



California

# CITY OF OCEANSIDE

## MINUTES OF THE

## CITY COUNCIL

April 2, 2003

**ADJOURNED MEETING                      10:00 AM                      COUNCIL CHAMBERS**

Mayor  
Terry Johnson

Deputy Mayor  
Esther Sanchez

Councilmembers  
Rocky Chavez  
Jack Feller  
Jim Wood

City Clerk  
Barbara Riegel Wayne

City Treasurer  
Rosemary Jones

The adjourned meeting of the Oceanside City Council was called to order by Mayor Johnson at 10:00 AM, April 2, 2003 for the purpose of a Mayor and Council Workshop. The Pledge of Allegiance was led by Councilmember Wood.

### ROLL CALL

Present were Mayor Johnson, and Councilmembers Feller, Wood and Chavez. Deputy Mayor Sanchez arrived at 10:01 AM. Also present were City Manager Steve Jepsen, City Attorney Duane Bennett, and Assistant City Clerk Charles Hughes.

### WORKSHOP ITEMS

1. **Presentation and discussion of the FY 2002-04 Biennial Budgets**

A) **City Attorney**

**DUANE BENNETT**, City Attorney, presented the City Attorney's Office proposed budget 2003-04. Their budget contains some potential cuts or salary savings for Council's reference and review. The mission statement of the City Attorney's Office was reviewed.

He referred to the current organizational chart of the City Attorney's office with their responsibilities. Currently there is himself, as City Attorney; Anita Willis is Assistant City Attorney; and Pamela Walls, Cynthia Morgan, Jodi Doucette and Frank Balistreri with their areas of responsibility as listed. There are 4 current support staff members, with Dobrilla Undheim in a temporary Administrative Secretary position.

The current budget: Personnel is \$1,082,288; Non-personnel Operating cost is \$105,110 and Interfund Service Charges is \$185,432, totaling \$1,372,830. This is General Fund money. The bulk of the money spent in the City Attorney's office is spent for personnel expenditures and costs.

The proposed cuts could be: 1) The Consultant's Account currently has \$33,000, and \$28,680 could be taken from this account, leaving approximately \$5,000. The Consultant's Account is an account that is used for situations such as when the City was going through the issue with Proposition M and there was a need to use funds from that account to assist the City Attorney in analyzing ballot issues and retaining attorneys who specialize in that aspect of litigation. \$28,680 could be taken from this account and given

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back to the General Fund. 2) Independent Contractors Account could be closed and \$10,000 given back to the City. 3) Training and Travel Budget could be cut in half. The fact that attorneys have mandatory continuing legal educational requirements will mandate that there be money in the Training Budget in order for the attorneys to maintain licenses. 4) Administrative Secretary position (currently filled by Dobrilla) could go vacant; if it remains vacant there could be an impact of overtime expenditures. 5) Books and Publications could be reduced by \$10,000 to require more to use the law library. If the Attorney's Office is not updated in terms of the current status of the law, it cannot function or advise a City or any governmental entity or any client without having updates to the law. The bulk of the money for Books/Publications goes to update the library. 6) Equipment maintenance: Information Technologies handles most of the equipment maintenance so that budgeted amount [\$4,130] could be returned. 7) Deputy City Attorney Jodi Doucette will be taking a sabbatical next year, which will be a cost savings to the City of \$17,886 for a total savings of \$104,282.

City Attorney Bennett noted that with his departure from the City, Council could decide how to proceed with the City Attorney position. You could have a vacancy there but he noted that is not a salary savings for the City, although it may look so on paper. To the extent that an Attorney's Office makes a mistake and you have a lawsuit or to the extent that you have to employ an outside attorney to handle any aspect of the work in the City, it will cost more money. A case in point is one case that the City is involved in where there is a conflict of interest. The City has had to retain an attorney to deal with that case. The attorney's proposed pre-litigation budget of how much it would cost to handle this one lawsuit was \$180,000+, for one case, involving one person. We did not want to spend that money so we replaced the attorney with another public law firm. The proposed budget is still approximately \$100,000 for one lawsuit. Council could allow the City Attorney's Office to go down one attorney, but if the City needed to hire outside attorneys to handle any aspect of a lawsuit, that savings would be lost and potentially cost a lot more.

So these are the cuts that could be made.

**COUNCILMEMBER CHAVEZ** asked if the outsourcing that was just mentioned was shown in this budget.

**CITY ATTORNEY BENNETT** indicated that it was not shown since it would be paid out of the Risk Management budget.

**COUNCILMEMBER CHAVEZ** wanted to know how much was in the Risk Management Budget.

**STEVE JEPSEN**, City Manager, said that the Risk Management Budget was \$2,400,000.

**COUNCILMEMBER CHAVEZ** asked if all of the Risk Management Budget falls under the legal area.

**CITY MANAGER JEPSEN** replied that Risk Management is handled separately, although in consultation and close coordination with the City Attorney's office; however, it is a separate budget. If there is money left over in that account at the end of the year, they have done 2 things with it, depending on what outstanding claims we have and whether we have set up reserves for them or not. We have either carried it over to support the need for stuff we know is going to happen; or we have turned it back in to the City's General Fund. This comes forward for Council's discretionary action after the first of each budget year.

**COUNCILMEMBER CHAVEZ** was asking because of a memo he sent after the last budget meeting referring to activities and processes. In this case you could break out the activity or process which could be legal. So by having pots of money in different programs like the Risk Management Budget, we do not see the total on this as far as the City Attorney's budget. If we wanted to change the process or leverage that, we need to see all of the resources that go into the process. That is the point that he wanted to highlight

because the memo that he sent last week shows that the presentation that they are receiving from the City Attorney's office is not the total allocation of resources in the legal area.

To respond, **CITY ATTORNEY BENNETT** added that one thing you will also find is that when Council gets the bi-annual City Attorney's litigation report, that cost factor, which is an additional expense to the City, is broken out on a case-by-case basis. The expenses would have to be totaled to see exactly what the costs are, but it is there for your reference. The bulk of the cases in the City Attorney's Office are handled inside, but sometimes there is specialized litigation, or there is an awkward situation where outside council is needed.

**COUNCILMEMBER CHAVEZ** felt that as we go through the budget briefs we need to understand the process so that when Council makes their final recommendations they can adjust funds and put resources into the proper areas.

**MAYOR JOHNSON** stated that it would be helpful to Council that, when we look at the budget, we also have the information on the costs of litigation and how that cost is broken down because some departments have significant impacts to the City Attorney's department budget.

**CITY ATTORNEY BENNETT** replied that he would get that information to Council.

**CITY MANAGER JEPSEN** pointed out that the Risk Management Budget includes more than just litigation costs. It also includes memberships and Joint Powers Insurance Authorities (JPIA) for insurance and coverage for claims against the City. Although the City Attorney's Office is involved in overseeing a lot of that work, on an annual basis we try to anticipate what the future claims will be. Occasionally there are cases with unusual costs. We try to normalize those costs over an extended period of time. The risk management organizations that the City pays into on an annual basis help normalize the cost. Staff will bring additional information back to Council.

Both he and City Attorney Bennett realize that there is concern. He understood the City Attorney's position to be that the work should be done in-house with the attorney's that are on staff; or the City can contract all this out, and it will cost a lot more money.

**MAYOR JOHNSON** recalled that prior to Mr. Bennett becoming the City Attorney the City farmed a lot of the additional workload to outside firms and attorneys.

**CITY ATTORNEY BENNETT** stated that the only other City Attorney Office in the County that litigates in-house as Oceanside does is San Diego. Escondido handles a small amount, but not the same as Oceanside. He does not feel that there is another City Attorney's office in the County that litigates along the lines as we do with our litigators. The choice is up to Council as to how they wish the City Attorney's Office to function; they can outsource it or they can keep the litigation in-house.

**MAYOR JOHNSON** feels that the way that the City Attorney's office is being handled now is more cost efficient than it was before.

B) **Finance**

**CAROL SWINDELL**, new Financial Services Director, presented the Financial Services Budget and stated that it would change slightly on April 13, as Information Technologies (IT) will become part of the department. IT will be presenting their budget separately at a later time due to the birth of Michael Sherwood's new baby. The budget includes: Administration, Accounting Services, Revenue and Business Activities, Ambulance Billing and Risk Management.

The Administration function provides leadership to the Financial Department, to other city departments, to City Council and to the City Manager to ensure that the fiscal policies of the City are well established and maintained to the highest standards and that

we comply with State and Federal regulations and best practices. The measurement is a timely review and production of useful financial policies, procedures, and data. The Administration Budget currently includes 2 positions and totals \$213,135, which is from the General Fund.

The Accounting function provides full service accounting functions including Payroll, Accounts Payable, and Financial Reporting for the City. We have been working over the past 1½ years to streamline internal processes in the accounting functions to better serve our customers, and we will continue to do this. We have a work program that extends 3 to 5 years where we will work on continuous process improvement in accounting and other financial areas. We are working to identify and remedy any accounting procedures within the City that do not conform with laws and standards. They have an annual audit by an independent certified public accountant. We also have State and Federal authorities that do audits periodically throughout the year to ensure that the City is in compliance. One of the measurements is the processing time; we have been working on the payroll function and have decreased the payroll turn around by 40%. We are reducing error rates through any internal audit processes as well. The Accounting Budget totals \$1,627,666 and has 18 positions that are funded by the General Fund.

The Revenue and Business Activities program ensures the collection of cash for services provided by the City. We maintain accurate and timely billing and collection for utility services, which is water, sewer and solid waste. This division manages the collection of parking citations and the business licensing program. Customer service is especially important because there is a lot of walk in and phone traffic. The Revenue Division also serves as the central cashier for all City Departments. We periodically review and analyze collection rates and take appropriate action. We assist departments with rate studies; we look at policies for revenue collection and make sure that they are following best practices. We continue to work on improving those functions and accountability. The Revenue and Activities budget includes 19 positions and totals \$1,976,005 and is completely supported by enterprise activities. The Utilities and Solid Waste funds support this operation. Also in this program is Ambulance Billing, which was transferred from the Fire Department at the beginning of this year. We are working on improving the collection rate with Ambulance Billing. We maintain and set the policies for revenue collection in accordance with Federal, State and local regulations. One of the recent regulations that we are working to comply with is the Health Insurance Portability Act (HIPA) that has certain requirements we need to meet. The Ambulance function includes 2 positions and totals \$106,483. It is funded by the General Fund but is supported entirely by ambulance fees.

Risk Management's objective is to protect the City's assets and resources from risk of loss by identifying potential areas of risk and taking steps to minimize exposure where possible. We look at our loss ratios as a measurement and the cost of risk as a percent of total City budget. The Risk Management function includes 1 position and totals \$2,377,958. The bulk is spent on operating costs that include insurance, which has been steadily increasing as the insurance market has become tighter. This budget also includes claim costs. The Risk Management fund is an internal service fund and gets charged out to all City functions based on use.

In looking at overall service reduction options for the next fiscal year, the Administrative Services Director is retiring, and we are proposing to eliminate one financial management position with that retirement, which will save the City \$125,000. At the direction of the City Manager, we are looking at consolidating city-wide accounting functions. There are several disparate accounting functions where we believe that, through economies of scale and focusing on centralized management of grants management and other accounting functions, we can save at least ½ of a position, possibly more through that consolidation. The City Manager has also directed that we consider as an option consolidation of the City Treasurer's staff with the Financial Services Department, again to increase the efficiency of operation and focus resources where we can make the best use of them. Another option is to eliminate the retainer for the outside financial advisor. They are paid \$1,000 a month to provide financial assistance on any complex financial issues that come up. Finally, an option that would extend beyond one year is that we believe there are some opportunities to reduce maintenance costs and increase functionality by

changing the financial software. The current software requires a significant amount of staff resources and cost for maintenance. There are software packages that are better designed to meet governmental financial reporting requirements.

**COUNCILMEMBER FELLER** wanted to clarify for the public the annual revenue generated by Ambulance Billing

**MRS. SWINDELL** responded that it was in excess of \$2,000,000. We are also looking at taking the necessary steps to increase the efficiency by which we collect and process the bills and also to increase the collection rates. Sheri Brown, Revenue Manager, is in the process of finalizing a proposal for collection services for city-wide receivables.

**COUNCILMEMBER CHAVEZ** wanted to understand a couple of things. On the Financial Services Accounting slide, in the measurements "processing time for payroll turnaround has been reduced by 40%," he asked how this percentage was measured or captured and asked what decisions were made after that to save 40% of the time.

**CHARLES McBRIDE**, Accounting Manager, responded that the measurement was made in days to process, where it used to take us 5 days to process payroll, it dropped down to 3 days, giving the 40% reduction figure. Before, we were using temporary help, and we are no longer filling the temporary position.

**MRS. SWINDELL** interjected that we hired a new staff person who is doing a wonderful job working with the various payroll coordinators within the departments to identify areas where we can streamline the process. There have already been some successes from that. There are still opportunities to be worked on. Mr. McBride has been here 6 months and has done a wonderful job working on the areas that have been identified as opportunities for savings and increased customer service.

**COUNCILMEMBER CHAVEZ** understood them to say by saving the time, they did not have to hire people on a temporary basis to fulfill the process.

**MR. McBRIDE** answered affirmatively and stated that it has also allowed us to increase functionalities of certain positions. The Payroll Supervisor has been able to take over other jobs such as fixed assets, because less time is being spent on processing payroll. This enables them to fill some gaps.

**COUNCILMEMBER CHAVEZ** questioned that they hired a new person.

**MRS. SWINDELL** answered that there was a vacancy. She stated that there are a number of areas where the City has opportunities to focus on financial processes that have not been focused on in the past. We will continue to use the resources we have city-wide to address those areas in the most efficient way possible.

**COUNCILMEMBER CHAVEZ** responded that, as you change processes to save time and thereby not having to hire temporary workers, but if you rebuild a structure like hiring somebody, then the savings becomes an expenditure unless there is a way to measure how this could capture more savings by changing other processes. That dynamic needs to be seen as changes are made within the organization. He would like to discuss the matter at a later date.

The other question was on the Revenues and Business Activity objectives, where it says to "... provide courteous customer service while informing the public about City regulations". He asked how they defined/measured customer service.

**MRS. SWINDELL** answered that this was another area in which we could make some improvements. We have customer feedback cards, but we also get a lot of informal feedback from the customers. Based on the measurements that we are using now, the customer satisfaction rate is very high.

**COUNCILMEMBER CHAVEZ** responded that the reason that he asked about customer service is because in the memo he sent, there are 4 measurements in an organization that is called a balanced approach to look at an organization: money, process, morale of the organization, and customer service. So if staff has a method of measuring customer service, is it unique to the Finance Department or does the City have a universal way of capturing customer service so when the Councilmembers meet with the citizens we know that the City is meeting their needs.

**MAYOR JOHNSON** answered, stating that on the back of his business card he has the mission statement of the City, which was developed 3 to 4 years ago. The mission statement reads, " The City of Oceanside's mission is to enhance the quality of life through outstanding service to its diverse community". From what he has heard today from Finance, they are providing outstanding service, and he certainly hopes that all of the departments are taking this to heart. Three to 4 years ago in a retreat setting, Council and staff struggled to come up with this mission statement regarding outstanding service to the diverse community.

**COUNCILMEMBER CHAVEZ** asked about the method in which they are measuring customer service; is it unique to the Finance Department, or is it generally used by the entire City.

**CITY MANAGER JEPSEN** stated that historically the City has not done a comprehensive survey of customer service satisfaction. The input that is received varies by department. Some departments do more extensive surveys than others, and some departments leave it up to chance with regard to customers actually picking up the survey instrument and filling it out and sending it back. The primary method of tracking customer satisfaction in the past has been based on negative input, and the less negative input that is received indicates a better job is being done.

The City needs to do a more comprehensive survey. There is a difference between the job that the City is doing overall versus the customer satisfaction of someone who is standing at the counter waiting to pay a parking ticket that they probably are not pleased to have received in the first place. We would need to talk about a universal system for soliciting the input, and that is a good direction to take.

**COUNCILMEMBER CHAVEZ** responded that would be good because as we start cutting budgets, the 4 elements -- money, process improvements, morale of the organization, and customer service -- are going to be benchmarks so that the City knows where they are going. As he walks in the neighborhoods, customer service is what the citizens care about. He agrees with the Mayor that the City needs to meet the diverse community's customer service needs.

In reference to the retirement of the ASD Director, he asked what department that was in.

**MRS. SWINDELL** answered that as the budget exists the Administrative Services Department includes a Director's position and a CFO's position. We are proposing to eliminate the CFO's position and have her position as Financial Services Director manage the direction of the overall department.

**COUNCILMEMBER CHAVEZ** asked if the \$125,000 savings that would be realized from not filling the ASD Director's position would come out of the Financial Services, Administration Budget of \$213,135. **MRS. SWINDELL** answered affirmatively.

**COUNCILMEMBER CHAVEZ** stated that the last issue he wanted to address was the consolidation of the City Treasurer's staff with the Financial Services department.

**CITY MANAGER JEPSEN** answered there are 2 employees in the Treasurer's Department that could assist with other tasks. Whether they are left as separate departments or brought together is not as important as examining the opportunities for them to pick up other workloads within the Finance Department. The City Treasurer's

Department has fiduciary responsibilities and needs to maintain independence in that regard. They have investment responsibilities that are their priority and need to remain their priority. To the extent that that staff has the capacity to do other functions within the finance area needs to be a discussion between the City Treasurer and the Financial Services Director. Perhaps there are some opportunities there that have not been explored and could be discussed further. That was the intent of putting this option in the budget. They could be rolled into one department in the future, but it is not necessarily so, if we can identify the functionality of the support that can happen there.

**ROSEMARY JONES**, City Treasurer, stated that, in defense of her department, the 2 employees that are there are very efficient, and they are unclassified and confidential. Anyone else who would come in would have to fit into that category. She would be very disappointed if the Treasurer's Office were to be melded into the Financial ASD because she feels that over the years we have served the City well and have maintained confidentiality. The market is down as far as interest is concerned, but that is not the department's fault. We are doing the best we can with what we have, and gradually within a 2 year period she expects to have a financial advisor on a retainer only for when there is a problem or we need more advanced experience. That represents a \$78,000 savings. She does not think that people realize how much we do with the Finance Department. We do a cash flow every morning,, we look at outstanding checks and work on recovering checks that have bounced; and we perform many other functions. We also work with the bond people on the bonding for the City. She feels that we carry our load. She reiterated that she would be very disappointed if it is decided that we should not be a separate department.

#### Public Input

**JIMMY KNOTT**, 124 Sherri Lane, has some points regarding what had just been discussed. The displays that have been shown to the public are unreadable, too quick, and no handouts are available. Regarding the City Attorney's Office, do they file counter suits seeking reimbursement for the attorneys' costs if the case is won and if so, how much does the City receive? There was no explanation of shared costs for legal assistance from and to projects/developers in other cities. What is the benefit to the City from such mandated processes? Is the burden of the legal services being charged to the beneficiaries instead of the taxpayer? There are no cumulative costs for specific claims and actions, such as the cost of Manchester or political legal advice for the El Corazon opposition. What are the costs for the Cox or Waste Management legal activities? There are no separate line items that would seek reimbursement in those contract negotiations.

When the Finance budget was presented, there were 5 separate budgets that weren't consolidated in the initial presentation, and this was confusing. The total amounts to over \$6,300,000, which is 8% to 10% of the budget. Do their cuts reflect 8% to 10%? Also, the continual problems with J.D. Edwards's accounting software because of the poorly written contracts were not given. Why aren't there cumulative costs, and why were those costs not given. There is no vision on how things can be done differently and no consideration of new revenue resource generators or public involvement in these processes.

Customer service is measurable. Edwards W. Dimming in *Quality Control Management* addressed the issue and set up a system for doing it. The Water Department has addressed this issue and is making dramatic changes. Other departments should pay attention to that. They were able to quantify response time and issues. These are issues that you have before you, and you need to address them.

**C) Information Technologies** – removed from today's agenda

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

**JEAN KUJAWA**, 4914 Glenhaven Drive, addressed Council regarding the Planning Commission. None of this information trickles down to the Senior Citizens' Commission. The Senior Commission does not know about items in order to consider the senior issues. They did not know about the new Adult Day Care Center. The Adult Care Center is under the authority of the State. They are the ones who approved the new center, and she wonders why they approved it when they already have one in the area. This information does not trickle down. When any commission or department deals with items that concern the seniors, we should have the information to discuss at the Senior Commission.

**COUNCILMEMBER CHAVEZ** requested that the unions in attendance at this meeting be identified. He saw the e-mail that went out that asked them to be in attendance. He wanted to get a sense of who was here, and perhaps they could request this information for each of the budget meetings.

**CITY MANAGER JEPSEN** wasn't sure who were counting themselves as representatives but OCEA, MECO and Fire unions are represented. The schedules are out, and supervisors have been advised to grant the time to attend the sessions to the extent that they find them useful.

**COUNCILMEMBER CHAVEZ** welcomed them to the meeting and would like to see all of the unions at these workshops because the decisions that Council will be making will be impacting them. He is looking forward to input from them.

**MAYOR JOHNSON** echoed that, because at the last workshop we touched on some significant impacts to the City and to possibly the City employees over the next 2 to 3 years. As we continue this process, we will re-discuss these items.

#### **ADJOURNMENT**

**MAYOR JOHNSON** adjourned this meeting at 10:50 AM on April 2, 2003. The next regular meeting is at 2:00 today.

#### **ACCEPTED BY COUNCIL:**

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Barbara Riegel Wayne  
City Clerk, City of Oceanside

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# CITY OF OCEANSIDE

## MINUTES OF THE CITY COUNCIL

April 9 2003

**ADJOURNED MEETING      10:00 AM      COUNCIL CHAMBERS**

Mayor Terry Johnson	Deputy Mayor Esther Sanchez
Councilmembers Rocky Chavez Jack Feller Jim Wood	City Clerk Barbara Riegel Wayne City Treasurer Rosemary Jones

The adjourned meeting of the Oceanside City Council was called to order by Mayor Johnson at 10:00 AM, April 9, 2003, for the purpose of a workshop. The Pledge of Allegiance was led by Councilmember Wood.

### **ROLL CALL**

Present were Mayor Johnson and Councilmembers Feller and Wood. Councilmember Chavez arrived at 10:03 AM; Deputy Mayor Sanchez arrived at 11:17 AM. Also present was City Manager Steve Jepsen and Assistant City Clerk Charles Hughes.

### **WORKSHOP ITEMS**

1. **Presentation and discussion of the FY 2002-04 Biennial Budgets**
  - A) **Information Technologies (IT)**

**MICHAEL SHERWOOD**, Information Technologies Manager, stated that there are 9 total programs that make up the technology budget:

Information Systems and Infrastructure is basically computer desktop support and general software response areas. The objectives are long-term planning, strategic planning of technology for efficiency and productivity, and to provide end-user training. Also included are management of systems, design and installation of new systems and maintenance of the systems that are installed. There is an average of 50 calls per day for support services, which are answered within a 24-hour period. There are over 1,000 different types of computers: there are 950 desktops, 110 laptops, 185 servers that manage different databases throughout the City. We also develop and maintain our own databases internally for other departments to use. We have developed 54 different databases, 20 of those are custom applications. We do web site development and maintenance, online billing applications, and backing up all of the computers and servers, and making sure that that data is protected in case of unforeseen disasters. Oceanside is one of the few cities in all of San Diego County that provides a broad range of different types of functions that are traditionally not IT functions, which is why there is so many different programs. The average IT departments do not necessarily handle facility maintenance and alarm systems, but we handle that here because they are integrated into the network for cost savings. Fifteen people are in this group. The Capital is \$346,650 with

the different budget figures [total \$2,104,868] and the funding sources [are General Fund, CDC, Water, Harbor, Solid Waste and Other Funds].

The service reductions that are being looked at are: 1) Reduction in computer training for employees; the impact would be that some of the employees who did not have to call for support will have to call for extra support; 2) Reduction in spare parts inventory; the impact is repairs might take longer if they have to call for parts, as they would not keep an on hand stock of parts; 3) Eliminate support/maintenance of Community Computer Centers which provide free use of computers whether at the resource center or at the Main or Branch Library. They are looking at working with the library on either reducing or collectively coming up with a strategic plan for these types of offerings. This would help save some of the technology costs, etc. It would be less computers broken up in different areas, so they would work together to determine what the annual savings would be. They will be working closely with the Library and Recreation on developing some type of plan that would be brought back to the City Manager for review; 4) Reduction in overtime--currently we provide 24-hour support 7 days a week for all departments throughout the City. When computers or phones are down, a technician will generally respond within 4 hours or less. They are looking at cutting that overtime out and supporting only public safety on a 24-hour basis. General City services would not be supported; 5) reductions in Support Center staffing and hours--they are open from 8:00 AM until 7:00 PM, and we would reduce those hours to 9:00 AM to 4:00 PM; 6) Eliminate one Information Systems Technician; they would then outsource the repair work to a third party provider; 7) Reduction in new computer specifications — we currently buy computers with higher specifications with the hope that they will last longer. This would realize a short-term savings but, with the way that computers turn around so often now, prices are lowering anyways. So instead of buying a \$1,500 computer that will last 5 years, perhaps a \$1,000 computer would last 4 years. There is a minor trade off, which would provide savings up front. Since computers change so frequently, the reductions in specifications might weigh out in the end where it would be a level playing field; 8) Reduce daily pickups of data cartridges -- we currently have our back-up tapes from the servers every day sent off site so that, in case of a natural disaster of some sort, we would be able to restore everything back. Currently they have pick ups once a day, and we are looking at reducing that to once a week. We will move the data to the COC so that it will still be off site of this location, but it will only go completely off site once a week instead of every day.

Telephone and Radio Service This program maintains the telephones and radio service. We don't actually maintain the radios themselves but the phone circuits that allow the radios to operate--we make sure that the Pac Tel bill is paid and that the line is working, so we work in tandem with the County on this as well as all of the telephone lines. There are over 2,041 phone lines that go through the City; 209 pagers; 305 Nextel telephones; and 130 data communications circuits that range from sewer lift stations to all types of street lights and maintenance that tie into this fund. The budget is broken out as listed: telephone and voicemail software maintenance -- yearly maintenance fees; call recorder, a Police Department application; telephone replacement; local and long distance phone service; radio service; network and wireless data, which is basically Mobile Computer Terminals (MCTS) for Fire and Police for computers in their vehicles; cellular phones; and pager Services [total \$850,663]. The Funding sources are General Fund, CDC, Water, Harbor, Solid Waste and Other.

For service reductions we lease service from Pacific Bell, which is a piece of fiber, and we are looking at several options. Instead of leasing fiber, we will lease a different type of connector that is a lower size so that it is less money paid out. The only impact would be that, at peak times when people are using all the phones and all of the computers, there might be some service interruptions between the main system and the City Operations Center (COC) and other remote locations, since there may not be enough band width to make all of that happen. Even with the reduction, it would still be performance capable. Another area for reduction would be reducing the number cellular phones. There are 305, and they could decrease those to key employees only within the City.

Copiers and Printers. IT covers all of the copiers and printers with facts and figures on different printers and how many copies have been made throughout the year, how many copy machines we have, the toner, cartridges, etc. We clean and test all copiers on a monthly basis. The budget for laser printer repair/maintenance, toner, staples and actual Xerox contracts that maintain the copiers totals \$4942,009. The funding sources are the general fund, CDC, Water, Harbor, Solid Waste and Other.

Some of the service reduction areas would be to eliminate one onsite Xerox technician who repairs and maintains all of the 60 copiers on site, handles copy jobs, does color printing for different departments and handles breaks and fix of all the copiers as well as all of the laser printers. We would outsource that and would have to call Xerox, so it could be anywhere from 1 to 2 days for a copier or printer to be repaired. These options can be mixed and matched. We could centralize color printing; currently every department has different color laser printers. We could get rid of all of the color printers and centralize color printing into one location or perhaps 10 locations for a reduction in color printing. It would be a longer turn around time for color prints. At present, we try to replace all our printers on a 3-year cycle. This could be extended to 4 years. The possibility of increased printer repairs and downtime would be the impact. The number of copies throughout the City could be reduced. Certain floors have 2 or 3 copiers per floor. We could centralize by floor. As an example, rather than a department having a copier, it could be the entire floor sharing a copier. There could be a build up of people needing to make copies. There are different logistics that could occur. Another option is that currently the City has a centralized copy center, although people do not always submit all of their jobs since they have copiers in their offices. An internal copy center could be set up on the order of a Kinkos, where people could go to make their copies. This would reduce copy machines across the City.

Utility Billing is another area that IT supports, providing operation and maintenance of all the utility's hardware and software, which print the water bills. We develop and maintain the system and assist with printing the bills on a nightly basis. There is one full time person in this position to maintain the software and to assist with the printing and processing of the utility system [total is \$352,584]. Oceanside accepts online credit card payments for water bills, and a cost reduction would be to eliminate that service. Citizens would no longer be able to pay online via their credit card to produce a savings [\$15,000].

City-wide Software Support Currently there are 900 to 1,000 computers throughout the City. In order to stay current, we have to buy licenses for the different software programs on a yearly or every two-year basis, depending how often upgrades come out. We also maintain other software packages, the financial system, workers compensation system, payroll, etc., all of which have different license fees that have to be paid on a yearly basis. A lot of the expense goes to Microsoft as far as paying Microsoft renewals on desktop computers. The budget totals \$482,004.

A proposed savings for this area is to reduce the number of Microsoft upgrades; we try to stay current with what Microsoft has available, which means a yearly upgrade for every computer, and for every computer you must buy one run-time license. We would look at not bringing all computers current every year; we would take a slower approach of maybe every two years on upgrades. The potential impact would be that if other agencies or corporations have later versions, it could cause incompatibility problems.

Another savings potential would be to eliminate the Community Computer Centers computers. Each computer has a licensing fee for running Microsoft and the different programs that are in those machines. We will work with the Library and Recreation to look at different ways that they can consolidate and redistribute the computers to lower costs.

Another reduction is to eliminate the Web filter that screens all of the Web traffic. As the internet is being browsed from the desktop, it looks for information that is not appropriate for City viewing. We pay a fee every year for that software. This could be eliminated with the impact being that there would be no protection for employees to go out and surf freely without any monitoring.

Public Safety Support IT provides one full time person who manages the Computer Aided Dispatch System (CAD) but also works at the Police Department and helps with their computer operations on a day-to-day basis. The Public Safety System is comprised of 14 servers, 11 different facilities that have CAD outside of the Police Department, the mobile computers that are in the vehicles and support of the 11 dispatch stations and the two Emergency Operations Centers (EOC). The budget totals \$267,416 as shown.

We have no reduction recommendations in this program.

Building Controls and Security We maintain the different facility access systems that include the card key to open doors, egress and access systems, as well as the fire alarm systems for the majority of the City facilities. There is an operating budget of \$60,000 to cover these expenses for all of the facilities that have alarm systems. The only reduction recommendation is that IT would no longer maintain the system; there is no other reduction to cut back on services.

Audio Visual This is the support person who works in the Council Chambers assisting with Council and commission meetings, works with the PIO on the Oceanside Update program, as well as making copies of video tapes and assisting with other events that happen in the Chambers. There is one full time person--the number of hours is higher than most employees because there is a lot of overtime based on the number and length of meetings. There is a small operating fund for replacing light bulbs, monitors, and microphones, etc. [Total budget is \$103,242]

There are a few reduction options. One is that we could eliminate the support position and backfill it with IT general staff to run just the Council and Commission meetings, and it would reduce overtime. No other type of meetings outside of those would be supported.

Supervisory Control and Data Acquisition (SCADA) System This system is for the Water Utilities Department. IT provides for their new system implementation services and support for their water telemetry and control system, which is currently being installed. It is a small program that will most likely grow as the years go on. There is currently one full time person to assist the Water Department with the installation of that system [Total budget: \$47,882].

If this program were to be cut, the Water Department would have to train their own staff on computer support and maintenance in order to maintain that system.

Regarding the Audio Visual person that assists with the Council meetings, **MAYOR JOHNSON** asked when the overtime begins; is it past 4 PM or when.

**MR. SHERWOOD** responded that it used to start at 6:00 PM; however, the schedule was altered so that overtime would not start until 12:00 AM, and there has not been much overtime from Council since the schedules have been adjusted. Occasionally the Planning Commission and other commissions go longer. There was a recent Planning Commission meeting that went until 1:00 AM. His schedule has been adjusted accordingly, which shows how it can be reduced. The Council meetings are not the main cause of overtime now; it is more the different commissions and committee meetings that are in the after hour time slots.

**MAYOR JOHNSON** asked what the figures were for the overtime.

**MR. SHERWOOD** replied approximately \$5,000-10,000 a year.

**COUNCILMEMBER FELLER** asked if he wanted to pay his water bill directly, could he tell the City to automatically deduct it directly from his checking account.

**MR. SHERWOOD** answered yes; there are two different options for payment. There is credit card payment where the Web site can be accessed and you can pay with a credit card. There is also a process that uses a clearinghouse where a form is submitted

that authorizes the City to take the amount of the water bill out of the checking account on the day that is specified — like an auto debit. He should have made it clearer— it is any electronic means for processing payments. The cost of \$15,000 that was shown on the budget as a potential savings covers online credit card payments as well as electronic debiting through clearinghouse providers. If we eliminated that service completely, all bills would have to be mailed in.

**COUNCILMEMBER FELLER** did not think it would be a good idea to eliminate the Web filter system as he feels it is too important. Also, when times are better, the City can reinstate any of the services that may be cut.

**COUNCILMEMBER CHAVEZ** apologized for being late, but he was just getting his notice that his job was just cut at the School District. In the initial brief on page 3 it showed the total budget of \$2,100,000, and he questioned whether, if all the sub elements were added, they would add up to that figure.

**MR. SHERWOOD** responded that on page 3 if all the sub elements were added it would come to the \$2,100,000; however, if all of the other programs were added it would be closer to \$4,000,000. The base IT budget is \$2,100,000. Then each of the programs is added in, and there are 9 total programs: base IT and then all the supplemental programs that IT oversees, which is not necessarily an IT cost, it is a shared cost either by one department or a shared cost across the entire organization.

**COUNCILMEMBER CHAVEZ** responded that they are then overseeing a \$4,000,000 budget. So when we look at things like the credit card item with \$15,000 savings, this is a good example of a cross function that one department may be saving \$15,000 for reducing a credit card capability on line payment system, but then the loss of that capability would increase hours or manpower within another department.

**MR. SHERWOOD** responded that it was possible; technology is an efficiency tool. So the possibility of cutting back on certain technology applications could lead to additional manpower. In this case of whether the \$15,000 is replacing a full time individual, he would say no, it is more of a convenience item, but that is from the technology prospective. He would have to work with the CFO to see how much business is being done through that in order to give a precise figure on what it is doing. What he sees transaction wise is that it is nice to have, and he felt that as time goes on more citizens would use that to pay their bill.

**COUNCILMEMBER CHAVEZ** replied that when it is looked at cross functionally, the online paying does impact upon the workload of another department, maybe not a complete person, but it does impact them, etc. When savings are looked at, it may be saving money in IT's budget but it is like moving the issue to another department, so we may not want to do that.

**COUNCILMEMBER WOOD** inquired if the local and long distance phone service had been out to bid recently.

**MR. SHERWOOD** responded that it has not. It has traditionally been with Pacific Bell, which, at the time was the only regional carrier that provided local phone service. Recently, he believes Cox has been offering residential service, and he believed that they were now offering local business phone service. It is something that we need to look at.

**COUNCILMEMBER WOOD** also had some concerns about the CAD system at the Police Department; TriTech handles the software, which is a big expenditure. There are a lot of problems with the CAD system, and will TriTech be able to handle that.

**MR. SHERWOOD** concurred there were problems and there are still some software issues with CAD today. He believes that TriTech will be able to handle it in the future, as he believes their staff is an excellent resource, has helped them and is providing the stability to keep the system functional and operating efficiently. From a technology standpoint, it is one of the better systems in which to invest.

**CITY MANAGER JEPSEN** stated that the recent negotiations with Cox Cable included \$500,000 for City I-Net. If Mr. Sherwood were able to utilize those funds to provide connections between City Hall and other City buildings, could that improve efficiency or somehow lower costs in providing back up systems?

**MR. SHERWOOD** responded yes. Currently we lease fiber from Pacific Bell at \$5,000 a month between City Hall and the Police Department, and between City Hall and COC that is a month-to-month lease. If there were fiber in the street, it would give better redundancy and up time. If the systems were to fail because of a problem that Pac Bell has, there would not be communication with the Police or COC. We depend on Pacific Bell to provide that service. If the City had its own inbound fiber, the chances of it going down are minimal unless someone dug it up. There would be significant savings to the City over a short period of time as it is costing \$10,000 per month to connect the two largest facilities to the City facility and have a centralized phone system.

**MAYOR JOHNSON** asked what the cost would be to install our own system.

**MR. SHERWOOD** indicated that he had not had the opportunity to look at the costs, but it was something that they would be looking into.

**MR. JEPSEN** stated that hopefully it could be done within the \$500,000 that was negotiated with Cox for the I-Net, and he thinks that Mr. Sherwood should look into that.

**COUNCILMEMBER WOOD** related that a lot of the software equipment in the Police Department were "walk away" contracts where they just said "thank you" and walked away. He asked if there was any cost to the City or did the vendors just walk away and give up the equipment.

**MR. SHERWOOD** said that the communications system was basically no cost; G.T.E. walked away so the City ended up with a \$1,000,000 CAD system for free. The City is paying the yearly maintenance, which is \$125,000 to maintain not just CAD but the MCT components, all the 911 peripheral components that operate CAD. CAD is many systems joined together. Yes, they did walk away and we pay nothing for the system itself.

In response to Mayor Johnson, **MR. JEPSEN** clarified that Cox Cable is part of our negotiations with new franchises, and they gave the City \$500,000 that is sitting in the bank for the City to use to set up our own I-Net system. This money can be used toward providing the system that Mr. Sherwood was talking about.

Although it is true that the City did not pay the contractor for the CAD system, the City paid a tremendous amount in terms of time and commitment that Police, Fire and IT staff put in. We worked on that system for 2-3 years to get it to the point where it was meeting the specifications that were promised to us; the vendor was not able to deliver a large portion of the specifications they promised. On their own they agreed to give the system to the City as it currently exists in exchange for them not having to fulfill the balance of the contract. Even though we did not pay any money for it, we paid a great deal in terms of our time invested.

**COUNCILMEMBER CHAVEZ** asked for a show of hands from the Labor Unions that were present.

**MAYOR JOHNSON** counted 3 and thanked them for coming.

B. **Economic Development/Redevelopment**

**JANE MCVEY**, Director of Economic Development/ Redevelopment, said that we are one department with 2 revenue sources: the General Fund portion and the tax increment portion. First will be a review of the General Fund budget, which has \$485,328 and includes 3.8 full time employees; all of the personnel within the department are split, some from the General Fund and some from the Redevelopment fund. The key programs include: Business Retention and Expansion, Industrial/Office Recruitment, Retail

Recruitment, Tourism Market Share, Community Issues, Marketing and Public Relations, and Elimination of Blight in the Downtown, which is the Redevelopment Project area.

We have 2 ways that we measure our measurements: one is measurement of effort -- what actually goes out the door, and the second is measuring results or the impacts of the efforts that are put forth.

Business Retention and Expansion Project includes: Business visits, O'Biz email based newsletter which should be arriving on a quarterly basis, Manufacturer's/Primary Employers Directory, (1 per year), Business Start-Up Guide, (1 per year), Business Appreciation Event, (1 per year), ED 101's (3-4 per year), Business, Bankers and Brokers Forum, which is about SBA financing, work with the small business development-type groups -- Small Business Development Center (SBDC), MiraCosta Community College (MCCC) and San Diego Community Development Commission (SDCDC), which approves 504 and SBA loans. We operate the Paintbrush/Façade program for which businesses are eligible; we maintain a business base of our primary employers and manufacturers; we also count the businesses that we have contacted and assisted, which is now more than 205 per year. Our goal of job creation is 1,500 jobs per year created by local businesses.

Industrial/Office Recruitment — Our objective is to create new primary jobs. We conduct 1 Industrial Broker Event per year; 1 Industrial Broker Book is produced for the Broker Community; we advertise in the Orange County Business Journal; we do various direct mail campaigns to the targeted industries like biotech, medtech, and software. We develop and maintain the data that is necessary to answer the questions. We spend a lot of time developing and maintaining commercial broker relationships, which is a key to much of our success. We participate in a number of real estate organizations and try to get to as many of those meetings and trade shows as we can. We have a goal of helping 132 businesses, brokers and developers a year. The year-to-date results is that there is 622,750 square feet under construction with 1,740,248 square feet approved, but not yet under construction. The goal is to create 500 jobs by new companies per year, and we have been about 700 created to date.

Retail Recruit -- These strategies include a different group of brokers, different data needed and different collateral materials needed. The goal is to increase sales tax revenues for the City. We do a specialized retail broker event with a commensurate book, marketing campaigns and packets, development of different types of data, and we keep daily/weekly contact with the brokerage community. This group has different organizations in which we participate. We also attend the South O's Merchants Association meetings, and we manage the trade area street banner program. The goal is to assist 75 business, brokers and developers per year. The results are that there are 569,187 square feet under construction and 46,738 square feet in process. We have a sales tax annual goal of \$1,000,000; as of January the number is \$350,000 that we can credit year to date.

Tourism — Our objective is to enhance tourism within the City. Council has an approved Strategic Plan. We facilitate collaboratives between the various groups that operate in that industry, such as the Hotel Motel Association and the Welcome Center. We participate in creating the Tourism Guide every year, which is used at the California Welcome Center; we maintain a list of tourism related businesses and we have a new quarterly newsletter that is going out to about 500 tourism-related business. We produce an annual Concierge Reference Manual and have done a tourist survey in the last year. We plan to do that about every 3 years. We are doing a streaming video hopefully by the end of the month, and that would be made available to the California Welcome Center and the hotel/motel people. We are always looking for new marketing opportunities such as the billboard that was done, the visit from the concierge people and sales groups that have been through the City. We also maintain data that is used by hotel investors to determine whether this is a good place to buy or build a hotel, and keeping the data current for the hotel marketing packet is labor intensive. It is important to have the answers to the questions that are asked if there are to be hotels/motels built here. We also recruit and facilitate new hotel rooms with a goal of 100 rooms per year. Presently there are 144 under construction.

Community Issues – We try to support the Community Development efforts within the City; this includes staffing the Economic Development Commission and its ad-hoc committees, meeting the Council goals requested, and working on internal projects such as the Gateway project.

Marketing and public relations – We are trying to create awareness of Oceanside in the business community as an investment location. We have a commercial property data base, which is like a multiple listing service for commercial properties. We have a goal of having no property data older than 90 days, and we are moving that, with the help of the IT Division, to a Web platform by the July 1. We also conduct site searches, which involve talking to someone to find out what they need, helping them to find how much land they need or how big the building is and what kind of zoning is required. There is a lot of dialog that happens before they can look for the specific property that is needed. We produce a monthly email newsletter to brokers and developers. It is online and goes out to about 1,000 people per month. We update our Website monthly, with sites of the month on there. Maintaining the database requires about 70% of the time into the list, because if a great piece is mailed to a bad list it is a waste of money. We spend a lot of time and monitor the returned mail in order to maintain the lists of developers and brokers who change companies frequently.

Even though there is a lot of media coverage, we proactively write business articles for various business publications, such as the *San Diego Daily Transcript*, Southern California Real Estate and various publications, and our goal is 15 per year. We also speak or participate in a lot of local, regional and national business groups. Recent development maps have been produced; we have an industrial/office marketing brochure; and we produce business park maps. We monitor our web hits, and as of January it is 5,894.

Some General Fund Budget Options would be: 1) to eliminate the Business Appreciation Event; the Business, Bankers and Brokers Forum; and the Small Business Start-Up Guide for an annual savings of \$2,100; 2) on industrial/office recruitment, we could eliminate the Industrial/Office Broker Event; the Industrial Broker Book; Trade shows and advertising for an annual savings of \$25,950; 3) eliminate the Retail Broker Event; the Retail Broker Book; trade shows; the retail marketing packet and the street banner program for an annual savings of \$13,935; 4) eliminate our contribution to the Tourism guide; the Tourism Season Kick-Off Event and funding for the beach train bus (which we have not contributed to this year because of the budget situation) for an annual savings of \$9,300; 5) eliminate 2 trade shows and most of the printed materials for a savings of \$9,100; 6) in the general operating expenses, reduce office supplies, printed materials, consultant fees, training and overnight travel for an annual savings of \$17,275.

So the total General Fund savings would be \$77,670, which is about 16% of the total budget and it is 2/3rds of the operating budget. We have frozen the Paintbrush/Façade project, which has \$39,000 remaining. We have not accepted any new applications for that program.

Now to the Redevelopment side, the 2003-2004 Redevelopment Fund Operating Budget includes: Personnel (9.55), which includes the Council. Of the 9.55 there are 4.2 in Economic Development and Redevelopment; there is also 1 position that has been frozen, which is now an Administrative Analyst and was the former Redevelopment Director position. We also pay .35% of the City Managers budget. The total operating budget for Redevelopment is \$780,975.

The revenue that you get in Redevelopment comes primarily from tax increments, which is the property tax from the Redevelopment Agency Area, some interest earnings and Transit Occupancy Tax (TOT) that is coming from the TrendWest Project. The total revenue is \$5,717,300; there is a 20% housing set-aside [\$1,029,469], which makes a net of \$4,687,840, and that does not include the bonds and the debt service for prior issues.

The increment tax revenue increases show that there has been a relatively steady increase over the years. One of the program areas in Redevelopment is to eliminate blight in the downtown area, and there are a lot of other things going on. Joyce Powers has

been working very hard by assisting in new development of residential, retail and office mixed use; working on the Pier Resort Time-Share project; the Walkable Communities Project; the parking structure downtown; North Coast Highway gateway enhancements; the Southland project; and attracting new visitor-serving uses; staffing the Redevelopment Advisory Committee, Project Area Committee, Relocation Board, RDRC, attending MainStreet meetings and is the main liaison and manages that contract.

The results are that there are 338 new homes in the pipeline. In the 4<sup>th</sup> quarter of 2002 there was \$111,231 in sales tax attributable to downtown. Downtown represents about 3.6% of the total sales tax within the City; that is an 11.9% increase from the prior year. There are 188 businesses downtown that have sales tax licenses, those are not business tax licenses, and those are actual sales tax dollars that represents an 11.5% increase from the prior year. There was a 15.6% increase in property tax [from FY 2001-2002 to FY 2002-2003]; we have 10,000 square feet of retail under construction and about 33,130 square feet in the pipeline. The 144 hotel rooms under construction are all in the Redevelopment Area. So Redevelopment has been a booming area.

The 2002 Redevelopment bond proceeds is foremost in most everyone's mind as to what can be done additionally in the Downtown area. We netted \$19,500,000 and spent about \$10,300,000 on property acquisition. Streetscape is coming to downtown for about \$500,000. So there is about \$8,700,000 remaining. Of the items that we had previously listed that we wanted to accomplish with the Redevelopment Bond, we have the downtown parking structure — we put about \$1,200,000 into enhancing the architectural appearance. Also, with the shortfall of the State and Federal funds, the City is looking at potentially borrowing another \$4,500,000 to \$5,000,000. The North Coast Gateway Landscaping project will cost about \$1,200,000. There is also the Walkable Communities, visitor-serving development and possibly another downtown parking garage. We have more things on our wish list than we have money for at this time.

**COUNCILMEMBER CHAVEZ** stated it would help him to understand the terminology that is being used in the City for measurements. All organizations have an output, whether it is a product or service. One of the measurements that he sees for Economic/Redevelopment would be Industrial Broker Events, Industrial Broker Books, etc. - - those are outputs. Another term is Critical Success Factors (CSF), things that actually are given value. The CSF's that could be focused on for Economic Development/Redevelopment would be: job creation. The goal is 1,500 per year—that would be a CSF to reach that; for new hotel rooms, staff said 100 per year, and sales tax revenue, which now is at \$350,000 and the goal is \$1,000,000. Those would be CSFs, which are different than just outputs. What should he focus on as key CSFs or measurements.

**MS. McVEY** answered that the terminology could vary depending on the wisdom of the Council and the City Manager as to what they want to call them. We separate them into measurements of effort, the things that we are pushing out the door and then the results. Those are our measurements. So the terminology is not as significant as the fact that we do set goals to keep things going out the door. If we can't do that, we cannot have measurements/results at the end. The terminology that is used is really up to Council.

**COUNCILMEMBER CHAVEZ** asked if we have a standard measurement or CSF for the City.

**CITY MANAGER JEPSEN** answered that we do not have a set standard measure of effectiveness for Economic Development/Redevelopment beyond the traditional success factors. The idea of measuring activity for Economic Development may have some merit in regard to the necessity of keeping their product or faces in front of the broker community. They do a lot of that in terms of contact type activities, and that is how the brokerage community works. One of the things that this department does that is very useful is they provide a multiple listing brokerage service for commercial and industrial properties that is not provided by the private sector; the private sector does a good job with private properties but they do not have the same service level for the commercial and industrial areas. He thinks that by having some additional measures they have to make sure that they are staying on track and in front of people on a regular basis. With regard to how

they measure their success, they have some good numbers for the success factors. If there is something else that Council would like to see, he would be happy to look at that. The growth in the downtown area could be broken out. They told Council that it increased 15.6% last year for property values, and that includes new development as well as the increase that existed on the value of the properties that were already there. The overall increase of 11%, when the rest of the City increased by only 8% shows that there are some good things happening in the Redevelopment Area.

**MS. MCVEY** interjected that the standards that are usually monitored in economic development and redevelopment areas are the jobs, square footage, value of construction, assessed valuation, sales tax, TOT, and hotel rooms. Those are the very substantive standards that are measured nationwide as CSFs or other terminology that Council would like to use.

**COUNCILMEMBER CHAVEZ** responded that this meeting was the 4<sup>th</sup> or 5<sup>th</sup> meeting where Council has listened to budget briefs. In a large organization like a city, it is important to track all the different indices that are unique to their organizations, but at Council level we need a very finite, manageable number of success factors. When we start making recommendations on cutting resources, we do not want to impact on the CSFs that we, as Council, have decided are important. It would be nice for staff when we go through the process to figure out after they have seen all of the briefs, what are the real 5 or 6 CSFs for the City that we look at. Otherwise it could become personality driven. Terminologies such as CSF, metrics, measurements, organization dynamics, and resource allocation are very important. He asked if Carol Swindell had any thought on this since she came from a City that did things like this.

**CAROL SWINDELL**, Financial Services Director, responded that was one of the things we would be working on for the next 2-year budget cycle, although there are some immediate issues to deal with. The document will begin an effort to tie resource allocations to desired outcomes.

**COUNCILMEMBER FELLER** asked about the approximate amount of commercial and industrial square footage that is left.

**MS. McVEY** responded that on the industrial side there are approximately 200 acres left. There is Rancho Del Oro Unit 2 at 152 gross acres; there is an application in for a 37½-acre project that is Phase II of the Prescott Business Park at Peacock and Oceanside Boulevard. The next biggest site is the 14-acre Josepho piece. Other than Ocean Ranch, that is all we have left. On the retail side there are a couple of small, 1, 2, 3-acre sites and the drive-in theater site and that's it.

**COUNCILMEMBER FELLER** asked about TriQuest.

**MS. MCVEY** responded that was Rancho Del Oro Unit 2, which is 152 acres, so if you add the 152 and the 37 and the 14 that is about what is left.

**COUNCILMEMBER FELLER** said that there was potential on El Corazon.

**MS. McVEY** responded yes. There is habitat and some geologic constraints, but that would be a future decision of the Council.

**MAYOR JOHNSON** referenced the beachfront area and inquired about the time frame of the Jim Watkins timeshare/beach resort project [Wyndham].

**MS. McVEY** replied that the application is in, we have received comments back from the Coastal Commission, the applicant has responded to those comments and we would like to meet with the Coastal Commission staff to see how firm they are in the comments that they have submitted to Mr. Watkins. We are hoping to be before the Community Development Commission (CDC) this summer.

**C. Library**

**DEBORAH POLICH**, Library Director, acknowledged the Library Board members that are present: Chair Nancy Foran, Dr. Adrienne Hakes, and Charlene Williamson. She would first go through the 9 programs of the library and at the end she will present options for budget reductions.

Administration -- The objective of Administration is to plan and administer library operations and services and work closely with the Library Board, The Friends of the Library, and community groups to enhance services. One of the primary measures of whether we are doing our job is whether or not people are using the library, and we have 615,000 library users on an annual basis. That usage has been increasing, and in the current year there is an increase of approximately 7.7% over the previous fiscal year. Administration is also responsible for preparing and implementing grant programs. Staff also coordinates the work of 250 volunteers in addition to the Library paid staff. Community rooms are booked in Library Administration, and that is a heavy workload, since there are about 500 community groups or City departments reserving the Community Rooms annually. Administration also plans and presents 6 world music concerts annually, which are funded by the Friends of the Library. There are 4.5 Full Time Employees (FTE) in Administration. The Interfund charge is the largest part of the budget because of the Civic Center Building rental, maintenance and operation and most of the IT costs are budgeted in Administration. It is all funded by the General Fund [\$2,083,370].

Support Services -- This program stretches across all Library operations. They provide all of the essential Library technical support for the operation including the cataloging, the processing of materials, the circulation, the checking in and out of everything, the statistical reporting, the automation system and the budget. Measurements for the program include the number of books and materials that people use, and over 600,000 are checked out and checked in, and put back on the shelves every year. They also catalog and process about 24,000 new items every year. They register about 12,000 new borrowers annually. It is amazing that consistently about 1,000 people a month get new library cards. These are new borrowers coming forward every month. Currently 43% of Oceanside residents have a library card, this includes children. Support Services also maintains the Library's extensive database of 94,000 total borrowers and nearly 200,000 titles.

In this Program there are 16 FTE employees. Operating budget includes the contract for the Library Automation System, etc., as well as most of the supplies for all of the operations, and it is General Fund supported [\$741,322].

Adult Services -- This program provides reference, collection development, cultural and information programming for adults and teens, so it is adult and teen services. It is primarily an information and collection program; they answer almost 34,000 questions per year from people coming in looking for information and material and need personal assistance to find what they need. There are currently 15 online reference databases that are budgeted in this program. Many people think that the internet has all the answers, but in fact it is important for the Library to subscribe and pay for specialized databases that are not available any other way. These would be things like magazine indices such as the new database that includes auto repair information, the Rand Statistical Databases and business databases. They also select and purchase all of the new adult and teen books. There are more than 115,000 books published every year, and it is up to the staff of this program to figure out what are the best ones to purchase for Oceanside, what the community needs and what are the best things to select for the Library. There are a lot of programs presented for adults and teens, programs such as the African American Celebration, the Hispanic Heritage Cultural Celebrations, book discussion groups, author talks, etc. There is a Teen Partner Group that consists of volunteers and serves as an advisory to ensure that we are meeting the needs of the teens. The budget [\$825,765] is for 10 FTE employees, and their budget includes the Library books and materials for adults and teens. So part of the funding comes from the Library Fund which is primarily donations, gifts from the Friends of the Library, Public Library Funds, and State Revenue as well as some fees.

Youth Services -- This is a very vital program that provides reference and collection development, reading enrichment and pre literacy activities. Youth Services serve parents, grandparents, teachers, caregivers, day care providers and adults. Last year there were 1,700 children in various reading programs that Youth Services offered. They read 1,400 books, which is a measure of the Library's service; we are trying to get children to learn to love reading and that is measured every year. We had 5,000 children in our early literacy story times. Youth Services produce many wonderful programs. They go to schools and day care centers, and Head Start and do story time events. There are 90 school visits and tours every year that come to the Library, classes that come for tours and to get library cards. The budget [\$527,089] is for 6.9 FTE, and the funding source has General Fund and Library Fund revenue because the Library Fund supports the books and materials for children's services, in addition to that portion of the General Fund that is allocated for books and materials.

Mission Branch Library -- Their objective of is to deliver a comprehensive range of all of our services to the residents of central and eastern Oceanside. They serve about 188,000 per year. It has consistently been running at about 38-39% of the total library circulation, and lately it has even gone up to 40%. They offer free computer classes in the computer area at the branch; there were 120 classes last year with a lot of seniors taking advantage of that. The homebound program is also delivered out of the Mission Branch, and this is a program where volunteers take books to shut-ins, seniors and people who are unable to come in to the Library. They made 140 deliveries, selected the materials and have the volunteers recruited to take books to the homebound. They provide a full range of Library programming for children and adults from story time to lectures and special programs. The budget [\$735,827] includes 12.7 FTE employees. The interfund charges include the rental and maintenance and operations at the branch facility.

Community Computer Center -- This center provides access to the Internet, to software, computer instruction and assistance for all ages; there are children, business people, seniors, and others pursuing their education, their lifelong learning goals, etc. They are open 7 days per week 63 hours a week; they served over 86,000 people last year. There were 230 free computer classes. These computer classes are taught by staff but primarily by volunteers; they also offer computer classes in Spanish on a weekly basis. One of the special services at the Computer Center is the assistive technology that is provided for the disabled. We do have computers for the disabled at the Branch and at the Civic Center, but the Computer Center has the most sophisticated one that includes voice recognition software, Braille keyboards, special book reading software, etc. They also have a popular Teen Computer Club that meets weekly at the Computer Center. That has been a really important program for some of the at risk youth in the community. The budget [\$159,749] includes 5.3 FTE employees and has a small operating and interfund budget.

Bookmobile -- This is the large 40-foot bookmobile that provides services to outlying areas of the City. They make 15 stops throughout the City at a variety of locations every week. They are open almost 30 hours per week. They have 11,800 users per year. Although their percentage of our circulation is fairly small at 3.2%, when you think of the small size of the bookmobile and the number of books that it has, it really is a large number of items that are circulated out of that vehicle every year to people who live at a distance from the Library and find it much easier to use the bookmobile when they cannot get to the main Library or the Branch. This budget [\$133,930] includes 2 FTE staff with a little extra help; the primary cost would be the vehicle replacement costs and maintenance of the vehicle.

Adelante -- This is the second bookmobile and provides information, Library materials, health information and bi-lingual resources and works in partnership with the San Diego County Department of Health and Human Services to take this information to our low-income neighborhoods and our Spanish speaking population. It is a bi-lingual vehicle and serves 2,800 users in these neighborhoods and is open 13½ hours per week. This is the vehicle that is going to be replaced in June with the new 30-foot bookmobile that was purchased partially with grant funds and with vehicle replacement funds that were in the budget for Adelante. This budget [\$38,973] with 0.6 FTE staff is supported in part by CDBG funds, and Council recently authorized \$13,800 in CDBG funds to supplement

Adelante's General Fund budget.

Literacy -- The program provides volunteer literacy tutoring to improve the reading, writing and math skills of adults and youth. There are 98 learners in the program, 60 adults and 38 youths who are tutored by 80 volunteer tutors who are recruited and trained by the Literacy staff. It is not just a matter to have a volunteer sit down and tutor someone. Because the staff is professionally trained and they assess each learner, they determine what their learning limits might be, find an appropriate learning method for them and then match them up with the tutor and oversee that they are making progress to reach their goal. There are 80 volunteer tutors that are trained on a regular basis and have updating workshops offered for them to keep up their skills in tutoring. They also had a large Literacy Fair this year and over 2,600 people attended that fair. The literacy program operates out of the Literacy Office that is behind the Computer Center, and they are open 47 hours a week. The budget [\$67,785] includes 1.5 FTE staff; they do receive some funding from the State Literacy Grant, and this is a partial match that is about \$1.00 for just under \$6.00 of local funds. They also apply CDBG funding to the Literacy Program.

ELLI (English Language Literacy Intensive) -- This is part of the Literacy Program this year and is entirely grant funded. It is a literacy-tutoring program for middle school students who have English as a second language. Students from Lincoln and Jefferson Middle School have been getting afterschool tutoring at the Literacy Center and also homework help and tutoring at the noon hour at the school site. There were 900 children in the program this year. They made 19 educational field trips, going to places such as the local colleges, the Art Museum, the Aquarium. They are educational enrichment programs with educational activities built around those trips. They involved all of the family in this and had a family fiesta for 250 parents and family members. This had impressive results in the improvement of the students in the program on the standardized SAT 9 test scores. All of the students in the ELLI Program showed improvement above those not in the program. Unfortunately, the State funding for that program ends this year. The State budgeted \$10,000,000 Statewide for ELLI; it was a 3-year grant; and the grant funds have ended. The school has been providing the transportation, and we expect that would not be possible given the current budget constraints. This program does end in June. There are currently 2.7 employees in that program, and their budget was \$145,700 this year in grant funding.

She referred to a pie chart to give an overall picture of the Library's General Fund Budget. It shows that Personnel makes up 47% of the Library's budget; 4% goes to books and materials, 3% to operating and the rest to fixed costs, which are Debt Service, Interfund Charges, and Building Maintenance and Operation [46%]. This shows that the discretion for options for reductions are in the Personnel and Books and Materials—the non-fixed costs. The total General Fund Budget is \$5,031,875.

We did immediately explore revenue opportunities for the Library when the budget situation became apparent. It was an opportunity to review the Library fines and fees, and the Library Board of Trustees took quick action and made adjustments in the fine and fee schedule, which had not been adjusted in many years. We expect that we will realize approximately \$44,000 in additional Library revenue next year as a result of these changes. These were primarily increases in the insurance rental fee for videos and the overdue book fees.

Service Reduction Options -- There are various options for Council's consideration. Because staffing is the primary cost center, reducing Support Services public staffing during non-peak usage hours would net some savings. What this means is that, rather than having 2 people at the check out desk to check out books all the time so people don't have to wait in line a long time to check out their materials, during the non-peak hours there would be just 1 person to man the desk. We expect that there would be longer lines and some callers placed on hold. This would not be implemented on Saturday's when the Library is very busy or when there are story times and class visits, but we would make an effort to do this during non-peak hours. There are currently 5 vacancies in Support Services that are being held, and adjustments are being made now to cope with those vacancies.

**MRS. POLICH** responded that if the question is moving computers into the Civic Library, we currently have that configuration at the Mission Branch Library; it was designed that way so that there would be a significant computer element in the Branch Library. It does function like a Computer Center. The challenge in the Civic Center Library is one of space. We tried to expand the computers in the Civic Center. We have a small area in the Children's Department for computers and a small area upstairs in Adult Services with computers. Given our space constraints for the collection, we have found it very difficult to find room for more computers, and the demand is great.

**DEPUTY MAYOR SANCHEZ** asked how many computers are at the computer center.

**MRS. POLICH** stated that there were 16 in the training room with a total of 32.

#### Public Input

**JEAN KUJAWA**, 4914 Glenhaven Drive, stated a library is very important. When children read, their spelling improves, their sentence structure improves, everything improves. She is all for Libraries. The one thing that upsets her is where it says, "...provide library service to outlying areas of the City." What is considered an outlying area; does a person have to live along Mission to be considered outlying? There are people all over, especially around the new school at Temple Heights, and there are many children there. John Landes Park has many low-income people with children but that is still not considered an outlying area. We are part of the City and are entitled to library service, not a bookmobile. Many of these residents don't have transportation to go to the Mission Branch Library so we go to the Vista Library, etc. A library is an important part of a community. A bookmobile does not take the place of a Library. There are too many children who are without because they don't live along Mission.

**MR. JEPSEN** suggested the Mrs. Polich could explain the relationship that the City has with the County Library System and the surrounding communities.

**MRS. POLICH** explained that the City is a member of the Serra Cooperative Library System; that includes the public libraries in San Diego and Imperial County as well as the County Law Library and the Donovan Prison. They are all part of that network. What that means is that the Oceanside library users are entitled to go to any of the libraries in the County and have access to free library services at those other facilities. Part of our membership includes a delivery system that operates 4 days a week to take books and materials from one library to another. So if a library user goes to Carlsbad and takes an Oceanside library book there, the book quickly finds its way back to Oceanside. There are approximately 11,000 items delivered every year to Oceanside using that network. We also have other benefits from our membership in the Serra Cooperative Library System that include a workshop for staff development and the summer reading program, which are coordinated through that agency. The Serra Cooperative Library System network serves all the residents of San Diego and Imperial Counties.

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

**JEAN KUJAWA**, 4914 Glenhaven Drive, stated that what creates a community are homes, families with children with 2 parents working to provide for their families, many taking aging parents into their homes and becoming caregivers. A large low-income senior community that has many aging veterans adds to this community. Revenue is generated from the industrial buildings, gas stations, and commercial buildings in her area and the money is never seen because it goes into economic development. The money should be coming back into our community for services. It is the City's responsibility to see that the needs of her community are met. We are a part of Oceanside and have the same needs as the other children and seniors in Oceanside. We need to get money for recreation, library and all of the services that the others in the City receive. She suggested that a wing should be added to the new Senior Center for a library so that the people in her area could get there.

April 9, 2003- 10:00 AM

Council Workshop Minutes

**ADJOURNMENT**

**MAYOR JOHNSON** adjourned this meeting of the Oceanside City Council at 11:47 AM, April 9, 2003 to a 2:00 PM Workshop today.

**ACCEPTED BY COUNCIL:**

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Barbara Riegel Wayne  
City Clerk, City of Oceanside



California

# CITY OF OCEANSIDE

## MINUTES OF THE

### CITY COUNCIL

April 9 2003

ADJOURNED MEETING                      2:00 PM                      COUNCIL CHAMBERS

Mayor  
Terry Johnson

Deputy Mayor  
Esther Sanchez

Councilmembers  
Rocky Chavez  
Jack Feller  
Jim Wood

City Clerk  
Barbara Riegel Wayne

City Treasurer  
Rosemary Jones

The adjourned meeting of the Oceanside City Council was called to order at 2:01 PM, April 9, 2003, for the purpose of a workshop. Councilmember Wood led the Pledge of Allegiance.

#### **ROLL CALL**

Present were Mayor Johnson, Deputy Mayor Sanchez, and Councilmembers Chavez, Feller, Wood. Also present were City Manager Steve Jepsen, City Attorney Anita Willis and Assistant City Clerk Charles Hughes.

#### **WORKSHOP ITEMS**

#### **1. Presentation and discussion of the FY 2002-04 Biennial Budgets**

##### **A) Fire Department**

**ROBERT OSBY**, Fire Chief, presented the overview of the 2003-2004 budget for the Fire Department. He noted that much of the entire executive board of Firefighters Local 3736 is present.

He will be providing an overview of their proposed budget. He will not get into a lot of detail unless the Council desires. The mission of the Fire Department is to protect the lives, property and the environment for the citizens of Oceanside.

Our Vision Statement is to partner with the community to establish an informed, prepared and responsive approach to community protection.

The Department's core values are consistent with those of the City, are inclusive and appropriate, and they try to adhere to them. Their motto is "We Help People".

The Organizational Chart is simplified; it is designed to enhance effectiveness and efficiency because it clearly aligns the people, the ones that do the work, in a manner where they understand the lines of responsibility, authority, communications and accountability.

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

The Fire Department is a significant portion of the City Budget [FY 02/03 = \$14,622,568; and FY 03/04 = \$15,520,105] and for good reason. Obviously the priority of this Council is public safety. Personnel Services is 75% of the Department's budget; it is actually more because additional funds support those personnel. If personnel were to be reduced, then operating and interfund expenses would be proportionately reduced. We did not include grants for fiscal year 2003-2004, nor did we include all of the grants that we expect to arrive this fiscal year. As was discussed at a previous Council meeting, we have already acquired a significant grant, but we have not received the check yet.

The Interfund charges [19% of budget] have been explained in previous presentations. The amount is not determined by our department. Most of our budget money comes from the General Fund. We did not delineate those areas where there is cost recovery; if it is requested, they could do that in more detail at a later date. We are doing some things in fire prevention, for example, to enhance our cost recovery for those services. A number of these provisions were already on the books, but when he reviewed them they were not being executed. There are others which are inconsistent with what is typically done in the fire service for cost recovery. They might want to make some adjustments to that at a future time. He expects to get an increasing amount of funding from grants, particularly from the Homeland Security area. That will also be appearing when revenue is discussed so that we are not solely and completely a General Fund department.

He displayed a breakdown of the budget by program which consists of Administration, Prevention, Operations, and Training. Administration should be listed as Administration/Support because that is the new arrangement. The main branch is Operations; this program includes the fire stations and everyone that staffs the fire stations. Support is a critical element to ensure effectiveness and that those personnel who respond to emergencies are able to do their jobs as safely as possible.

When he gets toward the end of this presentation where we offer some options, just in case we need to make some budget adjustments in order to respond to the revenue stream, he has just given some general areas where we might consider reduction options, but he hasn't given specific numbers because those are yet to be determined. He may want to make a presentation to the Council regarding the impact that cutting support has on operations, etc.

Fire Prevention is our No. 1 priority. When we go out on an emergency, to some extent it means that we failed to do our job effectively; otherwise that emergency probably would not have occurred. It is not realistic to think that we can prevent all emergencies. Even though we respond to fires relatively infrequently, the bulk of their calls are medical responses. Even in that area we are going to play a greater role in trying to prevent those occurrences and minimizing the effect when they do occur. One example is the Car Safety Seat Program that we are doing in conjunction with the Police Department.

Referring to the program budget summaries, you will note that there is an increase expected next year; that is mainly due to salary and benefit increases. Prevention is a proportionately small amount of the budget. Hopefully we can address that in the near future. Operations is the bulk of the budget. Training is under the Operations Assistant Chief because it is so critical to the effective and safe operation of firefighters and paramedics. It is not uncommon to want to do extensive cuts in training under the belief that it is not really affecting Operations, but it does have a significant effect. In an earlier presentation, one of the Councilmembers brought up the fact that making adjustments in one department could dramatically affect another department and maybe even affect some of the essential services that are provided in other departments. That is analogous to this situation.

Some reduction options that we put out for consideration [travel, overtime, training, fire academy, SWAT medics, special events, Workers Comp costs] are in the areas that we would probably look at first, although the amounts may be somewhat limited even if the entire program were cut. As an example, if the \$70,000 travel budget were cut entirely, it does not make a significant impact compared to a \$15,000,000 budget. At the same time,

it is something less essential than making significant cuts in training, as an example. Overtime is a significant cost in fire operations in any fire department. The reason is there are 2 choices: either staff every position and in addition to that, staff for scheduled and unscheduled absences such as sick leave, etc. When you do that—staff up to a level that has some cushion—it is somewhat inefficient with extra people if everyone came to work. Generally a fire department will under staff, and the extent to which you under staff is called constant staffing. We have enhanced that even more in order to help reduce turnover, with Council approval, by giving our firefighters the opportunity to voluntarily work more overtime, which they do. That is an option to having full staffing or minimal constant staffing. We are at a point for the next 1½ years or so that we have agreed to under hire up to 5 firefighter/paramedics per shift for each of the 3 shifts, in order to provide the extra latitude for overtime. To this point it has not been a problem; it could be because we could have an outbreak of SARS, etc., whereby enough firefighters would be necessarily absent that there would have to be mandatory call backs in order to get enough firefighters back to work overtime. That has not yet occurred and planning for those occurrences is not a good approach; however, we must be aware that it could happen. This is the area where there could be significant opportunities to adjust temporarily to a budget crisis because we could have administrative personnel work vacancies on the line and thereby reduce that overtime.

The Fire Academy was included under the reduction option. Even though the Fire Academy was on the budget for \$541,895, when the agreement was made for constant staffing and to do the lateral transfer program, it was anticipated that there would be no need to run academies for 2 reasons: 1) we would not be filling all of the vacancies; we would be leaving them open, and 2) we would be doing lateral transfers, and we would be bringing in people from other fire agencies that would require minimal training. That was not entirely successful because we did not get a great hoard of people rushing in; we also got some mediocre candidates. As a result, he is looking at recruiting in Oceanside and training Oceansiders as firefighters/paramedics. The chances are we will need to augment as opposed to reduce, but the reason he put it in options for reduction was because we could go back to the old way of doing on-the-job training. When he started, that was how it was done.

He realizes it is not a good time to propose augmentations, but it is never a good time to surprise the Manager or Council on anything. We need emergency supplies at the Emergency Operations Center (EOC) and the fire stations. If we have to work for extended periods, whether it is a terrorist incident or an earthquake, we need to have provisions there, most of which have a shelf life making it an ongoing stocking issue. Also, emergency vehicle driving skills need to be addressed; we have Emergency Medical Technician's (EMT's) driving ambulances, usually Code 3. The liability could be unacceptable, particularly if there were problems and it was determined that they had no training in emergency driving. So he would propose that augmentations be done as a moderate priority. Also, regarding dispatch services, we are in the act of purchasing a \$10,000,000 state-of-the-art system and it works beautifully; it is the best thing in terms of communications that has happened in the fire service since he has been a part of it. However, if it is not properly staffed so that the Fire Department can utilize the various frequencies that are available, then it was not a wise expenditure of funds from the Fire Department's perspective. We are dispatched out of Police dispatch, and police have a lot of traffic on dispatch. In terms of sheer traffic, they outweigh us by far. On the other hand, when we roll, we generally roll Code 3. As indicated earlier, 80% of it is medical, and no one wants to wait around when there is a medical emergency. We need priority, and we cannot expect the Police dispatchers to drop everything when there are concurrent events. He wanted to alert Council about his concerns and that this is an unfunded need that needs attention.

Finally, the best way to train firefighters is to put them in an academy and educate them to Oceanside's ways. The way to do that is by running your own academy and writing your own programs, etc.

**COUNCILMEMBER FELLER** questioned if Chief Osby was telling Council that they were not getting immediate response every time for fire service in the dispatch area.

**CHIEF OSBY** responded that was not what he was saying. What he was saying is that we are not getting the full benefit of the capacity that the system has to offer. As an example, all of the dispatch is done on the dispatch channel; the management of the emergency scene is also done on the dispatch channel. The 800 megahertz system gives the options to use a number of other channels, and we have selected a specific channel—that is a problem because the traffic of the incident occurring on the dispatch channel will delay the ability to process a new dispatch. To that extent, there can be delays. In addition, we have automatic aid agreements with our neighbors, and in the last several months we have expanded that automatic aid response to include emergency medical service. So when units come in from other agencies, they do not even have our dispatch channel; we have a channel that is common to North County, but it is not staffed so that presents a problem. We have come up with contingencies to handle it, but it is a situation.

**COUNCILMEMBER FELLER** said that he had attended a presentation in Escondido regarding regionalization, and it was received very well. He asked Chief Osby what kind of savings could be realized in this consolidation effort.

**CHIEF OSBY** believed that the reason for the proposed study to be done by a consultant would more accurately address that. He was looking more at improving the fire service, improving service levels and response times, and having a team that can come out and win the game. The last thing he was considering was the savings. Obviously there would be some savings; just the reduction in turnover of personnel by having an agency that could be more attractive in retaining career firefighters would be significant. If we had a regional organization, just the savings in terms of losing experienced people and having to train new people would be significant. When management issues are looked at, maybe just having one Chief instead of 21 would make a difference, but he is not so sure. He knows of some such agencies, and they are not necessarily more efficient. The purchasing on a larger scale would save a considerable amount. Being able to have reserve fire apparatus that could be used throughout the region, having a HAZMAT unit, and a heavy rescue unit would help operations. He does see financial benefits but has not had the opportunity to crunch the numbers.

**COUNCILMEMBER FELLER** indicated that he had been to the Fire Academy a couple of times and agrees that it would be a great tool to keep, especially since the City is trying to get local young people involved in fire service. He would like to see us move forward on the regionalization so that we can at least get a grasp on what the potential would be.

The organizational chart shows 5 Battalion Chief (BC) positions, and he asked if that was correct.

**CHIEF OSBY** responded that 2 positions are vacant right now. The former training office (a BC) in the next few days will be an operations BC, and he is keeping the training position vacant for the time being. The Fire Marshal is also a BC and is currently filled by an acting captain. So there are 5 BCs.

**COUNCILMEMBER WOOD** stated that public safety is the No. 1 priority. Regarding the reduction options for 2003-2004, several options were listed as possible reductions from travel on down. Later on there might be meetings on the breakdown of these items. Generally speaking, with the cutbacks that are listed under the Reduction Options, and adding to that a cost recovery from paramedic billing and the Homeland Security grants, he asked if there was a general ballpark figure.

**CHIEF OSBY** answered that he hated to throw out a ballpark figure because it will come back to haunt him. But he would say that it is likely to be surprisingly significant.

**COUNCILMEMBER WOOD** referenced the overtime issue and asked if it were mainly due to the staffing level

**CHIEF OSBY** responded affirmatively that the main reason for overtime is to fill vacancies in Operations as they occur, whether they are scheduled or unscheduled.

**COUNCILMEMBER WOOD** asked about the dispatch situation for the communications. He understands that is a staffing situation also and that an additional person would definitely help the Fire side.

**CHIEF OSBY** indicated that it would have to be another position, which means 4 people.

**COUNCILMEMBER WOOD** asked if the staffing level at dispatch had been brought up to the Telecommunications Commission.

**CHIEF OSBY** responded no.

**COUNCILMEMBER WOOD** noted that the police have all the trainers for the Emergency Vehicle Obstacle Course (EVOC) training for the emergency vehicles. Could they teach the classes for the Fire Department?

**CHIEF OSBY** answered that was an option, and we will explore all options. There are also several others. He has also seen some simulators, and you cannot tell the difference from actually being in a vehicle.

**COUNCILMEMBER WOOD** noted there was an Oceanside business that manufactures the driving simulators. He indicated that he would get with him later on that. He questioned the comparison of Oceanside and Carlsbad, per capita, per person for police or paramedics services.

**CHIEF OSBY** indicated that he could not answer that.

**CITY MANAGER JEPSEN** pointed out something that is significant regarding Fire Academy funding that had been discussed in the past. Some time ago the Council looked at the entry-level pay scale for the firefighters. You adjusted the pay band for entry level, and we did a side agreement with the bargaining unit. That was supposed to be offset by the fact that the City would be doing lateral recruitments and would only need to do the Academy every other year. With lateral recruitment not being as successful as was hoped, there may be a need to add additional money into the Academy.

**COUNCILMEMBER CHAVEZ** noticed in the budget brief that in the budget from 02-03 to 03-04 the overall increase was about 6%. In the 4 areas of Administration, Prevention, Operations and Training, the increase in Operations was 6.6% and Training was 3.3%, which shows that Operations had the larger portion. When he went further he noticed that Personnel Services went up 7.2% but Operations went up 1.2%, which tells him that the increase is in the personnel area, which brings him to the structure. What he likes and what he refers to as lean, is reducing the overhead to allow the individuals to do the work. Looking through the chart, it appears that Personnel Services is probably a lot higher than 75%.

He is intrigued with the idea of regionalization. When we look at that, we will be looking at the hierarchy—the structure. He is also intrigued with the transportation structure and bringing in technology with aircraft because he thinks that the critical measure of success would be the arrival time. Regardless where the fire is in Oceanside, they will have fire personnel there in X amount of time. He is looking forward to the study.

**MAYOR JOHNSON** supports the effort of the region as a whole moving towards fire regionalization and feels that it is way overdue. He recalled when former County Supervisor John McDonald served on the Oceanside Council in the 1980's and was a strong proponent of fire regionalization back then. The time has now come where more agencies, locally and throughout the region will be a bit more receptive to serving more as a regional agency rather than independent agencies, whether it be cities or special districts.

**DEPUTY MAYOR SANCHEZ** would have liked to have seen numbers where he thought he could cut that would not affect personnel. As it is, this budget is requesting almost \$1,000,000 more than they had last year. Police and Fire are absolutely the No. 1

priority, but coming in almost \$1,000,000 more than the previous budget is something that people will question. Certain areas of savings have been mentioned, but there are no real numbers shown. She hopes that he will be meeting with the association to find out where it would be possible to come in at least at budget as before. If there is anything that could be suggested, she would like to see it.

**CHIEF OSBY** responded that he will be responsive to that request. You will notice that the additional \$1,000,000 is not based on any request of ours; it is based on an inflationary process that has gone on, as well as some commitments that were made during the negotiation process, that were approved by Council and have been incorporated into this year's budget. Anything that we would do to come in at this year's budget would represent a significant reduction in the level of service. He wanted to make that clear.

**CITY MANAGER JEPSEN** noted that in defense of the Fire Department and others departments to come, he did not ask them to quantify reductions, particularly in the area of sworn service. He was interested in the presentation of the programs to the Council. In the next round we will bring those potential reductions forth; they will be more fully quantified. One of the things that the Fire Department will be challenged with, perhaps more than some of the other departments, are the numbers that got approved in the second year of a 2-year budget. For the most part it does not include any incremental increase in service; it is just a continuation of this year's service. We made quite a few changes in the Fire Department after the budget was approved, so there will probably be a number of changes from what is being presented at this time to reconcile all of those numbers. We will bring it back to Council in a more exact manner.

**MAYOR JOHNSON** thanked the association membership for being present at the meeting. He did not recall in the past seeing this type of representation from all the associations, and it is good because we are facing some difficult times probably for the next several years. It is important that we do all we can to step out on the right foot and do the best job that we can to support each other in making sure that the cuts that will be made are fair and equitable across the board.

## **B) Harbor Department**

**DON HADLEY**, Director of Harbor and Beaches, highlighted the Department of Harbor and Beaches 2003-2004 Budget. The programs contained within the budget are: Administrative Services, Harbor Police, Harbor Maintenance, Pier Maintenance, Beach Maintenance, Lifeguard Services and Recreation Fund Lifeguard Programs.

Administrative Services -- This program provides a full range of administrative and management direction and support to department divisions; management of the harbor slip rental permit program and the general marina operations. Additionally it provides for financial management of department and division operations and the leasehold management coordination with the Property Management section of Public Works. Customer service response inquiries are immediate to 1-3 workdays, depending on the nature of the request. Many may be something that is more internal or that is done with a permit, which could require some research and take a little more time to get back to the customer. We provide customer service to almost 1,000 slip renters, and over a period of a year there are 3,000 visiting boaters who come to the Harbor and require assistance ranging from keys to problems with their boat, etc. This does not include the general assistance to people who come into the office for other requests.

This program is budgeted for 5.59 Full Time Equivalent (FTE) employees at \$377,053 per year; Capital = 0; Operating is \$190,250; Interfund charges are \$612,095; and the Debt Service is \$393,912, which totals \$1,573,310. This program is totally funded by the Harbor Fund which is 100% fee supported.

We looked at what we could do to provide some service reduction to this program. We currently have the ability to have temporary help in the peak season or to address key issues we can call in additional help: budgeted at \$20,000. If we did not fill that, we would have some increased overtime and some modest service delays, but not significant. The

second thing that could be done would be to reduce the Consultant Funding by \$45,000. For 2003-2004, this would not have an immediate impact.

Harbor Police This is a specialized unit that provides traditional maritime law enforcement, search and rescue, maritime firefighting, emergency medical aid not only to the harbor area but also the coastal offshore areas of our City. Typically in a year we do approximately 175 boat rescue and assistance calls, 500 incident response calls, 750 vehicle and vessel enforcement actions and 500 vessel safety inspections. This program is funded for 9.23 FTE at a cost of \$983,441; Capital is \$35,000; Contract Services at \$38,000; Operating at \$98,100; and Interfund charges of \$145,356; totaling a budget at \$1,299,897. This program is totally funded by the Harbor Fund, which is fee supported.

While exploring service reduction options that would have some savings, the first option would be the elimination of a nighttime security service for Harbor Parking Lot 1. This is the lot just east of the railroad tracks and below the TrendWest development. A number of years ago this service was initiated because there had been periodic car break-ins, minor criminal activity and some vehicle thefts. It was unsettling rather than a problem in numbers because so many of the employees of the Village park there; visitors also park there, and by implementing the service, we took all of the problems and diminished them significantly. It did not alleviate all of them, but the public and employees have a high confidence level when they park there that they would be safe and their car would be okay.

The second option would be the elimination of 1 Harbor Police boat; we have 3: 2 major large rescue boats and a smaller one. 2 of the 3 boats actually belong to the State. Should we no longer have use for that boat, either mechanically or otherwise, the title would go back to the State of California. The \$10,000 savings is actually the cost savings for maintenance, operations and fuel. It would reduce the fleet from 3 to 2. Special events especially boat races, Iron Man, and high activity periods, such as 4<sup>th</sup> of July, Labor Day, etc. is when we want to put as many people out on the water as we can. By having 3, if they are all running, we would like to be able to staff those 3 boats. Also, if 1 goes down, it is nice to have at least 2 as a backup. This is an option that could be looked at.

Harbor Maintenance We have a variety of maintenance programs; this one specifically provides and maintains the harbor facilities in a safe, serviceable and attractive manner for the benefit of the residents, the slip renters and the public. It also takes care of Harbor beach maintenance. Every year we replace about 200 linear feet of boat docks. There are over 38,050 linear feet of docks throughout the Harbor, and even though they do not need to be replaced every year, they all have a degree of maintenance that needs attention. Inside the Harbor there are 12 buildings, 12 parking lots, lawns, slopes, trees, signs, fishing pier, 21 picnic areas, harbor beach (one of the largest beaches in Southern California) and over 9,500 linear feet of sidewalk that supports the area. When we have calls for service, typically it is provided that the same day unless there is a peculiar request that may take a little longer. There are 11.47 FTE employees with a cost of \$633,154; capital is \$64,000; Contract Services - none this year; operating is \$984,660; Interfund is \$124,351. The total is \$1,806,165, which is again is a Harbor Fund Fee supported program.

Possible service reduction options; the midday restroom cleaning that is done in season could be eliminated, which reduces the amount of cleaning and the replacement of supplies re-stocked. Because of the heavy use, there will be a diminished appearance. We implemented that midday restroom cleaning a number of years ago because of the gap between the cleanings. The use was so high during the season that it got to the point that in order to provide the level of service that staff and Council wanted to provide they needed to implement this additional cleaning. The second option would be to eliminate litter abatement service agreement on Harbor Beach; this would save around \$9,000. If we do, it will diminish trash removal and litter pickup on Harbor Beach. In lieu of that we would have to hit the big problems by using our maintenance workers; therefore they would not be able to do true maintenance work. There is increased potential for citizen complaints on both.

Pier Maintenance This program is self-explanatory; clean and maintain the our pier. This is one of the City's landmarks and is one of the many things that Oceanside is known for and we do all within our power with the available resources to maintain the pier and keep it in proper condition. For a number of years maintenance was deferred; but some years ago that was reconsidered and resources were put into it to get it back up. It does require extensive maintenance and repair work on a continuing basis. It is regularly cleaned in the summer—we clean 20,000 square feet in a day in the summer and 5,000 sq.ft. in the winter. In the summer we try to clean the pier at least 4 to 5 days a week if we can. In the winter, it is not on a regular schedule; it is mostly demand, the weather, how many people visit the pier and what the condition is because there is less use. In order to work on the pier bracings, we need to get under the pier to clean it, scrape it, tighten it, paint it, and inspect it to see what has to be replaced and what needs to be done with the wood. We do about 400 linear feet of that per year, which is an ongoing process; when they get to the end they start all over again. The response time to citizen requests for service at the Pier is typically that day. There are times that it may take longer.

The budget for Pier Maintenance has 1.18 FTE employees at a cost of \$79,549; there is no Capital; Operating is \$46,230; Interfund is \$20,742. The total cost is \$146,521, which is funded by the General Fund.

In some programs it is hard to find service reduction options. The first option is to eliminate the pier approach maintenance project. That is the concrete portion of the Pier, closest to the shore; it is rebar concrete, structural elements with stucco, and paint over that. We bring in a contractor every year to repair damaged and degrading rebar and concrete, put a special coating over the re-stucco where it is needed, put a special coating over that to make it stronger so that it can be kept in good structural repair. Although the wooden portion of the Pier was replaced in 1987, the structure we are talking about goes way back beyond that. If we do not do this, it will defer maintenance. This has been done before but it does have its impact. Each year the contractor says for each year that the maintenance is deferred, the costs will go up significantly more because more rebar will have to be worked on, more concrete and more stucco. It is one of the City's focal points and lack of maintenance will cause a diminished appearance. It is an old structure and needs constant repair.

The second option would be to eliminate the pier seasonal employees which is \$10,000; but when we have to go under the pier to do the braces and the woodwork and the tightening, that is not something that one person can do; there needs to be at least 2, if not 3 people in order to do it correctly and safely. If the employees are eliminated, the maintenance on the wood structure side of the pier would be deferred. It will also decrease the pier cleaning capabilities because we also use the seasonal employees to help with that. The infrastructure work will be diminished and to try to compensate for that we would have increased overtime costs.

Beach Maintenance This program's objectives are to clean and maintain the our beaches, amphitheater, beach restrooms and all related areas; maintain 5 beach restrooms; 2 parks; 11 picnic areas; 9 beach access stairways; and 3.75 miles of beach. This program also staffs special events, and there are many; there are 20 significant events that require staff to be there to prepare, clean up or be on site during the event depending on the nature of the event. The goal is to respond to citizen requests within 1 working day. There are 3.5 FTE employees at \$218,963; there is no Capital; Operating is \$234,920; Interfund cost is \$79,491. The total budget is \$533,374, and is 100% General Fund supported.

Regarding reduction options, there are very few options that sound good to anyone. First option is to eliminate beach seasonal employees; we have seasonal employees who assist the full time maintenance staff and they help in those areas while the maintenance employees are doing true maintenance work. These employees can help to keep the beaches as clean as possible including litter pickup in afternoons and evenings we can get it cleaned up faster and better than has been done in the past; they also support the special events in the clean up and landscape care. If they are not available, it will have to be done on a time available basis by our permanent staff. There will be complaints from

our citizens and users. The second option is to eliminate some of the service agreements in effect at the beach. There are 3 service agreements: Litter Abatement, Midday Restroom Cleaning, and Landscape Maintenance. The Litter Abatement contract is \$17,500, Midday Restroom Cleaning is \$4,800 and Landscape Maintenance at \$12,000. If we make any reductions at this level, there will be diminished beach trash pick up. We have a service agreement with an organization that comes in the morning and picks up all the trash that has accumulated overnight and from the day prior to get the big trash picked up; it is a major help so that when the full time crew arrives they can fix things that got broken rather than having to pick up trash although after a busy weekend everyone is in on that effort. This reduction would reduce the cleaning and restocking of public restrooms. Staff would be removed from other duties to mow lawns, etc. for the priority of the day. There will be some things that do not get done that day. The beach is another City focal point and if we fall short because of some of these options, there will be citizen complaints.

Lifeguard Services This program provides lifeguard services on 3.7 miles of coastline. Typically in a year they will do 1,700 swimmer rescues, 1,300 medical aid contacts, 400 lost children incidents and last year there were approximately 4,500,000 users who were provided a safe beach and ocean environment. This budget has 20.15 FTE (including extra help) employees, budgeted for \$853,142; there are no Capital or contract services; Operating is \$75,000; Interfund is \$210,537. The total budget is \$1,138,679. The funding, because they do guard Harbor Beach, is that the General Fund supplies \$957,940 and the Harbor Fund provides \$180,739.

Looking at service reduction options, there is currently a vacant lifeguard Lieutenant's position [\$60,000] that could remain unfilled; if this happens that would mean reduced supervision with beach lifeguard coverage, reduction in training, record-keeping and documentation. Some duties would be re-directed to less experienced staff, but there is an overall coverage issue by not replacing the position. A second option would be to defer filling a vacant lifeguard Sergeant's position (part-time benefited) [\$45,000], however, there would be a reduction in supervision of beach lifeguard coverage, etc. The third option was added to the budget this year and has not been filled, which was a part-time clerical assistance [\$20,000] position for the lifeguard division. Presently all clerical work is either done by the administrative staff at the Harbor Office or by lifeguards at the Lifeguard Headquarters. By keeping this vacant, we would continually be using more expensive lifeguards to do clerical staff work and taking them away from duties on the beach.

Recreation Fund Lifeguard This program includes all of the self-sustaining programs within the Lifeguard Division. It is broken down into 3 areas: Lifeguarding of special events, Junior Lifeguard, and World Body Surfing. Typically when a surf contest comes to the beach and they need specific lifeguard coverage to support that, it is built into their fee system, and they pay the Lifeguard service program back for that cost. The same with the Junior Lifeguard Program, which has grown tremendously over the years; they serve about 750 of the City's youth. Third is the World Body Surfing Championship, which is now managed by a new sponsor that operates that event -- a non-City organization.

Even though there is money budgeted [\$213,619], the only money that is used is the money that comes in. In other words, if it is funded at say \$50,000 and only \$45,000 comes in, that doesn't mean that there is \$5,000 in the red; it means that the program is not as big as was anticipated. It would only be funded at the level of the revenue. There are 4.4 FTE employees, which is \$137,944; there is no capital; no contract services; Operating is \$61,795; Interfund is \$13,795. This total budget is \$213,619. The funding source is Direct User Fees; there is no General Fund impact at all. We did not provide any cost saving options to this because it cannot be done. We can reduce the program, but all that does is reduce the service; it does not change the revenue or the cost; it simply collapses the program.

All of the options that have been brought forth in every program were based on the information that we had at the time and at what could be done, or at least have some capacity to be done as budget constraints continue to develop. As true numbers come out from the State and as other cost increases are identified, these options would have to be

modified. This will be an ongoing process to modify the options to incur the least possible impact that can be identified.

**COUNCILMEMBER CHAVEZ** stated the term "Harbor Fund Fee Supported" means the revenue that is being generated from the Harbor. In looking at the total amount of expenditures at \$6,500,000, \$4,800,00 is coming from revenue that the Harbor is generating itself. So the General Fund is supporting this budget by \$1,600,000 to operate some of the greatest assets that the City has: the Harbor, the Beach and the Pier. That is outstanding for the amount of investment for the City. It also probably generates more revenue in restaurants and the reason why people come to the City. So 2/3rds of this is self-funding. He asked how many people are on the slip waiting list to get into the Harbor.

**MR. HADLEY** replied around 225 are on the list. We have around 950 slips.

**COUNCILMEMBER CHAVEZ** asked if there were any supply and demand revenue opportunities here.

**MR. HADLEY** stated that there is. There will never be enough slips in California for the number of boat owners wanting slips. It has had its ups and downs over the years because of economic times, but there is an opportunity. There are other fees throughout the City that need to be looked at, and he is doing a survey now to find out where we are. The Council and the Harbor Board would determine the rate; the rates are in the middle range, but there is an opportunity to re-visit that.

**COUNCILMEMBER CHAVEZ** stated that if there were a 10% increase, we would not be asking you to cut anything. That is something we need to look at. When we start looking at the airport, perhaps we should use the Harbor as a model so when the new hangers are completed and the rates can be raised, then it can become a self-funding engine just like this is. We did need to look at increasing the slip rates.

**MAYOR JOHNSON** agreed that the boat slips are like airport tie downs; the Council can set the rates since we own the slips and the tie downs. In reviewing this information last night, he was reflecting back about 7 years ago when we had some long discussions regarding the harbor, the beach and pier. At that time we talked about how we had about 4,000,000 visitors coming to the beach, etc. Without question, the beach, harbor and pier draw the most attention and tourists to the City. We have come a long way in many areas. When we look at the possible cuts, he was not sure of the amount of shortfall--around \$2,000,000 to \$3,000,000, he would hate to see the City go back to the way that it was as it has come a long way in regard to improved economic development and tourism and reduced crime. He hopes as we go forward that we start talking about additional hotel development; that is what the City is lacking. The biggest area for the most immediate development for the City will be through hotel tourism development.

**DEPUTY MAYOR SANCHEZ** asked how much was in the Harbor Fund.

**MR. HADLEY** answered that the Harbor has a number of reserves; he estimated there is approximately \$1,000,000 for emergencies; there is \$1,700,000 as a breakwater repair reserve; there is about \$2,000,000 in unreserved; and to fund the budget, another \$5,000,000 which makes approximately \$8,000,000 in the fund.

**DEPUTY MAYOR SANCHEZ** stated that most of the fees are from the Harbor and asked if there were any revenue opportunities for the beach.

**MR. HADLEY** stated that we are looking at that now. At the present time the Harbor pays rent to the City through a lease agreement. That money is going to the General Fund but does need to go to the beach to tidelands for use. The money that is generated in the Harbor District has to be spent back in the Harbor District.

**DEPUTY MAYOR SANCHEZ** stated that, in other words, the Harbor is self-funding. She questioned the amount the Oceanside Marina Inn contributes.

**MR. HADLEY** responded that it contributes about \$400,000 per year; less than half of it is direct cash in rent and the remainder is rolled back into the property under capital improvement, which is part of the agreement with the leaseholder.

**DEPUTY MAYOR SANCHEZ** questioned that he had said that he was looking into the fee structure for the boat slips.

**MR. HADLEY** affirmed that it has been 10 years since the boat slip fees have been increased. We are doing a slip fee survey now, and following that we will do an analysis.

**DEPUTY MAYOR SANCHEZ** asked what percentage of the slips are rented to Oceanside residents. **MR. HADLEY** responded around 30 - 40%.

**DEPUTY MAYOR SANCHEZ** asked if there were two separate rents. **MR. HADLEY** answered no.

**DEPUTY MAYOR SANCHEZ** felt that a higher rent should be for those who are not living in Oceanside. Regarding the General Fund cuts, the pier maintenance, beach maintenance and lifeguard services, are essential to tourism and cannot be cut. It would be interesting to see what can be done with fees; fees for non-residents in the slips and perhaps be creative in generating fees in the beach area. She asked how much revenue the parking fees generated at the beach.

**MR. HADLEY** answered that the parking revenue from the beach area does not go through his department. His understanding is that typically the revenue goes into a parking account that looks at the parking bonds and those types of things, but he does not have any direct information on that.

**DEPUTY MAYOR SANCHEZ** understood that there was a program where some of the businesses in the downtown area were to contribute some funds towards parking.

**MR. HADLEY** is not aware of that.

**MAYOR JOHNSON** asked that if we were considering allowing special rates for residents for boat slips, will the same thing be done at the Airport, etc. He asked if they really wanted to go down that road, as we had this discussion a few years ago.

**CITY MANAGER JEPSEN** questioned if, in the lease payment that the Harbor paid the City, slip rentals are included in that gross. **MR. HADLEY** answered yes.

**CITY MANAGER JEPSEN** stated that currently the City receives 6½% of the gross as a lease payment on an annual basis. It has been as little as 0% and as high as 10% over the years. The revenues coming out of the Harbor need to stay in the Harbor; it is required. However, the lease payment could be used to support the services on the beach and pier. That is something that could be considered, but it is important to be careful because the City would not want to charge the Harbor so much money that they are not making a profit that they can put back into the Harbor. He is sure all that would be addressed the next time that Council sees this item. We will be bringing the Harbor Lease item to Council for review in the next couple of months.

The next item that he wanted to bring up is the fact that, as with some other departments, the Harbor has some part-time benefited employees; the Lifeguard Sergeants are ¾ time employees but we pay them benefits. A lot of places that have part time help do not allow them to go past 20 hours a week or 1,000 hours per year, which reduces the overhead costs. That is something to consider. There is a convenience aspect to it that does not work out well for the departments, and it makes it more difficult to recruit people, particularly if the position needs to be filled the year around, which is the case for the Lifeguard Sergeants. It isn't necessarily the case with some of the other positions.

**COUNCILMEMBER FELLER** asked if there was any possible room for expansion of

the Harbor boat slips.

**MR. HADLEY** responded that for the minimal number of slips that could be added, it would not be cost effective. For a number of years they looked at expanding out into the turning basin, which would have required a lot of cooperation with the Federal government's many regulatory agencies. He did not see an environment that would be amenable to that.

**COUNCILMEMBER FELLER** stated that we charge different rates at the Municipal Golf course for people outside of the City; that is more of a convenience for the residents to be able to play locally. We need to pursue that avenue. When we went to Japan 1½ years ago, he noticed that there were a vast amount of parking structures. Are we creative in our boat parking, etc.; is it possible to do double deck parking or could there be some other solution by thinking outside of the box.

**MR. HADLEY** responded that it is done at one place in San Diego at Sea World Marina in Mission Bay. It is a large unattractive facility, and the boats are up on shelves. It is pretty expensive in operation and also in construction. It is typically done when there is minimal harbor to support the water. Oceanside does have a fair number of slips but we don't have the land. Trying to mix it with the parking would be challenging. We can look into it. It does not happen very often, and he believes that reason is a cost issue.

**COUNCILMEMBER FELLER** said that he would be interested in it; there are some potential sights that would not be particularly offensive.

**DEPUTY MAYOR SANCHEZ** stated that with respect to the fees what she was trying to get at was generating revenue from tourism. She knows that the State college system has resident and non-resident fees so she asked staff to be creative.

2. **Public Communication on City Council Matters (Off Agenda Items)** -- None

**ADJOURNMENT**

**MAYOR JOHNSON** adjourned this meeting to a Mayor and Council Workshop on Wednesday, April 16, 2003 at 10:00 AM. This meeting was adjourned at 3:38 PM, April 9, 2003.

**ACCEPTED BY COUNCIL:**

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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

JANUARY 16, 2008

REGULAR MEETING 4:00 PM COUNCIL CHAMBERS

4:00 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**  
Rocky Chavez

**Councilmembers**  
**HDB Directors**  
**CDC Commissioners**  
Jerome Kern  
Jack Feller  
Esther Sanchez

**City Clerk**  
**HDB Secretary**  
**CDC Secretary**  
Barbara Riegel Wayne

**Treasurer**  
Rosemary Jones

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**City Manager**  
**HDB Chief Executive Officer**  
**CDC Executive Director**  
Peter Weiss

**City Attorney**  
**HDB General Counsel**  
**CDC General Counsel**  
John Mullen

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

The regular and joint meeting of the Oceanside City Council (Council), Small Craft Harbor District Board of Directors (HDB) and Community Development Commission (CDC) was called to order at 4:00 PM, January 16, 2008, by City Clerk Wayne.

**ROLL CALL** - None

With early notification by the City Attorney that no closed session was needed, City Clerk Wayne recessed the meeting to 5:00 PM.

#### COUNCIL, HDB, and CDC CLOSED SESSION ITEMS

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

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

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

January 16, 2008

Joint Meeting Minutes  
Council, HDB and CDC

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 needed or 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))

Avila v. Maehler et al., Superior Court Case No. GIC862740]

No closed session was needed or held.

**5:00 PM**

**MAYOR WOOD** reconvened the meeting at 5:00 PM. All Councilmembers were present. Also present were City Manager Weiss, City Clerk Wayne, City Treasurer Jones and City Attorney Mullen.

Pastor Carl Souza gave the Invocation. The Pledge of Allegiance was led by Susana Barba and Shannon Lin.

**PROCLAMATIONS AND PRESENTATIONS**

Off Agenda – Oceanside READS Presentations – to finalists of the Writer-to-Writer 2007 competition (adult literacy program).

Presentation – Tourism and transportation options in Oceanside by John Daley

**JOHN DALEY**, 392 Islander Street, stated that, while most people think of him as a historian, he gives a great deal of thought about the future and things we should do in the community, especially related to transportation and tourism. He reviewed how Oceanside came to be, stating the rail was what drove people here. Oceanside was the only rail community with an industrial base, farming, etc. Then the train changed into vehicle travel, bringing new problems since all of the traffic from the north, south and east came into Oceanside. In 1953, a bypass was built between Palomar Airport Road and the San Luis Rey River, which they thought would solve the traffic problems.

Today, we still have a transportation problem that is outside of our area and control. However, we have a solution to part of this problem. We have been a rail city since 1881. While we do not control the train, with the Sprinter, we will have 120 rail trips per day coming in and out of Oceanside. That is an incredible number of commuter trips. We also have a Transit Center, which North County Transit District (NCTD) is talking about improving. This consists of approximately 12 acres, which is an unbelievable asset for our community. We should not allow above-ground parking west of I-5 in the Coastal area; this area could handle 2-3 stories of underground parking, which will allow for about 3,800 cars. The current surface parking at the Transit Center is entirely full. He believed the City should look closely at 2 things. First, they should challenge NCTD to do an ultimate job for the future. Secondly, between the San Luis Rey River and the Loma Alta Creek, there is an additional 20 acres, for a total of 32 acres in the coastal area that is unbelievably valuable. If the facilities, including the train and parking structures, are underground, we would free up an incredible amount of future traffic problems. We should never allow any parking to be above ground on the 12 acres. Half of that property should be open space. The same applies to the 20 acres

of land the track is on. 10 acres of developable land would be worth a fortune. It is a valuable commodity that we should never give away. This would benefit the community and should be planned for.

**CLOSED SESSION REPORT**

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

There was no closed session held.

**PUBLIC COMMUNICATIONS ON OFF-AGENDA ITEMS**

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

Advance written request to reserve time to speak: None

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

**SLEENE KOSINAR**, 711 Pier View Way, spoke on money given to politicians.

**CONSENT CALENDAR ITEMS** [Item 5]

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

The following Consent Calendar was submitted for approval:

5. 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)

**DEPUTY MAYOR CHAVEZ** moved approval; **COUNCILMEMBER KERN** seconded the motion, which was **approved 5-0**.

**GENERAL ITEMS** – None

**MAYOR AND/OR COUNCILMEMBER ITEMS** – None

**CITY COUNCIL REPORTS**

7. **Mayor Jim Wood** – highlighted the following upcoming events: Martin Luther King birthday celebration on Saturday, January 19; and Community Prayer Breakfast on Monday, January 21.
8. **Deputy Mayor Rocky Chavez** – noted NCTD issues, such as cleaning up at Loma Alta Creek to reduce flooding. Also, there was confusion among Peacock Hills residents regarding bus routes/stops in their area, which NCTD responded to with a chart showing all stops.
9. **Councilmember Jack Feller** – noted that the Community Development Block Grant (CDBG) funding will be on a 2-year cycle. He suggested naming the dog park after the police dog [Stryker] that was killed and asked that this come back to a future Council meeting. He also highlighted a second public meeting on CityMark; the Breakers Awards night (soccer); the SANDAG Borders Committee meeting last Friday, with discussion on

the points of entry at the border; the League of California Cities meeting, where there was a presentation by the San Diego County Water Authority, Helix Water District, and Poseidon regarding the shortage of water; the League of California Cities quarterly meeting on July 17 to be hosted by Oceanside; a tour of Camp Pendleton's base yesterday and the Marine Corps' support of the Highway 241 alignment; and a tourism meeting this morning at the Chamber of Commerce.

10. **Councilmember Jerome M. Kern** – also highlighted the Breakers Awards, where Frank Zimmerman was named Coach of the Year for Southern California; MiraCosta Community College received a \$350,000 grant for their nursing program; and the Artists Alliance Juried Art Exhibition on January 18.
11. **Councilmember Esther Sanchez** – announced a fundraiser on January 23 at Anita's Mexican Restaurant for Project Care for senior citizens.

[Recess was held from 5:38 to 6:02 PM.]

**6:00 PM – PUBLIC HEARING ITEM**

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.

6. **CDC: Consideration of a resolution certifying a Final Environmental Impact Report and a resolution approving Tentative Map (T-204-06), Development Plan (D-213-06), Conditional Use Permit (C-208-06) and Regular Coastal Permit (RC-215-06) for the construction of a 336-unit hotel, 48-unit fractional timeshares and 18,500 square feet of visitor-serving commercial uses, and adoption of a statement of overriding considerations pursuant to CEQA Guideline 15093, located on two City blocks bounded by Pier View Way, Seagaze Drive, Myers Street and Pacific Street – Oceanside Beach Resort – Applicant: S.D. Malkin Properties, Inc.**

**MAYOR WOOD** opened the public hearing.

Regarding disclosure of constituent contact, all Councilmembers reported contact with public agencies, staff, public, applicant, etc.

**CITY CLERK WAYNE** reported that an email was received, which Council has copies of, as well as correspondence they received at the dais.

**JANE McVEY**, Economic Development and Redevelopment Director, reflected on the length of time and the process that led to where we are tonight. This is not the last step but is one of the most important steps to produce this hotel. During the summer of 2003, staff looked at the site from a technical standpoint regarding what could and could not be done there, as well as the constraints. In the fall and winter of 2003, she and then Planning Director Mike Blessing met with a number of stakeholder groups, asking them what they wanted to see in this hotel. In January 2004, the Council held a workshop to go through the parameters of what they wanted to see in this development. In April 2004, the City issued a Request for Qualifications (RFQ).

This process has taken a very long time, and a lot of people were involved. Besides City staff, they had a lot of consultants working on the Environmental Impact Report. When the consultants do the study, the staff reviews, questions and refines the documents. It is a very thoughtful, methodical and deliberate process. Thousands of data points are in the document. This is a very complicated project, and the 9 blocks within which the project is located are the most heavily regulated blocks in the entire City.

**KATHY BAKER**, Redevelopment Manager, stated the project before Council is

the Oceanside Beach Resort. Project approvals include a tentative map, development plan, historic permit, conditional use permit and regular coastal permit for the construction of 336 hotel units, 48 fractional timeshare units and 18,500 square feet of visitor-serving retail. The site is located on 2 City-owned blocks bounded by Pier View Way on the north, Seagaze Drive on the south, Myers Street on the east, and Pacific Street on the west. Also included in the approval is the adoption of the Final Environmental Impact Report (FEIR).

By way of background, the Redevelopment Project Area was created in 1975. In 1992, the Redevelopment Plan was amended to create the 15 subdistricts. Previously there was a requirement that 1/3 of The South Strand area was to be reserved for visitor-serving commercial uses. A market study was done in 1992 that demonstrated there was not enough adequate land to sufficiently provide for the future visitor-serving commercial uses. Therefore, the amendment also removed the requirement regarding The South Strand and allowed for parks and other types of public services instead, and transferred the visitor-serving uses to the pier area, which is now the 9-block Master Plan. The 9-block Master Plan ensured that there would be enough visitor-serving commercial needs to meet a minimum of 240 hotel rooms and 81,800 square feet of visitor-serving commercial. Within the nine blocks, there are 2 zoning subdistricts. Subdistrict 1 allows for commercial and office uses and a variety of business services to serve the community at large, primarily tourist and visitors, with residential uses where appropriate. These lots are for the most part the CityMark lots. Subdistrict 12 is to provide special tourist and visitor uses that relate to the pier, ocean, beach, marina and freeway. Typical visitor-serving uses would include commercial, recreation, entertainment, restaurants, food services, retail sales, travel services, and hotel/motel and timeshare uses.

In addition to the Zoning Ordinance, there were several design requirements that needed to be met. Only 60% of the site could be covered with structures, and there was a 30% open space requirement, with 15% of the open spaces to be accommodated in the interior of the building through gyms or meeting/conference space. There had to be a minimum 50-foot setback from the centerline of Mission. A pedestrian promenade was to be developed along Pacific Street, and they needed to preserve the views on the public rights-of-way down the streets. Regarding the height limit at that time, 30% for the transient visitor-serving could be up to 140 feet; another 30% could be 90 feet; and 40% of the lots could be 45 feet.

There was a previous project that went through this approval process and actually met many of the requirements; however, it was ultimately denied at the Coastal Commission. Therefore, staff decided to take a different approach and get as much community input as possible. They met with numerous groups, and Council held a workshop to discuss what the parameters would be. They also met with the Redevelopment Advisory Committee, Economic Development Commission, the Chamber of Commerce, Surfrider Foundation, Citizens for the Preservation of Parks and Beaches, COAST, OCNA, etc.

The RFQ was issued to over 400 different hotel companies and developers. This list was narrowed down to 3 developers in September 2004. Ultimately, in April 2005, S.D. Malkin was selected as the developer. In September 2005, the CDC approved an agreement that would set forth the steps to where we are today.

The project has 289 hotel rooms, which is in excess of the minimum 240 units; 47 boutique hotel rooms; 48 fractional timeshares and 18,500 square feet of visitor-serving retail. Regarding the conceptual landscape plan, the distance from the centerline of Mission and the front of the building must be a minimum of 50 feet. The City came up with an interim tree plan, where they incorporated some canopy trees for Mission, Pier View Way, Seagaze and Myers Street.

On the ground floor, there is a ballroom at almost 8,000 square feet that can accommodate 500 people seated and the dance floor area. There would also be a

restaurant, lounge and gift shop. There would be open space, additional meeting space, and the main lobby on the Mission side. On the second floor, there is a restaurant area and large spa area, as well as some hotel rooms. Level 3 is the pool deck, where there is an outdoor living room with a terrace that looks onto the ocean, as well as hotel rooms. For the most part, levels 4-7 are primarily the hotel rooms. On the 8<sup>th</sup> floor, the hotel rooms have stepped back, and there are the much larger presidential units.

In summary, the south block has 289 hotel rooms; approximately 1,800 square feet of restaurant/lounge area; 15,000 square feet of banquet, ballroom, and meeting space; a 7,200 square foot spa; and an approximately 1,800 square foot fitness center. The north block has 2 separate towers, with roof articulation, balconies, etc. It is 55 feet from the centerline of Mission to the edge of the building. There is a public plaza area of 23,000 square feet of open area that includes the Graves House, water features, canopy trees and grassy areas. The palms will be kept on Pacific Street in order to not obstruct views. The main lobby is off Myers Street. The 2<sup>nd</sup> and 3<sup>rd</sup> stories are the 2-bedroom timeshare units and boutique hotel units. The 4<sup>th</sup> floor has the pool deck and fitness center. The 6<sup>th</sup> floor has conference rooms with a large open terrace area looking straight at the ocean. The 7<sup>th</sup> floor is a large conference area with an open deck area and a pantry, as well as presidential timeshare units, which are also on the 8th floor.

Ms. Baker showed computer slides of the elevations, typical hotel room, boutique suites and 2-bedroom timeshare units.

In addition to the actual project approval, there is an environmental impact report. There is a lot of data provided by various experts. The FEIR concluded that this project's direct and cumulative environmental impacts are less than significant or can be substantially lessened or avoided if all of the mitigation measures are implemented. The mitigation measures and reporting program are in the document, which ensures that all of the mitigation measures required by the FEIR are carried out. All of the conditions and reporting requirements are implemented throughout the project. However, there are some items that cannot be mitigated below a level of significance. The California Environmental Quality Act (CEQA) requires that a statement of overriding considerations needs to be adopted to approve the proposed development. After balancing the specific economic, legal, social, technical and other benefits that this project brings to the City, these adverse effects are considered to be acceptable. Some of the project benefits include enhanced redevelopment opportunities, increased visitor accommodations, increased resident and visitor-serving commercial uses, increased tourist opportunities, creation of full-time jobs and secondary jobs, construction jobs, and an increase in spending downtown, in the harbor, marina and the resort.

One of the land uses included were fractional timeshares. The Zoning Ordinance currently allows for timeshares. Recently, however, the City had several land use changes for the Redevelopment Project Area that it took to the Coastal Commission for approval. These included land uses for both fractional and condo hotel units. The City's Local Coastal Plan amendment was heard by the Coastal Commission in December, with several suggested modifications. The City is working with Coastal Commission staff to finalize those. Once the language is finalized, staff will bring it forward for Council approval and then final certification from the Coastal Commission. However, this project does not need to wait for Coastal Commission approval to get started. The issue does need to be resolved before the developer can sell fractional or condo hotel units, but it does not preclude the project from moving forward at this time.

Staff believes the Oceanside Beach Resort is consistent with the California Coastal Act, the City's Redevelopment Plan and Local Coastal Program, and the Downtown "D" District. It is a long awaited project that will create jobs and benefit the City at large.

The Redevelopment Design Review Committee reviewed the project on September 17 and November 1, 2007 and approved the project. The Redevelopment Advisory Committee recommended approval at their January 9, 2008 meeting, and the

Economic Development Commission recommended approval of the project on January 15.

Therefore, staff recommends that the CDC approve the proposed project by 1) adopting the resolution certifying the FEIR and adopting the Mitigation Monitoring and Reporting Program, the findings and Statement of Overriding Considerations; and 2) adopting the resolution approving the tentative map, development plan, conditional use permit, historic permit and regular coastal permit.

Applicant

**JEREMY COHEN**, Senior Vice President of S.D. Malkin, stated it was hard to believe that they have been involved in this for 3½ years, when they first responded to the RFQ. It is a laborious process to build something this complex. The complexity includes the Local Coastal Plan, the fact that the project is on a ground lease, the fact that the City is participating in terms of public assistance, and the fact that the City will participate ultimately in the profits of the project. They are working diligently with staff to bring the ground lease back to Council as soon as they can, which is the next critical milestone. If they work closely in partnership to reach all of the milestones, S.D. Malkin still thinks it is possible to start construction before the end of the year. Once all of the approvals are obtained, they will have working drawings to do and will have to access the capital markets. It is not the easiest time in the capital markets, which is a challenge. They can bring that process to a culmination once they have the uncertainty of entitlement and ground leases behind them. The City has their continuing commitment to move this project forward as quickly as they can. They are proud of the project, which has not changed drastically, and hope it looks even better at completion.

Public Input

**ADAM BIRNBAUM**, 422 South Freeman Street, member of OCNA, noted the commitment of all the stakeholders, the developer and City staff to bring this project to fruition; it is impressive. As a professional planner, he has seen a lot of projects go from the review phase to implementation. Sometimes in that transition, there are changes proposed. That is to be expected. However, in times in financial stress, there is also a bottom line to be considered, and there is quite a bit of pressure on staff to accept changes to the project. Some of those changes have been carefully worked out through the process of compromise and input. He asked that Council pass along to staff that it is very important that the project be built per plan, since so many people have worked on the details. Therefore, the public and Council must have the opportunity to comment on any proposed changes.

**KAY PARKER**, 4377 Albatross Way, speaking as an individual, stated this is a very important day in Oceanside as they take this next step toward igniting their economic engine of downtown redevelopment. Many of us have been waiting for several decades for this important development to come to Oceanside. She asked Council to move this project from vision to reality.

**JAN DAWKINS**, 5199 Via Malaguena, stated the citizens deserve coastal views. Oceanside's most beautiful downtown asset is its ocean view. The environmental impact of the proposed Malkin hotel design will be to obliterate that view. These two 8-story boxes will completely block the view from outside and give few views inside. The view from the ground floor restaurant will be traffic on Pacific; the ballroom has no windows; the public and hotel guests will only be allowed up to the 3<sup>rd</sup> floor public area; and there will be no views from the roof. This design squanders its Oceanside location and should be changed. We are giving up our one piece of prime ocean front property and investing \$27,000,000. We deserve a hotel with rooftop dining and dancing and skyline views of the ocean all the way to Catalina Island. She advocated building the hotel in the City's signature modern mission style with a rotating restaurant and ballroom that will be an extraordinary cultural and historical landmark. There are rotating restaurants and lounges around the world as further described. This corporation could better serve our

citizens with coastal views. She imagined dining and dancing on an Oceanside tropical rooftop terrace, surrounded by a torch lit waterfall and swaying palms in a coconut grove style glass-domed, rotating ballroom.

**JOHN McDONALD**, 5064 Corte Alacante, spoke first as the Chair of the Arts Commission, stating that this a transformative project moment. This is the only project where we took it to the commission, which unanimously supported the project. It could be the catalyst for a true economic development; it was well thought out and well designed. This developer was actually working to curate the arts in this building; is supporting the development of arts-related business in the City; is working on arts-related approaches and supports the idea of an art-related approach at the beach area. Also, the project receives strong support from competing interests in the community.

Speaking as an individual, he noted that this was an example of an excellent developer; however, that does not mean that the right results will be produced. We need to be extremely cautious about what comes next. Secondly, he asked if this project would be an exemplar for high rise; if it would become Long Beach or Laguna Beach with an open area. He asked what the vision is for this City. This is a single project with a good result. The vision could be destroyed if it becomes the basis for blocking all the rest of the City from the ocean.

**DAVID NYDEGGER**, CEO and President of the Oceanside Chamber of Commerce, reviewed that 3 years ago the Chamber realized how important it was for the City to go forward with a developer for this downtown area. They also realized that there are a lot of people in the community with different ideas and perspectives. We were able to bring those folks together to sit at monthly meetings and go over in great detail all of the projects. Mr. Cohen has attended those meetings and provided great input.. It will be a wonderful thing for the City. It will be a standout in our City and is another major mark.

**RICH GUSTAFSON**, with CityMark Development, stated they own the 5 blocks across the street to the east and north of this property. The 9-Block Master Plan is a puzzle. That is way it has taken Malkin 3½ years to get to this point. We have been working on it for close to 5 years. He commended staff for working with CityMark, as well as Malkin on this, since everyone needs a voice on it. He encouraged Council to approve this project. He understands what Malkin is facing in the financing market. We have the same problem but cannot even start that process until they have approved projects. This project is iconic and will do great things for the City. He urged Council to vote for approval.

**BEN SCOTT**, 516 South Horne Street, stated that this is a key thing he hopes comes to fruition. We must remember we have paradise here. When negotiating, they should negotiate in the interest of the people of Oceanside to keep that paradise. They should make sure that the promises are kept.

**KIM HEIM**, Director of MainStreet Oceanside, echoed everyone's comments to support the project. MainStreet supports the project wholeheartedly.

**PAMELA MYERS**, 910 North Pacific Street, is for the beach hotel and for development in Oceanside. The thing that concerns her the most is the lack of parking with this development and CityMark. That is what is going to make or break our downtown beach area. If there is no parking and traffic galore, it will spread out into our neighborhoods. She understands there will be 30 parking spots removed, in addition to the 43 off-site parking spaces they want. That is taking away the public's parking. There needs to be more give. She wants this project, but she wishes Mr. Cohen would give the citizens and tourists the parking that they need.

**JOAN BOCKMAN**, 1409 South Horne Street, is in walking distance of this project, and their neighborhood has unconditional support for the project, which has many wonderful things about it. Her neighborhood is directly adjacent to this and most

of the other large projects to be developed in the downtown area. They have no problem with the planned growth. They look forward to having more local restaurants and amenities. Since they were able to finally see the staff report with the actual conditions imposed upon the project, they noticed one that was missing. It is a fairly minor issue for the developer but a major issue for the neighborhood. The issue is the traffic going into the neighborhood as a result of improvements to the intersection of Mission Avenue and Horne Street. When the design was first proposed on a different project, a traffic calming device was approved by the Council at the request of the neighborhood. If Horne Street is improved, the traffic will come, and the traffic calming device must be in place. This is condition #76 with the Belvedere project and should be attached to condition #63 for Malkin. Staff is very aware of this; this is not a late request. It was fully discussed at a prior hearing, and the residents assumed it would be included. It was a surprise that it was not. The traffic calming and the intersection improvements go hand in hand. The residents are supportive of the project but also want to live with it. She asked that this condition be included.

**GEORGIO KERPANI**, 315 South Nevada Street, is also a resident within walking distance of the project. If they want a glamorous community, they have to go forward and obtain the revenue they direly need. There have been a lot of NYMBY's, negative people and unrealistic preservationists in the past. While he did not like giving away City money, if the City had not settled outside of court with Manchester on the \$2,200,000, we would not be anywhere near here today with this project or CityMark.

**JOE RYAN**, 205 South Myers Street, is also within walking distance and is a business member of MainStreet Oceanside. He and his wife operate an Italian ice vending concession at Tyson Park and are vendors at the Sunset Market. He watched the efforts of the City at the Coastal Commission meeting. He and his wife support the project. It is an exciting time to live and work in Oceanside.

#### Applicant Rebuttal

**JEREMY COHEN**, Senior Vice President of S.D. Malkin, addressed the issue of parking that was raised. The 580 spaces being provided are well above what would be normal for a hotel of this kind. The City has strict parking requirements. The spaces being taken away from the street are being replaced in addition to the parking required for the project. Those spaces had to be taken away to have drop-offs, valet zones, loading zones, etc. to serve a project of this kind. There is no opportunity to leave the spaces and still operate efficiently. However, some of those spaces are going to be provided in the surface lot and will be more accessible to the beach goes than going into an underground garage. We are going down 2 full levels, including the herculean task of going underneath Mission. They are already pushing it to the maximum without going down into the water table, which would present huge problems. Also, the City has been proactive and has built one parking garage and has plans to build a second public garage. In discussions with the merchants, the goal is not to get everyone to park as close to the beach as they can but, as is done in many successful village environments near the beach, to place those garages a little off the beach and be able to do commerce with all of the people walking down to the beach. There is a big visitor-serving commercial requirement here. 81,800 square feet is a lot of street retail. Having the pedestrian traffic that would flow from the parking garages is fine. Additionally, a lot of the plans for beach improvements include drop off areas, so people can drop off people/coolers and go back and park. It obviously will not be the same as having nine blocks of surface parking at the beach, but it has to be redone in an intelligent way. The City has done that, and we have tried to address it in the best way possible.

Regarding the traffic calming, he was not aware of it until today. There is a list of mitigations that are proposed for traffic; however, they involve all of the projects that are to be built over time. There are other projects, such as the Belvedere project, and they have the opportunity to do some of those mitigations. He did not understand the traffic calming issue well enough since he just learned about it tonight.

January 16, 2008

Joint Meeting Minutes  
Council, HDB and CDC

Even a 4- or 6-story building would be denser and block more views. In most successful urban environments, the key is to keep the view corridors open. The City has protected that by keeping Mission open. Building a hotel across 2 separate city blocks with a 4-lane street in the middle is another challenge. The City has gone to great lengths to come up with a project that keeps the view corridors open. We are committed to that.

[Public input concluded]

Mayor Wood closed the public hearing.

**COUNCILMEMBER FELLER** stated this Council is speaking on behalf of all of their predecessors. Councils of the past continued to support first class projects downtown. All of them had what they believed was the best interest of Oceanside in their hearts and all have contributed to the good of the City. We are now in the position to approve this project. This is over a 30-year desire. It has been worked on and contributed to by thousands of people, all making tough decisions. We have compromised and have now succeeded. This is monumental and a red-letter day in Oceanside. He **moved** approval to adopt the resolutions.

**COUNCILMEMBER KERN** seconded the motion.

**COUNCILMEMBER SANCHEZ** noted that staff went through the number of reasons we should adopt the Statement of Overriding Considerations, but they did not delineate why that has to be done and what considerations exist that cannot or will not be mitigated. She asked that those be publicly delineated so Council would know what they are balancing.

**JERRY HITTLEMAN**, City Planner, stated there are a number of measures that can be mitigated by the project; however, there are some impacts that will remain. The main one is cultural resources. The Top Gun house will be moved to the north block. The house at 106 North Pacific Street would result in significant impacts if it were demolished, which is proposed. The next impact would fall under traffic circulation. We have a number of conditions that cannot be met since they are infeasible. Those include improvements at Mission Avenue and the freeway; improvements along Coast Highway where we were supposed to have some left-turn lanes and widening of Coast Highway; and other improvements that were to occur along Pacific Street. These were found to be infeasible because of the existing roadway designs and other considerations.

During construction there will be a lot of traffic trips generated by digging such a large hole for the project. A lot of material has to be removed, and there will be over 1,000 truck trips to do that. While this would be a temporary impact, it was still listed as not able to be mitigated. Those were the main impacts from the proposed project.

[Councilmember Feller left the dais at 7:05 PM.]

**COUNCILMEMBER SANCHEZ** noted the Graves House (Top Gun house) has to move off site and then placed back in. She asked if a location has been found for it to be placed off site.

**MR. HITTLEMAN** believed the location is the parking lot just west of the railroad tracks and south of Mission Avenue. It will be a temporary location until it is moved back to the north block.

**COUNCILMEMBER SANCHEZ** asked who would be responsible for maintaining this structure.

**MS. BAKER** stated the City is going to be retaining a cultural resource architect to do all of the work that needs to be done to all of the homes, including doing the relocation of the Graves House to the parking lot. It will be properly fenced and secured.

The cultural resource professional will advise the City how best to do that. It will be a partnership between the City and the developer.

Based on the best time sequence, **COUNCILMEMBER SANCHEZ** asked the earliest time that the buildings will be demolished/taken off site.

**MS. BAKER** noted there is a 10-day appeal period to this action. Assuming there are no appeals, staff could hire the resource individuals, get the cultural documents in order within a couple of months, etc. So the best time frame would be April or May before relocation or removal of the structures.

[Councilmember Feller returned to the meeting at 7:07 PM.]

**COUNCILMEMBER SANCHEZ** asked if it could still be done if someone came forward regarding the house at 106 North Pacific Street and could move it off-site onto another lot.

**MS. McVEY** reviewed that the City had done a Request for Proposal (RFP) where the applicants were to submit by December 7. The City also requested a deposit and assurance. The RFP called for it to be off by April 1 in order for the City to prepare site preparation work prior to turning it over to the developer. They also asked to have it moved by Memorial Day prior to the high season. No one came forward who met the criteria, had a site that was properly zoned, subdivided, did not need retaining walls and could perform with a \$50,000 deposit to prove they also had the financial resources. They would have to have the site prepped and ready for the relocation.

**COUNCILMEMBER SANCHEZ** had been contacted by someone who would like to do this. She asked if the final date would be May 1.

**MS. McVEY** reiterated that the RFP called for April 1 as the deadline so that they could get the site prepped by the end of the month. It includes having utilities be cut, capping water lines, etc. before they could start. Hypothetically it would be possible. However, she noted they did the RFP and had no one come forward. If they were to deal with one individual now, she wondered how they would deal with someone who did not come forward at that time.

**CITY MANAGER WEISS** was aware of this. If someone actually has a serious interest and could demonstrate all of the requirements and move the house by May 1, we would make that work. There are some activities we could undertake even if the house is there, such as utilities, etc.

**COUNCILMEMBER SANCHEZ** asked if the entrance remains mid-block, still making a left mid-block on Mission Avenue.

**MS. BAKER** stated that is correct. It is on the south block.

**COUNCILMEMBER SANCHEZ** had understood that they were going to try to have a different entrance because of the possibility of traffic being backed up on Mission, especially during the summer.

**MS. BAKER** stated the entrance had always been planned here.

**COUNCILMEMBER SANCHEZ** stated this led to traffic calming and asked if the developer would be willing to include a traffic calming program as part of the project.

**MR. COHEN** did not think this was pertinent to this project specifically. The mitigation measures have them building for the cumulative impact regarding traffic lights. It involves all of the build-out of CityMark, the Belvedere and 7 other projects. There are other projects that have that condition in it. He did not know enough of what the program is to give an appropriate answer. He would be happy to review the issue

and discuss it; however, it is not an issue that has been brought up to them. It would be difficult for them to do it; they already have an extraordinary number of mitigation measures for traffic.

**COUNCILMEMBER SANCHEZ** stated the Belvedere developer agreed to it. She did not think this is a huge project. She asked staff to clarify.

**MS. BAKER** explained that the improvements that Ms. Bockman was referring to are ones that are actually down on Horne and Michigan. It was traffic calming in the form of bulb-outs on Horne Street. It was a condition the developer had negotiated with that neighborhood specifically in gaining support of the project. Although the improvements being constructed are required at Mission and Horne, these off-site improvements for traffic calming were not mitigation for either Belvedere or this project. That is why they did not consider including it as a condition on this project.

**COUNCILMEMBER SANCHEZ** asked if there was any way to include any traffic calming program for this project, since the entrance is a left turn mid-block on Mission with no light. During the summer when traffic is bumper-to-bumper, we are going to allow this left turn mid-block.

**MS. BAKER** stated that is correct. However, as Mr. Cohen also pointed out, there are 6 intersections that are going to have signals, improvements, etc. All of the signals will be timed accordingly to manage that traffic process.

**JOHN BOARMAN**, with Linscott Law & Greenspan Engineers, City's traffic consultant for the EIR, stated they looked at the entrance off Mission. It is a short block, and you are making a left across Mission. However, it is only to the porte-cochere; it is not to the parking area. So it is not a heavy volume. If it was the entrance to the parking structure, they would have an issue. Instead, it is a small number of cars during a peak period that would make that left turn. We are comfortable with it; they had done a full queuing analysis of that block. Only the people going to the porte-cochere would be making that left.

**COUNCILMEMBER SANCHEZ** stated the answer to this community is that they are not going to get a traffic calming program for this project.

**CITY MANAGER WEISS** believed that the conditions on the Belvedere would still require the traffic calming. That project is looking at a potential redesign, and even as part of the redesign, that requirement would still be imposed as a means of dealing with neighborhood issues.

**COUNCILMEMBER SANCHEZ** asked if there was any way to get a restaurant with a view. There were several people who asked for this. The timeshare will have an eating facility that will face the ocean and beach.

**MR. COHEN** replied it could not be done on the rooftop. With the way the building sets back, we have very little area for mechanical equipment on the rooftop. Additionally, it is a sloped roof. It would be hard for the public to get up to those areas. A lot of the rooftop restaurants were built 30 years ago, and no one has built them since because they have been very difficult regarding operational issues. Most of them have lost money, with the exception of a very few. We are studying as we go forward with design whether there is any possibility to have a portion of the restaurant on the second floor closer to the ocean view. That way, from the second level of the restaurant they could look out. They have it now, but it is on the corner of Myers and Mission. So they are looking at whether or not there would be a way to have a portion of the restaurant above the lounge facing an ocean view. There are lots of challenges regarding servicing a restaurant like that. The kitchens should be on Myers and not on ocean views. Therefore, the answer is yes, we will look at that issue. It is an interior issue and does not affect the exterior of the building. We discussed it with staff. He did not want to promise that they could pull it off operationally, but they will look at the design carefully.

**COUNCILMEMBER SANCHEZ** encouraged them to do that. The timeshare will have a smaller version of a restaurant where you could see the water. The seventh floor has a wonderful view. She would take any restaurant with a view.

Parking is an issue. She feels this is something that still needs to be worked on.

Kudos to people who have worked on this type project for 30+ years. The community has been united, then divided, etc. At the end of the last divisiveness, we decided as a community to unite. This is a historic time; we have been through a lot. People are happy with most of the project. Parking is going to be an issue from here on because we are beginning to feel the successes we want. We want restaurants, a night life, retail stores, etc. We have to deal with how to get employees here, not just customers. We have been creative about counting parking, but we have to as a city come up with a better parking plan. She is supporting this project. We have worked very hard and reached out to the community.

Regarding the house at 106 North Pacific Street, **COUNCILMEMBER KERN** reviewed that the building would be removed, and a fence would be put around it. He asked who maintains the fence and the security of the building.

**MS. BAKER** stated it would be the City, since it is City-owned property.

**COUNCILMEMBER KERN** asked if the operator of the boutique hotel would also be the Westin.

**MR. COHEN** explained that they have written all of the Memorandum of Understanding so that it could work both ways, but they believe they will have the same operator for both blocks. The boutique hotel will be like a sub-entity within the overall hotel, and they believe it will be operated all together. There will be check-in desks at both blocks.

**COUNCILMEMBER KERN** noted how complicated these projects are. The ground lease for this project is 140 pages. There are a lot of steps to go before they break ground. He noted that the Sprinter is a way to get employees to work without using a car. This is one of the advantages of having the Transit Center. They need to encourage the employees to use the Sprinter. We need to start talking about using public transportation. While public transportation only works for density, it applies to density of residential and density of jobs. Therefore, part of the parking will hopefully be mitigated by public transportation.

**MR. COHEN** noted that they see this as an important part of their own transportation management plan. It is a pretty unusual hotel, and they will all have to live with the noise of the trains going through. Hopefully, one day they can get a quiet zone covering that. He is challenged to find a beach hotel that has public transportation access like this does. People can get on a train at Los Angeles, Irvine, Riverside, San Diego, etc. and be in a rolling suitcase a short distance from the hotel front door. That is an unusual opportunity, and they hope to capitalize on that through their marketing. The Sprinter is very important in terms of mitigating employee parking and opening up the labor pool.

**COUNCILMEMBER KERN** asked what would trigger a substantial change that they would have to come back and let the public know. The public has bought into this for a long time, and they do not want surprises at the end. If there is a change because of construction, ground or any unforeseen circumstances, what would be the substantial change to trigger this.

**MS. BAKER** reviewed that they have substantial conformity guidelines that give some flexibility regarding minor changes to the site. She tells most developers, especially in the Redevelopment Area, not to touch the outside in particular. We want to see what we approve architecturally, textures and materials. Minor changes in square

footages, shuffling from one retail space to the restaurant, etc. would not be a concern and typically happen with most projects. However, changing the ballroom from 8,000 to 5,000 square feet would be significant. They have many conditions on that site. Between Malkin and CityMark both, they eked out what they can build. Their building footprint is what it is and really cannot change. There would just be interior changes for the most part.

Regarding the parking issue, **COUNCILMEMBER KERN** noted that there is a parking garage slated to be built. We are waiting for this to be done. The traffic calming is a condition of the Belvedere project at Michigan and Horne, and when that project comes forward, the traffic calming will take place. As time goes on, the Belvedere could be built before the hotel. Malkin will have to provide the traffic light at Mission and Horne. Hopefully, they will be paid back over a period of time, since they are only responsible for 29% of the cost of that improvement. Therefore, the traffic calming is going in.

Regarding the settlement for Manchester, he stated it was very important to get that out of the way. If that had not happened, we would still be in litigation. That \$2,200,000 probably saved us about 7-8 years.

Regarding the Coastal Commission, we are still not sure of their actions, but Ms. McVey is negotiating and talking to their staff to work it out.

**DEPUTY MAYOR CHAVEZ** stated there will be a parking problem, especially with small businesses. He had heard a number of times that, if we do this right in redevelopment, then we will have a parking problem. The intent is to have people down there spending money. So we are going in the right direction.

The different building height limits (30% at 140 feet, 30% at 90 feet and 40% at 45 feet) is for articulation, so there is not a wall the same height. He noted that the City was farther along with Manchester than we are today with this project. They would vote today and then wait for the 10-day appeal period. Hopefully, no one will appeal it, and it will go forward. A lot of people over thousands of hours of meetings have made a compromise. After this step, Mr. Cohen will have to face the financing issue. Any appeal or slowing down of this project makes it tougher to get money and doesn't show community support, which puts more risk on it. The \$2,200,000 settlement was a way to shorten the time line so we could finance this. If it had been delayed 5 or 7 years, they would not have been able to finance the project.

**Motion** [to adopt **Resolution No. 08-R0020-3**, ". . . approving a Tentative Map, Development Plan, Conditional Use Permit and Regular Coastal Permit for the construction of a 336-unit hotel, 48-unit fractional time share and 18,500 square feet of commercial uses located on two City blocks, bounded by Pier View Way, Seagaze Drive, Myers and Pacific Streets – Applicant: S.D. Malkin"; and **Resolution No. 08-R0021-3**, ". . . certifying the Final Environmental Impact Report for the Oceanside Beach Resort project and adopting a Mitigation Monitoring and Reporting Program, findings and a Statement of Overriding Consideration (S.D. Malkin – Applicant)"] was **approved 5-0**.

#### **ADJOURNMENT**

**MAYOR WOOD** adjourned this joint meeting of the Oceanside City Council, Community Development Commission and Small Craft Harbor District Board of Directors at 7:42 PM on January 16, 2008.

#### **ACCEPTED BY COUNCIL/HDB/CDC:**

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Barbara Riegel Wayne  
City Clerk, City of Oceanside



**5:00 P.M.**

Mayor Wood convened the meeting at 5:03 PM. Present were Mayor Wood, Deputy Mayor Chavez and Councilmembers Feller, Sanchez and Kern. Also present were City Clerk Wayne, City Treasurer Jones, City Manager Weiss and City Attorney Mullen. Pastor Carl Souza gave the Invocation. Students from Nichols Elementary School led the Pledge of Allegiance.

**PROCLAMATIONS AND PRESENTATIONS**

The following presentations were made:

Proclamation – Genentech Volunteer Day – January 23, 2008; with appreciation also to Domino's Pizza and Frazee Paint

Presentation – Employee Service Awards were presented to the following:

<b><u>20 year award</u></b>	<b><u>Department</u></b>	<b><u>Hire Date</u></b>
Brian S. Sundberg	Harbor & Beaches	10/19/87
Anthony L. Marella	Police	12/06/87
Stella M. Price	Police	12/13/87
Judy A. Barz	Neighborhood Services	12/27/87
Michele Lund	Treasurer's Office	12/1/87

<b><u>25 year award</u></b>	<b><u>Department</u></b>	<b><u>Hire Date</u></b>
Deborah J. Polich	Library	12/05/82
David Mills	Public Works	11/29/82
Tracy S. Tucker	Water Utilities	10/17/82
Robert Dunham	Fire	10/25/82
Tracy A. Hawk	Fire	10/17/82

**CLOSED SESSION REPORT****3. Closed Session report by City Attorney**

**CITY ATTORNEY MULLEN** gave the following report on the item previously discussed in closed session:

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

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

No closed session was held on this item.

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

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (SECTION 54956.9)

Significant exposure to litigation pursuant to Subdivision (b) of Section 54956.9:  
One case re: Jitter's Coffee

Discussed; no reportable action taken under the Brown Act.

Changes to the agenda

**CITY CLERK WAYNE** announced that Public Hearing Item 18 is being continued to the February 13, 2008 meeting at 6 PM.

**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

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

**JAN DAWKINS**, 5199 Via Malaguena, noted issues with the downtown hotel: awkward, asymmetrical layout; no restaurant with an ocean view; poor design, etc. She felt the solution to this problem is to build our own hotel the way we want it to with a restaurant or ballroom with rooftop views, etc.

**MARGARET MALIK**, 1611 Hackamore Road, was angry that the City picked the Guajome Park site as the location for a neighborhood meeting tomorrow night from 6:00-9:00 PM with no lighting, inadequate parking, no close facilities, no heat, etc. She asked what the big rush is to put Melrose through.

**JOAN BRUBAKER**, 1601 Hackamore Road, also spoke about the inappropriate meeting location at Guajome Regional Park as noted by Ms. Malik. She further spoke about the poor street repair on Spur Avenue.

**JERRY McLEOD**, 1517 Del Mar Road, also questioned why Guajome Park was chosen as the meeting location since it does have problems.

**CONSENT CALENDAR ITEMS [Items 5-17]**

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

Item 10: **Deputy Mayor Chavez** removed this item for discussion.

The following Consent Calendar was submitted for adoption:

5. 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:  
  
October 16, 2002, 2:00 p.m. Adjourned City Council Meeting  
December 2, 2002, 10:00 a.m. Adjourned City Council Meeting  
December 11, 2002, 2:00 p.m. Adjourned City Council Meeting  
December 11, 2002, 3:00 p.m. Special Meeting of the City Council  
December 5, 2007, 4:00 p.m. Regular Meeting  
December 19, 2007, 4:00 p.m. Regular Meeting
6. Council/Harbor/CDC: Approval to waive reading of the text of all ordinances and resolutions considered at this meeting and provide that ordinances shall be introduced after a reading only of the title(s)
7. Council: Approval of Amendment 2 in an amount not to exceed \$45,000 to the Professional Services Agreement with Partners Consulting Services for financial system software upgrades and training, to upgrade the technical requirements of the system; approval of an expenditure of \$150,000 through an existing purchase order, to upgrade

and convert the current JDE financial software and hardware to the Oracle system to meet the current needs of the City; and authorization for the City Manager to execute the amendment [**Document No. 08-D0026-1**]

8. Council: Approval of a one-year property use agreement with Jitters Express Coffee Pub in the amount of 5 percent of gross revenues (after a rent-free, three-month period) for Coffee Cart Services at Civic Center, and authorization for the City Manager to execute the agreement [**Document No. 08-D0027-1**]
9. Council: Approval of a two-year professional services agreement with Pacific Green Landscape, Inc., of Lakeside, in a total amount not to exceed \$680,000 for median landscape maintenance services and as-needed repair work as a result of accidents, storms, disease, etc.; and authorization for the City Manager to execute the agreement [**Document No. 08-D0028-1**]
10. **Removed from the Consent Calendar for discussion**
11. Council: Adoption of revised City Council Policies 100-34, concerning tracking on Council items and when items should be brought back to the Council; and 100-38, concerning the requirement that there be concurrence of the majority of Councilmembers to hear any item after 10:00 p.m. at a City Council meeting
12. Council: Adoption of revised City Council Policies 100-39, concerning utilizing the Council Chambers on alternating Fridays when City Hall is closed; and 100-50, to delete the requirement that four elected officials must be present to hold a Workshop or Study Session
13. Council: Adoption of **Resolution No. 08-R0029-1**, "...approving and implementing the Memorandum of Understanding between the City of Oceanside and Oceanside Firefighters' Association" (OFA) effective January 1, 2008, through December 31, 2009 [**Document No. 08-D0030-1**]
14. Council: Adoption of **Resolution No. 08-R0031-1**, "...authorizing acceptance of the State of California COPS2008 Supplemental Law Enforcement Safety Funds" accepting grant funds in the amount of \$339,670 and \$11,930.62 in interest from the State of California via the County of San Diego Auditor and Controller, awarded to the City of Oceanside, authorizing appropriation of these funds to the Police Department to supplement frontline law enforcement services including personnel, training, and equipment; approval of the associated expenditure plan for required review by the County Supplemental Law Enforcement Oversight Committee (SLEOC); and authorization for the City Manager and/or Police Chief to sign and execute all related documents
15. CDC: Adoption of CDC **Resolution No. 08-R0032-3**, "...accepting the 2006/2007 Annual Report and directing staff to forward annual report to the State Controller" [**Document No. 08-D0033-3**]
16. Council: Authorization to (a) award a contract in the amount of \$299,299 to Hazard Construction Company of San Diego for the San Luis Rey River Trail Extension project Phase 1, and authorization for the City Manager to execute the agreement upon receipt of all supporting documents; (b) approval of Amendment 1 in the amount of \$133,533 to the professional services agreement with RRM Design Group for environmental, design and engineering services for the project, for additional work requested by the City; authorization for the City Manager to execute the amendment; approval of a budget appropriation in the amount of \$558,060 of state grant funds to the Mission Resource River Parkway fund; and approval of a budget transfer in the amount of \$142,000 from the Park Enhancements Project account to the project account
  - (a) **Document No. 08-D0034-1**
  - (b) **Document No. 08-D0035-1**
17. Council/Harbor/CDC: Approval to cancel the February 6, 2008, Regular Joint Meeting of the City Council/Harbor District Board of Directors/Community Development Commission, in order to host the California Coastal Commission meeting to be held in the Oceanside Council Chambers on February 6-8, 2008

**COUNCILMEMBER SANCHEZ** moved to approve the Consent Calendar [Items 5-9 and 11-17, excepting Item 10]; **COUNCILMEMBER FELLER** seconded the motion; **motion was approved 5-0.**

## GENERAL ITEMS

General Items are normally heard after any 6:00 p.m. Public Hearing Items. However, if time permits, some General Items may be heard prior to any 6:00 p.m. Public Hearing Items, following the Consent Calendar.

20. **City Council: Approval of a property exchange agreement with Ivey Ranch Development Company, LLC, to exchange a portion of the El Corazon property (in the northeasterly area of the property) for adjacent real property and other consideration; authorization for the Mayor to execute the agreement; and authorization for the City Clerk to accept and record the grant deeds**

**DOUG EDDOW**, Real Property Manager, stated this item is a property exchange agreement with Ivey Ranch Development Company for exchange of a portion of El Corazon for an adjacent improved parcel of land. In 2005 the Council approved a master plan for the 465-acre El Corazon project, which included some of the land that was developed by Ivey Ranch Company as part of their Ocean Ranch project—the parcel that sits west of Rancho Del Oro Road consisting of about 3 acres. Because the City is utilizing some of their property, Ivey Ranch wished to work out a deal where the City can utilize their property, and they can get some of the El Corazon property in exchange to develop.

When we looked at the layout of the site plan, they felt they needed a total of 7½ acres which required about 6 acres from the City. In return, the City would get a portion of their finished parcel and about \$1,500,000 of roadway and other improvements to the entrance of El Corazon.

This was taken to the El Corazon Oversight Committee, and they thought it was a great idea and would probably jump-start the El Corazon development sooner. In addition, the improvements proposed by Ivey Ranch on the parcel they would retain as well as acquire from the City include: they plan to build a 150-room hotel, 24,000 square feet of office and 13,000 square feet of retail space. Again, this development would be at the entrance to the El Corazon project off Rancho Del Oro Road and would provide a stimulus for the development of El Corazon.

Once this project gets developed, it has the potential of generating anywhere from \$300,000 to \$400,000 in TOT and sales tax from the hotel as well as the retail and office.

[No public input received]

**COUNCILMEMBER SANCHEZ** stated when this was initially brought up it was brought to us via closed session since it was a discussion of an exchange of land. This is a trade of a large parcel that the City owns with other considerations. One thing brought up was potentially other things we could ask for as part of this exchange. It included discussion about an art element to be included as part of this. We cannot require public art where the City has no interest, but certainly as the City we can encourage it when talking about City-owned land. So as part of the trade and agreement, she had asked staff to include as part of the agreement a public art element. She does not see that in the documents at all. She questioned what happened to that.

**CITY MANAGER WEISS** responded that he has had conversations with representatives from Sterling, and they have indicated a willingness to provide some form of an art element as part of the overall development of the site. It is not in the actual agreement before Council today, but they have indicated that, as part of the development process, they would include and have discussions with the Arts Commission about what type of art component would be appropriate. So if Council wants to add a general statement that they will provide an art element as part of the

development, the City could do that. They have committed to doing that as part of the development process.

**COUNCILMEMBER SANCHEZ** would like that to be included in the agreement so that it is very clear that it is part of the project, as part of the beautification of El Corazon. So she would **move approval** of this item [**Document No. 08-D0037-1**: property exchange agreement; **Document No. 08-D0037A-1**: Deed to Ivey Ranch; and **Document No. 08-D0037B-1**: Deed from Ivey Ranch] with the addition of an art element.

**DEPUTY MAYOR CHAVEZ** seconded the motion. Motion was **approved 5-0**.

#### **MAYOR AND/OR COUNCILMEMBER ITEMS**

21. **Request by Deputy Mayor Chavez for information and discussion regarding Coastal Commission meetings in Oceanside City Council Chambers on February 6, 7 and 8, and possible direction to staff**

**DEPUTY MAYOR CHAVEZ** stated that one of the agenda items to be addressed at the California Coastal Commission (CCC) is the cleaning of the San Luis Rey River. He knows staff has been working with the Corps of Engineers and California Fish and Game, and he asked the City Manager for an update on those conversations.

**CITY MANAGER WEISS** responded that we had a conference call earlier today with the Army Corps of Engineers, Fish and Game representatives and representatives from a number of resource agencies. At this point, the California Department of Fish and Game will be issuing a draft permit addressing the river clearing by Friday of this week. The various agencies have agreed to have another conference call on Monday, if necessary, unless all of the conditions associated with that permit are acceptable to the Corps. We have an agreement in concept on the amount of mitigation that is required. At this time the Corps is not going to be asking the CCC to remove that item from their agenda so it will stay on the CCC agenda for February 6. The conditions on the coastal permit do have some provisions in them representing agreements with Fish and Game and the other resource agencies. So at this point we are hopeful that the actual written documents coming out will be consistent with the verbal agreements that have been reached. As of today there is an agreement in concept in regard to all conditions and, provided all those conditions come through in the permits, then the Army Corps has indicated they will have a 2-3 week window in which to do some of the clearing for the Phase 1 portion of the project.

**DEPUTY MAYOR CHAVEZ** stated his question deals with some of the items of mitigation in the report, such as 233 acres of additional land for mitigation. We have already provided land before for this project. Additionally, there was a bonding requirement for Phases 2 and 3. He questioned the cost to the citizens to allow Fish and Game to give us these permits to clean out the San Luis Rey River.

**CITY MANAGER WEISS** responded the acreage that is in the current permit will change and is roughly 63 acres of additional mitigation lands. The City has agreed to provide and identify roughly 30 acres of that total. The agreement we have in concept is that an additional \$5,000,000 will be provided to either identify, acquire or re-vegetate additional land to make up the 30+ acre difference. At this point it appears that concept has been agreeable to the various agencies. Some of those additional acreages are going to be acquired as part of future phases of the project. We are in the process of identifying other potential lands that might be adequate mitigation as well. We have identified some of those and are trying to see if they would be acceptable to those agencies. So on the 233-acre number, Fish and Game is looking at a significantly reduced number; it was at 63 acres, and we feel it will be closer to 30 acres with the additional amount being made up for Phases 2 and 3 of the Corps project — either with additional acquisition of re-vegetation.

**DEPUTY MAYOR CHAVEZ** noted it is now January 23 — 23 days after a Fish and Game representative said in front of us that they would issue permits. Here we are, 23 days later still trying to figure out what is needed to get these permits.

The public will have an opportunity to come and express their concerns at the CCC meeting about cleaning the San Luis Rey River. At the best case, as stated by the City Manager if the permits are issued in February, there will be some grass cutting and minor cleaning of the river. It does not meet the requirements we really need to ensure safety, and it does not address the flood insurance issue. He will continue to spotlight this until it is taken care of.

**COUNCILMEMBER FELLER** noted how he got to spend a couple of hours with Lt. General Robert VanAntwerp, who is the Commanding General of the Army Corps of Engineers, as well as General John McMahon and others, and they are on the City's side. He wanted everyone to understand it is not the Army Corps of Engineers causing this slow process and noted the representative of Fish and Game that stood in front of Council in December saying they wanted to help and issue permits by the end of December but did not do so.

**COUNCILMEMBER SANCHEZ** met with local folks—she and Diane Nygaard met last Thursday with a couple of people from the State Department of Fish and Game. These have been ongoing requirements, and she knows that Mr. Weiss has been in discussions for about the whole year to identify the mitigation land. It began at an amount over 100 acres and dropped to 90+ acres; this is the largest take in the history of the State of California. She was hoping they would work with us in terms of identification. The Army Corps had \$5,000,000 as the top dollar that they would pay for all mitigation including acquisition. Mr. Weiss, by last week, identified these 30 acres. She, Ms. Nygaard and Fish and Game representatives discussed what we could do to address the other 30+ acres. This is also part of the Subarea Plan. There was also something else we were dealing with — another species that is a Federal species which is not something the State has to address; that would have dragged this out even further. So Fish and Game helped us by making sure this was addressed.

She listened to one of the conference calls that Mr. Weiss was in; the Army Corps must have had 5 representatives to one of each of everyone else. The objections seem to be mostly coming from the Army Corps in terms of nomenclature, the language, and trying to iron out a meeting of the minds. Mr. Weiss was able to identify Least Bell's Vireo land in the City limits, land that was already acquired and will be part of the \$5,000,000 that the Army Corps has in its budget. She spoke with Kevin Hunting at the State level before the conference call, and he concurred with the 30 acres and whatever else the City can do, be it acquisition, restoration, etc. up to the \$5,000,000. They agreed to that.

She commended the Department of Fish and Game for coming to that agreement with the Army Corps, whose major objection is that if it was not specific enough, they would have to go back to Congress. In knowing all the details, we cannot lay blame on any one person. She is hoping we keep this on the agenda, and when the CCC meets here, we encourage the CCC to put their stamp of approval to this agreement that is being ironed out by Fish and Game, Fish and Wildlife, the City, the Army Corps, etc.

**COUNCILMEMBER KERN** had to disagree with other statements. The Army Corps has not been our friend. If they were our friend, they would have delivered a 250-year flood control channel like originally agreed upon. The idea is that we have still outstanding \$15,700,000 in bonds that we pay about \$1,200,000 a year on. If they are not going to deliver that, the Army Corps should start picking up the cost of those bonds. Fish and Game cannot be commended for State-sponsored extortion. We gave them land when the river was built; it was built into the process. Now the Army Corps, by not keeping up on their end of the bargain, has allowed more habitat to grow in the river so now, just to clean it out, Fish and Game is going to extort more acreage from us. This is not the way things should have been done. He would like to go back to the Army Corps on the original agreement for a 250-year flood control channel and want them to deliver on that channel and that deal. Otherwise, pick up the bonds or they can keep the river forever. It is their problem; not ours. We will not accept it.

If this does not happen on Friday, the first thing he will recommend is to drop out of the MHCP [Multiple Habitat Conservation Plan]. He would also be to the point to direct the Fire Chief to come up with a control and containment program on the river and make it a let-burn area. If it catches on fire, call Fish and Game and tell them they

have a fire in their river. It is over 23 days past the time that they were supposed to take action. We should not commend them for that. He is fed up with these agencies because they are not our friends.

**COUNCILMEMBER SANCHEZ** noted that with this Phase 1, we will be able to pass the hurdle of insurance in the flood area. So this Phase 1, which is the 30 acres, will benefit our residents in terms of flood insurance.

**MAYOR WOOD** noted that Councilmember Kern was on target with some of his comments. The City and our citizens have been bending over backwards and compromising. In looking at any other contract, if the contract is for a 250-year flood channel, and they will be lucky to deliver 100-year, any other contractor would have been turned down. If this does not improve, he tends to agree to tell them we are finished and it is theirs to keep. It is getting frustrating; it has been 15 years for a contract. There is no other place where you have a contract and the contractor does not comply with the contract that we would accept it, or someone would get sued.

All we care about is the safety of our citizens in Oceanside from fire, water and flood, and the costs involved. We have been at every table and meeting, including in Washington, D.C., with the State and Governor's Office, etc. We are always the ones to compromise. We want to see the project done for safety reasons. This has been going on for years. Hopefully somehow this will all be worked out.

#### **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.

18. **CDC: Consideration of a resolution approving Development Plan (D-205-06), Variation (V-208-06), and Regular Coastal Permit (RC-207-06) for a 2,025-square-foot addition and remodel to an existing four-plex apartment building located at 717 North Pacific Street – Applicant: Pierre Andre**

As announced earlier, this hearing has been continued to February 13, 2008 at 6 PM.

19. **Council: Consideration of a resolution granting the appeal of Planning Commission Resolution No. 2007-P47 and modifying Condition of Approval No. 39 for Tentative Map (T-1-06) and Development Plan (D-3-06) for one single-story and two two-story buildings totaling approximately 25,685 square feet and associated site improvements located at the southwest corner of Apple Street and Crouch Street; project site is zoned CL (Limited Commercial) and is situated within the Loma Alta Neighborhood – Applicant/Appellant: Loma Alta Village LLC**

- A) Mayor opens public hearing – hearing opened.
- B) Mayor requests disclosure of Councilmember and constituent contacts and correspondence:
- Councilmember Feller reported contact with staff, the applicant, and has been to the site and walked the area
  - Deputy Mayor Chavez reported contact with staff, and has been to the site
  - Mayor Wood reported contact with staff, the developer, some nonprofits; some public contact via emails and personal contacts
  - Councilmember Sanchez reported some public contact
  - Councilmember Kern reported seeing the applicant's presentation; talked to them; talked to staff; been at the site; and received emails
- C) City Clerk presents correspondence and/or petitions – None

## D) Testimony:

**RICHARD GREENBAUER**, Senior Planner, stated this is one issue regarding Loma Alta Village which is a tentative map and development plan that was approved by the Planning Commission on September 24 by Resolution No. 2007-P47. It is for development of a 2-acre site with approximately 3 office buildings totaling 25,000 square feet of gross floor area; 1 and 2-story mix; 112 parking spaces; 35% of the site landscaped.

One condition of approval was Condition 39, which required that all the overhead utilities on the site be placed underground. During the review of the project by the Planning Commission, that issue was still under discussion between the City Engineering Department, the applicant and SDG&E. They had not come to a consensus; therefore, Condition 39 was part of the approval. Within the 10-day appeal period, the applicant filed an appeal of this condition and wishes to gain a deferral of the underground utility requirement.

Staff finds that this project does qualify for deferral based on the net increase of 3 poles over the existing number of poles on site, and that the project would be better served by not undergrounding and by collecting an in-lieu deferral payment and putting it as part of an overall 20B Conversion project for the City, so that the area is dealt with in its entirety.

Staff recommends that the Council grant the appeal modifying Condition 39 and allowing deferral based on the findings and substitute conditions of the resolution.

Applicant/Appellant:

**SOPHIA KOLLIAS**, with the Lightfoot Planning Group, representing the applicant Paladin Partners, noted the applicant was happy to work with the City and SDG&E on coming up with a solution that everyone could agree on. The neighborhood group, the Loma Alta Neighborhood Association, agrees with the deferral. The applicant agrees with the condition and the requirements and hopes Council supports staff's recommendations.

Public Input

**EDWARD BURNS**, 204 Hoover Street, President of the Loma Alta Neighborhood Association, stated they have worked with Paladin, SDG&E and the City so have been in the loop, and this makes sense to us. We do not need an increase of 3 more poles along Crouch Street. We understand this will be a 2-year process, dependent on some work on Oceanside Boulevard and the SDG&E substation. We have confirmation from them that we are satisfied with that over the next couple of years all those utilities will be undergrounded in connection with the Crouch Street substation being converted to a 10 x 10 pad. Adding the 3 poles is just unnecessary; they will put in all the conduit; and by the end of 2009 this problem will be resolved. We think it is a good solution.

**JOAN BRUBAKER**, 1606 Hackamore, questioned how the City could even entertain the idea of adding more poles when you are trying to beautify this area.

[Public input concluded and the public hearing was closed.]

**SCOTT SMITH**, City Engineer, responded that the addition of more poles was not known at the time of the Planning Commission hearing.

**COUNCILMEMBER FELLER moved approval** of staff's recommendation [and adoption of **Resolution No. 08-R0036-1**, "...granting the appeal of Planning Commission Resolution No. 2007-P47 and modifying Condition of approval No. 39 for Tentative Map (T-1-06) and Development Plan (D-3-06) for one single-story and two two-story buildings totaling approximately 25,685 square feet and associated site improvements located at the southwest corner of Apple Street and Crouch Street"; Loma Alta Village LLC – Applicant/Appellant].

**DEPUTY MAYOR CHAVEZ seconded** the motion.

**COUNCILMEMBER KERN** wanted to confirm that eventually this will all be undergrounded.

**CITY ENGINEER SMITH** responded yes. This is a key corridor, especially with the Sprinter. There are many overhead utilities, and staff is pushing for a coordinated effort. There will be a modification to that substation where it will be pad-mounted. Staff wants this undergrounding to occur during that effort so that the conduit will be in the ground when SDG&E does the pad mounting, so that wires can be pulled at that time, and so it is all done at that point and will look clean. This is anticipated to occur in 2009.

**COUNCILMEMBER SANCHEZ** stated that, theoretically the in lieu fees are collected when it would be a burden on one or two homes to underground, etc., so that the last one to develop in an area does the undergrounding with the collected in lieu fees. She asked if this one wasn't the last piece to be developed and if there was a way to do this all sooner.

**CITY ENGINEER SMITH** responded that this is a significant portion of that corridor in the scenario. The in lieu route is necessary for this project because, if the undergrounding condition remains, then we cannot use the 20B funding process from SDG&E. That is another reason for this approach.

The undergrounding will be designed separately, and SDG&E will actually do the pulling of the cable. The conduit will be installed by the developer.

**CITY MANAGER WEISS** further noted that the City is moving forward with an overall underground utility district along Oceanside Boulevard. This portion of Crouch Street will be added to that undergrounding district, and this developer will pay the additional cost to make sure it is all done at one time. It is done at one time with the undergrounding district, which is in design with SDG&E.

**CITY ENGINEER SMITH** noted that the undergrounding district is a different funding mechanism, which is 20A and it is for Oceanside Boulevard. This will tie into a portion of that, but the burden of the coordination at this time will transfer to the Engineering Division. We will take the monies and work through the course of the project, and the developer will place the conduit -- all the infrastructure necessary for the wires to be pulled. The actual pulling of the wires and running them underground will be done by SDG&E, but the City is taking the lead on that.

**COUNCILMEMBER SANCHEZ** questioned if there is a cost overrun on the undergrounding, some of which can be attributed to this portion on Crouch, how that gets addressed.

**CITY ENGINEER SMITH** stated we have received previous deferral payments, and we will use those towards that portion of the underground that is actually beyond the frontage. We are actually going to underground more than what the developer is responsible for. So the portions beyond his requirements will be picked up by the previously received deferral payments.

**COUNCILMEMBER SANCHEZ** just gets the sense that we are paying more out of our pocket for this than the developer is, which makes her feel uncomfortable. She does want to see this all done at the same time. She wants assurance that we are not subsidizing this project.

**CITY MANAGER WEISS** responded that the 20A monies, which are the allocations the City gets from SDG&E, cannot be used to do the 20B portion. As mentioned, we have had other projects that have paid the deferral fees. Some of those monies already have to go to doing the full undergrounding, and it is being done because there are portions of the overhead wires beyond the requirement of this project that will be undergrounded. So, there will be no City money that will go to underground any of the private development costs or obligations.

**MAYOR WOOD** stated part of this project is widening the street, which means the telephone poles will be removed anyway. So that part will be addressed.

**CITY ENGINEER SMITH** responded the widening of the street would not impact the poles as it is designed in this case.

Motion was **approved 5-0**.

#### **Items removed from the Consent Calendar for Discussion**

10. **Council: Acceptance of the Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ending June 30, 2007**

**DEPUTY MAYOR CHAVEZ** knows many are watching the stock market, etc. While this report shows ending June 30, 2007, which is what is in the past, it does convey how strong the City is. There are a number of items that caught his attention. One was the analysis, which reported "...a total of \$380,474,000 invested in capital assets as of June 30, 2007. This is one indicator that the City's finances have improved over the past year, representing a positive trend".

**TERI FERRO**, Financial Services Director, stated the report is a snapshot of where the City was as of June 30, 2007, which preceded her tenure here. The concern that might be raised of where we are going in the future will be addressed as part of the budget process. We plan to have workshops with Council around April/May when staff will address the trending. She is confident that, in spite of the economy and whatever State issues will impact the City, she knows Oceanside has a good financial stability, and we will be able to weather it.

**DEPUTY MAYOR CHAVEZ** further highlighted portions of the report. From questions he has been asked, such as what the City spends every day on average, which comes out to about \$1,300,000 a day. The City's total budget with all funds is \$456,000,000, so this is a significant business, and there are a lot of good things going on. He referenced page 148 and the Transient Occupancy Tax (TOT) collected over the years, and that is without a beach resort hotel. TOT stays in the City, which is extremely important. If we tighten our belts and do things fiscally prudent, we should be fine.

He **moved approval** of the report; **COUNCILMEMBER SANCHEZ seconded** the motion. Motion was **approved 5-0**.

#### **CITY COUNCIL REPORTS**

18. **Mayor Jim Wood**

**MAYOR WOOD** reported that an issue for one of our neighborhoods was the police shooting range. It seems like the main issues around our whole community are the train noise, our plane noise, etc. It is classic that people move here and want peace and quiet at any cost.

The Council and staff have been working with Camp Pendleton to try to get a range there that we can at least use for a while. Some of the neighborhoods are asking why it is taking so long for this to happen. Camp Pendleton is fighting the war, and the City is not their priority. It has taken a while, but in the long run Base Commander Col. Seaton and Major General Lehnert from the Western facilities have tried hard for us. One of the biggest issues was a big cost to us since we would have to use an EMT or Corpsman at every shooting range. I just received notification that they have waived that, so we have all the answers for our police department to be able to use a homeland regional law enforcement range on Camp Pendleton. That has been approved now for our police department to try to get out there to use it.

This does not mean that the City is getting rid of the range we have now because we know Camp Pendleton issues can change from day to day, and we still have to qualify our officers and protect our citizens.

**CITY MANAGER WEISS** stated we do not have a Memorandum of Understanding (MOU) with the Base at this time, but we are working on one. Our goal is to try to do a limited MOU for anywhere from a 90- to 120-day trial period to see how it

works. That will come to Council and, then if it works out well, we will bring a formal MOU of longer term to the Council.

**MAYOR WOOD** reported on the Martin Luther King Jr. celebration this past Saturday and congratulated the award winners, including Janet Bledsoe Lacy for all her dedication and work. Also, the California Welcome Center had a celebration for their 1,000,000<sup>th</sup> visitor.

The City will be hosting the California Coastal Commission who will be using our Council Chambers February 6-8. When Council attended the Coastal Commission meeting in San Francisco, it was obvious when some of the Commissioners were voting that they have never been to Oceanside. We want to show the Commission our hospitality and our community and how important our hotel project and the downtown redevelopment is since our surrounding hotels are not as nice. This Commission is extremely powerful and impacts coastal communities. One issue is our flood control channel that is on their agenda.

19. **Deputy Mayor Rocky Chavez**

**DEPUTY MAYOR CHAVEZ** attended the NCTD Board meeting, and one of the major items was Loma Alta Creek, with a number of businesses in attendance presenting their issue. The entire Board is very strong in their commitment to work with the City to address concerns as we protect the businesses [from flooding].

He went to Oceana today where there was a presentation by City staff on the medians that are going in front of Oceana, and there was support for it.

20. **Councilmember Jack Feller**

**COUNCILMEMBER FELLER** congratulated Janet Lacy for the MLK award. He attended functions at the Pregnancy Resource Center, the Oceanside High School football awards banquet, and the MLK breakfast. Hatch Baxter, one of our retired firefighters, passed away January 11.

21. **Councilmember Jerome M. Kern**

**COUNCILMEMBER KERN** added his congratulations to Janet Lacy. He attended a SANDAG Transportation meeting last Friday and will attend the Board meeting this Friday so the Mayor can attend Mr. Baxter's funeral. Transnet is kicking in this year, and the good news is that Highway 76 is on the early action plan; they are looking for the funding to get that moving. He is attending the SANDAG retreat next week, and he thinks Councilmember Feller is attending. On January 30<sup>th</sup> NCTD is going to show their ideas for the new Transit Center, and they are looking for community input.

The Melrose scoping meeting is tomorrow night, and he questioned other meetings to be held.

**CITY MANAGER WEISS** responded that we have agreed to host another meeting and we are trying to schedule it at the church. We will notice it both in the newspaper and throughout the neighborhood.

22. **Councilmember Esther Sanchez**

**COUNCILMEMBER SANCHEZ** stated we got confirmation that a couple of funds through Congress were awarded. When she had mentioned the \$5,000,000 for the San Luis Rey flood channel, it is actually \$1,000,000 a year. So we did get the \$1,375,000 for this fiscal year. Congress also approved \$1,048,000 for our harbor maintenance dredging. Unfortunately Congress did not provide funding for other items we put in for. We will continue to apply for funding.

As to the Melrose scoping meeting tomorrow, she did receive calls on using Guajome Regional Park. She is glad there will be another meeting, but it is unfortunate to have to have another meeting since hearing all the comments is a factor.

She further commented on the conference calls/meetings with the Army Corps, Fish and Wildlife, etc., regarding the San Luis Rey River project and the 30 acres, etc.

She too congratulated Janet Bledsoe Lacy who embodies the spirit of Dr. King.

**INTRODUCTION AND ADOPTION OF ORDINANCES -- None**

**ADJOURNMENT**

**MAYOR WOOD** adjourned this joint meeting of the Oceanside City Council, Community Development Commission and Small Craft Harbor District Board of Directors at 6:57 PM on January 23, 2008.

With the cancellation of the Feb. 6 regular meeting [per Item 17], the next regularly scheduled meeting is at 4:00 p.m. on Wednesday, February 13, 2008.

**ACCEPTED BY COUNCIL/HDB/CDC:**

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Barbara Riegel Wayne  
City Clerk, City of Oceanside