street maintenance, i.e. street/sidewalk repairs and street overlay program. Those will increase in the coming years up to \$3,000,000 when we have the opportunity to bring the TransNet amendment forward later this year. Those are the highlights.

Public input

JIMMY KNOTT, 127 Sherri Lane, stated when they put in the improvements on Coast Highway in the Loma Alta Creek area there was an automatic warning system for flooding. He was told the City did not maintain that properly and it went defunct. He would like to see if we could update that warning system in the CIP budget for an automated system.

Along Coast Highway people have been asking for years to have a center-of-the-street crosswalk with an automatic signal for crossing at Loma Alta Creek to Buccaneer Beach so people can cross the street safely. There have previously been 3 deaths from people trying to cross there.

He would like to see some improvement in the Lagoon area and reed mitigation.

Public input concluded

Mayor Wood closed the public hearing.

MAYOR WOOD doesn't know if those issues have been brought up before but the one that was interesting was the flooding of Coast Highway between Oceanside and Carlsbad. It doesn't happen much but when it does it floods all the way across.

COUNCILMEMBER SANCHEZ stated in keeping with the previous motion, **moved approval** but tabling the Melrose Drive extension portion.

MAYOR WOOD seconded the motion.

Regarding the motion, **COUNCILMEMBER KERN** wanted to clarify that we don't want our \$25,000 back from SANDAG. We don't want the money that we have spent returned to us from SANDAG, is that what Councilmember Sanchez is saying? He can't support that.

COUNCILMEMBER FELLER stated that's all this is; we are being reimbursed \$25,000. We don't need the money?

COUNCILMEMBER SANCHEZ would like to table that for next week. She doesn't think it's just that; she thinks it much more than that.

COUNCILMEMBER FELLER stated it isn't more than that; it's \$25,000 that they've programmed in to pay for that final part of the EIR. How can you refuse \$25,000?

COUNCILMEMBER SANCHEZ stated that's taxpayer money. We're going to be throwing good money after bad. She thinks it was a horrible waste of money. We don't even have a super majority that would vote to take people's property away from them.

COUNCILMEMBER FELLER stated you are only referring to the citizens in Jeffries Ranch. The people in greater Oceanside want Melrose and this \$25,000 is a reimbursement.

CITY MANAGER WEISS explained that the \$25,000 for the 2011 year is to reimburse for prior costs. There is no money that we are requesting at this time going out into the future. There are some significant projects here that we do need to move forward on. We're talking about \$7,200,000. Yes, it's a reimbursement, but if you eliminate that the balance of the \$7,200,000 is much more important than the \$25,000. If at some point in time we should proceed with Melrose, than obviously we would be amending the Regional Transportation Improvement Program (RTIP) in the future to recover additional costs.

MAYOR WOOD would like to pull that one out from the motion and approve the balance. It would be nice to move forward.

COUNCILMEMBER KERN made a **substitute motion** that we accept staff's recommendation [including adoption of **Resolution No. 10-R0497-1**, "...adopting the TransNet Local Street Improvement Program of Projects for Fiscal Years 2011 through 2015], and accept the \$25,000 of taxpayer's money that residents have already paid for and we're asking for SANDAG to reimburse us. It comes out of TransNet money that is actually tax dollars that Oceanside citizens have paid for out of the sales tax, TransNet. All we are doing is asking for our tax dollars back instead of letting SANDAG keep it.

MAYOR WOOD withdrew his second on Councilmember Sanchez's motion. He **seconded** the substitute motion of Councilmember Kern to approve all of these items.

COUNCILMEMBER SANCHEZ heard earlier in the evening that we shouldn't be taking any more money from taxpayers. This money is tax from us. She doesn't get it.

Motion approved 3-1; Councilmember Sanchez – no.

COUNCILMEMBER KERN has been advised by the City Attorney that he has to recuse himself from Item 35.

[Councilmember Kern left the dais at 7:31 PM]

35. **City Council: Adoption of a resolution confirming the diagram and assessments for FY 2010-11 for the Douglas Park Landscape Maintenance District, Assessment District No. 5-1981, and ordering the assessments to be levied for FY 2010-11**

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

DOUGLAS EDDOW, Real Estate Manager, stated staff is recommending that Council adopt resolutions confirming the diagram and assessments and the levy of assessment for the Douglas Park Landscape Maintenance District. Council is required to hold a public hearing so that property owners can be heard regarding the annual assessments. There is an increase in the assessment for the Consumer Price Index (CPI) versus last year, which is .6%. Other than that everything stays the same.

No public input

Mayor Wood closed the public hearing.

COUNCILMEMBER SANCHEZ moved approval [and adopt **Resolution No. 10-R0498-1**, "...confirming the fiscal year 2010-2011 diagram and assessment for the Douglas Park Landscape Maintenance District, Assessment District No. 5-1981, and ordering the assessments to be levied for FY 2010-11].

MAYOR WOOD seconded the motion.

Motion was approved 3-0; Councilmember Kern absent due to conflict of interest.

[Councilmember Kern returned to the dais at 7:33 PM]

36. **City Council: Adoption of resolutions confirming the diagram and assessments for FY 2010-11 for ten of the City's Landscape Maintenance Districts: Del Oro Hills, Assessment District No. 1-1987; Guajome Ridge, Assessment District No. 1-1989; Mission Meadows Assessment District No. 2-1979; Mar Lado Highlands, Assessment District No. 1-1988; Peacock Hills, Assessment District No. 1-1977; Rancho Hermosa, Assessment District No. 3-1982; Santa Fe Mesa, Assessment District No. 2-1987; Sunburst Homes, Assessment District No. 1-1980; Sunset Hills, Assessment District No. 2-1982; Vista Del Rio, Assessment District No. 1-2001; and ordering the assessments to be levied for FY 2010-11**

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

DOUG EDDOW, Real Estate Manager, stated this is the same motion as for Douglas Park but is for the 10 other Landscape Maintenance Assessment Districts mentioned by the Clerk. The assessments remain the same as last year except for Guajome Ridge and Vista Del Oro, which have a .6% CPI increase added to their assessment.

No public input

Mayor Wood closed the public hearing.

COUNCILMEMBER SANCHEZ moved adoption of resolutions [confirming the diagram and assessments for FY 2010-11 for ten of the City's Landscape Maintenance Districts and ordering the assessments to be levied for FY 2010-11:

Resolution No. 10-R0499-1, "...confirming the fiscal year 2010-2011 diagram and assessment for the Del Oro Hills Landscape Maintenance District, Assessment District No. 1-1987"

Resolution No. 10-R0500-1, "...confirming the fiscal year 2010-2011 diagram and assessment for the Guajome Ridge Landscape Maintenance District, Assessment District No. 1-1989"

Resolution No. 10-R0501-1, "...confirming the fiscal year 2010-2011 diagram and assessment for the Mission Meadows Landscape Maintenance District, Assessment District No. 2-1979"

Resolution No. 10-R0502-1, "...confirming the fiscal year 2010-2011 diagram and assessment for the Mar Lado Highlands Landscape Maintenance District,

Assessment District No. 1-1988"

Resolution No. 10-R0503-1, "...confirming the fiscal year 2010-2011 diagram and assessment for the Peacock Hills Landscape Maintenance District, Assessment District No. 1-1977"

Resolution No. 10-R0504-1, "...confirming the fiscal year 2010-2011 diagram and assessment for the Rancho Hermosa Landscape Maintenance District, Assessment District No. 3-1982"

Resolution No. 10-R0505-1, "...confirming the fiscal year 2010-2011 diagram and assessment for the Santa Fe Mesa Landscape Maintenance District, Assessment District No. 2-1987"

Resolution No. 10-R0506-1, "...confirming the fiscal year 2010-2011 diagram and assessment for the Sunburst Homes Landscape Maintenance District, Assessment District No. 1-1980"

Resolution No. 10-R0507-1, "...confirming the fiscal year 2010-2011 diagram and assessment for the Sunset Hills Landscape Maintenance District, Assessment District No 2-1982"

Resolution No. 10-R0508-1, "...confirming the fiscal year 2010-2011 diagram and assessment for the Vista Del Rio Landscape Maintenance District, Assessment District No. 1-2001"

COUNCILMEMBER KERN seconded the motion.

Motion was approved 4-0.

37. **City Council: Adoption of resolutions confirming the Modified Engineer's Report, confirming the diagram and assessments, ordering the assessments to be levied for FY 2010-11 for the Oceanside Lighting District, Assessment District No. 2-1991**

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

DOUG EDDOW, Real Estate Manager, stated this is the existing district. The assessments will remain the same, there is no change. Council is required to hold a public hearing on this matter.

CITY MANAGER WEISS clarified this is the district that has been in place since 1991. This is not related to Council's action that is coming before you next week at the public hearing on the new/overlay lighting district.

No public input

Mayor Wood closed the public hearing.

COUNCILMEMBER SANCHEZ moved approval [and adoption of **Resolution No. 10-R0509-1**, "...approving the City Engineer's Report regarding the 2010-2011 fiscal year renewal of the Oceanside Lighting District, Assessment District No. 2-1991" and **Resolution No. 10-R0510-1**, "...confirming the 2010-2011 fiscal year diagram and assessment for the Oceanside Lighting District, Assessment District No. 2-1991"].

COUNCILMEMBER KERN seconded the motion.

Motion was approved 4-0.

PUBLIC COMMUNICATIONS ON OFF-AGENDA ITEMS

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

Advance written request to reserve time to speak: none.

32. Communications from the public regarding items not on this agenda

DONNA MCGINTY, 2405 Mesa Drive, made a statement about the operational efforts that are ongoing at KOCT. She has communicated with KOCT, City staff and Council. She believes the station's Board of Directors is not taking positive action in the best interests of the station. We do not need both stations to operate at this time to satisfy the public interest. There are any number of things that could be done to change it, including inviting the public to participate in decision-making that would accommodate the needs of the station.

She would like to know why the Senior Center food service has been stopped at the El Corazon center. Why did that fail? She understands it has been stopped for some time now and apparently the chosen caterer who was given that contract could not accommodate at the cost he had agreed to.

She has looked into the Welcome Center's interest and the City's interests in doing business with Visit Oceanside, Inc. She has checked them with the Secretary of State. There is a gentleman who is the receiver of service listed in the non-profit. She looked him up and did some background checking on him and anyone in the City who owns a business or is in business of any kind should visit the website visit oceanside and pay attention to what the California Welcome Center is funding. \$50,000+ from the General Fund and \$50,000+ from Redevelopment Funds are going to this effort to accommodate Visit Oceanside, Inc. They are not in the business of doing tourists' interests in this City.

COUNCILMEMBER SANCHEZ forwarded Ms. McGinty's email to the City Attorney and she believes the City Attorney is looking into this, since this is the last year that KOCT is getting funding from the City, whether during this year, being the last year of their funding, we could require it [open meetings] as part of their contract.

MS. MCGINTY had a question about the fact that they are publicly funded. She had the same issue with MainStreet Oceanside about attending their Board meetings. She has been told she cannot attend their Board meetings by the Board and Mr. Reeser this week in writing. She would like to know why that is the case when they are publicly funded. She would like City Attorney Mullen to give her clarification in writing.

COUNCILMEMBER SANCHEZ thinks that is going to be done.

CITY ATTORNEY MULLEN is looking at that issue and will give Council a written response and provide a copy to Ms. McGinty.

JOAN BRUBAKER, 1606 Hackamore Road, stated about 3+ months ago she called the County because there is a large directive sign laying on the ground near the intersection of Highway 76 and North Santa Fe. She called the County because it's on a County highway. They informed her it is the responsibility of Oceanside. She called the street department in Oceanside and left a message. No one called her back. This went on for about a month. About a month ago someone called her and she explained that there is a very large sign lying face down on the ground near that intersection on the eastside of North Santa Fe, adjacent to the park and the lake. That is where it has

remained for another 2 months. Is there some part of the street department that takes care of the signs on the County highway? She thinks someone should either clean up the sign or put it back in the ground.

DIANE NYGAARD, 5020 Nighthawk, Oceanside Charitable Foundation, knows it is tough economic times for the City but it is also tough economic times for our residents. When we did our research for our grant this year what we found was the number one issue of concern by community organizations was access to food. There are too many people in our community that are going hungry. This is no longer just a homeless problem; there are many working poor, children and seniors who are now going hungry. We are also hosting a community forum about hunger a week from tonight at MiraCosta College.

GERALD PALTIN, 4309 Via Tercero, lives in Rancho del Oro and was surprised to receive an assessment notice about lighting to be voted on. He noticed a while ago that the light was removed from the intersection where he lives because it was rusting at the bottom. There was no replacement so the intersection is without a light. There is a tremendous potential liability for the City in not putting up a light now instead of asking for a vote on it. He doesn't like the assessment process. He thinks you can assess all kinds of things if you start that process. There are questions about Proposition 13. He appreciates the benefits of Proposition 13 but it did create a lot of problems with funding for schools and other important safety issues. That may be the basis of the problem. He'd rather see an honest raise in taxes than use of assessments. He believes that assessments are really a tax and are a violation of Proposition 13.

WOODROW HIGDON, 2544 Rudder Road, commented on alleged corruption in the police department. He talked about a police sergeant that was drinking and driving and when he was caught and they found out he was a police officer, the cover-up goes into high gear and the investigation starts shutting down with no arrests/citations - nothing. There was a question about the audio tapes that the police department might have on this investigation and whether or not they existed. He also made comments on the long history of audio tapes and criminal investigations being hidden. He reviewed officers hiding evidence and falsifying police reports, etc., on previous cases.

ADJOURNMENT

MAYOR WOOD adjourned this joint meeting of the Oceanside City Council, Community Development Commission and Small Craft Harbor District Board of Directors at 7:52 PM on June 23, 2010. [The next regularly scheduled meeting is on Wednesday, June 30, 2010, at 3:00 p.m.]

ACCEPTED BY COUNCIL/HDB/CDC:

Barbara Riegel Wayne
City Clerk, City of Oceanside