

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



California

ITEM NO. 5

CITY OF OCEANSIDE

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

APRIL 8, 2009

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**

Vacant

**Councilmembers
HDB Directors
CDC Commissioners**

Rocky Chavez
Jack Feller
Esther Sanchez
Jerry Kern

**City Clerk
HDB Secretary
CDC Secretary**

Barbara Riegel Wayne

Treasurer

Gary Felien

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

Peter Weiss

**City Attorney
HDB General Counsel
CDC General Counsel**

John Mullen

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

The regular and joint meeting of the Oceanside City Council (Council), Small Craft Harbor District Board of Directors (HDB) and Community Development Commission (CDC) was called to order at 4:00 PM, April 8, 2009.

ROLL CALL

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

CITY COUNCIL, HDB, and CDC CLOSED SESSION ITEMS

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

April 8, 2009

Joint Meeting Minutes
Council, HDB and CDC

CITY ATTORNEY MULLEN titled the following agenda item to be heard in closed session: Agenda Addendum Item 3A. [Items 1-3 were not heard]

Closed Session and recess were held from 4:01 p.m. to 5:00 p.m. [See the report on this item at 5:00 P.M., Item 4.]

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

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

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

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (SECTION 54956.9)

Initiation of litigation by City pursuant to Subdivision (c) of Section 54956.9: One case]

3. **[CONFERENCE WITH REAL ESTATE NEGOTIATOR (SECTION 54956.8)]**

Property: Property bounded by Pacific Street, Myers Street, Seagaze Drive, and Civic Center Drive (APN 147-261-01 through 12; 147-076-1, 2, 3, 10, 11, 12); Negotiating Parties: SD Malkin Properties; Negotiator for the City: Jane McVey, Economic and Community Development Director, Delmar Williams and Paul Marra; Under Negotiations: Terms of Disposition Agreement and Lease]

AGENDA ADDENDUM

3(A) **CONFERENCE WITH REAL ESTATE NEGOTIATOR (SECTION 54956.8)**

**Property: Marina Towers, 1200 N. Harbor Drive (APN 760-080-23);
Negotiating Parties: City of Oceanside/Oceanside Small Craft Harbor District and Oceanside Marina Towers Association; Negotiator for the City/District: Douglas Eddow, Real Property Manager; Under Negotiations: Price and terms for the sale of the property**

Discussion; no reportable action

5:00 P.M.

MAYOR WOOD reconvened the meeting at 5:01 p.m. All Councilmembers were present. Also present were City Clerk Wayne, City Manager Weiss and City Attorney Mullen.

The invocation was given by Pastor Carl Souza. The Pledge of Allegiance was led by team members.

PROCLAMATION AND PRESENTATIONS

Proclamation – Fair Housing Month – April 2009

Presentation – Mayor's Youth Sports, Oceanside Valley Little League team

Presentations were made.

4. **CLOSED SESSION REPORT**

CITY ATTORNEY MULLEN reported on the item previously discussed in Closed Session. See Item 3A above for report.

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**

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

CATHY NYKIEL, MainStreet Oceanside, 701 Mission Avenue, reported on upcoming events.

JENNIFER RIGLER, MainStreet Oceanside, reported on the Sunset Market events.

CONSENT CALENDAR ITEMS [Items 6-10]

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

The following Consent Calendar items were submitted for approval:

6. City Council/Harbor/CDC: Acceptance of Joint Minutes of the Small Craft Harbor District Board of Directors, Community Development Commission and City Council of the March 11, 2009, 4:00 p.m. Regular Meeting
7. City Council/Harbor/CDC: Approval to waive reading of the text of all ordinances and resolutions considered at this meeting and provide that ordinances shall be introduced after a reading only of the title(s)
8. City Council/CDC/Harbor: Approval of Amendment No. 1 to the Purchase and Sale Agreement between the City of Oceanside and Oceanside Marina Towers Association for the sale of the underlying real property, to make the agreement consistent with the recommendations of the California Coastal Commission and to assign rather than terminate the pertinent underlying leasehold interests; authorization for the Mayor to execute the amendment; and authorization for staff to consummate the transaction

[as revised:

Document No. 09-D0223-1 (First Amendment)

Document No. 09-D0224-1/ 09-D0225-2 (Joint City/Harbor Partial Lease Assignment Agreement)

Document No. 09-D0226-2 (Lease Assignment Agreement)

Document No. 09-D0227-1 (Restated Access Easement and Maintenance License Agreement]

Approved 4-1; Councilmember Chavez – No

9. CDC: Approval of a professional services agreement (**Document No. 09-DO228-3**) with Kimley-Horn and Associates, Inc., of San Diego in the amount of \$165,000 for a conceptual design for the improvements to Mission Avenue from Horne Street to Coast Highway, and authorization for the City Manager to execute the agreement
10. City Council: Approval of a three-year professional services agreement (**Document No. 09-DO229-1**) with David Taussig & Associates, Inc., of Newport Beach in an amount not to exceed \$143,440 for consulting services specific to the administration of Community Facilities Districts, Delinquency Management and Continuing Disclosure, and authorization for the City Manager to execute the agreement

COUNCILMEMBER CHAVEZ moved approval of the Consent Calendar and registered his 'no' vote on Item 8. **COUNCILMEMBER SANCHEZ** seconded the motion.

Motion was approved 5-0.

At this time Mayor Wood determined to hear Item 14.

GENERAL ITEMS

14. **City Council/CDC: Acceptance of the Downtown Oceanside Core Parking Use Analysis report of findings and recommendations as updated by the parking consultant in February 2009, and adoption of a resolution to implement the recommendations**

KATHY BAKER, Redevelopment Manager, reported that they started this process about a year+ ago. Parking was really elevated when we started to do the entitlements for both the hotel project and the Citymark project. We looked at the parking overall in the downtown to determine if we had a problem. Steve Gibson, a consultant from Urban Places was hired to help. Two workshops were conducted back in April. We tried to break it down in categories based on the residents, the merchants, the employees and visitors coming to the downtown. We wanted to evaluate the issues in the downtown to identify where the problem areas were. We came up with six top issues that people considered as problems in the downtown.

Number 1 was having more long time parking for employees downtown. Next, were more lenient parking restrictions, especially in the evening after 6:00 p.m. for people who want to patronize restaurants. They felt there is a need for longer term customer parking. We've got parking in the downtown anywhere from 1 hour, 2 hours, 4 hours, all day, etc. In addition, there was a lot of complaints about inaccurate or unclear parking signage. What can we do to make the signs more visible; something to get people's attention. Then, there is the need for security or patrol, which was an issue particularly for employees parking a couple of blocks away from their businesses. The last item was shorter Sunday parking on Coast Highway and Mission. Those are the tops six items in the downtown.

So, Steve Gibson, the City's consultant looked at the parking in the downtown. She displayed computer diagrams depicting different parking timeframes and locations. The study for the most part was from Nevada to Civic Center down to Seagaze and Coast Highway, which we called Area A. In Area A, Mr. Gibson identified all the on-street parking at 308 spaces, and not counting the Civic Center, there are 40 off-street parking, which is a City parking lot. Then they looked at Area B, which is the west side of Coast Highway, from Seagaze up to Civic Center (and Cleveland). She showed a diagram of our parking lots currently in the downtown and future parking lots. In looking at this slide, there are many different parking times in this general area, which creates a lot of confusion.

Then Mr. Gibson looked at where the abuse was happening. He looked at parking during the middle of the week, and also on the weekend for a 12-hour timeframe. He

really monitored the cars that are parking in this area. Most of the abuse was happening in Area A, on Mission from Ditmar to Coast Highway and along Freeman Street and on Pier View (much of which are people parking for the Civic Center). There used to be a parking lot at Freeman and Mission that was open to the public; however, it is owned by the church, and a few years ago, due to liability issues, the church decided to shut it down, creating some of the abuse.

Ms. Baker showed a diagram for Area B, where most of the violations again are happening on Tremont, Pier View and some areas on Mission. Most of that parking abuse was a result of employee parking.

Our recommendations are: in Area A, to provide more on-street parking for employees, install angled parking on Civic Center, Pier View and Seagaze from Coast Highway all the way up to Horne. In Area B, in just talking to our Traffic Engineer, she would like to modify the resolution to change the angled parking on Civic Center Drive from Cleveland all the way up to Horne Street to pick up a few more angled parking spaces, which would provide around 70 additional on-street parking spaces.

Looking at the other side of Coast Highway, this is where it is tricky because of the movie theater. When the movie theater was built, it prompted a lot of these issues because people want to park as close as they can to the movie theater, and they fill up the parking for hours at a time. A lot of these people do not stick around to patronize the businesses; they just leave. So, we decided to keep the one-hour parking [on the north side of Mission between Coast Highway and Cleveland] from 9:00 AM to 9:00 PM, but only in this location. In Area B [per the slide locations B #1], the recommendation is to switch the current one-hour parking on Coast Highway, Seagaze, and Cleveland to two-hour parking. There are nice of restaurants in the area, and one-hour is not enough time for somebody to have a nice leisurely lunch or dinner. Also recommended is changing a section of Tremont from one-hour to two-hour between Pier View and Mission, with nice restaurants to encourage people to come and spend more time than an hour. To preclude people from locking up spaces in this area for some of our short time businesses, like dry cleaners and coffee shops, we met with every single merchant in this area asking what they need. The conclusion was adding two 15-minute loading spaces in 3 different locations [per slide B #4]. They thought that was great, but we will see if it works. If we find people at the movie theaters parking in there and filling it up, then we will go back to one hour.

Next she displayed slide A #3 where two-hour parking areas will change to four-hour parking to aid employee parking.

Regarding the Brooks Theater, they have some elderly people who come to their performances and who cannot walk far, so a couple of loading spaces are being added [per slide B #5]. Those are the concrete changes to the on-street parking.

Some general recommendations are:

- regarding consistent parking restrictions -- mostly west of I-5 is going to be 9:00 a.m. to 6:00 p.m. with an exception of one little section of Mission.

- regarding better parking signage -- we are looking at doing some kind of a way finding program that will get people's attention, which will be our next exercise.

- creation of a Parking District is another important thing -- If we can start capturing money some time in the future, we may consider charging parking in the downtown and putting that money back into the district to pay for signage and parking and even be able to help finance another parking structure.

- regarding a valet parking program -- there are programs where you can drop your vehicle off at one location, walk around, shop, etc., and end up several blocks away, turn in your ticket and the valet knows exactly where to pick up your car. They do this quite a bit

in San Diego, and it is very successful. Sometime in the near future we may want to consider doing this as well.

- regarding an increase in downtown security -- for years we have been talking about the creation of some kind of business improvement district. Some cities have ambassadors, so they are not paying police officers to walk the streets, and at least this presence and people are downtown. Once a lot of our projects get built, we will have more people and more eyes on the street. The implementation of our new street lights has been a huge help with the brighter, nicer lighting. City staff is also looking into incentive programs to change the dingy lighting, which will also help in terms of security.

Again, she wished to modify the resolution to include both sides of Civic Center Drive from Horne Street to Cleveland for angled parking.

COUNCILMEMBER SANCHEZ commented that one of the issues that were brought forward by David Mickelson, whose business is in Ocean Place, was the demand for parking at the parking structure by the transit users. Those parking spaces that were supposed to go for Phase I and Phase II are no longer available because at 5:00 a.m. they are all taken. One of the challenges was to find parking for them. She knows there would be a short-term and a long-term solution, with a long-term solution being another parking structure on Cleveland, etc. How is that issue addressed?

MS. BAKER responded that they did look at that, and the consultant also looked at it. On the upper floors of the North County Transit parking structure, he checked it on a few different occasions, and there was availability. The dilemma of switching out four-hour parking to all-day parking is probably not a great idea because what would happen, especially in the some months is beach people would park in those two parking lots. In the one lot to the north, Lot 23, employees can park there all day long for free. We are building our second parking lot with 260 parking spaces just west of the tracks, and transit users will use that other side.

COUNCILMEMBER SANCHEZ commented that the issue was security, not feeling safe to go that far. They would almost rather go out, move the car and come back to work. She believes that here we only have 2 parking spots allotted to this whole business with 10 employees and customers. What can we do short term for businesses like his in terms of finding closer parking? There was a plan; the parking structure was supposed to furnish that, and it did not. The whole top floor was supposed to do that, but that is not happening.

She would appreciate a solution to that. We promised one; it was in October that we asked and directed staff to look at this. It has not gone away. That space up on that floor is empty right now. Someday they are going to be filled. In order to be able to track businesses, we need to be able to ensure that there is adequate parking for the business, the employees and customers. It is not being furnished by the building. We all know that in Phase I all of the parking was waived on to the Transit Center. In Phase II, there were about 17 parking spots that were supposed to be available for the businesses. The residential component has the spaces allotted to them. That is the problem that we are facing, in terms of ensuring that building is successful.

MS. BAKER responded that they can assess it. Staff was led to believe that there is adequate parking on the upper floors to serve those businesses in Oceanside Terraces. Staff will take a look at it and meet with Mr. Mickelson to see what they can come up with. The decisions were made at the time because we were led to believe that the Transit Center had adequate parking.

MAYOR WOOD agreed. He remembered when the issue came up that certain parking was designated in the facility for them.

Public Input

JIMMY KNOTT, 127 Sherri Lane, reported that the Transportation and Research Board of the National Academies is currently doing a study about angled parking after they noticed a controversy and conflicting data in the increased danger of angled parking, including the higher than average accidents, non-intersection crashes, and increased mid-block accidents. The study was initiated in April 2007 and slated to last 2-1/2 years. This will be completed and released in October 2009. It is not wise for us to go forward with this plan because it includes angled parking, and it would put our City at fiscal risk if we did proceed prior to the study. He suggested that we wait until the release of the study before we consider any action on this plan. He submitted the plan for the record

COUNCILMEMBER CHAVEZ moved the acceptance of the Downtown Plan as presented. Yesterday he sat in at MainStreet Oceanside when this was presented. It was publicly supported by the merchants in the downtown. We also need to understand that we are in a transition as we try to do the best we can with the spaces we have. This deals with the standardization of what we are trying to do.

There are a number of parking efforts and garages to be built in the downtown area. One is parking Lot 23 on Cleveland and Civic Center. Things are coming along fairly well.

As a member of the North County Transit District Board, one of the things that they are trying to do is encourage the use of public transportation. Oceanside has four different trains coming to the City. Californians like to park their car right in front of a store, but as it becomes denser, it is not uncommon even if you go to San Diego to walk three or four blocks or to use public transportation. That is where we are moving to, and this is a good step in between and has broad base support from the business community and MainStreet.

COUNCILMEMBER FELLER seconded the motion.

CITY CLERK WAYNE clarified the motion includes adoption of the resolution as modified.

COUNCILMEMBER CHAVEZ responded yes, the motion includes adoption of the resolution as modified [**Resolution No. 09-RO235-1**, "...establishing diagonal parking and certain traffic controls within the downtown area of the City of Oceanside"].

CITY ATTORNEY MULLEN stated the modification, just for clarity of the record, is on line 20 we strike the word Coast Highway and insert the word Cleveland.

COUNCILMEMBER KERN asked about the one-hour parking, 9:00 a.m. to 9:00 p.m. on Mission Avenue. It seems like we are going to have 9:00 a.m. to 6:00 p.m. everywhere except there. We are going to get complaints and e-mails about the confusion that everybody is going to see all these signs going down and driving around, park there, go to dinner, see a movie and then get a ticket because the sign says 9:00 a.m. to 6:00 p.m. and we are going to get e-mails. He asked how this is going to be resolved.

MS. BAKER responded that it is really a tough one. They met with every individual merchant, and that particular street was really adamant about keeping one-hour parking and not wanting it to end at 6:00 p.m. She and the consultant talked about what they can do to get people's attention, which is what they really want to focus on with this way finding. Councilmember Kern is correct that there is still going to be problems.

COUNCILMEMBER KERN commented that maybe it can be solved by signage. Looking at the signs for the Sunset Market when you come down there, it has the big one that says this is closed certain times of the week on Thursday evening, something that says a one-hour parking zone for just that one section. The other one is the real way finding thing. As we get more restaurants, with the idea of going to a movie and having dinner,

people are going to be parking for 4+ hours. We need to find a way to direct those people where to park so they feel safe and comfortable to leave their car for four hours and that is not far away. Way finding and signage are going to be really important.

MS. BAKER commented that ending at 6:00 p.m. is really important too. In theory if you are in a two-hour zone and you get there at 4:00 p.m., you are good to go for the rest of the evening.

COUNCILMEMBER FELLER wanted to clarify that on Mission Avenue they are not changing any parking east of Coast Highway.

MS. BAKER confirmed that. They are keeping that two-hour parking. That was one of the merchants' requests.

COUNCILMEMBER FELLER clarified that the area she is talking about on Mission is from Coast Highway to Cleveland. He asked how many parking spots are there.

MS. BAKER responded affirmatively. Their consultant just mentioned to her that there are only 12 spaces, and a big part of this is a 15-minute loading zone for the military vans that shuttle people back and forth from the base.

COUNCILMEMBER FELLER commented that he has been in the parking structure many times in the last couple of months at 6:00 a.m. and 7:00 a.m. in the morning. There is a lot of parking available at that time in the structure. He is not sure when it is filling up, but after that time is when it is happening. We need to work on how to solve all the parking. He does not think that everybody is going to have 10 employees like Mr. Mickelson. He hopes they can figure a way to make that work there. He has been in that structure, and it is not too hard to find a spot.

COUNCILMEMBER SANCHEZ has driven there almost on a daily basis, and she knows that it is full. She heard the complaints, and she is not satisfied that we have done enough. It was Council action to waive all the parking for Phase I and a substantial amount of the parking for Phase II. It is up to the Council to ensure the success of the businesses. At some point we will become more of a public transit-oriented community, but we want to make these businesses successful now. More has to happen; that is the most challenging area because of the Sprinter coming in and the gas price going up. It is going to happen again. She cannot imagine what it is going to be like during the summer months, how difficult it is going to be for employees and businesses there.

Motion was approved 5-0.

At this time **MAYOR WOOD** determined to hear Item 15.

MAYOR AND/OR COUNCILMEMBER ITEMS

15. **Request by Councilmember Chavez for a short summary of "The Value and Income Potential of a Creative Community" by Carolyn Mickelson and Chuck Lowery of the Arts Commission**

COUNCILMEMBER CHAVEZ asked the Arts Commission to present this. He introduced Chair Carolyn Mickelson, Chuck Lowery and Rex Martin. They are members of the Arts Commission that have been doing yeoman's work out there in bringing this forward.

A video was shown about what is art (Hatchfest.org).

CHAIR MICKELSON referenced the vision statement of the City. Human creativity is the ultimate economic resource. The ability to come up with new ideas and better ways of doing things is ultimately what raises productivity and thus living standards. The creative

community includes scientists, engineers, artists, musicians, designers and other professionals. The creative community accounts for nearly half of all waged incomes in the United States. That is \$1.7 trillion, as much as the manufacturing and service sectors combined. There is a clear connection between the economic health of a city and the appeal that city has to creative individuals. We believe they are mutually supportive of each other. We need to think of creativity as a common goal, like liberty or security. It is something essential and must be renewed and maintained or else it will slip away.

Research shows that each dollar spent on the arts generates \$7 in non-art spending. The arts are a magnet for large corporations and an effective economic catalyst for the vitalization of urban centers. She gave 2 examples of what other cities have found. First is Tampa, Florida, which has done a study to quantify the arts as an industry. Key findings include that the arts have an economic impact of over \$400,000,000 annually and provide 7,000 jobs. In terms of attendance, 5,500,000 visits were made to non-profit arts and cultural institutions in a single year. That same year for all the area's sporting events, only 3,300,000 people went. It has been systematically proven that the arts have a tremendous quantifiable and economic benefit for a community. Oceanside is not trying to be another New York City. However, there are aspects of that city's evolution as a cultural center that are worth noting. Despite the common perception that finance is New York's great distinction, this city's stronghold and advantage are also found in artistic and cultural occupations. These creative industries now employ almost as many people as finance and medicine combined. City planners throughout America are versed in the mechanics of urban economies. The role of art and culture is often left out of this basic paradigm of city growth and vitality. The arts are a necessary component in the creation of vibrant places where people want to live.

Commissioner Lowery stated the Oceanside Arts Commission has been intentionally focusing on encouraging and promoting the development and enjoyment of performing and visual arts. Our efforts have been transforming the urban environment for something that everyone will enjoy. They include dance, permanent sculpture installations and everyday objects like bicycle racks and utility boxes as expressions of Oceanside's artistic community. They have shepherded projects from the newly painted wall in the harbor to mime workshops at the Sunshine Brooks Theatre, to their very successful first annual sculpture competition and their ongoing partnership with Parks and Recreation to bring free concerts to our citizens. In 2009 they added new expressions. Vortex Plastique exhibit was made possible by a collaboration with MiraCosta College, the Oceanside Museum of Art and the Arts Commission. In addition, they intend to bring children to architects in the making, a series of workshops for 8 to 14 year olds.

We see the nature of the Arts Commission as an advisory group to the Oceanside City Council, one that helps influence generations beyond 2009. We have 3 initiatives. The video was from Hatchfest, a non-profit organization whose mission is to encourage economic development. Hatchfest is designed to ignite the enthusiasm and creativity of young artists by linking them with award winning veterans in the arts community. The City of Bosman, Montana has experienced an economic renaissance since the inception of Hatchfest.

Our own Coast Highway Vision plan includes an Arts, Technology and Environment district. This district is envisioned as a place where innovation and creativity converge and contribute to the business, commerce and identity of Oceanside. This mixed-use area along Cleveland, between Wisconsin and Oceanside Boulevard will serve residents and act as a visitor and tourist magnet. By casting the District as a place of the arts, technology and environment, they recognize the increasingly important connections between these industries. For example video game design and robotic design merge arts, science and technology. In addition, green industry, environment, etc., are seen as the economic future. Exposure to progressive developers can also expand on what is possible on the horizon. Having Oceanside be known as a place that fosters the cultural and performing arts, as our City vision statement declares, requires that we all work cooperatively.

CHAIR MICKELSON thanked the Arts Commission, the City Council, Staff and Hatchfest Executive Director Yarrow Kraner for their support in creating this presentation. She cited the sources for this presentation. They hope that Oceanside can be a leader in the arts in North County.

COUNCILMEMBER CHAVEZ wanted Council to hear this presentation.

MAYOR WOOD determined to hear Item 12, even though it is past 6:00 p.m.

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.

12. **Approval of the Parks and Recreation 2008-2012 Strategic Plan (Document No. 09-D0234-1)**

SHANNON SELLINGER, Senior Management Analyst, reported on the Parks and Recreation 2008-2012 Strategic Plan. There are four focus areas for the Strategic Plan: 1) building community image - communication and education, marketing and branding will help us to secure Oceanside as the premier parks and recreation or recreation services; 2) measurements and assessments - we cannot decide what the public wants without asking them so an increased understanding of community needs, etc. is important; 3) programs and partners - it is really important to work with our stakeholders; there are 3 new areas of focus: outdoor and nature recreation; family recreation, and trendy senior services; 4) resources and assets - we can't do what we do without our resources. With the times we see facing us, we are going to have limited resources. We are looking to commence Oceanside Parks and Recreation Community Foundation (OPARC) as an established foundation, but we have not started it yet. It is a fundraising arm and is a non-profit so we can achieve receiving funds that the City cannot apply for. We are going to study our fees and determine whether or not we are being fair to the public in what we are charging and making sure that we are receiving revenue that we need to continue to produce quality recreation. Also we want to improve facility access and make sure they look pleasing and also enhance the Sunshine Brooks Theater, which is part of the Parks and Recreation Commission workplan.

We embarked on the Strategic Plan about 18 months ago, and it is about a year and a half process. It is an extension or an update to the former Strategic Plan and is a blue print for where we are going. It is giving our staff a path, one that is giving us the same direction, and it is helping us speak the same language so that when people enter into our facilities they receive exceptional customer service and receive the programs that they should be receiving. We asked for Council's approval.

COUNCILMEMBER CHAVEZ moved approval of the Strategic Plan. It is important that we encourage everybody of all ages to be active. As people get older, one of the biggest issues is obesity, heart attacks, blood pressure, and diabetes. Do we encourage all ages to be active and take advantage of our parks?

MS. SELLINGER responded affirmatively. We have programming that reaches from tots all the way up to seniors, and we encourage people to use the parks. We are reaching every segment and every generation of the population.

COUNCILMEMBER SANCHEZ seconded the motion.

COUNCILMEMBER FELLER stated he is upset about the skate park at Martin Luther King park; the treatment that it is getting from those skaters is absolutely disgusting. They are smoking;, there are cigarette butts everywhere; there is graffiti; and they are using profanity in the vicinity of the tot lot and snack bar for little league. He has

not been to the one at the North River Road and Leon. However, he is ready to take the next skate park out of the system. People need to understand that these are prized possessions, and we need to take care of them. He hopes that we can pass that on to the people that are abusing the skate park and every park. There were 10-year-old children in the park at Palisades who were grinding on the park benches after we built them a skate park. It is senseless. He is eager to see what transpires from this.

COUNCILMEMBER KERN expressed his concern that there are goals and strategies but no timelines. He asked if they are going to come back to Council to tell them where they are and how much they have accomplished.

MS. SELLINGER responded that they are planning to establish a timeline for every single strategy and goal that is listed in the Strategic Plan. What they would like is approval to go forward with it so they could establish a timeline. Had they established a timeline when they started a year ago, when they really started drafting it after all the input, she thinks that the timeline would be different now because we are facing different challenges with the budget and probably would have put importance on different things. Their next step is establishing timelines, and administratively they will be doing that. They will come back in a year and let the Council know how they are doing. They will have some measurable outcomes they can share in a year.

COUNCILMEMBER KERN commented that their timelines will change the farther out they go because of the challenges in the economy and in the budget. He asked if there are no additional resources to accomplish these things.

MS. SELLINGER responded negatively. The way we set this up is they are not asking the Council to approve it so they can come back and get money to do it. They have put together goals and strategies that can be done with the resources that they have. It is just about perfecting what they are doing, measuring what they are doing, and making sure they are doing what they should be doing using the resources that they have. Ninety percent of the items in the Strategic Plan are achievable in four years without a huge dollar amount attached to it.

COUNCILMEMBER SANCHEZ remarked that the fees, fee structure and looking at increasing fees is coming up. It is her opinion that whatever fees are generated should go right back to the Parks and Recreation program. If that is what people are paying and they see that it is what will keep this program alive, they will support the program. If it is just going to the general fund, then she would be against it. She really wants to see whatever fees are generated to go right back into the programs.

Motion was approved 5-0.

- [13. City Council: Approval of the Economic Development Commission 200910 Workplan]

The Mayor announced that since the meeting was running late and people had to leave, this item would be continued to another date/time.

6:00 P.M. – PUBLIC HEARING ITEMS

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

11. **City Council/CDC/Harbor: Adoption of resolutions setting cost-recovery-based fees in the City of Oceanside as follows: 1) the adoption of the Parks & Recreation Division Master Fee Schedule, approximately \$150,000 increase to the General Fund; 2) the adoption of City Council Policy 600-05 regarding a Cost-Recovery Plan for Parks and Recreation, 3) the adoption of a resolution increasing fees for ambulance service, approximately \$250,000 increase to the**

General Fund; 4) the adoption of a resolution increasing the Harbor District Master Fee Schedule, approximately \$425,000 to the Harbor Fund; 5) the adoption of a resolution setting disturbance of the peace response fees and increasing fees for driving under the influence (DUI) emergency responses, approximately ~~\$150,000~~ [\$1,200] increase to the General Fund; and, 6) the adoption of a resolution confirming police document service fees, false alarm violation fees and establishing a citywide collection fee, approximately \$10,000 increase to the General Fund

[Recess was held from 6:27 to 6:34 p.m.]

- A. Mayor opens public hearing – Public Hearing was opened.
- B. Mayor requests disclosure of Councilmember and constituent contacts and correspondence constituent contacts and correspondence – Councilmember Feller reported staff contacts, e-mails and a letter from the public; Councilmember Chavez reported contact with staff, letters, e-mails, phone calls, and quite a bit of public comment; Mayor Wood reported similar; Councilmember Sanchez reported receiving e-mails, phone calls, staff, and attended the Harbor and Beaches Advisory Committee meeting, and their majority vote was against the fees; Councilmember Kern reported staff and a lot of input from the public on a lot of the items, mostly on the Harbor fee increases
- C. City Clerk presents correspondence and/or petitions – City Clerk Wayne reported that since this item was advertised, we have received one letter, which the Council received.
- D. Testimony, beginning with

SHERI BROWN, Revenue Manager, announced that the agenda statement had a clerical error on number 5 regarding setting the disturbance of the police response fees and increasing fees for driving under the influence (DUI) emergency responses, at approximately \$150,000 to the general fund. That amount should be \$1,200 not \$150,000.

Staff is coming forward with this item tonight per Council's direction in late 2008 to compile a comprehensive list of fees, with direction to address these fee increases at one time as part of the budget process. Keep in mind that Development Services has hired an independent contractor who is evaluating those fees that will be brought to the Council separately before the end of the fiscal year.

To review the items, the Parks & Recreation division has done a comprehensive job putting all 3 together so that they will meet what is envisioned in the Strategic Plan. The master fee schedule is setting a baseline for the Council policy. They have 3 levels in their Council policy for cost recovery, and they are starting off with the fee schedule that will meet a baseline for them. Their goal is over a three-year period of re-evaluating these fees to meet and be completely in line with the Council policy that they are recommending be adopted. The increases are estimated to generate about \$150,000 for the general fund, and these fees would be effective for activities that took place after July 1, 2009.

On the ambulance billing fees, the fees being proposed are using the ambulance inflation factor, which is basically the consumer price index (CPI) specific to ambulance services. The last time Council set those fees was 2004 so this proposal is to take the cumulative ambulance inflation factor over the five years that these fees have not been brought back to Council and apply those. Ninety percent of the fees here are paid by insurance companies. So the insurance companies are the ones who will bear the burden of making these larger payments. It won't be the person who actually received these services. There are insurance companies that are either State or federally funded, and they have limits on how much they are going to pay. The City of Oceanside currently is being reimbursed at full limits. When we increase these rates, those insurance companies won't be increasing their payments to the City. So there will be a higher amount that is going to be written off for those types of insurance payers. These fee increases are expected to generate approximately \$250,000 that will be going to the general fund.

Regarding the Harbor District, staff has been meeting with members of the Harbor District and public, and the fees have been amended since this staff report was submitted. Staff is now going to making a different recommendation on the slip renters fees.

RAY DUNCAN, Harbor and Beaches Division Manager, reported that staff's original proposal was Alternative 1 at the Council workshop on March 25, 2009. Ten speakers spoke against the proposed increase at the budget reduction workshop. Thirty other speakers spoke at the Harbor and Beaches Advisory Committee the following day on March 26, 2009. At the Harbor and Beaches Advisory Committee, Alternative 1 and Alternative 2 were presented. Alternative 2 is one half of Alternative 1; everything was cut in half. He showed the individual slip sizes going up \$0.50 on the lower ends and a little bit higher on the longer ones. Staff added two different tiers because the \$10.80 rate that they are currently charging is for a different size slips, and they moved those up to actually charge more to looking at the square footage. After the Harbor and Beaches Advisory Committee heard these proposals, they voted not to recommend any increases either from alternative 1 or alternative 2. The miscellaneous fees that go along with these are the same for alternative 1 and alternative 2. He displayed a chart of the various fees that they charge within the harbor for both alternative 1 and alternative 2.

If alternative 2 is passed, it would generate, with the slip renter portion and the liveaboard portion, \$209,000 for the first year and \$62,000 in miscellaneous fees for the first year. The second year it would generate \$383,000 and another \$62,000 because miscellaneous fees do not go up the second year. That is in addition to the staff recommendation that we keep the CPI on the even numbered years. So in January of 2010 the rates would go on top of this, and then again in January 2012 the rates would go up with the CPI. The reason for this is we need to have money to take care of the infrastructure in the capital improvement program for the Harbor sewer mainline replacements, rip-rap replacements, J-Dock replacement and nine service buildings which are mostly the restrooms and showers for the slip renters. One of the buildings has a lessee on it, and one of them is a two-story against the cliff. These average between \$1,000,000 and \$1,500,000 a piece to redo. We want to be able to redo those over the next 20 years. We need \$16,000,000 within the next 20 years. Alternative 1 reached the \$16,000,000 in 20 years; however, Alternative 2 only reached \$8,000,000 in the next 20 years. So we still need to either come back or slow up the progression for replacing and keeping up the infrastructure within the harbor. The Harbor and Beach Advisory Committee voted for no increase. Harbor staff is recommending Alternative 2.

SHERI BROWN reviewed two other resolutions, one is setting disturbance of the peace and DUI cost recovery fees. In 2007 Council approved DUI cost recovery fees. This resolution tonight is to make sure that it covers responses for disturbances. We do not have a lot of those, maybe 10 a year, so the revenue generation on this one is going to be minimal for the general fund.

The resolution for police document services, false alarm, violation fees and establishing a citywide collection fee are fees that have been set in the past, but we want to reaffirm them with City Council approval and establish a citywide collection fee. That new fee would cover the cost for the additional efforts by staff when a debt remains unpaid under the normal processes provided.

COUNCILMEMBER FELLER asked if there is a hard copy of the last 3 slides because he did not get those. Mr. Duncan responded staff would provide copies for Council tonight.

Public Input

JIMMY KNOTT, 127 Sherri Lane, commented that after reviewing all the documents that were posted online, he noticed that there are a number of missing clauses on what was presented to the public. He cited examples of clauses that are needed: a qualified exemption allowance process and procedure clause; qualified community benefit clause; qualified means testing; etc. He further reviewed an example such as bingo at the Senior Center, etc.

April 8, 2009

Joint Meeting Minutes
Council, HDB and CDC

MARGARET MALIK, 1611 Hackamore Road, is in favor of the increase of Parks and Recreation fees as long as it goes back to Parks and Recreation and not in the big black hole.

The following speakers expressed opposition to the proposed rate increase at the Harbor and questions raised, expressed concerns and ideas:

LEE PRYOR, 721 North Cleveland, opposed the slip rate increase.

BETTY HOMA, 1540 North Harbor Drive, a liveaboard

TOM LeBUS, 818 Washington Avenue, boat on I dock

JERRY McARDLE, 1590 Harbor Drive N #132, live on H dock (14 years)

CLYDE WICKHAM, 1365 Cynthia Lane, Carlsbad, boat on I dock

GARY PRINGLE, 32525 Safflower Street, Winchester, CA

MICHAEL HARM, 210 Avenida Descanso

JIM JENKINS, 1429 Calle Marbella, slip renter and yacht broker

PEGGY ASHBY, 1325 Alta Vista Drive, Vista, slip renter

DAN FELZER, 1540 Harbor Drive North, liveaboard R dock

CLAY CHESSMORE, liveaboard on I dock (8 years)

ROBERT C. WERWEE, P.O. Box 1692, Oceanside, slip renter

RON PITKIN, live on P dock (since 1998)

DAVID ALBERT, 603 Seagaze Drive

TOM GARDNER, 2807 Valley Vista Way, Vista, boat owner on Q dock

BRUCE HEYMAN, 28542 Via Primavera, San Juan Capistrano, Dana Pt. boater

WAYNE HILL, lives on R-Dock

JOHN PYTLAK, 1908 Esplendido, Vista

DAVID STONG, 5154 Wisteria Drive, slip renter

SCOTT TOWNSEND, 1540 Harbor Drive N., liveaboard and on Harbor and

Beaches Advisory Committee

JOE CRAMER, 1419 Belmont Park Road, boat in harbor

TERESA DUFFELL, a liveaboard in the harbor

With no further input, **MAYOR WOOD** closed the public hearing.

COUNCILMEMBER FELLER asked if we can get some answers to the questions raised.

Taking the items in order as listed, **CITY MANAGER WEISS** stated that if they are going to discuss Item 1, which are the Parks and Recreation fees, the only speaker was Margaret Malik who supported the fees.

MS. BROWN said that there was one question that asked about when the fees were last adjusted, which was in 1991, so these fees have not been addressed by Council since that time. The other concern that she had is where the money is put. There is a Fund 108, which is a recreation fund, and the money for all these fees will be put into that fund which would support these programs. The goal for Parks and Recreation Division is, over time, to be able to get to that cost recovery plan where that fund is self sufficient.

COUNCILMEMBER FELLER asked if we charge Pearl Harbor survivors or high school graduation for our facilities each and every time.

MEGAN CROOKS, Management Analyst, responded that in regards to charging non-profit organizations for our facilities, we do charge based on a classification scale. That was included in the fee schedule as well. If they are an Oceanside-based non-profit organization, they have a lesser rate to pay because they are performing civic activities. On some accounts, if there is a partnership with the City, then Parks and Recreation sponsors the event. Fees are charged for those events in the facilities. If it is a special event that requires a permit, we do charge the permit fees. For the organizations that want to have their rates waived or City services provided, those come forward to the City Council for action.

COUNCILMEMBER FELLER was curious how this is going to play out because we do special events all over and we need those special fees for that; however, there are those like the Pearl Harbor Survivors who use the Senior Center for one Sunday a month.

MS. CROOKS clarified that if we are talking about their club meetings in the Senior Center, those are all meetings that are completely supported by the City.

COUNCILMEMBER FELLER had brought up skate parks earlier. They are a disaster. We do not charge for any use of the skate parks. Maybe we have to re-think that as well because it is going to turn into a real disaster if we let it continue the way they are going.

COUNCILMEMBER SANCHEZ would like to have the first motion be the Harbor Slip Fees because there are so many people here on that item. We started off with this issue as a problem with the operating budget. We are in the middle of a two-year budget, and the only thing that was presented to the Council for ideas, concerns, and how to bridge a gap was the operating budget. She has been having a debate with the City Manager's office on this. With respect to the way of addressing the gap, there were three things that the City Manager presented at the workshop. One was increasing fees, and there were only 3 of all of the fees that need to be looked at: Parks and Recreation, slip fees, and ambulance fees. The one that she had advanced notice on was the ambulance fees because she had a real problem with cutting any public safety personnel in these economic times. Ambulance fees are going to the general fund even though the Fire Department was doing the transporting, etc. She asked the City Manager if these fees are reasonably related to the services provided.

COUNCILMEMBER KERN interrupted for just a point of clarification. He thought we were going to take these items in order. We had a question answered on the Parks and Recreation and were going to move down.

MAYOR WOOD commented that we are taking the first one, but she has not addressed that yet. He guessed that she is highlighting issues on funding, but he is not sure if that is going in that direction.

Continuing, **COUNCILMEMBER SANCHEZ** complained that just a few days before the workshop, we get information about slip fee increases and the Parks and Recreation increases. She e-mailed the City Manager to ask if these are reasonably related to the services provided. When she asked about the ambulance fees and why they wouldn't be

going to the Fire Department, the City Manager responded that if we did that for the Fire Department, we have to do the same thing for the Parks and Recreation fees. She felt strongly that any increases should go directly back into the programs. If this is not related to the service we are getting we should not be doing it. She is concerned about this. All of a sudden we are presented with a problem. And for departments that are not doing any activity at all, like Development Services, we will continue to subsidize to the tune of millions of dollars. For all these fees, she has some questions.

We should not be addressing capital improvements now. We were presented with a plan to bridge the gap in terms of the operating budget. This is not the time to be talking about capital improvements, whether it is Parks and Recreation or the Harbor. We have not even had our workshop to talk about it. We are in the middle of a two-year budget, and we didn't have a reason to come back and open up the budget except for the economic times that we are in.

She is opposed to all of these fees because she has not been convinced by anything presented that 1) the Parks and Recreation fees will be going directly back to the programs, and 2) the Harbor is not operating in the black. It was staff who told her that it is operating in the black. Why would we be doing this? For Capital improvements, we should have gone through all the steps, not now when people are losing their jobs and people are underemployed. We are not making developers pay for higher fees, but we seem to be putting it on the backs of people who can't pay. She does not agree with that philosophy. She will have a lot more comments for the Harbor, but for the Parks and Recreation fees, there was no full explanation and no workshop that was properly agendaized and the public notified; the same is true for the Harbor. Getting something in the mail, that is not how we do things. There were a lot of good ideas here, and as a community we can address all of these issues together. It would have been her preference to take the Harbor first, but if they are doing Parks and Recreation, she would be opposed at this time until and unless we know exactly what they are going for and that it goes directly back into the Parks and Recreation program.

MAYOR WOOD reiterated we are discussing item 1 first.

COUNCILMEMBER KERN stated that the Parks and Recreation fees go back to a 108. The general question is does Park and Recreation pay its way. He asked the City Manager if they are subsidized by the general fund.

CITY MANAGER WEISS responded that the Parks and Recreation Division and their activities are subsidized by the general fund.

COUNCILMEMBER KERN stated so the money comes into the General Fund and then goes out to Parks and Recreation. So if we start designating funds for different departments and if Parks and Recreation does not pay its way, should they be cut? Council made a decision that we are going to have a Parks and Recreation program, and we are going to subsidize that program by the general fund. We have not raised the rates on some of these since 1991. This is a cost recovery. So some of these costs we are trying to recover. We will still have a viable Parks and Recreation program that will be subsidized by the general fund because the Council intends to have a viable Parks and Recreation program.

He **moved** approval for the adoption of the Parks and Recreation Division Master Fee Schedule.

COUNCILMEMBER CHAVEZ seconded the motion. He said he is going to comment mainly for the audience because of the comments made earlier by Councilmember Sanchez. He thinks it is important that some clarity comes to it first before we go forward. He knows that is not what they agreed upon, but some of it needs to be addressed. We are talking about the general fund. He asked how many funds/budgets we have when we look at Redevelopment, Water, Landscape Districts, etc.

TERI FERRO, Financial Services Director, responded there are about 50 different

funds/ budgets.

COUNCILMEMBER CHAVEZ stated that the total amount of money that was provided last December comes out to about \$350,000,000. It is about \$1,000,000 a day to run the City. So when people talk about the general fund, that is what it takes to run the City. You are talking about landscape districts, water, sewer, street replenishment, redevelopment, etc. All over the city there are different funds that are running the City.

As far as departments within the City that use general funds, there is a lot of discussion about economic development and development; he asked which department spends the most money and receives the least amount of fees.

CITY MANAGER WEISS responded that the department that we allocate the most money to is the Police Department.

COUNCILMEMBER CHAVEZ concurred that the Police Department, Public Safety spends about 64% of the entire general fund. If we use the analogy that Councilmember Sanchez is saying that whatever fee raised will go to that particular department, it wouldn't work because public safety does not raise enough fees to pay for themselves. He believes that we are just getting to the point right now that we have the right number of police officers, and when this turns around we probably have to add some more or do some better services. The police officers have done a wonderful job as far as making Oceanside one of the safest cities in the County, but the population is going up. For the analogy, the statement that says each department should collect the fees to pay for themselves, full cost recovery for that effort does not make sense. When we talk about development fees not paying for the service, full recovery would cost everyone a lot more. It is easy to say things that are misdirected, that sound sensible, but it is not the reality. As he mentioned at the last Council meeting, he would be happy to discuss full cost recovery but it does not mean that we should not have libraries, parks, etc. We pay property taxes for that. Very few of the departments pay for themselves. A good example would be the City Council. The City Council does not collect any fees, but we spend a fair share of money. He offered to cut that and received no Council support. It is easy for some of us to say certain things and sound good, but when it came to their decision to impact them, they failed to do it.

He called for the question for item 1.

COUNCILMEMBER KERN seconded the call.

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

On the main motion, **motion was approved 4-1**, Councilmember Sanchez no.

MAYOR WOOD moved Item 4 to the 2nd position due to those present [Harbor fees].

COUNCILMEMBER KERN requested that staff first address the questions that were put forward by the public, and then he will have comments.

MR. DUNCAN responded to the questions raised by the public. The Harbor operates in the black to approximately \$65,000 each year. The Harbor is an enterprise fund and is not subsidized by the general fund. With regards to the slip renter waiting list, that is the only fee in the miscellaneous fees that was recommended to go down from \$75 per year to \$50 per year. That is not for just the paperwork of handling the list each year but also for tracking down the people to get that slip filled in such a manner that we do not lose rent on it by taking two or three months by going off an old list or people that just put in \$20 hoping that they will get it.

The rip rap are the large boulders that holds the water from getting to the land in the harbor. We collect a fee for impounded boats. Sometimes that fee does not cover all the

costs we have. The fee letter that he sent out March 13th, was to inform people that these slip fees are being proposed and to invite them to both the Harbor and Beaches Advisory meeting on March 26 and today's meeting of April 8. After listening to input from the people on the first day, we changed the fee recommendation and reduced it by half.

The Harbor pays rent to the City; 7% of our revenue is paid to the City. This year it is projected at \$375,000 to the City. That comes under the tidelands lease. Oceanside Marina Inn (OMI) is owned by the City. We did not look at parking fee increases. We understood that may come up later as far as the total parking lots, etc. The reason that Lot 12, the north pier lot, is closed during the summer time for overnight camping is because that would free up the parking area for the residents that use it only on a daily basis. Regarding the revenue projections that were displayed, he does not doubt as far the fee because it is a very popular area to use. This was approved by Council; he believes it has been about 4 years now that we have been closing that lot in the summer time to keep it open for the local residents, not just Oceanside residents but for the daily use on that.

MS. BROWN noted other questions; one person wanted to know if impact fees were being used for the capital improvements in the Harbor area, and there were some questions about affordable housing in the harbor. She is not an expert on housing to answer that.

MR. DUNCAN stated that the County Assessor assesses each of the boat owners based on the size of their boat, and that is paid to the County. We do not pay that on behalf of the lessee that is in the slip. We do, however, pay for the water and electric to all of the slips.

COUNCILMEMBER KERN said there was a question about the \$186,000,000 and the interest on that. That is figured into the budget. We calculate the interest on that money when we start calculating the budget, so that money is not an extra. There has been some misinformation put out there, and people begin to believe it instead of going back and asking the source. If they have a question about anything, they can ask the Finance Director who will be glad to share that information with them. We are going back to correct this misinformation before we go forward. One gentleman tonight said that Harbor is \$650,000 in the black. It was \$65,000. What happens on something like that is when people hear it, they assume that is the number. It was good to get that corrected.

As far as the \$4,000,000 unallocated reserve, somebody said that is for the rainy day pot. If you think it is raining now, we are headed for a hurricane. Somebody talked about sales tax, that we should increase the sales tax citywide in order to support the Harbor. The last quarter of last year our sales tax dropped 11%. That was before Mervyns, SteinMart and Black Angus, etc. closed. We are in the same boat as everybody else.

He gave a little history of the Harbor. The citizens of Oceanside have bought that Harbor; we paid for it on our tax bills a long time so we helped pay for the Harbor. He has a tough time going out to the general citizenry now to say they need to subsidize the Harbor. Everybody present wants the citizens to subsidize the Harbor, but there are people out there who do not want to subsidize them at all. So we are caught in between that. Everyone needs to pay their way as best they can. These are tough times; there is no good time to raise fees, but there is also no good time to delay the capital improvements. If we wait a couple more years, those bathrooms just get worst. We get complaints about the bathrooms all the time. Somehow we are going to have to figure out how we do this.

He would like to go with alternative 2, but just the first half -- just raise the rates to \$0.50, and then have staff sit down with everybody in the harbor and figure out between now and next July how to offset the rest of that instead of automatically raising it that second year. We should just come up with \$0.50 this year, not put it in the second year, and between now and then figure it out.

There were a lot of good suggestions, with the Harbor and Beaches Advisory Committee and others fully vetted in this issue and what it costs. He knows \$1,000,000 for a bathroom sounds expensive, but government contracting with requirements for ADA, offsite

improvements, etc. is expensive. We spent almost \$9,000,000 to \$10,000,000 for a fire station that is basically a big garage, but we have to absorb those costs. He cannot go back to the general population to subsidize the harbor to a level that some would like to support. The compromise he is proposing is to do alternative 2 for just the first year, and between now and next year we sit down and figure out what we can do at that point. That would be his **motion**.

There was no second. **Motion died** for lack of a second.

COUNCILMEMBER SANCHEZ moved to not do increases at this time. We need to do this right at a time when we all are in a better situation. On a personal note, the information that is being given out here is like redefining history and challenged Councilmembers to a debate.

MAYOR WOOD seconded the motion.

COUNCILMEMBER CHAVEZ said that he is not supporting increasing any of the slip renters' fees. But there is a whole list of miscellaneous fees that he does not know directly impact people at the harbor, like the Harbor Police vessel, Jr. Lifeguard programs, special event lifeguard, maintenance worker and dingy rack slip repairs. He asked how many of the miscellaneous can we do and not impact the slip renters, and can we bifurcate this with miscellaneous fees.

COUNCILMEMBER SANCHEZ responded that this should come at a time when we have a proper workshop for discussion. There should be no increases at this time. Let us really look at this in a methodical way. It appears that we are under pressure to do this, and that is not the right thing to do by our residents; so, no.

COUNCILMEMBER CHAVEZ asked if there is anybody else who would like to see a bifurcation of this.

There was no response.

COUNCILMEMBER FELLER commented that harbor users are perceived as something completely different than somebody living in a mobile home park. There is no clear direction on where these fees are going, which is why he didn't second Councilmember Kern's motion. The capital improvement part of this does not ring true for him. He is not going to support the other motion either because he believes we need a year. This should be ready to go for 2010 where we can have an open debate and open discussion with Harbor and Beaches on what the needs are. It is an enterprise fund, and \$375,000 of it is paid to the City. He does not think this harbor is in comparison to many harbors. Ours is one of the easiest harbors to get into the ocean. People are in a pretty exclusive area to have a boat in the harbor, to be able to drive their car up to the dock and park within as little as 50 feet of your boat. It is not something that everybody can do in the City. We cannot depend on boaters for anything except for what is paid in the slip fees, because many are not residents of Oceanside. We do not get property taxes from some for their property here in Oceanside. There is still work to be done on the actual needs of our harbor, and he would hope that could come back by summer 2010.

MAYOR WOOD commented that this City has been running in a positive direction. We see the changes in Oceanside, and we are happy about them. Our problems really come from the State and the Federal government. We had a pretty good budget, but the State is causing a lot of grief because of their past problems. We have a shortfall of about \$4,200,000. For a city our size that is not a lot. It is up to the City Manager to balance the budget because we are required by the State of California to have a balanced budget. The State doesn't, but we have to. We need to come up with ways to save money. He did not vote at the workshop for the budget. Things are tough right now. 2010 is going to be tougher than this year. Usually, Southern California pulls out of a crisis/recession quickly. Hopefully that is where we are going to go. There will be cuts. We lost businesses, and people have lost jobs. The law requires us to balance our budget, but where are we going to

get it? It is easy to make recommendations but the City Manager has to make the cuts.

This is the worst time to increase taxes and increase fees. He has never been in favor of this. We have \$42,000,000 in reserves, and we had to use \$800,000 to \$1,000,000 of \$42,000,000 to come up with some savings. He wanted to use the reserves so we do not have to cut a policeman, a dispatcher, 3 lifeguard towers and a fire captain.

Capital improvements at the harbor still need to be done in the future. We do not need to rush to do this. We need a workshop to find out where we are going to get the money from, what the needs are and have the Harbors and Beaches Committee involved. We still have to come up with items due to the shortage, if not from the boaters, then from somewhere else. It is usually Parks and Recreation, the Library or some other thing that we do not want to cut. He is not in favor of the budget as it sits.

Raising taxes and fees has to happen once in a while, and the Council as a whole, except Councilmember Sanchez, voted to increase fees. That cannot be used again in a political flyer because we increased fees and taxes. We have done it. He reviewed the politics of the voting.

COUNCILMEMBER SANCHEZ pointed out that one point was made during the Harbor and Beaches Advisory Committee that was not brought home as much tonight, and that is the comparison in terms of other harbors that were criticized. Things were brought up such as, it was like comparing apples to oranges, the amenities or lack thereof as well as the fact that it was brought forward that the taxes that are paid are within the fees in other harbors whereas our harbor users actually pay that separately. So it may look like they are paying less but they are actually paying more. That was another thing that came out, and she wanted to bring that out. This really was not done apples to apples. This comparison was flawed. She thinks that it had to do with just trying to come up with a solution really quickly, and it was not the best.

COUNCILMEMBER CHAVEZ clarified that he will be supporting the motion on operations and fees. Having looked at how the whole process went through, he has some doubts on why we are raising them in the first place. We should not just raise them because we have the ability. He also thought that the comparison, the same argument he made before is that it is not uncommon for the different unions to compare other cities to why they should get a raise. He has spoken against that before. It is the same mentality here as far as raises because of some other city. For that reason he is not going to be increasing the rates. A number of speaker said that they wanted to be active in the group and talk about this. Even though the harbor is nice, it can be better. They live down there so they have better ideas than the Council. He would ask that they be involved in this

COUNCILMEMBER FELLER asked if the harbor is going to be paying its fair share as they go forward. \$65,000 is the number that is in the black right now. He asked if that is what it is going to be for 2009-2010.

MR. DUNCAN responded that their projection shows that it is going to be close to that.

COUNCILMEMBER FELLER asked if this is going to be something that is going to be stable for the next couple of years.

MR. DUNCAN responded that not knowing the economy forecast, it would be difficult to answer. We have noticed a slight decrease in the guest slips the past 8 plus months to where we are not meeting the exact projections on that. But the way he looks at it, unless something drastically changes, we should be able to stay within the black within our existing budget.

COUNCILMEMBER FELLER thinks if that is the case, then in the budget that we are working on for the next two years, which starts July, we have to be prepared to not operate in the black because the CIP is not going to cover the cost of doing business in the

harbor as we go forward unless we look at some of these fees. This is defined as cost recovery, but we are not showing that it is cost recovery. It is capital improvement recovery. That is what staff is aiming this money at essentially. Going back to the drawing board on that is probably the best thing for staff to do at this point.

COUNCILMEMBER KERN asked if Council is not going to do anything for capital improvement, does that scrap the capital improvements for the harbor. He is trying to figure out a way to fund it to make it better.

DON HADLEY, Deputy City Manager, reported that as we instituted the CIP process a little over 4 years ago, that was to be our measurement/gauge as to what the revenue would look like, along with the other increases and the other type of revenue that we receive to maintain the operational budget. What we do with what is left over, the \$65,000+ a year in the black, that goes to the Harbor fund, which is our primary funding instrument for our CPI. It has been very modest because there is not a lot of money in there. We have approximately \$4,000,000 in the Harbor fund, and there are some reserves inside that; we have \$1,700,000 for breakwater and jetty repair, \$1,000,000 for emergencies, approximately \$150,000 for capital equipment replacement and \$100,000 in an insurance reserve fund. After those are totaled, we have about \$700,000 left over. We will continue to accrue the \$65,000 per year that is brought in, assuming it stays to be that level. Added to that is the \$700,000 to start the seed money for our capital improvement projects. We have not been actively working on it because there has been so little available, so we will prioritize the projects that need to be done and, as funding meets that capacity, move forward on that project and then start over again. At some point we will need to come back and say here is where we are, here's what we have expended, here's what we need as part of the plan and possibly look at this in 2,4, 6 years, whatever may be the best time to do that.

COUNCILMEMBER KERN stated that this is an enterprise fund so we need to run it like an enterprise. We need to figure out how we get these capital improvements done, and at \$700,000 that is not much to complete a project. So the idea is we are going to have to wait a few years before we even start a project. The people that would benefit from the harbor CIP projects are here in this room; it includes the new bathrooms, the showers, bringing things up to ADA compliance. There is no good time to raise fees, but we cannot stop looking forward just because we are in tough times now. If we delay this a couple of years, as it seems like we are going to do, instead of a dollar it is going to cost \$3 a foot and we will have this room filled again even if it is good times. Even if the economy turns around and we have good times and we say we will raise it \$3 a foot, we will have as many people in the room at that time as we do now. There is no good time. If we do it a little bit at a time, \$0.50 now, \$0.50 next year and go on from there, that is something they can absorb. Three years from now if we come back and say we need to do these capital improvements and it is \$3 a foot, that is going to be an impact on the people. When he put this forward it was not because he wanted to raise their fees. He is trying to figure out how we can make the harbor better because we all want to make it better.

CITY CLERK WAYNE clarified that the motion is for no harbor fee increases at this time.

Motion was approved 4-1, with Councilmember Kern voting no.

[Recess was held from 8:42 – 8:47 pm; Councilmember Feller was absent].

Next: Item 2 – Adoption of Council Policy 600-05 regarding a Cost-Recovery Plan for Parks and Recreation

COUNCILMEMBER SANCHEZ said that it has been almost a year since we directed staff to look at fees in general and see whether or not some changes were merited. Some fees have not been increased in quite a long time. So when we increase fees we need to do it in a fair way. It shouldn't be increase fees here, don't increase fees there. For most of the last 8 years, one of the directives given to staff has been to make development pay for itself. That is supposed to be cost neutral, 3 departments. She asked for the figures for the last ten

years and each time, each year, more and more money is being spent. Now we are subsidizing Development Services and again this was to be cost neutral; people pay a fee for a service. That is how it is suppose to be. Housing is cost neutral; Development Services is supposed to be cost neutral, and we are subsidizing Planning, Engineering and Building \$4,000,000 - \$5,000,000 – nothing is happening - absolutely no movement, no plan checks, no building inspections.

[Councilmember Feller returned at 8:49 pm]

She has a hard time putting forth one thing like Parks and Recreation, with these parks paid with impact fees, and it has always been until recently that these have been paid as part of quality of life; they have been paid through the general fund. That is what people pay property taxes for, with public safety number 1 and then quality of life issues like libraries and parks. It is not until now that we are saying let's make parks pay for themselves. She has a concern here because where does this end? Are people going to start having to pay just to go to a park or go to the beach? Why do we let one sector of the community of a few departments off scot free? Why do we subsidize profits for developers and yet stick it to families for parks and recreation programs? She would like to see all of it come together or, at the very least something as heavily subsidized as Development Services, before she can say yes. She wants to say yes, but it is unfair when she still has not heard after eight years that we finally have development paying for itself, to have fees, and the fact that they are not cost-effective or cost-efficient is probably the reason why we are getting so many complaints and have mistakes that we keep hearing about especially through the matrix, the study that was done on Development Services.

She cannot support this until we have Development Services fixed. Why pick on Parks and Recreation, Fire and other departments on things where the property tax goes? Number 1 is public safety, and then we have parks and libraries.

COUNCILMEMBER CHAVEZ moved to adopt the cost recovery plan that was presented, and then he will make some comments.

COUNCILMEMBER FELLER seconded the motion.

COUNCILMEMBER CHAVEZ commented that the duplicity he is hearing is just amazing. He questioned what department paid for the charrettes, etc. on the Coast Highway visioning.

COUNCILMEMBER SANCHEZ interrupted that if we cannot afford it, why are we doing it.

CITY MANAGER WEISS responded that those costs were paid by Development Services.

COUNCILMEMBER CHAVEZ remarked that the meetings Councilmember Sanchez and a lot of her friends have gone to regarding the front gate of Camp Pendleton, where we have a lot of traffic meetings out there, where traffic is being redirected, he asked who paid for those.

CITY MANAGER WEISS responded that those are paid for by the general fund through Development Services.

COUNCILMEMBER CHAVEZ commented that we have traffic meetings, all the meetings that were done throughout the town everywhere you see a speed bump. Regarding all those traffic studies, he asked who paid for those.

COUNCILMEMBER SANCHEZ interrupted by saying \$5,000,000 worth, she doubts it.

CITY MANAGER WEISS responded Development Services.

COUNCILMEMBER CHAVEZ said that those sorts of things are going on, and he would argue that they are good because when you talk throughout the community, one of the biggest concerns we hear all the time is traffic – speeding traffic, how do we slow people down. So when we go out and meet with them, these are through Development Services. As far as parks and being paid for strictly by impact fees, he asked how we paid to refurbish Buddy Todd Park.

CITY MANAGER WEISS responded it was paid by development impact fees.

COUNCILMEMBER CHAVEZ stated so the information that this department is just wasting money away is not true. As far as the financing and asking where the money is, we have been receiving documents in detail since the Fall on what we have been spending in the past, what we currently have, and what we are spending now. We have it, and we can see how much in each department - personnel and retirement; everything is laid out. We now have this budget put together through the leadership of the City Manager and the work of all the departments. It was a very good effort. The public needs to understand that if they look across the country right now, the markets are falling in Europe, the U.S. is throwing trillions of dollars out there and for California – who knows what they are doing. He just got a document handed to him by his aide on North County Transit District going to SANDAG to show how they are going bankrupt. But in Oceanside we are in the black, and we are doing good things like what is the vision of the future of Oceanside. The only reason we are able to do that is because of the City Manager's effort and a lot of good professionals. It is totally duplicitous to paint them with a brush that says they do not provide information. He knows that he has all the information he ever asked for in a very rapid manner; he wants to publicly state that. If there is anybody out there who feels they do not, get hold of him, and he will go over in detail with them any area they want to see on how we operate the City.

COUNCILMEMBER SANCHEZ commented that we are cutting firefighters, police officers, dispatch and emergency vehicles. We are closing 3 lifeguard towers, and they had in just one year, something like 26,000 rescues. To have a charrette/meeting instead of providing for lifeguard towers and allowing the potential of a drowning just does not make any sense. Her reputation is very good. Councilmembers trying to call her a liar does not make sense to her ever.

CITY CLERK WAYNE clarified the motion is to approve of Policy 600-05 regarding Cost Recovery for recreation activities.

MAYOR WOOD commented that he sits as liaison for the Parks and Recreation Commission, and this is something they want. He supports it, but other issues need to be addressed before we increase fees and cut public safety.

Motion was approved 4-1, with Councilmember Sanchez voting no.

MAYOR WOOD announced they are now on Item 3: the adoption of a resolution increasing fees for ambulance services, for an approximately \$250,000 increase to the General Fund.

COUNCILMEMBER KERN made the **motion** to adopt the resolution increasing the fees for ambulance services. (**Resolution No. 09-R0231-1**, "... approving the fee schedule to be charged for emergency medical services.")

COUNCILMEMBER FELLER **seconded** the motion. He pointed out that in Council's backup it said that the last fee increase was on August 2004. Since then we have gone from one Paramedic Firefighter and an EMT to both being Firefighter Paramedics. That costs more money. Gas has changed since 2004. He has a question on the second paragraph where it talks about ALS and BLS, and it says "because of the upgrade to the level of service the recommendation includes upgrading the assessment on all the ambulance services from a basic life support to advanced life support. The change would correctly reflect the upgrade.

The fee structure would continue to include BLS rates". He asked if the BLS rate is what they had before.

BATTALION CHIEF PETE LAWRENCE responded that when we had the one paramedic, one EMT delivery system, regardless of whether the assessment was done by the paramedic, if the EMT accompanied the patient to the hospital in the back of the ambulance and provided EMT level care, we did not feel it was appropriate to charge them a paramedic rate; so we had a BLS (Basic Life Support) rate for those situations.

COUNCILMEMBER FELLER commented that it said the fee structure would continue to be BLS rates.

CHIEF LAWRENCE responded that we are continuing to carry a BLS rate in the fee structure so that if there were ever changes made to our delivery system, we would not have to come back to Council. We were maintaining an ALS (Advanced Life Support) and a BLS (Basic Life Support) fee structure.

COUNCILMEMBER FELLER clarified that they are just keeping the BLS in there but most is done with ALS.

CHIEF LAWRENCE responded that all of our transports are currently done at the Paramedic level.

COUNCILMEMBER FELLER questioned if the \$250,000 gained would go to the general fund.

CITY MANAGER WEISS responded that the revenues generated will go to the general fund, and as was mentioned earlier Council will distribute them. He also pointed out that there was an issue raised in regard to who gets to take credit for the debt that we write off from uncollectibles, and that also comes out of the general fund which he believes is about \$1,500,000/year.

COUNCILMEMBER SANCHEZ reported that the last time she had to call for 911 she was so glad it was a paramedic. She cannot imagine anyone not wanting a paramedic to respond to stabilize their loved one or themselves. She is very concerned that this money is still going to the general fund and not to the Fire Department. She understands the reason it goes to the general fund is because of the billing, and when asked further she understood there was one full time employee that does the billing for the ambulance services. That is the only reason why it is going to the general fund and not to the Fire Department. This \$1,500,000 should have been used to make sure that we did not have to cut any firefighters. It appears that some firefighters are going to have to take up potential 911 calls when someone needs help because of the three closures of lifeguard towers. She does not know how that is going to happen. It does not make sense to her that this money is going to the general fund, which to her means it is going to subsidize Development Services -- Engineering, Building and Planning. \$2,000,000 to \$3,000,000 goes to Planning from the general fund. She would agree with this, but she does not agree where it is going. It is again going to the wrong fund; it is not going to where it should.

COUNCILMEMBER CHAVEZ asked how many people are actually involved in finance that deals with ambulance billing.

SHERI BROWN, Revenue Manager, responded that they have four full time employees that are dedicated 100% to ambulance billing; however, she clarified that is not the reason that this revenue goes into the general fund. It is just one of the revenue sources that go to the general fund. They support all. Development Services is one of the departments supported through the general fund, but so are the Fire Department, the Police Department, Finance and the City Attorney. There are several departments that are also supported by those general fund revenues.

COUNCILMEMBER CHAVEZ understood. He just wanted to clarify the misinformation that one person runs all the ambulance fees. In reality four people and Finance deals with this issue.

Motion was approved 3-2, with Councilmembers Chavez and Sanchez voting no.

MAYOR WOOD announced they are on Item 5, the adoption of a resolution setting disturbance of the peace response fees and increasing fees for driving under the influence (DUI) emergency responses, for an approximately \$1,200 increase to the General Fund.

COUNCILMEMBER KERN made a **motion** to adopt the resolution setting the disturbance of the peace response fees and increasing fees for driving under the influence (DUI) emergency responses (**Resolution No. 09-R0232-1**, "... setting the fees for police response to disturbance of the peace and emergency services cost recovery pursuant to California Government Code 53150 through 53158.")

COUNCILMEMBER CHAVEZ seconded the motion.

Motion was approved 4-1, with Councilmember Sanchez voting no.

MAYOR WOOD announced that they are on Item 6, adoption of a resolution confirming police document service fees, false alarm violation fees and establishing a citywide collection fee, for an approximately \$10,000 increase to the General Fund.

COUNCILMEMBER KERN made a **motion** for the adoption of the resolution confirming police document service fees, false alarm violation fees and establishing a citywide collection fee (**Resolution No. 09-R0233-1**, "... approving the cost recovery fees for miscellaneous police services, false alarms and establishing a citywide collection fee.")

COUNCILMEMBER FELLER seconded the motion.

Motion was approved 3-2, with Councilmembers Chavez and Sanchez voting no.

MAYOR WOOD determined to hear Item 16 next.

CITY MANAGER ITEMS

16. **Update on the operation and staffing plans for the two senior centers**

MARGERY PIERCE, Neighborhood Services Director, commented that there were some issues that were brought up about how the Neighborhood Services Department is planning to provide programs and services at the Country Club Senior Center as well as the new Center at El Corazon. They are planning to maintain the level of services that they currently have at the Center, improve them and increase those services at the current senior center. Just for clarification, the only program that the Parks and Recreation staff actually provides as a direct service is the transportation program where they sell the taxi script. Otherwise, the plan will be to continue as they have been for a number of years. The general public assumes that the City is providing the Nutrition Program, which is probably the largest program operated on a daily basis at the Country Club Senior Center. In fact, that is a non-profit organization that we contract with to provide those services. We also have contract classes as well as free classes provided at the Center, and we will continue to do that. The staff is going to be stretched, and we plan to be able to oversee and manage both of those centers and provide quality customer services and programs to all of the seniors utilizing those two facilities. We will be sending a senior staff member from our administrative offices to the new center at El Corazon so that we have that additional staff as we get it up and running. We are just going to make the best of it knowing that we are in hard economic times. She is sure that we will be successful because staff is very committed and very excited about opening the new center.

CITY MANAGER WEISS commented that in an e-mail he had sent to Mr. Knott, he will take the responsibility for using the word privatize; perhaps contract services, outsourcing or non-city services would have been more appropriate, but essentially as just described, that is what is happening at the Country Club Senior Center now. We will continue looking at the possibility of additional service providers both at the existing senior center and new center to augment what staff is doing, but the issue of those contract services is one that we feel we should continue to look at because there is a full range of services that are provided at the Country Club Senior Center that staff certainly does not have the ability to do; the Nutrition Program is the prime example.

DIRECTOR PIERCE added that we are so fortunate to have a number of volunteers that really do a lot of the work at the Country Club Senior Center, and we have already received probably 30-40 applications for new volunteers to work out at the El Corazon Center as well. Volunteers can contact the Parks and Recreation Department and fill out an application, and we can get them engaged in the process as well.

Public Input

JIMMY KNOTT, 127 Sherri Lane, appreciates the City Manager taking the responsibility for using the word privatization, but the City Council voted on privatization so what needs to take place is some form of a correction on that item. This has not been publicly vetted. This is a serious matter because it will entail a lot of different federal and state funds. He asked for some background material that has not yet been brought forward to him. It may put us into potential jeopardy, but he is not fully informed as of yet. He is still a non-senior representing a senior community. He is glad that the money that has been raised from the tiles was put to good use, and he hopes that more people will buy more tiles.

CITY MANAGER WEISS clarified that part of what the Council acted on was to eliminate one recreation specialist, one recreation supervisor and a part-time custodian, and that will be reflected in the budget. That is the formal action that Council took. As Ms. Pierce mentioned, those positions were previously included in prior budgets in anticipation of opening the new senior center and have now been deleted from that budget, so the essential effect and the cost estimate of the action are still in place.

COUNCILMEMBER CHAVEZ asked staff to later give the Council an update on how it is going after it opens and measure the success of the two centers as we treat them both equally.

COUNCILMEMBER SANCHEZ reported that we do have Oceanside employees at the new Senior Center; she likes having City employees rather than contracting out. The work that we get out of the City employees is much better than when we contract out. We have more control over the quality services provided.

When we had talked about the Senior Center, we talked about how it was going to have a wonderful view of the ocean and all was going to be connected. It is a wonderful building from the outside, but she was surprised that it was at the bottom of a pit. Is that is going to be leveled off; what happened with all the dirt? There is a road from the east and then on all the other 3 sides is brown - 25 feet of dirt. She is assuming that we are going to have our view and asked staff if that is going to be leveled off; it is a lot of dirt to be hauled away.

DIRECTOR PIERCE responded that she has no idea because she has not been involved in the development plan of El Corazon.

MICHELLE LAWRENCE, Deputy City Manager, responded that there is quite a bit of grading that still needs to happen, and it will not feel like it is in a pit once that grading has been completed.

COUNCILMEMBER SANCHEZ asked if there is going to be some kind of grading

for when it opens in June.

DEPUTY CITY MANAGER LAWRENCE responded not to her knowledge.

COUNCILMEMBER SANCHEZ commented that it is important to let people know that it is a work in progress then, because as you come on it, the building is amazing and then she started driving around and she realized that she couldn't see anything but brown. At some point it will probably be green, but still you cannot see anything at all. It is just in a pit.

DEPUTY CITY MANAGER LAWRENCE said that she will be happy to have the schematics for El Corazon for the opening. They can easily do that.

COUNCILMEMBER SANCHEZ asked if there will be an ocean view then.

DEPUTY CITY MANAGER LAWRENCE responded that she was not sure.

COUNCILMEMBER SANCHEZ stated that was definitely something Council talked about. She is hoping that we can get that ocean view for our seniors. The idea was to be able to rent it out and have a kitchen in the second phase. The better view you have, the more attractive it will be as a place to have events. Hopefully it will end up paying for itself after so many years.

COUNCILMEMBER KERN asked if we are keeping the Nutrition Services at the old Senior Center.

DIRECTOR PIERCE responded that the daily lunch program will be at the Country Club Senior Center, and there will be a snack type cart for people to buy a salad or a sandwich at the center at El Corazon.

COUNCILMEMBER KERN asked if we can come up with a long range plan. One of the best decisions that the Council made was putting the Senior Center in the middle of senior communities like Oceana, Peacock Hills and Costa Serena. He can just see in a couple of years that the people that live in Peacock Hills may have to drive past the new Senior Center all the way down to Country Club for lunch, and he is sure there is going to be some demand to have lunch at the new Senior Center. He asked if there is a plan to maybe consolidate services in the future.

DIRECTOR PIERCE responded that she wouldn't say that there are plans to consolidate the lunch program. However, the Senior Center at El Corazon has been pumped up for a commercial kitchen, and in the future if the need to expand that type of services was there, we would be able to do that. It does not have the appliances to do that now.

COUNCILMEMBER KERN clarified that sometime in the future there may be an opportunity to consolidate.

DIRECTOR PIERCE responded affirmatively; staff will be looking for funds and funding opportunities to complete that commercial kitchen as well.

COUNCILMEMBER KERN commented that we placed it out there for a reason. To utilize that one program they have to come all the way to Country Club. The idea of looking at consolidation in the future all comes down to how they get the money to do that.

COUNCILMEMBER FELLER said that something came to mind as he was listening earlier; and he thinks they are going to make a big deal of this. We would not even have this piece of land except that in 1994 Mayor Lyon, Councilmember Colleen O'Harra and Terry Johnson had the foresight to get this piece of property. He hopes that we invite

those that were involved to the grand opening because they are the reason we even have that piece of property. It was a big deal in 1994 to even get that 3-2 vote to acquire the property.

He questioned if we are doing something illegal by having that word privatize in our backup for our workshop earlier.

DIRECTOR PIERCE clarified that Mr. Knott was asking if some of the funding sources that were used at our existing center would be jeopardized by privatizing or contracting out services. We have looked at that, and it was built over 20 years ago and there is no illegal use of either privatizing or contracting out services.

This was an informational item.

CITY COUNCIL REPORTS

17. Mayor Jim Wood

MAYOR WOOD wished the residents a joyous holiday season. He announced that there will be two Easter egg hunts taking place on Saturday, April 11. The Oceanside Historical Society is having an open house and photo sale on Saturday, April 11 at 305 North Nevada Street, and the Ironman race was held.

SANDAG had confirmed that Highway 76 is their number one item.

Catherine Parker and her husband were visiting Oceanside on April 3rd. She was killed by an Oceanside resident who was trying to get money from her in a parking lot. It was a random act of violence that has left so many people devastated. Our hearts and prayers go out to the Parker family for the sad occurrence in our City because she was just visiting here.

The State of California has awarded Oceanside \$400,000 from Cal grant money regarding gang activity. We were one of the many cities to get a grant. We also got our Federal money when we visited in Washington, D.C.

18. Councilmember Rocky Chavez

COUNCILMEMBER CHAVEZ is happy that Highway 76 is going through. He remembered we were talking some years ago that when 76 is coming through then it will be the time for Melrose. At the last meeting we were discussing that, that would be next.

He read in the paper that SANDAG will be discussing using TransNet money being transferred from infrastructure projects possibly to public transportation. It is supposed to be discussed this week at SANDAG. His position is he would not do that. Operational funds being used by TransNet transit dollars is not a good idea. It needs to continue with the infrastructure plans that were promised to the people. That is hopefully his wish for whoever is going to be down there to represent the City.

He let Council know that North County Transit District has decided to start what is called a comprehensive operational analysis. It is being jointly funded by SANDAG and North County Transit District to look at how the Transit District provides services. That is important because we are looking at possibly changing bus routes for other vehicles. It is going to be a hot issue within the community. They will be coming out with a timeline within 30 days. He has asked them to come to the Council when their plan can be presented here. They will also be doing a series of community outreaches throughout all the cities in the North County Transit District area. The plan is that by the Fall they would have an idea how we are going to be providing bus routes feeding into the community. It is a big issue. He was elected to be the Vice-Chair of the Monitoring Committee, so that is the committee he is on.

This is the best Season to count our blessings.

19. **Councilmember Jack Feller**

COUNCILMEMBER FELLER announced the open house up at Loma Alta for the medical/professional project; he attended the Crystal Apple Awards, the inaugural celebration for Dr. Rodriguez at MiraCosta and the Iron Man.

We had a great luncheon today honoring the members of the community as well as volunteers in Police. He announced Laurel Elementary is having their Hall of Fame, and El Camino High School has their Golf Tournament on Monday.

Happy Easter.

20. **Councilmember Jerome M. Kern**

COUNCILMEMBER KERN reported that yesterday at the Economic Development Commission meeting, we had the first vetting of the matrix study to the Commission with a lot of good comments made by the commissioners and the public. Even though it was just an information item he asked them to forward all those comments to Council so we can see when matrix comes up to them. He did not comment on it. He figured he will have his opportunity later.

He attended the volunteer lunch today for the Police Department volunteers; he welcomed the new Planning Commissioner John Scrivener.

Today, Poseidon went before the Regional Water Quality Control Board, and they got approved with no further mitigation of the 55 acres. Within 30 days they will finalize their discharge permit, and that is the last permit they need in order to start building the plant in Carlsbad. They will be starting construction on that plant probably within the next 6 or 7 months. That is great news on a regional basis as far as water. He knows that water is going to be a continuing issue.

Budgets are never easy. We all have our difference of opinions of how we do things. It was a tough meeting. Everybody got their opinions aired, and we have gone forward now for most of it. We still have a couple of things to nail down, but we are on the right track. The Mayor kind of hit it earlier when we talk about a \$4,000,000 gap and the general fund budget is \$120,000,000 or so. That is less than 3%. Planning started two years ago leaving positions vacant through attrition so he commended the City Manager on thinking that far forward that we may have to face these things. It is going to be tougher next year. Like he said in the previous hearing, this was the easy year. Next year is going to be much tougher because of what economic data is coming out. There is a drop in sales tax. 51% of our income comes from property tax and 17% comes from sales tax, the two things that got hit the hardest. Next year we are going to be facing something that is tougher than we faced this year.

21. **Councilmember Esther Sanchez**

COUNCILMEMBER SANCHEZ reported that she went to several meetings, but she will hold off reports until next week.

INTRODUCTION AND ADOPTION OF ORDINANCES – None

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April 8, 2009

Joint Meeting Minutes
Council, HDB and CDC

ADJOURNMENT

MAYOR WOOD adjourned this joint meeting of the Oceanside City Council, Community Development Commission and Small Craft Harbor District Board of Directors at 9:41 p.m. on April 8, 2009.

[The next regularly scheduled meeting is at 4:00 p.m. on Wednesday, April 15, 2009.]

ACCEPTED BY COUNCIL/HDB/CDC:

Barbara Riegel Wayne
City Clerk, City of Oceanside



California

CITY OF OCEANSIDE

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

JANUARY 6, 2010

REGULAR MEETING 3:00 PM COUNCIL CHAMBERS

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

**Mayor
HDB President
CDC Chair**
Jim Wood

**Deputy Mayor
HDB Vice President
CDC Vice Chair**
Vacant

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

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

Treasurer
Gary Felien

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

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

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

The regular and joint meeting of the Oceanside City Council (Council), Small Craft Harbor District Board of Directors (HDB) and Community Development Commission (CDC) was called to order at 3:00 PM, January 6, 2010.

ROLL CALL

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

City Attorney Mullen titled the item to be heard in closed session: Item 1A [Item 1B would not be heard].

Closed session and recess were held from 3:01 PM to 4:00 PM. [See report out on this item at 4:00 PM, Item 2].

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

CITY COUNCIL, HDB, AND CDC CLOSED SESSION ITEMS

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

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

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

A. Gill v. City of Oceanside et al., Superior Court Case No. 37-2008-00059347-CU-PO-NC (Consolidated with Superior Court Case No. 37-2008-00059348)

Information briefing given; there was no action to report.

[B. County of San Diego v. City of Oceanside, Superior Court Case No. GIN036570]

No closed session was held.

4:00 PM – ROLL CALL

Mayor Wood reconvened the meeting at 4:00PM. Present were Mayor Wood and Councilmembers Feller, Kern and Sanchez. Also present were City Clerk Wayne, City Manager Weiss, City Attorney Mullen and City Treasurer Felien.

INVOCATION – Pastor Carl Souza

PLEDGE OF ALLEGIANCE – Cristina Sanchez

CLOSED SESSION REPORT

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

CITY ATTORNEY MULLEN reported on the item discussed in closed session. (See Items 1(A) above for the report).

Changes to the Agenda

CITY CLERK WAYNE reported that Item 6 on the Consent Calendar has been continued to January 20, 2010. Items 23 and 24 under Public Hearings have been continued to February 24, 2010.

COUNCILMEMBER SANCHEZ announced that she is continuing her Item 13 under Councilmember Items to January 20, 2010.

CONSENT CALENDAR ITEMS [ITEMS 3-5, and 7-12]

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

The following Consent Items were submitted for approval:

COUNCILMEMBER SANCHEZ requested that Item 7 be removed from the Consent Calendar for a presentation by staff and also pulled Item 11.

3. City Council/Harbor/CDC: Approval to waive reading of the text of all ordinances and resolutions considered at this meeting and provide that ordinances shall be introduced

after a reading only of the title(s)

4. Harbor: Approval of a one-year percentage property lease agreement [**Document No. 10-D0001-2**] with Monte C. Yearley, dba Yearley Sailboats, for the premises at 1850 Harbor Drive North, Suite B, and adjacent concrete slab, for a minimum total revenue of \$7,535.64; and authorization for the City Manager to execute the agreement
5. Harbor: Approval of a 20-year License Agreement [**Document No. 10-D0002-2**] with the U.S. Government for use of a 36-square-foot portion of Harbor District property at 1540 Harbor Drive North for the continued operation and maintenance of the National Weather Service Tower and wind-monitoring equipment; and authorization for the City Manager to execute the agreement
6. [CDC: Approval of a professional services agreement with RRM Design Group of San Clemente in the amount of \$512,997 for conceptual design and construction drawings for the Beach Area Restrooms project, and authorization for the Executive Director to execute the agreement]

Continued to the January 20, 2010 meeting

7. **Removed from the Consent Calendar for discussion**
8. City Council: Approval of a Professional Services Agreement [**Document No. 10-D0006-1**] with North County Lifeline of Vista in the amount of \$186,062 for gang prevention/intervention programs funded through the \$400,000 California Emergency Management Agency, Gang Reduction, Intervention and Prevention (CalGRIP) Grant awarded to the City of Oceanside for the Oceanside Gang Reduction, Intervention and Prevention Program; and authorization for the City Manager to execute the agreement
9. City Council: Approval of a Professional Services Agreement [**Document No. 10-D0007-1**] with AECOM Energy of Solana Beach in an amount not to exceed \$100,000 for consultant services in support of the United States Department of Energy, Energy Efficiency and Conservation Block Grant awarded to the City of Oceanside for Phase 1 energy efficiency planning and retrofits, and authorize the City Manager to execute the agreement
10. City Council: Acceptance of the improvements constructed by Charles Doherty Concrete, Inc., of Oceanside for the Citywide Sidewalk Repair FY 2008-09 project, and authorization for the City Clerk to file a Notice of Completion [**Document No. 10-D0008-1**] with the San Diego County Recorder
11. **Removed from Consent Calendar for discussion**
12. City Council: Authorization to reject all bids for the Transportation Monitoring Center (TMC) remodel, approval of the revised plans and specifications; and authorize the City Engineer to re-bid the project

COUNCILMEMBER KERN moved approval of the remainder of the Consent Calendar Items [3-5, 8-10, and 12].

COUNCILMEMBER FELLER seconded the motion.

Motion was approved 4-0.

MAYOR WOOD determined to hear Item 7 at this time.

Items removed from Consent Calendar for discussion

7. **City Council: Approval of a Right-of-Way Contract [Document No. 10-D0003-1] with Caltrans for the sale of City-owned real property along State Route**

76, designated as Assessor Parcel Nos. 126-140-28, 126-170-08 and -75, 157-340-31 and -32, 157-150-43 and -51, and 157-600-18, needed for the State Highway widening project between Melrose Drive and Mission Road in Bonsall, in the amount of \$2,002,700; approval to appropriate these funds to the San Luis Rey River Clearing Project; authorization for Mayor to execute the contract and related grant deeds [Document No. 10-D0004-1] and [Document No. 10-D0005-1]; and authorization for staff to complete the transaction

COUNCILMEMBER SANCHEZ requested that staff highlight what properties are being requested for sale for this project. There was discussion in the staff report that some of this was acquired through a settlement for habitat mitigation and that there is a plan by Caltrans to mitigate for that.

BILL MARQUIS, Senior Property Agent, stated that along State Route 76 the City has a number of parcels that are affected by the widening project. The properties that the City owns lie on the south side of Mission Avenue, from Jeffries Ranch to almost the easterly City boundary. On the north side is the mitigation parcel that we bought to help settle a lawsuit that was brought against Caltrans and the Coastal Commission by the Sierra Club for the State Route 76 bypass, which is basically from Interstate 5 to Airport Road. They are only acquiring a sliver of that piece and offsetting other mitigations for their project. They will be mitigating for any loss of habitat from that parcel.

COUNCILMEMBER SANCHEZ asked where they are going to mitigate as it wasn't really clear in the report.

MR. MARQUIS responded Caltrans is mitigating up and down the San Luis Rey Valley at different locations. They are buying different pieces, but he doesn't know the exact pieces.

COUNCILMEMBER SANCHEZ asked if anyone on staff knows exactly what pieces they are going to mitigate.

CITY MANAGER WEISS responded we don't know exactly where they are going to mitigate for this particular loss because they have a Comprehensive Mitigation Plan for the entire loss of different types of habitat. We can certainly try to get Caltrans to specifically delineate where the impact loss for this particular piece is, but he doesn't know that they have that available right now.

COUNCILMEMBER SANCHEZ stated we must have asked what this is going to mitigate for the settlement. That must have been preliminary information.

CITY MANAGER WEISS responded we didn't ask specifically for this property, other than Caltrans has an approved Mitigation Plan through the environmental agencies for the loss of all of the habitat associated with the State Route 76 project from Melrose Avenue to Bonsall.

COUNCILMEMBER SANCHEZ asked if it is sufficient to say that Caltrans is somehow going to mitigate without specifics. This kind of issue has come up at different bodies where she has served, and if you don't have the specifics, it comes back to bite you.

CITY ATTORNEY MULLEN understands that the City was not a party to that 1992 litigation in his inquiries with staff. We facilitated the acquisition of this parcel in order to help settle that separate action. However, one of the things we could do is include as a condition of the close of escrow that Caltrans provide the precise locations where the mitigations will occur, and he thinks that would probably address her concerns. We could forward that information to you.

COUNCILMEMBER SANCHEZ responded it would. There are several properties this evening that are being considered for sale to Caltrans for the widening.

MR. MARQUIS responded yes, there are 2 other properties the City owns outside the City limits. One is the property that the existing Bonsall Bridge is sitting on top of. They are going to build a parallel bridge to the east of the existing bridge that will serve as the eastbound lane of traffic across the San Luis Rey River at that point. Just to the north of that property, there are some sliver pieces that Caltrans is acquiring for right-of-way on 2 other pieces that we own.

COUNCILMEMBER SANCHEZ knows that there were some issues about some Native American art and cultural artifacts with the bridge; was it this bridge?

MR. MARQUIS had met with a gentleman about an hour ago who represents the Luiseño Band of Mission Indians and had showed him the maps of the properties that were involved. He showed him the piece that Caltrans is interested in alongside the existing bridge and pointed out where the old Bonsall Bridge is. The gentleman indicated that most of their interest is closer to the old bridge, and we're way to the east of that. He didn't have any problems with this particular location.

COUNCILMEMBER SANCHEZ clarified that he had a chance to review that with Mr. Vernon.

She **moved** approval [of Item 7].

COUNCILMEMBER KERN **seconded** the motion.

Motion was approved 4-0.

MAYOR WOOD determined to hear Item 11 at this time.

11. **City Council: Authorization to award a contract in the amount of \$346,295.96 to Rock Bottom, Inc., of Bakersfield for the Oceanside Boulevard Landscape Improvements Project – Interstate 5 to Crouch located on the south side of Oceanside Boulevard north of NCTD right-of-way between Interstate 5 and Crouch Street; and authorization for the City Manager to execute the agreement upon receipt of all supporting documents.**

COUNCILMEMBER SANCHEZ pulled this item because these are funds that relate back to the General Fund, and she has been asking that we discuss priorities and how essential services are a higher priority. This is an authorization to award a contract in the amount of \$346,000. She feels strongly that, in light of current conditions, as well as what we just went through and what we are going to go through, she cannot vote to approve this.

She thinks that at some time in the near future when things get better in terms of the City's economy, we can do these nice feeling projects, but that we have to address very essential services that include police, fire and libraries. She's received many emails about people being unhappy about the cuts to the library hours and the closure of the library. She will have to vote against this.

COUNCILMEMBER FELLER stated these bids are way under what we expected at this time. Where does this money come from and how are we proposing to use this?

SCOTT SMITH, City Engineer, responded this money is coming from a gateway project fund that was set aside as a match to receive SANDAG/TransNet funds.

COUNCILMEMBER FELLER asked if we lose the match if we don't use the funds.

GARY KELLISON, Senior Civil Engineer, clarified it was General Funds but was money that was set aside as revolving funds from previous gateway projects. SANDAG asked the City to spend some General Fund equivalent money concurrent to the TransNet money they already provide us as an effective match.

COUNCILMEMBER FELLER asked if we would essentially lose TransNet money if we did not use this money.

MR. KELLISON responded yes, there would be a dollar for dollar reduction in TransNet the following year.

COUNCILMEMBER FELLER stated the neighborhood there had told us they completely disliked the black fences on Oceanside Boulevard that the Sprinter put up. We had a lot of input from the neighborhood that lives along that corridor that this is something we should enhance. Economic Development had this as a priority for getting out to the Ocean Ranch area. He thinks that, in light of the price, it leaves us other monies in that \$680,000 that we had set aside. It leaves us the opportunity to use almost another \$300,000 to fix our deteriorating roads. Those are things that need to continue to be maintained, and this is an appropriate use of these dollars.

He **moved** approval of [Item 11].

COUNCILMEMBER KERN **seconded** the motion. He requested a quick explanation of what maintenance of effort (MOE) is and what SANDAG requires.

MR. KELLISON explained that the word match is a bit of a simplification. In approving the TransNet program, SANDAG wanted to make very sure that cities didn't use the new TransNet money to replace General Fund monies that they were already spending, so they established a baseline support, or MOE, of each city's street network, and they set that as the MOE level. It's about \$2,700,000 for Oceanside. As long as we spend that much from General Fund equivalence we're okay. If we are short by any amount, SANDAG just withholds the equal amount of money the following year.

COUNCILMEMBER KERN stated we are leveraging our money with SANDAG, and if we don't do it, we're going to lose money the next year. This is a good deal for the City to go forward with the project at this time. That is why he's going to support it.

COUNCILMEMBER SANCHEZ had attended the community meeting, and people were actually very concerned about why the City would be spending money like this for a landscape beautification project when they had heard about how deep the cuts were going to be for our City in terms of essential services. While there is general support for, and in fact she supports, the beautification projects, the question was why not do that when we can actually afford to. We can't afford it now. We may not be able to spend \$2,700,000. We don't have it, and we can't spend it. The community understands the difficult situation that the City is in and is willing to wait.

COUNCILMEMBER FELLER read that the consensus from the community members present was that there was a need for the project, and that was August 10, 2009. What other things could we use this for because it is one-time money, is that right?

CITY MANAGER WEISS responded yes, it is one-time money. Council could use it at their discretion for other General Fund purposes. The key is that if you don't spend it, we would lose TransNet money next year. But you could use it for whatever you desire to use it for.

COUNCILMEMBER FELLER believes that this is bargain basement pricing from the contractor. He can't see how we can pass this up for this price.

MAYOR WOOD stated his comments are because of the ongoing economics

from the State and locally. He sits on the SANDAG Board, and they really try to be fair to everybody with their TransNet money. However, over a period of time we've seen some changes. With those changes we saw 60 people within the City laid off and lose their jobs. That was cut down to about 26 people. We also saw that we got a one-time benefit of money from sales of property, and the previous Council indicated they would use \$1,000,000 of that money for issues within the City and the other \$4,000,000 would go into reserves. That was a decision made to put that money away even though we laid off employees, and we still have a potential budget situation coming up in the future from the State for a second dip if there isn't an initiative on the coming ballot. He agrees that the money should be used in a more appropriate fashion.

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

GENERAL ITEMS - None

MAYOR AND/OR COUNCILMEMBER ITEMS

- [13. **City Council: Request by Councilmember Sanchez to discuss a public process and community vision for the 10,000-square-foot City lot located at Cleveland and Washington Streets, and direction to staff]**

Continued to the January 20, 2010 meeting

CITY CLERK ITEM

14. **City Council: Appointment to fill Councilmember vacancy (term to December 2010) or allocation of \$40,000 and adoption of resolutions calling a Consolidated Special Municipal Election for June 8, 2010**

CITY CLERK WAYNE stated this item has been coming forward for quite a while with the resignation of Councilmember Chavez. We weren't sure about the date until he finally turned in his resignation. He waited long enough for us to not have another \$450,000 to \$500,000 special election should Council have wanted one back then. Since he postponed his resignation long enough, Council was alerted that this issue was coming at their December 16th meeting when staff asked for direction from Council. Council could not act at that time because the resignation was not yet effective. The resignation was effective December 18th.

According to California State law, which is what Council has to abide by, Section 36512(b) reads that the Council shall, within 30 days of the commencement of the vacancy, either fill the vacancy by appointment or call a special election to fill the vacancy. It has to be called within a certain period of time.

Council has one of two options at this time. One is to appoint. If you appoint someone to fill the vacancy, it is to the term that expires in December of 2010. Council's deadline to make that determination is no later than January 18th. What this means is if you appoint someone, the maximum time with 4 Councilmembers would be until January 18th. The appointed candidate would serve for 11 months, and the cost would be minimal.

The only other option Council has is to choose to go to a special election. Now that we are close enough, we can consolidate with the June 8th election, which means that the cost for the election is estimated at \$40,000 for this item. If you choose to go to a special election on June 8th, it means we would have 4 Councilmembers for 6 months. The successful candidate would have 5 months to serve, and again the cost would be approximately \$40,000.

The deadline date for Council to decide is January 18th. This is Council's only meeting remaining to make that determination, so today you either need to decide to appoint someone or call a special election for June 8th and adopt the resolutions and

appropriate the necessary money.

COUNCILMEMBER SANCHEZ asked how much it is going to cost the City to place the matter of Councilmember Feller's Charter City item that went without public input on the June 8th ballot.

CITY CLERK WAYNE responded the estimate for that measure is \$60,000. This vacancy is estimated to cost \$40,000.

COUNCILMEMBER FELLER thinks it is incumbent on us to try to make concessions and come forward with names that may or may not be approved by any or all of us. We've had quite a few people trying to reach us over the last few weeks, and they seem willing to serve. He's had conversations with everyone who is or has been interested. These are people who are willing to serve but not continue on in the position except for maybe one. He's heard from Tom Hartley, Colleen O'Hara, Sam Williamson, Larry Hatter, Lloyd Prosser, Liz Rhea, and Zack Beck. Terry Johnson said he could sit in that seat without taking pay or benefits or need a secretary and wouldn't be interested in running again. That's saving even more money. He doesn't know if that's legal, but it is an opportunity. He would be more than willing to talk about any one of those. Maybe there is a compromise there.

COUNCILMEMBER KERN thinks Councilmember Feller makes a good point. We need to at least try, on behalf of the public, to come up with some compromise candidate between now and June. He is willing to discuss any and all of those names. He's interested to hear from his colleagues about who they think might be able to fill that seat.

COUNCILMEMBER SANCHEZ was interested in hearing about the cost to the City for the Charter City issue, and it's probably going to be a much bigger cost in terms of the public because there are a lot of people that are really upset about putting an item on the June ballot with so little public input, a complete lack of a process and lack of the City Attorney reviewing and producing these documents. These documents that were produced by Councilmember Feller apparently turned out to be documents by some group that is from outside of the City and came up with this cut and paste from different cities. Those cities actually had a public process, and we didn't. It's not just going to cost us \$60,000; it will have a personal cost on the public.

She addressed how this vacancy occurred. Apparently Councilmember Chavez knew for some time about applying for this position [Under Secretary of Veterans Affairs]. He could have brought this up and his intention to leave. We could have combined it with an election for his replacement. This would have saved the City \$40,000 or more. In the past when we discussed filling a vacancy on the Council, we've had people who actually ran just a few months before and won a majority vote, and the Council majority said no. We ended up spending money on a special election, costing the taxpayers extra money, and that person was elected. That was Councilmember Mackin. With respect to the Treasurer's position, we tried to pick someone that would be liked by all of us, and we were treated unfairly in terms of the final disposition.

She appreciated everyone's desire to serve. However, she would be reluctant to go against 20,000 people who voted for Chuck Lowery just a year ago. He has been out talking to people and finding out what they want for the City.

She's sorry that we could not avoid this situation by having Councilmember Chavez be more forthright about what was going on and allowing us to use a process to fill this vacancy. There are very good people among those that have been mentioned and more. To put them through a process that would be more divisive is wrong. We've gone through this with the Treasurer's position. What we did to those folks was unnecessary, and it was a public humiliation for some of them. Rather than go through that, she thinks it would be best to just go through the process.

She **moved** to appoint Chuck Lowery to the vacancy.

MAYOR WOOD seconded the motion. It is frustrating to receive the highest votes in the City and yet we cannot get our agenda or issues through because we are on the voting minority.

Councilmember Chavez left on short notice and left us in this situation and the costs that go with it. Numerous people said that they want to fill the position. There are outstanding people out there. He's even asked people in the past to run for City Council, and they say they do not want to be part of a situation that is so controversial, disruptive and causes enemies. The pay is minimal at best.

The people who are truly interested in running for a Council seat or the Mayor's seat go through a long process. They make that decision, which entails a lot of integrity, time and effort. It certainly involves a lot of money, and it's not easy to solicit money from friends and family. They have to get out in front of the public and express their issues, articulating what they feel about these important issues.

It's hard to appoint somebody who has never tried to run or has run in the past and the public has turned them down. So you have to figure that people don't want certain people back on the Council, and other people have never put their name on the ballot and say they're willing to try to answer those questions that are going to be asked by the public. It's even harder to pick when you know it changes the voting majority at that particular instance. This race is about what you want for the City and what you want your elected officials to do. As you know, a couple of years ago we were a booming community. However, the economy hit; it wasn't our fault. It came from the State and Federal government. Things have slowed down. Anybody he picks would be interested in quality of life issues.

The public has spoken twice now on who they want. It goes back to whether he wants to circumvent the public vote to pick somebody. He finally decided that there's nobody that they could pick that everybody would agree on. We have a motion now regarding a person who obtained those votes, who went out and did all of those things. If not approved, it means that there is nobody out there that can be picked. It's back to letting the public decide since there is going to be a special election regarding the Charter City issue that they forced through. His opinion is that Chuck Lowery is the best candidate.

COUNCILMEMBER FELLER appreciates Councilmember Sanchez bringing up the cost of the initiative for the Charter City. He asked how much the recall election was.

CITY CLERK WAYNE responded it's going to run close to \$500,000.

COUNCILMEMBER FELLER stated that amount of money was resoundly trounced as the recall was rejected 2-1, and we spent \$500,000 as opposed to \$60,000 or \$40,000 to fill this seat. Chuck Lowery did not run a successful campaign; he was the winner among the losers. They were not successful, and he's talking about successful people with successful campaigns: Sam Williamson, Tom Hartley, Colleen O'Harra was an 8-year Councilmember, Larry Hatter has lived in this City for 65 years and been involved in everything, and Terry Johnson doesn't even want to get paid, and he served for 12 years on Council.

There are a number of people who have served and can, will and could serve just by walking in off the street. All three of the candidates in the recall election supported the recall. That means they supported spending \$500,000 in a resounding defeat of the recall. That doesn't sit right for him, and he doesn't think he could support anybody that supported wasting \$500,000.

Motion failed 2-2, Kern and Feller – no.

COUNCILMEMBER KERN stated the recall was very divisive and he understands that, but we need to come back together now. Sam Williamson and he have known each other for a long time now. They have agreed and disagreed. Sam is an independent-minded person. We need to start reaching across and coming up with a compromise candidate instead of drawing these hard lines in the sand. The recall is over. We have what we have now, and we need to move things forward. In order to do that, we need to think about a compromise candidate and send a message to the public that we're willing to work together, instead of having 2-2 votes for the next 6 months.

He thinks that for the good of the public and the good of the City, we need to bring someone forward. Mr. Lowery is a nice guy, although he doesn't particularly agree with a lot of his issues. He thinks having Mr. Williamson hold that seat until November and letting Mr. Lowery run again would be fine. Mr. Lowery did not win in the last 2 elections.

Each election is different. You can't say this person should be there because they got so many votes against the candidates that ran because there will be different candidates next time. For now we need to reach across and find a compromise candidate.

He **moved** to appoint Sam Williamson.

COUNCILMEMBER FELLER **seconded** the motion.

COUNCILMEMBER SANCHEZ worked for Sam Williamson on his campaign, and she likes the man. However, 20,000 voters have spoken for Chuck Lowery. Mr. Lowery has been a business owner and multiple property owner here in Oceanside

COUNCILMEMBER KERN stated one of the criteria is about winning an election, not coming in second or having enough votes. Mr. Williamson won several elections. He thinks the idea that people did select him means people would accept him. He will not run in November. In regard to the idea of him fulfilling the job as a public duty, he thinks we should take advantage of that and move forward with it.

Motion failed 2-2, Wood and Sanchez – no.

MAYOR WOOD **moved** to call a special election [and adopt the following resolutions: **Resolution No. 10-R0009-1**, ". . .calling and giving notice of the holding of a Special Municipal Consolidated Election to be held on Tuesday, June 8, 2010, for the election of one member of the City Council, to fill a vacancy as required by the provisions of the laws of the State of California relating to general law cities"; **Resolution No. 10-R0010-1**, ". . .requesting the Board of Supervisors of the County of San Diego to consolidate the Special Municipal Election to be held in the City on Tuesday, June 8, 2010,, with the Statewide primary election to be held on that date pursuant to Section 10403 of the Elections Code"; and **Resolution No. 10-R0011-1**, ". . .adopting regulations for candidates for elective office, pertaining to materials submitted to the Electorate and the costs thereof for the Special Municipal Election to be held in the City on Tuesday, June 8, 2010"; and appropriation of \$40,000].

COUNCILMEMBER SANCHEZ **seconded** the motion.

Motion was approved 3-1; Kern – no.

CITY COUNCIL REPORTS

15. **Mayor Jim Wood**

MAYOR WOOD hopes we have a better 2010 than we had 2009. He announced the following:

The Age of Senior Living is having their Chili Cookoff on Saturday January 16th.

In observance of Dr. Martin Luther King, Jr.'s birthday, the North County NAACP will have 2 venues to celebrate Dr. King's life: Saturday, January 16th and Monday, January 18th at 7:30 a.m.

Probably the first woman on the Oceanside Police Department was Ollie McDonald. She passed away the other day. Also, his training officer on the Police Department, Bill Kramer, passed away.

16. **Councilmember Jack Feller**

COUNCILMEMBER FELLER stated that just before Christmas there was a commemoration of the third anniversary of Police Officer Dan Bessant's passing. He announced the following:

The Oceanside Pirates had a great football game in Carson.

Yesterday was a milestone - Highway 76 got off the ground. They're going to build out to Mission Avenue in Bonsall for this section, and they will be starting in 2 years on the second section out to I-15.

17. **Councilmember Jerry Kern**

COUNCILMEMBER KERN congratulated Kevin Williams for his first solo flight at Oceanside Airport. He was the recipient of the Jack Casson scholarship award through the Oceanside Airport Association. He announced the following: the groundbreaking for Highway 76 yesterday.

Tomorrow he will be attending the Annual San Diego County Economic Round Table to hear regional economists and financial planners give us an idea of what's happening in the region and the State and globally.

He attended the Economic Development Commission meeting, and we talked about the tourism marketing district, which will be coming to Council in the near future. It sounds like an excellent idea to fund tourism in these down times. The hoteliers are getting together and funding it themselves.

18. **Councilmember Esther Sanchez**

COUNCILMEMBER SANCHEZ announced the following:

She attended the Dan Bessant memorial. To realize that 2 officers have fallen during our watch is nothing to be proud of. We are still not in control of our public safety. We need to remember that there is still a lot of work to do. She has made that commitment to the public. This is a reminder that we can and need to do more. These were people killed in the line of duty by gang members in Oceanside.

December 18th was the Oceanside versus Bell game in Carson City. We won, and it is a tribute to our City.

The City has sent out notices with the water bill regarding an important process in the City – updating the Circulation Element, which has to do with the flow of traffic in our City. It's important that people give their input. The notice in the water bill stated the meeting was on Thursday, January 12th but January 12th is Tuesday. In order to correct this, the City Manager has requested to hold meetings on both Tuesday and Thursday, so that would be January 12th and 14th at 6:00 p.m. in Council Chambers, as well as Monday, February 8th at 6:00 p.m. in the Community Rooms. This portion is the scoping meeting.

[Recess was held from 5:11 to 5:30 p.m.]

5:30 - PROCLAMATIONS AND PRESENTATIONS

Presentation – “Pet of the Month” presented by Julie Bank, Executive Director of the North County Humane Society & SPCA

Proclamation – To Save a Life Weekend – January 22-24, 2010 – in celebration of the premiere and release of a full-length feature film titled “To Save a Life”

Presentation – Mayor’s [Youth] Sports Recognition and Appreciation Award – Women’s Soccer Team – Rip Tide

Presentations were made.

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.

20. **Advance written request to reserve time to speak:** Request by Woodrow Higdon

WOODROW HIGDON, 2544 Rudder Road, spoke on issues of alleged corruption in Council, police and fire departments. He also stated that he has done research on past complaints by citizens and found that there has never been a complaint by a citizen against the police or fire departments in the history of the Council that has been investigated. He accused Council of covering up complaints against the police and fire departments. He also accused the police and fire department unions of tampering with the recall election and falsifying public records. He questioned whether Council has considered filing suit against the police and fire departments to recover the \$500,000 spent on the recall election.

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

POLICEWATCH.ORG [no name given] commented on loss of civil rights and alleged corruption in our justice system. He commented further on accountability of government for treatment of people falsely accused of crimes.

[This speaker was ordered by the presiding officer to leave the meeting room pursuant to City Code Section 2.1.30.]

MAYOR WOOD explained to the audience that this speaker does have the right to freedom of speech, but he has previously been warned about using bad language as there are youth and families here tonight. He has his point, but he doesn’t have to be abusive and cuss.

COUNCILMEMBER SANCHEZ has been receiving complaints about these 2 gentlemen [Higdon and Policewatch] for some time. She supports the First Amendment - freedom of speech. However there comes a time. These gentlemen have been spreading vicious lies and statements that are baseless about our police department.

She was a public defender for 20 years and has gone up against several different agencies in the courtroom. Some agencies in the County may deserve some of these statements, but not our City. We do our best. These gentlemen come every week and Council never says anything because we are trying to respect their rights, yet the gentlemen are constantly violating our rights.

Mr. Higdon is upset about his insurance not responding to him, and he feels that

there was insurance fraud. He has gone after them in civil court, which is his right. He wants the City, which has no expertise in insurance fraud, to somehow get money. He also went to the Attorney General's office, which is much more capable of looking at insurance fraud cases, and they said no to him. She met with him and asked if there was anything she could do to help with the Attorney General's office, and he said no.

It is terrible for our children and families and residents to constantly hear this over and over again. She was not even sure one speaker lives here. She wanted the young people in the audience to know that there are some really good people who work for the City.

CITY ATTORNEY MULLEN has had discussions with the Mayor and Council in the past about Mr. Policewatch.org and, as you know, under Section 2.1.30 of our Council Rules, it requires speakers during non-agenda public comment to comply with our rules of decorum. Mr. Policewatch was not ordered to leave the meeting because of the content of anything that he said; it was because of his repeated failure to comply with our basic rules of decorum and his repeated use of obscenities after he was warned today to comply with the rules. We certainly would not remove anybody because of the content of what they said, no matter how wrong it is.

MAYOR WOOD commented on the 2 gentlemen and their right to speak here. The City Manager, City Attorney and Councilmembers have spoken to these gentlemen about exceeding their time and using profanity. The one gentleman does not stand for the Pledge or the Invocation. Today was the final straw for cussing and actions that have built up to this point.

Continuing with the speakers:

GARY MYERS, 3928 San Pablo Avenue, stated that on December 16th former Councilmember Chavez and Councilmembers Feller and Kern voted for a City Charter to be added to the election on June 8th. It was a charter that was never discussed. It was just voted on, and then Rocky left. He is a little concerned because he found out that the lawyer who wrote this was a Government Affairs Director for the Association of Builders. Even the President of the Association of Builders, Scott Cosby, said that they've never done this before or gotten involved with other cities, but they were happy to do so. Mr. Myers is not against charters. He grew up in the City of San Diego, which is a Charter City. Of course, we know the mess they've created on their City Council and the great salaries and pensions they have created for themselves.

COUNCILMEMBER KERN stated everyone on the Council was provided with a copy at the prior meeting.

COUNCILMEMBER SANCHEZ has been asking for a copy but hasn't received one.

COUNCILMEMBER FELLER stated the copy is on the City's website, and he provided a copy to every Councilmember the night of the meeting.

JIMMY KNOTT, 127 Sherri Lane, Oceanside Mobile Home Owner's Association (OMHA), announced that they are having a free community event on January 22nd at El Corazon Senior Center regarding prevention of identity theft. They have contracted with a private shredding company to provide a shredder. This is provided by OMHA for everyone in Oceanside.

GENISE DINA SHELDON SMITH, 5180 North River Road, lives in between 2 State projects, with one being a school. She does not know what she can do to get this school stopped. There is no fire road, which fire and police have both cited the school. Then they destroyed the whole school and then built it back up. They put a new administration building there and left the building multi-purpose where children from kindergarten through 4th grade will all come together. It had asbestos shingles, which

have been reduced. They painted over the mold. Around the school are condominiums and houses. If there were a fire, there is no way to get a fire engine to any of these places from the back. She is very concerned and asked the City to step in.

She further commented that the North County Transit District's San Luis Rey Transit Center is the other project. All except for 2 buses have been cut. Now we will be left with a piece of cement. She also was the victim of a telemarketing scam.

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.

22. **CDC: Consideration of a resolution approving Tentative Parcel Map (P-201-09), Development Plan (D-201-09), Conditional Use Permit (C-203-09) and Regular Coastal Permit (RC-202-09) for the construction of a two-unit residential condominium located at 312 South The Strand – Pack Condominiums – Applicant: Moe Pack**

- A) Chairman opens public hearing – public hearing was opened.
- B) Chairman requests disclosure of Commissioner and constituent contacts and correspondence. Councilmembers Feller and Kern reported contact with staff and on-site visits; Councilmember Sanchez had contact with the public; and Mayor Wood spoke with staff.
- C) Secretary presents correspondence and/or petitions - None.

SHAN BABICK, Associate Planner, used computer graphics to show elevations and plans for the building. The project proposes 2 condominium units situated on a 4,200 square foot lot. The units are 2,344 and 2,636 square feet and have 3 bedrooms and 3.5 baths each. The project proposes a contemporary design with a flat roof and exterior materials consisting of sand-colored brick, large glass windows, glass rails, asphalt shingle roofs and bronze metal trim. The overall project density is 20.4 dwelling units per acre, which is below what is existing. The project provides 5 parking spaces, while only 4 parking spaces are required. The conditional use permit is required because the project proposes tandem parking.

The proposed project meets all of the development standards and is well below the maximum allowable density of 43 dwelling units per acre. Staff believes the product type (condominium duplex) and design are consistent with the South Strand area. As part of the Local Coastal Program, the project provides a 10-foot wide front yard setback, where there is currently no setback so the project actually increases the view corridor from the north and south of the site.

Section 1230(2) allows for tandem parking on The Strand with approval of a conditional use permit. The purpose of allowing tandem parking spaces on The Strand is because the lots are narrow in width. In this case most of the lots are 33 feet wide. Development standards are based on a 50-foot wide lot. Because of these reasons, tandem parking is allowed with a use permit on The Strand for lots that are less than 50 feet wide.

Both the Redevelopment Design Review Committee and the Redevelopment Advisory Committee reviewed the project and approved it unanimously. We recommend the Commission adopt the resolution approving the Tentative Parcel Map, Development Plan, Conditional Use Permit and Regular Coastal Permit for construction a two-unit residential development located at 312 South The Strand.

Also, there will be no access allowed from Pacific Street. All access, both

residential and pedestrian, is from The Strand.

Applicant/Representative

JENNIFER BOLYN, with EOS Architecture, 4852 Santa Monica Avenue, San Diego, is the architect on this project, and the owners are here as well and will be residents of the top floor unit.

With regard to the exterior contemporary design, the project was sited, set back and modulated so that the views are on the south. On an adjacent site to the north, there is a 3-story building, which would have obstructed the views from the interior. The building has been set back an additional 2 feet on the low end from the required set back of 10 feet. That was to provide outdoor living and increase the privacy from The Strand of the view into the first floor living room. On the second floor the deepened balcony enhances the privacy into the living room on the second floor. The streetscape will be the low brick walls and landscaping, which will enhance the streetscape. The selection of materials was based on a concern for maintenance on the ocean. Therefore, we elected to do a full-brick veneer on the façade and are using anodized aluminum trims and glass, which are not subject to corrosion. On the underside, it will be treated with a highly durable wood veneer product.

From an interior perspective, the walls have been angled to maximize the spacial flow and the views from the interior, and it's carried through on some of the angled walls on the exterior. The homes have direct elevator access into each of the units.

She would be happy to answer any questions about the rotating car platform. The driveways are made of grasscrete, which enhances the landscaping.

Public Input

JIMMY KNOTT, 127 Sherri Lane, has done some reading regarding tsunamis and the potential rise in the sea level. He found out that the City lacks the tsunami certification. The project doesn't seem to comply with some of the State Office of Emergency Services recommendations for safety. He believes a lot of our beach areas do not fit within those qualifications. He would like to see tsunami-force resistance included with any future development in the beach area.

Public Input concluded

Applicant rebuttal - None

MAYOR WOOD closed the public hearing.

COUNCILMEMBER SANCHEZ would like staff to go over the parking again and how it works.

MR. BABICK displayed a computer graphic that showed the 4 parking spaces in tandem, the circular turntable design, which turns a car around and the 5th parking space.

COUNCILMEMBER SANCHEZ asked how many existing units on The Strand have tandem parking to satisfy the parking requirements.

MR. BABICK is not aware of any. The Jubala project on Pacific Street had the same circumstance, and the Council did allow for tandem parking. They finished construction 3-5 months ago.

COUNCILMEMBER SANCHEZ asked if there is any tandem parking on The Strand.

MR. BABICK would have to check. He believes there are 2 of them. One that has tandem parking is 212 South The Strand.

COUNCILMEMBER SANCHEZ asked if that project has the circular thing.

MR. BABICK responded no, but we had a project at 502 South The Strand that did have a circular turnaround. He doesn't recall if they had tandem parking or not.

COUNCILMEMBER SANCHEZ asked what would happen to this project if there was no tandem parking.

MR. BABICK responded it would probably have to be one single-family home because there's not enough room on a 33 foot wide lot to allow for 4 parking spaces.

COUNCILMEMBER SANCHEZ is concerned about setting this as a precedent. She's never seen this before, and she's never seen this come to the Council before. She's a little concerned about tandem parking to increase the density in terms of physically being able to accommodate the number of units based on the ability to provide on-site parking. If they don't do the tandem, staff is saying they can only do one unit.

MR. BABICK responded that's based on development standards of 50-foot lots. This is only a 33-foot wide lot so tandem parking can be considered. This is a substandard width lot created well over 100 years ago.

COUNCILMEMBER SANCHEZ is concerned this may be used as a model to create even smaller lots, combine lots and increase the number of buildings within an area. She's concerned about the precedent-setting. She doesn't see how you can get 5 cars in there.

MR. BABICK stated the reason you can get 5 cars in there is because the lots are narrow, but they are very long. They are about 140 feet deep but only 33 feet wide. That allows for a linear format rather than side by side.

COUNCILMEMBER FELLER stated there are a lot of single-family homes on The Strand that have 4-car garages, and those were approved quite some time ago.

SHAN BABICK confirmed that is correct.

COUNCILMEMBER FELLER believes this is going to be an outstanding project to further what we're trying to do on The Strand. He's sure the builders know that they are near the ocean and if there are future regulations governing tsunami warnings or insurance, that comes with the territory. He is encouraged that somebody wants to do something at this time in the City, and it's \$15,000 more to the bottom line. It will provide jobs for people in the construction industry.

He **moved approval** [to adopt **Resolution No. 10-R0012-3**, "...approving a Tentative Parcel Map, Development Plan, Conditional Use Permit and Regular Coastal Permit for the construction of two residential condominium units located at 312 South The Strand – Pack Condominiums – Applicant: Moe Pack"].

COUNCILMEMBER KERN **seconded** the motion. He commended them for being creative. He requested somebody explain the turntable. Is it motorized?

MS. BOLYN mentioned first that we are not setting a precedent on this as tandem parking has been approved on 516 The Strand, which has 2 units.

With respect to the turntable, it is so you don't have to back out of the driveway due to the visibility. You basically drive onto the platform, which is an aluminum grated surface and has an automatic rotating motor underneath it; you press the remote

control to turn around; and then you can drive out. They are a very nice, effective use for constricted spaces, and she's seen them used on some really nice residential projects.

COUNCILMEMBER KERN stated the project is above the requirement for parking, and it's only accommodated by having this turntable device.

MS. BOLYN clarified that the turntable is really created so you don't have to back out of the driveway, which could create safety issues. You could theoretically just drive in and back into the spot.

COUNCILMEMBER KERN thinks it's a great idea.

MAYOR WOOD stated in the past we've had underground flooding there because of the waves and water. Is there a catch or a sump pump prior to it getting to the motorized unit?

MS. BOLYN responded when we submit for The Strand, we have a wave uprush study that's required; it gives the frequency of the wave uprush; and we're required to address any concerns on the study. High tide is not very frequent, and it is adequately announced. In the case of the tidal flows, there's adequate time for the residents to prepare. The project is elevated, and that's above the elevation where the concern is for the wave uprush. There's a physical barrier, and at the drive entry we have steel removable bollards that you can put the wood slats across and sandbag behind that. That will block the majority of the water that will come down. We have a trench drain and a sump pump at the base of the drive.

MAYOR WOOD thinks they've covered all the bases. It's unique because it is very narrow. He would be concerned about the parking too, except they have a design plan for a very unique lot size. He supports this.

COUNCILMEMBER SANCHEZ doesn't see how you can fit those cars in there with or without that circle.

Motion was approved 3-1; Sanchez – no

23. **[City Council: Approval of the Crown Heights/Eastside Neighborhood Revitalization Strategy Area Plan, and authorization for the City Manager to submit the Plan to the U.S. Department of Housing and Urban Development for approval]**

This hearing item is being continued to the February 24, 2010, Council meeting

24. **[City Council: Approval of the Joe Balderrama Park and Community Center Master Plan Report; adoption of a resolution authorizing application to the Proposition 84 Statewide Parks grant program for funds in the amount of \$5,000,000 for the Joe Balderrama Park and Community Center project; adoption of a resolution authorizing the submission of an application to the U.S. Department of Housing and Urban Development for a Section 108 Loan Guarantee in an amount not to exceed \$6,500,000 for development of the project; and authorization for the City Manager to negotiate and execute all associated documents]**

This hearing item is being continued to the February 24, 2010, Council meeting

25. **City Council: Adoption of a resolution regarding City of Oceanside participation in the CaliforniaFIRST program, which is sponsored by the California Statewide Communities Development Authority, to allow property owners to finance renewable energy, energy efficiency and water efficiency improvements on their property, and adoption of a resolution regarding the City of Oceanside authorizing the Lead Collaborative Entity to apply for funds on behalf of the City of Oceanside for the CaliforniaFIRST program**
- A) Mayor opens public hearing – hearing was opened.
 - B) Mayor requests disclosure of Commissioner and constituent contacts and correspondence. Councilmembers Feller and Kern reported contact with staff. Mayor Wood reported contact with staff and also SANDAG and the County of San Diego. Councilmember Sanchez reported no contact.
 - C) City Clerk presents correspondence and/or petitions - None.

MO LAHSAIEZADEH, Clean Water Program Coordinator, stated the CaliforniaFIRST program is a turnkey program that allows cities and counties to offer property owners the opportunity to reduce their energy use and promote clean energy sources by financing energy efficiency and renewable energy improvement and attach payment to the owner's property tax bill.

On December 8, 2009, the County of San Diego joined the pilot stage of CaliforniaFIRST, which is a statewide Property Assessed Clean Energy (PACE) program. This action is a step toward reducing energy use and promoting alternative energy sources in the region. The City Manager actually received a letter from Supervisor Diane Jacob on December 10th, encouraging the City to join. We jumped on it and told them we were interested, so we have these 2 resolutions before Council.

JEREMY HUTMAN, Program Manager with the California Center for Sustainable Energy, 8690 Balboa Avenue, San Diego, stated in 2008 California passed AB811, which enables cities and counties to create property assessed clean energy programs. It authorizes the creation of an assessment district where property owners can finance 100% of their up-front capital costs of energy efficiency improvements and renewable energy. They can repay the financed amount on their property tax bill. Then AB811 was expanded with AB474, which allows for water conservation measures.

The sponsoring group is the California Statewide Communities Development Authority (CSCDA), otherwise known as California Communities. It's a joint powers authority sponsored by the League of California Cities and the California State Association of Counties. It was formed in 1988 and there are 500 members: cities, counties and special districts.

[Councilmember Kern left the meeting at 6:48 PM.]

The CaliforniaFIRST program is a turnkey PACE program that is available to counties and cities within those participating counties. San Diego did pass it last month and is encouraging cities within the county to join the program. The CaliforniaFIRST program is being instituted to allow property owners in participating cities and counties to finance renewable energy, energy efficiency and water efficiency improvements. Through this program a participating property owner can receive financing and pay back the amount financed over a 20-year term. The process will almost completely eliminate the up-front costs. The only up-front costs are a \$300 application fee.

California Communities will form an assessment district for each county, which will then include all incorporated cities that choose to opt into the program. If a property owner chooses to participate, the improvements will be financed by the issuance of bonds by California Communities. The proposed resolution authorizes California Communities to accept applications from Oceanside's property owners. It also

authorizes California Communities to conduct assessment proceedings and levy assessments against the property of participating property owners.

The CaliforniaFIRST program will be responsible for implementing the program within Oceanside. The City will not be responsible for the issuance, sale or administration of bonds or for levying or collecting assessments. The administration team that was chosen by California Communities for the CaliforniaFIRST program includes Renewable Funding, which will handle administration, and also long and short-term financing for the program. The President of Renewable Funding actually came up with the idea for property assessed clean energy programs, and they actively manage programs nationwide. They will be administering other programs that are currently developing within this State. They are the leading organization with PACE programs.

The Royal Bank of Canada capital markets will be handling the long-term financing for the program, and the California Center for Sustainable Energy is the local partner. We are the local administrator of the California Solar Initiative, which provides rebates for solar photovoltaic and solar water heating. We have plenty of experience with this type of program administration.

The key elements of the CaliforniaFIRST program are that it provides effective administration and an efficient application process for participants. There is a reliable regulatory scheme, and it provides funding for projects through both pooled or microbond approaches. Most importantly, there is a lower cost and limited liability to participating local governments. For Oceanside it will cost \$15,000 in start-up fees to opt into the program. This can actually be covered through a State Energy Program Grant application that was submitted last month to the California Energy Commission. Sacramento County acted as the lead applicant, or the fiscal agent, on behalf of the 14 counties and cities participating in the pilot program. The funds from this grant will cover the \$15,000 start up fees, buy down the interest rate for the program and also fund local marketing, education, training and outreach.

There are 2 main things that were preventing property owners from installing energy efficiency and solar technologies: one was the large up-front costs, and the other was the possibility that they would be moving out of the house shortly and would not be able to take full advantage of the measures that they were installing. This addresses both of those issues. First there is so little up-front cost; 100% is financed and will be paid over a 20-year period. Next is that the tax assessment obligation transfers with the property. The loan is made directly to the property and not the property owner, so if the property is sold, the new owner will take over the payments. The land itself is the security and there is no personal credit requirement. The financing cost is administered through the property tax bill.

[Councilmember Kern returned to the meeting at 6:51 PM.]

What's very important with this program is that the property owners will be able to choose their own contractor, and which energy efficiency or renewable energy efficiency measures they'd like to install. There is a dedicated website where property owners will be able to get any information they would need regarding the program and also a toll-free number where they can access Renewable Funding or the California Center for Sustainable Energy to learn about the program and what they need to go through the process. They will go through an application process, and the property will be screened to verify ownership. They will then be able to install the project itself and receive the loan.

The local responsibilities are minimal for the City. There will need to be a local point of contact to coordinate with the program administrators and field questions from local residents. We estimate it will take approximately a one-quarter full-time employee for this program. The benefit of joining such a large program is that you'll be able to achieve economies of scale. This reduces the burden on participating counties and cities. It also greatly reduces the cost to property owners. It offers a standard program

platform. There is increased coordination between statewide organizations and local organizations, and there is a potential for local customization, if that is something you'd be interested in. It is available to residential and commercial property owners.

Public Input

ERICA JOHNSON, Community Developer for Sullivan Solar Power, 7964 Argents Drive, Suite A, San Diego, stated that in one minute the sun casts enough energy on the Earth's surface to provide the entire world with power for one year, yet in California less than 1% of our electricity is generated from solar.

She is here to bring attention to Council's much needed support of Oceanside's adoption of California Assembly Bill 811's similar program, CaliforniaFIRST. The progress of this bill and the solar movement in Oceanside is dependent on the motivation of this Council. Other city governments have implemented successful AB811 programs. By adopting the CaliforniaFIRST model, the City is demonstrating their commitment to creating a sustainable future. Please help the community create jobs and assist with guiding homeowners and the region toward energy independence by adopting the resolution in support of joining CaliforniaFIRST's model. She called upon Council to set AB811 as a top priority and get this program off the ground.

JOAN BRUBAKER, 1606 Hackamore Road, is in favor of getting solar energy and anything we can do to save the environment. She would caution that when or if this is set up by the City, Council advocate an authority within the City and have a choice of maybe 4 or 5 contractors that you recommend and that have been investigated and are reliable. She thinks we need to make the citizens aware of what they are obligating themselves for, safeguard their choice of contractor and make it a sustainable thing. Also, when they sell their property that will be an impingement on the tax obligation, like a Mello Roos. She would ask the City to look at all of these things and possibly provide information through an agency.

With no further public input, **MAYOR WOOD** closed the public hearing.

COUNCILMEMBER KERN asked if we have building standards and codes that accommodate new solar technologies, or if we are going to have to develop those.

CITY MANAGER WEISS stated we do have a building permit process that they would have to follow.

COUNCILMEMBER KERN stated that as time goes on, there will be innovation and we will need to keep up.

MO LAHSAIEZADEH advised that we have a code right now. If someone wants to go solar, they follow that.

MR. HUTMAN pointed out this isn't just about solar; this also includes upgrading windows and other energy efficiency improvements.

COUNCILMEMBER KERN would encourage anyone to at least get double-paned windows. He asked if there is a projection of how many people are going to avail themselves of this project - Countywide, Statewide or Citywide.

MR. HUTMAN responded there was a Demand Analysis done by his organization back when PACE programs were getting started. They asked contractors in the area what they thought the uptake would be, and more than half of them said it would more than double their business. They said that a significant amount of residents would take up this program. We don't have specific numbers, but he can just say from the California Solar Initiative, it's been steadily increasing year after year.

COUNCILMEMBER KERN asked if we've talked to homeowners.

MR. LAHSAIEZADEH has been receiving calls that people are anxiously waiting to see whether we're going to adopt this. Interest is out there.

COUNCILMEMBER KERN moved adoption [of **Resolution No. 10-R0013-1**, "...to join the California FIRST program; authorizing the California Statewide Communities Development Authority to accept applications from property owners, conduct contractual assessment proceedings and levy contractual assessments within the City's jurisdiction; and authorizing related actions" and **Resolution No. 10-R0014-1**, "...authorizing the lead collaborative entity to apply for funds on behalf of the local governmental jurisdiction"].

COUNCILMEMBER SANCHEZ seconded the motion. We've been talking about making it easier for homeowners to get solar and other efficiencies for their homes for quite some time. What is the amount the City received?

MR. LAHSAIEZADEH responded it was \$1,517,000, which was spent on two major projects. One was retrofitting City Hall, and the other one is improvements in our transportation system, our networking system.

COUNCILMEMBER SANCHEZ was hoping to have the City move forward to be efficient and then encourage the residents and businesses to do the same. At one point it seemed that there were financing plans that would make it easier for business to do solar than for residents in terms of how long it would take to pay for this. By making it the property that does this rather than the person, it is going to make it easier for people. She is pleased that we are moving forward in terms of making the City more efficient.

COUNCILMEMBER FELLER stated they still have to pay for it on their tax bill, so this is a yearly financing tool. He is nervous this will go the way of some loans, and suddenly there is an \$80,000 retrofit and something happens to the loan. He will support it, but he wouldn't do it.

COUNCILMEMBER SANCHEZ asked if we are able as a City to come up with a list of reputable businesses that would do this work.

CITY ATTORNEY MULLEN understands the program is totally administered by the authority, and we would really have no involvement with regard to the referral of people to individual contractors.

MR. HUTMAN responded there will be a list of contractors that will be allowed to participate in the program, and they will be vetted by the administrators.

COUNCILMEMBER SANCHEZ asked if they would be local businesses and how one would get on this list.

MR. HUTMAN responded the specifics haven't been set yet, but at the very minimum they would have to have a California Contractors License and would have to go through some sort of training program.

COUNCILMEMBER SANCHEZ asked if there would be some kind of background checking and if this has been done elsewhere.

MR. HUTMAN replied yes. They have experience in working with the California Solar Initiative. With that, in order to participate, contractors do have to be licensed, which means that they are bonded and insured. With this program we would expect the same high level of ethics and monitoring of the contractors that are participating. We are really trying to develop the energy efficiency and solar market with this program. One bad contractor leaves a black eye for the entire industry, so we are focused on

making sure that the contractors are reputable and treat customers the right way.

MAYOR WOOD supports this; however, the energy saving aspects that are really in the forefront right now sometimes get ahead of themselves for people that do this type of installing. A prime example is Encinitas installing solar panels on the roof of their City Hall. Through SDG&E they had to keep a power bank for that city, and it cost them more money per month after the solar panels were put in because SDG&E held a bank. He thinks it just wasn't thought out. He asked if these kinks are getting worked out.

MR. HUTMAN believes the question is whether we are actively making sure that situations like that don't happen again where people aren't fully informed when they're installing the solar or energy efficiency measure so that something doesn't come back to bite them afterwards. The answer is yes. There is going to be training for both contractors and for participants. We'll try to educate the public as best we can about what the potential issues are.

MAYOR WOOD appreciates that and realizes this is an ongoing process and things change. He hopes that this is being implemented by all of the agencies and not just some of them. He doesn't want some of those problems happening with some of our businesses here.

Motion was approved 4-0

INTRODUCTION AND ADOPTION OF ORDINANCES

The following items are ordinances for introduction or adoption by the City Council/HDB/CDC. Ordinances are laws of the City of Oceanside and require introduction and adoption at two separate City Council meetings (urgency ordinances are an exception, and may be introduced and adopted at one meeting as an emergency measure). The City Council/HDB/CDC has adopted a policy that it is sufficient to read the title of ordinances at the time of introduction and adoption, and that full reading of ordinances may be waived. After the City Attorney has read the titles, the City Council/HDB/CDC may introduce or adopt the ordinances below in a single vote. There will be no discussion of the items unless requested by members of the City Council/HDB/CDC or the public through submittal of a Request to Speak form prior to the commencement of this agenda item.

- 26. **City Council: Adoption of an Ordinance of the City Council/Community Development Commission of the City of Oceanside for Zone Amendment (ZA-1-09) to modify sections of the Oceanside Zoning Ordinance regulating high-density residential occupancies (Mini-Dorms) within a dwelling unit – Mini-Dorms – High-Density Residential Occupancy Regulations – Applicant: City of Oceanside (introduced 12/16/09, 5-0 vote)**

After reading of the title, **COUNCILMEMBER FELLER** moved adoption [of **City Ordinance No. 10-OR0015-1** and **CDC Ordinance No. 10-OR0016-3**, "...for Zone Amendment (ZA-1-09) to modify sections of the Oceanside Zoning Ordinance regulating high density residential occupancies "mini-dorms" within a dwelling unit"

COUNCILMEMBER SANCHEZ seconded the motion.

Motion was approved 4-0.

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January 6, 2010

Joint Meeting Minutes
Council, HDB and CDC

ADJOURNMENT

MAYOR WOOD requested a moment of silence in memory of Ollie MacDonald and Bill Kramer, both retired police officers who recently passed away.

He adjourned this joint meeting of the Oceanside City Council, Community Development Commission and Small Craft Harbor District Board of Directors at 7:10 PM on January 6, 2010.

The next regular meeting is Wednesday, January 20, 2010, at 3:00 p.m.

ACCEPTED BY COUNCIL/HDB/CDC:

Barbara Riegel Wayne
City Clerk, City of Oceanside

CITY 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)]**

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

No closed session was held.

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

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

A) Fleming v. City, Superior Court Case No. 37-2008-00055393-CU-OE-NC

Discussed; no reportable action

B) Willis v. City, Superior Court Case No GIN051563

Discussed; no reportable action

ADDENDUM

C) Crowe et al. v. County of San Diego et al., U.S. District Court Case No. 99cv0241 R (RBB)

Information only; no reportable action

4:00 PM – ROLL CALL

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

CLOSED SESSION REPORT

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

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

CONSENT CALENDAR ITEMS [Items 4-14]

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

COUNCILMEMBER SANCHEZ requested that Item 10 be pulled for discussion.

The following Consent items were submitted for approval:

4. City Council/Harbor/CDC: Approval to waive reading of the text of all ordinances and resolutions considered at this meeting and provide that ordinances shall be introduced after a reading only of the title(s)
5. City Council: Approval of Closing Change Order 1 [**Document No. 10-D0029-1**] in the amount of \$19,491.07 to Don Hubbard Contracting Company for the Buena Vista Force Main Temporary Lift Station Connection project, for additional work requested by the City, authorization for the City Engineer to execute the change order; acceptance of improvements constructed by Don Hubbard Contracting Company for the project, and authorization for the City Clerk to file the Notice of Completion [**Document No. 10-D0030-1**] with the San Diego County Recorder
6. City Council: Approval of Closing Change Order 5 [**Document No. 10-D0031-1**] in the amount of \$48,234.34 to BRH Garver West, Inc., for the Mesa Garrison Force Main project, for adjustments to final quantities installed, minor changes and City-requested work; authorization for the City Engineer to execute the change order; and acceptance of improvements constructed by BRH Garver West, Inc., for the project, and authorization for the City Clerk to file the Notice of Completion [**Document No. 10-D0032-1**] with the San Diego County Recorder
7. City Council: Approval of Change Orders 5 [**Document No. 10-D0033-1**], 6 [**Document No. 10-D0034-1**], 7 [**Document No. 10-D0035-1**], 8 [**Document No. 10-D0036-1**], and 10 [**Document No. 10-D0037-1**] in amounts totaling \$78,070 to CA Construction, for construction of the 1617 Mission Avenue Remodel project, and authorization for the City Engineer to execute the change orders [Change Order 9 has no cost]
8. City Council: Approval of Amendment 1 [**Document No. 10-D0038-1**] to the Water Purchase Agreement with Poseidon Resources (Channelside), LLC, adjusting a deadline, and authorization for the City Manager to execute the amendment
9. City Council: Approval of Amendment 5 [**Document No. 10-D0039-1**] to the lease agreement with Harry Singh and Sons for use of 9.2 acres of City-owned land adjacent to Guajome Regional Park for agricultural truck farming, extending the term of the agreement through January 15, 2015, for minimum total revenue in the amount of \$16,050, and authorization for the City Manager to execute the amendment
10. **Removed from Consent Calendar for discussion**
11. City Council: Approval of a professional services agreement [**Document No. 10-D0041-1**] with RECON Environmental Incorporated of San Diego in the amount of \$70,522 for construction monitoring, mitigation monitoring, and mitigation maintenance for Loma Alta Creek Detention Basin at El Camino Real; and authorization for the City Manager to execute the agreement
12. City Council: Approval of 19 Consent to Common Use Agreements [**Document No. 10-D0042-1 through Document No. 10-D0060-1**] and 6 Joint Use Agreements [**Document No. 10-D0061-1 through Document No. 10-D0066-1**] with Caltrans for City-owned water and sewer facilities at various locations within the State Highway 76 right-of-way between Airport Road and Melrose Drive; and authorization for the Mayor to execute the documents
13. City Council: Approval to accept \$186,146 in grant funds from the San Diego County Office of Emergency Services for reimbursement of funds expended for equipment and training used to respond to potential terrorist incidents; and approval to appropriate these funds to the Fire Department
14. City Council: Approval to accept a \$14,000 contribution from the Mar Lado Highlands Homeowners Association, and approval to appropriate these funds to the Mar Lado Highlands Landscape Maintenance District Operating Account

COUNCILMEMBER KERN moved approval of the balance of the [Consent Calendar Items 4-9, 11-14].

COUNCILMEMBER FELLER seconded the motion.

Motion was approved 4-0.

MAYOR WOOD determined to hear Item 10 at this time.

ITEM REMOVED FROM CONSENT CALENDAR FOR DISCUSSION

10. **CDC: Approval of a professional services agreement with RRM Design Group of San Clemente in the amount of \$512,997 for conceptual design and construction drawings for the Beach Area Restrooms project, and authorization for the Executive Director to execute the agreement**

COUNCILMEMBER SANCHEZ moved approval [of the professional services agreement (**Document No. 10-D0040-1**)] minus the parts that call for stakeholders interviews: Task 1.c, which may reduce the costs. The meetings would be community meetings versus stakeholder meetings, which would provide for broader community input.

MAYOR WOOD seconded the motion.

COUNCILMEMBER FELLER questioned if we are eliminating stakeholders from this.

COUNCILMEMBER SANCHEZ confirmed elimination of private meetings with stakeholders. We're talking about bathrooms on The Strand.

CITY MANAGER WEISS clarified that the contract does provide for community wide meetings.

COUNCILMEMBER KERN asked if we are excluding stakeholders or are we just adding community to stakeholders.

COUNCILMEMBER SANCHEZ responded we are excluding the stakeholder meetings.

CITY MANAGER WEISS stated that stakeholders would be invited to the community wide meetings, but they would not be private meetings.

COUNCILMEMBER SANCHEZ stated everybody would be on the same page, in the same room, discussing and hopefully coming to a consensus, then coming to the Council and everything approved versus these individual meetings.

CITY ATTORNEY MULLEN clarified that staff would have the authority, without coming back to Council, to modify this contract and potentially reduce the compensation level down to eliminate those interviews.

Motion was approved 4-0.

GENERAL ITEMS

15. **City Council/Harbor: Introduction of an ordinance of the City of Oceanside amending Chapter 29A of the Oceanside City Code by amending Section 29A.8 relating to berthing vessels and by the addition of 29A.19 relating to the impoundment of items stored or placed in violation of Chapter 29A**

FRANK QUAN, Harbor and Beaches Coordinator, stated that adding Section 29A.19 grants the Police Department and Harbor District impound authority over prohibited items left on the harbor docks and boats that are illegally moored. Section 29A.7(a) makes it unlawful to store or place items, such as materials, dinghies or other items on the docks. However, there is currently no section that gives the Police Department or the Harbor District the authority to impound these items and recover the costs associated with the impound.

Section 29A.8(a) makes it unlawful to moor a vessel in the harbor unless it has an appropriate permit. However, an exception in this section creates a loophole that is too broad. The section does not give authority to impound vessels that are in violation.

He recommends approval of the amendment and the addition.

COUNCILMEMBER SANCHEZ asked what is a reasonable fee that staff is looking at in terms of impoundment fees and describe the due process.

MR. QUAN replied that costs associated are strict cost recovery. We have a master fee schedule where we charge actual time for our maintenance workers or the Harbor Police or their vehicles.

COUNCILMEMBER SANCHEZ asked if there is a process for where perhaps someone took a boat without their permission.

MR. QUAN responded that normally this is used to impound supplies that are left on the dock. Currently we can issue a citation, but the person has to be there to sign the citation. Since most people aren't on their boats at all times, we have no way to impound it. We can write a letter or cite them if they are there, but we have no way to actually go pick up the item.

COUNCILMEMBER SANCHEZ asked if theoretically they would see something that shouldn't be there, would write some kind of notice, leave it there and take the property, and the owner would have to appear and prove ownership and pay the fees.

MR. QUAN replied that is correct.

COUNCILMEMBER SANCHEZ moved for approval [of the introduction of the ordinance.

COUNCILMEMBER FELLER seconded the motion. He asked if all of those answers for the charges are in the resolution.

MR. QUAN replied that is correct.

COUNCILMEMBER KERN stated this was obviously brought forward because it has risen to a point where there is a problem. How much stuff are we talking about, or is there a storage problem?

MR. QUAN replied that one of the officers pointed out that there was a loophole, and he didn't have the proper authority to impound items.

COUNCILMEMBER KERN asked if this is an ongoing problem where we have a lot of people leaving stuff on the docks.

MR. QUAN responded no, it is seldom, but a staff member pointed out the problem; we had the City Attorney look at it; and this was the solution.

Following the reading of the title, **motion** to introduce the ordinance, ". . . amending Chapter 29A of the Oceanside City Code by amending Section 29A.8 relating to berthing vessels and by the addition of 29A.19 relating to the impoundment of items

stored or placed in violation of Chapter 29A" was **approved 4-0**.

16. **City Council: Acceptance of petitions requesting the approval of a Tourism Marketing District; certification of the results of the petitions; and adoption of a resolution of intention to create a Tourism Marketing District**

JANE McVEY, Economic and Community Department Director, stated this is the creation of a special district within the entire City boundaries for hotel marketing. It has been brought forth by the industry. The way it works is that there are very stylized and special laws in the State that allow creation of such a district, and you have to be petitioned to create this district by the hoteliers themselves. In essence, the hotels are proposing to pay a fee of 1.5% of their gross revenues for hotels and vacation rentals with rooms greater than 30. That money would go into a pool to be managed by an industry group to do marketing and sales for hotels that are participating in this district and receive that special benefit.

At this hearing tonight, Council will be receiving those petitions. Of the 1,422 eligible hotel rooms, excluding the vacation rentals for a moment, 82.42% of them have voted to petition Council to create such a district. The requirement in the laws is that you must receive greater than 50%. The hoteliers and vacation ownership rentals are at 82.42%.

After Council accepts those petitions, the Clerk certifies them, and you do a resolution of intention to create such a district, we will be mailing out tomorrow a summary, the resolution, the management plan, etc., to all of the hotels and vacation rentals that paid TOT in the base year of 2008-2009. They will then have until March 17th to protest to Council, at which time the final Tourism Marketing District (TMD) would be formed. We will also be coming back to Council on February 24th for an opportunity for greater public comment if there are any people who are not here tonight that would like to comment. It's a very stylized process; we come back to Council 3 separate times.

There is going to be a new organization called Visit Oceanside. They would be managing this money. The City would be effectively a pass-through of this money to that organization. What it will also do to the City is that the City is currently funding the Welcome Center; we were funding \$276,000 and now it's \$246,000; and the proposed contribution to the TMD would be approximately 3% or \$108,000 for the 2010/2011 fiscal year. That will be brought back to Council at the time you do the budget for 2010-2011. That is the proposal at this time.

The kinds of activities that the Visit Oceanside organization will do is spelled out clearly in the Management Plan that will be guided by the lodging industry and their Board of Directors. It principally focuses on marketing. It also has rules as to the percentage of the funds that will be used toward marketing versus administration. The staff report spells it out clearly, and the Management Plan is also attached.

Prior to the letter that will be going out tomorrow, a letter was sent out alerting the vacation rental property owners who did pay in 2008-2009. They may have had one rental at one time and they may not ever do it again; however, the letter alerted them to what would be coming to them more officially. Their official notification will go out tomorrow.

We see this as a way for the City to save some money, and the industry is stepping up to fund their own destiny and manage this particular marketing plan.

COUNCILMEMBER SANCHEZ stated the staff report indicates that, in terms of the revenue that would be projected based on the fiscal year 2008-2009 TOT revenues of \$3,100,000, it will raise about \$472,500. Would that be for all 5 years or per year?

DIRECTOR McVEY replied that would be an annual amount.

COUNCILMEMBER SANCHEZ stated the City had committed \$108,000 a year, some from Redevelopment and some from the General Fund. With respect to the \$472,500 minus \$108,000, where would the rest of the money go?

DIRECTOR McVEY clarified the \$472,500 is based on the TMD. In addition would be the \$108,000 investment from the City. It isn't subtracted from the \$472,500; it's an addition. It would be our partnership with them, and it would be split approximately 50% Redevelopment Funds and 50% General Funds.

COUNCILMEMBER SANCHEZ asked if the proposal is for a TOT increase of 1.5%.

DIRECTOR McVEY responded no, it is not a TOT increase. A TOT increase would have to be voted on by the entire population. This is a voluntary district, much like a community facilities district. We've done those for Ocean Ranch, Pacific Coast Business Park, and Morro Hills. It's wherein the property owners, although in this case it is the businesses not the property because it's not a property tax, tax themselves. So it is not a TOT.

COUNCILMEMBER SANCHEZ commented the basis is similar to a TOT, but it's done voluntarily versus through a City vote, right?

DIRECTOR McVEY responded yes, a vote by only qualified persons.

COUNCILMEMBER SANCHEZ stated it would be akin to an increase of 1.5%.

DIRECTOR McVEY responded that effectively it would.

COUNCILMEMBER SANCHEZ stated our TOT at this point is 10% so it wouldn't be of the 10%; it would be in addition to the 10%; so it would be 11.5%. They would be paying 10% to the City and 1.5% to the District.

DIRECTOR McVEY responded that is correct.

COUNCILMEMBER SANCHEZ asked with respect to that additional 1.5%, the \$472,500 per year would be generated?

DIRECTOR McVEY responded yes.

COUNCILMEMBER SANCHEZ asked if currently the City is paying \$108,000 towards the Welcome Center.

DIRECTOR McVEY responded no. Currently we are paying \$246,000 through the end of this fiscal year. At the last fall workshop for the budget for 2010-2011, it was recommended that we would be contributing and investing \$108,000. That will be brought back to Council in the spring when we do the 2010-2011 budget. At this time, assuming that the recommendation from the prior workshop holds, that would be the amount, and it would be expressed as a percent.

COUNCILMEMBER SANCHEZ restated that at this time we were going to be budgeting \$108,000 for the Welcome Center. So, with the \$472,500 minus \$108,000, how is the balance of that going to be spent?

DIRECTOR McVEY replied that one of the attachments has a sample budget for the District where you can see how that money was proposed to be expended. Again, the total budget is greater than that, and they are allocating the money that they raise, as well as the money that is invested by the City. In addition, if they have any sales of ads, collateral material or that sort of thing, it would also increase their possible investment into the TMD.

COUNCILMEMBER SANCHEZ asked if the \$108,000 that's from the General Fund would go away.

DIRECTOR McVEY stated the \$108,000 was not all from the General Fund; it was also from Redevelopment. The investment of \$108,000 would continue in 2010/2011 if that's what the Council chooses to do.

COUNCILMEMBER SANCHEZ asked if it's \$108,000 in addition to the \$472,500 that would be generated.

DIRECTOR McVEY replied that is correct.

COUNCILMEMBER SANCHEZ stated so they are going to spend over \$500,000.

DIRECTOR McVEY responded that is correct, if their revenue projections are accurate. Should the occupancy rates, average daily rates or the economy not generate that much, that's why these are estimated projected future revenues. They are going to have to be modifying their Marketing Plan. What this does for them in many cases is that if you're going to place an ad in *Westways Magazine* or *Sunset Magazine* and you've got a print date that's a year out, you have to really have a sound base for knowing what your revenue stream is going to be so you can commit to that. Right now they have a budget for the Welcome Center that was not achieved because the sales weren't there.

COUNCILMEMBER SANCHEZ is asking all of these questions because we have discussed ways of generating funds for the General Fund, and we had talked about even shoreline preservation, raising the TOT to help pay for some of that sand replenishment, the improvements on the beach, the increased costs in infrastructure and providing public safety in the downtown area. It was considered at the time that we shouldn't do that. I believe we were talking about a 1% or maybe 2% increase to the TOT. If we do this, then we will not be able to do it again; 11.5% is pretty close to the top of what other cities do.

She would probably feel more comfortable with this if it would no longer be taking from the General Fund and/or we split the difference, or at least .5% goes back to the City to pay for the extra money that is needed to manage and operate the downtown. Somehow that money is going to have to come from somewhere. There was an article in today's paper about how we're spending more than what's coming in. She has concerns about this. At the very least, she would like to see that there would be no longer any funds coming out of the General Fund or Redevelopment. If that's a proposal, then she would probably be able to support that. However, if in addition to their \$472,500 that would be generated, the City would invest additional funds, she doesn't know if she can do that at this time.

Public Input

LESLEE GAUL, California Welcome Center-Oceanside, thanked Council for the opportunity to partner with the City to implement a TMD for Oceanside. We have over 82% of the vote, which says a lot about how we have come together and are working together to come up with a plan to market the City. It will benefit the lodging facilities and the entire community. A priority for the lodging industry is to create a sales program to build a foundation of business year-round, rather than just during peak months. They also want to use those monies for destination branding and additional internet marketing. They want to be very strategic with the internet marketing, with so much business being researched and booked over the internet. There are very specific plans they want to do with that district, and it's to the benefit of the community. As they increase visitor revenues, it's also going to increase tax dollars into the General Fund for important community service and infrastructure.

MELINDA DIPERNA, Better Vacation Rentals [who has submitted a petition], 999 North Pacific Street, represents a property management firm in town and also is a vacation rental owner. She is excited about this opportunity. Regarding what Councilmember Sanchez said, my first reaction to this was that the 300 vacation rental owners in the City already contribute \$3,100,000; how much will we get back. That's when she heard \$250,000. Our biggest hesitation to support a TMD was the fear of exactly what she just heard - that we are already getting a very small amount of what we contribute to the City just in TOT money.

Also know that every visitor that comes here spends money in each of our businesses. It is an opportunity for each visitor to learn about and invest in this town as a business person. That's how she ended up here as a business person. She came from Orange County and found that Oceanside knows where it is going, has a vision and is a place on the rise. To withdraw Council money, tourism tax money, would be short-sighted, and Council would actually probably lose the support of most of her vacation rental owner peers.

As a businesswoman and a property manager, she says this is good regardless. We need to take our destiny in our own hands knowing that TOT is a General Fund item. We see this as a way to preserve Oceanside's destiny as a tourism area. Oceanside can't just survive on the heels of San Diego; the recession has shown us that. We need to show people reasons to come here. She urged Council to approve this, stating the TMD has our support as vacation rentals. She has been on the steering committee for this.

MANLAI TAM, Oceanside Residence Inn by Marriott [who has submitted a petition], 3603 Ocean Ranch Boulevard, is here on behalf of all of the hotels and vacation clubs to let Council know that it is tough times; they hear that every day. That is why we are trying to be creative and find ways to increase our own business, while at the same time increase the tourism tax and bring more revenue back to the City. We can do this by promoting the City overall. In order to fill our hotel rooms, people have to want to come to Oceanside. Council always supports increasing safety, making sure the place looks nice and the development is coming in. We want to support that and be a partner. We want to bring in more money for the City. To do that, we are willing to assess ourselves in order to bring in the extra funding. We need the money to promote and market from a tourism standpoint. When we can fill beds in our hotels, we can bring in more TOT for the City. We look forward to the partnership and appreciate the support. Right now we need Council's support to help bring in that revenue by allowing us the ability to assess ourselves and take that money and market, promote and sell the City.

DAVID NYDEGGER, 928 North Coast Highway, President and CEO of Oceanside Chamber of Commerce, has had the privilege of also being able to operate the California Welcome Center, a franchise that we have with the State.

Within the last 2 years, we've realized that we have to continue to do even more and think outside the box. The City has generously funded the California Welcome Center throughout the years. He thinks it was as little as \$18,000 in 2001 or 2002; it has increased through the years. Two years ago it was \$276,000, and that was reduced last year to \$246,000. All of that money goes into the budget to help promote the City and do the advertising. All of the funding from the City goes directly into the marketing for the City and to continue operating the California Welcome Center (CWC). The CWC budget is in excess of \$480,000. In the past that money was made up through the subsidization from the City, the advertisers we have on the walls and some of the marketing and selling of tourism items we have and also through the Chamber of Commerce.

This is an opportunity for a true win-win for the City and the California Welcome Center. This is an opportunity for the stakeholders, the folks that are writing the

checks, making payroll, providing jobs and operating the hotels to come back now and say they would like to help themselves. At the same time they're also going to help the City out. Please consider the difference between the budget and what is proposed in the future and what we are asking for this evening.

CAMI MATTSON, S.D. North Convention and Visitors Bureau, supports this district. One of the things happening all around Oceanside is other districts are being created. San Diego has one, and they are spending \$22,000,000 in the marketplace to draw people there. Many cities such as Newport Beach and Carlsbad have them or are considering them. All of these marketing dollars are going to be pulled away from Oceanside, so if you don't have a presence in the marketplace, your tourism dollars or TOT will go down. One of the benefits is that tourism helps to fund other aspects of the City, so you are able to keep development down and highlight your open spaces and beaches. It's really critical to be competitive, and you can certainly decide the City's budget at a different time. To create the District is a wonderful way to keep Oceanside's presence in the marketplace.

Public Input concluded

COUNCILMEMBER SANCHEZ asked if this were approved tonight, would we be able to address the issue further regarding the \$108,000 that is discussed as an additional City amount that is to be invested every year for 5 years.

CITY ATTORNEY MULLEN stated there is nothing that legally or contractually commits you to give money in future years. What would have to happen, as indicated in the City Attorney's analysis, is any legal obligation would have to be brought to Council through a contract with Visit Oceanside in the future. He would imagine that would occur with the budget deliberations later this year.

COUNCILMEMBER SANCHEZ stated that we have very difficult times right now, and certainly we're looking at things getting better. She asked the City Manager if he has a plan or a sense of what it's going to take to fund the needs that we're going to have for the downtown area.

CITY MANAGER WEISS responded specifically, no. We have several options that we had brought to you. One of them was the TOT increase to look for beach area and sand, but at that time there was not overwhelming support for that. We are doing a current assessment of our downtown parking fees to see how comparable they are with surrounding jurisdictions. Again, that's primarily to focus on the beach and pier area. We recognize that the City has committed to SANDAG to fund a portion of the planning and then design for the sand replenishment project, but the actual construction costs of that are significant. That one in particular we have not yet identified a funding source for, but that's a significant amount of money--upward of \$680,000.

COUNCILMEMBER SANCHEZ is going to accept what was said as a good suggestion and **moved** approval [of **Resolution No. 10-R0067-1**, "...declaring its intention to establish the Oceanside Tourism Marketing District (OTMD) and fixing the time and place of a public meeting and a public hearing thereon and giving notice thereof"], but we need to discuss this together as a community and how we are going to afford these other things that are tourist related, like sand replenishment. We have a commitment from the federal government as long as they comply for sand replenishment for parts of our beach, but not for the entire beach. We have to find a way to work together on paying for this and not impacting as much on the General Fund because we have other areas in the City that need attention.

COUNCILMEMBER FELLER **seconded** the motion.

COUNCILMEMBER KERN had a couple of contacts today from single owners of vacation rentals, and they are a little upset with the notification. Some of them didn't

get their notification until today. He knows staff said that some people still haven't gotten their notification.

DIRECTOR McVEY clarified that was not a legal notification. That was a forward announcement that they will be getting a legal notification. The forward announcement was sent in advance of this meeting to let them know how it was supposed to work, etc. Their official time to protest or comment is actually March 17th. There is a 3-step process. Tonight is step one. Step 2 is February 24th, and step 3 is March 17th. There is a required mailing tomorrow. But, so they didn't get the notice cold, Leslee Gaul sent a letter out to the single payers who had paid some TOT in 2008-2009, may or may not have rented since then, may or may not rent in the future, to minimize the phone calls and questions when this letter was sent out. It was not an official notification; it was just an informational piece.

COUNCILMEMBER KERN stated that letter generated phone calls. Leslee Gaul and David Nydegger are going to have a sales job because they are looking at a 15% tax increase to them from the 10% they pay and the 1.5%, that's a 15% increase to them. They're looking for fairness. You have hotels with less than 30 rooms not paying, but you have a person who just has one vacation rental paying. You're going to have to explain to them why you think it's a good deal for them and not a good deal for hotels with less than 30 rooms. Otherwise you're going to have a lot of protest letters coming on March 17. He will be referring the calls to David or Leslee.

LESLEE GAUL asked that he refer the calls to her. She has taken a few calls. Once we talk with them, things have been moving pretty well.

COUNCILMEMBER KERN supports the idea that you are assessing yourself. Their thing is they are being lumped in with the hoteliers. But these are people with one investment property, and their taxes are going up 15%.

LESLEE GAUL stated the reason is that the vacation rentals are such an important part to the market mix. A lot of our beautiful places to stay are vacation rentals and, according to our research, that's where our visitors are staying. It's about 50/50 for vacation rentals versus our hotel properties. Based on our research and what our Marketing Plan is targeting, those are the lodging facilities that are going to benefit from what we're doing. That's why we set those parameters.

COUNCILMEMBER KERN stated she is going to have to explain it to them, including why it isn't a good deal for the hotels with less than 30 rooms; if they are paying it, why isn't everybody paying it.

He will support the idea of accepting the petitions, but he is a little hesitant now with some of the questions that were brought up. We need those answered by the time we get to the public hearing portion. The protests will be going to whom?

DIRECTOR McVEY responded they go to the City Clerk.

COUNCILMEMBER FELLER commented that with beach sand replenishment, it might be time to think about groins again. The sand is just going to wash away; it's all gone down there now. The playgrounds and fire pits are gone. You can't just keep dumping money in an empty hole. How does somebody opt out of this if they just don't plan to rent again in the future?

DIRECTOR McVEY stated the list of people that will be getting official notice are people that paid into TOT in 2008-2009. Should they lease in the future, they will owe as a vacation rental, just like a brand new property that is built in the next 5 years. If an individual property owner, for example, went to Europe for the summer and decided to rent their house out, but that was an individual case and it doesn't happen again and they don't generate any gross sales, they will not owe it. It isn't an opting out per se; it's whether there is a taxable event. If there is a taxable event, they owe;

if there's not a taxable event, they don't owe. Someone can, who's not in the group right now, contract with the CWC to join into that marketing effort, so there is a way to join in. However, if you are creating a taxable event, you will be liable for the TMD.

COUNCILMEMBER FELLER questioned not including hotels that are 30 rooms and under.

DIRECTOR McVEY responded the 30-rooms and under hotels, if they want to contract with Visit Oceanside to receive those special benefits, they would be paying at 1.5% of the gross sales, the same as all of the other property owners. They can choose to do that, but they are not required to do so.

COUNCILMEMBER FELLER is struggling with that and will meet with staff later. The TMD is a great way to keep priming the pump. We have to continue marketing just like we need to continue landscaping projects, or anything that can make the City more appealing. He thought he read in the back-up that we would be reducing the Welcome Center funding by \$138,000.

DIRECTOR McVEY replied that is correct in the funds that we are currently investing in the Welcome Center, the \$246,000. In addition to that, we are also investing \$25,000 into San Diego North Convis. We would be eliminating that \$25,000, as well as the \$246,000, which is predominantly a little bit heavier on the Redevelopment side. We will be saving both General Fund money and Redevelopment Funds.

COUNCILMEMBER FELLER stated the \$108,000 is instead of \$261,000, so we're reducing this \$163,000. We're reducing what we're actually paying for the Welcome Center, and it's going to be handled by Visit Oceanside.

DIRECTOR McVEY responded that is correct. The City is significantly saving money, and the industry is substituting in their money.

COUNCILMEMBER FELLER asked where this idea came from.

DIRECTOR McVEY responded TMD's are used throughout California. We've had it on our Work Plan for a couple of years to investigate. It principally emanated from the industry itself, and the point person on that has been Leslee Gaul. It's a very formal process that we have to go through to comply with State law, which is why we hired Civitas, who is an expert in this field. Leslee has been the point person, and the hoteliers and Oceanside Tourism Council, which is an industry group of hoteliers and hospitality industry people, have been really the advocates for this. We've sort of processed the paperwork, but they've been the advocates.

COUNCILMEMBER FELLER stated they are the advocates, and we are the beneficiaries because we will not be paying \$163,000.

MAYOR WOOD agreed with Councilmember Sanchez that after the article in the paper today regarding finances in the City and certainly throughout the community and State, we have to look at our General Fund and where it goes. We've laid off some people in the City because of that and hope the State doesn't come back for a second dip. On this issue we're kind of saving money even though we're spending money. Also, it's to sell Oceanside, and that's what it's all about.

Our community is going through tough times just like everybody else, and he wants it to be advertised that this is the place to come, especially with some of the things we have planned in the future besides the Wyndham and future hotels. It is well worth the money and time. They are spending their money because they understand that cities and agencies don't have it anymore. It's appreciated that they are willing to come in and do this on their own, and it also advertises for Oceanside.

Since there is very little building going on, we have to put ourselves out front in trying to get more businesses, more activity and more tourism here. That means each one of us putting our names on letterheads and going out and calling people and doing things. That's what the other cities are doing right now. This looks like a good deal; it's a partnership; and that's what counts.

CITY CLERK WAYNE stated the motion is to accept the petitions as being sufficient; no change was made tonight so it is still 82.42%; and to proceed with the resolution of intent.

Motion was approved 4-0.

17. City Council: Acceptance of the Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ending June 30, 2009

TERI FERRO, Financial Services Director, stated we have finished the June 30, 2009, audit and released the Comprehensive Annual Financial Report (CAFR). She introduced Robert Callanan, a certified public account, who performed our audit.

ROBERT CALLANAN, partner with Diehl, Evans & Company, LLP, stated the firm was contracted by the City to perform an audit of the financial statements. Those financial statements are included in the CAFR that is in your packages.

On page 1 of the letter that's on pages 1 and 2 of the CAFR, the third paragraph states "In our opinion the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Oceanside as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America." That opinion is what they term an unqualified opinion, which is the highest form of opinion that they can offer with the audit services that they provide the City.

Referencing the fourth paragraph on that page, he pointed out that this was a year where the City chose to implement Governmental Accounting Standards Board (GASB) Statement 54. GASB issues some statements that are generally accepted accounting principles for municipal governments. That has to do with fund balance reporting and governmental fund-type definitions. They wanted to revamp their terminology when it comes to fund balances, and you'll notice that in the fund financial statements they've changed it from reserved and designated to 5 different categories. There is a whole note on page 84 in note 9 that describes what those numbers are, and is a little more user-friendly that way. This was an early implemented GASB so he commends the City staff for doing that. There are 2 more years before it is required to be implemented.

There are also some regular communications that he is obligated to discuss with Council regarding the financial audit. There is a separate 3-page letter that had in bold right after the first paragraph "Significant Audit Findings." From year to year they look for consistency in accounting practices of the City, and there were no significant changes in the accounting policies and practices, other than the implementation of this new GASB pronouncement. Furthermore, there were no unusual transactions that they didn't have some experience with. There was nothing unusual to report in that sense.

There are accounting estimates involved in financial statements in that there are certain significant ones that have to be looked at, because if there's a change in those, it could affect your decision-making process on a going forward basis. Those are listed out and have to do with the estimated fair market value of investments and the estimated useful lives of the capital assets for depreciation purposes of those assets. For claims payable liabilities, there is an element of estimate related to that, as well as the funded status and funded progress of your defined benefit plans and the other post

employment benefit plans. For those specific things, the significant estimates are in notes 12, 13 and 14 of the financial statements.

Difficulties encountered in the audit: they had no difficulties in performing their audit.

Corrected and uncorrected misstatements: during the course of the audit they may arise when their auditing procedures come up with corrections and misstatements. Management has corrected those misstatements. There are some uncorrected misstatements attached to the letter that are insignificant and immaterial in their opinion. These are usually items that are of a timing nature that, over the course of a 2 fiscal year period, self correct, and there wasn't a need to make an adjustment for those for the financial statements. They are still fairly stated in their opinion, materially stated.

Disagreements with management: they had no disagreements with management.

Consultations with other independent accountants: he is not aware that management had any such consultations. Typically those may arise if there is a unique or unusual transaction that they may not agree with the auditor's opinion on something and they might want to do opinion shopping. In that case, it's his duty as an independent auditor to let you know that is going on, and there were no such instances of that.

Other audit findings and issues: on a regular basis he discusses things with management, and management does discuss with him new accounting things, new transactions that are occurring; they are looking for guidance to make sure that they're recording things properly and effectively. That is a service that his firm does in the typical course of preparing themselves and identifying risks for doing our audit. Those are nothing unusual, and that does not impair his independence as an auditor.

COUNCILMEMBER SANCHEZ noted the letter that discussed surplus property report forms where he noted that some of the surplus property reports for current year dispositions did not contain evidence of the approval that is required by City policy. It further stated the capital assets policy is designated to minimize the risk of misappropriation of the City's assets and should be followed. They recommend that the City ensure that surplus property is disposed only after proper approvals have been obtained and documented on the surplus property reports. She questioned what that is referring to.

MR. CALLANAN replied this letter that you are referring to is what they typically call a management recommendation letter. These are items that, during the course of their audit, they take a look at internal controls in planning their audit to determine where the risk areas are that they want to audit and dive in deeper. As they come across things, they want to point them out to management and in the form of other matters. These are minor. There are 3 categories of management comments: 1) material weaknesses, which is the worst form; 2) significant deficiencies, which is a lower level; and 3) other matters. This is the 3 tiers on things and recommendations to help management improve their internal control process.

With regards to surplus property reports, there are policies and procedures in place that state this is what's going to be done when there is surplus property. In their looking at this, it wasn't being followed exactly the way the policy was written. If the policy is outdated or needs to be changed, then they recommend that management take a look and change that policy, or follow what the policy says.

COUNCILMEMBER SANCHEZ asked the City Manager, after having reviewed all of this and probably knowing what surplus properties were identified, if this was a matter of not following the policy or if it was a matter of not having the documents in

place.

CITY MANAGER WEISS did not know which specific properties; they are still working in that regard. Council does have a policy. For the properties that we have in the past brought to you to dispose of, we did follow the policy. However, he believes there was one in particular that was not on the surplus list that we were looking at a different disposition that was not offered to the other agencies. The way we have to go through the policy, it has to go to other public agencies before Council can declare it surplus. Those matters have been corrected, and that's not going to be an issue at this point.

COUNCILMEMBER SANCHEZ moved to accept the report.

COUNCILMEMBER FELLER seconded the motion.

Motion was approved 4-0.

MAYOR AND/OR COUNCILMEMBER ITEMS

18. **City Council: Request by Councilmember Sanchez to discuss a public process and community vision for the 10,000-square-foot City lot located at Cleveland and Washington Streets, and direction to staff**

COUNCILMEMBER SANCHEZ stated this is a surplus property. She actually saw the information about this lot on the City website, and did not recall a discussion about this with staff, and it was not within the practice of what we had done in the past. We have discussed surplus property; we've discussed what we'd like to do with surplus property, ideas that we have. What she saw on the website was basically a discussion that it's a 10,000 square foot lot; it was out for bid; and it closed last week. This is actually on the edge of something that's really exciting happening with regard to the Coast Highway visioning, which is the arts and technology district that some of our residents are working on with staff.

The way it's described in the documents that were noticing it for a project was basically a 10,000 square foot lot available that could be up to 10 residential units if one of them is affordable. She would have liked to have known about this property prior to it going out, because she would have liked to have had a public airing about it and an opportunity to talk to the community about this for any ideas. In fact she mentioned this to a couple of people, and they started talking about this being part of this arts and technology district. She put this item on the agenda so that we can, and it's her request, to have a public process and community vision for this 10,000 square foot lot.

She's heard suggestions such as artists live/work lofts that would qualify for affordable housing status funds and other things. Having it come first versus later is really important because she doesn't know if having it come later with whoever is picked would be fair to that person and/or fair to us in the sense of whether they are able to do this kind of project; are they able to make this like a brand, our idea of an arts and technology district.

She **moved** that we have a public process and community vision for this 10,000 square foot City-owned lot located on Cleveland and Washington Streets.

MAYOR WOOD seconded the motion.

Public Input

LANE STEWART, 425 South Tremont Street, lives at lot 7, which is close to this lot (lots 9 and 10) so this is important to him. He would urge Council to follow Councilmember Sanchez's idea about making this public. Lots 11 and 12 were permitted for 4 row homes in the summer of 2008, so if the developer of these row homes wants

to continue with his project, whatever goes on this 10,000 square foot lot should at least consider what this person is planning on doing, rather than going in piecemeal with up to 10 units with an affordable housing component.

His neighbors to the right and left of him could not be here to speak but they've also voiced their concern regarding how the project has been approved right next door, and that it should be cohesive to the neighborhood. He understands that now Planning does not allow row homes in the RH-U area because it doesn't meet the density requirements. He would like himself and the rest of the public to have an idea of what goes on, seeing as how this is City property that's up for sale.

LISA HAMILTON, 323 South Ditmar Street, is speaking tonight as President of Oceanside Coastal Neighborhood Association (OCNA). These lots are within the borders of the OCNA area, and several of their members are very concerned about the development of these lots. The 2 lots that Mr. Stewart mentioned have already been approved for row homes; they're not yet built. OCNA is concerned that the current zoning doesn't allow for more row homes, so they'd like to know whether the Request for Proposal (RFP) discussed the compatibility with the row homes that are permitted and that could be built. They have often found themselves playing catch-up and complaining about development after a lot of money has been spent on plans and so forth.

They would very much like an open and public process to discuss how this community asset is going to be developed as part of the 101 Vision Plan and as part of the neighborhood. They approve of higher density; they are on record for that; and they approve of affordable housing, although they would like a better definition of what is affordable housing and how much would be included in that development. They understand that 2 answers to the RFP were received Friday and would like to know more about it before either of those is chosen.

JOAN BROWN, 511 Rockledge Street, stated that while looking at this lot, she noticed all of the other vacant lots that are owned by other stakeholders. What she envisions on the 2 blocks is that the City should include the other landowners and see what would be the best use for all of these properties, instead of the owners building differently again, with no continuity. The condos along the railroad track make that area feel closed in. The narrow City street and parking for the new buildings would have to be addressed before any buildings are done, and no variances should be allowed in this new area. One of their members, Russ Cunningham, is one of your staff in Planning and he lives in this area. She would like to hear his opinion on what his vision is for this area. Why so fast to build?

JOHN McDONALD, 1043 South Cleveland Street, President and CEO of Partners for Innovative Communities, heard about this property and saw it on the site after the Councilmember saw it. He read the RFP, and it really does not tie this property to the vision. It alludes to something that hasn't passed, which had passed and yet it didn't require it so the RFP respondents are not on notice at all that they need to comply with the vision. It seems to him they are in a very difficult position because the Councilmember is correct that what we really should be doing is using this as an exemplar piece. He doesn't directly care whether it's arts, technology and environment because that district is a little bit down the street from there, but it's in the Vision Plan area and should be compliant with the vision. It's City owned property. Council has the opportunity to really make a statement, and it also needs to be fair to the RFP respondent.

Partners is offering whatever resources they can in terms of experience, advice and what we're building up in the way of knowledge about art/live/work or other kinds of approaches. They will be glad to help staff in any way they can. Art/live/work would be excellent, but only in conjunction with the community. OCNA has been involved directly in the arts/technology district; one is a member of our Board.

It is interesting how this slipped through. The audit just indicates that it kind of slipped through. He would say there should be an inventory of all City property anywhere within the Vision Plan area now, if there isn't already. There should be a public process put in place whereby those properties are looked at from the standpoint of the vision and are then used as exemplars, not just this one lot. In addition to the comments about the piece next to it, he didn't think row houses are going to go in right away. Staff should contact the owner of that property and see if you can't put a 30,000 square foot property together and really do something innovative for the City.

MIMI DeMIRJIAN, OCNA, 214 South Freeman Street, are here tonight primarily about a concern regarding the RFP that was posted on the City website for this property. It was in some ways inaccurate because it did not say that the developer had to comply with the Coast Highway Vision and referred to the fact that the Coast Highway Vision was not approved, which it was. They would like to avoid any future conflicts with any other development or developer within their area regarding projects that are already down the pipeline. They would just like to be involved in projects like this from the get-go and have their input heard and respected.

Lastly she would like someone to clarify how surplus properties are disposed of. There must be some process that they are unaware of. Is there some public input. If there is not, they'd like to be involved. This is part of our neighborhood; it's part of the future development of the town; and they wish to be included.

Public Input concluded

DOUG EDDOW, Real Property Manager, replied that surplus property requires an open session hearing, which was done for this property back in 2003. The public was notified that there would be an open session for disposition or declaration of the property as surplus. That was done. Once the property is determined to be surplus, then the City goes through a process of offering it up to neighboring municipalities, utilities, school districts and things of that nature to see if they can utilize the property. Once they decide or do not respond that they need the property, then it can be declared as surplus. Once it is surplus, the City can dispose of it by sale, joint venture, or keep it, etc. The City does not necessarily have to sell it, but it becomes available for sale to the general public.

COUNCILMEMBER SANCHEZ thinks this is a wonderful opportunity for the City, the community and the Vision Plan. There were some good suggestions about looking to see if there are any other surplus properties within the Vision Plan area for Coast Highway. She is hoping we can approve this and start doing the community process. Is it true that there were only 2 responses?

CITY MANAGER WEISS believed that is correct.

COUNCILMEMBER SANCHEZ would like to go ahead and redo the process and have the community process first.

COUNCILMEMBER KERN is unclear of what Councilmember Sanchez really wants. Is it just a community process on this one quarter-acre piece? He would recommend selling it and let that person see if they can assemble those lots; maybe pull back on the RFP all together and see if they can do some type of assembly on those lots. Otherwise, he thinks selling it and letting the private sector deal with it would probably be a better idea because we have a public process. The RFP comes forward, there is going to be a proposal, and there's going to be a hearing - Planning Commission and probably a Council hearing. There's going to be a lot of public involved like any project that comes through. He thinks we offer the public plenty of opportunity to comment on most projects.

This is only a block away from the Transit Center. We need to pull this off the table, step back, look at what our zoning is down there for transit-oriented development

next to the Transit Center, and see if there is some opportunity to assemble those lots privately. The owner of one business on the Missouri end of the street is looking to get out eventually so that property will probably come on the market in the next 5+ years and, if the price is right, maybe earlier. There is a vacant parcel between that and this parcel, so there may be an opportunity, instead of dealing with a one-quarter acre high density lot, to do our work on the zoning of that area and then have people come forward with proposals at that time.

He would move to sell the property, but this is not the time to sell property. If we pull this off now and start thinking about what we can do long-term for that whole block, instead of a 10,000 square foot lot, that would probably make more long-term sense than just trying to have a vision on a quarter-acre lot. Then we will have another vision on another quarter-acre lot someplace in that Vision Plan area, etc. He can't support the motion as presented but, he would make a **substitute motion** to pull the RFP back and rethink the whole process.

COUNCILMEMBER FELLER has no back-up on this. He has no idea how close this is to the arts block. Does the edge of it mean the edge of the next block, directly across that starts the art block, or is it another block south?

COUNCILMEMBER KERN stated it starts at Wisconsin and goes south.

COUNCILMEMBER FELLER stated this isn't even close to that. He knows the owner just north of the row homes isn't interested in doing anything. They've had that piece of property for about 50 years. If we had only 2 responses to the RFP, that's not much to choose from. He will support that motion to just pull it off and rethink what we're doing. He **seconded** the substitute motion.

MAYOR WOOD stated we still have to vote on the first motion on the floor. There is now a secondary motion pending.

COUNCILMEMBER SANCHEZ hears that we want to pull back but we are not committing to doing a public process on this lot. The only thing that we can really control is what we own, and we own this one lot. With the Vision Plan we've got a neighborhood organization that is interested in seeing it move forward. You've got a non-profit organization that is formed specifically to move the Vision Plan forward, specifically the arts and technology district. She would suggest that we try this. This is a future planning piece.

She doesn't know that we would be successful in waiting around for the other properties. That could certainly be something we try to do during this public process.

CITY MANAGER WEISS thinks it makes sense to formally contact the adjoining property owners just to see if there is any interest on their part for some type of a larger joint development. There may not be, and one of those may have been in the family for some time but maybe there is an interest.

In the event that those property owners would indicate that they are not interested, given that we've only received 2 responses, and one of them is questionable at best, his recommendation would be to go ahead and host a community meeting to solicit input. If there needs to be more information in the RFP that makes it more specific in regards to the Vision Plan, we can certainly modify the RFP with some public input, hosting a neighborhood meeting. We don't want to get into some partnership with a developer only to have that whole partnership then have to change direction.

With literally only 2 responses, that probably isn't the best deal for this City right now anyway. That would buy us some time to look at what we can do there consistent with the Vision Plan and then bring forward another RFP. We would commit that we would actually bring the RFP to Council before we actually solicit the proposals at some future time.

COUNCILMEMBER SANCHEZ agreed. She **amended her motion** to follow the City Manager's recommendation.

MAYOR WOOD, as second, concurred.

COUNCILMEMBER KERN is concerned that this is focused on a quarter-acre lot. He would like to look bigger. We have this lot that the citizens own and control, but in reality the citizens own and control the zoning down there. So, instead of having a process about a quarter-acre lot, let's have a process where we look at the zoning in that area. Let's go to the next step of the Vision Plan. We have a Vision Plan, and now the next step is to put the zoning in place to make the Vision Plan happen. He thinks the whole City should be involved in that. He wants to look at that whole district, the arts district, and start putting those pieces in place. Otherwise, if we identify other quarter-acre lots that we own down there, we're going to have another public process for another quarter-acre lot. Let's do it all at once.

Right now there is no development going on because of the economy. Now is the time to put those things in place so when the economy does turn around we can move quickly. He would like to see a vision and process for that whole district. He does not want to be tied up with a vision with one quarter-acre lot.

COUNCILMEMBER FELLER is not interested in just visioning a quarter-acre lot either. If staff can go to adjoining property owners to make something out of that block and it's worth it to bring it back to public meetings and input, then he would support that. A quarter-acre lot is a pretty small piece to be making a vision out of. If it's in regard to the block or something along that line, he would be willing to support it. Perhaps the guy with the row homes would be interested in that.

MAYOR WOOD thinks we all want the same thing, maybe in a different verbiage. The City Manager actually said let's go back. No matter what we do with it, the public will have input, and that's what she changed it to. We're not going to go forward with that. They are going to look at the surrounding neighbors. If there isn't interest and we want to sell this property, we'll have a public hearing regarding what to do with it. He thinks that is reasonable.

COUNCILMEMBER KERN withdrew his substitute motion.

CITY MANAGER WEISS stated they will contact all of the adjoining property owners within that block to see if there is an interest in assembling those properties. If there is not, as there may be some difficulty with that, we will do a public meeting to solicit input, not to vision it because you've already done the Vision Plan, but to get input because it is zoned RH-U. We'll get that input and redo the RFP to make it specific that the property needs to be developed in accordance with the Vision Plan based on the community input. We will then bring that RFP back to Council prior to issuing it.

COUNCILMEMBER KERN wants it to include all of the property we have down there, instead of coming back a year from now and doing another process for another quarter-acre lot 3 blocks down.

CITY MANAGER WEISS stated we can look at whether we own any additional properties in that area. There is one that he is aware of, but he believes we've done a property transaction with Mr. Buell in that regard. Other than that he is not sure what we have, but he will get that information.

Motion was approved 4-0.

[Recess was held from 5:31 to 5:42 PM.]

5:30 PM - INVOCATION – Pastor Carl Souza

PLEDGE OF ALLEGIANCE – Cub Scout Pack 723

PROCLAMATIONS AND PRESENTATIONS

Presentation – Employee Service Awards:

20 years

Niles Stokes, Jr. – Public Works

Matt Christensen – Police

Curtis Cook – Public Works

Edward Lane – Police

Teresa Gomez – Water Utilities

25 years

David Larson – Police

Joe Spurgeon – Police

30 years

Mary Cappadonna – Library

Beverly Lira – Financial Services

35 years

Alan McNeill– Public Works (absent)

Presentation – Mayor’s Youth Sports Recognition and Appreciation Award—Oceanside High School Football Team, State Champions

Presentations were made.

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.

24. **Advance written request to reserve time to speak:**

WOODROW HIGDON, 2544 Rudder Road, commented on alleged police corruption and Council corruption and a citizen being removed from the last meeting.

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

POLICEWATCH.ORG, commented on being removed from the prior Council meeting and his intention to sue if the Mayor doesn’t publicly apologize to him.

CATHY NYKIEL, here on behalf of 3 organizations, announced the fundraising event for the Veteran’s Association of North County; the grand premier of the movie “To Save a Life,” which was put together by New Song Church; and the 2 markets every Thursday.

6:00 P.M. – PUBLIC HEARING ITEMS - None

CITY COUNCIL REPORTS

19. **Mayor Jim Wood**

MAYOR WOOD thanked all for their honoring of Dr. Martin Luther King, Jr. Dennis and Diana Cleary won this year’s nomination from the City and the NAACP.

There was an article in the paper regarding finances of the City and what we’re going to do regarding these budget cut-backs and shortfalls. We’re here to provide services, and that’s the last thing he wants to cut. After he returns from vacation, he is

going to nominate some people to a blue ribbon oversight committee for the financial aspects and what the city can do along with the City, staff and the region to try to address some of our shortfalls. There will be some nominations of people from the industry, the school, banking, whatever it might be to try to think outside of the box with suggestions on the issues. There are concerns and fears about the future and what the State might do to Oceanside again. He wanted to get some experts in the field.

20. **Councilmember Jack Feller**

COUNCILMEMBER FELLER wanted to reiterate about "To Save a Life" that will be running starting Friday night at the Regal and other theaters. The premier is tomorrow night at the Regal Theaters.

The North County Cobras won the National Championship. With about a minute and a half left, the other team gave up; they just didn't come out on the field again.

21. **Councilmember Jerry Kern**

COUNCILMEMBER KERN has been receiving a lot of calls from commissioners from various commissions regarding the appointments. Hopefully we can resolve that after the Mayor's vacation, along with the liaisons issue. The Utilities Commission is concerned that they may not have a quorum in the next couple of months because they've lost members.

He would like the City Manager and the City Attorney to update Council on the lights at Rancho del Oro. He has had a lot of phone calls from people in the neighborhood, and he would like the public to know where we stand on that issue.

CITY MANAGER WEISS responded we have completed removing those street lights that were most susceptible to being safety hazards; they were rusted at the bottom, and we had 3 actually fall over. That has been completed. We have a meeting scheduled with the Rancho del Oro Homeowner's Association in regards to what their plans may be and how we can work with them to reinstall those lights.

COUNCILMEMBER KERN wanted everyone to know that we are working on the problem. We need to resolve that as quickly as we can.

He called Assemblyman Martin Garrett today, who represents about 10+ precincts in Oceanside, and he is now one of the big 5 leaders in the Assembly. He has always been really helpful for our Oceanside issues, and hopefully he will continue to help North County and Oceanside in the State. Congratulations to him.

22. **Councilmember Esther Sanchez**

COUNCILMEMBER SANCHEZ stated this is actually the first time the Oceanside Cobras sponsored the National Tournament here. We had teams here from all over.

She reported she has a conflict on February 3rd and will not be able to be at that Council meeting, which means there will not be a quorum so we will need to adjourn to Feb. 24.

COUNCILMEMBER FELLER stated if we don't meet again until February 24th, there won't be a meeting for 5 weeks. That is unacceptable. How can Council not do the business of the City for that long; we've already cut our meetings down to 2 a month.

MAYOR WOOD will be gone for his daughter's wedding, and if Councilmember Sanchez can't make it, there won't be a Council meeting. That's simply how it is. But the City's business will continue to be done as best we can.

January 20, 2010

Joint Meeting Minutes
Council, HDB and CDC

COUNCILMEMBER KERN stated we went out of our way to accommodate Councilmember Sanchez for the Coastal Commission. We re-arranged all of our schedules, we let her set the time we start, and now we're going to miss a meeting. He thinks we've done as much as we can do to accommodate Councilmember Sanchez, and she's known we had a February 3rd meeting since December when we set the new schedule.

MAYOR WOOD stated why argue about something that can't be changed. He will not be here for that meeting, as he is gone on a pre-planned vacation. If she has a conflict, then she has a conflict.

ADJOURNMENT

MAYOR WOOD adjourned this joint meeting of the Oceanside City Council, Community Development Commission and Small Craft Harbor District Board of Directors at 6:35 PM on January 20, 2010. The meeting of February 3, 2010 is cancelled due to lack of a quorum, so the next meeting is Wednesday, February 24, 2010, at 3:00 p.m.

ACCEPTED BY COUNCIL/HDB/CDC:

Barbara Riegel Wayne
City Clerk, City of Oceanside