



California

ITEM NO. 4

CITY OF OCEANSIDE

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

JANUARY 26, 2011

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**
Esther Sanchez

**Councilmembers
HDB Directors
CDC Commissioners**
Jack Feller
Jerome M. Kern
Gary Felien

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

Treasurer
Gary Ernst

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

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

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

The regular and joint meeting of the Oceanside City Council (Council), Small Craft Harbor District Board of Directors (HDB) and Community Development Commission (CDC) was called to order by Mayor Wood at 4:00 PM, January 26, 2011.

4:00 PM - ROLL CALL

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

City Attorney Mullen titled the following items to be heard in Closed Session: 1, 2A, 2B, 2C and 2D.

[Closed Session and recess were held from 4:01 PM to 5:00 PM]

**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. 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

Discussed OPOA, OPMA, MECO & OCEA; no reportable action

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) Crowe v. City of Escondido, et al., U.S. District Court Case No. 99 cv 0241 R (RBB)

Discussed; no reportable action

B) Dunex, Inc., et al. v. City of Oceanside, et al., Superior Court Case No. 37-2010-00061745-CU-EI-NC

Discussed; no reportable action

C) Dunex, Inc., et al. v. City of Oceanside, et al., U.S. District Court Case No. 10 CV 1478 JLS CAB

Discussed; no reportable action

D) Mira Mar Mobile Communities Homeowners Assoc., et al. v. Kendall West, et al., Superior Court Case No. 37-2009-00050733-CU-BT-NC

Discussed; no reportable action; continued discussion to the 2/2/11 closed session meeting

5:00 PM – ROLL CALL

Mayor Wood reconvened the meeting at 5:03 PM. Present were Mayor Wood Deputy Mayor Sanchez and Councilmembers Kern, Feller and Felien. Also present were City Clerk Wayne, City Manager Weiss and City Attorney Mullen.

INVOCATION – John Lundblad

PLEDGE OF ALLEGIANCE – Team members

PROCLAMATIONS AND PRESENTATIONS

Proclamation – Angel Aviles, 2010 Veteran of the Year for Military Officers Association of America, Pendleton Chapter

Presentation – Mayor’s Youth Sports Recognition and Appreciation Award – Oceanside

Soccer Club-- boys under 14

Presentation – Employee Service Awards

20 Year Award	Department	Hire Date
[Jone V. McGregor	Police	10/01/1990]
Stephen G. Elliott	Public Works	10/17/1990
[Blayne S. Stollar	Public Works	10/30/1990]
[Tony Gonzales, Jr.	Water	11/11/1990]
Martin J. Morabe	Police	11/18/1990
Ricardo G. Sepulveda	Water	11/25/1990
John T. Guthrie	City Clerk	11/26/1990
Holly J. Trobaugh	City Clerk	12/23/1990

25 Year Award	Department	Hire Date
Yukari Krause-Brown	CMO/Information Tech	11/03/1985
[Thomas M. Woodford	Public Works	11/17/1985]
Steve G. Talamantez	Public Works	11/17/1985
Martice A. De La Rosa	Water Utilities	12/29/1985
Delfino F. Soto	Water Utilities	12/29/1985

30 Year Award	Department	Hire Date
Stephen L. Jackson	Neighborhood Services	10/27/1980

35 Year Award	Department	Hire Date
Heidemarie Falk	Police	10/05/1975

CLOSED SESSION REPORT

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

CITY ATTORNEY MULLEN reported on the items discussed in Closed Session:
See Items 1, 2A, 2B, 2C and 2D above.

CONSENT CALENDAR ITEMS [Items 5-17]

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.

CITY CLERK WAYNE announced that Item 13 is being pulled by a member of the public for discussion.

COUNCILMEMBER KERN requested that Item 10 be pulled for discussion.

DEPUTY MAYOR SANCHEZ requested that Item 9 be pulled for discussion.

The following Consent Calendar items were submitted for approval:

5. 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 September 22, 2010, 3:00 p.m. Regular Meeting
6. 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)
7. City Council: Approval of annual purchase orders for the purchase of water and

wastewater treatment chemicals in amounts over \$50,000 from various Water Utilities Department funds for a total of \$950,242; and authorization for the Financial Services Director, or designee, to execute the annual purchase orders

8. City Council: Approval of Amendment 1 [**Document No. 11-D0064-1**] to the CPI Property Lease Agreement with Hobie Cat Company for a portion of the property located at 4925 Oceanside Boulevard, increasing the square footage of the premises and extending the term of the agreement from December 1, 2013, to November 30, 2018, for a minimum total revenue of \$2,747,929; and authorization for the City Manager to execute the amendment
9. **Removed from Consent Calendar for discussion – Councilmember**
10. **Removed from Consent Calendar for discussion – Councilmember**
11. Harbor: Approval of Amendment 3 [**Document No. 11-D0067-2**] to the lease agreement with Aloha Partners, LP, for the premises located at 1325 Harbor Drive North, increasing the size of the premises and extending the term of the agreement from December 31, 2036, to December 31, 2046, with an estimated rent of \$817,460 for the ten-year extension; and authorization for the City Manager to execute the amendment [Monterey Bay Cannery restaurant]
12. City Council: Approval of a professional services agreement [**Document No. 11-D0068-1**] with Advance Energy Design of Orange, California, in the amount of \$258,050 for the replacement of 33 Heating, Ventilating and Air Conditioning (HVAC) package units on various City buildings, and authorization for the City Manager to execute the agreement
13. **Removed from Consent Calendar for discussion – public request**
14. City Council: Approval to reappropriate \$158,292 in grant funds from the San Diego County Office of Emergency Services, awarded to the City of Oceanside for reimbursement of funds expended for equipment and training used to respond to potential terrorist incidents under the State Homeland Security Grant program, 2009 award; and approval to appropriate these funds to the Fire Department
15. City Council: Acceptance of \$137,000 in grant funds from the San Diego County Office of Emergency Services, awarded to the City of Oceanside for reimbursement of funds expended for equipment and training used to respond to potential terrorist incidents under the State Homeland Security Grant program, 2010 award; and approval to appropriate these funds to the Fire Department
16. City Council/Harbor: Adoption of **Resolution No. 11-R0069-2**, "...authorizing acceptance of a \$37,000 grant from the California Department of Boating and Waterways for a replacement boat pumpout station", awarded to the Public Works Department–Harbor and Beaches Division for the replacement of a boat sewage-pumpout station and dock located at the Transient Dock; appropriating the funds to the Harbor and Beaches Division; approving a grant contract [**Document No. 11-D0070-2**] in the amount of \$37,000 with the California Department of Boating and Waterways for the project; and authorizing the City Manager to execute the necessary documents
17. City Council: Adoption of **Resolution No. 11-R0071-1**, "...authorizing the acceptance of \$369,309 in grant funds from the Governor's Office of Emergency Services for a gang prevention and intervention program", from the California Emergency Management Agency California Gang Reduction Intervention and Prevention Program for the Oceanside GRIP 2011 Project awarded to the City of Oceanside for gang prevention, intervention and suppression activities, approving the grant budget, appropriating the funds to the Police Department, and authorizing the City Manager to execute all grant

documents [**Document No. 11-D0072-1**]; approval of professional services agreements with Vista Community Clinic [**Document No. 11-D0073-1**] in the amount of \$134,795, and North County Lifeline [**Document No. 11-D0074-1**] in the amount of \$87,735, for grant-funded activities; and authorize the City Manager to execute the professional services agreements

DEPUTY MAYOR SANCHEZ moved approval of the balance of the Consent Calendar [Items 5-8, 11, 12, and 14-17].

COUNCILMEMBER FELIEN seconded the motion.

Motion was approved 5-0.

Mayor Wood determined to hear Item 9 at this time.

Items removed from Consent Calendar for discussion

9. **CDC: Approval of Amendment 1 [Document No. 11-D0065-1] in the amount of \$493,670 to the professional services agreement with Kimley-Horn and Associates, Inc., for a conceptual design for the improvements to Mission Avenue from Horne Street to Cleveland Street, adding to the scope of work construction drawings for the project; and authorization for the City Manager to execute the amendment**

DEPUTY MAYOR SANCHEZ is going to vote against this because it's proposing a Class 3 bicycle lane, which she was disappointed with since it is not a separated bike path. At the discussion we did not have any discussion that would suggest that we were not supporting a separated bike path. It sounded like the separated bike path was the reason why we ended up with the majority voting to make it a one-way street on Mission Avenue. She is also against the reverse diagonal. She's gotten more complaints about that situation and the one-way streets.

Finally, she is opposing this because in light of our budget challenges, she cannot vote to spend \$500,000 for a conceptual design that could wait. She understands that these funds are a combination of Redevelopment Funds, but Redevelopment actually owes the General Fund around \$10,000,000 and this is not a time to be spending money that we do not have.

She doesn't like the project, but she also feels strongly that we should not be spending money we do not have at this time.

COUNCILMEMBER KERN moved approval [of Amendment 1 (**Document No. 11-D0065-1**) in the amount of \$493,670 to the professional services agreement with Kimley-Horn and Associates, Inc.,].

He likes the project and we need to get these Redevelopment Funds out as quickly as possible in light of Governor Brown's action trying to seize Redevelopment Funds. We went through the whole thing about the reverse angle parking and the bike paths at the workshop and the general consensus was to move forward.

COUNCILMEMBER FELLER seconded the motion.

COUNCILMEMBER FELIEN asked if we could get an explanation of how much funds are coming from Redevelopment and how much, if any, are coming from the General Fund.

KATHY BAKER, Redevelopment Manager, responded all of the money would be coming from Redevelopment bond money that was issued in 2003.

COUNCILMEMBER FELLER stated the Redevelopment bond money is money that cannot be used anywhere else out of the Redevelopment Area. It can't be used for operational; it's project bond money, is that correct?

MS. BAKER responded yes.

COUNCILMEMBER FELLER stated we've had extensive analysis of this; we've had the Transportation Committee look at this and they approved of it. They've got a couple of bicyclists on there.

DAVID DiPIERRO, City Traffic Engineer, stated we did bring this forward to the Transportation Commission as well as the Council and, based on the last Council meeting, we did form a committee in November of 2010 to go over exactly what the plan should look like. He showed a sketch. The committee consisted of members from different commissions, the Bike Committee, staff, etc., and we had agreed that it looked like a bike route was probably the most feasible thing to implement in this situation.

We also went back and looked at the Bike Master Plan and it showed as a bike route too. We're looking at 15.5 feet of sidewalk on the south side of the street, 8 feet of parallel parking, 11 feet for the travel lane on the south side, 14 feet on the north side (2 extra feet is needed when people are doing reverse angle parking) - if bicyclists were going to go down the street we would assume that would be the side of the street they would use - and 6 feet for the reverse angle parking.

DEPUTY MAYOR SANCHEZ stated we had talked about putting the separated bike path between the parked cars and the sidewalk; that way they would not have to be going into traffic. This is completely different from what we discussed. She asked how much it is that the Redevelopment Agency owes the General Fund. Is it \$9,000,000 or \$10,000,000?

MS. BAKER did not come prepared with those figures today. There are a variety of different loans that Redevelopment has been making payments on and some that are due to make payments on and we have agreements with the City.

CITY MANAGER WEISS stated the loan balance fluctuates simply because of the way the payments are structured. The Agency is making minimum payments right now, but at the termination of the Agency in 2017, he believes that the estimate is \$10,000,000 at 2017.

JANE McVEY, Economic and Redevelopment Director, responded there is a loan from the Redevelopment Agency to the City and the payments are going to begin accruing in 2018. What that effectively does for the City and the Agency is acts as a sponge to soak up future assessed valuation revenues that could accrue to the Redevelopment Area that will otherwise go to the City or they'll be lost.

DEPUTY MAYOR SANCHEZ stated we've owed that money for about 20 years; it's about \$9,000,000 and we've paid no interest for 20 years and now we're going to start having interest earned on it.

Her point is that this money should not be spent at this time. We do not have the funds and we need to insure that we provide a minimum level of service to our residents.

MS. McVEY stated the bond monies that we have are in a fund that probably could not be used to pay back that loan. When they are issued, they are tax-exempt bonds and as such the bond holders, when they file their income tax returns, claim those as tax-exempt revenues. Those are dedicated to principally capital projects so the

monies that we would be using to forward to the General Fund for the loan will come out of current cash flow out of tax increment. They are 2 different pots of money. If the Council chose that they wanted some acceleration of that loan, we would be paying it out of either current cash or future tax increment, assuming that the Governor's proposal to eliminate redevelopment agencies is not successful.

COUNCILMEMBER FELIEN asked if we can use the \$493,000 if we chose not to spend it on this project, and move it into the General Fund under any structure.

MS. McVEY does not believe so. That is a bond fund that was issued and in the bond documents, in the offering, it states what those monies are to be used for. So, it's not operational, maintenance or people; its brick and mortar money for the specific purposes that were stated in the original bond offering.

DEPUTY MAYOR SANCHEZ stated the residents deserve this money in the General Fund. It's been 30 years now that the Redevelopment Area has not been paying its fair share and all of these funds have been focused in one area at a time when we need to insure that we spend each penny wisely. We're not doing that on this project.

Motion was approved 3-2; Mayor Wood and Deputy Mayor Sanchez – no.

10. **City Council: Approval of Amendment 2 [Document No. 11-D0066-1] in an amount not to exceed \$75,000 to the professional services agreement with PFM Group for financial advising, strategic consulting, investment consulting, and investment management, adding to the scope of work the performance of a management review of City services; approval of a budget appropriation in the amount of \$75,000 from the City's Unallocated General Fund Balance to fund the Amendment; and authorization for the City Manager to execute the amendment**

COUNCILMEMBER KERN moved approval [of Amendment 2 (**Document No. 11-D0066-1**) in an amount not to exceed \$75,000 to the professional services agreement with PFM Group].

He pointed out that this is almost identical to a motion he brought forward about a year ago to do an efficiency study in the City so we can get on top of our budget. He's glad to see it come back on Consent Calendar this year because we do need to find out efficiencies so we can have these done before the budget is due in June.

COUNCILMEMBER FELLER seconded the motion.

DEPUTY MAYOR SANCHEZ thinks we should have a priority session before we start cutting or having something studied without any direction whatsoever. She thinks it's premature to do this.

Motion was approved 3-2; Mayor Wood and Deputy Mayor Sanchez – no.

13. **City Council: Approval to create a special citizen's ad hoc committee as part of the Economic Development Commission for the purposes of identifying and establishing an alternative to meet the City of Oceanside's animal control and animal sheltering requirements that are currently provided by the San Diego Humane Society**

MICHAEL BAEHR, 5500 Gaines Street, San Diego, Director of Communications for the San Diego Humane Society, stated their President, Dr. Mark Goldstein, asked him to share a letter with the Council, which summarized their commitment to the City now and in the future and their vision. As you know, we have leased additional property less

than a mile away from our existing campus on San Luis Rey Road which will provide an additional 30,000 square feet of space to do even more for our community. We are making substantial investments as highlighted.

DEPUTY MAYOR SANCHEZ stated this organization continues to refuse to disclose its financial statements and basically told us that they would refuse to provide us these services, without any warning, knowing that they were the only organization that could provide animal control to us.

She **moved** approval [to create a special citizen's ad hoc committee as part of the Economic Development Commission]. She thinks this is economically prudent for us to be creating alternatives to what we have at this time. She hopes the Humane Society of San Diego is not relying on us for all of this building they are doing because they continue to not want to work with our community.

MAYOR WOOD **seconded** the motion.

COUNCILMEMBER FELLER stated no matter what, the City only has a responsibility of animal control and housing for a set amount of days, is that correct?

DOUGLAS EDDOW, Real Estate Manager, responded yes. We have a State mandated period in which we have to hold the animals and that's what we contract for.

COUNCILMEMBER FELLER doesn't know how this is going to pan out but he doesn't think that level of service has been reduced because we only have a requirement to do certain things. It says in our back-up that level of service has been reduced. He asked how it has been reduced.

MR. EDDOW responded in years past the North County Humane Society provided other services beyond the mandated services, such as addressing barking dog complaints and things of that nature that they no longer provide.

COUNCILMEMBER FELLER stated if an ad hoc committee is formed, it should only be looking at animal control and housing for whatever legal period is required by law. He doesn't agree with this. That's all we should be responsible for. He doesn't know how anybody is going to do only the things we are required to do for \$788,000 and find land and provide that service. He doesn't support this item.

COUNCILMEMBER FELIEN asked for staff's encouragement that the fiscal impact of zero factors in and that also includes staff time. He likes the idea of having a Plan B. The people he knows in the community have the highest regard for the Humane Society so he doesn't have any problem with the organization per se, but when you're bidding on contracts and someone you're bidding with knows you have no alternative and you've explored no alternative, they're going to give you a higher bid than if they think you're looking for an alternative. He wants to make sure the committee is focused on that and he thinks the committee will come back with either they've found a better solution than the Humane Society or that they can't find a better solution. Either way we have information we otherwise wouldn't have and we can be more confident as a City making whatever decision we make in terms of negotiating with the Humane Society. As long as this doesn't cost the City any money, he doesn't have any problem with the committee.

COUNCILMEMBER KERN asked if the Economic Development Commission (EDC) has already had one meeting on this where they got together and flushed out some of the ideas of this committee.

MR. EDDOW responded yes. They've had one ad hoc meeting.

COUNCILMEMBER KERN asked if they have named the committee members.

MR. EDDOW answered yes.

COUNCILMEMBER KERN agrees that it's always nice to have a Plan B. He also agrees that more than likely we'll end up with the Humane Society. They've had a tough learning curve but at the end of the day they do have the infrastructure in place. He's not going to close out any options of looking and is going to support this.

Motion was approved 4-1; Councilmember Feller – no.

Mayor Wood determined to hear Item 19 at this time.

GENERAL ITEMS

19. **City Council: Consideration of an alternative public-access roadway option from the Jeffries Ranch neighborhood area to State Route 76; [and authorization for the City Engineer to call for bids for the subsequent Mitigated Negative Declaration and final engineering]**

JOHN AMBERSON, Transportation Planner, brings to Council for consideration and direction to staff the results of the Jeffries Ranch neighborhood area alternative access feasibility study. Using computer graphics, he showed an aerial view of the Jeffries Ranch neighborhood area.

Last March, Caltrans started construction on State Route 76 (SR-76) east of Melrose that widens SR-76 to 4 lanes. The blue line on a graphic shows the final alignment. Caltrans is also planning to install a traffic signal in the future and widen the intersection of Melrose at SR-76 to include 3 lanes in each direction, which will transition some of what we already have at College Boulevard and Foussat Road. When they started doing this, Caltrans closed Jeffries Ranch Road. The residents appealed to the City and asked us to try to restore the access. The concerns expressed to the City by the residents were that they needed that third access out, in addition to providing that access and maintaining it for emergency access. Also, if there is a catastrophic event, they need that access to get out in addition to what's remaining at Old Ranch and Spur Avenue.

This prompted City staff to meet with Caltrans staff and we hosted a joint community meeting in the neighborhood in late March to hear the citizens' concerns. One of the things that resonated was that the residents felt that there should have been a traffic signal installed at that intersection so they can have full access. There were a number of alternatives that were discussed that night. We also had subsequent meetings in August and September to meet with the community and try to establish a consensus on what possible alternatives were suitable to the community. The traffic signal alternative was by far the most preferred alternative among residents. Unfortunately, Caltrans' position was that it didn't meet the minimum intersection spacing requirements for signals on their facility. This is an expressway so it's got speeds of 55 miles per hour (mph) and volumes in excess of 40,000 trips a day. Caltrans was pretty adamant about not allowing that signal to be installed.

Also, Caltrans had indicated that the left turn geometry would be prohibited because of the short distance between Melrose and Jeffries Ranch Road. Typically, left turn pockets on SR-76 are about 800-900 feet. That was one alternative that was discussed but was eventually thrown out because of the Caltrans requirements.

We also looked at the open space that's existing east of the neighborhood. We talked about possible alignment from the end of Spur at Belmont Park Road continuing north with a signal at SR-76. We also talked about the possibility of establishing another

access at the existing easterly terminus at Jeffries Ranch Road, but when we did our environmental review of the site, there was a lot of sensitive environmental habitat there that would be impacted and the cost to mitigate that habitat would be cost prohibitive. There's also a huge gas line through there. In addition, we learned from Caltrans that they are in the process of purchasing that land and maintaining it as open space and as a mitigation bank for the project along the SR-76 corridor. So that was kind of out, in addition to the extreme costs associated with that.

Staff had received direction to really focus on the westerly end at Jeffries Ranch Road and we explored the right-in/right-out only alternative. This is an area that's already disturbed; it's less engineering and less asphalt to construct. We could take advantage of the third lane that Caltrans is constructing and continue that third lane all the way to Jeffries Ranch Road and actually drop it so it becomes a right turn pocket.

In addition to that, we are proposing an acceleration lane out of the neighborhood so that people can accelerate and get out on to SR-76. We've met with Caltrans and discussed this option and they said they could support it and were open to it, but they did express concerns about potential weaving conflicts with traffic on SR-76 relative to the traffic that's turning right into and out of the Jeffries Ranch neighborhood. They were particularly concerned about the traffic coming out as they accelerate and merge with the 2 eastbound lanes. The concern was that they would weave across the 2 lanes and get into the left turn pocket to do a u-turn at the signal and go westbound. If this alternative is chosen, we would certainly work closely with Caltrans and incorporate any design features that would help minimize the weaving conflicts to their standard.

We also looked at a frontage road option. This option is a roadway that would actually take advantage of the future signal that is already planned by Caltrans. It's a 36-foot wide road with 2-way directional travel. We would be required to build a small retaining wall into the cut slope and possibly a sound wall to mitigate any noise impacts to the adjacent residences. Caltrans thought this was pretty straight forward with minimal impacts to the traffic flow on their facility and it would provide full access from Jeffries Ranch Road to the neighborhood.

In either alternative, whether we do the right-in/right-out or the frontage road alternative, staff is recommending that Jeffries Ranch Road be reviewed for traffic calming. As part of our community meetings it was expressed to us that there was some concern for speeding traffic and safety for the residents that live on that end of Jeffries Ranch, so part of the recommendation would be to review that section of Jeffries Ranch for traffic calming measures.

The final alternative is to keep Jeffries Ranch Road closed. Caltrans is intending to cul-de-sac Jeffries Ranch Road and install bollards or gate structure to prohibit access, but would provide for emergency access when emergency conditions arise so emergency vehicles could get through there. If there was a catastrophic event, the residents could get out of there just by removing the bollards or opening the gate.

The other thing that is important to note is that there is a lot of open space that remains between the final alignment of SR-76 and the neighborhood that could actually be used to enhance the neighborhood with amenities, such as equestrian or bicycle trails or dress it up with landscaping to compliment the neighborhood. If Jeffries Ranch is closed, there is still an opportunity to get something out of it with the land that exists there.

No traffic calming evaluation would be required for Jeffries Ranch because the volumes have dropped significantly, but we would recommend that Old Ranch Road and Spur Avenue be reviewed for possible traffic calming, with the caution that we don't put anything too restrictive as to impede police and fire access because those are the only 2

points of entry into the neighborhood.

In addition to the engineering and environmental reviews, we also did a detailed traffic analysis. Under the right-in/right-out, frontage road and keep Jeffries Ranch Road closed alternatives, there were no traffic impacts. We projected that all of the roadway segments and intersections would continue to operate at acceptable levels of service, with the exception of Melrose, which would be projected to operate at about a Level of Service E. These analyses were done under the worst-case conditions; we used the future 2030 volumes which also assume that there was a small residential development to the east.

The fiscal impact of the right-in/right-out only option would run approximately \$992,000. If we wanted to just do a right-out only it would be about \$744,000. This would include the environmental review Mitigated Negative Declaration, which would be about \$40,000. The amounts in the staff report are incorrect and he apologized for that.

The fiscal impact of the frontage road option from Jeffries Ranch would be just under \$3,000,000 and would include the environment review Mitigated Negative Declaration, which would run about \$60,000 of the \$3,000,000.

The fiscal impact of keeping Jeffries Ranch Road closed would be none. There would be no cost.

As possible funding sources, one option we considered was the thoroughfare fee program. Jeffries Ranch Road is a circulation element road in terms of it being on the Circulation Element map, but it is not programmed in the thoroughfare fee program to be funded. We would have to take a look at our thoroughfare fee program and incorporate whatever alternative into the costs estimations for the thoroughfare fee program. TransNet is another opportunity. It's not programmed in the Regional Transportation Improvement Program (RTIP), but we do have an opportunity probably in April/May to amend the RTIP so we can get some TransNet allocated funds for the project, but that might come at a cost of actually removing funds from another project so we can fund this project.

The other possible opportunity would be to establish an assessment district. That came up because to restore access to SR-76 from Jeffries would be a direct benefit primarily just to that neighborhood.

Public input

MICHAEL BARTHOLOMEW, 1510 Surrey Court, which is the first access road off of Jeffries Ranch from SR-76, and he is asking that Council leave this closed. The reason is that people coming on and off of that road speed. He's only lived here for 2 years, and only about 8 months while Jeffries Ranch Road was open, and he's come close to having accidents twice. In that area we have a lot of children and elderly. It's a hazard and there is a curve. He asked Council to keep Jeffries Ranch Road closed. If Council's option is to keep it open and put in a frontage road it would end up in his backyard. He already has a noise issue from them raising the highway.

JAMES SIANO, 1618 Trotting Horse Road, questioned how the City can spend \$1,000,000 on about 200 yards of pavement for the right-in/right-out, which he feels is the best way to take care of this situation. He doesn't see there being a problem with people moving to the far left to make a u-turn at the signal. He'd like to see the details of those costs and how they justify \$992,000 for that access. The frontage road is extremely expensive and unnecessary in that neighborhood.

The high pressure gas line on the other side of Jeffries Ranch Road goes right

under the highway and through the whole neighborhood, so that isn't a valid point either. The right-in/right-out is the best alternative. That road was put in there for the benefit of the development and it's been negated by being taken out, which is wrong.

JENNIFER ROBERTSON, 5838 Spur Avenue, is supporting the right-in/right-out alternative. Jeffries Ranch Road has been there for 30 years; it's already there so why not give it back to us. We don't need the other alternatives that were discussed – frontage road or easterly access – those are just more money. Jeffries Ranch Road was there and needs to be put and it shouldn't cost almost \$1,000,000 to do that. Emergency personnel are delayed in getting into our neighborhood because of the route they have to take to get to the other end of Jeffries Ranch. She asked Council to just give them back their road.

JOAN BRUBAKER, 1606 Hackamore Road, wanted to mention that the gas line that was previously mentioned has been moved around with this widening of SR-76.

Jeffries Ranch Road should be left open from the standpoint of safety. In addition, at one point 44 homes were going to be built in existing vacant land in Jeffries Ranch. In that particular project Jeffries Ranch Road had to be left open. She doesn't know the status of that parcel at this time, but if the 44 houses are put in there then Jeffries Ranch Road is a requirement. To close this road is a safety hazard. It isn't that we haven't been protesting; it's that Caltrans agreed in meetings that were previous to the widening project actually beginning that they would give us a right-in/right-out. When the final Environment Impact Report (EIR) came out, it didn't read that way. There seems to have been a lot of negotiations under the table and probably some efforts that weren't in the best interests of Jeffries Ranch residents. She maintains that it needs to be open and it's the least expensive way to do it. Surely we can spend the money to make it safe for some 1,200 homes in Jeffries Ranch.

JERRY McLEOD, 1517 Del Mar Road, supports the right-in/right-out at Jeffries Ranch. He is concerned about safety. We've got to have another way in and out. When the proposed 44 houses were approved by the Planning Commission, Jeffries Ranch Road had to be open for that. \$1,000,000 is a lot of money. He knows some on the Council want the Melrose extension, but we were here Monday night at the Planning Commission and everybody who spoke was against that project. If that project is delayed for 20-30 years, the residents of that area are going to be without a second exit for at least 20 years. \$1,000,000 divided by 20 years is not that much. When the SR-76 widening was started we were under the impression that Jeffries Ranch Road was going to be open. We were wrong.

Someone earlier talked about how bad traffic was at Jeffries Ranch Road close to SR-76. When most of those people moved there, Jeffries Ranch Road was open and was supposed to remain open. He asked Council to think about the residents in Jeffries Ranch being out there for 20-30 years without a second entrance/exit.

DOREEN STADTLANDER, 1544 Belmont Park Road, reminded Council that the Jeffries Ranch Road closure was brought before Council in the context of the Jeffries Ranch residential development in March of 2007. At issue was the validity of traffic study modeling for the project, which assumed Jeffries Ranch Road would remain as a right-in/right-out, despite Caltrans comments that Jeffries Ranch Road would need to be closed. At that March 2007 public hearing the Council assured its residents that they were working with Caltrans and that Jeffries Ranch Road would remain as a right-in/right-out. That's why many of us were surprised to learn of the Jeffries Ranch Road closure. She went back to the Caltrans environmental document and the City did not comment on this issue. She doesn't know what the problem or failure was, but apparently the City never acted on its commitments made at the 2007 public hearing. In her opinion it was at that meeting that it was decided that Jeffries Ranch Road would remain open. She is supporting the Council following through with their decision made

back in 2007.

She would also like to take issue with the suggestion in the staff report that the Jeffries Ranch folks be assessed for this. This was a commitment that the City made but failed to follow through with. She also noted that there are those who would like Jeffries Ranch Road to stay closed and are using scare tactics to give credence to the Melrose extension. Irrespective of that project, we are still all dumping out on Melrose. For those concerned with traffic and speeding along Jeffries Ranch Road, road closure is not the answer to addressing those types of issues.

JIMMY KNOTT, 127 Sherri Lane, stated there are other issues and traffic measures that need to be considered as well. Camp Pendleton has a lot of users of these roads and we need to be in discussions with them for diversion of the traffic through to the back gate out of Fallbrook. There is also a lot of truck traffic that could be diverted down Highway 78 or Vista Way. He questioned why SANDAG, the County and Vista are not being brought in to look at the solution instead of just Oceanside. Also other cities have sued and gotten results; i.e. Vista and San Marcos sued NCTD when they wanted improvements and they got them. When Oceanside had the need for the same improvements we did nothing so we didn't get anything. He believes we need to sue Caltrans, Vista, the County and Camp Pendleton to force them into settlement or arbitration to come up with a solution.

CHRISTINE RUANE, 5779 Jeffries Ranch Road, stated the Master Plan of Jeffries Ranch initially was to have Jeffries Ranch Road closed. The next street would have been Seattle Slew. That somehow has gotten miscued and has not happened. Jeffries Ranch Road was supposed to be a dead end. Now it's causing a problem. Personally she loves it. There is nobody driving 55 mph and running through stop signs. However, there are many people who are concerned about the emergency factor and she understands that. If it has to be right-in/right-out – obviously a signal won't work – whatever is most cost effective, we are willing to go along with for the betterment of the community. If Council decides to open it, we would like to have speed bumps whichever way Council votes.

NANCY BERNARDI, 1505 Del Mar Road, doesn't want to see the neighborhood adversely impacted. She is in favor of the right-in/right-out. We need the emergency access. We should not be assessed as this is something Caltrans did. Many of us were never notified that it was going to be a permanent closure. She asked Council to do the right thing.

DANA CORSO, 5838 Ranchview Road, is the newly elected President of ACTION (Alliance of Citizens to Improve Oceanside Neighborhoods), which is 15 neighborhoods that have joined forces. At our public meeting with the IBI Group on August 17th the majority vote was to place a signal at Jeffries Ranch Road with 277 votes. It is her understanding that Caltrans will not allow a light at this intersection. Therefore, the next alternative closest to the signal is to have the right-in/right-out. It was the second vote if we couldn't have the signal. The right-in/right-out would have the least amount of environmental impact and would be most economically feasible.

We need this access for safety purposes. She spoke with Mike Margot of the Oceanside Fire Department and he made it clear that the Fire Department response time has slowed since the closure. She appreciates the concerns of the residents who live at the beginning of Jeffries Ranch Road and agrees with them that we need to slow the traffic down, possibly with speed bumps. For the overall safety of our neighborhood, we need to focus on re-opening Jeffries Ranch Road as soon as possible so we are not put in such a compromised position if there is an evacuation or even just an accident that closes down Melrose. Please don't forget that we just opened a dual-magnet high school that has a lot of inexperienced drivers. The City needs to follow their own building requirements and restore our second ingress/egress as quickly as possible.

Bringing up the Melrose extension is a touchy situation but the fact is if Melrose is ever approved, it will take years to get through all of its steps before it's constructed. This is not the answer for the Jeffries Ranch community. We need a solution now. She asked that Council join together to vote in favor of the right-in/right-out, which is technically all that the City ever agreed to.

MARIAN CAVADIAS, 1669 Seattle Slew Way, asked the Council to vote in favor of re-opening Jeffries Ranch Road with right-in/right out lanes. The residents of Jeffries Ranch came home one day to find the end of Jeffries Ranch Road had been demolished. We were shocked to learn that there were no plans to restore the roadway. The residents were never notified. Jeffries Ranch Road was an alternate route out of the neighborhood and in case of evacuation during an emergency or an accident blocking the intersection at Melrose Drive and SR-76. Now it's gone. For the safety of the residents and the students at Mission Meadows, this road should be restored as soon as possible. With all due respect to her neighbors along Jeffries Ranch Road who now enjoy a cul-de-sac, they didn't buy their houses with a cul-de-sac and there were never any plan to close that road.

LARRY BARRY, 3973 Brown Street, went to a lot of the meetings for SR-76 and saw that it was going to be a right-in/right-out. They stated that a long time ago. Caltrans will do what they want to do. The Melrose extension to Santa Fe should have been completed years ago. As far as emergency access to this road, there should be at least an apron with the same kind of gates that are used in the gated communities, where the access can be for emergency vehicles. \$1,000,000 is not really much money and he is sure it will cost more than that. He also believes it should be assessed to the neighborhood.

CAROL RANKIN, 5646 Boot Way, is representing the Mission Meadows community, which happens to be the most impacted with SR-76. Some of our property was acquired by Caltrans under eminent domain to widen the road. She supports the right-in/right-out. She wants it to be open and accessible. We need more access in and out of our community. With the wildfires that happened many years ago and probably could be expected again, we need to be able to feel safe to get out of our community if we need to. Her main concern is the extension to the east to the light and putting in a sound wall. That's a lot of money and she understands that a sound wall from Melrose to Jeffries Ranch Road is unfeasible because it's too much money and because the road is encroaching upon Mission Meadows. We've got at least 2-3 blocks that are less than 50 feet away from the roadway that's going to exist once they widen it. The law requires that a sound wall be put in within 100 yards of any residences and she is asking Council to put in to Caltrans that we get a viable sound wall put into that area.

JACQUI HART, 1619 Hackamore Road, stated the bottom line is the safety issue. We have an elementary school in the neighborhood. If a fire was coming from the east, we would not be able to get those children or any other people in that area out. We also have the new magnet high school where they are talking about increasing the attendance there sooner than anticipated, so there will be traffic coming in from both ways again and a lot of inexperienced drivers. With the economy, we need to find the cheapest way to do things and the right-in/right-out is probably the best way. \$1,000,000 seems like a lot of money but it may even cost more than that. She wants the right in/right out and speed bumps to keep people from flying through there on Jeffries Ranch and perhaps Spur with Jeffries Ranch closed.

ALEXA HARMON, 5818 Ranchview Road, has a front seat to all of the construction on the north side of Ranchview. She went through the reports and noticed that the Caltrans sound pressure levels that were measured by the acoustical engineer in 2007 stated 61, which puts it under 65; therefore, no sound wall is required. She's studied audio engineering and knows the difference between 60 and 80 decibels. We

need a sound wall. It's ruining our property values.

We need an in and out for safety reasons and speed bumps on Jeffries Ranch Road. It may be \$1,000,000 but how much is a human life worth? We need that for the emergency vehicles. The residents on Old Ranch Road are unfairly bearing the brunt of this traffic flow right now. Those are small houses with small yards and it's not fair to them. They are young families with small children.

She requested that Council take a look at SR-76 as a whole and realize that the 55 mph speed limit is really dangerous. We have a lot of pedestrian, mostly students, especially on Rancho del Oro and now we're going to have them on Melrose. It's going to take someone getting killed to realize how dangerous this is.

The traffic signal is proposed to go in at Oceanside Produce in a back-door deal with Caltrans.

TIM JEFFRIES, 1256 Sagewood Drive, stated there is obviously a lot of confusion out there right now. He sold all of the Jeffries Ranch homes when they were new and knows what Caltrans told us then but we didn't put anything in writing. We were told that Jeffries Ranch Road would probably remain open but we didn't make any disclosures or assertions about whether it would be open or not because we were never under the impression that it would close. After significant community efforts, a poll has been done and a lot of people are in favor of the right-in/right-out.

Caltrans did promise that the monument for Jeffries Ranch would be replaced. If there's no exit for Jeffries Ranch Road, we're going to be pointing to a monument as we drive by that says Jeffries Ranch on a hillside.

Regarding the assessment district, the City is saying they are going to charge you for the privilege to get to your house. That intersection is antiquated. The only alternative is a right-in/right-out. He isn't a speed bump fan. He likes the way the traffic-calmed areas work. We may not even need speed bumps if we realize that traffic will be about half of what it was before the road was closed.

MARGARET MALIK, 1611 Hackamore Road, stated nobody knew anything until we realized all of our trees were trampled down. Then they said they weren't going to close Jeffries Ranch Road until August, but as soon as the neighborhood started to organize, Caltrans closed it within a week. We came home and it was closed. She did everything, including going to SANDAG. They are going to do whatever they want.

The majority wants a right-in/right-out. She knows it's nice for the people who are living on a cul-de-sac now, but it wasn't a cul-de-sac when they bought there. We have to look at calming devices because, in all fairness to those people, they do drive fast through there. There are small kids all through Jeffries Ranch Road, not just up at the front, and a lot of seniors as well. People are out of control and she doesn't believe the people should get a cul-de-sac out of this and that the majority of the neighborhood should be punished because a few people drive fast through there.

She knows that Caltrans has been difficult to work with and that staff dropped the ball. She urged Council to vote for the right-in/right-out as requested by the majority of the neighborhood, and help the people with calming devices.

Public input concluded

MAYOR WOOD stated having the neighbors here is very important. This has gone on for years and he does recall that there was a promise of a right-in/right-out at Jeffries Ranch Road. Council was as shocked as the neighbors when we saw the plans that had it eliminated. He was even more shocked when he saw the plan to put a traffic

signal at the produce center and not at Jeffries Ranch Road. He had gone down to Caltrans on 2 occasions; once with the City Manager. They seem to be pretty closed-minded to anything even with a promise that they were going to have the right-in/right-out at Jeffries Ranch Road. For quite some time now Jeffries Ranch has been heavily impacted by too many things going on; i.e. SR-76, Melrose extension and the magnet high schools. He would like to see some of this rectified.

He believes the best plan was to put a traffic light at Jeffries Ranch Road; not just a right-in/right-out. He took that to Caltrans and pointed out that there was already a traffic light in the budget; there would be no extra cost, it would just be moved a little distance to Jeffries Ranch Road. Instead of accommodating 4 or 5 big rig trucks pulling into the produce center, they would be handling 1,200 houses and several thousand neighbors. They fought against that. He has heard that they don't want to do it because there would be 2 traffic signals too close to each other. However, with today's technology they could set it up where it is tripped; when nobody is using Jeffries Ranch Road it will always be green east/west until somebody trips it.

It is still his opinion that the traffic signal is the best solution. The right-in/right-out is a good solution and probably a lot less money, but the money to have a traffic signal is already in the Caltrans budget. He doesn't know how the produce center got the signal for the amount of traffic it would impact. We can send a message back to Caltrans telling them what the neighbors want.

He **moved** that the City address the issue of a right-in/right-out. If somehow we take the right-in/right-out to Caltrans and because of the pressure they somehow decide to go to a traffic light at Jeffries Ranch Road, that would be his priority.

DEPUTY MAYOR SANCHEZ seconded the motion.

MAYOR WOOD does sit on SANDAG's Board and it comes down to money. If it's not a popular item, it doesn't get funded. We have to be regional-minded and not just speak for Oceanside. But a right-in/right-out really isn't a cost issue since they are already working out there – it should be cheaper but maybe not.

DEPUTY MAYOR SANCHEZ asked Mayor Wood if he could include in his motion to look at traffic calming on Jeffries Ranch Road, including the potential for speed bumps.

MAYOR WOOD would say yes that the City would be involved in trying to resolve whatever the problem might be. In the past we've had to have the neighborhood get on board for speed bumps, but there might even be a better calming solution out there. Speed bumps are expensive and it seems like once traffic is slowed down, everybody wants the bumps taken out. He would **amend his motion** to include looking at a solution for speeders or traffic calming.

DEPUTY MAYOR SANCHEZ seconded the **amended motion**. She feels for this neighborhood because they've had Home Depot, the elementary school, additional development and the high school, which is going to include the middle school. This is an equestrian overlay community with rural character. They were promised by staff and Council during the discussions about the development that Jeffries Ranch Road would remain open with a right-in/right-out. The community has accepted a lot of impacts, including the widening of SR-76. To have this happen to that community is a slap in the face. The only fair thing to do is to support this.

She doesn't know how the City dropped the ball. There was dialogue with Caltrans and what happened with that she doesn't know. We need to make up for this. Staff has been working hard in conversations with Caltrans, which is a slippery slope. She has kept most of the messages she has received from the Executive Director from

Caltrans and almost every one was a different message. It's very frustrating.

It was around last February that she started receiving calls from the community about bulldozers destroying their signs, trees and monument and she had no idea. She thought it was a mistake. No one at City Hall knew. We need to figure out how to pay for this, but this is a public safety issue to get the families, horses, etc. out. We need to step up and make this happen as soon as possible.

COUNCILMEMBER FELIEN knows this is an important issue for the community and he has no problem with the road, per se, in terms of aesthetics or environmental grounds. It's simply an issue of money and where it would come from. He is as perplexed as anyone on how a fruit warehouse gets a signal and a housing tract serving thousands of people does not. That is the government at work and a good reason to depend less on government. He agrees with the Mayor that the idea of proximity of signals is a phony issue that can easily be addressed by technology. From hearing the comments, there seems to be a consensus for the right-in/right-out and that's probably better than trying to string along the back side of the housing tract and put in a signal down the road. Hopefully in the future we can get a signal down the road.

He asked staff if we pick either option tonight – either the right-in/right-out or the signal – when would we be at the ribbon-cutting ceremony.

MR. AMBERSON responded that is contingent on how the project is funded. If we take the option of going through TransNet funds that's going to take some time to secure that funding and program it into the RTIP. If an assessment district was established, that would take some time. A couple of years is the best case scenario. There is some environmental review that's got to take place before the final engineering and construction.

COUNCILMEMBER FELIEN guesses that in dealing with the government we can double or triple that estimate to 4 or 5 years. One thing he didn't see addressed in the staff report, if we're going to go forward without acquiring outside funding, what internal funding sources exist for this kind of project. Obviously we'd have to take it from somewhere else and move it over to the road.

MR. AMBERSON responded beyond the TransNet funds, the Circulation Element Thoroughfare Fee Program was reviewed as earlier indicated. Beyond that, we haven't been able to identify any sources.

COUNCILMEMBER FELIEN asked where does all the funding for those programs come from; are they Countywide sources or are they specifically City sources.

CITY MANAGER WEISS responded our transportation-related improvements are funded from essentially 1 of 2 sources; one is developer fees which can only be used to improve roadways or build roadways that are shown on the Circulation Element, of which this is not. The other one that we have some discretion over are TransNet funds. In order to use those funds, the improvement project has to be identified in part of the RTIP. Other than that, the only other funds that Council would have at their discretion to use for any purpose would be General Funds.

COUNCILMEMBER FELIEN hates to bring up Melrose, but if we get TransNet funds, do we make the specific decisions or do we require votes from other cities. If we're requiring support from other cities and we vote down Melrose, which is a regional transportation artery, he doesn't see that we're going to get any support for TransNet funding. Is he correct in that possibility?

CITY MANAGER WEISS responded within TransNet there is a local share of transit that we get. There is a portion, about \$1,200,000 per year, that we have to use

for street maintenance purposes and then there's another portion which varies by population and a number of other factors, that is at our discretion. As long as we use it for roadway improvements that we can demonstrate are either capacity-enhancing or improving a deficiency, they are solely at our discretion and we do not need support or approval from any other entity. We get to put it into the local portion of the RTIP, but it does need to be approved by the SANDAG Board. He is not aware of any project that we have put into the RTIP that has ever been challenged in that regard.

COUNCILMEMBER FELIEN asked if there are any studies or statistics in terms of how a right-in/right-out opening would improve response times to the far end of the tract.

MR. AMBERSON is not aware of any studies for right-in/right-out.

COUNCILMEMBER FELIEN asked if there is a rough estimate. He assumes they must have considered or discussed it. We've heard that response times are a primary concern, so he's wondering if it has been looked at in an official way to come to some determination that the project is important to public safety.

MR. AMBERSON responded it does provide an alternate access to the neighborhood. One can speculate for example that given the location of fire stations that they would be coming from the west and may be likely to turn south on Melrose to access the neighborhood that way. On the other hand, if there's an event or a situation on Jeffries Ranch Road near SR-76, it might be quicker to access the Jeffries Ranch Road right-in/right-out intersection that way.

One other thing about right-in/right-out is that there are no conflicting movements. It's a right turn, not a left turn, where left turns are usually waiting for a gap in the traffic stream. A right turn is a pretty quick turn movement that is usually unimpeded. If it's restricted access, you're not going to have any conflict. In that respect it's pretty efficient movement.

COUNCILMEMBER FELIEN stated his comfort level on this issue is he likes the idea of right-in/right-out but he feels voting tonight we're going to be kind of blind. He wants to get his arms around the total budget issues the City has and identify the funding where this is specifically going to come from; whether or not we do it internally or wait. If we're voting tonight contingent upon getting outside sources, he would be happy to do that, if the maker of the motion wants to amend it to that effect, but he doesn't want to commit to Oceanside funding until we've got a better grip on our budget.

COUNCILMEMBER KERN is of the mind that he can't support this tonight because he doesn't know how we're going to fund it. He was against the feasibility study because it would get to this point. It was either going to be unfeasible or we would get there and not have the money to build it. It was disingenuous of the previous majority to go through this exercise and promise we were going to do something there without any funding source identified. If there is some money out there on a regional basis that's available, we can look at that. As of right now, just going by the staff report and the slide presentations, neither alternative qualifies for funding through the thoroughfare fee program because it's reserved for Circulation Element streets only.

It was also determined that neither alternative qualifies for TransNet funding because the project needs to be identified and programmed into the RTIP. The City cannot do an RTIP amendment for this because SANDAG has closed the new submissions until late spring of this year. If we can identify some funding through RTIP and have SANDAG come forward with that, it would be fine. But to have Oceanside take our internal TransNet funds for our own traffic improvement from other neighborhoods to do this concerns him. If we can find an outside funding source to do

this, he would support it, but he's not going to use any internal funds to go forward with this. The only other alternative is if the neighborhood wants to assess themselves, but that is not his call.

DEPUTY MAYOR SANCHEZ thinks we could go ahead and vote to give direction to staff to begin the amendment. Spring is not that far and it will take us a bit to put the amendment together. She had a conversation early on with the City Manager about funding and we are eligible for TransNet dollars for local projects for the next couple of years for \$13,000,000. So, \$1,000,000 for a neighborhood that lost something and is only getting back what it lost is fair. She thinks the way we can address the funding is to direct staff to begin the amendment process for TransNet and submit it for this spring.

MAYOR WOOD stated SANDAG is someone that we can go to but he thinks we might have better luck with a vote from the Council regarding Caltrans.

CITY MANAGER WEISS stated whether we use local or regional TransNet money, in the absence of a project, we couldn't even put it into the RTIP. The action tonight would be to approve the right-in/right-out, if that's what is decided on - you don't have to approve moving forward with the Negative Declaration or anything else - and direct us to seek funding. With that, we could then amend the RTIP and move forward. If Council does not approve a project tonight, we cannot amend the RTIP or look for alternate funding because we don't have a project identified.

COUNCILMEMBER FELLER stated SR-76 has been in the works for 50 years so that's how quickly government works. In 1994 Jeffries Ranch Road was taken out but Secretariat was in the project and that was the other exit out. There are people in this room that killed Secretariat by killing the 44-unit project. Somewhere between that point, somebody said they would allow right-in/right-out. That never got translated from 1994, so that's why we're here at this point.

There are other exits that were built to get out of that neighborhood - i.e. on the end of Belmont Park to connect with Hutchinson - that are now infeasible. This is, unfortunately, a mistake. He kind of blames the people that didn't allow Secretariat to be built; that would have been a full interchange. The real issue here is for the people who want to drive in or out that direction. It will mostly be used for coming home from the other end, and he thinks that's a pretty safe exit.

He would approve this as long as there is availability with RTIP to get this in the program. He's not opposed to bringing this back if we can't get a project out of SANDAG added to our program. We just don't have the money. He's not sure that we're not going to have to give something else up. He hopes everyone here is going to support the extension of Melrose when it comes up.

CITY MANAGER WEISS suggested that the motion be to select the right-in/right-out option and direct staff to seek [external] funding sources.

MAYOR WOOD agreed that would be his **motion** (to select the right-in/right-out alternative) with direction to staff (to seek external funding and look into solutions for traffic calming).

DEPUTY MAYOR SANCHEZ as the **second concurred**.

COUNCILMEMBER KERN stated if we're going to go out for funding to SANDAG and put it in the RTIP for this spring to see if we can get SANDAG funds for it, then he will not oppose that. We have no internal money so if it doesn't make it to the RTIP which has competing projects, and SANDAG doesn't fund this, it will not get built.

He knew Jeffries Ranch Road was going to close 4 years ago when he brought Melrose back. A speaker said originally Jeffries Ranch Road was scheduled to be closed because the plan was that SR-76 was going to be a freeway years ago. In the late 80's/early 90's it became the expressway. These plans change all the time. People can blame Caltrans but if they would have built the freeway like originally intended, we'd still have this problem. He doesn't mind asking SANDAG to fund this project, but he will not sacrifice this project for other internal projects in the City for other neighborhoods.

MAYOR WOOD believes that if we had a 5-0 Council, then we could send appropriate letters to SANDAG and Caltrans that as a united Council we want this fixed and if it means moving the traffic light over at no extra cost, it would be a nice thing for Caltrans to get.

COUNCILMEMBER FELIEN stated if having a vote here tonight is required to start a process to search for funding, he's in support of that as long as everyone in the audience realizes we're committing to outside funding and the vote tonight isn't committing to internal funding. For him personally, that doesn't rule out the possibility of internal funding if it's feasible down the road based on what happened. He supports the idea of a letter. This is a small step forward and he would support the Mayor's motion.

COUNCILMEMBER KERN doesn't want to confuse the issues with the signal and the right-in/right-out. Let's put the right-in/right-out into the RTIP request. If the Mayor wants to make a separate motion about sending a letter to Caltrans, we can do that. He doesn't want to confuse the issues.

CITY CLERK WAYNE stated the first motion that's on the floor is to select the right-in/right-out as the option with direction to staff to seek funding and solutions to traffic calming.

For clarity, due to the agenda statement, this action does not include any calls for bid of any kind.

Motion was approved 5-0.

MAYOR WOOD moved to send a letter to Caltrans and SANDAG on the interests of this particular Jeffries Ranch Road.

DEPUTY MAYOR SANCHEZ seconded the motion.

Motion was approved 5-0.

[Recess was called from 7:33 PM to 7:45 PM; Deputy Mayor Sanchez returned at 7:46 PM]

18. **Update of City's financial forecast and presentation of FY 2011-12 budget outlook**

CITY MANAGER WEISS stated this is to give Council an update on the City's financial forecast overview and an outlook of what the fiscal year 2011-12 budget is going to look like.

Over the past few years the City has prepared a General Fund financial forecast. It's important to note that the financial forecast is not a budget, but simply looks forward at the City's General Fund revenues and expenditures and trends them in regards to how things are looking in the absence of any significant change. The purpose of the forecast is to look at shortfalls and issues and be able to put us in the position of being able to proactively address those shortfalls and take corrective measures. The City has used the financial forecast over the last several budget cycles,

which has resulted in us being reasonably successful in addressing some of those issues, constraints and concerns.

For this current year, our adopted budget is about \$113,000,000 and we are looking at a completely balanced budget. However, we have noticed over the past few years that we do have ongoing increases in expenditures and our revenues are remaining reasonably stagnant. The primary increase in those expenditures are the direct result of our employee costs associated with wages, benefits, health insurance and PERS costs. As we look at our personnel costs, for fiscal year 2010-11 our total personnel costs are around \$74,800,000 and they go up roughly \$2,000,000 per year over the next several years.

We are aware that PERS is looking at potential changes in how they look at their rates. This includes modifying their rate of return, which is now 7¾%. They are looking at dropping that to either 7½% or 7¼% and will possibly take action in February. As we get that information we will pass it along. As PERS reduces their rate of return estimates, it does affect how we have to view our PERS contribution rates as well. The forecast does have specific items that show what the impact would be on our PERS rates if they went from 7¾ to 7½%.

As we project that forecast looking to 2011-12, we did include all of our revenue sources and franchise fees – Cox Cable, SDG&E, etc. – and it does include the \$1,700,000 from Waste Management as a general revenue. Estimated deficit for 2011-12 is approximately \$3,600,000 [without using the \$1,700,000 from Waste Management the deficit is \$5,300,000]. In the past the Council's direction has been to systematically reduce programs but not eliminate any one program. We've been reasonably successful in that regard and although there has been impact to the community, it has been minimal. Our sports fields have had little impact and we've continued to provide a high level of maintenance to those fields. On a number of other programs, other than some minor inconveniences, there hasn't been a significant impact; no direct reduction or full elimination of any one program. However, it's unlikely that we'll be able to continue in that regard based on the overall deficit picture and the ongoing deficit that we'll be seeing over the next few years.

We have several options in regards to the budget. One is increasing revenues, which is highly unlikely. Our major sources of revenues are property and sales taxes and we have seen from the County what amounts to a .75% increase in property values in the CPI; however, we are still facing several thousand reassessments that have been forwarded to the County in regards to individual reassessments for homes. Those reassessments by far offset the slight increase in property taxes. As well, our sales taxes were projected to be flat. We get them quarterly and so far we are tracking what had been projected for this year, but we still have not seen a final number from the holiday season. We're hoping that, if nothing else, it stays with what our projections were.

The other option to look at is decreasing expenditures; to either further reduce, eliminate or outsource programs and services. In regards to those programs and services, in the staff report as an attachment we've listed all of the City's General Fund impacted programs and services and their effective costs. That means that there are certain costs within those programs that, even if we were to completely eliminate those programs, we still have to pay. Those include the debt service on the City building and some other fixed costs that are allocated within each department.

The programs and services that we're looking at in general terms are public safety and our infrastructure. We've also looked at core services being the maintenance and support services that support those key services which include Finance, Risk Management and Human Resources. Then we're looking at non-core discretionary services, which are community and cultural services.

Tonight we are not here to present or approve a budget. We're asking Council to provide general direction. We have scheduled a Council workshop on February 22, 2011, at 2:00 p.m. for an overview of PERS and the PERS system with an outside actuarial that provides service to many municipalities throughout the State who will give a presentation on what we can expect from PERS over the next few years. We're also looking at a potential Council workshop in the beginning of March. Staff would be bringing to Council a listing of programs and services to be funded and those that should be reduced or potentially eliminated, depending on the level of reduction Council is looking for. Council would have an opportunity at that point to validate staff's recommendations or establish a separate priority list. We need to do that in March so we have plenty of time to go back through the budget process, do a separate budget workshop and then ultimately adopt a budget in June.

The key for the Council tonight that he and staff are looking for is whether the Council is going to support some form of revenue enhancement. Is Council interested in some form of sales tax measure, or other tax or fee increases that would help adjust the City's overall budget picture. Keep in mind, if Council is interested in a sales tax measure, the timing of that would not affect the City's budget for 2011-12. It probably wouldn't affect the City's 2012-13 budget, but it's something that we could rely on and show as a revenue receivable that would offset future impacts.

The other issue we need clarification on is would the Council be supportive of an evaluation of wholesale outsourcing of programs. We do currently outsource a number of programs and portions of programs, i.e. restroom cleaning in the harbors & beaches and mowing of our parks, but we have not wholesale outsourced any one single program. He asked if that is something Council would be interested in considering. The issue is an evaluation; we have not made a determination if it would be cost effective or not. If that's something Council would like staff to consider, we would be able to do that. With Council's approval earlier this evening of the PFM contract, that is something that we would need to know to be able to provide them direction on as well.

He asked if Council would support complete elimination of programs, which is contrary to past direction to not eliminate any one particular program but simply reduce them. He also asked if Council would be interested in a drastic reduction without a complete elimination of programs. Depending on the amount of reduction that we're targeting, it is highly unlikely that we will be able to continue providing the same levels of service we currently provide to this community. They will have to be visibly reduced at some point.

Public input

DONNA MCGINTY, 2405 Mesa Drive, stated the current reports for online sales revenue are pretty staggering, to the tune of about \$34,600,000,000 last year and another 14% up from that at the Christmas season. That may have a lot to do with the fact that a lot of the doors are closing in brick and mortar operations. Some of the services the City provides probably should be put out to competitive bidding in the private sector since a lot of them have been out of work for a long time.

At the top of her list for eliminating public funds to programs is KOCT. They have taken advantage of the opportunity to do business with the City and they are just now in compliance for the first time. They delayed the responsibility of correctly reporting until the last couple of weeks. They choose to ignore the demand put on them in fairness to every other non-profit in the City. Their money needs to go back and stay in the coffers unless it's absolutely called for.

JIMMY KNOTT, 127 Sherri Lane, stated that all variables are not included in the presentation. Regarding sales tax revenues, there is a question on high and low

anticipation. There has been mention of the economy turning around slightly and what are those projected numbers. He asked about the projected numbers of foreclosures, as well as business closures or openings. We need to know the impact of the Governor's proposal to take Redevelopment money away from the cities. We should look at combining or blending duties throughout the City/agencies. Also, we are not enforcing the Charter of unfunded mandates. There are a lot of areas that are not being contested. We should provide for more citizen involvement in the duties.

LARRY BARRY, 3973 Brown Street, stated foreclosures are up in Oceanside and the value of houses are at an all-time low. There are a lot of vacant houses and buildings. As far as sales tax or some sort of fee tax, we are taxed enough. When you tax business owners it means they have to cut something and that's usually laying off a person or not having a service to use. The City has to cut back on programs; it's just a fact of life. CalPERS lost almost 40% in the stock market and we have a mandate to pay those obligations that we are committed to. Having the workshops is a good idea but we can't do anything until the Governor comes up with his ideas of what he's going to do. Things have to be cut. Oceanside is not a wealthy city.

KATHY CHRISTY, 3250 Roberta Lane, President of the Library Board of Trustees, stated that in these bad economic times the library becomes more important than ever for the citizens and provides a lot of valuable resources and services. All of the resources contribute to the literacy of the community. The more literate our community is the better off we'll all be. The library has taken some cuts and the staff is working very hard and the library is more valuable now than ever.

ADRIANNE HAKES, 1630 Lopez Street, is on the Library Board of Trustees and facing the same dilemma that Council faces in reducing budgets as she is also on the school board. She reminded Council that the library is important to the community, from senior citizens to toddlers. We provide programs and have resources for all of them. We have a very valuable group [Friends] of people working for the library and bringing in over \$100,000 to provide programs and materials through our Friends of the Library. They also give a lot of hours of volunteer work to assist staff. As Council looks at where they are going to be reducing money we hope you keep in mind the commitment and quality of life improvement that the library provides.

ART MANDELBAUM, 3890 Vista Campana, stated it seems like he's been up here before with the same pleading, except this year we're in bigger trouble because the State is in trouble and we've already had news from Sacramento that the State library is not going to be funded by the State this year. The subcommittee for the Assembly or the Senate is meeting on February 1st to discuss the amounts of monies that are going to be allocated, if any. On February 7th the other branch of the legislature is going to be speaking to this. We don't have much time. He concurs with his fellow librarians. There is only one pot and we are only asking for our share of the pot.

CHARLENE WILLIAMSON, 121 Parnassus Circle, is a Trustee and President for the Foundation for the Library and one of the services we provide is a marvelous collection of computers; we will have 42 by March 2nd in the main Civic Center Library, the bookmobile and in our branch. Those computers sometimes have a waiting list of many people for each computer. The people desperately need this resource, not only for entertainment but also jobs and other resources. It takes some staff to supervise this. We have volunteers that are doing a lot and staff members that are writing grants like crazy trying to get more computers. We don't have enough funds to finish the computer training room that will be in the new library. We have people who have donated money to the library for this reconstruction. All the beauty of the newly reconstructed library won't do us much good if we can't open our doors. She urged Council to please help and remember that we do need our share.

Public input concluded

COUNCILMEMBER FELLER stated we still have quite a bit to do in the Redevelopment Area and he's read where some other cities have tried to maximize what's going on in their redevelopment areas. He asked if we are preparing for that ourselves.

JANE McVEY, Economic Development & Redevelopment Director, responded on our actions to date: last Thursday she went to our bond counsel's office in Orange County to find out the status of not only our existing cash in the bonds that were previously issued in December of 2003, but what their take on the Governor's action would be. They indicated that they did not think that the actions of cities that were issuing resolutions of intentions or other such things would probably meet the threshold requirements of the language from the Governor. The Governor is going to be submitting the specific language so we can get a better definition of what's committed when they pull the trigger and try to grab the cash and future cash flows. We need to see how they're going to define 'committed'.

February 3rd is the first hearing on the issue and February 7th at 2:00 is the second hearing. We have evaluated whether or not we should move money, sell property, issue bonds, etc. and there are effectively 2 columns of cities; the ones that are on the panicking side and the ones that are trying to stay calm. So far, we're in the calm section because we believe that we've submitted all of our reports to the State timely, which outline very clearly our indebtedness. Our Statement of Indebtedness lists our obligations to S.D. Malkin, the City loan and all of the debts that we have. According to what we've read, we would still have the ability to receive increments to pay those. However, until we see specific language on the first, we don't know for sure.

COUNCILMEMBER FELLER stated in Council's back-up it talks a lot about the benefits. Payroll is \$75,000,000 this year; but of that, \$24,000,000 is in benefits.

CITY MANAGER WEISS added to Ms. McVey's comments that we are aware that some of these agencies that are jumping to take some kind of action could be putting themselves at risk depending on what the Governor actually does. They make some obligations and may find themselves in some type of a contract situation because of their rush to do something.

COUNCILMEMBER FELLER stated our budget situation is not going to be fun for the next 3-5 years. The payroll and benefits are such a large portion of our budget, we're going to have to look at every possibility. He asked about the PERS workshop.

CITY MANAGER WEISS responded the PERS workshop is on February 22nd. We are looking to have a workshop with the Council in early March, based on Council's direction this evening, where we would start putting together some budget recommendations for Council so we can bring them back in early March to validate looking at programs that we would and wouldn't fund, based on Council's direction this evening.

COUNCILMEMBER FELLER asked if that's going to take into account the discussion that we had about furloughs, etc.

CITY MANAGER WEISS responded it depends on how far we get. We will be able to, based on Council's recommendations this evening, put a general dollar amount to that to provide to Council.

COUNCILMEMBER FELLER stated about a year ago he got some information about privatization and he believes we need to evaluate all of the options that we can to reduce the City costs for services. Probably we can look at some of the opportunities for maybe higher quality for lower costs if we look at some of the privatization opportunities

as discussed. He is interested in that but doesn't know where they fit or what it will be addressing. Staff is very capable of looking at this.

He would also like to have it explained, maybe at the workshop, how all of these golf course, supplemental law enforcement, red light and other traffic fines, development service fees etc., play into the budget. He thinks PERS is a perfect example of everything being done with smoke and mirrors. He doesn't know how they can even think the way they operate. He would like at least a couple of budget meetings, as staff sees we need them, between now and the first part of April. He doesn't think that we can wait any longer than that because there's a lot to address in the next few months.

Going through the City Manager's list, **COUNCILMEMBER FELIEN** would be in support of the evaluation of wholesale outsourcing of programs. We're a service provider organization not an employment organization, so we need to find the best ways to save taxpayers' money and have our staff bid on any of those services, but it needs to be based on free market competition and not monopoly pricing. Between the issues of complete elimination of programs versus drastic reduction without complete elimination, he would rely on staff's judgment on whether or not a program reaches a point where it's no longer viable when we reach a certain level of reduced funding.

On Item No. 1, Revenue Enhancement, he would not be in a position of supporting any kind of sales tax measure, supplemental property tax/parcel tax or anything along those lines until we get a lot more serious in terms of our labor negotiations. He used as an example that in the last fire contract that was approved on Page 12, Section 4.04.1, it says holidays, scheduled vacation shifts and sick leave hours will be treated as hours worked for purposes of computing overtime. When we are paying overtime for being on vacation, we don't have the moral authority to go to any taxpayer and ask them to pay more. We have tremendous respect for the work that our public safety employees do, but the respect needs to go both ways and he doesn't believe that paying overtime for being on vacation shows respect for taxpayers. Until we get those kinds of provisions out of our labor contracts, he will never support any kind of tax increase.

COUNCILMEMBER FELLER asked if the 5-year forecast is on the City's website.

TERI FERRO, Financial Services Director, responded yes. It is at the top of the Finance Department page.

DEPUTY MAYOR SANCHEZ supports reducing some of our programs, i.e. looking at the 2010-11 General Fund program costs. She knows that some of this is going to be different in 2011-12; KOCT, the Chamber of Commerce, Development Services, etc. Development Services is one that is supposed to pay for itself and she knows the City has talked about the City projects not being able to pay for themselves, but we're talking about \$2,000,000 that is being funded by the General Fund for Development Services. She thinks that Development Services is out of whack. We've worked at trying to get this under control by streamlining and trying to make it a process that will not require as much either for the person coming in or by an employee. But \$2,000,000 is not acceptable. Economic Development is another department that she can see getting cut.

She'd like to hear from each department head that are essential services, including the library, on how they can function the next couple of years, and what they would propose to be cut for some period of time. We are going to be, as a Council, looking at personnel costs/benefits. The City Manager is asking us to look at the next couple of years. Whatever we decide to do – whatever the State and County decide to do, in terms of personnel costs, this is a regional issue. The next couple of years we need to unfortunately burden some of our departments in a way that is not going to

impact the majority of the residents. She understands we're going to have to deal with a lower level of service in some things and she thinks Development Services – who didn't get any cuts at all last time - is a place where we need to make those cuts. Development Services was the one department who was hiring last year when all other departments were laying off or deleting positions.

It's difficult for this Council because Council likes the idea of preparing for the future. When we had the extra money, she was pushing for future planning. We knew it was going to cost money and at the time we thought we had it. Now we don't. So, future planning is something we did as a fluff. She understood that we had never done future planning before in the budget because we never could afford it. We can't do that now.

She doesn't like to say that we will provide a lower level of service but she thinks our community will understand that for the next couple of years. She doesn't think our residents will understand cutting services completely. She knows that the City Manager has been looking at what could feasibly be outsourced in terms of cleaning bathrooms, etc. There are certain things that we do as a City that we do best. She has heard some complaints about maintenance, but we try hard to keep our beach clean. It's the one showcase that Oceanside has. Our staff has done a tremendous job in terms of maintaining our parks and our beaches. When contracting for certain services, we will not get the same level of service and we will get what we pay for, which sometimes is sad.

She also thinks that we should use the revenue from our waste hauler contract. That is \$1,700,000 that we'll be getting this year, plus most of the \$1,000,000 that we got upon signing. We talked about the beach sand replenishment project, which is critical for us; our businesses, our infrastructure and our tourism. We have a rate stabilization fund and she understands that some Councilmembers feel that those funds should go to our rate payers, but our rate payers are not going to feel 50¢ a month. It's going to be buried by the hikes in water and sewer. Plus, we have stabilized rates for the next year and a half. We have the lowest of 3 as agreed to, and having a certain level of service. Our new rate hauler contract is even a higher level of service and getting us on track with recycling by having that 75% goal by 2020.

These are difficult decisions that Council will be making but there are places that we can cut that will not be felt immediately, such as Development Services, and that we can get through the next couple of years. There's \$2,000,000 in Development Services and \$1,700,000 for the waste hauler contract, plus some of the other million. She knows that the library is critical. There are people who are being laid off and trying to re-skill. Unemployment continues. We need to be able to assist people in getting those jobs to participate in our local economy. The library is critical to maintaining our employment rate.

COUNCILMEMBER KERN stated the revenue enhancement sales tax measure is not going to fly. You can tell by Proposition D in San Diego where they had all of their public safety, the Mayor and most of their Council trying to push a sales tax measure and they got crushed. People feel that they've been taxed enough and they're not going to buy another sales tax measure. Governor Brown thinks that's going to fly when he puts it on the ballot in June, but it's going to have the same results. The State's going to be looking at drastic cuts in the next couple of years so we're on our own as far as how we do that. We aren't going to have any revenue enhancement.

Regarding the evaluation of wholesale outsourcing programs, the only problem he has is wholesale. We can look at the programs in total and find out what can and can't be outsourced; look at those functions within the program to find out what portions of that program can be outsourced. Regarding complete elimination of programs versus drastic reduction without complete elimination, if we're going to

drastically reduce the program we might as well eliminate it. That's the one thing we all have to realize. There is going to be a reduction of service. Sales tax is flat. Online sales are going up and the brick and mortar businesses where we collect tax from are stagnant or declining.

He's heard conflicting reports about the last quarter of last year, which included the Christmas sales nationwide. It was not as robust as everybody had predicted or hoped for, so we probably aren't going to get any relief from that. Banks are sitting on their foreclosures and thankfully so, because if they dumped all of their foreclosures on the market at one time the actual property values would drop off the map. We would probably see another 10% decline in our property tax revenue because those properties would come on and flood the market and their prices are going to be 30-40% lower than what's out there right now. He thinks property tax is going to be flat for the next few years also. We're going to have to play with the hand that we're dealt.

Unfortunately 80% of our budget is personnel costs, which is the biggest hit. He has an item on the agenda tonight about how we change what we're doing. If you listened to the President last night, you can't do things the same old way. We're going to have to re-evaluate how we do things and look at not just the next year or 2, but the next 5-7 years. He doesn't see anything happening on the economic front for at least the next 5 years.

He appreciates the library and knows a lot about the Friends of the Library, who made \$2,000 last weekend at their book sale. It is a valuable service but do we need 2 libraries or 2 senior centers. They're nice to have, but when it comes to our core services, what are those things we have to provide. That's going to be the basis of where we go forward. Anything that's not a core service or a mandated service is going to have to take the brunt of the hit.

Unfortunately, the fire contract took fire off the table and they put the staffing level in the Memorandum of Understanding (MOU). At that time he said it was poor public policy and that is coming home to roost right now. We'll be paying for that for at least the next 2 years because their contract doesn't expire until next June. This demonstrates that the decisions we make have an affect 1-5 years out. We are going to have to look long and hard at this and how we evaluate what government does, what it should do and how we change as a City because we are forced to now.

Last year at this time he asked for an efficiency evaluation for everything so we could get out ahead of it, but that was voted down 2-2, with he and Councilmember Feller supporting it. If we would have done that last year, we may have been reaping some of the rewards this year. We all have our favorite programs, departments and personnel that we've known for years, but it's going to be a real hard decision and we're not going to be popular with the public.

Does the City Manager have adequate responses to his questions.

CITY MANAGER WEISS stated at this point we are using the target of the \$3,600,000, which does include as a revenue the Waste Management money [\$1,700,000]. If there is contrary direction, because there is an item on the agenda today for Council's next week's agenda that re-allocates that money, it would be nice to know if our target is \$3,600,000 or \$5,300,000, because that's a fundamental difference. He at least needs from the Council some general recommendation whether we want to use the [\$1,700,000] money in the General Fund to offset costs or not.

COUNCILMEMBER KERN feels that the \$1,700,000 is the rate payers' money and it should stay somehow inside that program. He knows Deputy Mayor Sanchez says they won't notice 50¢ a month, but if we can keep that in a rate stabilization fund then instead of having it stabilized for 3 years, it could be stabilized for 6 years. They will see

a benefit from that. We all want the money in our General Fund, but that's the rate payers' money but that's agendized for next week.

CITY MANAGER WEISS stated what's agendized is where Council is allocating it. He needs to know should we include it in the General Fund revenues or not, not what Council does with it after that.

COUNCILMEMBER KERN personally wouldn't include it in the General Fund revenues right now.

COUNCILMEMBER FELIEN would not include it in the General Fund. This gets back to the comments he made earlier that as long as we are paying overtime for being on vacation, the City doesn't have the moral authority to ask anyone for another penny. This was packed into the trash contract. We're paying \$17.80 for our trash. But we're adding on to that to get up to \$19.44 to raise money for the City. It certainly has been discussed in the past that due to loopholes in Propositions 218 and 26, it's not legally considered a tax, but by any economic definition it's a tax. He believes the rate payers need that tax returned to them in some way until the City does a better job negotiating its labor contracts.

MAYOR WOOD stated this is not easy and these are tough economic times. He's been on the Council for quite a while and has been an employee for the City for many years and his approach to this is a little different than everybody's doom and gloom. We have to be a little more positive. We're the third largest city in the County. San Diego, a Charter City, is in a drastic situation and that's their own fault. The next largest city, Chula Vista, a Charter City, is in drastic situations - \$20,000,000 in the hole. The next city in line is Oceanside with a \$3,000,000 deficit, but for a city of our size it's nothing. For the size of our city and what services we provide, \$3,000,000 in the hole is not that drastic. We've done well.

He wants to positively say that a while back we knew that there were problems and the City Manager and staff and Council tried to address that and we kind of knew it was coming. We've done a good job at that. We have millions in reserves. We're better off than most cities in the County. We provide services to the citizens that they have come to expect and want. There is compassion in our hearts about what's going on. There are youth, senior citizens, veterans, etc., and some of those services are quality of life issues for those people. You just don't throw them out. If we have a way to address those costs and try to make some cuts that are not so drastic that it wipes out services, that would be nice. When you look at it from that angle, if we can address this without cutting everybody's throats, including the employees, that's a good thing.

Sometimes we have a Council meeting and not many people show up. A lot of people won't listen to this later on KOCT so we rely on the press. He's bothered because some of the negative comments make it appear that we're so far off that massive cuts have to be made. It's a way to try to get rid of the people that we don't like or want or the services. He's already had feedback from Councilmembers that they don't believe we should be in the business of senior centers, parks and recreation or any of these provided services. In a different world or country that might be the case, but we've come to expect it here in the U.S.

We're talking about what we do with the \$1,700,000 we got from the Waste Management contract and would it help the budget. It's already built into that \$3,000,000+ budget shortage. If it was up to the other Councilmembers we wouldn't even have that to play with. If this \$1,700,000 helps us get down to the \$3,000,000 we owe, we somehow take it back and try to look good to the general public and say we want to do a rate stabilization and give you the money back a few cents or a dollar over a period of time. They probably won't feel it in a sense, but the difference is that changes the budget deficit to \$6,000,000 or more and all of the sudden we have to do

such drastic cuts that your services will be cut.

At at a \$6,000,000 deficit, we'll probably shut down the library and have no services in other places, compared to the \$3,000,000 deficit. There's going to be cuts made. The cuts usually do come from Parks & Recreation and libraries and work their way up. The people that survive are first responders. We are trying to address the budgetary aspect for the future. We shouldn't hamstring the City Manager, that's his job, along with his staff and finance, to work out how to make cuts to make up the \$3,000,000. Later tonight we will be addressing whether the Councilmembers get more time to do it, but that's not their job. We have a right at workshops to give input on what we want and don't want. We don't need Councilmembers doing their own investigation, interfering with staff.

He's trying to be positive. We've done well with our City Manager and staff to only have a \$3,000,000 deficit. He understands that next year is going to be even tougher, but he'd rather be the half full glass instead of the half empty glass. We'll take people's input at those workshops about where we can and can't cut. He thinks we can make up \$3,000,000 without having to do drastic cuts and forcing the City Manager to do things he shouldn't have to do. When people say let's use the money for keeping rates down, that's nice and it looks good to the public; on the other hand the City Manager will have to cut another few million dollars out of the budget when it's already tight, which means people will lose their jobs and we're not going to provide more services to the people.

He has heart and compassion and wants to give back a little bit to the people. He'll give the City Manager hints on a daily basis where he should make cuts. He doesn't need a special ad hoc committee to tell the City Manager where the cuts should be. Council gets the opportunity to give the City Manager input on where we think the cuts should be and he doesn't want to say instead of cutting \$3,000,000, let's give a few cents back to the citizens from the Waste Management contract and make it a \$6,000,000 deficit.

Everyone talks about the budget being 80%+ personnel. It's high and that means people are going to have to be cut because services usually aren't.

In these economic times, if there is such a thing as taxing people, and he knows they don't want it, like he didn't want the water and sewer rates to go up 32% during this economy, but the problem is that some of the ways to bring revenue in is taxing. He doesn't like taxing either, but if he was going to pick one out there for the public to pay taxes in, it would be a half cent sales tax. Why are we the only city in North County that doesn't have a half cent sales tax. If had a half cent sales tax, it impacts people very little and let's some tourists pay some of that sales tax, and it makes a lot of money over a long period of time, which would address our deficit to some extent. He doesn't think most people would even notice a half cent sales tax. Carlsbad and Vista did it. Are there other ways to bring revenue into Oceanside – he's the kind of guy who says lets have slot machines in Oceanside. Why give all the money to the Indian reservations. The tourists that don't want to go swimming can play the slot machines and the revenues come to us. But, nobody wants that.

The best way to make money in the State is to charge extra money on those diamond lanes. There are 300,000 cars going one way in the morning and back in the afternoon. That's 600,000 trips at 25¢ or 50¢ a day. Certain people will pay it and others won't, but they have the option. These are things the State doesn't look at because they don't want a tax but if we're looking at cutting people and services, he'd rather have a half cent sales tax that would help us all. That's the cheapest way. That's how Vista built their new City Hall and fire stations. He's going to let the City Manager know that he'd like to still have that at the workshop to look at as an option to pay for the \$3,000,000. He doesn't think we need to tell the City Manager how to run the City,

they've done a good job of it.

Everybody is looking at 2-tiered systems for the employees but he's not in favor of this because a 2-tiered system for new employees does save some money; however, he told the California League of Cities that it needs to be a State initiative. The reason is that Carlsbad did it and if we do it here, the good employees may not stay here and others may not even want to put applications in here. If Orange and Riverside counties don't do a tiered system, they are going to steal all of our employees and future employees. It is hard to do that because the State can't even get their budget together, so how are they going to do something new. He doesn't respect the State at all; they haven't done us any good. In fact, unfunded mandates have killed us over the years.

It shouldn't look like doom and gloom here in the City. We are addressing the employees; their benefits, etc., and we're moving in that direction. They are called MOU's with the employees. They are written up and tell us what we can and can't do. Nobody does it any different in the U.S., they barter with their employees the same way. It is going to have to change but that's what we're trying to do to make up this deficit. He doesn't know if it's going to be over soon but hopes it is.

DEPUTY MAYOR SANCHEZ wanted to address the waste hauler contract because she spent time educating herself about something that she knew nothing about. She spoke to many people, including other cities, and the one thing that she learned is that just about every city, except ours, had been collecting a franchise fee and the reason is these big trucks have damaged streets on a daily basis and it has been the General Fund that has subsidized our waste hauler contract for all of these years. When we said we wanted to have something coming back to the City because of this money that we have spent every year that should have been cost neutral, we talked about an amount. If we had not pressed that franchise fee, we wouldn't have gotten the same rates and Waste Management would have gotten a bigger profit. That's all that would have happened. But we pushed for a franchise fee because we needed to stop subsidizing what has been happening to our streets and our community. This is really putting it back on a cost neutral.

This money going back to the General Fund will be able to assist us. It's going right back to our residents. If you want to think of it as a tax, it's going right back to people through services. So, it's not an increase. If we had not pushed so hard, we wouldn't have gotten a franchise fee and we wouldn't have gotten changes in the rates because we were already being told that these are the third best rates in the County. So this is frozen at $\frac{3}{4}$ of the CPI for San Diego. If we would have taken our trash to Sycamore, we would have not had a franchise fee; that's how much more it would have cost us as a community - \$1,700,000. So having it taken to Corona, their own landfill, which actually impacts the tipping fee, is how we were able to get this franchise fee. Maybe it's a misnomer and we should call it something else. But this is money that never would have come to us, either through the rate payers for reduced rates or the City. This is something that every city is getting, just like Cox Cable re the impacts to our streets. This is how we make things cost neutral.

The \$1,700,000 is going to make a huge difference to our community and its quality of life in terms of public safety, after-school programs and keeping crime down. The City has suffered in certain areas which impacts our image. When we talk about our dream hotel, one of the things that is on the mind of the developer is the image of Oceanside; is there going to be crime here and is he going to have a hard time getting financing. If we can keep the quality of life that we've reached and use the waste hauler money for what it was gotten for – to put it back into the residents – then we should do it.

CITY MANAGER WEISS has heard 2 Councilmembers (Wood and Sanchez) say to use it and 2 say not to use it (Kern and Felien). He asked Councilmember Feller if he

wants staff to prepare a recommendation based on the \$5,500,000 or it can be less. He needs some clarification.

COUNCILMEMBER FELLER hasn't thought this through. He felt that we should use the money initially to somehow benefit the rate payer. He heard that the roads are in bad shape because of the trash trucks and that would benefit the rate payer if we were using that money for that particular purpose. This is a Council that gave pay raises to several labor groups in the last 3 or 4 months. He doesn't know how the public can sit still for pay raises in this environment. He would go ahead with the higher amount.

CITY MANAGER WEISS stated we can do that as a worst-case and Council can always modify it later.

COUNCILMEMBER FELIEN asked for an explanation from the City Attorney. It seems Council is debating his item before it's even officially been published. Have we crossed the line?

CITY ATTORNEY MULLEN responded as the City Manager indicated earlier, the feedback he's trying to get is how much of the hole he's going to try to fill; not how does the money get refunded. If, in fact, the Council's decision is to not use the franchise fee for the General Fund, then Councilmember Felien's item next week will be discussion on what to do specifically with that money. At this point, the City Manager is trying to get direction about how big of a deficit is he attempting to remedy for the General Fund.

COUNCILMEMBER FELIEN felt that Deputy Mayor Sanchez's speech went far beyond that simple request and he could rebut a good portion of it but time would go on and on. He feels he's been left hanging here and the process was somewhat abused.

20. **City Council: Approval to implement Phase II of the Citywide Red Light Photo Enforcement Program, which will add to the program the intersections of Vista Way/El Camino Real and College Boulevard/Old Grove Road**

KEN GOW, Police Sergeant, is asking for Council's approval to implement Phase II of the Citywide Photo Enforcement Program. In looking at whether or not to implement Phase II, we looked at Phase I and how effective it was. Since Phase I was implemented in December of 2004, hazardous red light violations have decreased 56% at the intersections of Mission Avenue at Canyon and Oceanside Boulevard at College Boulevard. They went from a high in 2006 of 289 to the current levels, both in 2009 and 2010, of 169.

The other thing we looked at was how many red light traffic collisions are still occurring at those intersections. They went from a high of 5 at Mission Avenue and Canyon to zero in 2009. For College Boulevard at Oceanside Boulevard they went from an average of 2 to less than 1.

One thing we always look at on the red light camera programs that comes up is if we implement these, are rear-end collisions going to increase. When we looked at our stats on that it is true; at one point they do go up, but then they'll stabilize. If you look at College Boulevard at Oceanside Boulevard, in 2004 there were 6 rear-end collisions; we implemented the program in December and in 2005 they went up to 8. Since then, they've dropped to zero in 2009. On Oceanside Boulevard approaching College Boulevard, in 2004 there were 3 rear-end collisions. They went up to 4 in 2005 and they dropped down to zero in 2009.

On Mission Avenue at Canyon Drive, rear-end collisions were at 2 in 2004, they hit 4 in 2005 and in 2009 they dropped to zero. On Canyon Drive at Mission Avenue, there were zero in 2004. We had 1 in 2005 and it dropped back down to zero in 2009.

Looking at where we should expand the program for Phase II, there were initial intersections years ago when we first implemented the program that identified Phase II intersections based on traffic collision data. We looked at 4 of those initial 8 intersections to continue to assess for the expansion this year. Looking at traffic data, we also decided to look at Old Grove and College Boulevard based on that data. We looked at Oceanside Boulevard at El Camino Real, State Route 76 at College, Vista Way at El Camino Real and Mesa Drive at College. Based on the assessments of traffic data as well as a video survey of those intersections that occurred from 6:00 a.m. to 6:00 p.m. on a Monday or Tuesday, we came up with a recommendation for Vista Way at El Camino Real, a westbound and an eastbound approach onto Vista Way, and Old Grove at College Boulevard, northbound College and eastbound Old Grove approaches, for the expansion of the program. [Detailed information was provided in Council's back-up material.]

COUNCILMEMBER FELIEN is concerned as to whether the yellow light times are of a sufficient length that the program isn't a kind of "gotcha". That seemed to be a problem when red light cameras were first put into place.

SERGEANT GOW responded the City maintains control over the timing of those intersections. The red light camera crewmen have no effect on that timing. He understands that the implementation of the red light camera program is not going to impact that timing unless traffic data recommends a modification of that. The red light camera program itself is not going to cause any change to the yellow light time.

CITY MANAGER WEISS stated should Council approve the additional intersections, staff will go back and re-evaluate the yellow light timing and it is based on speed and some other minor factors. We were aware, in one particular case, where the yellow was changed and those have been recalibrated and re-established. But with these intersections, we will make sure they meet the minimum standards.

COUNCILMEMBER KERN would suggest that once they are recalibrated at least run it a week without the cameras and then put the cameras in effect so people get used to the length of the yellow light.

SERGEANT GOW stated per the contract there's a 30-day warning period that would go into effect so the community gets used to the idea that the camera is in place before any enforcement action would take place.

COUNCILMEMBER KERN thinks that would be fair warning. He asked if Caltrans controls SR-76 at College; do we control the lights.

SERGEANT GOW responded Caltrans controlled that. When we were looking at the intersection, we were in communication with them and there was going to be an intrusion process we'd have to go through to justify the placement of the equipment there. We did our own independent study of the traffic patterns there, as well as the video survey, and based on that data, we did not pursue the intersection. We would have had to go through an encroachment process to put our equipment there.

COUNCILMEMBER KERN asked if these intersections are identified because of the amount of accidents; there's a problem and we're going to try to correct that problem. It sounds like they are pretty effective overall if you get down to zero crashes in a year.

SERGEANT GOW responded before we can place a red light camera, we have to have a problem to solve. We don't just put them anywhere and everywhere.

COUNCILMEMBER KERN moved approval to implement the Phase II of the

Citywide Red Light Photo Enforcement Program and to add the two intersections that staff spelled out in which red light photo equipment will be installed.

COUNCILMEMBER FELIEN seconded the motion.

Public input

JIMMY KNOTT, 127 Sherri Lane, has opposed the right light cameras from the beginning. Not all of the rear-end collisions are reported because the damage is not that great. Dozens of cities are abandoning this red light camera system because it's more of a pain. They are having a lot more success with extending the yellow light timing and using targeted enforcement. There are numerous studies that have been published showing that this works. He asked if these intersections are supposed to be targeted to solve a problem, why aren't the cameras removed when the problem is solved.

LARRY BARRY, 3973 Brown Street, stated this is really about getting money out of the public. These red light cameras are set up for entrapment. He got one of these tickets at Genesee and it cost him 2 days because he fought it and he won. This is against the constitution because you get it in the mail and you don't get to confront your accuser. He hopes at some point somebody gets rid of them. He doesn't believe the numbers. The people that actually do these are Oceanside Police Department (OPD) personnel and they're the ones who are going to make the assessment of whether someone ran the red light. Everyone should be treated the same. The ticket is \$550. The red light camera contractor gets half of that money and the City gets the rest. This is just a revenue generator and he can't support it.

Public input concluded

DEPUTY MAYOR SANCHEZ stated this can't be a revenue generator because it would violate the constitution. She doesn't see any need for this. There are many more fender benders that are not reported. She thinks we should take out the 2 that we already have. She voted last time against expansion and she's going to vote against it again.

COUNCILMEMBER FELLER asked if there are statistics to number of tickets that we actually write per year.

CHIEF McCOY believes there was a slide that referred to one of the intersections having 169 violations in 2010 and 2009.

COUNCILMEMBER FELLER asked if those were the numbers for illegal right turns, running the red light, etc.

SERGEANT GOW doesn't have that data broken down that way. It's just the total number of red light violations at the intersection.

CHIEF McCOY stated it is true and correct that the violations are forwarded to our department where they are looked at by our staff, Officer Romo, who verifies that there was a violation and it's a clear violation prior to a ticket being issued for that particular event.

GREG ROMO, Crime Prevention Specialist, operates the photo red light system for the City and OPD. The system was first put on line in 2005. That year 3,280 citations were issued. The next year, 2006, 3,578 citations were issued. They have been decreasing yearly since then. In 2009 he issued 2,028 citations and last year it was 2,026. There have been a total of 16,534 citations issued since the institution of the system. It is true that the majority of the citations are right turns. That doesn't

sound like a real heinous Vehicle Code violation but in his 31 years of law enforcement experience, when cars are making right turns, they are looking left to see if anybody is coming from the left so they turn right and run over the pedestrian who is running across the street J-walking, which causes a larger problem. It only takes one traffic accident to make a difference.

COUNCILMEMBER FELLER agrees that it only takes one. He is guessing we are maybe making \$15,000 after expenses on these which is minimal. If we had an officer sitting there on a motorcycle, would we not have to cover that officer's expense. Would that not have the same effect?

CHIEF McCOY responded yes it would. In getting back to the original question, we averaged approximately 169 citations a month from both intersections for red light violations.

COUNCILMEMBER FELLER stated there's a revenue stream. If people are violating the red light, then we are absolutely losing out on money and would probably be better off having an officer pick an intersection every day and go with that.

CHIEF McCOY stated as a matter of statistical information, we do have traffic officers and are out there consistently writing tickets for different violations, either through traffic issues that they are aware of or complaints through the citizens of our community. Our traffic division writes approximately 583 tickets a month for various traffic violations throughout the City.

COUNCILMEMBER FELLER voted for this in the beginning and is not sure how he feels about it now.

MAYOR WOOD worked out there many years doing the same thing and running a red light is the more serious injury accident. That's why they are important citations, because they slow people down. A fender bender might even be caused by a red light camera, but it's a big difference from a fender bender to someone running a red light where it's usually going to be a more serious injury and damaging impact. In his opinion, the cameras keep people from running the red light, not necessarily the right-hand turn, which may prevent a serious accident or injury.

COUNCILMEMBER FELLER asked Chief McCoy what he would do in his shoes; what would be the best thing to do for the citizens.

CHIEF McCOY stated one of the reasons we brought this issue to Council tonight is during our last discussion of this item when we entered into a contract with Redflex, we agreed we would add 2 additional intersections within a year. If 2 intersections are not added, our cost with Redflex goes up for the 2 intersections that we currently have in place. The short answer to Councilmember Feller's questions is that our goal throughout the City is for traffic safety. We have a number of accidents every year and there are a number of accidents that may occur that we don't know about that are minor in nature, but as the Mayor indicated, red light violation accidents usually do result in injuries to parties and our ultimate goal is to reduce the amount of injury traffic collisions that we have in the City and we are recommending that Council move forward with this Phase II.

Motion was approved 4-1; Deputy Mayor Sanchez – no.

Mayor Wood determined to hear Item 23 at this point.

MAYOR AND/OR COUNCILMEMBER ITEMS

23. **Request by Mayor Wood for a letter in support of Congressman Darrell Issa's**

H.R. 41 "Beauty Mountain and Agua Tibia Wilderness Act"

MAYOR WOOD stated this is an item requested by Congressman Issa's office for some land that's under HR 41, the Beauty Mountain and Agua Tibia Wilderness Act. He's looked at it and it's out there in the hills and this adds more land and will be enjoyed by hikers and equestrians. It's really a popular spot out there. As the name implies, Beauty Mountain is a scenic jewel draped in chaparrals, fascinating rock formations, oak woodland, etc. This is a critical habitat and wildlife navigation corridor between Anza Borrego Desert Park and the coastal mountain ranges of Riverside and San Diego County west.

He sent this information and draft letter out to everybody. He wanted support for this habitat issue. He thinks this is an outstanding thing and we should support Congressman Issa on setting this land aside. He can send a letter himself but he thought it would be nice from the entire Council.

COUNCILMEMBER FELLER moved approval.

DEPUTY MAYOR SANCHEZ seconded the motion.

Motion was approved 5-0.

21. **Request by Councilmember Feller for discussion regarding streamlining the process of beginning a small business in the City of Oceanside, and direction to staff**

COUNCILMEMBER FELLER has been contacted about how to move through the process of starting a small business; maybe even a home-based business or any type of small business. He thinks the opportunity is now for us to look at this and see what the obstructions are and what the opportunities are to make it an easier process. He asked Donna McGinty to share her thoughts.

DONNA MCGINTY stated Council has no idea how many of the home-based businesses are actually functioning and doing well without any kind of assistance from Council. The internet enterprises, the worldwide Chamber of Commerce, i.e. the internet, has taken hold of everyone you know and everything we do. It is based on the commerce that can be done by computer. She has been self-employed for the last 40 years and has an understanding of the old hand crank adding machine versus what she can do with her computer today. She is actively involved in business, troubleshooting and business management. She does 99% of her work by telecommuting. The days of doing business by swapping and trading services are gone. A resurgence is occurring in the fact that there is an opportunity for us to become home-based operators. Women and men no longer have to get in their car and go anywhere and we can school our children at home or in a private arena. While we're at it, we can help our neighbors with their children. She is the best watchdog in her neighborhood because she is always working at home and the crime rate in her neighborhood is almost zero.

There are a lot of other people she knows that are doing the same thing she does. She doesn't know what Council can do to entice the people who are already down the road away from where your brick and mortar was to come into the fold and want to be part of what is going on here. The revenue base is certainly lacking. One of the reasons is that \$34,600,000,000 in revenue is not coming in here; you're not seeing it and you're not seeing those increases on a year-to-year basis. What would Council suggest be done to entice those who can earn a living doing what they're doing to come in and help contribute to what is needed here. The losses are unbelievable already. Council should have said 10 years ago that we need to participate, encourage, involve and engage these people. There's a lot of money flowing through these internet opportunities.

What is Council going to do to entice them in the way of streamlining your regulations/requirements to allow us to operate without a bunch of unnecessary bologna. You're going to have a problem with that because right now the restrictions are so tight it's like a rope around your throat. She wants to know what Council is going to do to streamline the operation to help the City grow its income. She would love to participate in whatever that examination is. \$34,600,000,000 is a lot of money. She would like to learn and participate in anything going forward from here.

COUNCILMEMBER FELLER is pretty sure the direction to staff is going to be to look at how it works now and what can be done to improve it.

MS. MCGINTY asked why are we in the position we're in if economics and growth and business is not occurring with some creative minds behind it. Why isn't that happening? Staff isn't surprised by the economics of internet business ventures.

COUNCILMEMBER FELLER understands they're not, but all of this process can't be done here tonight.

MS. MCGINTY stated it should have started 10 years ago, but the discussion needs to be had.

Public input

JIMMY KNOTT, 127 Sherri Lane, stated that Ms. McGinty, Councilmember Felien and himself have been talking about this; things like enterprise zones; special development loan funds. Councilmember Felien has been very involved in this and is a good resource into this. He encouraged development of this. A good example of enterprise is the individuals at the swap meet on the weekends who are bypassing a lot of the ordinary structure and doing some of this.

COUNCILMEMBER FELLER hoped the direction is for the City Manager to look at the process and ways to make it better, and if we are going to be able to capture business licenses with this. Are there rules, in particular for home-based businesses, that need to be complied with as far as people coming to visit their home for business. Those are some of the things to consider. He would like to get this started. It's 10 years late.

CITY MANAGER WEISS asked if we are looking to add additional regulations that would allow the home-based businesses to have traffic and look at internet based businesses, or are we looking at eliminating regulations?

COUNCILMEMBER FELLER thinks it's the evaluation of the whole process. He's sure Ms. McGinty would like to give some input to staff. He's not trying to make this difficult but he wants to have a clear vision as to what we do for home-based businesses. This could be small brick and mortar businesses as well. We've all gotten emails from people that are outraged that they're getting \$50 more on a \$28,000 a year business just for their business license. Is that enough of a revenue generator to continue forcing that into the small businesses, who struggle as it is. That would be the general direction.

COUNCILMEMBER FELIEN would be interested in getting a review on what the home business regulations are because that's the first step to see where we are and to what extent we can expand the limitations to improve the business without disrupting residential neighborhoods who deserve peace and quiet.

This research went back to when he was Treasurer and Mr. Knott did the initial research on these community block grants and that some cities were successfully using

these for small business loan programs. So we're trying to move the ball down the field.

DEPUTY MAYOR SANCHEZ thinks we need to start by accepting that we have no money. We can't afford any new programs. So if you're going to suggest researching or putting any staff time to this, you need to say what isn't going to be done.

She's hearing different things; regulating home businesses, government going into homes or perhaps rezoning places so that there can be businesses in residential areas, which she is totally against. That is not how we're set up. She suggested about 8 years ago what San Diego had in place at the time, which was a program helping small businesses. It was called an ombudsman program and they had one staff person who was able to go to the different department heads and lobby for small business and try to resolve issues between departments if they found themselves in a hole. There was no money for that so the City Manager took it upon himself to try to resolve the issues.

She doesn't like the idea of regulating even more. She finds it interesting that on one hand we're talking about getting rid of government and on this one we're talking about moving government more into people's homes. She has a business and she had to contact the City to get her license, etc. She also has other expenses she has to pay and attorney services are considered a luxury at this point. She can't support this the way it's being proposed. She doesn't get what Councilmembers are trying to do here. She did not understand the internet discussion. The State/Federal, she knows, is trying to get more involved in internet enterprise and internet businesses.

The Chamber of Commerce has been looking into this. There are things happening in terms of new industry sprouting up because of the greening of California and new businesses.

MAYOR WOOD reminded that at 10:00 p.m. we have to vote on continuing with the agenda or stopping. We still have 2 more items that he knows will take a while. He's not sure what we want out of this. He knows there are some issues here. If they do have a business, we would like to have them licensed and get the revenues from them. Also, some of these people don't pay State or Federal taxes. It's like when we had the housing situation where everyone was subleasing. He thinks staff can get back to Council because this could go on forever.

COUNCILMEMBER FELLER emphasized he is for less regulation.

DEPUTY MAYOR SANCHEZ stated that's what she thought but then she started hearing home businesses and going to people's homes.

COUNCILMEMBER FELLER was talking about people going to homes to do business with them.

DEPUTY MAYOR SANCHEZ stated that is illegal because then you're having a business at home.

COUNCILMEMBER FELLER is for less government and less regulation.

DEPUTY MAYOR SANCHEZ stated an issue about home businesses did come up once in Crown Heights and the police officers, as well as Code Enforcement, educated people about home businesses and what could and could not be done. Perhaps we can get that on our website. If the point is, if people don't know how to operate a home business in Oceanside, then putting something up on our website could be a solution.

COUNCILMEMBER FELLER asked if there is a way to capture revenue, like having a business license.

CITY MANAGER WEISS stated staff will put together an outline of what our current requirements are for Council's information. We will have staff contact Ms. McGinty to see what level of interest she has and we will provide Council with a follow-up memorandum with some recommendations.

COUNCILMEMBER FELLER concurred.

COUNCILMEMBER KERN thinks Ms. McGinty makes a good point and this is what we're struggling with. The economy is changing rapidly so how do we deal with that. We allow trucks in Crown Heights that are basically mobile candy stores and they generate trash and we have trouble regulating them. It's hard to get on top of that.

When he was first running for Council he ran into a guy who worked for a British company and had 3 employees in China. His hours were strange because of managing Chinese employees for a British company. That's what's happening today in the market. He had a neighbor who sold craft beads on line and a guy from Missouri flew in to see his showroom, which was his garage. That's what's happening out there. He understands that Councilmember Feller is asking how we get out in front of this change in the economy; how do we lower those barriers of entry for jobs and new businesses. We're being reactive again, instead of being proactive and getting out in front of this. Maybe the Economic Development Commission can interact with these home-based businesses. The Chamber had a home-based business group at one time. He supports Councilmember Feller and his attempt to get the ball rolling on this.

MAYOR WOOD stated because of the late hour he would like to continue Items 22 and 24. He has a feeling these two items will take some time.

24. **Request by Councilmember Kern for staff assistance per City Council Policy 100-20 to facilitate recommendations from Councilmembers Kern and Felien for the FY 2011-12 budget, including recommendations for budget reform**

COUNCILMEMBER KERN asked, before he commits to continuing his item, what the next agenda looks like. If we keep running into this time issue, we may have to look at going back to 3 Council meetings a month. As a courtesy, he will continue his Item 24 to the next meeting.

22. **Request by Councilmember Feller for a discussion regarding advisory group consolidations and potential elimination of liaisons on City advisory groups, and direction to staff**

COUNCILMEMBER FELLER feels his Item 22 is something that needs to be addressed. If we can continue it to next week, then he'll be okay with that.

MAYOR WOOD doesn't think the next meeting is a long agenda, but you never know how many public speakers we'll have.

CITY CLERK WAYNE clarified that there is consensus to continue Items 22 and 24.

PUBLIC COMMUNICATIONS ON OFF-AGENDA ITEMS

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

Advance written request to reserve time to speak: None

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

LARRY BARRY, 3973 Brown Street, recalled a domestic violence incident that occurred on his street in November and again in December with the same individual. The individual was not arrested in either instance. He was known to have guns. On Christmas Day that individual shot 2 people. He would like to see the law changed so that if you threaten anybody with a gun you should go to jail, at least for 24 hours.

CITY ATTORNEY MULLEN noted that on the Closed Session agenda, Item 2D, *Mira Mar Mobile Communities v. Kendall West, et al.*, Council did not finish its discussion of that item and it is continued to the February 2, 2011, Closed Session meeting.

CITY COUNCIL REPORTS

- 25. **Mayor Jim Wood** – no comments due to time
- 26. **Deputy Mayor Esther Sanchez** – no comments due to time
- 27. **Councilmember Gary Felien** – no comments due to time
- 28. **Councilmember Jack Feller** – no comments due to time
- 29. **Councilmember Jerry Kern** – no comments due to time

INTRODUCTION AND ADOPTION OF ORDINANCES - None

ADJOURNMENT

MAYOR WOOD adjourned this joint meeting of the Oceanside City Council, Community Development Commission and Small Craft Harbor District Board of Directors at 10:03 PM on January 26, 2011. [The next regularly scheduled meeting is at 4:00 PM on Wednesday, February 2, 2011]

ACCEPTED BY COUNCIL/HDB/CDC:

Barbara Riegel Wayne
City Clerk, City of Oceanside